INCOME STATEMENT

For the year ended 30 September 2014

	Notes	Consolidated 2014 $m	Consolidated Restated 2013 $m
Sales revenue	(3)	**6,796.3**	6,885.2
Other income	(3)	**57.0**	43.0
Expenses			
Changes in inventories of finished goods and work in progress		**(42.8)**	35.9
Raw materials and consumables used and finished goods purchased for resale		**(3,233.7)**	(3,343.7)
Share based payments		**(9.9)**	(16.0)
Other employee benefits expense		**(1,256.7)**	(1,243.3)
Depreciation expense	(4c)	**(262.2)**	(247.9)
Amortisation expense	(4c)	**(38.6)**	(36.5)
Purchased services		**(335.3)**	(317.8)
Repairs and maintenance		**(178.9)**	(196.1)
Impairment of goodwill	(29)	**-**	(5.7)
Outgoing freight		**(323.4)**	(326.2)
Lease payments - operating leases		**(68.2)**	(66.9)
Other expenses		**(207.0)**	(232.3)
Share of net profit of associates accounted for using the equity method	(11)	**33.1**	36.4
Total		**(5,923.6)**	(5,960.1)
Profit from operations		**929.7**	968.1
Net financing costs			
Financial income	(4a)	**35.3**	34.2
Financial expenses	(4b)	**(151.1)**	(184.4)
Net financing costs		**(115.8)**	(150.2)
Profit before income tax expense		**813.9**	817.9
Income tax expense	(5)	**(187.9)**	(208.0)
Net profit for the year		**626.0**	609.9
Net profit for the year attributable to:			
Shareholders of Orica Limited		**602.5**	592.5
Non-controlling interests		**23.5**	17.4
Net profit for the year		**626.0**	609.9

	Notes	cents	cents
Earnings per share			
Earnings per share attributable to ordinary shareholders of Orica Limited:			
Total attributable to ordinary shareholders of Orica Limited:			
Basic	(6)	**163.7**	162.9
Diluted	(6)	**163.4**	162.7

The Income Statement is to be read in conjunction with the notes to the financial statements set out on pages 54 to 130.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2014

	Notes	Consolidated 2014 $m	Consolidated Restated 2013 $m
Profit for the year		**626.0**	609.9
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
Effective portion of changes in fair value	(5c)	**26.3**	15.0
Transferred loss to Income Statement	(5c)	**(0.2)**	(4.1)
Tax expense on cash flow hedges	(5c)	**(7.8)**	(3.3)
Net Cash flow hedges		**18.3**	7.6
Exchange differences on translation of foreign operations			
Exchange (loss)/gain on translation of foreign operations	(5c)	**(13.2)**	177.4
Net gain on hedge of net investments in foreign subsidiaries	(5c)	**1.8**	178.9
Tax benefit on hedge of net investments in foreign subsidiaries	(5c)	**29.3**	23.5
Net exchange differences on translation of foreign operations		**17.9**	379.8
Items that will not be reclassified subsequently to profit or loss:			
Retained earnings			
Actuarial (losses)/benefits on defined benefit plans	(5c)(38)	**(12.6)**	35.3
Tax benefit/(expense) on actuarial benefits/(losses) on defined benefit plans	(5c)(38)	**1.7**	(10.9)
Net retained earnings		**(10.9)**	24.4
Other comprehensive income for the year		**25.3**	411.8
Total comprehensive income for the year		**651.3**	1,021.7
Attributable to:			
Shareholders of Orica Limited		**635.7**	991.3
Non-controlling interests		**15.6**	30.4
Total comprehensive income for the year		**651.3**	1,021.7

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 54 to 130.

BALANCE SHEET

As at 30 September 2014

	Notes	Consolidated 2014 $m	Restated 2013 $m
Current assets			
Cash and cash equivalents	(7)	**263.2**	222.4
Trade and other receivables	(8)	**1,043.8**	1,049.3
Inventories	(9)	**727.4**	793.1
Other assets	(10)	**72.7**	73.6
Other financial assets - derivative assets	(12)	**30.2**	11.4
Total current assets		**2,137.3**	2,149.8
Non-current assets			
Trade and other receivables	(8)	**76.0**	97.3
Investments accounted for using the equity method	(11)	**204.8**	197.7
Other financial assets - derivative assets	(12)	**26.3**	1.4
Other financial assets	(12)	**3.2**	0.7
Property, plant and equipment	(13)	**3,794.9**	3,583.2
Intangible assets	(14)	**2,388.5**	2,340.0
Deferred tax assets	(15)	**202.5**	216.7
Other assets	(10)	**5.7**	26.7
Total non-current assets		**6,701.9**	6,463.7
Total assets		**8,839.2**	8,613.5
Current liabilities			
Trade and other payables	(16)	**1,211.0**	1,240.0
Other financial liabilities - derivative liabilities	(16)	**22.1**	19.5
Interest bearing liabilities	(17)	**542.7**	443.9
Current tax liabilities	(18)	**9.3**	78.3
Provisions	(19)	**172.2**	173.3
Total current liabilities		**1,957.3**	1,955.0
Non-current liabilities			
Trade and other payables	(16)	**6.9**	12.3
Other financial liabilities - derivative liabilities	(16)	**32.9**	55.7
Interest bearing liabilities	(17)	**1,957.2**	2,112.7
Provisions	(19)	**417.5**	415.5
Deferred tax liabilities	(20)	**68.3**	52.4
Total non-current liabilities		**2,482.8**	2,648.6
Total liabilities		**4,440.1**	4,603.6
Net assets		**4,399.1**	4,009.9
Equity			
Ordinary shares	(21)	**1,975.0**	1,877.9
Reserves	(22)	**(607.0)**	(661.1)
Retained earnings	(22)	**2,895.0**	2,654.2
Total equity attributable to ordinary shareholders of Orica Limited		**4,263.0**	3,871.0
Non-controlling interests in controlled entities	(23)	**136.1**	138.9
Total equity		**4,399.1**	4,009.9

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 54 to 130.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2014

	Ordinary shares	Retained earnings	Share based payments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Equity reserve arising from purchase of non-controlling interests	Total	Non-controlling interests	Total equity
	$m	$m	$m	$m	$m	$m	$m	$m	$m
2013 - Restated									
Balance at 1 October 2012	1,795.1	2,376.3	83.3	(15.7)	(930.0)	(187.4)	3,121.6	125.0	3,246.6
Profit for the year - as reported	-	601.6	-	-	-	-	601.6	19.6	621.2
Adjustments	-	(9.1)	-	-	-	-	(9.1)	(2.2)	(11.3)
Profit for the year- restated	-	592.5	-	-	-	-	592.5	17.4	609.9
Other comprehensive income	-	17.2	-	7.6	347.0	-	371.8	13.0	384.8
Adjustments	-	7.2	-	-	19.8	-	27.0	-	27.0
Other comprehensive income - restated	-	24.4	-	7.6	366.8	-	398.8	13.0	411.8
Total comprehensive income for the year - restated	-	616.9	-	7.6	366.8	-	991.3	30.4	1,021.7
Transactions with owners, recorded directly in equity									
Total changes in contributed equity	82.8	-	-	-	-	-	82.8	4.0	86.8
Share-based payments expense	-	-	16.0	-	-	-	16.0	-	16.0
Acquisition of non-controlling interests	-	-	-	-	-	(1.7)	(1.7)	(1.6)	(3.3)
Divestment of non-controlling interests	-	-	-	-	-	-	-	(0.4)	(0.4)
Dividends/distributions	-	(339.0)	-	-	-	-	(339.0)	-	(339.0)
Dividends declared/paid to non-controlling interests	-	-	-	-	-	-	-	(18.5)	(18.5)
Balance at the end of the year - restated	1,877.9	2,654.2	99.3	(8.1)	(563.2)	(189.1)	3,871.0	138.9	4,009.9
2014									
Balance at 1 October 2013 - Restated	**1,877.9**	**2,654.2**	**99.3**	**(8.1)**	**(563.2)**	**(189.1)**	**3,871.0**	**138.9**	**4,009.9**
Profit for the year	**-**	**602.5**	**-**	**-**	**-**	**-**	**602.5**	**23.5**	**626.0**
Other comprehensive income	**-**	**(10.9)**	**-**	**18.3**	**25.8**	**-**	**33.2**	**(7.9)**	**25.3**
Total comprehensive income for the year	**-**	**591.6**	**-**	**18.3**	**25.8**	**-**	**635.7**	**15.6**	**651.3**
Transactions with owners, recorded directly in equity									
Total changes in contributed equity	**97.1**	**-**	**-**	**-**	**-**	**-**	**97.1**	**0.9**	**98.0**
Share-based payments expense	**-**	**-**	**9.9**	**-**	**-**	**-**	**9.9**	**-**	**9.9**
Divestment of non-controlling interests	**-**	**(1.5)**	**-**	**-**	**-**	**0.1**	**(1.4)**	**(2.2)**	**(3.6)**
Dividends/distributions	**-**	**(349.3)**	**-**	**-**	**-**	**-**	**(349.3)**	**-**	**(349.3)**
Dividends declared/paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(17.1)**	**(17.1)**
Balance at the end of the year	**1,975.0**	**2,895.0**	**109.2**	**10.2**	**(537.4)**	**(189.0)**	**4,263.0**	**136.1**	**4,399.1**

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out in pages 54 to 130.

STATEMENT OF CASH FLOWS

For the year ended 30 September 2014

	Notes	Consolidated 2014 $m Inflows/ (Outflows)	Restated 2013 $m Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**7,552.5**	7,603.8
Payments to suppliers and employees		**(6,339.8)**	(6,295.1)
Interest received		**33.7**	34.0
Borrowing costs		**(177.0)**	(187.3)
Dividends received		**35.5**	25.2
Other operating revenue received		**21.7**	20.9
Net income taxes paid		**(209.5)**	(139.9)
Net cash flows from operating activities	(26)	**917.1**	1,061.6
Cash flows from investing activities			
Payments for property, plant and equipment		**(442.8)**	(627.4)
Payments for intangibles		**(60.9)**	(152.4)
Payments for purchase of investments		**(4.0)**	(0.9)
Payments for purchase of businesses/controlled entities	(27)	**-**	(2.7)
Payments of deferred consideration from prior acquisitions		**(0.6)**	-
Proceeds from sale of property, plant and equipment		**50.1**	31.3
Proceeds from sale of investments		**1.2**	1.3
Proceeds from sale of businesses/controlled entities	(28)	**0.4**	0.5
Net cash flows used in investing activities		**(456.6)**	(750.3)
Cash flows from financing activities			
Proceeds from long term borrowings		**4,254.6**	6,585.1
Repayment of long term borrowings		**(4,217.4)**	(6,776.2)
Net movement in short term financing		**(212.0)**	112.1
Payments for finance leases		**(1.6)**	(1.1)
Proceeds from issue of ordinary shares		**15.2**	39.4
Proceeds from issue of shares to non-controlling interests		**0.8**	4.0
Payments for buy-back of ordinary shares - LTEIP		**-**	(9.6)
Dividends paid - Orica ordinary shares		**(267.4)**	(286.0)
Dividends paid - non-controlling interests		**(17.4)**	(18.8)
Net cash used in financing activities		**(445.2)**	(351.1)
Net increase/(decrease) in cash held		**15.3**	(39.8)
Cash at the beginning of the year		**203.2**	229.1
Effects of exchange rate changes on cash		**(4.8)**	13.9
Cash at the end of the year	(26)	**213.7**	203.2

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 54 to 130.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

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 consolidated entity' or 'the Group') are stated below to assist in a general understanding of this financial report.

(i) Basis of preparation

The financial report has been prepared on a historical cost basis, except for derivative financial instruments and investments in financial assets (other than controlled entities, joint operations and associates) which have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair value attributable to the risks that are being hedged.

(ii) Statement of compliance

The financial report is a general purpose financial report which has been prepared by a for-profit entity in accordance with the requirements of applicable Australian Accounting Standards and the Corporations Act 2001 and complies with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 19 November 2014. The financial report is presented in Australian dollars which is Orica's functional and presentation currency.

This financial report has been prepared on the basis of Australian Accounting Standards on issue that are effective or early adopted by Orica as at 30 September 2014.

Except as described below, the accounting policies applied by the Group in the financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 September 2013. The standards relevant to Orica that has been adopted during the year are:

Consolidated Financial Statements and Joint Arrangements

- AASB 10 Consolidated Financial Statements.
- AASB 11 Joint Arrangements.
- AASB 12 Disclosure of Interests in Other Entities.
- AASB 127 Separate Financial Statements.
- AASB 128 Investments in Associates and Joint Ventures.
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards.
- AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments.

These standards revise the definition of control and the types of joint arrangements. Following an assessment of these standards, Yara Pilbara Nitrates Pty Ltd is accounted for as a jointly controlled operation instead of an investment accounted for using the equity method and Orica Mining Services Pilbara Pty Ltd is accounted for as an investment accounted for using the equity method instead of consolidated. The effect on the financial statements of adopting these standards is shown in note 41.

Employee benefits

- AASB 119 Employee Benefits.
- AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures.

Following an assessment of these standards the provision balance as at 30 September 2012 was reduced by $10 million and profit after income tax for the 2013 financial year was $8.8million lower. The major ongoing effect of the employee benefits standard is that the expected return on assets in defined benefit funds are the discount rates applied to the net defined benefit asset or liability. The effect on the financial statements of adopting these standards is shown in note 41.

Fair Value measurement

- AASB 13 Fair Value Measurement.
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13.
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011).

These standards do not have a material effect on the financial statements and impact mainly on disclosures in the financial statements.

Other standards

- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements.
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities.
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle.

These standards impact mainly on disclosures in the financial statements.

Standards taking effect from 1 October 2014 and later

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities - applicable for annual reporting periods beginning on or after 1 January 2014.
- AASB 9 Financial Instruments - applicable for annual reporting periods beginning on or after 1 January 2018.
- AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 – [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] - available for annual reporting periods beginning on or after 1 January 2018.
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) – available for annual reporting periods on or after 1 January 2018.
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets - applicable for annual reporting periods beginning on or after 1 January 2014.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

1. Accounting policies (continued)

- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting – applicable for annual reporting periods beginning on or after 1 January 2014.
- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 Dec 2013; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015].
- AASB 2014-1 Amendments to Australian Accounting Standards arising from AASB 119 Defined Benefit Plans: Employee Contributions [Operative dates: Part A-C – 1 Jul 2014; Part D – 1 Jan 2016; Part E – 1 Jan 2018].
- AASB 2014-3 Amendments to Australian Accounting Standards arising from AASB 1 & AASB 11 Accounting for Acquisitions of Interests in Joint Operations.

The consolidated entity expects to adopt these standards in the 2015 and subsequent financial years - however the financial impact of adopting the new or amended standards has not yet been determined.

(iii) Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 10 Consolidated Financial Statements.

Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition.

Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceed the cost of acquisition, the excess is credited to the Income Statement in the period of acquisition.

The non-controlling interest's share of net assets is stated at their proportion of the fair values of the assets and liabilities and contingent liabilities recognised of each subsidiary.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control until such time as the Company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances, transactions and unrealised profits arising within the consolidated entity are eliminated in full.

(iv) Revenue recognition

Sales revenue

External sales are measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. External sales are recognised when the significant risks and rewards of ownership are transferred to the purchaser, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Other income

Profits and losses from sale of businesses, controlled entities and other non-current assets are recognised when there is a signed unconditional contract of sale. Dividends are recognised in the Income Statement when declared.

Construction contracts

Contract revenue and expenses are recognised on an individual contract basis using the percentage of completion method when the stage of contract completion can be reliably determined, costs to date can be clearly identified and total contract revenue and costs to complete can be reliably estimated. Stage of completion is measured by reference to an assessment of physical work completed to date as a percentage of estimated total work for each contract. An expected loss is recognised immediately as an expense.

(v) Financial income & borrowing costs

Financial income

Financial income includes interest income on funds invested and the non designated portion of the net investment hedging derivatives. These are recognised in the Income Statement as accrued.

Borrowing costs

Borrowing costs include interest, unwinding of the effect of discounting on provisions, amortisation of discounts or premiums relating to borrowings and amortisation of ancillary costs incurred in connection with the arrangement of borrowings, including lease finance charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets. Where funds are borrowed specifically for the production of a qualifying asset, the interest on those funds is capitalised, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average interest rate.

(vi) Research and development costs

Research costs are expensed as incurred. Development costs are expensed as incurred except when it is probable that future economic benefits associated with the item will flow to the consolidated entity, in which case they are capitalised.

(vii) Share based payments

Equity settled share based payments are externally measured at fair value at the date of grant using an option valuation model. This valuation model generates possible future share prices based on similar assumptions that underpin relevant option pricing models and reflects the value (as at grant date) of options granted. The assumptions underlying the options valuations are: (a) the exercise price of the option, (b) the life of the option, (c) the current price of the underlying securities, (d) the expected volatility of the share price, (e) the dividends expected on the shares and (f) the risk-free interest rate for the life of the option.

The fair value determined at the grant date of the equity settled share based payments is expensed in the Income Statement on a straight-line basis over the relevant vesting period.

The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to vesting conditions not being met.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

1. Accounting policies (continued)

For the December 2010 and subsequent years issues under the Long Term Equity Incentive Plan, the share based payment expense will be adjusted to an expense based on actual EPS growth achieved.
Shares issued under employee incentive share plans in conjunction with non-recourse loans are accounted for as options. As a result, the amounts receivable from employees in relation to these loans and share capital issued under these schemes are not recognised and any shares purchased on-market are recognised as a share buy-back and deducted from shareholders equity.

(viii) Carbon emissions

Allocated carbon emissions permits are recognised at nil value. Carbon emissions permits purchased to meet the Group's settlement requirements are initially recorded at cost within intangible assets. A liability is recognised when the Group's carbon emissions exceed the emissions permits held. The liability together with any net gain resulting from the sale of permits is recognised in other expenses. Liabilities are measured at nominal value up to the level of allocated permits held and at the cost of purchased permits up to the level of purchased permits held.

(ix) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax and is recognised in the Income Statement.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustments to tax payable in respect of previous years.

Under AASB 112 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the balance sheet and their associated tax bases. Current and deferred taxes attributable to amounts recognised directly in equity are also recognised in equity.

The amount of deferred tax provided will be based on the expected manner of realisation of the asset or settlement of the liability, using tax rates enacted or substantively enacted at reporting date.

A deferred tax asset will be recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent it is no longer probable that the related tax benefit will be realised.

Tax consolidation

Orica Limited is the parent entity in the tax consolidated group comprising all wholly-owned Australian entities.

Due to the existence of a tax sharing agreement between the entities in the tax consolidated group, the parent entity recognises the tax effects of its own transactions and the current tax liabilities and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the subsidiary entities.

Current tax income/expense, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation. In accordance with the tax sharing agreement, the subsidiary entities are compensated for the assets and liabilities assumed by the parent entity as intercompany receivables and payables and for amounts which equal the amounts initially recognised by the subsidiary entities. There is no adjustment for tax consolidation contribution by (or distribution to) equity participants.

(x) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. Cost is based on the first-in, first-out or weighted average method based on the type of inventory. For manufactured goods, cost includes direct material and fixed overheads based on normal operating capacity. For merchanted goods, cost is net cost into store.

(xi) Construction work in progress

Where the Group manufactures equipment for sale, the work in progress is carried at cost plus profit recognised to date based on the value of work completed less progress billings and less provision for foreseeable losses allocated between amounts due from customers and amounts due to customers.

(xii) Trade and other receivables

Trade and other receivables are recognised at their cost less any impairment losses.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off. An impairment loss is recognised when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables.

(xiii) Investments accounted for using the equity method and joint operations

Associate entities

Where Orica holds an interest in the equity of an entity, generally of between 20 per cent and 50 per cent, and are able to significantly influence the decisions of the entity, that entity is an associated entity. Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligation for the liabilities relating to the arrangement. Orica recognises its share of any jointly held or incurred assets, liabilities, revenue and expenses in the consolidated financial statements under appropriate headings.

(xiv) Other financial assets

The consolidated entity's interests in financial assets other than controlled entities and associates are stated at market value.

Investments in subsidiaries and associates are accounted for in the financial statements at their cost of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

1. Accounting policies (continued)

(xv) Non-current assets held for sale and disposal groups

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is reassessed in accordance with applicable accounting standards. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale are included in the Income Statement. The same applies to gains and losses on subsequent remeasurement.

Classification as a disposal group occurs when the operation meets the criteria to be classified as held for sale.

(xvi) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. Property, plant and equipment, other than freehold land, is depreciated on a straight-line basis at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset to the consolidated entity.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate each financial year.

Estimated useful lives of each class of asset are as follows:

Buildings and improvements	25 to 40 years
Machinery, plant and equipment	3 to 40 years

Profits and losses on disposal of property, plant and equipment are taken to the Income Statement.

(xvii) Leased assets

Leases under which the consolidated entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Assets under finance lease are capitalised at the present value of the minimum lease payments and amortised on a straight-line basis over the period during which benefits are expected to flow from the use of the leased assets.

A corresponding liability is established and each lease payment is allocated between finance charges and reduction of the liability.

Operating leases are not capitalised and lease rental payments are taken to the Income Statement on a straight-line basis.

(xviii) Intangible assets

Identifiable intangibles

Amounts paid for the acquisition of identifiable intangible assets are capitalised at the fair value of consideration paid determined by reference to independent valuations.

Identifiable intangible assets with a finite life (customer contracts, patents, software, capitalised development costs, brand names, trademarks and licences) are amortised on a straight-line basis over their expected useful life to the consolidated entity, being up to thirty years. Identifiable intangible assets with an indefinite life (brand names and trademarks) are not amortised but the recoverable amount of these assets is tested for impairment at least annually as explained under impairment of assets (see note xxvi).

Unidentifiable intangibles - Goodwill

Where the fair value of the consideration paid for a business acquisition exceeds the fair value of the identifiable assets, liabilities and contingent liabilities acquired, the difference is treated as goodwill. Goodwill is not amortised but the recoverable amount is tested for impairment at least annually as explained under impairment of assets (see note xxvi).

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(xix) Interest-bearing liabilities

Interest-bearing liabilities are initially recognised at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the Income Statement over the period of the liabilities on an effective interest basis.

Amortised cost is calculated by taking into account any issue costs and any discount or premium on issuance. Gains and losses are recognised in the Income Statement in the event that the liabilities are derecognised.

(xx) Provisions

A provision is recognised when there is a legal or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain and a reliable estimate of the liability is able to be assessed. If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the effect of discounting on provisions is recognised as a borrowing cost.

Environmental

Estimated costs for the remediation of soil, groundwater and untreated waste that have arisen as a result of past events are provided for where a legal or constructive obligation exists and a reliable estimate of the liability is able to be assessed.

However, where the cost relates to land held for resale then, to the extent that the expected realisation exceeds both the book value of the land and the estimated cost of remediation, the cost is capitalised as part of the holding value of that land. For sites where there are uncertainties with respect to what Orica's remediation obligations might be or what remediation techniques might be approved and no reliable estimate can presently be made of regulatory and remediation costs, no amounts have been capitalised, expensed or provided for.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

1. Accounting policies (continued)

Decommissioning

The present value of the estimated costs of dismantling and removing an asset and restoring the site on which it is located are recognised as an asset within property, plant and equipment which is depreciated on a straight line basis over its estimated useful life and a corresponding provision is raised where a legal or constructive obligation exists. At each reporting date, the liability is remeasured in line with changes in discount rates, timing and estimated cash flows. Any changes in the liability are added or deducted from the related asset, other than the unwinding of the discount which is recognised as borrowing costs in the Income Statement.

Self insurance

The Group self-insures for certain insurance risks. Outstanding claims are recognised when an incident occurs that may give rise to a claim and are measured at the cost that the entity expects to incur in settling the claims.

Employee entitlements

Provisions are made for liabilities to employees for annual leave, sick leave and other current employee entitlements that represent the amount for which the consolidated entity has a present obligation. These have been calculated at nominal amounts based on the wage and salary rates that the consolidated entity expects to pay as at each reporting date and include related on-costs. Liabilities for employee entitlements which are not expected to be settled within twelve months of balance date, are accrued at the present value of future amounts expected to be paid.

The present value is determined using interest rates applicable to government guaranteed securities with maturities approximating the terms of the consolidated entity's obligations.

A liability is recognised for bonus plans on the achievement of predetermined bonus targets and the benefit calculations are formally documented and determined before signing the financial report.

Contingent liabilities on acquisition of controlled entities

A provision is recognised on acquisition of a business for contingent liabilities of that business.

Superannuation

Contributions to defined contribution superannuation funds are taken to the Income Statement in the year in which the expense is incurred.

For each defined benefit scheme, the cost of providing pensions is charged to the Income Statement so as to recognise current and past service costs, interest cost on defined benefit obligations, and the effect of any curtailments or settlements, net of returns on plan assets. All actuarial gains and losses are recognised in other comprehensive income. The consolidated entity's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds or in countries where there is no deep market in such bonds, the market yields on government bonds that have maturity dates approximating the terms of the consolidated entity's obligations. The calculation is performed annually by a qualified actuary using the projected unit credit method.

Restructuring and employee termination benefits

Provisions for restructuring or termination benefits are only recognised when a detailed plan has been approved and the restructuring or termination has either commenced or been publicly announced, or firm contracts related to the restructuring or termination benefits have been entered into. Costs related to ongoing activities are not provided for.

Onerous contracts

A provision for onerous contracts is recognised after impairment losses on assets dedicated to the contract have been recognised and when the expected benefits are less than the unavoidable costs of meeting the contractual obligations.

A provision is recognised to the extent that the contractual obligations exceed unrecognised assets.

(xxi) Trade and other payables

Dividends

A liability for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(xxii) Foreign currency

Functional currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency of the entity at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in the Income Statement. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency of the entity at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date.

The revenues and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. The revenues and expenses of foreign operations in hyperinflationary economies are translated to Australian dollars at the foreign exchange rates ruling at the balance sheet date. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

1. Accounting policies (continued)

Prior to translating the financial statements of foreign operations in hyperinflationary economies, the financial statements, including comparatives, are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the balance sheet date.

