Appendix 4D
Half Year Report

Name of entity:	**ORICA LIMITED**

ABN or equivalent company reference:	**24 004 145 868**

	Fianancial year ended ('current period')	Fianancial year ended ('previous corresponding period')
1.0	**31 March 2005**	31 March 2004

2.0 **Results for announcement to the market**

$A'M

2.1	Revenues from ordinary activities	up	16.2%	to	2,409.9
2.2 a	Profit (loss) from ordinary activities after tax attributable to members	up	7.0%	to	130.7
2.2 b	Net profit (loss) for the period attributable to members before individually significant items	up	7.0%	to	130.7
2.3	Net profit (loss) for the period attributable to members	up	7.0%	to	130.7

				Amount per security	Franked amount per security at 30% tax
2.4	**Dividends (distributions)**				
	Interim dividend	- Ordinary	Cents	25.00	8.00
		- Preference	Cents	2.50	0.80
	Previous corresponding period				
	Interim dividend	- Ordinary	Cents	23.00	7.00
		- Preference	Cents	2.50	0.76

2.5 Record date for determining entitlements to the dividend:

Ordinary	24-Jun-05
Preference	12-Jul-05

2.6 Brief explanation of any of the figures reported above:

Please refer to the accompanying Orica Limited Profit Report.

3.0 Statement of Financial Performance

For the period ended 31 March:

	Notes	2005 $m	2004 $m
Revenue from ordinary activities	(3.1)	**2,409.9**	**2,073.2**
Operating expenses			
Changes in inventories of finished goods and work in progress		176.9	130.4
Raw materials and consumables used and finished goods purchased for resale		(1,483.1)	(1,128.9)
Employee expenses		(371.7)	(331.7)
Depreciation and amortisation expense		(85.3)	(86.6)
Borrowing costs		(50.8)	(39.0)
Purchased services		(169.8)	(143.8)
Repairs and maintenance		(70.7)	(60.1)
Property, plant & equipment retired/disposed		(7.9)	(2.9)
Outgoing freight		(105.4)	(93.5)
Lease payments - operating leases		(31.6)	(26.5)
Other expenses from ordinary activities including significant items		(23.6)	(116.4)
Share of associates' net profit/(loss) equity accounted		2.9	5.3
		(2,220.1)	(1,893.7)
Profit from ordinary activities before income tax expense		**189.8**	**179.5**
Income tax expense attributable to profit from ordinary activities	Attachment 1	(51.4)	(49.9)
Profit from ordinary activities after income tax expense		**138.4**	**129.6**
Outside equity interests in (profit) from ordinary activities after income tax		(7.7)	(7.4)
Profit from ordinary activities after income tax relating to members of Orica Limited		**130.7**	**122.2**
Non-owner transactions in equity			
Net exchange differences on translation of financial reports of foreign controlled entities	(9)	(30.5)	(25.5)
Total revenues, expenses and valuation adjustments relating to members of the parent entity recognised directly in equity		(30.5)	(25.5)
Total changes in equity other than those resulting from transactions with owners as owners		**100.2**	**96.7**

		cents	cents
Earnings per share			
Basic earnings per share:			
Ordinary shares	(14.1)	47.9	44.2
Diluted earnings per share:			
Ordinary shares	(14.1)	47.1	43.4

Notes to the Statement of Financial Performance

	2005 $m	2004 $m
3.1 Revenue from ordinary activities		
External sales	2,384.3	2,053.5
Other revenue from operating activities		
Royalty income	0.4	0.3
Interest income:		
external parties – banks	3.8	2.5
Other income	11.7	13.6
Other revenue from outside operating activities		
Sale of property, plant and equipment	9.7	3.3
Total other revenue	**25.6**	**19.7**
Total revenue	**2,409.9**	**2,073.2**

4.0 Statement of Financial Position

As at:

	31 March 2005 $m	30 September 2004 $m	31 March 2004 $m
Current assets			
Cash assets	172.6	148.9	118.2
Receivables	763.4	754.4	647.2
Other financial assets	2.9	-	-
Inventories	955.6	744.7	727.5
Other assets	89.5	61.6	82.1
Total current assets	**1,984.0**	**1,709.6**	**1,575.0**
Non-current assets			
Receivables	160.2	21.3	22.5
Investments accounted for using the equity method	61.2	65.7	60.8
Property, plant and equipment	1,567.2	1,518.0	1,449.8
Intangible assets	598.0	581.8	476.5
Deferred tax assets	185.4	216.8	194.6
Other assets	37.2	40.1	49.5
Total non-current assets	**2,609.2**	**2,443.7**	**2,253.7**
Total assets	**4,593.2**	**4,153.3**	**3,828.7**
Current liabilities			
Payables	792.2	779.7	657.6
Interest bearing liabilities	847.9	385.7	443.8
Current tax liabilities	22.7	28.2	9.2
Provisions	146.3	193.2	126.0
Total current