Net investment in foreign operations

Exchange differences arising from the translation of the net investment in foreign operations, and of related hedges are taken to the translation reserve. They are released into the Income Statement upon disposal.

(xxiii) Financial instruments

The consolidated entity uses financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the consolidated entity does not hold or issue financial instruments for trading purposes. However, financial instruments that do not qualify for hedge accounting, but remain economically effective, are accounted for as trading instruments.

Financial instruments are recognised initially at cost. Subsequent to initial recognition, financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Income Statement.

However, where financial instruments qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Hedging

Cash flow hedges

Where a financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the financial instrument is recognised in other comprehensive income.

When the forecasted transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge of a forecasted transaction subsequently results in the recognition of a financial asset or a financial liability, then the associated gains and losses that were recognised directly in equity are reclassified into the Income Statement in the same period or periods during which the asset acquired or liability assumed affects the Income Statement.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from other comprehensive income and recognised in the Income Statement in the same period or periods during which the hedged forecast transaction affects the Income Statement.

The ineffective part of any gain or loss is recognised immediately in the Income Statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs.

If the hedged transaction is no longer expected to take place, then the cumulative unrealised gain or loss recognised in equity is recognised immediately in the Income Statement.

Fair value hedges

The consolidated entity uses fair value hedges to mitigate the risk of changes in the fair value of its foreign currency borrowings from foreign currency and interest rate fluctuations over the hedging period.

Under a fair value hedge gains or losses from remeasuring the fair value of the hedging instrument are recognised in the Income Statement, together with gains or losses in relation to the hedged item.

Hedge of monetary assets and liabilities

When a financial instrument is used to hedge economically the foreign exchange exposure of a recognised monetary asset or liability, hedge accounting is not applied and any gain or loss on the hedging instrument is recognised in the Income Statement.

Investments in debt and equity securities

Financial instruments held for trading are classified as current assets and are stated at fair value, with any resultant gain or loss recognised in the Income Statement.

Other financial instruments held by the consolidated entity classified as being available-for-sale are stated at fair value, with any resultant gain or loss recognised directly in equity, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. Where these investments are derecognised, the cumulative gain or loss previously recognised directly in other comprehensive income is recognised in the Income Statement.

Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the Income Statement. The fair value of financial instruments classified as held for trading and available for sale is their quoted market price at the balance sheet date.

Financial instruments classified as held for trading or available for sale investments are recognised/derecognised by the consolidated entity on the date it commits to purchase/sell the investments. Securities held to maturity are recognised/ derecognised on the day they are transferred to/by the consolidated entity.

Hedge of net investment in foreign operations

The portion of the gain or loss on an instrument used to hedge a net investment in a foreign operation that is determined to be an effective hedge is recognised directly in the foreign currency translation reserve in equity. The ineffective portion is recognised immediately in the Income Statement.

Anticipated transactions

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables outstanding at balance date are translated at the exchange rates current at that date. Exchange gains and losses on retranslation of outstanding receivables and payables are taken to the Income Statement. Where a hedge transaction is designated as a hedge of the anticipated purchase or sale of goods or services, purchase of qualifying assets, or an anticipated interest transaction,

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

1. Accounting policies (continued)

gains and losses on the hedge, arising up to the date of the anticipated transaction, together with any costs or gains arising at the time of entering into the hedge, are deferred and included in the measurement of the anticipated transaction when the transaction has occurred as designated. Any gains or losses on the hedge transaction after that date are included in the Income Statement.

The net amount receivable or payable under open swaps, forward rate agreements and futures contracts and the associated deferred gains or losses are not recorded in the Income Statement until the hedged transaction matures. The net receivables or payables are then revalued using the foreign currency, interest or commodity rates current at balance date.

When the anticipated transaction is no longer expected to occur as designated, the deferred gains and losses relating to the hedged transaction are recognised immediately in the Income Statement.

Gains and losses that arise prior to and upon the maturity of transactions entered into under hedge strategies are deferred and included in the measurement of the hedged anticipated transaction if the transaction is still expected to occur as designated. If the anticipated transaction is no longer expected to occur as designated, the gains and losses are recognised immediately in the Income Statement.

(xxiv) Cash and cash equivalents

Cash includes cash at bank, cash on hand and deposits at call which are readily convertible to cash on hand and which are used in the cash management function and are disclosed for the purposes of the Statement of Cash Flows net of bank overdrafts.

(xxv) Share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from total equity.

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(xxvi) Impairment of assets

The carrying amount of Orica's and the Group's non-current assets excluding defined benefit fund assets and deferred tax assets is reviewed at each reporting date to determine whether there are any indicators of impairment. If such indicators exist, the asset is tested for impairment by comparing its recoverable amount to its carrying amount. The recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use.

The recoverable amount is estimated for each individual asset or where it is not possible to estimate for individual assets, it is estimated for the cash generating unit to which the asset belongs.

A cash generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows largely independent of the cash inflows of other assets or group of assets with each CGU being no larger than a segment. CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes, subject to being at no greater than the segments reported in note 2. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

In calculating recoverable amount, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects the current market assessments of the risks specific to the asset or cash generating unit.

Cash flows are estimated for the asset in its present condition and therefore do not include cash inflows or outflows that improve or enhance the asset's performance or that may arise from future restructuring.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

Impairment losses are recognised in the Income Statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets in the unit.

Reversals of impairment

An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of goodwill is not reversed.

(xxvii) Goods and services tax

Revenues, expenses, assets and liabilities other than receivables and payables, are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the relevant taxation authorities. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the relevant taxation authorities is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant taxation authorities are classified as operating cash flows.

(xxviii) Rounding

The amounts shown 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 Class Order 98/100 dated 10 July 1998.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

2. Segment report

Segment information is presented in respect of the consolidated entity’s internal management structure as reported to the Group’s Chief Operating Decision Maker (CODM). The CODM for the Group has been assessed as the Group’s Managing Director and Chief Executive Officer.

The consolidated entity’s operations have been divided into seven reportable segments comprising: Mining Services: Australia/Pacific, North America, Latin America, EMEA (Europe, Middle East & Africa) and Other; Chemicals and Other.

The consolidated entity's policy is to transfer products internally at negotiated commercial prices. Other income includes royalties, profit on sale of property, plant and equipment, profit from the sale of businesses and controlled entities and foreign currency gains/(losses).

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

Defined reportable segments	Products/services
Mining Services - Australia/Pacific - North America - Latin America - EMEA - Other*	Manufacture and supply of commercial explosives and blasting systems including services and solutions to the mining and infrastructure markets, the provision of ground support services in mining and tunnelling and supply of sodium cyanide for gold extraction.
Chemicals	Manufacture, distribution and trading of a broad range of industrial and specialty chemicals for use in a wide range of industries, which include water treatment, pulp and paper, food and beverage, construction and mining.
Other	Minor activities, operation of the Botany Groundwater Recycling Business, non-operating assets, corporate and support costs and financial items such as foreign currency gains/losses.

*Mining Services Other segment includes Mining Services global head office, global hub activities (including research and development, global purchasing and supply chain), other support costs and Asia.

Prior period comparative segment information has been restated following changes in accounting standards.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

2. Segment report (continued)

Reportable segments 2014 $m	Mining Services Australia/Pacific	Mining Services North America	Mining Services Latin America	Mining Services EMEA	Mining Services Other	Eliminations	Total Mining Services	Chemicals	Other	Eliminations	Consolidated
Revenue											
External sales	1,877.1	1,433.8	928.2	1,008.6	457.6	-	5,705.3	1,088.4	2.6	-	6,796.3
Inter-segment sales	119.9	175.1	53.5	17.6	895.0	(1,247.8)	13.3	56.6	0.3	(70.2)	-
Total sales revenue	1,997.0	1,608.9	981.7	1,026.2	1,352.6	(1,247.8)	5,718.6	1,145.0	2.9	(70.2)	6,796.3
Other income [1]	8.6	9.6	15.3	2.5	6.2	(0.9)	41.3	0.8	14.9	-	57.0
Total revenue and other income	2,005.6	1,618.5	997.0	1,028.7	1,358.8	(1,248.7)	5,759.9	1,145.8	17.8	(70.2)	6,853.3
Results											
Profit/(loss) before net financing costs and income tax expense	555.1	107.0	72.2	94.2	124.4	-	952.9	67.2	(90.4)	-	929.7
Financial income											35.3
Financial expense											(151.1)
Profit before income tax expense											813.9
Income tax expense											(187.9)
Profit after income tax expense											626.0
Profit attributable to non-controlling interests											(23.5)
Net profit for the period attributable to shareholders of Orica Limited											602.5
Segment assets	3,154.6	1,119.6	705.5	1,034.9	1,219.7	-	7,234.3	791.3	813.6	-	8,839.2
Segment liabilities	376.5	182.5	227.1	265.8	327.8	-	1,379.7	181.8	2,878.6	-	4,440.1
Net Assets	2,778.1	937.1	478.4	769.1	891.9	-	5,854.6	609.5	(2,065.0)	-	4,399.1
Investments accounted for using the equity method	3.3	158.6	3.9	4.6	33.6	-	204.0	0.1	0.7	-	204.8
Acquisitions of PPE and intangibles	316.5	41.3	25.2	47.6	53.1	-	483.7	29.8	50.0	-	563.5
Impairment of inventories	1.0	1.7	1.1	0.6	1.8	-	6.2	1.5	3.0	-	10.7
Impairment of trade receivables	1.0	1.4	0.3	0.9	0.7	-	4.3	2.9	2.1	-	9.3
Impairment of investments	-	-	-	-	-	-	-	-	0.4	-	0.4
Depreciation	105.0	39.6	22.9	32.4	28.4	-	228.3	30.6	3.3	-	262.2
Amortisation	3.8	13.7	1.0	7.6	7.4	-	33.5	0.3	4.8	-	38.6
Non-cash expenses other than depreciation and amortisation: - share based payments	2.0	2.3	0.6	1.2	3.7	-	9.8	0.8	(0.7)	-	9.9
Share of associates net profit equity accounted	3.0	28.7	1.4	0.1	-	-	33.2	(0.1)	-	-	33.1

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

2. Segment report (continued)

Reportable segments 2013 Restated $m	Mining Services Australia/Pacific	Mining Services North America	Mining Services Latin America	Mining Services EMEA	Mining Services Other	Eliminations	Total Mining Services	Chemicals	Other	Eliminations	Consolidated
Revenue											
External sales	1,940.5	1,390.1	956.7	922.7	505.6	-	5,715.6	1,167.1	2.5	-	6,885.2
Inter-segment sales	115.5	181.9	40.6	15.7	812.3	(1,144.9)	21.1	52.3	0.3	(73.7)	-
Total sales revenue	2,056.0	1,572.0	997.3	938.4	1,317.9	(1,144.9)	5,736.7	1,219.4	2.8	(73.7)	6,885.2
Other income [1]	(0.8)	17.7	13.0	(0.9)	11.7	-	40.7	2.5	(0.2)	-	43.0
Total revenue and other income	2,055.2	1,589.7	1,010.3	937.5	1,329.6	(1,144.9)	5,777.4	1,221.9	2.6	(73.7)	6,928.2
Results											
Profit/(loss) before net financing costs and income tax expense	608.6	106.1	86.7	62.7	110.0	-	974.1	94.1	(100.1)	-	968.1
Financial income											34.2
Financial expense											(184.4)
Profit before income tax expense											817.9
Income tax expense											(208.0)
Profit after income tax expense											609.9
Profit attributable to non-controlling interests											(17.4)
Net profit for the period attributable to shareholders of Orica Limited											592.5
Segment assets	2,984.8	1,128.2	774.3	1,091.7	1,185.4	-	7,164.4	843.4	605.7	-	8,613.5
Segment liabilities	411.8	199.6	225.9	241.0	293.7	-	1,372.0	222.0	3,009.6	-	4,603.6
Net Assets	2,573.0	928.6	548.4	850.7	891.7	-	5,792.4	621.4	(2,403.9)	-	4,009.9
Investments accounted for using the equity method	1.8	152.9	3.4	8.9	29.6	-	196.6	1.0	0.1	-	197.7
Acquisitions of PPE and intangibles	489.7	69.1	40.9	47.6	78.9	-	726.2	22.6	38.0	-	786.8
Impairment of inventories	4.1	2.5	0.3	2.9	1.8	-	11.6	1.2	-	-	12.8
Impairment of trade receivables	1.0	1.6	0.1	3.4	3.6	-	9.7	1.8	-	-	11.5
Impairment of investments	-	-	-	0.3	-	-	0.3	-	-	-	0.3
Depreciation	101.0	35.4	21.4	30.8	25.6	-	214.2	30.2	3.5	-	247.9
Amortisation	3.8	12.9	0.3	7.0	8.8	-	32.8	0.6	3.1	-	36.5
Non-cash expenses other than depreciation and amortisation: - share based payments	2.3	4.1	0.8	0.9	2.4	-	10.5	1.1	4.4	-	16.0
Share of associates net profit equity accounted	1.8	33.4	1.1	0.2	-	-	36.5	(0.1)	-	-	36.4

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

2. Segment report (continued)

Geographical segments

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

2014 $m	Australia	United States of America	Other *	Consolidated
Revenue from external customers				
External sales from continuing operations	**2,290.3**	**897.3**	**3,608.7**	**6,796.3**
Location of non-current assets				
Non-current assets **	**2,802.9**	**750.4**	**2,914.9**	**6,468.2**

Restated 2013 $m	Australia	United States of America	Other *	Consolidated
Revenue from external customers				
External sales from continuing operations	2,385.2	840.6	3,659.4	6,885.2
Location of non-current assets				
Non-current assets **	2,533.9	728.6	2,982.4	6,244.9

* Other than Australia and United States of America, sales to other countries are individually less than 10% of the consolidated entity's total revenues.

** Excluding: other financial assets, deferred tax assets and post-employment benefit assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	2014 $m	2013 $m

3. Sales revenue and other income

Sales revenue	**6,796.3**	6,885.2
Other income		
Other income	**21.8**	20.9
Net foreign currency gains	**1.9**	12.1
Profit from sale of businesses/controlled entities/investments	**0.1**	-
Profit on sale of property, plant and equipment	**33.2**	10.0
Total other income	**57.0**	43.0

4. Specific profit and loss income and expenses

a) Financial income:		
Interest income received/receivable from:		
external parties	**33.7**	34.2
unwinding of discount on receivables	**1.6**	-
Total financial income	**35.3**	34.2
b) Financial expenses:		
Borrowing costs paid/payable to:		
external parties	**176.5**	188.3
capitalised interest	**(27.6)**	(11.9)
unwinding of discount on provisions	**1.9**	7.7
finance charges – finance leases	**0.3**	0.3
Total financial expenses	**151.1**	184.4
Net financing costs	**115.8**	150.2
c) Profit before income tax expense is arrived at after charging/(crediting):		
Depreciation on property, plant and equipment:		
buildings and improvements	**26.4**	25.2
machinery, plant and equipment	**235.8**	222.7
Total depreciation on property, plant and equipment	**262.2**	247.9
Amortisation of intangibles	**38.6**	36.5
Amounts provided for:		
trade receivables impairment	**9.3**	11.5
doubtful debts – other receivables	**0.1**	-
employee entitlements	**45.1**	53.4
environmental liabilities	**13.0**	22.5
inventory impairment	**10.7**	12.8
investment impairment	**0.4**	0.3
restructuring and rationalisation provisions	**0.7**	2.0
decommissioning	**0.8**	1.6
other provisions	**33.7**	7.3
Bad debts written off to impairment allowance	**4.3**	5.0
Bad debts written off in respect of other receivables	**-**	0.1
Lease payments – operating leases	**68.2**	66.9
Loss on disposal of businesses/controlled entities	**-**	0.4
Research and development	**36.6**	47.1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	2014 $m	Restated 2013 $m
5. Income tax expense		
a) Income tax expense recognised in the income statement		
Current tax expense		
Current year	**143.3**	208.2
Deferred tax	**48.6**	0.1
Over provided in prior years	**(4.0)**	(0.3)
Total income tax expense in income statement	**187.9**	208.0
b) Reconciliation of income tax expense to prima facie tax payable		
Income tax expense attributable to profit		
Prima facie income tax expense calculated at 30% on profit	**244.2**	245.4
Tax effect of items which (decrease)/increase tax expense:		
variation in tax rates of foreign controlled entities	**(20.7)**	(16.1)
tax over provided in prior years	**(4.0)**	(0.3)
non allowable share based payments	**3.0**	4.8
non allowable goodwill written off	**-**	1.7
non taxable profit on sale of property due to utilisation of capital losses	**(10.2)**	-
other foreign deductions	**(32.4)**	(34.4)
sundry items	**8.0**	6.9
Income tax expense reported in the income statement	**187.9**	208.0

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

5. Income tax expense (continued)

c) Income tax recognised in comprehensive income:

	Consolidated					
	2014			Restated 2013		
	$m	**$m**	**$m**	$m	$m	$m
	Before tax	**Tax (expense) benefit**	**Net of tax**	Before tax	Tax (expense) benefit	Net of tax
Net gain on hedge of net investments in foreign subsidiaries	**1.8**	**29.3**	**31.1**	178.9	23.5	202.4
Cash flow hedges						
- Effective portion of changes in fair value	**26.3**	**(7.9)**	**18.4**	15.0	(4.5)	10.5
- Transferred to carrying value of non current assets	**-**	**-**	**-**	-	-	-
- Transferred to Income Statement	**(0.2)**	**0.1**	**(0.1)**	(4.1)	1.2	(2.9)
Exchange (losses)/gains on translation of foreign operations	**(13.2)**	**-**	**(13.2)**	177.4	-	177.4
Actuarial benefits/(losses) on defined benefit plans	**(12.6)**	**1.7**	**(10.9)**	35.3	(10.9)	24.4
	2.1	**23.2**	**25.3**	402.5	9.3	411.8

d) Recognised deferred tax assets and liabilities

		Balance Sheet		Income Statement	
			Restated		Restated
		2014	2013	**2014**	2013
Consolidated	Notes	**$m**	$m	**$m**	$m
Deferred tax assets					
Trade and other receivables		**2.8**	3.9	**1.1**	(1.8)
Inventories		**13.8**	14.7	**0.9**	(2.3)
Property, plant and equipment		**30.8**	27.2	**(3.6)**	(11.9)
Intangible assets		**42.5**	51.7	**9.2**	10.8
Trade and other payables		**50.6**	42.4	**(8.2)**	(7.8)
Interest bearing liabilities		**23.8**	57.2	**51.1**	16.3
Provision for employee entitlements		**35.2**	34.4	**(0.8)**	(4.4)
Provision for retirement benefit obligations		**40.8**	42.4	**3.3**	(0.1)
Provisions for restructuring and rationalisation		**0.3**	0.8	**0.5**	0.3
Provisions for environmental		**44.1**	49.5	**5.4**	3.6
Provisions for decommissioning		**3.4**	3.1	**(0.3)**	0.1
Provisions for other		**1.4**	0.2	**(1.2)**	-
Tax losses		**114.5**	109.5	**(5.9)**	(54.2)
Other items		**2.6**	1.4	**(1.2)**	2.4
Deferred tax assets		**406.6**	438.4		
Less set-off against deferred tax liabilities		**(204.1)**	(221.7)		
Net deferred tax assets	(15)	**202.5**	216.7		
Deferred tax liabilities					
Inventories		**7.2**	6.9	**0.3**	1.7
Property, plant and equipment		**193.0**	189.1	**3.9**	41.1
Intangible assets		**21.9**	27.7	**(5.8)**	(2.1)
Interest bearing liabilities		**23.3**	24.5	**(1.2)**	4.1
Undistributed profits of foreign subsidiaries		**16.0**	14.0	**2.0**	2.9
Other items		**11.0**	11.9	**(0.9)**	1.4
Deferred tax liabilities		**272.4**	274.1		
Less set-off against deferred tax assets		**(204.1)**	(221.7)		
Net deferred tax liabilities	(20)	**68.3**	52.4		
Deferred tax expense				**48.6**	0.1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

5. Income tax expense (continued)

e) Unrecognised deferred tax assets

	Consolidated	
	2014	2013
	$m	$m
Tax losses not booked	**4.0**	6.5
Capital losses not booked	**26.2**	35.4
Temporary differences not booked	**0.9**	0.9

Geographical analysis of tax losses not booked at 30 September 2014:	Tax losses	Capital losses	Expiry date
	$m	**$m**	
Australia	**0.7**	**25.3**	Indefinite
Other	**3.3**	**0.9**	Between 2015 and 2030
	4.0	**26.2**	

f) Unrecognised deferred tax liabilities

	Consolidated	
	2014	2013
	$m	$m
Unrecognised deferred tax liabilities relating to temporary differences of investments in subsidiaries	**85.1**	83.0

g) Taxes paid:

Income taxes:

Orica operates in a number of countries around the world and is subject to local tax rules in each of those countries.

The tax expense for the year 2014 was $187.9 million (2013 $208.0 million) on a profit before income tax of $813.9 million (2013 $817.9 million) giving an effective tax rate of 23.1% (2013 25.4%).

This varies from the standard Australian tax rate of 30% due primarily to different tax rates in countries that Orica operates in as well as non taxable income and non allowable deductions in various countries.

The amount of income tax paid is shown below and differs from the tax expense due to the timing of tax payments to tax authorities and differences between the timing of deductions for accounting and tax purposes.

Other taxes:

In various jurisdictions around the world, Orica pays taxes based on the amount of wage and salary payments to its employees. The amounts paid are shown below.

In addition, in various jurisdictions, Orica is required to charge its customers goods and services tax, value added tax and similar taxes and obtains a deduction for similar taxes paid to its suppliers.
The net amount paid in relation to the taxes is shown below.

Taxes paid by the Group were as follows:	Consolidated	
		Restated
	2014	2013
	$m	$m
Income taxes:		
Income taxes paid including withholding taxes	**209.5**	139.9
Other taxes:		
Taxes on wages and salaries paid by the employer	**52.6**	52.3
Net Goods and Services Tax/Value Added Taxes paid	**188.5**	186.3
Total taxes paid	**450.6**	378.5

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	Restated 2013 $m

6. Earnings per share (EPS)

(i) As reported in the income statement

	2014	2013
Reconciliation of earnings used in the calculation of EPS attributable to ordinary shareholders of Orica Limited		
Net profit for the period	**626.0**	609.9
Net profit for the period attributable to non-controlling interests	**(23.5)**	(17.4)
Net profit for the period attributable to ordinary shareholders	**602.5**	592.5
	Number	Number
Weighted average number of shares used as the denominator:		
Number for basic earnings per share	**368,149,688**	363,687,959
Effect of executive share options and rights	**558,509**	577,759
Number for diluted earnings per share	**368,708,197**	364,265,718

The following Orica Long Term Equity Incentive Plans (LTEIP) and Long Term Incentive Rights Plans (LTIRP) have not been included in the calculation for diluted earnings per share as they are not dilutive:

Issue date:	Exercisable on/between:	2014	2013
- 15 Dec 2009	- 19 Nov 12 to 23 Jan 13	**-**	416,002
- 17 Dec 2010	- 19 Nov 13 to 23 Jan 14	**604,967**	1,536,003
- 19 Dec 2011	- 18 Nov 14 to 23 Jan 15	**451,683**	495,724
- 19 Dec 2011	- 19 Dec 14	**491,907**	-
- 24 Feb 2012	- 18 Nov 14 to 23 Jan 15	**305,302**	305,302
- 7 Feb 2013	- 18 Nov 15 to 23 Jan 16	**673,409**	453,489
- 11 Mar 2013	- 18 Nov 15 to 23 Jan 16	**33,919**	18,274
- 21 Feb 2014	- 18 Nov 17 to 23 Jan 18	**508,326**	-
- 10 Jun 2014	- 2 Jun 16	**798**	-

	Cents per share	Cents per share
Total attributable to ordinary shareholders of Orica Limited		
Basic earnings per share	**163.7**	162.9
Diluted earnings per share	**163.4**	162.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	Consolidated Restated 2013 $m
7. Cash and cash equivalents		
Cash at bank and on hand	**242.9**	200.0
Deposits at call		
external	**20.3**	22.4
	263.2	222.4

Fair values

The directors consider the net carrying amount of cash and cash equivalents to approximate their fair value due to their short term to maturity.

	Consolidated 2014 $m	Consolidated Restated 2013 $m
8. Trade and other receivables		
Current		
Trade receivables (i)		
external	**861.5**	931.0
associated companies	**19.8**	17.0
Less allowance for impairment (i) (ii)		
external	**(18.3)**	(19.2)
	863.0	928.8
Other receivables (iii)		
external	**181.0**	120.6
Less allowance for impairment (iii) (iv)		
external	**(0.2)**	(0.1)
	180.8	120.5
	1,043.8	1,049.3
Non-current		
Other receivables		
external (1) (2)	**74.3**	97.3
retirement benefit surplus (see note 38)	**1.7**	-
	76.0	97.3

(1) Includes $18.6 million (2013 $18.6 million) that was paid to the Australian Tax Office (ATO) during the year ended 30 September 2012 in relation to a tax audit. The ATO is currently conducting a tax audit in relation to a financing arrangement by Orica of its US group between 2004 and 2006. The ATO has issued amended assessments in relation to the 2004, 2005 and 2006 years totalling $50.6 million (including interest and penalties). Orica has objected to all three assessments. In accordance with the ATO administrative practice, Orica has paid 50% of the primary tax and interest arising from the assessments, which has been recognised as a non-current receivable (see also note 33 c iii).

(2) Includes $6.8 million (2013 $6.8 million) paid to the Central Tax Office of Norway (CTO) and a deferred tax asset in relation to prior years' tax losses of $23.9 million (2013 $23.3 million) that has been utilised to offset the tax liability in respect of a tax audit relating to the transfer of the Dyno Nobel house brand in conjunction with Orica's acquisition of the Dyno Nobel's explosives business in the 2005 income year. Orica has objected against the reassessment. While the matter is in dispute tax, Orica is required to settle the remaining liability of approximately $3.5 million (2013 $4.6 million) as they fall due between 2015 and 2054.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

8. Trade and other receivables (continued)

(i) Trade receivables and allowance for impairment

The ageing of trade receivables and allowance for impairment is detailed below:

	Consolidated		Consolidated Restated	
	2014 Gross $m	**2014 Allowance $m**	2013 Gross $m	2013 Allowance $m
Not past due	**751.7**	**-**	763.7	-
Past due 0 - 30 days	**45.4**	**(0.1)**	69.6	(0.7)
Past due 31 - 60 days	**16.5**	**-**	29.6	(0.4)
Past due 61 - 90 days	**9.7**	**(0.1)**	15.5	(0.4)
Past due 91 - 120 days	**9.1**	**(0.2)**	8.0	(0.2)
Past 120 days	**48.9**	**(17.9)**	61.6	(17.5)
	881.3	**(18.3)**	948.0	(19.2)

Trade receivables are carried at amounts due. Receivables that are not past due and not impaired are considered recoverable. Payment terms are generally 30 days from end of month of invoice date. A risk assessment process is used for all accounts, with a stop credit process in place for most long overdue accounts. Credit insurance cover is obtained where appropriate.

The collectability of trade receivables is assessed continuously and at balance date specific allowances are made for any doubtful trade receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

The following basis has been used to assess the allowance for doubtful trade receivables:

- an individual account by account assessment based on past credit history; and
- prior knowledge of debtor insolvency or other credit risk.

No material security is held over trade receivables.
Trade receivables have been aged according to their due date in the above ageing analysis.
There are no individually significant receivables that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

(ii) Movement in allowance for impairment of trade receivables

The movement in the allowance for impairment in respect of trade receivables is detailed below:

	Consolidated	
	2014 $m	2013 $m
Opening balance	**(19.2)**	(12.7)
Allowances made during the year	**(9.3)**	(11.5)
Reductions through disposal of entities	**-**	0.1
Allowances utilised during the year	**4.3**	5.0
Allowances written back during the year	**5.9**	1.0
Foreign currency exchange differences	**-**	(1.1)
Closing balance	**(18.3)**	(19.2)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

8. Trade and other receivables (continued)

(iii) Current other receivables and allowance for impairment

	Consolidated		Consolidated Restated	
	2014 Gross $m	**2014 Allowance $m**	2013 Gross $m	2013 Allowance $m
Not past due	**169.2**	**-**	116.5	-
Past due 0 - 30 days	**4.1**	**-**	0.1	-
Past due 31 - 60 days	**0.5**	**-**	-	-
Past due 61 - 90 days	**3.0**	**-**	-	-
Past due 91 - 120 days	**0.3**	**-**	-	-
Past 120 days	**3.9**	**(0.2)**	4.0	(0.1)
	181.0	**(0.2)**	120.6	(0.1)

Other receivables are carried at amounts due. Payment terms vary. A risk assessment process is used for all accounts, with a stop credit and follow up process in place for most long overdue accounts. Interest may be charged where the terms of repayment exceed agreed terms. Other receivables have been aged according to their due date in the above ageing analysis.

The collectability of other receivables is assessed at balance date and specific allowances are made for any doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified. There are no individually significant receivables that have had renegotiated terms that would otherwise, without that renegotiation, have been past due or impaired.

(iv) Movement in allowance for impairment of current other receivables

The movement in the allowance for impairment in respect of current other receivables is detailed below:

	Consolidated	
	2014 $m	2013 $m
Opening balance	**(0.1)**	(0.5)
Allowances made during the year	**(0.1)**	-
Allowances utilised during the year	**-**	0.1
Allowances written back during the year	**-**	0.3
Closing balance	**(0.2)**	(0.1)

(v) Fair values

The net carrying amount of trade and other receivables approximates their fair values. For receivables with a remaining life of less than one year, carrying value reflects fair value. All other significant receivables are discounted to determine carrying value and fair value.

The maximum exposure to credit risk is the carrying value of receivables. No material collateral is held as security over any of the receivables.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

8. Trade and other receivables (continued)

(vi) Concentrations of credit risk
The consolidated entity is exposed to the following concentrations of credit risk in regards to its current trade and other receivables:

	Consolidated	
		Restated
Reportable segments:	**2014**	2013
	%	**%**
Mining Services:		
- Australia/Pacific	**18.1**	16.9
- North America	**12.6**	12.5
- Latin America	**11.7**	14.0
- EMEA	**23.6**	21.1
- Mining Other	**13.6**	16.8
Chemicals	**14.1**	17.0
Other	**6.3**	1.7
	100.0	100.0

Geographical segments:	**2014**	2013
	%	**%**
Australia	**31.2**	24.8
New Zealand	**2.6**	2.8
Asia	**15.1**	19.0
North America	**10.3**	10.1
Latin America	**16.9**	21.9
Europe	**18.8**	17.0
Other	**5.1**	4.4
	100.0	100.0

(vii) Non current receivables
All non current receivables are carried at amounts that approximate their fair value. As at 30 September none are past due. None are considered impaired.

	Consolidated	
	2014	2013
	$m	$m

9. Inventories

Raw materials and stores	**319.3**	342.2
Work in progress	**21.1**	28.1
Finished goods	**387.0**	422.8
	727.4	793.1

* Inventories have been shown net of provision for impairment of $18.3 million (2013 $19.7 million).

	Consolidated	
		Restated
	2014	2013
	$m	$m

10. Other assets

Current		
Prepayments and other assets	**72.7**	73.6
	72.7	73.6
Non-current		
Prepayments and other assets	**5.7**	26.7
	5.7	26.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

11. Investments accounted for using the equity method and joint operations.

(a) Investments accounted for using the equity method

Name	Principal activity	Balance date	Ownership 2014 %	Ownership Restated 2013 %	Carrying amount 2014 $m	Carrying amount Restated 2013 $m
Beijing Sino-Australia Orica Watercare Technology and Equipment Co. Ltd [1]	Sale of water treatment equipment and resin	30 Sep	**45.0**	45.0	**0.1**	0.2
Botany Industrial Park Pty Limited	Facility management service	30 Sep	**33.4**	33.4	**-**	-
Exor Explosives Limited [2]	Manufacture and sale of explosives	31 Dec	**50.0**	50.0	**0.3**	0.3
FiReP Holding AG [3]	Manufacture and sale of strata support and ventilation products	31 Dec	**25.0**	25.0	**2.6**	2.7
Geneva Nitrogen LLC [4]	Manufacture and sale of explosives	30 Sep	**50.0**	50.0	**9.7**	9.0
Irish Mining Emulsion Systems Ltd [5]	Manufacture and sale of explosives	30 Sep	**50.0**	50.0	**0.3**	0.4
Kitikmeot Blasting Services Inc. [6]	Explosives service provider	31 Oct	**49.0**	49.0	**0.5**	0.5
MicroCoal Inc. [4] [b]	Development and commercialisation of coal dewatering process	31 Dec	**-**	-	**-**	-
Mineral Carbonation International Pty Limited [a]	Develop carbon capture technology	30 Sep	**39.9**	39.9	**0.7**	0.1
MSW-Chemie GmbH [7]	Manufacture and sale of explosives	31 Dec	**31.5**	31.5	**0.5**	0.5
Nelson Brothers, LLC [4]	Manufacture and sale of explosives	30 Sep	**50.0**	50.0	**27.5**	29.2
Nelson Brothers Mining Services LLC [4]	Supply of explosives	30 Sep	**50.0**	50.0	**32.8**	24.0
Orica Graneles S.A. [8] [a] [c]	Import and distribution of amino acids for animal feed	31 Dec	**-**	50.0	**-**	0.8
Orica Mining Services Pilbara Pty Ltd	Manufacture and sale of explosives	30 Sep	**45.0**	45.0	**3.3**	1.8
Orica-UMMC LLC [9]	Manufacture and sale of explosives	31 Dec	**50.0**	50.0	**3.5**	4.1
Pigment Manufacturers of Australia Limited	Non-operating company	31 Dec	**50.0**	50.0	**-**	-
PIIK Limited Partnership [6]	Sale of explosives	30 Sep	**49.0**	49.0	**-**	-
Sahtu Explosives Limited [6]	Explosives service provider	31 Oct	**49.0**	49.0	**-**	-
Southwest Energy LLC [4]	Sale of explosives	30 Sep	**50.0**	50.0	**88.0**	90.1
Sprewa Sprengmittel GmbH [7]	Sale of explosives	31 Dec	**24.0**	24.0	**0.8**	0.8
SVG&FNS Philippines Holdings Inc [10]	Investment company	31 Dec	**40.0**	40.0	**-**	-
Thai Nitrate Company Ltd [11] [d]	Manufacture and sale of explosives	31 Dec	**50.0**	50.0	**30.1**	29.6
Tlicho Blasting Services Inc. [6]	Explosives service provider	31 Oct	**49.0**	49.0	**0.1**	0.1
Troisdorf GmbH [7]	Holder of operating permits	30 Sep	**50.0**	50.0	**-**	-
Ulaex SA [12]	Manufacture and sale of explosives	31 Dec	**50.0**	50.0	**3.9**	3.4
Wurgendorf GmbH [7]	Holder of operating permits	31-Dec	**50.0**	50.0	**0.1**	0.1
					204.8	197.7

Entities are incorporated in Australia except: [1] China, [2] UK, [3] Switzerland, [4] USA, [5] Ireland, [6] Canada, [7] Germany, [8] Chile, [9] Russia, [10] Philippines, [11] Thailand, [12] Cuba.

[a] Acquired in 2013.

[b] Disposed of in 2013.

[c] Disposed of in 2014.

[d] Orica holds its 50% equity interest in Thai Nitrate Company Ltd (TNC) through two subsidiary companies, Orica Norway AS (39%) and Ammonium Nitrate Development and Production Limited (11%). The remaining 50% equity interest in TNC is held by TPI Polene PLC (TPIP), an entity listed on the Thailand Stock Exchange, and four individuals associated with TPIP. The South Bangkok Civil Court issued a judgement on 5 October 2011 that Orica Norway AS transfer its 39% shareholding in TNC to TPIP for a consideration equal to the relevant portion of TNC's net asset value at June 2006, less dividends paid since that date.

In July 2013, the Thai Court of Appeals overturned the earlier decision of the South Bangkok Civil Court and upheld Orica Norway AS's right to retain its 39% shareholding in TNC. The matter has been further appealed to the Supreme Court of Thailand, but no decision has yet been handed down.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

11. Investments accounted for using the equity method and joint operations (continued)

(a) Investments accounted for using the equity method (continued)

	Consolidated 2014 $m	Restated 2013 $m
Movements in carrying amounts of investments		
Carrying amount of investments in associates at the beginning of the year	**197.7**	165.8
Investments in associates during the year	**1.5**	1.0
Investments in associates disposed of during the year	**(1.2)**	-
Impairment of investments	**(0.4)**	(0.3)
Share of associates' net profit equity accounted	**33.1**	36.4
Less dividends from associates	**(35.5)**	(25.2)
Effects of exchange rate changes	**9.6**	20.0
Carrying amount of investments in associates at the end of the year	**204.8**	197.7
Summary of profit and loss and balance sheets of associates on a 100% basis		
The aggregate revenue, net profit after tax, assets and liabilities of associates are:		
Revenue	**787.2**	773.3
Net profit after tax	**70.2**	76.6
Assets	**411.1**	382.3
Liabilities	**177.6**	132.9

(b) Joint operations

The Group owns a 45% interest of the Yara Pilbara Nitrates Pty Ltd in conjunction with Yara Australia Pty Ltd (34.6%) and Yara Pilbara Holdings Pty Ltd (20.4%). The entity will build and operate a 330,000 tonnes per annum industrial grade ammonium nitrate plant on the Burrup Peninsula (Western Australia, Australia).

Construction of the plant is expected to have a capital cost of approximately US$800 million and be completed by the end of 2015 with Yara managing construction and the ongoing operation of the plant.

The parties have committed to require substantially all of the output to be sold to them and they have rights to substantially all of the economic benefits of the assets. The dependence of the manufacturing entity upon Orica and Yara for the generation of cash flows indicates that the parties have an obligation for the liabilities of the manufacturing arrangement which is settled through the purchase.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

12. Other financial assets

	2014 $m	2013 $m
Current - other financial assets - derivative assets (i)		
cross currency interest rate swaps - net investment	**0.6**	0.3
forward foreign exchange contracts/options	**29.6**	11.1
	30.2	11.4
Non-current - other financial assets - derivative assets (i)		
cross currency interest rate swaps - debt principal	**13.7**	0.5
interest rate swaps	**5.8**	0.9
commodity swaps	**6.8**	-
	26.3	1.4
Non-current - other financial assets		
Interest in listed entities	**2.5**	-
Interest in unlisted entities	**0.7**	0.7
	3.2	0.7

(i) Derivative assets
Refer to note 34 for details on the financial risk management and use of derivative financial instruments.

13. Property, plant and equipment

	Consolidated 2014 $m	Restated 2013 $m
Land, buildings and improvements		
at cost	**773.2**	738.6
accumulated depreciation	**(242.5)**	(210.3)
Total carrying value	**530.7**	528.3
Machinery, plant and equipment		
Gross book value		
at cost	**5,275.7**	4,874.9
under finance lease	**35.6**	35.7
	5,311.3	4,910.6
Accumulated depreciation		
at cost	**(2,031.6)**	(1,842.7)
under finance lease	**(15.5)**	(13.0)
	(2,047.1)	(1,855.7)
Net carrying value		
at cost	**3,244.1**	3,032.2
under finance lease	**20.1**	22.7
Total carrying value	**3,264.2**	3,054.9
Total net carrying value of property, plant and equipment	**3,794.9**	3,583.2

(i) Capitalised borrowing costs
Interest amounting to $17.0 million (2013 $9.4 million) was capitalised to property, plant and equipment, calculated at the average rate of 5.6% (2013 5.7%).

(ii) Significant assets under construction [1]
Included in Property, Plant and Equipment are assets under construction relating to:

	Consolidated 2014 $m	Restated 2013 $m
Burrup ammonium nitrate plant	**320.8**	127.8
Kooragang Island plant uprate	**200.3**	189.1
Nanling detonator plant	**140.3**	116.7

[1] Assets under construction balances are translated at year end foreign exchange rates and include capitalised interest on the projects.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

13. Property, plant and equipment (continued)

(iii) Reconciliations
Reconciliations of the carrying values of property, plant and equipment at the beginning and end of the years are set out below:

Consolidated		Land, buildings and improvements $m	Machinery, plant and equipment $m	Total $m
2013				
Carrying amount at the beginning of the year	01-Oct-2012	458.3	2,613.0	3,071.3
Additions		90.3	541.5	631.8
Disposals		(9.2)	(6.5)	(15.7)
Depreciation expense		(25.2)	(222.7)	(247.9)
Foreign currency exchange differences		14.1	129.6	143.7
Carrying amount at the end of the year	30-Sep-2013	**528.3**	**3,054.9**	**3,583.2**
2014				
Additions		**50.2**	**441.2**	**491.4**
Disposals		**(3.7)**	**(35.0)**	**(38.7)**
Disposals through disposal of entities (see note 28)		**-**	**(0.1)**	**(0.1)**
Depreciation expense		**(26.4)**	**(235.8)**	**(262.2)**
Foreign currency exchange differences		**(17.7)**	**39.0**	**21.3**
Carrying amount at the end of the year	30-Sep-2014	**530.7**	**3,264.2**	**3,794.9**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	Restated 2013 $m
14. Intangible assets		
Goodwill	**2,378.5**	2,354.9
Less accumulated impairment losses	**(477.3)**	(451.6)
Total net book value of goodwill	**1,901.2**	1,903.3
Patents, trademarks and rights	**273.9**	256.3
Less accumulated amortisation	**(66.2)**	(60.5)
Total net book value of patents, trademarks and rights	**207.7**	195.8
Software	**223.8**	172.9
Less accumulated amortisation	**(66.8)**	(57.7)
Total net book value of software	**157.0**	115.2
Customer contracts and relationships	**279.2**	269.4
Less accumulated amortisation	**(175.7)**	(148.5)
Total net book value of customer contracts and relationships	**103.5**	120.9
Other	**35.9**	20.0
Less accumulated amortisation	**(16.8)**	(15.2)
Total net book value of other	**19.1**	4.8
Total net book value of intangibles	**2,388.5**	2,340.0

Reconciliations of the carrying values of intangible assets at the beginning and end of the years are set out below:

Consolidated	Goodwill $m	Patents trademarks and rights $m	Customer contracts and relationships $m	Software $m	Other $m	Total $m
2013 - restated						
Carrying amount at the beginning of the year	1,757.2	66.5	129.5	87.2	6.4	2,046.8
Additions	-	122.1	-	32.9	-	155.0
Disposals through disposal of entities (see note 28)	(0.2)	-	-	-	-	(0.2)
Amortisation expense	-	(4.7)	(22.2)	(7.4)	(2.2)	(36.5)
Impairment expense (see note 29)	(5.7)	-	-	-	-	(5.7)
Foreign currency exchange differences	152.0	11.9	13.6	2.5	0.6	180.6
Carrying amount at the end of the year	**1,903.3**	**195.8**	**120.9**	**115.2**	**4.8**	**2,340.0**
2014						
Additions	**-**	**6.5**	**-**	**50.2**	**15.4**	**72.1**
Amortisation expense	**-**	**(4.7)**	**(22.9)**	**(9.2)**	**(1.8)**	**(38.6)**
Foreign currency exchange differences	**(2.1)**	**10.1**	**5.5**	**0.8**	**0.7**	**15.0**
Carrying amount at the end of the year	**1,901.2**	**207.7**	**103.5**	**157.0**	**19.1**	**2,388.5**

Capitalised borrowing costs

Interest amounting to $10.6 million (2013 $2.5 million) was capitalised to intangibles assets, calculated at the average rate of 5.6% (2013 5.7%).

	Consolidated 2014 $m	Restated 2013 $m
15. Deferred tax assets		
Net deferred tax assets (see note 5)	**202.5**	216.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	Consolidated Restated 2013 $m
16. Trade and other payables		
Current		
Trade payables		
external	**940.0**	1,019.1
associated companies	**4.3**	4.7
Other payables		
external	**266.7**	216.2
	1,211.0	1,240.0
Current - other financial liabilities - derivative liabilities		
Derivative financial instruments		
cross currency interest rate swaps - net investment	**4.7**	6.0
forward foreign exchange contracts	**16.3**	13.5
interest rate swaps	**1.1**	-
	22.1	19.5
Non-current		
Other payables		
external	**6.9**	12.3
	6.9	12.3
Non-current - other financial liabilities - derivative liabilities		
Derivative financial instruments		
cross currency interest rate swaps - debt principal	**28.3**	32.7
cross currency interest rate swaps - net investment	**4.6**	10.0
interest rate swaps	**-**	13.0
	32.9	55.7

Significant terms and conditions

Trade and other payables, including expenditures not yet billed, are recognised when the consolidated entity becomes obliged to make future payments as a result of a purchase of goods or services. Trade payables are normally settled within 60 days from invoice date or within the agreed payment terms with the supplier. Trade and other payables are non-interest bearing and include liabilities in respect of trade financing within the normal operating cycle of the business.

Fair values

The carrying amount of trade and other payables approximate their fair values due to their short term nature.

Derivative financial instruments

Refer to note 34 for details on the financial risk management of derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	2013 $m
17. Interest bearing liabilities		
Current		
Unsecured		
bank overdrafts	**49.5**	19.2
commercial paper	**135.9**	377.2
other short term borrowings	**75.5**	33.4
other loans		
private placement (1)	**267.1**	-
export finance facility (2)	**13.4**	12.7
Lease liabilities (see note 30)	**1.3**	1.4
	542.7	443.9
Non-current		
Unsecured		
bank loans	**192.9**	159.1
other loans		
private placement (1)	**1,680.6**	1,870.0
export finance facility (2)	**67.2**	75.9
other	**12.5**	2.6
Lease liabilities (see note 30)	**4.0**	5.1
	1,957.2	2,112.7

(1) **Private placement**

Orica Limited guaranteed senior notes issued in the US private placement market in 2003, 2005, 2010 and 2013. The notes have maturities between 2015 and 2030 (2013: between 2015 and 2030).

(2) **Export finance facility**

Loans provided to Orica Limited in financial year 2010 by Australia's export credit agency (Export Finance and Insurance Corporation), and by banks, guaranteed by Germany's export credit agency (Euler Hermes Kreditversicherungs-AG (Hermes)).

Fair values

The carrying amounts of the consolidated entity's current and non-current interest bearing liabilities approximate their fair values. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates as at 30 September 2014 varying from 0.1% to 4.5% (2013 0.1% to 5.0%) depending on the type of borrowing.

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

	Consolidated 2014 $m	2013 $m
Finance leases		
Property, plant and equipment	**20.1**	22.7
	20.1	22.7

In the event of default by Orica, the rights to the leased assets transfer to the lessor.

Defaults and breaches

During the current and prior year, there were no defaults or breaches of covenants on any loans.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	Restated 2013 $m
18. Current tax liabilities		
Provision for income tax	**9.3**	78.3

19. Provisions

	Consolidated 2014 $m	Restated 2013 $m
Current		
Employee entitlements	**79.3**	80.6
Restructuring and rationalisation	**1.4**	4.7
Environmental	**52.5**	69.5
Decommissioning	**0.5**	2.0
Other	**38.5**	16.5
	172.2	173.3
Non-current		
Employee entitlements	**55.4**	53.8
Retirement benefit obligations (see note 38)	**207.8**	206.2
Environmental	**115.6**	118.5
Decommissioning	**13.2**	10.2
Contingent liabilities on acquisition of controlled entities	**13.5**	15.9
Other	**12.0**	10.9
	417.5	415.5
Aggregate employee entitlements		
Current	**79.3**	80.6
Non-current	**263.2**	260.0
	342.5	340.6

Reconciliations

Reconciliations of the consolidated carrying amounts of provisions at the beginning and end of the current financial year are set out below:

Current provision - restructuring and rationalisation	Consolidated **$m**
Carrying amount at the beginning of the year	**4.7**
Provisions made during the year	**0.7**
Provisions written back during the year	**(2.6)**
Payments made during the year	**(1.5)**
Foreign currency exchange differences	**0.1**
Carrying amount at the end of the year	**1.4**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

19. Provisions (continued)

Current provision - environmental	Consolidated $m
Carrying amount at the beginning of the year	69.5
Provisions made during the year	13.0
Provisions written back during the year	(1.0)
Payments made during the year	(32.5)
Provision transferred from non-current	4.0
Foreign currency exchange differences	(0.5)
Carrying amount at the end of the year	52.5

Current provision - decommissioning	
Carrying amount at the beginning of the year	2.0
Payments made during the year	(0.1)
Provision transferred to non-current	(1.4)
Carrying amount at the end of the year	0.5

Current provision - other	
Carrying amount at the beginning of the year	16.5
Provisions made during the year	32.5
Provisions written back during the year	(0.2)
Payments made during the year	(10.0)
Provision transferred from non-current	0.1
Foreign currency exchange differences	(0.4)
Carrying amount at the end of the year	38.5

Non-current provision - environmental	
Carrying amount at the beginning of the year	118.5
Provisions written back during the year	(1.1)
Unwinding of discount on provisions (see note 4)	1.9
Provision transferred to current	(4.0)
Foreign currency exchange differences	0.3
Carrying amount at the end of the year	115.6

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

19. Provisions (continued)

	Consolidated
Non-current provision - decommissioning	**$m**
Carrying amount at the beginning of the year	**10.2**
Provisions made during the year	**0.8**
Provision transferred from current	**1.4**
Foreign currency exchange differences	**0.8**
Carrying amount at the end of the year	**13.2**

Non-current provision - contingent liabilities on acquisition of controlled entities	
Carrying amount at the beginning of the year	**15.9**
Payments made during the period	**(1.9)**
Foreign currency exchange differences	**(0.5)**
Carrying amount at the end of the year	**13.5**

Non-current provision - other	
Carrying amount at the beginning of the year	**10.9**
Provisions made during the year	**1.2**
Provisions written back during the year	**(0.1)**
Payments made during the period	**(0.1)**
Provision transferred to current	**(0.1)**
Foreign currency exchange differences	**0.2**
Carrying amount at the end of the year	**12.0**

Environmental provision

Estimated costs for the remediation of soil, groundwater and untreated waste that have arisen as a result of past events have been provided where a legal or constructive obligation exists and a reliable estimate of the liability is able to be assessed (refer to notes 32 and 33).

	Consolidated	
		Restated
	2014	2013
	$m	$m
Total environmental provision comprises:		
Botany Groundwater remediation	**59.3**	59.2
Hexachlorobenzene (HCB) waste remediation	**35.0**	35.7
Botany Mercury remediation	**9.1**	18.2
Nordics sites remediation	**14.7**	16.0
Seneca remediation	**8.1**	8.6
Yarraville remediation	**17.2**	18.0
Villawood remediation	**9.4**	15.5
Other environmental provisions	**15.3**	16.8
Total environmental provisions	**168.1**	188.0

Decommissioning provision

A provision is recognised for the present value of the estimated costs of dismantling and removing an asset and restoring the site on which it is located where a legal or constructive obligation exists and a reliable estimate of the liability is able to be assessed (refer to note 32).

Contingent liabilities on acquisition of controlled entities

A provision is recognised on acquisition of a business for contingent liabilities of that business.

Other provision

The Group self-insures for certain insurance risks. Outstanding claims are recognised when an incident occurs that may give rise to a claim and are measured at the cost that the entity expects to incur in settling the claims.

	Consolidated	
	2014	2013
	$m	$m

20. Deferred tax liabilities

Net deferred tax liabilities (see note 5)	**68.3**	52.4

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	Consolidated 2013 $m
21. Contributed equity		
Issued and fully paid:		
Ordinary shares - 372,743,291 (2013 - 368,203,632)	**1,975.0**	1,877.9
Balance at end of year	**1,975.0**	1,877.9

Movements in issued and fully paid shares of Orica since 1 October 2012 were as follows:

Details	Date	Number of shares	Issue price $	$m
Ordinary shares				
Opening balance of ordinary shares issued	1-Oct-12	365,642,802		1,795.1
Shares issued under the Orica dividend reinvestment plan (note 25)	14-Dec-12	1,043,714	23.92	25.0
Shares issued under the Orica dividend reinvestment plan (note 25)	1-Jul-13	1,335,231	20.96	28.0
Share movements under the Orica LTEIP plan (Remuneration Report) (1) (3)		181,885		28.4
Shares issued under the Orica GEESP plan (note 36) (2)		-		1.4
Balance at end of year	**30-Sep-13**	**368,203,632**		**1,877.9**
Shares issued under the Orica dividend reinvestment plan (note 25)	**13-Dec-13**	**2,051,377**	**23.11**	**47.4**
Shares issued under the Orica dividend reinvestment plan (note 25)	**1-Jul-14**	**1,818,929**	**19.03**	**34.5**
Share movements under the Orica LTEIP plan (Remuneration Report) (1) (3)		**669,353**		**13.9**
Shares issued under the Orica GEESP plan (note 36) (2)		**-**		**1.3**
Balance at end of year	**30-Sep-14**	**372,743,291**		**1,975.0**

(1) Share movements under the Orica LTEIP plans.
(2) Shares issued under the Orica General Employee Exempt Share Plan.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

21. Contributed equity (continued)

Details	Date	Number of shares	Issue price * $	$m
(3) Share movements under the Orica LTEIP plans (Remuneration Report Section B)				
2012/2013				
Shares issued	14-Feb-13	81,811	26.23	-
Shares issued	2-Apr-13	100,074	23.81	-
Shares bought back	Various	-		(9.6)
Shares issued - loan repayment	Various	-		38.0
Movement for the year	**30-Sep-13**	**181,885**		**28.4**
2013/2014				
Shares issued	**21-Feb-14**	**669,353**	**24.25**	**-**
Shares issued - loan repayment	**Various**	**-**		**13.9**
Movement for the year	**30-Sep-14**	**669,353**		**13.9**

Under the LTEIP, eligible executives are provided with a three year, interest free, non-recourse loan from Orica for the sole purpose of acquiring shares in Orica. Executives may not deal with the shares while the loan remains outstanding and any dividends paid on the shares are applied (on an after-tax basis) towards repaying the loan. The shares issued to the executives are either purchased on market, issued as new shares by Orica or reissued unvested shares by Orica. Shares issued under this plan in conjunction with non-recourse loans are accounted for as options. As a result, the amounts receivable from employees in relation to these loans are not recognised in the financial statements. Shares issued under this plan are recognised as shares issued at nil value, with a share based payments expense recognised in the income statement based on the value of the options. The options issued on 21 February 2014 were valued by PwC using methodology consistent with the Black Scholes method. The key assumptions at grant date were: Orica Share price $24.30; Expected volatility 25%; Expected dividends NIL%; Risk free interest rate 3.05%; Resulting in a fair value at $8.10 per option. Shares purchased on-market under the plans are recognised as a share buy-back.

Repayments of share loans are recognised as share capital.
The LTEIP vests after three years.

The amounts recognised in the financial statements of Orica in relation to executive share options during the financial year were:

	Consolidated 2014 $m	Consolidated 2013 $m
Bought back ordinary share capital	**-**	(9.6)

LTEIP options over unissued shares (refer to Remuneration Report Section B):

Exercisable between	Balance 30 Sep 12	Issued during the period	Exercised during the period	Lapsed during the period	Balance 30 Sep 13	Issued during the period	Exercised during the period	Lapsed during the period	Balance 30 Sep 14
18 Nov 16 - 23 Jan 17	-	-	-	-	-	**839,544**	**-**	**-**	**839,544**
18 Nov 15 - 23 Jan 16	-	33,919	-	-	33,919	**-**	**-**	**-**	**33,919**
18 Nov 15 - 23 Jan 16	-	704,355	-	-	704,355	**-**	**-**	**(33,919)**	**670,436**
18 Nov 14 - 23 Jan 15	305,302	-	-	-	305,302	**-**	**-**	**-**	**305,302**
18 Nov 14 - 23 Jan 15	592,713	-	(48,213)	(92,817)	451,683	**-**	**-**	**-**	**451,683**
19 Nov 13 - 23 Jan 14	1,685,589	-	(47,159)	(218,515)	1,419,915	**-**	**(589,192)**	**(830,723)**	**-**
19 Nov 12 - 23 Jan 13	1,531,590	-	(1,527,773)	(3,817)	-	**-**	**-**	**-**	**-**
Total	4,115,194	738,274	(1,623,145)	(315,149)	2,915,174	**839,544**	**(589,192)**	**(864,642)**	**2,300,884**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

21. Contributed equity (continued)

Rights over unissued shares (refer to note 36):

Vesting date	Balance 30 Sep 12	Issued during the period	Exercised during the period	Lapsed during the period	Balance 30 Sep 13	Issued during the period	Exercised during the period	Lapsed during the period	Balance 30 Sep 14
19 Dec 16	-	-	-	-	-	**743,218**	**-**	**(92,160)**	**651,058**
1 Dec 16	-	-	-	-	-	**2,603**	**-**	**-**	**2,603**
1 Feb 16	-	-	-	-	-	**5,367**	**-**	**-**	**5,367**
2 Jan 16	-	-	-	-	-	**2,601**	**-**	**-**	**2,601**
19 Dec 15	-	24,293	-	-	24,293	**-**	**-**	**-**	**24,293**
19 Dec 15	-	717,397	-	(74,081)	643,316	**-**	**-**	**(148,786)**	**494,530**
1 Dec 15	-	-	-	-	-	**2,147**	**-**	**-**	**2,147**
1 Dec 15	-	-	-	-	-	**2,601**	**-**	**-**	**2,601**
20 Nov 15	-	-	-	-	-	**953**	**-**	**-**	**953**
23 Sep 15	-	-	-	-	-	**3,865**	**-**	**-**	**3,865**
4 Mar 15	-	3,836	-	-	3,836	**-**	**-**	**-**	**3,836**
1 Feb 15	-	-	-	-	-	**5,366**	**-**	**-**	**5,366**
2 Jan 15	-	-	-	-	-	**2,601**	**-**	**-**	**2,601**
31 Dec 14	-	-	-	-	-	**3,404**	**-**	**-**	**3,404**
19 Dec 14	649,165	-	-	(89,522)	559,643	**-**	**-**	**(108,477)**	**451,166**
1 Dec 14	-	-	-	-	-	**2,146**	**-**	**-**	**2,146**
1 Dec 14	-	-	-	-	-	**3,469**	**-**	**-**	**3,469**
20 Nov 14	-	-	-	-	-	**952**	**-**	**-**	**952**
23 Sep 14	-	-	-	-	-	**3,864**	**(3,864)**	**-**	**-**
4 Mar 14	-	3,835	-	-	3,835	**-**	**(3,835)**	**-**	**-**
30 Nov 13	7,942	-	-	-	7,942	**-**	**(7,942)**	**-**	**-**
15 Oct 13	-	4,885	(4,885)	-	-	**-**	**-**	**-**	**-**
1 Sep 13	6,148	-	(6,148)	-	-	**-**	**-**	**-**	**-**
31 Mar 13	108,246	-	(108,246)	-	-	**-**	**-**	**-**	**-**
Total	771,501	754,246	(119,279)	(163,603)	1,242,865	**785,157**	**(15,641)**	**(349,423)**	**1,662,958**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

	Notes	Consolidated 2014 $m	Restated 2013 $m
22. Reserves and retained earnings			
(a) Reserves			
Share based payments		**109.2**	99.3
Cash flow hedging		**10.2**	(8.1)
Foreign currency translation		**(537.4)**	(563.2)
Equity - arising from purchase of non-controlling interests		**(189.0)**	(189.1)
Balance at end of the year		**(607.0)**	(661.1)
Movement in reserves during the year			
Share based payments			
Balance at beginning of year		**99.3**	83.3
Share based payments expense		**9.9**	16.0
Balance at end of the year		**109.2**	99.3
Cash flow hedging			
Balance at beginning of year		**(8.1)**	(15.7)
Movement for period		**26.1**	10.9
Tax effect of movement in cash flow hedge reserve		**(7.8)**	(3.3)
Balance at end of the year		**10.2**	(8.1)
Foreign currency translation			
Balance at beginning of year		**(563.2)**	(930.0)
Translation of overseas controlled entities at the end of the year		**(3.5)**	343.3
Tax effect of translation of overseas controlled entities at the end of the year		**29.3**	23.5
Balance at end of the year		**(537.4)**	(563.2)
Equity - arising from purchase/disposal of non-controlling interests			
Balance at beginning of year		**(189.1)**	(187.4)
Disposal/(purchase) of non-controlling interests		**0.1**	(1.7)
Balance at end of the year		**(189.0)**	(189.1)
(b) Retained earnings			
Retained earnings at the beginning of the year		**2,654.2**	2,376.3
Profit after income tax attributable to shareholders of Orica		**602.5**	592.5
Defined benefit fund superannuation movement (net of tax)	(38)	**(10.9)**	24.4
Disposal of non-controlling interests		**(1.5)**	-
Dividends:	(25)		
Ordinary dividends – interim		**(147.6)**	(142.5)
Ordinary dividends – final		**(201.7)**	(196.5)
Retained earnings at end of the year		**2,895.0**	2,654.2

Share based payments reserve

The amount charged to the share based payments reserve each year represents the share based payments expense.

Cash flow hedging reserve

The amount in the cash flow hedging reserve represents the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Foreign currency translation reserve

The foreign currency translation reserve records the foreign currency differences arising from the translation of foreign operations, the translation of transactions that hedge net investment in a foreign operation or the translation of foreign currency monetary items forming part of the net investment in a foreign operation.

Equity reserve arising from purchase of non-controlling interests

The equity reserve represents the excess of the cost of investment in purchasing non-controlling interests in subsidiaries over the net assets acquired and non-controlling interests share of goodwill at the date of original acquisition of the subsidiary.

The movement for the year ended 30 September 2014 relates to disposal of 1.5% Orica's share in Jiangsu Orica Banqiao Mining Machinery Company Limited.

The movement for the year ended 30 September 2013 relates to purchase of 20% non-controlling interests in JV Minova Kazakhstan Limited Liability Partnership.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated		Consolidated	
		Restated		Restated
	2014	2013	**2014**	2013
	%	%	**$m**	$m
23. Non-controlling interests in controlled entities				
Ordinary share capital of controlled entities held by non-controlling interests in:				
Altona Properties Pty Ltd	**37.4**	37.4	**-**	-
Ammonium Nitrate Development and Production Limited	**0.1**	0.1	**-**	-
Bamble Mekaniske Industri AS [4]	**-**	-	**-**	-
Bronson & Jacobs International Co. Ltd	**51.0**	51.0	**-**	-
CJSC (ZAO) Carbo-Zakk	**6.3**	6.3	**0.1**	0.1
Dyno Nobel VH Company LLC	**49.0**	49.0	**1.0**	1.0
Emirates Explosives LLC	**35.0**	35.0	**2.1**	2.1
Explosivos de Mexico S.A. de C.V.	**1.3**	1.3	**-**	-
GeoNitro Limited	**35.0**	35.0	**0.5**	0.5
Hunan Orica Nanling Civil Explosives Co., Ltd	**49.0**	49.0	**18.4**	18.4
Jiangsu Orica Banqiao Mining Machinery Company Limited [3]	**50.5**	49.0	**1.7**	0.9
JV Minova Kazakhstan Limited Liability Partnership [1]	**20.0**	20.0	**0.2**	0.2
Minova MineTek Private Limited	**24.0**	24.0	**0.2**	0.2
Minova Mining Services SA	**49.0**	49.0	**1.4**	1.4
Minova Ukraina OOO	**10.0**	10.0	**0.3**	0.3
Nitro Asia Company Inc.	**41.6**	41.6	**0.1**	0.1
Northwest Energetic Services L.L.C.	**48.7**	48.7	**1.8**	1.8
OOO Minova TPS	**6.3**	6.3	**-**	-
Orica Blast & Quarry Surveys Limited	**25.0**	25.0	**0.6**	0.6
Orica-CCM Energy Systems Sdn Bhd	**45.0**	45.0	**0.6**	0.6
Orica-GM Holdings Ltd	**49.0**	49.0	**12.6**	12.6
Orica Eesti OU	**35.0**	35.0	**2.6**	2.6
Orica Med Bulgaria AD	**40.0**	40.0	**2.6**	2.6
Orica Mining Services Peru S.A.	**0.9**	0.9	**-**	-
Orica Mining Services South Africa (Pty) Ltd [3]	**25.0**	-	**0.1**	-
Orica Mongolia LLC [3]	**51.0**	15.0	**-**	-
Orica Nitrates Philippines Inc	**4.0**	4.0	**0.2**	0.2
Orica Nitro Patlayici Maddeler Sanayi ve Ticaret Anonim Sirketi	**49.0**	49.0	**1.7**	1.7
Orica Panama S.A.	**40.0**	40.0	**0.5**	0.5
Orica Philippines Inc	**5.5**	5.5	**0.1**	0.1
Orica Qatar LLC [2]	**40.0**	40.0	**0.1**	0.1
Orica (Weihai) Explosives Co Ltd	**20.0**	20.0	**6.1**	6.1
PT Kaltim Nitrate Indonesia	**10.0**	10.0	**11.0**	11.0
Transmate S.A.	**29.8**	29.8	**-**	-
			66.6	65.7
Non-controlling interests in shareholders' equity at balance date is as follows:				
Contributed equity			**66.6**	65.7
Reserves			**(16.9)**	(9.0)
Retained earnings			**86.4**	82.2
			136.1	138.9

(1) Non-controlling interests purchased by Orica during the 2013 year.
(2) Non-controlling interests through new incorporations during the 2013 year.
(3) Non-controlling interests disposed of by Orica during the 2014 year.
(4) Non-controlling interests disposed of by Orica during the 2013 year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Consolidated 2014 $m	Restated 2013 $m

23. Non-controlling interests in controlled entities (continued)

The following table summarised the information relating to non-controlling interests.
The amounts disclosed are before inter-company eliminations.

	2014 $m	Restated 2013 $m
Current assets	**500.4**	483.5
Current liabilities	**269.4**	263.0
Current net assets	**231.0**	220.5
Non-current assets	**840.3**	805.7
Non-current liabilities	**549.3**	534.3
Non-current net assets	**291.0**	271.4
Net assets	**522.0**	491.9
Carrying amount of non-controlling interests	**136.1**	138.9
Sales Revenue	**795.4**	787.9
Net profit for the year	**69.1**	52.7
Other comprehensive income	**7.0**	47.1
Total comprehensive income	**76.1**	99.8
Profit/(loss) allocated to non-controlling interests	**23.5**	17.4
Other comprehensive income related to non-controlling interests	**(7.9)**	13.0
Total	**15.6**	30.4
Dividends paid - non-controlling interests	**(17.4)**	(18.8)
Cash flows from operating activitities	**2.7**	2.1
Cash flows from investments activities	**(5.8)**	(21.3)
Cash fows from financing activities	**11.6**	21.0
Net increase in cash and cash equivalents	**8.5**	**1.8**

24. Parent Company disclosure - Orica Limited

	Company 2014 $m	Company 2013 $m
Total current assets	**1,036.1**	632.4
Total assets	**3,003.4**	2,595.7
Total current liabilities	**502.1**	273.8
Total liabilities	**504.9**	275.3
Equity		
Ordinary shares	**1,975.0**	1,877.9
Retained earnings	**523.5**	442.5
Total equity attributable to ordinary shareholders of Orica Limited	**2,498.5**	2,320.4
Net profit for the year	**430.3**	403.3

The Company did not have any contractual commitments for the acquisition of property, plant or equipment in the current or previous years.

Contingent liabilities and contingent assets

Under the terms of a Deed of Cross Guarantee entered into in accordance with the ASIC Class Order 98/1418 dated 13 August 1998 (as amended), each company which is a party to the Deed has covenanted with the Trustee of the Deed to guarantee the payment of any debts of the other companies which are party to the Deed which might arise on the winding up of those companies. The closed group of entities which are party to the Deed are disclosed in note 40. A consolidated balance sheet and income statement for this closed group is shown in note 40.

Orica Limited has provided guarantees to Export Finance and Insurance Corporation and banks for loans relating to the Bontang Ammonium Nitrate plant (see note 17).

Orica Limited guaranteed senior notes issued in the US private placement market in 2003, 2005, 2010 and 2013. The notes have maturities between 2015 and 2030 (2013: between 2015 and 2030) (see note 17).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

24. Parent Company disclosure - Orica Limited (continued)

Orica Limited Statement of Changes in Equity

		Ordinary shares	Retained earnings	Total equity
		$m	$m	$m
2013				
Balance at 1 Oct 2012		1,795.1	378.2	2,173.3
Profit for the year		-	403.3	403.3
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	403.3	403.3
Transactions with owners, recorded directly in equity				
Total changes in contributed equity		82.8	-	82.8
Dividends/distributions paid		-	(339.0)	(339.0)
Balance at the end of the year	**30-Sep-2013**	1,877.9	442.5	2,320.4
2014				
Profit for the year		**-**	**430.3**	**430.3**
Other comprehensive income		**-**	**-**	**-**
Total comprehensive income for the year		**-**	**430.3**	**430.3**
Transactions with owners, recorded directly in equity				
Total changes in contributed equity		**97.1**	**-**	97.1
Dividends/distributions		**-**	**(349.3)**	**(349.3)**
Balance at the end of the year	**30-Sep-2014**	**1,975.0**	**523.5**	**2,498.5**

	Consolidated	
	2014	2013
	$m	$m

25. Dividends and distributions

Dividends paid or declared in respect of the year ended 30 September were:		
Ordinary shares		
interim dividend of 39 cents per share, 38.5% franked at 30%, paid 1 July 2013		142.5
interim dividend of 40 cents per share, 40% franked at 30%, paid 1 July 2014	**147.6**	
final dividend of 54 cents per share, 44.4% franked at 30%, paid 14 December 2012		196.5
final dividend of 55 cents per share, 100% franked at 30%, paid 13 December 2013	**201.7**	
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	**267.4**	286.0
satisfied by issue of shares	**81.9**	53.0

Subsequent events

Since the end of the financial year, the directors declared the following dividend:
Final dividend on ordinary shares of 56.0 cents per share, 35.7% franked at 30%, payable 19 December 2014.
Total franking credits related to this dividend are $31.9 million.

The financial effect of the final dividend on ordinary shares has not been brought to account in the financial statments for the year ended 30 September 2014 - however will be recognised in the 2015 annual financial report.

Franking credits

Franking credits available at the 30% corporate tax rate after allowing for tax payable in respect of the current year's profit and the payment of the final dividend for 2014 are Nil (2013 $39.3 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

	Notes	Consolidated 2014 $m	Restated 2013 $m
26. Notes to the statement of cash flows			
Reconciliation of cash			
Cash at the end of the year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash	(7)	**263.2**	222.4
Bank overdraft	(17)	**(49.5)**	(19.2)
		213.7	203.2
Reconciliation of profit from ordinary activities after income tax to net cash flows from operating activities			
Profit from ordinary activities after income tax expense		**626.0**	609.9
Depreciation and amortisation		**300.8**	284.4
Share based payments expense		**9.9**	16.0
Share of associates' net loss/(profit) after adding back dividends received		**2.4**	(11.2)
Finance charges - finance leases		**0.3**	0.3
Unwinding of discount on provisions		**1.9**	7.7
Decrease in net interest payable		**(0.5)**	(0.4)
Increase in net interest receivable		**(0.1)**	(0.2)
Impairment of intangibles		**-**	5.7
Impairment of inventories		**10.7**	12.8
Impairment of investments		**0.4**	0.3
Net (profit)/loss on sale of businesses and controlled entities/investments		**(0.1)**	0.4
Net profit on sale of property, plant and equipment		**(33.2)**	(10.0)
Changes in working capital and provisions excluding the effects of acquisitions and disposals of businesses/controlled entities			
decrease/(increase) in trade and other receivables		**69.5**	(85.1)
decrease/(increase) in inventories		**53.7**	(113.8)
increase/(decrease) in net deferred taxes		**53.4**	(14.1)
(decrease)/increase in payables and provisions		**(103.1)**	286.7
(decrease)/increase in income taxes payable		**(74.9)**	72.2
Net cash flows from operating activities		**917.1**	1,061.6

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

27. Businesses and non-controlling interests acquired

Accounting standards require the fair value of the net assets acquired to be recognised. These financial statements include the preliminary purchase price allocation of acquired net assets. Accounting standards permit a measurement period during which acquisition accounting can be finalised following the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Consolidated - 2014
Acquisition of businesses and controlled entities
During financial year 2014 the consolidated entity has not acquired any businessess or entities.

Consolidated - 2013
Acquisition of businesses and controlled entities
During financial year 2013 the consolidated entity has not acquired any businessess or entities.

Acquisition of non-controlling interest:
JV Minova Kazakhstan Limited Liability Partnership, on 12 April 2013 Orica acquired additional 20%.

2013	Total $m
Decrease in non-controlling interests	(1.6)
Equity reserve	(1.7)
Deferred consideration	0.6
Total consideration	(2.7)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

28. Businesses disposed

Disposal of businesses and controlled entities

The following businesses and controlled entities were disposed of:

2014:

Orica Nelson Quarry Services Inc. on 31 January 2014.
Business assets of Emrick & Hill., Inc on 30 September 2014.

2013:

Bamble Mekaniske Industri AS on 1 October 2012 (60% holding).

	Consolidated	
	2014	2013
	$m	$m
Consideration		
cash received	**1.6**	0.2
cash disposed	**(1.2)**	-
debt disposed	**-**	0.3
Inflow of cash	**0.4**	0.5
Cash received		
deferred settlement	**1.6**	-
Net consideration	**2.0**	0.5
Carrying value of net assets of businesses/controlled entities disposed		
trade and other receivables	**1.8**	1.4
inventories	**1.3**	1.5
property, plant and equipment	**0.1**	-
intangibles	**-**	0.2
other assets	**0.1**	-
investment	**-**	0.2
payables and interest bearing liabilities	**(1.3)**	(1.8)
provision for employee entitlements	**-**	(0.2)
provision for income tax	**(0.1)**	-
	1.9	1.3
Less non-controlling interests at date of disposal	**-**	(0.4)
	1.9	0.9
Profit/(loss) on sale of business/controlled entities	**0.1**	(0.4)

Disposal of non-controlling interest:

2014:

Orica Mongolia LLC, in December 2013 Orica divested 36% of its interest.
Jiangsu Orica Banqiao Mining Machinery Company Limited, in December 2013 Orica divested 1.5% of its interest.
Orica Mining Services South Africa (Pty) Ltd, in April 2014 Orica divested 25% of its interest.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

29. Impairment testing of goodwill

For the purposes of impairment testing, goodwill is allocated to cash generating units (CGU), or groups of cash generating units expected to benefit from the synergies. Each unit or group of units to which goodwill has been allocated shall:
- represent the lowest level at which it is internally monitored; and
- not be larger than a segment.

Goodwill is internally monitored at the segment level and accordingly, impairment testing of goodwill is undertaken at the segment level.

The carrying amounts of goodwill in each segment are as follows:

	Consolidated	
	2014	2013
	$m	$m
Mining Services:		
- Australia/Pacific	**890.2**	891.4
- North America	**271.5**	269.8
- Latin America	**208.2**	207.5
- EMEA	**326.2**	328.3
- Other	**66.4**	60.4
Chemicals	**138.7**	145.9
Total	**1,901.2**	1,903.3

The recoverable amount of goodwill with indefinite lives is assessed based on value in use. The value in use calculations use cash flow projections based on actual operating results and the operating budgets approved by the Board of Directors. Cash flow projections are calculated using the 2015 budgeted cash flows and industry growth rates going forward.

The discount rates for each CGU were calculated using rates based on an external assessment of the Group's pre-tax weighted average cost of capital in conjunction with risk specific factors to the countries in which the CGUs operate. The pre-tax discount rates applied in the discounted cash flow model range between 9% and 34% (2013 10% - 21%). Foreign currency cash flows are discounted using the functional currency of the CGUs and then translated to Australian Dollars using the closing exchange rate.

The key assumptions regarding the range of discount and growth rates used in the calculation of value in use are as follows:

	Discount Rates **2014** %	Terminal Growth Rates Rates **2014** %	Discount Rates **2013** %	Terminal Growth Rates Rates **2013** %
Mining Services:				
- Australia/Pacific	14.9% - 15.6%	0.0% - 6.0%	15.0% - 15.6%	0.0% - 6.0%
- North America	12.7% - 12.7%	0.0% - 3.0%	13.2% - 13.2%	0.0% - 2.0%
- Latin America	15.9% - 16.6%	0.0% - 6.9%	17.8% - 17.8%	0.0% - 10.1%
- EMEA	8.8% - 33.7%	0.0% - 8.5%	10.0% - 20.7%	0.0% - 10.2%
- Other	9.5% - 21.8%	0.0% - 7.1%	12.6% - 19.0%	0.0% - 10.2%
Chemicals	13.1% - 18.8%	2.7% - 4.0%	13.6% - 13.6%	0.0% - 2.9%

The value in use calculations are sensitive to changes in discount rates, earnings and foreign exchange rates varying from the assumptions and forecast data used in the impairment testing. As such, sensitivity analysis was undertaken to examine the effect of a change in a variable on each CGU.

The impairment charge for intangibles with indefinite lives during the 2013 year relates to a specific asset in the Mining Services - Other Segment.

	Consolidated	
	2014	2013
	$m	$m
Goodwill	**-**	5.7
Total	**-**	5.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

30. Commitments

	Consolidated 2014 $m	Restated 2013 $m
Capital expenditure commitments		
Capital expenditure on property, plant and equipment and business acquisitions contracted but not provided for and payable:		
no later than one year	**106.9**	184.2
later than one, no later than five years	**3.1**	96.5
later than five years	**0.1**	-
	110.1	280.7

	Consolidated 2014 $m	2013 $m
Lease commitments		
Lease expenditure contracted for at balance date but not recognised in the financial statements and payable:		
no later than one year	**72.9**	71.8
later than one, no later than five years	**110.7**	147.8
later than five years	**36.9**	41.7
	220.5	261.3
Representing:		
cancellable operating leases	**131.6**	155.2
non-cancellable operating leases	**88.9**	106.1
	220.5	261.3
Non-cancellable operating lease commitments payable:		
no later than one year	**24.7**	26.4
later than one, no later than five years	**43.8**	58.3
later than five years	**20.4**	21.4
	88.9	106.1
Finance lease commitments payable:		
no later than one year	**1.3**	1.4
later than one, no later than five years	**4.7**	5.0
later than five years	**-**	1.0
	6.0	7.4
Less future finance charges	**(0.7)**	(0.9)
Present value of minimum lease payments provided for as a liability	**5.3**	6.5
Representing lease liabilities: (see note 17)		
current	**1.3**	1.4
non-current	**4.0**	5.1
	5.3	6.5

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

31. Auditors' remuneration

	$000	$000
Total remuneration received, or due and receivable, by the auditors for:		
Audit services		
Auditors of the Company – KPMG Australia		
– Audit and review of financial reports	**4,463**	4,914
– Other regulatory audit services	**226**	592
Auditors of the Company – overseas KPMG firms		
– Audit and review of financial reports (1)	**2,185**	1,994
	6,874	7,500
Other services (2)		
Auditors of the Company – KPMG Australia		
– other assurance services	**-**	-
	-	-
	6,874	7,500

From time to time, KPMG, the auditors of Orica, provide other services to the Group, which are subject to strict corporate governance procedures adopted by the Company which encompass the selection of service providers and the setting of their remuneration.

(1) Fees paid or payable for overseas subsidiaries' local lodgement purposes.

(2) The Board Audit and Risk Committee must approve any other services provided by KPMG above a value of $100,000 per assignment and it also reviews and approves at year end other services provided by KPMG below a value of $100,000. In addition, the guidelines adopted by KPMG for the provision of other services ensure their statutory independence is not compromised.

32. Critical accounting judgements and estimates

Management determines the development, selection and disclosure of the consolidated entity's critical accounting policies, estimates and accounting judgements and the application of these policies and estimates. Management necessarily makes estimates and judgements that have a significant effect on the amounts recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing the financial report are reasonable and in accordance with accounting standards. Changes in the assumptions underlying the estimates may result in a significant impact on the financial statements. The most critical of these assumptions and judgements are:

Contingent liabilities

In the normal course of business, contingent liabilities may arise from product-specific and general legal proceedings, from guarantees or from environmental liabilities connected with current or former sites. Where management are of the view that potential liabilities have a low probability of crystallising or it is not possible to quantify them reliably, they are disclosed as contingent liabilities. These are not provided for in the financial statements but are disclosed in note 33.

Environmental and decommissioning provisions

The business of the Group is subject to a variety of laws and regulations in the jurisdictions in which it operates or maintains properties. Provisions for expenses (refer to note 19) that may be incurred in complying with such laws and regulations are set aside if environmental inquiries or remediation measures are probable and the costs can be reliably estimated. For sites where there are uncertainties with respect to what Orica's remediation obligations might be or what remediation techniques might be approved and no reliable estimate can presently be made of regulatory and remediation costs, no amounts have been provided. It is also assumed that the methods planned for environmental remediation will be able to treat the issues within the expected time frame.

It is difficult to estimate the future costs of environmental remediation because of many uncertainties, particularly with regard to the status of laws, regulations and the information available about conditions in various countries and at individual sites. Significant factors in estimating the costs include the work of external consultants and/or internal experts, previous experiences in similar cases, expert opinions regarding environmental programs, current costs and new developments affecting costs, management's interpretation of current environmental laws and regulations, the number and financial position of third parties that may become obligated to participate in any remediation activities on the basis of joint liability and the remediation methods which are likely to be deployed.

Changes in the assumptions underlying these estimated costs may impact future reported results. Subject to these factors, but taking into consideration experience gained to date regarding environmental matters of a similar nature, Orica believes the provisions to be appropriate based upon currently available information. However, given the inherent difficulties in estimating liabilities in this area, it cannot be guaranteed that additional costs will not be incurred beyond the amounts provided. It is possible that final resolution of these matters may require expenditures to be made in excess of established provisions over an extended period of time that may result in changes in timing of anticipated cash flows from those assumed and in a range of amounts that cannot be reasonably estimated.

In respect of the Botany groundwater (New South Wales, Australia) contamination, Orica is continuing to conduct extensive remediation activities, including the operation of a Groundwater Treatment Plant, to treat the groundwater at Botany, which is

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

32. Critical accounting judgements and estimates (continued)

contaminated with pollutants from historical operations. A provision exists (refer to note 19) to cover the estimated costs associated with remediation until 2019. Costs are expected to be incurred after this date, but it is not possible to predict the time frame over which remediation will be required or the form the remediation will take and therefore it is not possible to reliably estimate any associated costs. In light of ongoing discussions with regulatory authorities and following an assessment of currently available technologies to treat the contamination, Orica intends to maintain a provision at current levels that takes into account the estimated costs associated with remediation commitments over the five year period. The provision will continue to be re-evaluated based on future regulatory assessments and advancements in appropriate technologies.

Orica is committed to finding a solution for destruction of its hexachlorobenzene (HCB) waste. There are no facilities to treat the HCB waste in Australia and Orica's export applications have been unsuccessful. Orica continues to safely store the waste. A provision has been established in respect of this matter (refer to note 19).

Orica received results indicating elevated concentrations of mercury in soil and groundwater at the southern end of the Botany site and at adjacent offsite locations. Orica submitted a remediation action plan which satisfied the NSW Environment Protection Authority requirements, and Orica restarted works in August 2013. A provision has been established for remediation activities in respect of this matter.

Legal proceedings

The outcome of currently pending and future legal, judicial, regulatory, administrative and other proceedings of a litigious nature ("Proceedings") cannot be predicted with certainty. Thus, an adverse decision in Proceedings could result in additional costs that are not covered, either wholly or partially, under insurance policies and that could significantly impact the business and results of operations of the Group. Proceedings can raise difficult and complex legal issues and are subject to many uncertainties and complexities including, but not limited to, the facts and circumstances of each particular case, issues regarding the jurisdiction in which each Proceeding is brought and differences in applicable law. Upon resolution of any pending Proceedings, the Group may be forced to incur charges in excess of the presently established provisions and related insurance coverage. It is possible that the financial position, results of operations or cash flows of the Group could be materially affected by an unfavourable outcome of those Proceedings. Proceedings are evaluated on a case-by-case basis considering the available information, including that from legal counsel, to assess potential outcomes. Where it is considered probable that a future obligation will result in an outflow of resources, a provision is recorded in the amount of the present value of the expected cash outflows if these are deemed to be reliably measurable.

Warranties and Indemnities

In the course of acquisitions and disposals of businesses and assets, Orica routinely negotiates warranties and indemnities across a range of commercial issues and risks, including environmental risks associated with real property. Management uses the information available and exercises judgement in the overall context of these transactions, in determining the scope and extent of these warranties and indemnities. In assessing Orica's financial position, management relies on warranties and indemnities received, and considers potential exposures on warranties and indemnities provided. It is possible that the financial position, results of operations and cash flows of the Group could be materially affected if circumstances arise where warranties and indemnities received are not honoured, or for those provided, circumstances change adversely.

Defined benefit superannuation fund obligations

The expected costs of providing post-retirement benefits under defined benefit arrangements relating to employee service during the period are charged to the income statement. Any actuarial gains and losses, which can arise from differences between expected and actual outcomes or changes in actuarial assumptions, are recognised immediately in the statement of comprehensive income. In all cases, the superannuation costs are assessed in accordance with the advice of independent qualified actuaries but require the exercise of judgement in relation to assumptions for future salary and superannuation increases, long term price inflation and bond rates. While management believes the assumptions used are appropriate, a change in the assumptions used may impact the earnings and equity of the Group.

Property, plant and equipment and definite life intangible assets

The Group's property, plant and equipment and intangible assets, other than indefinite life intangible assets, are depreciated/amortised on a straight line basis over their useful economic lives. Management reviews the appropriateness of useful economic lives of assets at least annually and any changes to useful economic lives may affect prospective depreciation rates and asset carrying values.

Financial instruments at fair value

The Group measures a number of financial instruments at fair value. These fair values are based on observable market data which is used to estimate future cash flows and discount them to present value. Management's aim is to use and source this data consistently from period to period. While management believes the assumptions used are appropriate, a change in assumptions would impact the fair value calculations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

32. Critical accounting judgements and estimates (continued)

Impairment of assets

The Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets are impaired. In making the assessment for impairment, assets that do not generate independent cash flows are allocated to an appropriate cash generating unit (CGU). The recoverable amount of those assets, or CGUs, is measured as the higher of their fair value less costs to sell or value in use. Management necessarily applies its judgement in allocating assets that do not generate independent cash flows to appropriate CGUs. For the purposes of impairment testing, goodwill is allocated to cash generating units, or groups of cash generating units expected to benefit from the synergies. Each unit or group of units to which goodwill has been allocated shall represent the lowest level at which is internally monitored and not be larger than a segment. Goodwill is monitored at the segment level. Accordingly, impairment testing of goodwill is undertaken at the segment level.

The determination of value in use requires the estimation and discounting of future cashflows. The estimation of the cashflows is based on information available at balance date which may differ from cashflows which eventuate. This includes, among other things, expected revenue from sales of products, the return on assets, future costs and discount rates. Subsequent changes to the CGU allocation or to the timing and quantum of cash flows may impact the carrying value of the respective assets.

Current asset provisions

In the course of normal trading activities, management uses its judgement in establishing the net realisable value of various elements of working capital – principally inventory and accounts receivable. Provisions are established for obsolete or slow moving inventories, bad or doubtful receivables and product warranties. Actual expenses in future periods may be different from the provisions established and any such differences would impact future earnings of the Group.

Taxation

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provision in the period in which such determination is made.

In addition, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the nature and timing of their origination and compliance with the relevant tax legislation associated with their recoupment.

Assumptions are also made about the application of income tax legislation. These assumptions are subject to risk and uncertainty and there is a possibility that changes in circumstances or differences in opinions will alter outcomes which may impact the amount of deferred tax assets and deferred tax liabilities recorded on the Balance Sheet and the amount of tax losses and timing differences not yet recognised. In these circumstances, the carrying amount of deferred tax assets and liabilities may change, resulting in an impact on the earnings of the Group.

33. Contingent liabilities

(a) Environmental

(a) (i) General

In accordance with the current accounting policy, for sites where the requirements have been assessed and are capable of reliable measurement, estimated regulatory and remediation costs have been capitalised, expensed as incurred or provided for. For environmental matters where there are significant uncertainties with respect to the extent of Orica's remediation obligations or the remediation techniques that might be approved, no reliable estimate can presently be made of regulatory and remediation costs and any costs are expensed as incurred.

There can be no assurance that new information or regulatory requirements with respect to known sites or the identification of new remedial obligations at other sites will not require additional future provisions for environmental remediation and such provisions could be material.

Orica has entered into arrangements with the relevant regulatory authorities for a number of sites to investigate land and groundwater contamination and, where appropriate, undertake voluntary remediation activities on these sites. Where reliable estimates are possible and remediation techniques have been identified for these sites, provisions have been established in accordance with current accounting policy.

Orica is investigating suitable remediation options for Dense Non-Aqueous Phase Liquid (DNAPL) source areas at Botany giving rise to the groundwater contamination which is being treated by the Groundwater Treatment Plant. No provision has been established for remediation activities in respect of DNAPL as a reliable estimate is not possible at this time.

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For the year ended 30 September 2014

33. Contingent liabilities (continued)

(a)(ii) Environmental Prosecutions

Orica is the subject of legal proceedings issued by the NSW Environmental Protection Authority and the NSW Office of Heritage and Environment in relation to environmental incidents that occurred in 2013 at Orica's Kooragang Island site and in the Hunter Valley. Orica has entered guilty pleas in relation to the Hunter Valley incident. The NSW Land & Environment Court is expected to convene a mitigation and sentencing hearing for this matter in 2015. Orica has entered a not guilty plea in relation to the Kooragang Island incident. A trial date has not yet been set by the NSW Land & Environment Court for these proceedings.

(b) WorkCover Prosecutions

The New South Wales WorkCover Authority has issued legal proceedings against Orica Australia in relation to an incident at the Kooragang Island site on 9 November 2011. Orica Australia has entered a not guilty plea in these proceedings with the matter to go to trial later this year.

It is possible that Orica will incur penalties as a consequence of these environmental and WorkCover legal proceedings. However where it is not possible to reliably assess the amount of any such fines or other penalties, no provisions have been made with respect to these environmental prosecutions.

(c) Taxation

(c) (i) Investigations and audits

Consistent with other companies of the size and diversity of Orica, the Group is the subject of ongoing information requests, investigations and audit activities by Tax and Regulatory Authorities in jurisdictions in which Orica operates. Orica co-operates fully with the Tax and Regulatory Authorities. It is possible that Orica may incur fines and/or other penalties as a consequence of these investigations and audits.

(c) (ii) German Tax Action

As the result of an income tax audit covering the 2005 to 2008 years, the German Central Tax Office ("the Tax Office") is proposing to challenge Orica's tax returns under laws which were announced in 2012 and introduced in 2013 in relation to a financing arrangement by Orica of its German group from 2005 onwards. The amount of the possible reassessment is approximately $16m. Orica has received external advice that the laws should not apply to these arrangements and in addition should not be applied retrospectively. The Tax Office has advised that it will extend the audit beyond 2008 and may challenge the financing arrangement in the later years.

(c) (iii) Australian Tax Action

The Australian Taxation Office ("ATO") has issued amended assessments in relation to the 2004, 2005 and 2006 years totalling $50.6m in relation to a financing arrangement by Orica of its US group between 2004 and 2006. Orica has received external legal advice and objected against all three assessments. In accordance with the ATO administrative practice, Orica has paid 50% of the primary tax and interest arising from the assessments, which has been recognised as a non-current receivable.

(c) (iv) Norway Tax Action

The Tax Office in Norway has issued a final assessment for tax and interest amounting to approximately $32.5 million, resulting from a reassessment of Orica Norway's tax return for the 2005 income year relating to a transfer of the Dyno Nobel house brand in conjunction with Orica's acquisition of Dyno Nobel's explosives business. Orica has received external legal advice and is pursuing this matter through an administrative complaints process. Orica has paid a portion of the primary tax and interest arising from the assessment, which has been recognised as a non-current receivable.

(c) (v) Brazilian Tax Action

The Brazilian Taxation authority is claiming unpaid taxes relating to the 1997 financial year of approximately $25 million. ICI Plc, the vendor of the business to Orica, has been notified to preserve Orica's rights under the tax indemnity obtained upon acquisition of the business which provides indemnity for amounts exceeding certain limits. The Brazilian Taxation authority has been granted security over the Lorena site as well as a bank guarantee of up to approximately $9 million.

(d) Guarantees, indemnities and warranties

- The consolidated entity has entered into various long term supply contracts. For some contracts, minimum charges are payable regardless of the level of operations, but the levels of operations are expected to remain above those that would trigger minimum payments.
- There are a number of legal claims and exposures which arise from the ordinary course of business. There is significant uncertainty as to whether a future liability will arise in respect of these items. The amount of liability, if any, which may arise cannot be reliably measured at this time.
- The consolidated entity has entered into various sales contracts where minimum savings are guaranteed to customers and such savings are expected to be achieved in the ordinary course of business.
- There are guarantees relating to certain leases of property, plant and equipment and other agreements arising in the ordinary course of business.
- Contracts of sale covering companies and assets which were divested during the current and prior years include commercial warranties and indemnities to the purchasers.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

33. Contingent liabilities (continued)

- Orica Limited guaranteed senior notes issued by Orica Finance Limited in the US private placement market in 2003, 2005, 2010 and 2013. The notes have maturities between 2015 and 2030. Orica Limited has also provided guarantees for senior committed bank facilities.

(e) Other

Since 30 September 2013, the Polish Competition Authority has brought down an adverse finding against 3 firms, including Minova Poland, in relation to the supply of ground support products to Polish coal mines during 2005 to 2010, fining Minova Poland $4.7million. Orica is appealing the adverse finding and fine.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

34. Financial and capital management

Capital management

Orica's objectives when managing capital (net debt and total equity) are to safeguard the Group's ability to continue as a going concern and to ensure that the capital structure enhances, protects and balances financial flexibility against minimising the cost of capital.

In order to maintain the appropriate capital structure, the Group may adjust the amount of dividends paid to shareholders, utilise a dividend reinvestment plan, return capital to shareholders or issue new equity, in addition to incurring an appropriate mix of long and short term borrowings. Currently, Orica's dividend policy is to pay a progressive dividend.

Orica monitors capital on the basis of the accounting gearing ratio (which is calculated as net debt divided by net debt plus shareholders equity). In addition, Orica monitors various other credit metrics, principally an interest cover ratio (EBIT excluding individually material items, divided by net financing costs adjusted for capitalised borrowing cost) and funds from operations (FFO) divided by a total debt measure.

The Group's current target level for gearing is 35% to 45% and for interest cover is 5 times or greater. These, together with an appropriate FFO/total debt measure, are targeted to maintain a strong investment grade credit profile, which should facilitate access to borrowings from a diverse range of sources. Ratios may move outside of these target ranges for relatively short periods of time after major acquisitions or other significant transactions.

The gearing level and interest cover are also monitored to ensure an adequate buffer against covenant levels under various facilities.

The net debt to gearing ratios are calculated as follows:	Consolidated **2014 $m**	 Restated 2013 $m
Interest bearing borrowings	**2,499.9**	2,556.6
Less cash and cash equivalents	**(263.2)**	(222.4)
Net debt	**2,236.7**	2,334.2
Total Equity	**4,399.1**	4,009.9
Net debt and total equity	**6,635.8**	6,344.1
Gearing ratio (%)	**33.7%**	36.8%

The interest cover ratio is calculated as follows:	**2014 $m**	Restated 2013 $m
EBIT	**929.7**	968.1
Net financing costs	**115.8**	150.2
Capitalised borrowing costs	**27.6**	11.9
	143.4	162.1
Interest cover ratio (times)	**6.5**	6.0

The Group self-insures for certain insurance risks under the *Singapore Insurance Act*. Under this Act, authorised general insurers, including Anbao Insurance Pte Ltd (the Orica self-insurance company), are required to maintain a minimum amount of capital. For the financial year ended 30 September 2014, Anbao Insurance Pte Ltd maintained capital in excess of the minimum requirements prescribed under this Act.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

34. Financial and capital management (continued)

Financial risk factors

The Group's principal financial risks are associated with foreign exchange, interest rate, liquidity and credit risk.

The Group's overall risk management program seeks to mitigate these risks and reduce the volatility of Orica's financial performance. Financial risk management is carried out centrally by the Group's Treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management and policies covering specific areas, such as foreign exchange, interest rate and credit risk as well as the use of derivative and non-derivative financial instruments and the investment of excess liquidity. Orica enters into derivative instruments for risk management purposes only. Derivative transactions are entered into to hedge the risks relating to underlying physical positions arising from business activities. Derivative transactions to hedge risks such as interest rate and foreign currency movements principally include interest rate swaps, cross currency interest rate swaps, forward exchange contracts and vanilla European option contracts.

Classification of financial assets and financial liabilities

The Group's principal financial instruments comprise cash and cash equivalents, receivables, payables, interest bearing liabilities and derivatives.

For measurement purposes the Group classifies financial assets and financial liabilities into the following categories: (a) financial assets and liabilities at fair value through profit and loss, (b) loans and other receivables and (c) financial liabilities at amortised cost. The Group does not have any financial assets categorised as held-to-maturity or as available-for-sale.

Financial assets and liabilities at fair value through profit and loss

This category combines financial assets and liabilities that are held for trading. A financial asset or liability is classified in this category if it is acquired principally for the purpose of selling in the short term or if it is so designated by management. The Group holds a number of derivative instruments for economic hedging purposes under Board approved risk management policies, which do not meet the criteria for hedge accounting under Accounting Standards. These derivatives are required to be categorised as held for trading. Assets and liabilities in this category are classified as current if they are either held for trading or are expected to be realised within 12 months of the balance sheet date (refer notes 12 and 16). Movements in the fair value of those derivatives that meet the accounting criteria as cash flow hedges and are designated as such are recognised in to the cash flow hedge reserve in equity.

Loans and other receivables

Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except where maturities are greater than 12 months after the balance sheet date when they are classified as non-current. Loans and receivables are classified as 'receivables' in the balance sheet (refer note 8).

Amortised cost

Financial liabilities measured in this category are initially recognised at their fair value and are then subsequently re-measured at amortised cost using the effective interest rate method. This includes the Group's short-term non-derivative financial instruments (refer note 16) and its interest bearing liabilities (refer note 17).

Risks and mitigation

The risks associated with the financial instruments and the policies for minimising these risks are detailed below:

Interest rate risk management

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group is primarily exposed to interest rate risk on outstanding interest bearing liabilities. Non-derivative interest bearing assets are predominantly short-term liquid assets. Interest bearing liabilities issued at fixed rates expose the Group to fair value interest rate risk while borrowings issued at a variable rate give rise to cash flow interest rate risk.

Interest rate risk on long-term interest bearing liabilities is managed by adjusting the ratio of fixed interest debt to variable interest debt. This is managed within policies determined by the Orica Board of Directors via the use of interest rate swaps and cross currency interest rate swaps. Under the policy, up to 90% of debt with a maturity of less than one year can be fixed. This reduces on a sliding scale to year five where a maximum 50% of debt with a maturity of between five and ten years can be fixed. Beyond this, a maximum 25% of the debt with a maturity of between ten and twenty years can be fixed. The Group operated within this range during both the current year and the prior year and as at September, the fixed rate borrowings after the impact of interest rate swaps and cross currency swaps were $1,144 million (2013 $1,098 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

34. Financial and capital management (continued)

Interest Rate Sensitivity

The table below shows the effect on profit from operations, net profit after tax and shareholders' equity if interest rates at year end had been 10% higher or lower based on the relevant interest rate yield curve applicable to the underlying currency the borrowings or derivatives are denominated in (including Australian dollars, Euros, Canadian dollars, New Zealand dollars and United States dollars) with all other variables held constant, taking into account all underlying exposures and related hedges and does not include the impact of any management action that might take place if these events occurred. A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term interest rates. Directors cannot nor do not seek to predict movements in interest rates.

	Consolidated	
		Restated
	2014	2013
	$m	$m
Effect on profit before tax increase/(decrease)		
If interest rates were 10% higher, with all other variables held constant	**(1.3)**	(1.0)
If interest rates were 10% lower, with all other variables held constant	**1.3**	1.0
Effect on profit after tax increase/(decrease)		
If interest rates were 10% higher, with all other variables held constant	**(1.0)**	(0.7)
If interest rates were 10% lower, with all other variables held constant	**1.0**	0.7
Effect on shareholders' equity increase/(decrease)		
If interest rates were 10% higher, with all other variables held constant	**(0.4)**	1.0
If interest rates were 10% lower, with all other variables held constant	**0.4**	(1.0)

Foreign exchange risk management

Foreign exchange risk - transactional

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset or liability or cash flow will fluctuate due to changes in foreign currency rates.

The Group is exposed to foreign exchange risk primarily due to significant sales and/or purchases denominated, either directly or indirectly, in currencies other than the functional currencies of the Group's subsidiaries.

In regard to foreign currency risk relating to sales and purchases, the Group hedges up to 100% of committed exposures. Anticipated exposures are hedged by applying a declining percentage of cover the further the time to the transaction date. Only exposures that can be forecast to a high probability are hedged. Transactions can be hedged for up to five years. The derivative instruments used for hedging purchase and sale exposures are bought vanilla option contracts and forward exchange contracts. Forward exchange contracts may be used only under Board policy for committed exposures and anticipated exposures expected to occur within 12 months. Bought vanilla option contracts may be used for all exposures. These contracts are designated as cash flow hedges and are recognised at their fair value. The currencies giving rise to this risk are primarily U.S. Dollar (USD), Euro (EUR), Canadian Dollar (CAD), Norwegian Kroner (NOK), Swedish Kronor (SEK), Chilean Peso (CLP), Colombian Peso (COP) and Mexican Peso (MXN).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

34. Financial and capital management (continued)

Exchange rate sensitivity

The Group's exposure to foreign currency risk including both external balances and internal balances (eliminated on consolidation) at the reporting date was as follows (Australian dollar equivalents):

	2014						
	USD $m	**CAD $m**	**NZD $m**	**NOK $m**	**SEK $m**	**EUR $m**	**GBP $m**
Cash [1]	**2,428.9**	**1,064.6**	**248.8**	**66.6**	**228.8**	**1,302.0**	**381.2**
Trade and other receivables	**205.2**	**67.3**	**1.5**	**0.9**	**2.6**	**39.7**	**6.4**
Trade and other payables	**(362.4)**	**(31.2)**	**(1.3)**	**(0.4)**	**(8.3)**	**(35.4)**	**(1.4)**
Interest bearing liabilities [1]	**(2,468.3)**	**(573.2)**	**(369.2)**	**(38.6)**	**(98.4)**	**(1,228.6)**	**(117.3)**
Net derivatives	**452.3**	**(51.2)**	**(41.7)**	**(88.4)**	**0.1**	**(93.4)**	**0.4**
Net exposure	**255.7**	**476.3**	**(161.9)**	**(59.9)**	**124.8**	**(15.7)**	**269.3**

	2013 - restated						
	USD $m	CAD $m	NZD $m	NOK $m	SEK $m	EUR $m	GBP $m
Cash [1]	3,041.6	97.0	3.4	65.2	1,252.7	1,358.7	351.9
Trade and other receivables	296.5	49.6	0.1	0.3	16.0	62.2	2.4
Trade and other payables	(347.3)	(27.1)	(0.3)	(0.4)	(11.3)	(54.7)	(0.6)
Interest bearing liabilities [1]	(2,904.6)	(34.9)	(84.2)	(18.8)	(518.4)	(1,208.6)	(92.7)
Net derivatives	415.9	(52.3)	(41.3)	(90.3)	(0.4)	(95.3)	(0.1)
Net exposure	502.1	32.3	(122.3)	(44.0)	738.6	62.3	260.9

[1] Includes internal deposits and interest bearing liabilities used for Group cash management purposes.

The following tables show the effect on profit and equity of the Group if exchange rates as at 30 September had been 10% higher or lower with all other variables held constant, taking into account all underlying exposures and related hedges and does not include the impact of any management actions that might take place if these events occurred. A sensitivity of 10% has been selected, as this is considered reasonably possible given the current level and volatility of exchange rates based on an historical analysis. Directors cannot nor do not seek to predict movements in exchange rates. However, it should be noted that it is unlikely that all currencies would move in the same direction and by the same percentage. Major exposures are against the USD, CAD, New Zealand Dollar (NZD), NOK, SEK, EUR and Great Britain Pound (GBP).

A 10% sensitivity would move year end rates as follows (against the Australian Dollar):

	2014			2013 - restated		
	10% lower	**As reported**	**10% higher**	10% lower	As reported	10% higher
U.S. Dollar	**0.7876**	**0.8751**	**0.9626**	0.8363	0.9292	1.0221
Canadian Dollar	**0.8780**	**0.9756**	**1.0732**	0.8616	0.9573	1.0530
New Zealand Dollar	**1.0103**	**1.1226**	**1.2349**	1.0094	1.1215	1.2337
Norwegian Kroner	**5.0720**	**5.6356**	**6.1992**	5.0044	5.5604	6.1164
Swedish Kronor	**5.6953**	**6.3281**	**6.9609**	5.3721	5.9690	6.5659
Euro	**0.6206**	**0.6895**	**0.7585**	0.6193	0.6881	0.7569
Great Britain Pound	**0.4845**	**0.5383**	**0.5921**	0.5172	0.5747	0.6322

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

34. Financial and capital management (continued)

The effect on profit from operations, net profit after tax and shareholders' equity of a movement in individual exchange rates on both external balances and internal balances (eliminated on consolidation) of Cash, Trade and other receivables, Trade and other payables, Interest bearing liabilities and net derivatives at the end of the reporting date would be as follows:

	2014		Restated 2013	
	(10%) $m	**10% $m**	(10%) $m	10% $m
Effect on profit/(loss) from operations from a movement in:				
U.S. Dollar	**(14.4)**	**11.7**	(0.8)	(1.8)
Canadian Dollar	**4.2**	**(3.5)**	3.7	(3.0)
New Zealand Dollar	**(0.4)**	**0.3**	(0.6)	0.4
Norwegian Kroner	**0.1**	**(0.0)**	0.0	(0.0)
Swedish Kronor	**(0.6)**	**0.5**	0.5	(0.4)
Euro	**(0.7)**	**0.6**	1.4	(1.4)
Great Britain Pound	**0.5**	**(0.4)**	(0.1)	0.1
Effect on net profit/(loss) after tax from a movement in:				
U.S. Dollar	**(10.1)**	**8.2**	(0.6)	(1.3)
Canadian Dollar	**3.0**	**(2.4)**	2.6	(2.1)
New Zealand Dollar	**(0.3)**	**0.2**	(0.4)	0.3
Norwegian Kroner	**0.0**	**(0.0)**	0.0	(0.0)
Swedish Kronor	**(0.4)**	**0.4**	0.3	(0.2)
Euro	**(0.5)**	**0.4**	1.0	(1.0)
Great Britain Pound	**0.4**	**(0.3)**	-	-
Increase/(decrease) on shareholders' equity from a movement in:				
U.S. Dollar	**36.4**	**(29.8)**	63.8	(49.6)
Canadian Dollar	**38.3**	**(31.4)**	1.5	(1.2)
New Zealand Dollar	**(7.9)**	**6.4**	(4.9)	4.0
Norwegian Kroner	**(3.3)**	**2.7**	(1.9)	1.6
Swedish Kronor	**10.7**	**(8.8)**	59.3	(48.5)
Euro	**2.4**	**(1.9)**	13.8	(11.3)
Great Britain Pound	**21.7**	**(17.7)**	23.0	(18.8)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

34. Financial and capital management (continued)

Foreign currency risk - translational

Foreign currency earnings translation risk arises primarily as a result of earnings in USD, NZD, NOK, SEK, CLP, COP, MXN and CAD being translated into AUD. Derivative contracts to hedge earnings exposures do not qualify for hedge accounting under Accounting Standards. However, Board approved policy allows hedging of this exposure in order to reduce the volatility of full year earnings resulting from changes in exchange rates. At 30 September 2014, the fair value of these derivatives was $nil (2013 $nil).

Foreign currency net investment translation risk is managed within policies determined by the Board of Directors. Hedging of exposures is undertaken centrally by the Group's Treasury department primarily through originating debt in the currency of the foreign operation or by raising debt in a different currency and effectively swapping the debt to the currency of the foreign operation (see below cross currency interest rate swaps under interest rate risk management). The remaining translation exposure is managed, where considered appropriate, through forward foreign exchange derivative instruments or cross currency swaps. Gains and losses resulting from these hedging activities are recorded in the foreign currency translation reserve within the equity section of the balance sheet and offset against the foreign exchange impact resulting from the translation of the net assets of foreign operations. Thirty one percent of the Group's investment in foreign operations was hedged in this manner as at 30 September 2014 (2013 32.0%).

As at reporting date, derivative instruments designated as hedging net investment exposures had a fair value of $101.9 million loss (2013 $108.6 million loss).

Credit risk management

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under a contract or arrangement. The Group has exposure to credit risk on all financial assets included within the balance sheets. For discussion on how this risk in relation to receivables is managed refer to note 8. In regards to credit risk arising from derivatives and cash, this is the credit exposure to financial institutions that are counterparties to derivative contracts and cash deposits, with a positive fair value from Orica's perspective. As at 30 September 2014, the sum of all contracts with a positive fair value was $56.5 million (2013 $12.8 million).

To manage this risk, the Group restricts dealings to highly rated counterparties approved within its credit limit policy. The higher the credit rating of the counterparty, the higher the Group's allowable exposure is to that counterparty under the policy. The Group does not hold any credit derivatives to offset its credit exposures.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

34. Financial and capital management (continued)

Liquidity risk management

Liquidity risk arises from the possibility that there will be insufficient funds available to make payment as and when required.

The Group manages this risk via:

- maintaining an adequate level of undrawn committed facilities in various currencies that can be drawn upon at short notice;
- using instruments that are readily tradeable in the financial markets;
- monitoring duration of long term debt;
- spreading, to the extent practicable, the maturity dates of long-term debt facilities; and
- comprehensively analysing of all inflows and outflows that relate to financial assets and liabilities.

Facilities available and the amounts drawn and undrawn are as follows:

	2014 $m	Restated 2013 $m
Unsecured bank overdraft facilities		
Unsecured bank overdraft facilities available	**116.1**	113.7
Amount of facilities undrawn	**66.6**	94.5
Committed standby and loan facilities		
Committed standby and loan facilities available	**3,774.0**	4,232.4
Amount of facilities unused	**1,552.8**	2,114.7

The bank overdrafts are payable on demand and are subject to an annual review. The repayment dates of the committed standby and loan facilities range from 28 April 2015 to 25 October 2030 (2013 6 May 2014 to 25 October 2030).

The contractual maturity of the Groups' fixed and floating rate financial instruments and derivatives are shown in the table below. The amounts shown represent the future undiscounted principal and interest cash flows:

Consolidated	**As at 30 September 2014**				Restated As at 30 September 2013			
	Less than 1 year $m	**1 to 2 years $m**	**2 to 5 years $m**	**Over 5 years $m**	Less than 1 year $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m
Non-derivative financial assets								
Cash	**263.2**	**-**	**-**	**-**	222.4	-	-	-
Trade and other receivables [(1)]	**1,043.8**	**74.3**	**-**	**-**	1,049.3	97.3	-	-
Derivative financial assets	**1,997.0**	**119.7**	**337.4**	**259.9**	1,271.1	52.4	153.5	427.6
Financial assets	**3,304.0**	**194.0**	**337.4**	**259.9**	2,542.8	149.7	153.5	427.6
Non-derivative financial liabilities								
Trade and other payables [(1)]	**1,211.0**	**6.9**	**-**	**-**	1,240.0	12.3	-	-
Bank overdrafts	**49.5**	**-**	**-**	**-**	19.2	-	-	-
Bank loans	**7.0**	**135.1**	**66.7**	**-**	5.6	5.6	167.4	-
Export finance facility	**14.7**	**14.7**	**44.2**	**14.3**	14.0	13.8	40.2	25.7
Other short term borrowings	**211.4**	**-**	**-**	**-**	33.4	-	-	-
Private placement	**353.3**	**172.4**	**600.1**	**1,403.6**	82.1	346.6	606.4	1,462.4
Other long term borrowings	**3.6**	**6.2**	**3.6**	**-**	-	1.7	1.0	-
Lease liabilities	**1.2**	**1.1**	**3.2**	**-**	1.3	1.5	3.3	2.1
Derivative financial liabilities	**1,985.8**	**137.2**	**329.4**	**259.1**	1,286.8	58.0	197.0	484.0
Financial liabilities	**3,837.5**	**473.6**	**1,047.2**	**1,677.0**	2,682.4	439.5	1,015.3	1,974.2
Net outflow	**(533.5)**	**(279.6)**	**(709.8)**	**(1,417.1)**	(139.6)	(289.8)	(861.8)	(1,546.6)

(1) Excludes derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

34. Financial and capital management (continued)

Cash flow hedges

Cash flow hedges are used to hedge exposures relating to borrowings and ongoing business activities, where there is a highly probable sale, purchase or settlement commitment in foreign currencies.

Foreign exchange transactions

The hedging of foreign exchange transactions is described under foreign currency risk above.

The fair value of forward exchange contracts and options used as hedges of foreign exchange transactions at 30 September 2014 was a net $13.3 million gain (2013 $2.4 million loss), comprising assets of $29.7 million (2013 $11.1 million) and liabilities of $16.4 million (2013 $13.5 million).

Gains and losses recognised in the cash flow hedge reserve on all foreign currency hedges of anticipated purchases and sales and the timing of their anticipated recognition as part of sales or purchases are:

	Net deferred (gains)/losses	
		Restated
	2014	2013
Term	**$m**	$m
Not later than one year	**(2.1)**	(0.2)
Later than one, no later than five years	**(2.5)**	-
Later than five years	**(0.4)**	-
Total	**(5.0)**	(0.2)

The terms of the forward exchange contracts have been negotiated to match the terms of the commitments.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the hedged asset or liability affects the Income Statement, the Group transfers the related amount deferred in equity into the Income Statement.

Derivatives not designated in a hedging relationship

Certain derivative instruments do not qualify for hedge accounting, despite being commercially valid economic hedges of the relevant risks. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the Income Statement (for example, changes in the fair value of vanilla bought European options used to hedge translation of foreign earnings).

Interest rate swap contracts

Interest rate or cross currency interest rate swaps are classified as cash flow hedges if they are used to transfer floating rate debt into fixed rate debt and they are stated at fair value. All gains and losses attributable to the hedged risk are taken directly to equity and reclassified into the Income Statement when the interest expense is recognised. All swaps are matched directly against the appropriate loans and interest expense. There was a derivative liability of $1.1 million as at 30 September 2014 (2013 $13.0 million).

The notional amounts of interest rate swaps as summarised below represent the contract or face values of these derivatives. The notional amounts do not represent amounts exchanged by the parties. The amounts to be exchanged are net settled and will be calculated with reference to the notional amounts and the pay and receive interest rates determined under the terms of the derivative contracts. Each contract involves quarterly or semi-annual payment or receipt of the net amount of interest:

		Restated
	2014	2013
	$m	$m
Floating to fixed swaps		
One to five years	**350.0**	350.0

Commodity hedging transactions

The group is exposed to price risk from a number of commodities, which can ordinarily be passed on to customers. Hedging is undertaken in specific circumstances, following Board approval. In these cases, movements in the commodity hedges are initially recognised within equity and recognised in the P&L when the forecast transaction is realised.

The fair value of swap contracts used to hedge commodity risk at 30 September 2014 was a net gain of $6.9 million (2013 $nil), comprising of assets of $6.9 million (2013 $nil) and liabilities of $nil (2013 $nil).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

34. Financial and capital management (continued)

Fair value hedges

Cross currency interest rate and interest rate swap contracts

During the period the Group held cross currency interest rate and interest rate swaps to mitigate the Group's exposure to changes in the fair value of foreign denominated debt from fluctuations in foreign currency and interest rates. The hedged items designated were a portion of the Group's foreign currency denominated borrowings. The changes in the fair values of the hedged items resulting from movements in exchange rates and interest rates are offset against the changes in the value of the cross currency interest rate and interest rate swaps.

For the Group, re-measurement of the hedged items resulted in a loss before tax of $20.3 million (2013 $25.5 million loss) and the changes in the fair value of the hedging instruments resulted in a gain before tax of $22.2 million (2013 $25.5 million gain) resulting in a net gain before tax of $1.9 million (2013 nil million gain) recorded in finance costs.

The fair value of these swaps at 30 September 2014 was $88.9 million (2013 $66.7 million), comprising assets of $106.9 million (2013 $86.8 million) and liabilities of $18.0 million (2013 $20.1 million).

Fair values of derivatives

The carrying value of derivatives disclosed in notes 12 and 16 equal their fair values. 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.

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

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

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:
- Level 1: quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 September 2014	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Derivative financial assets	**-**	**56.5**	**-**	**56.5**
Derivative financial liabilities	**-**	**(55.0)**	**-**	**(55.0)**
	-	**1.5**	**-**	**1.5**
As at 30 September 2013 - restated				
Derivative financial assets	-	12.8	-	12.8
Derivative financial liabilities	-	(75.2)	-	(75.2)
	-	(62.4)	-	(62.4)

During the current and previous year there were no transfers between the fair value hierarchy levels.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet where Orica currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Orica also entered into master netting arrangements that do not meet the criteria for offsetting but allow for the related amounts to be set-off in certain circumstances, such as the event of default.

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements but not offset, as at 30 September 2014 and 30 September 2013. The column 'Net amount' shows the impact on the Group's balance sheet if all set-off rights were exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

34. Financial and capital management (continued)

	Effects of offsetting on the balance sheet			Related amounts not offset	
2014	**Gross amounts**	**Gross amounts set off in the balance sheet**	**Net amounts presented in the balance sheet**	**Amounts subject to master netting agreements**	**Net amount**
	$m	**$m**	**$m**	**$m**	**$m**
Derivative financial assets					
Interest rate swaps	**20.0**	**-**	**20.0**	**(6.6)**	**13.4**
Commodity swaps	**6.9**	**-**	**6.9**	**(2.9)**	**4.0**
Forward exchange contracts	**29.5**	**-**	**29.5**	**(21.1)**	**8.4**
Options	**0.1**	**-**	**0.1**	**(0.1)**	**-**
Total	**56.5**	**-**	**56.5**	**(30.7)**	**25.8**
Derivative financial liabilities					
Interest rate swaps	**38.7**	**-**	**38.7**	**(14.4)**	**24.3**
Commodity swaps	**-**	**-**	**-**	**-**	**-**
Forward exchange contracts	**16.3**	**-**	**16.3**	**(16.3)**	**-**
Options	**-**	**-**	**-**	**-**	**-**
Total	**55.0**	**-**	**55.0**	**(30.7)**	**24.3**
2013 Restated					
Derivative financial assets					
Interest rate swaps	1.7	-	1.7	(1.6)	0.1
Commodity swaps	-	-	-	-	-
Forward exchange contracts	9.5	-	9.5	(9.0)	0.5
Options	1.6	-	1.6	(1.6)	-
Total	12.8	-	12.8	(12.2)	0.6
Derivative financial liabilities					
Interest rate swaps	61.6	-	61.6	(4.2)	57.4
Commodity swaps	-	-	-	-	-
Forward exchange contracts	13.6	-	13.6	(8.0)	5.6
Options	-	-	-	-	-
Total	75.2	-	75.2	(12.2)	63.0

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

35. Events subsequent to balance date

Dividends

On 19 November 2014, the directors declared a final dividend of 56.0 cents per ordinary share payable on 19 December 2014. The financial effect of this dividend is not included in the financial statements for the year ended 30 September 2014 and will be recognised in the 2015 financial statements.

Chemicals business separation

On 18 November 2014 Orica signed a contract to sell the Orica Chemicals business incorporating the chemicals trading businesses in Australia, New Zealand and Latin America, Bronson and Jacobs in Australia, New Zealand and Asia and the Australian Chloralkali manufacturing business to funds advised by Blackstone for a price of $750m. Closing of the transaction is subject to Australian Foreign Investment Review Board and New Zealand Overseas Investment Office approvals and other customary conditions, including material adverse change provisions, within the sale agreement and is expected to occur in the first quarter of calendar year 2015.

The directors have not become aware of any other significant matter or circumstance that has arisen since 30 September 2014, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

36. Employee share plans

Employees' options entitlement

Other than the LTEIP shares which are treated as options for accounting purposes, the Long Term Incentive Rights Plan (LTIRP) and the Sign-on Rights Plans, there are no other options over Orica shares outstanding at 30 September 2013 or 30 September 2014.

(a) (i) Long Term Incentive Rights Plan (LTIRP)

In financial year 2012 LTIRP was adopted as the long term incentive component of remuneration for senior executives (excluding the Executive Committee) selected by the Board based on the role of the individual in guiding the future success of the Company. Invitations to participate in LTIRP are made on the following basis:

- Senior executives are granted a number of rights, which vest upon the satisfaction of the relevant performance hurdle. The number of rights granted to each employee is based on a specified percentage in the range of 15% to 60% of their fixed remuneration, depending on the individual's role and responsibility.
- Each right is an entitlement to be allocated one ordinary share in Orica (or such other number adjusted in accordance with the terms of the LTIRP rules).
- Rights are unlisted and do not carry any dividend or voting rights.
- Shares allocated upon vesting of rights may be either newly issued shares or existing shares acquired on market.
- LTIRP is offered to senior executives below the Executive Committee level. A single hurdle of Orica achieving 2% EPS compound growth per annum over three years was set for this scheme to represent the minimum level of acceptable performance before vesting can occur.
- Holders of rights that leave the consolidated entity prior to the end of the performance period will, in general, forfeit their rights. The Board has discretion to allow a number of rights to be tested and vest if the holder leaves due to death, disability or other Board approved reasons.
- The fair value of these long term incentives are expensed over the three year vesting period.

The number of LTIRP issued, values and related information is shown in the following table:

Grant date	Vesting date	Number of rights issued	Number of rights held at 30 September 2014	Number of rights held at 30 September 2013	Number of participants at 30 September 2014	Number of participants at 30 September 2013	Fair value of rights at grant date [1] $
19 Dec 11	19 Dec 14	664,845	**451,166**	559,643	**229**	279	14,586,699
19 Dec 12	19 Dec 15	717,397	**494,530**	643,316	**237**	291	15,754,038
1 April 13	19 Dec 15	24,293	**24,293**	24,293	**5**	5	533,960
19 Dec 13	19 Dec 16	744,827	**651,058**	-	**251**	-	14,993,368
		2,151,362	**1,621,047**	1,227,252	**722**	575	45,868,065

[1] The assumptions underlying the rights valuations are:

Grant date	Price of Orica Shares at grant date $	Expected volatility in share price %	Dividends expected on shares %	Risk free interest rate %	Fair value per right [2] $
19 Dec 11	24.68	25	4.0	2.99	21.94
19 Dec 12	24.70	25	4.0	2.77	21.96
1 April 13	24.45	25	4.0	2.88	21.98
19 Dec 13	22.98	25	4.5	2.92	20.13

[2] The option valuations prepared by PwC use methodologies consistent with assumptions that apply under the Black Scholes option pricing model and reflect the value (as at grant date) of options held at 30 September. The assumptions underlying the option valuations are: (a) the exercise price of the option, (b) the life of the option, (c) the current price of the underlying securities, (d) the expected volatility of the share price, (e) the dividends expected on the shares, and (f) the risk-free interest rate for the life of the option.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

36. Employee share plans (continued)

(a) (ii) Sign-on Rights Allocations

For a select group of senior managers who join Orica post allocation of a LTIRP grant (and generally having forgone at-risk remuneration from their previous employer) rights may be allocated at the discretion of the Orica Board. Allocations are made on the following basis:

- Employees are granted a number of rights, which vest upon the satisfaction of a time based hurdle, generally aligned to their anniversary of joining Orica.
- The number of rights granted to each employee is based on either a specified percentage of their fixed remuneration, or a straight dollar value. The value is determined on an individual basis, but generally aligned to either their future LTIRP grant percentage or the foregone at-risk remuneration from their previous employer.
- Each right is an entitlement to be allocated one ordinary share in Orica.
- Rights are unlisted and do not carry any dividend or voting rights.
- Shares allocated upon vesting of rights may be either newly issued shares or existing shares acquired on market.
- Holders of rights that leave the consolidated entity prior to the end of the performance period will, in general, forfeit their rights. The Board has discretion to allow a number of rights to be tested and vest if the holder leaves due to death, disability or other Board approved reason.

Sign-on Rights allocations, values and related information is shown in the following table:

Grant date	Vesting date	Number of rights issued	Number of rights held at 30 September 2014	Number of rights held at 30 September 2013	Number of participants at 30 September 2014	Number of participants at 30 September 2013	Value of rights at grant date (1) $
19 Dec 11	30 Nov 13	7,942	**-**	7,942	**-**	1	181,554
1 Sep 12	1 Sep 13	6,148	**-**	-	**-**	-	143,064
15 Oct 12	30 Jun 13	4,885	**-**	-	**-**	-	121,197
11 Mar 13	4 Mar 14	3,835	**-**	3,835	**-**	1	95,492
11 Mar 13	4 Mar 15	3,836	**3,836**	3,836	**1**	1	91,872
5 Dec 13	20 Nov 14	952	**952**	-	**1**	-	20,868
5 Dec 13	20 Nov 15	953	**953**	-	**1**	-	19,994
1 Apr 14	1 Dec 14	2,146	**2,146**	-	**1**	-	44,916
1 Apr 14	1 Dec 15	2,147	**2,147**	-	**1**	-	43,004
1 Apr 14	23 Sep 14	3,864	**-**	-	**-**	-	81,569
1 Apr 14	23 Sep 15	3,865	**3,865**	-	**1**	-	78,073
1 Apr 14	1 Dec 14	3,469	**3,469**	-	**1**	-	72,606
1 Apr 14	1 Dec 15	2,601	**2,601**	-	**1**	-	52,098
1 Apr 14	1 Dec 16	2,603	**2,603**	-	**1**	-	49,900
1 Apr 14	1 Feb 15	5,366	**5,366**	-	**2**	-	111,505
1 Apr 14	1 Feb 16	5,367	**5,367**	-	**2**	-	106,696
10 Jun 14	31 Dec 14	3,404	**3,404**	-	**1**	-	64,233
10 Jun 14	2 Jan 15	2,601	**2,601**	-	**1**	-	49,081
10 Jun 14	2 Jan 16	2,601	**2,601**	-	**1**	-	46,948
			41,911	15,613	**16**	3	1,474,670

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

36. Employee share plans (continued)

(1) The assumptions underlying the rights valuations are:

Grant date	Price of Orica Shares at grant date $	Expected volatility in share price %	Dividends expected on shares %	Risk free interest rate %	Fair value per right(2) $
19 Dec 11	24.68	25	4.0	3.13	22.86
1 Sep 12	24.20	25	4.0	2.86	23.27
15 Oct 12	25.51	25	4.0	2.58	24.81
11 Mar 13	25.90	25	4.0	2.88	24.90
11 Mar 13	25.90	25	4.0	2.90	23.95
5 Dec 13	22.91	25	4.5	2.50	21.92
5 Dec 13	22.91	25	4.5	2.79	20.98
1 Apr 14	21.56	25	4.5	2.79	20.93
1 Apr 14	21.56	25	4.5	2.79	20.03
1 Apr 14	21.56	25	4.5	2.79	21.11
1 Apr 14	21.56	25	4.5	2.79	20.20
1 Apr 14	21.56	25	4.5	2.79	20.93
1 Apr 14	21.56	25	4.5	2.79	20.03
1 Apr 14	21.56	25	4.5	2.79	19.17
1 Apr 14	21.56	25	4.5	2.79	20.78
1 Apr 14	21.56	25	4.5	2.79	19.88
10 Jun 14	19.34	25	4.5	2.79	18.87
10 Jun 14	19.34	25	4.5	2.79	18.87
10 Jun 14	19.34	25	4.5	2.79	18.05

(2) The option valuations prepared by PwC use methodologies consistent with assumptions that apply under the Black Scholes option pricing model and reflect the value (as at grant date) of options held at 30 September. The assumptions underlying the option valuations are: (a) the exercise price of the option, (b) the life of the option, (c) the current price of the underlying securities, (d) the expected volatility of the share price, (e) the dividends expected on the shares, and (f) the risk-free interest rate for the life of the option.

(b) (i) General Employee Exempt Share Plan - Australia

The General Employee Exempt Share Plan (GEESP) has operated since 1998. It is administered by Link Market Services Limited. Invitations are made to eligible employees as determined by the Board on the following basis:

- shares acquired are either newly issued shares or existing shares acquired on market;
- employees are each entitled to acquire shares with a market value of approximately $1,000 per year;
- employees salary sacrifice the value of the shares by equal twelve monthly deductions since the date of acquisition;
- employees who leave the consolidated entity must salary sacrifice any remaining amount prior to departure; and
- employees cannot dispose of the shares for a period of three years from date of acquisition or until they leave their employment with the consolidated entity, whichever occurs first.

Grant date	Date shares become unrestricted	**Number of participants at 30 September 2014**	Number of participants at 30 September 2013	**Shares held at 30 September 2014**	Shares held at 30 September 2013
9 Jan 12	9 Jan 15	**1,130**	1,247	**46,330**	51,127
8 Jan 13	8 Jan 16	**1,242**	1,375	**47,196**	52,250
8 Jan 14	8 Jan 17	**1,243**	-	**52,206**	-
		3,615	2,622	**145,732**	103,377

(b) (ii) General Employee Exempt Share Plan - New Zealand

A separate GEESP has operated for New Zealand employees since 1999. It is administered internally. Invitations are made to eligible employees as determined by the Board on the following basis:

- shares acquired are either newly issued shares or existing shares acquired on market;
- employees are each entitled to acquire shares with a market value of approximately NZ$780 per year;
- employees salary sacrifice the value of the shares by equal deductions between the date of acquisition and 30 September the following year;
- employees who leave the consolidated entity because of redundancy, retirement or sickness, have the option to salary sacrifice any remaining amounts prior to departure, if they wish to retain their shares;
- employees who leave the consolidated entity because of resignation, will be paid the market value of the shares in proportion to their contributions to date; and

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

36. Employee share plans (continued)

- employees cannot dispose of the shares for a period of three years from date of acquisition or until they leave their employment with the consolidated entity and they are entitled to retain their shares, whichever occurs first. After the period of three years, employees may submit a Notice of Withdrawal to release some or all of their shares.

Grant date	Date shares become unrestricted	**Number of participants at 30 September 2014**	Number of participants at 30 September 2013	**Shares held at 30 September 2014**	Shares held at 30 September 2013
1 Oct 10	30 Sep 13	**50**	63	**1,150**	1,449
1 Oct 11	30 Sep 14	**56**	63	**1,512**	1,701
1 Oct 12	30 Sep 15	**72**	80	**1,728**	1,920
1 Oct 13	30 Sep 16	**69**	-	**2,346**	-
		247	206	**6,736**	5,070

37. Related party disclosures

(a) Key Management Personnel compensation summary

As deemed under AASB 124 *Related Parties Disclosures*, Key Management Personnel (KMP) include each of the directors, both executive and non-executive, and those members of the Executive Committee who have authority and responsibility for planning, directing and controlling the activities of Orica. In this report, “Executive KMP” refers to the KMP other than the Non-Executive Directors. Non–Executive Directors have oversight of the strategic direction of the Group but no direct involvement in the day to day management of the business.

A summary of the Key Management Personnel compensation is set out in the following table:

	Consolidated	
	2014 $000	2013 $000
Short term employee benefits	**13,510.0**	13,290.8
Other long term benefits	**94.6**	189.5
Post employment benefits	**229.2**	226.2
Share-based payments	**3,720.0**	5,452.8
Termination benefits	**593.3**	2,416.8
	18,147.1	21,576.1

Information regarding individual directors and executives compensation and some equity instruments disclosure as permitted by Corporation Regulation 2M.3.03 is provided in the remuneration report section of the directors’ report.

(b) Controlled entities

Interests in subsidiaries are set out in note 39.

(c) Transactions with controlled entities

Transactions between Orica Limited and entities in the Group during the year included:

- Interest revenue received and paid by Orica Limited for money deposited and borrowed;
- Dividend income received by Orica Limited;

All the above transactions with controlled entities are made on normal commercial terms and conditions and in the ordinary course of business.

	2014 $000	2013 $000
Net interest received by Orica Limited	**17,456**	8,460
Dividend income received by Orica Limited	**400,000**	400,000

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For the year ended 30 September 2014

37. Related party disclosures (continued)

(d) Transactions with other related parties

All transactions with other related parties are made on normal commercial terms and conditions and in the ordinary course of business.

Transactions during the year with associates were:

	2014 $000	Restated 2013 $000
Sales of goods to associates	**333,572**	357,977
Purchases of goods from associates	**91,113**	88,010
Dividend income received from associates	**35,545**	25,173
Income received from leasing	**2,081**	166
Interest income received from associates	**10**	6

Additional related party disclosures

Additional relevant related party disclosures are shown throughout the notes to the financial statements as follows:

Financial income and expenses	note 4
Trade and other receivables	note 8
Investments	note 11, 39
Trade and other payables	note 16
Interest bearing liabilities	note 17
Options and shares	note 21, 36

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

38. Superannuation commitments

(a) Superannuation plans

The consolidated entity contributes to a number of superannuation plans that exist to provide benefit for employees and their dependants on retirement, disability or death. The superannuation plans cover company sponsored plans, other qualifying plans and multi-employer industry/union plans.

Company sponsored plans

- The principal benefits are pensions or lump sum payments for members on resignation, retirement, disability or death. The benefits are provided on either a defined benefit or defined contribution basis.
- Employee contribution rates are either fixed by the rules of the plans or selected by members from time to time from a specified range of rates. The employer entities contribute the balance of the cost required to fund the defined benefits or, in the case of defined contribution plans, the amounts required by the rules of the plan.
- The contributions made by the employer entities to defined contribution plans are in accordance with the requirements of the governing rules of such plans or are required under law.

Government plans

- Some controlled entities participate in government plans on behalf of certain employees, which provide pension benefits. There exists a legally enforceable obligation on employer entities to contribute as required by legislation.

Industry plans

- Some controlled entities participate in industry plans on behalf of certain employees.
- These plans operate on an accumulation basis and provide lump sum benefits for members on resignation, retirement, disability or death.
- The employer entities have a legally enforceable obligation to contribute a regular amount for each employee member of these plans.
- The employer entities have no other legal liability to contribute to the plans.

(b) Defined contribution pension plans

The consolidated entity contributes to several defined contribution pension plans on behalf of its employees. The amount recognised as an expense for the financial year ended 30 September 2014 was $47.3 million (2013 $47.1 million).

(c) Defined benefit pension plans

The consolidated entity participates in several local and overseas defined benefit post-employment plans that provide benefits to employees upon retirement. Plan funding is carried out in accordance with the requirements of trust deeds and the advice of actuaries. The information within these financial statements has been prepared by the local plan external actuaries. Orica were assisted by Towers Watson Australia to globally consolidate those results. During the year, the consolidated entity made employer contributions of $35.4 million (2013 $33.0 million) to defined benefit plans. The Group's external actuaries have forecast total employer contributions and benefit payments to defined benefit plans of $26.8 million for 2015.

(c) (i) Balance sheet amounts

The amounts recognised in the balance sheet are determined as follows:

	2014 **$m**	2013 Restated $m
Present value of the funded defined benefit obligations	**690.2**	657.7
Present value of unfunded defined benefit obligations	**108.3**	91.0
Fair value of defined benefit plan assets	**(594.1)**	(542.8)
Deficit	**204.4**	205.9
Restriction on assets recognised	**1.7**	0.3
Net liability in the balance sheet	**206.1**	206.2
Amounts in balance sheet:		
Liabilities	**207.8**	206.2
Assets	**(1.7)**	-
Net liability recognised in balance sheet at end of year	**206.1**	206.2

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

38. Superannuation commitments (continued)

(c) (ii) Amounts recognised in the income statement

The amounts recognised in the income statement are as follows:

	2014	2013 Restated
	$m	$m
Current service cost	**17.7**	19.0
Interest cost on defined benefit obligation	**7.2**	7.7
Total included in employee benefits expense	**24.9**	26.7

(c) (iii) Amounts included in the statement of comprehensive income

	2014	2013 Restated
	$m	$m
Actuarial gains/(losses) on defined benefit obligations:		
Due to changes in demographic assumptions	(6.6)	(21.3)
Due to changes in financial assumptions	(42.6)	39.4
Due to experience adjustments	(0.4)	(12.5)
Total	(49.6)	5.6
Change in irrecoverable surplus other than interest	(1.3)	0.3
Return on plan assets greater than discount rate	38.3	29.4
Total (losses)/ gains recognised via the Statement of Comprehensive Income	(12.6)	35.3
Tax benefit/(expense) on total (losses)/ gains recognised via the Statement of Comprehensive Income	1.7	(10.9)
Total (losses)/ gains after tax recognised via the Statement of Comprehensive Income	(10.9)	24.4

(c) (iv) Reconciliations

	2014	2013 Restated
	$m	$m
Reconciliation of present value of the defined benefit obligations:		
Balance at the beginning of the year	748.7	704.8
Current service cost	17.7	19.0
Interest cost	30.4	25.8
Actuarial (gains)/losses	49.6	(5.6)
Contributions by plan participants	2.7	2.9
Benefits paid	(50.9)	(32.4)
Settlements/curtailments	-	(0.9)
Exchange differences on foreign funds	0.3	35.1
Balance at the end of the year	798.5	748.7
Weighted average duration of defined benefit obligation at end of period - Years	13.1	13.3

	2014	2013 Restated
	$m	$m
Reconciliation of the fair value of the plan assets:		
Balance at the beginning of the year	**542.8**	474.1
Interest income on plan assets	**23.2**	18.1
Actuarial gains	**38.3**	29.4
Contributions by plan participants	**2.7**	2.9
Contributions by employer	**35.4**	33.0
Benefits paid	**(50.9)**	(32.4)
Settlements/curtailments	**-**	(1.0)
Exchange differences on foreign funds	**2.6**	18.7
Balance at the end of the year	**594.1**	542.8

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

38. Superannuation commitments (continued)

The fair value of plan assets does not include any amounts relating to the consolidated entity's own financial instruments, property occupied by, or other assets used by, the consolidated entity.

	2014 **$m**	2013 Restated $m
Comprising:		
Quoted in active markets:		
Equities	**228.6**	226.1
Debt securities	**185.0**	142.2
Property	**1.4**	1.1
Other quoted securities	**53.8**	51.3
Other:		
Equities	**-**	-
Debt securities	**-**	-
Property	**45.2**	41.6
Insurance contracts	**23.8**	27.5
Cash and cash equivalents	**56.3**	53.0
	594.1	542.8

The principal assumptions applied in determining the present value of defined benefit obligations and their bases were as follows

- Rates of increase in pensionable remuneration, pensions in payment and healthcare costs: historical experience and management 's long-term future expectations;
- Discount rates: prevailing long-term high quality bond yields, chosen to match the currency and duration of the relevant obligation; and
- Mortality rates: the local actuaries' designated mortality rates for the individual plans concerned.

The weighted averages for those assumptions and related sensitivity information are presented below. Sensitivity information indicates by how much the defined benefit obligations would increase or decrease if a given assumption were to increase or decrease with no change in other assumptions.

	Assumptions used			Effect of using alternative assumptions
	2014	2013 Restated	Change of assumptions	2014 Increase/(Decrease) $m
Rate of increase in pensionable remuneration	**3.08%**	3.31%	+1%	25
Rate of increase in pensions in payment	**2.28%**	2.10%	+1%	22
Rate of increase in medical trend (ultimate)	**4.40%**	4.41%	+1%	5
Discount rate for pension plans	**3.90%**	4.33%	+1%	(83)

The expected age at death for persons aged 65 is 86 years for men and 89 years for women at 30 September 2014. If members are one year older the defined benefit obligation at 30 September 2014 would decrease by $17 million.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

39. Investments in controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities held during 2013 and 2014:

Name of Entity	Place of incorporation if other than Australia	Name of Entity	Place of incorporation if other than Australia
Company			
Orica Limited			
Controlled Entities			
ACF and Shirleys Pty Ltd (f)		Marplex Australia (Holdings) Pty Ltd (f)	
Active Chemicals Chile S.A.	Chile	Marplex Australia Pty Ltd (f)	
Alaska Pacific Powder Company	USA	MIEX UK Limited (b)	UK
Altona Properties Pty Ltd (f)		Mining Quarry Services SPRL	Belgium
Aminova International Limited	Hong Kong	Minova AG	Switzerland
Ammonium Nitrate Development and Production Limited	Thailand	Minova Arnall Sp. z o.o.	Poland
		Minova Asia Pacific Ltd	Taiwan
Anbao Insurance Pte Ltd	Singapore	Minova Australia Pty Ltd (f)	
Andean Mining & Chemicals Limited	Jersey	Minova Bohemia s.r.o.	Czech Republic
Arboleda S.A	Panama	Minova BWZ GmbH	Germany
ASA Organizacion Industrial S.A. de C.V.	Mexico	Minova CarboTech GmbH	Germany
Australian Fertilizers Pty Ltd (f)		Minova Carbotech Tunnelling Engineering (Shanghai) Company Limited	China
Barbara Limited	UK		
Beijing Ruichy Minova Synthetic Material Company Limited	China	Minova Codiv S.L.	Spain
		Minova Ekochem S.A.	Poland
Bronson and Jacobs (H.K.) Limited	Hong Kong	Minova Holding GmbH	Germany
Bronson and Jacobs (Shanghai) International Trading Co. Ltd (c)	China	Minova Holding Inc	USA
		Minova International Limited	UK
Bronson & Jacobs (GZFTZ) Ltd (d)	China	Minova Ksante Sp. z o.o.	Poland
Bronson & Jacobs International Co. Ltd	Thailand	Minova MAI GmbH	Austria
Bronson & Jacobs (Malaysia) Sdn Bhd	Malaysia	Minova Mexico S.A. de C.V.	Mexico
Bronson & Jacobs Pty Ltd		Minova MineTek Private Limited	India
Bronson & Jacobs (S.E. Asia) Pte Limited	Singapore	Minova Mining Services SA	Chile
Bronson & Jacobs (Shanghai) Chemical Trading Co., Ltd (c)	China	Minova Nordic AB	Sweden
		Minova Romania S.R.L.	Romania
BST Manufacturing, Inc.	USA	Minova Ukraina OOO	Ukraine
Chemnet Pty Limited (f)		Minova (Tianjin) Co., Ltd.	China
CJSC (ZAO) Carbo-Zakk	Russia	Minova Weldgrip Limited	UK
Controladora DNS de RL de CV	Mexico	Mintun 1 Limited	UK
Curasalus Insurance Pty Ltd (f)		Mintun 2 Limited	UK
Cyantific Instruments Pty Ltd (f)		Mintun 3 Limited	UK
Dansel Business Corporation	Panama	Mintun 4 Limited	UK
Dyno Nobel Nitrogen AB (c)	Sweden	MMTT Limited	UK
Dyno Nobel VH Company LLC	USA	Nitedals Krudtvaerk AS	Norway
D.C. Guelich Explosive Company	USA	Nitro Asia Company Inc.	Philippines
Eastern Nitrogen Pty Ltd (f)		Nitro Consult AB	Sweden
Emirates Explosives LLC	United Arab Emirates	Nitro Consult AS	Norway
Emrick & Hill., Inc	USA	Nitroamonia de Mexico S.A de C.V.	Mexico
Engineering Polymers Pty Ltd (f)		Nobel Industrier AS	Norway
Eurodyn Sprengmittel GmbH	Germany	Nordenfjeldske Spraengstof AS	Norway
Explosivos de Mexico S.A. de C.V.	Mexico	Northwest Energetic Services LLC	USA
Explosivos Mexicanos S.A. de C.V.	Mexico	Nutnim 1 Limited	UK
Fortune Properties (Alrode) (Pty) Limited	South Africa	Nutnim 2 Limited	UK
Forbusi Importadora e Exportadora Ltda	Brazil	OOO Minova	Russia
GeoNitro Limited	Georgia	OOO Minova TPS	Russia
Hallowell Manufacturing LLC	USA	Orica-CCM Energy Systems Sdn Bhd	Malaysia
Hebben & Fischbach Chemietechnik GmbH	Germany	Orica-GM Holdings Limited	UK
Hunan Orica Nanling Civil Explosives Co., Ltd	China	Orica Africa (Pty) Ltd (formerly Orica South Africa (Proprietary) Limited)	South Africa
Indian Explosives Limited	India		
Industry Project Consultants Pty Ltd (e)			
Initiating Explosives Systems Pty Ltd (a)		Orica Argentina S.A.I.C.	Argentina
International Project Advisors Pty Ltd (e)		Orica Australia Pty Ltd (a)	
Jiangsu Orica Banqiao Mining Machinery Company Limited	China	Orica Australia Securities Pty Ltd (f)	
		Orica Belgium S.A.	Belgium
Joplin Manufacturing Inc.	USA	Orica Blast & Quarry Surveys Limited	UK
JV Minova Kazakhstan Limited Liability Partnership	Kazakhstan	Orica Bolivia S.A.	Bolivia
LLC Orica Logistics	Russia	Orica Brasil Ltda	Brazil

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

39. Investments in controlled entities (continued)

Name of Entity	Place of incorporation if other than Australia
Orica Brasil Produtos Quimicos Ltda	Brazil
Orica Caledonie SAS	New Caledonia
Orica Canada Inc	Canada
Orica Canada Investments ULC	Canada
Orica Caribe, S.A.	Panama
Orica Centroamerica S.A.	Costa Rica
Orica Chemicals Argentina S.A.	Argentina
Orica Chemicals Australia Operations Pty Ltd (b)	
Orica Chemicals Chile S.A.	Chile
Orica Chemicals Colombia S.A.S.	Colombia
Orica Chemicals Holdings Pty Ltd (formerly Orica Clarendon Pty Ltd) (f)	
Orica Chemicals New Zealand Limited (formerly Orica Clarendon NZ Limited)	New Zealand
Orica Chemicals Peru S.A.	Peru
Orica Chemicals Trading Agency (Beijing) Co., Ltd.	China
Orica Chile Distribution S.A.	Chile
Orica Chile S.A.	Chile
Orica CIS CJSC	Russia
Orica Colombia S.A.S.	Colombia
Orica Czech Republic s.r.o.	Czech Republic
Orica Denmark A/S	Denmark
Orica Dominicana S.A.	Dominican Republic
Orica DRC SARL (b)	Democratic Republic of Congo
Orica Eesti OU	Estonia
Orica Europe FT Pty Ltd (f)	
Orica Europe Investments Pty Ltd (f)	
Orica Europe Management GmbH	Germany
Orica Europe Pty Ltd & Co KG	Germany
Orica Explosives Holdings Pty Ltd	
Orica Explosives Holdings No 2 Pty Ltd	
Orica Explosives Holdings No 3 Pty Ltd (f)	
Orica Explosives Research Pty Ltd (f)	
Orica Explosives Technology Pty Ltd	
Orica Explosives (Thailand) Co Ltd (d)	Thailand
Orica Explosivos Industriales, S.A.	Spain
Orica Export Inc.	USA
Orica Fiji Ltd	Fiji
Orica Finance Limited	
Orica Finance Trust	
Orica Finland OY	Finland
Orica GEESP Pty Ltd (f)	
Orica Germany GmbH	Germany
Orica Ghana Limited	Ghana
Orica Grace US Holdings Inc.	USA
Orica Ground Support Inc (formerly Minova USA Inc)	USA
Orica Holdings Pty Ltd (f)	
Orica Ibéria, S.A.	Portugal
Orica IC Assets Holdings Limited Partnership	
Orica IC Assets Pty Ltd	
Orica IC Investments Pty Ltd (f)	
Orica International IP Holdings Inc.	USA
Orica International Pte Ltd	Singapore
Orica Investments (Indonesia) Pty Limited (f)	
Orica Investments (NZ) Limited	NZ
Orica Investments (Thailand) Pty Limited (f)	
Orica Investments Pty Ltd (a)	
Orica Japan Co. Ltd	Japan

Name of Entity	Place of incorporation if other than Australia
Orica Kazakhstan Joint Stock Company	Kazakhstan
Orica Logistics Canada Inc.	Canada
Orica Mauritania SARL	Mauritania
Orica Med Bulgaria AD	Bulgaria
Orica Mining Services (Namibia) (Proprietary) Limited	Namibia
Orica Mining Services (Hong Kong) Ltd	Hong Kong
Orica Mining Services Peru S.A.	Peru
Orica Mining Services Portugal S.A.	Portugal
Orica Mining Services South Africa (Pty) Ltd (formerly Stratabolt (Pty) Limited	South Africa
Orica Mining Services (Thailand) Limited	Thailand
Orica Mongolia LLC	Mongolia
Orica Mountain West Inc.	USA
Orica Mozambique Limitada	Mozambique
Orica Nelson Quarry Services Inc. (g)	USA
Orica Netherlands Finance B.V.	Holland
Orica New Zealand Finance Limited	NZ
Orica New Zealand Limited	NZ
Orica New Zealand Securities Limited	NZ
Orica New Zealand Superfunds Securities Limited	NZ
Orica Nitrates Philippines Inc	Philippines
Orica Nitratos Peru S.A.	Peru
Orica Nitro Patlayici Maddeler Sanayi ve Ticaret Anonim Sirketi	Turkey
Orica Nitrogen LLC	USA
Orica Nominees Pty Ltd (f)	
Orica Norway AS	Norway
Orica Norway Holdings AS	Norway
Orica Panama S.A.	Panama
Orica Philippines Inc	Philippines
Orica Poland Sp. z.o.o.	Poland
Orica Portugal, S.G.P.S., S.A.	Portugal
Orica Qatar LLC	Qatar
Orica Securities (UK) Limited	UK
Orica Servicos de Mineracao Ltda	Brazil
Orica Share Plan Pty Limited (f)	
Orica Senegal SARL	Senegal
Orica Singapore Pte Ltd	Singapore
Orica Slovakia s.r.o.	Slovakia
Orica Solomon Islands Pty Limited	Solomon Islands
Orica South Africa Holdings (Pty) Limited (formerly FS Resin (Pty) Limited)	South Africa
Orica St. Petersburg LLC	Russia
Orica Sweden AB	Sweden
Orica Sweden Holdings AB	Sweden
Orica Tanzania Limited	Tanzania
Orica UK Limited	UK
Orica US Finance LLC (b)	USA
Orica US Holdings General Partnership	USA
Orica USA Inc.	USA
Orica U.S. Services Inc.	USA
Orica Venezuela C.A.	Venezuela
Orica Watercare Inc.	USA
Orica (Weihai) Explosives Co Ltd	China
Orica Zambia Limited	Zambia
OriCare Canada Inc.	Canada
Oricorp Comercial S.A. de C.V.	Mexico
Oricorp Mexico S.A. de C.V.	Mexico
Penlon Proprietary Limited (f)	
Project Grace	UK
Project Grace Holdings	UK

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

39. Investments in controlled entities (continued)

Name of Entity	Place of incorporation if other than Australia
Project Grace Incorporated	USA
PT Bronson & Jacobs Indonesia (formerly PT Baktijala Kencana Citra)	Indonesia
PT Kalimantan Mining Services	Indonesia
PT Kaltim Nitrate Indonesia	Indonesia
PT Orica Mining Services	Indonesia
Retec Pty Ltd (f)	
Rui Jade International Limited	Hong Kong
Sarkem Pty Ltd (f)	
Southern Blasting Services, Inc.	USA
Sprengmittelvertrieb in Bayern GmbH	Germany
Sprengstoff-Verwertungs GmbH	Germany
Stratabolt Products (Pty) Limited	South Africa
Taian Ruichy Minova Ground Control Technology Co., Ltd	China
Tec Harseim Do Brazil Ltda	Brazil
Transmate S.A.	Belgium
Watercare Investments Pty Ltd (b) (f)	
White Lightning Holding Co Inc	Philippines
Yara Pilbara Nitrates Pty Ltd	

(a) These controlled entities have each entered into a Deed of Cross Guarantee with Orica in respect of relief granted from specific accounting and financial reporting requirements in accordance with the ASIC Class Order 98/1418.

(b) Incorporated in 2014.

(c) In liquidation.

(d) Liquidated in 2014.

(e) Deregistered in 2014.

(f) Small proprietary company - no separate statutory accounts are prepared.

(g) Divested in 2014.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

40. Deed of cross guarantee

Entities which are party to a Deed of Cross Guarantee, entered into in accordance with ASIC Class Order 98/1418 dated 13 August 1998 (as amended), are disclosed in note 39. A consolidated income statement and consolidated balance sheet for this closed group is shown below.

	Closed Group	
	2014	2013 Restated
	$m	$m
Summarised balance sheet		
Current assets		
Cash and cash equivalents	**902.4**	1,701.9
Trade and other receivables	**351.2**	327.1
Inventories	**181.0**	222.1
Other assets	**23.6**	12.1
Total current assets	**1,458.2**	2,263.2
Non-current assets		
Trade and other receivables	**23.9**	23.2
Investments accounted for using the equity method	**2.9**	1.9
Other financial assets	**3,731.6**	3,482.6
Property, plant and equipment	**1,124.9**	1,163.3
Intangible assets	**326.5**	236.0
Deferred tax assets	**172.3**	174.9
Other assets	**-**	19.6
Total non-current assets	**5,382.1**	5,101.5
Total assets	**6,840.3**	7,364.7
Current liabilities		
Trade and other payables	**486.9**	511.5
Interest bearing liabilities [(1)]	**3,176.2**	3,606.9
Current tax liabilities	**16.7**	57.7
Provisions	**87.3**	108.2
Total current liabilities	**3,767.1**	4,284.3
Non-current liabilities		
Trade and other payables	**1.2**	5.2
Interest bearing liabilities	**34.3**	35.1
Deferred tax liabilities	**159.8**	142.6
Provisions	**208.7**	219.3
Total non-current liabilities	**404.0**	402.2
Total liabilities	**4,171.1**	4,686.5
Net assets	**2,669.2**	2,678.2
Equity		
Ordinary shares	**1,975.0**	1,877.9
Reserves	**385.1**	372.3
Retained profits	**309.1**	428.0
Total equity	**2,669.2**	2,678.2
Summarised income statement and retained profits		
Profit before income tax expense	**288.1**	360.0
Income tax expense	**(65.7)**	(100.9)
Profit from operations	**222.4**	259.1
Retained profits at the beginning of the year	**428.0**	492.6
Actuarial gains recognised directly in equity	**8.0**	15.3
Ordinary dividends – interim	**(147.9)**	(142.5)
Ordinary dividends – final	**(201.4)**	(196.5)
Retained profits at the end of the year	**309.1**	428.0

[(1)] These interest bearing liabilities are predominantly with Orica Finance Limited. At the date of this report there is no intention to re-call these borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

41. Prior period restatement due to changes in accounting standards

The following illustrates the impact upon the comparative period as a result of the application of revised accounting standards (refer note 1 (ii)).

Consolidated Financial Statements and Joint Arrangements

These standards revise the definition of control and the types of joint arrangements. Following an assessment of these standards, Yara Pilbara Nitrates Pty Ltd is now accounted for as a jointly controlled operation instead of an investment accounted for using the equity method and Orica Mining Services Pilbara Pty Ltd is accounted for as an investment using the equity method instead of consolidated. The significant effects of the new standards are to reduce the investment in associates at 30 September 2012 $40.6 million and 30 September 2013 $237.8 million; increase property, plant and equipment at 30 September 2012 by $36.9 million and 30 September 2013 by $127.8 million; increase intangibles at 30 September 2012 $nil, 30 September 2013 $122.1million.

Employee benefits

The effect of the employee benefits standard is that the expected return on assets in defined benefit funds are the discount rates applied to the net defined benefit asset or liability. The provision balance as at 30 September 2012 was reduced by $9.5 million and profit after income tax for the year to 30 September 2013 was reduced by $8.8 million.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

41. Prior period restatement due to changes in accounting standards (continued)

Income Statement

For the year ended 30 September 2013:

	As reported 2013 $m	Adjustments 2013 $m	Restated 2013 $m
Sales revenue	6,898.1	(12.9)	6,885.2
Other income	43.0	-	43.0
Expenses			
Changes in inventories of finished goods and work in progress	35.9	-	35.9
Raw materials and consumables used and finished goods purchased for resale	(3,343.7)	-	(3,343.7)
Share based payments	(16.0)	-	(16.0)
Other employee benefits expense	(1,230.6)	(12.7)	(1,243.3)
Depreciation expense	(247.9)	-	(247.9)
Amortisation expense	(36.5)	-	(36.5)
Purchased services	(322.7)	4.9	(317.8)
Repairs and maintenance	(196.1)	-	(196.1)
Impairment of goodwill	(5.7)	-	(5.7)
Outgoing freight	(326.2)	-	(326.2)
Lease payments - operating leases	(66.9)	-	(66.9)
Other expenses	(233.3)	1.0	(232.3)
Share of net profit of associates accounted for using the equity method	33.4	3.0	36.4
Total	(5,956.3)	(3.8)	(5,960.1)
Profit from operations	984.8	(16.7)	968.1
Net financing costs			
Financial income	34.2	-	34.2
Financial expenses	(184.4)	-	(184.4)
Net financing costs	(150.2)	-	(150.2)
Profit before income tax expense	834.6	(16.7)	817.9
Income tax expense	(213.4)	5.4	(208.0)
Net profit for the year	621.2	(11.3)	609.9
Net profit for the year attributable to:			
Shareholders of Orica Limited	601.6	(9.1)	592.5
Non-controlling interests	19.6	(2.2)	17.4
Net profit for the year	621.2	(11.3)	609.9

	cents	cents	cents
Earnings per share			
Earnings per share attributable to ordinary shareholders of Orica Limited:			
Total attributable to ordinary shareholders of Orica Limited:			
Basic	165.4	(2.5)	162.9
Diluted	165.2	(2.5)	162.7

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

41. Prior period restatement due to changes in accounting standards (continued)

Statement of Comprehensive Income
For the year ended 30 September 2013:

	As reported 2013 $m	Adjustments 2013 $m	Restated 2013 $m
Profit for the year	621.2	(11.3)	609.9
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges			
Effective portion of changes in fair value	15.0	-	15.0
Transferred loss to Income Statement	(4.1)	-	(4.1)
Tax on cash flow hedges	(3.3)	-	(3.3)
Net Cash flow hedges	7.6	-	7.6
Exchange differences on translation of foreign operations			
Exchange gain/(loss) on translation of foreign operations	157.6	19.8	177.4
Net gain/(loss) on hedge of net investments in foreign subsidiaries	178.9	-	178.9
Tax on exchange differences on translating foreign operations	23.5	-	23.5
Net exchange differences on translation of foreign operations	360.0	19.8	379.8
Items that will not be reclassified subsequently to profit or loss:			
Retained earnings			
Actuarial benefits/(losses) on defined benefit plans	24.9	10.4	35.3
Tax (expense)/benefit on actuarial benefits/(losses) on defined benefit plans	(7.7)	(3.2)	(10.9)
Net retained earnings	17.2	7.2	24.4
Other comprehensive income for the year	384.8	27.0	411.8
Total comprehensive income for the year	1,006.0	15.7	1,021.7
Attributable to:			
Shareholders of Orica Limited	973.4	17.9	991.3
Non-controlling interests	32.6	(2.2)	30.4
Total comprehensive income for the year	1,006.0	15.7	1,021.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2014

41. Prior period restatement due to changes in accounting standards (continued)

Balance Sheet

As at 30 September 2013:

	As reported 2013 $m	Adjustments 2013 $m	Restated 2013 $m
Current assets			
Cash and cash equivalents	225.3	(2.9)	222.4
Trade and other receivables	1,050.6	(1.3)	1,049.3
Inventories	793.1	-	793.1
Other assets	69.5	4.1	73.6
Other financial assets - derivative assets	11.4	-	11.4
Total current assets	2,149.9	(0.1)	2,149.8
Non-current assets			
Trade and other receivables	97.3	-	97.3
Investments accounted for using the equity method	435.5	(237.8)	197.7
Other financial assets - derivative assets	1.4	-	1.4
Other financial assets	0.7	-	0.7
Property, plant and equipment	3,455.4	127.8	3,583.2
Intangible assets	2,217.9	122.1	2,340.0
Deferred tax assets	218.5	(1.8)	216.7
Other assets	26.7	-	26.7
Total non-current assets	6,453.4	10.3	6,463.7
Total assets	8,603.3	10.2	8,613.5
Current liabilities			
Trade and other payables	1,235.8	4.2	1,240.0
Other financial liabilities - derivative liabilities	19.5	-	19.5
Interest bearing liabilities	443.9	-	443.9
Current tax liabilities	80.0	(1.7)	78.3
Provisions	173.3	-	173.3
Total current liabilities	1,952.5	2.5	1,955.0
Non-current liabilities			
Trade and other payables	12.3	-	12.3
Other financial liabilities - derivative liabilities	55.7	-	55.7
Interest bearing liabilities	2,112.7	-	2,112.7
Deferred tax liabilities	52.4	-	52.4
Provisions	423.6	(8.1)	415.5
Total non-current liabilities	2,656.7	(8.1)	2,648.6
Total liabilities	4,609.2	(5.6)	4,603.6
Net assets	3,994.1	15.8	4,009.9
Equity			
Ordinary shares	1,877.9	-	1,877.9
Reserves	(680.9)	19.8	(661.1)
Retained earnings	2,656.0	(1.8)	2,654.2
Total equity attributable to ordinary shareholders of	3,853.0	18.0	3,871.0
Non-controlling interests in controlled entities	141.1	(2.2)	138.9
Total equity	3,994.1	15.8	4,009.9

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

41. Prior period restatement due to changes in accounting standards (continued)

Statement of Changes in Equity

For the year ended 30 September 2013

	Ordinary shares	Retained earnings	Share based payments reserve	Cash flow hedging reserve	Foreign currency translation reserve	Equity reserve arising from purchase of non-controlling interests	Total	Step-Up Preference Securities	Non-controlling interests	Total equity
	$m	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
2012										
Balance at 1 October 2011 - as reported	1,749.9	2,363.4	65.4	(11.5)	(715.5)	(187.4)	3,264.3	490.0	121.3	3,875.6
Adjustments	-	0.1	-	-	-	-	0.1	-	-	0.1
Balance at 1 October 2011 - restated	1,749.9	2,363.5	65.4	(11.5)	(715.5)	(187.4)	3,264.4	490.0	121.3	3,875.7
Profit for the year	-	402.8	-	-	-	-	402.8	-	21.0	423.8
Other comprehensive income	-	(41.5)	-	(4.2)	(214.5)	-	(260.2)	-	(7.3)	(267.5)
Total comprehensive income for the year - restated	-	361.3	-	(4.2)	(214.5)	-	142.6	-	13.7	156.3
Transactions with owners, recorded directly in equity										
Total changes in contributed equity	45.2	-	-	-	-	-	45.2	-	1.2	46.4
Share-based payments expense	-	-	17.9	-	-	-	17.9	-	-	17.9
Reclassification to interest bearing liabilities	-	(10.0)	-	-	-	-	(10.0)	(490.0)	-	(500.0)
Divestment of non-controlling interests	-	0.3	-	-	-	-	0.3	-	(1.2)	(0.9)
Dividends/distributions	-	(338.8)	-	-	-	-	(338.8)	-	-	(338.8)
Dividends declared/paid to non-controlling interests	-	-	-	-	-	-	-	-	(10.0)	(10.0)
Balance at the end of the year - restated	1,795.1	2,376.3	83.3	(15.7)	(930.0)	(187.4)	3,121.6	-	125.0	3,246.6
2013										
Balance at 1 October 2012	**1,795.1**	**2,376.3**	**83.3**	**(15.7)**	**(930.0)**	**(187.4)**	**3,121.6**	**-**	**125.0**	**3,246.6**
Profit for the year - as reported	**-**	**601.6**	**-**	**-**	**-**	**-**	**601.6**	**-**	**19.6**	**621.2**
Adjustments	**-**	**(9.1)**	**-**	**-**	**-**	**-**	**(9.1)**	**-**	**(2.2)**	**(11.3)**
Profit for the year - restated	**-**	**592.5**	**-**	**-**	**-**	**-**	**592.5**	**-**	**17.4**	**609.9**
Other comprehensive income	**-**	**17.2**	**-**	**7.6**	**347.0**	**-**	**371.8**	**-**	**13.0**	**384.8**
Adjustments	**-**	**7.2**	**-**	**-**	**19.8**	**-**	**27.0**	**-**	**-**	**27.0**
Other comprehensive income - restated	**-**	**24.4**	**-**	**7.6**	**366.8**	**-**	**398.8**	**-**	**13.0**	**411.8**
Total comprehensive income for the year - restated	**-**	**616.9**	**-**	**7.6**	**366.8**	**-**	**991.3**	**-**	**30.4**	**1,021.7**
Transactions with owners, recorded directly in equity										
Total changes in contributed equity	**82.8**	**-**	**-**	**-**	**-**	**-**	**82.8**	**-**	**4.0**	**86.8**
Share-based payments expense	**-**	**-**	**16.0**	**-**	**-**	**-**	**16.0**	**-**	**-**	**16.0**
Acquisition of non-controlling interests	**-**	**-**	**-**	**-**	**-**	**(1.7)**	**(1.7)**	**-**	**(1.6)**	**(3.3)**
Divestment of non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.4)**	**(0.4)**
Dividends/distributions	**-**	**(339.0)**	**-**	**-**	**-**	**-**	**(339.0)**	**-**	**-**	**(339.0)**
Dividends declared/paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(18.5)**	**(18.5)**
Balance at the end of the year - restated	**1,877.9**	**2,654.2**	**99.3**	**(8.1)**	**(563.2)**	**(189.1)**	**3,871.0**	**-**	**138.9**	**4,009.9**

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 2014

41. Prior period restatement due to changes in accounting standards (continued)

Statement of Cash Flows

For the year ended 30 September 2013

	As reported 2013 $m Inflows/ (Outflows)	Adjustments 2013 $m	Restated 2013 $m Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers	7,615.4	(11.6)	7,603.8
Payments to suppliers and employees	(6,307.7)	12.6	(6,295.1)
Interest received	34.0	-	34.0
Borrowing costs	(187.3)	-	(187.3)
Dividends received	25.2	-	25.2
Other operating revenue received	20.9	-	20.9
Net income taxes paid	(141.8)	1.9	(139.9)
Net cash flows from operating activities	1,058.7	2.9	1,061.6
Cash flows from investing activities			
Payments for property, plant and equipment	(542.3)	(85.1)	(627.4)
Payments for intangibles	(30.3)	(122.1)	(152.4)
Payments for purchase of investments	(201.1)	200.2	(0.9)
Payments for purchase of businesses/controlled entities	(2.7)	-	(2.7)
Proceeds from sale of property, plant and equipment	31.3	-	31.3
Proceeds from sale of investments	1.3	-	1.3
Proceeds from sale of businesses/controlled entities	0.5	-	0.5
Net cash flows used in investing activities	(743.3)	(7.0)	(750.3)
Cash flows from financing activities			
Proceeds from long term borrowings	6,585.1	-	6,585.1
Repayment of long term borrowings	(6,776.2)	-	(6,776.2)
Net movement in short term financing	112.1	-	112.1
Payments for finance leases	(1.1)	-	(1.1)
Proceeds from issue of ordinary shares	39.4	-	39.4
Proceeds from issue of shares to non-controlling interests	4.0	-	4.0
Payments for buy-back of ordinary shares - LTEIP	(9.6)	-	(9.6)
Dividends paid - Orica ordinary shares	(286.0)	-	(286.0)
Dividends paid - non-controlling interests	(18.8)	-	(18.8)
Net cash (used in)/from financing activities	(351.1)	-	(351.1)
Net decrease in cash held	(35.7)	(4.1)	(39.8)
Cash at the beginning of the year	227.9	1.2	229.1
Effects of exchange rate changes on cash	13.9	-	13.9
Cash at the end of the year	206.1	(2.9)	203.2

DIRECTORS' DECLARATION

We, Russell Ronald Caplan and Ian Kingsley Smith, being directors of Orica Limited, do hereby state in accordance with a resolution of the directors that in the opinion of the directors,

(a) the consolidated financial statements and notes, set out on pages 49 to 130, and the Remuneration report in the Directors' report, set out on pages 26 to 46, are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the financial position of the consolidated entity as at 30 September 2014 and of its performance for the financial year ended on that date; and
- (ii) complying with Australian Accounting Standards and the 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.

There are reasonable grounds to believe that the Company and the controlled entities identified in note 39 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those controlled entities pursuant to ASIC Class Order 98/1418.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Executive Director Finance for the financial year ended 30 September 2014.

The directors draw attention to note 1 (ii) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

R R Caplan
Chairman

I K Smith
Managing Director and Chief Executive Officer

Dated at Melbourne this 19th day of November 2014.

Independent auditor's report to the members of Orica Limited

Report on the financial report

We have audited the accompanying financial report of Orica Limited (the Company), which comprises the consolidated balance sheet as at 30 September 2014, and consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 41 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 September 2014 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 September 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Orica Limited for the year ended 30 September 2014, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

M J Sheppard

Martin Sheppard
Partner

Melbourne

19 November 2014

TEN YEAR FINANCIAL STATISTICS

Orica consolidated		2014 $m	Restated [1] 2013 $m
Sales		**6,796.3**	**6,885.2**
Earnings before depreciation, amortisation, net borrowing costs and tax		1,230.5	1,252.5
Depreciation and amortisation (excluding goodwill)		(300.8)	(284.4)
Goodwill amortisation		-	-
Earnings before net borrowing costs and tax (EBIT)		**929.7**	**968.1**
Net borrowing costs		(115.8)	(150.2)
Individually material items before tax		-	-
Taxation expense		(187.9)	(208.0)
Non-controlling interests		(23.5)	(17.4)
Profit/(loss) after tax and individually material items		**602.5**	**592.5**
Individually material items after tax attributable to members of Orica Limited		**-**	**-**
Profit after tax before individually material items net of tax		**602.5**	**592.5**
Dividends/distributions		349.3	339.0
Current assets		2,137.3	2,149.8
Property, plant and equipment		3,794.9	3,583.2
Investments		208.0	197.7
Intangibles		2,388.5	2,340.0
Other non-current assets		310.5	342.8
Total assets		**8,839.2**	**8,613.5**
Current borrowings and payables		1,775.8	1,703.4
Current provisions		181.5	251.6
Non current borrowings and payables		1,997.0	2,180.7
Non current provisions		485.8	467.9
Total liabilities		**4,440.1**	**4,603.6**
Net assets		**4,399.1**	**4,009.9**
Equity attributable to ordinary shareholders of Orica Limited		4,263.0	3,871.0
Equity attributable to Step-Up Preference Securities holders		-	-
Equity attributable to non-controlling interests		136.1	138.9
Total shareholders' equity		**4,399.1**	**4,009.9**
Number of ordinary shares on issue at year end	millions	372.7	368.2
Weighted average number of ordinary shares on issue	millions	368.1	363.7
Basic earnings per ordinary share			
before individually material items	**cents**	**163.7**	**162.9**
including individually material items	**cents**	**163.7**	**162.9**
Dividends per ordinary share	**cents**	**96.0**	**94.0**
Dividend franking	**%**	**37.5**	**74.5**
Dividend yield (based on year end share price)	**%**	5.1	4.7
Closing share price range – High		**$24.78**	**$27.31**
Low		**$18.51**	**$17.61**
Year end		**$18.90**	**$20.06**
Stockmarket capitalisation at year end	$m	7,044.0	7,386.1
Net tangible assets per share	**$**	**5.03**	**4.16**
Profit margin (earnings before net borrowing costs and tax/sales)	**%**	**13.7**	**14.1**
Net debt		**2,236.7**	**2,334.2**
Gearing (net debt/net debt plus equity)	**%**	**33.7**	**36.8**
Interest cover (EBIT/net borrowing costs excluding capitalised interest)	**times**	**6.5**	**6.0**
Net capital expenditure on plant and equipment (Cash Flow)		**(392.7)**	**(596.1)**
Net capital proceeds/(expenditure) on acquisitions (Cash Flow)		**0.4**	**(2.2)**
Return on average shareholders' funds			
before individually material items	**%**	**14.8**	**16.9**
including individually material items	**%**	**14.8**	**16.9**

[1] Income statement for 2013 and balance sheets for 2013 and 2012 are stated under revised accounting standards (refer to note 1 (ii)).

TEN YEAR FINANCIAL STATISTICS

Restated [1]							
2012	2011	2010	2009	2008	2007	2006	2005
$m	$m	$m	$m	$m	$m	$m	$m
6,674.1	**6,182.3**	**6,539.3**	**7,411.0**	**6,544.1**	**5,527.2**	**5,359.2**	**5,126.7**
1,274.0	1,252.5	1,340.9	1,330.2	1,188.8	995.9	814.6	741.3
(251.4)	(224.2)	(239.5)	(247.7)	(218.7)	(183.2)	(156.9)	(140.4)
-	-	-	-	-	-	-	-
1,022.6	**1,028.3**	**1,101.4**	**1,082.5**	**970.1**	**812.7**	**657.7**	**600.9**
(128.2)	(123.5)	(127.6)	(133.5)	(157.7)	(122.6)	(92.2)	(102.5)
(367.2)	-	715.6	(139.6)	(41.6)	(22.3)	70.8	(187.7)
(103.4)	(241.4)	(334.7)	(228.0)	(203.5)	(154.4)	(74.9)	(88.8)
(21.0)	(21.1)	(36.0)	(39.6)	(27.7)	(25.7)	(22.3)	(13.6)
402.8	**642.3**	**1,318.7**	**541.8**	**539.6**	**487.7**	**539.1**	**208.3**
(247.4)	**-**	**642.9**	**(104.3)**	**(32.7)**	**(10.1)**	**158.8**	**(131.6)**
650.2	**642.3**	**675.8**	**646.1**	**572.3**	**497.8**	**380.3**	**339.9**
341.0	359.5	1,098.3	378.0	326.0	303.7	207.1	190.6
2,033.2	1,985.2	1,831.9	1,994.4	2,458.2	1,955.2	2,479.7	1,781.6
3,071.3	2,709.7	2,235.2	2,075.0	2,052.3	1,742.9	1,603.1	1,593.7
165.8	172.1	162.6	168.3	209.3	125.6	125.9	49.1
2,046.9	2,505.4	2,510.9	2,756.5	3,012.6	2,055.5	1,141.3	634.3
295.2	255.8	248.8	360.0	275.4	335.2	362.8	252.5
7,612.4	**7,628.2**	**6,989.4**	**7,354.2**	**8,007.8**	**6,214.4**	**5,712.8**	**4,311.2**
1,412.9	1,229.0	1,215.5	1,316.9	1,777.8	1,625.4	981.0	958.9
165.3	228.4	343.4	298.8	301.8	332.3	319.1	218.7
2,275.1	1,769.3	1,305.1	1,279.8	1,107.2	1,098.6	1,272.5	1,287.2
512.5	525.9	492.8	485.9	502.6	530.5	472.0	326.9
4,365.8	**3,752.6**	**3,356.8**	**3,381.4**	**3,689.4**	**3,586.8**	**3,044.6**	**2,791.7**
3,246.6	**3,875.6**	**3,632.6**	**3,972.8**	**4,318.4**	**2,627.6**	**2,668.2**	**1,519.5**
3,121.6	3,264.3	3,032.7	3,370.7	3,731.5	2,076.7	2,126.6	1,327.9
-	490.0	490.0	490.0	490.0	490.0	490.0	-
125.0	121.3	109.9	112.1	96.9	60.9	51.6	191.6
3,246.6	**3,875.6**	**3,632.6**	**3,972.8**	**4,318.4**	**2,627.6**	**2,668.2**	**1,519.5**
365.6	364.0	362.1	360.0	359.2	307.9	309.2	273.1
360.6	357.5	355.5	353.9	320.0	306.3	300.8	272.8
177.9	**173.5**	**185.6**	**174.6**	**170.0**	**149.5**	**126.4**	**124.6**
109.2	**173.5**	**366.4**	**145.2**	**159.8**	**146.3**	**179.2**	**76.3**
92.0	**90.0**	**95.0**	**97.0**	**94.0**	**89.0**	**74.0**	**71.0**
41.3	**78.9**	**73.7**	**35.1**	**36.2**	**34.8**	**40.5**	**32.4**
3.7	3.8	3.7	4.1	4.5	3.0	3.3	3.4
$27.97	**$27.75**	**$27.75**	**$24.15**	**$32.18**	**$33.90**	**$26.45**	**$21.55**
$22.40	**$21.44**	**$21.95**	**$11.30**	**$20.95**	**$21.78**	**$17.78**	**$14.32**
$24.87	**$23.48**	**$25.71**	**$23.50**	**$20.95**	**$30.10**	**$22.47**	**$21.00**
9,092.5	8,546.7	9,310.0	8,459.0	7,525.2	9,268.2	6,948.1	5,735.2
2.94	**2.08**	**1.44**	**1.71**	**2.00**	**0.07**	**3.19**	**2.53**
15.3	**16.6**	**16.8**	**14.6**	**14.8**	**14.7**	**12.3**	**11.7**
2,298.1	**1,408.1**	**1,051.6**	**1,094.5**	**1,020.5**	**1,305.7**	**302.1**	**1,112.1**
41.4	**26.6**	**22.4**	**21.6**	**19.1**	**33.2**	**10.2**	**42.3**
6.1	**6.4**	**7.5**	**7.8**	**6.1**	**6.6**	**7.1**	**5.9**
(558.0)	**(646.6)**	**(517.3)**	**(345.6)**	**(394.8)**	**(280.9)**	**(329.2)**	**(234.9)**
(11.3)	**(60.9)**	**(162.1)**	**(107.3)**	**(866.2)**	**(917.7)**	**(875.6)**	**(59.2)**
18.9	**17.7**	**18.3**	**16.0**	**16.9**	**19.2**	**19.3**	**25.5**
11.7	**17.7**	**35.7**	**13.4**	**15.9**	**18.8**	**27.3**	**15.6**

SHAREHOLDERS’ STATISTICS

As at 6 November 2014

Distribution of ordinary shareholders and shareholdings

Size of holding			Number of holders		Number of shares	
1	–	1,000	40,318	65.33%	16,215,606	4.35%
1,001	–	5,000	18,705	30.31%	38,670,991	10.37%
5,001	–	10,000	1,840	2.98%	12,628,369	3.39%
10,001	–	100,000	791	1.28%	14,917,439	4.00%
100,001 and over			62	0.10%	290,310,886	77.88%
Total			61,716	100.00%	372,743,291	100.00%

Included in the above total are 2,395 shareholders holding less than a marketable parcel of 25 shares.
The holdings of the 20 largest holders of fully paid ordinary shares represent 74.33% of that class of shares.

Twenty largest ordinary fully paid shareholders

	Shares	% of total
HSBC Custody Nominees (Australia) Limited	147,209,448	39.49%
JP Morgan Nominees Australia Limited	54,767,278	14.69%
National Nominees Limited	30,368,198	8.15%
Citicorp Nominees Pty Limited	11,794,094	3.16%
Citicorp Nominees Pty Limited <COLONIAL FIRST STATE INV A/C>	7,005,903	1.88%
BNP Paribas Nominees Pty Ltd <DRP>	5,422,273	1.45%
RBC Investor Services Australia Nominees Pty Limited <PI POOLED A/C>	3,594,662	0.96%
Australian Foundation Investment Company Limited	2,711,626	0.73%
Argo Investments Limited	2,557,983	0.69%
RBC Investor Services Australia Nominees Pty Limited <BKCUST A/C>	2,405,520	0.65%
AMP Life Limited	1,670,127	0.45%
The Senior Master of the Supreme Court COMMON FUND NO 3	1,144,592	0.31%
BNP Paribas Nominees Pty Ltd <AGENCY LENDING DRPA/C>	1,111,163	0.30%
HSBC Custody Nominees (Australia) Limited <NT-COMNWLTH SUPER CORP A/C>	1,078,761	0.29%
Australian United Investment Company Limited	1,000,000	0.27%
Gwynvill Investments Pty Ltd	711,574	0.19%
UBS Wealth Management Australia Nominees Pty Ltd	653,482	0.18%
Custodial Services Limited <BENEFICIARIES HOLDING A/C>	645,631	0.17%
UBS Nominees Pty Ltd	617,091	0.17%
Avanteos Investments Limited <ENCIRCLE IMA A/C>	609,524	0.16%
Total	277,078,930	74.33%

Register of substantial shareholders

The names of substantial shareholders in the company, and the number of fully paid ordinary shares in which each has an interest, as disclosed in substantial shareholder notices to the Company on the respective dates, are as follows:

2 July 2014	Harris Associates	47,453,544	12.79%
11 July 2014	Schroder Investment Management	23,250,167	6.24%
19 September 2014	M&G Investment Management	21,885,573	5.87%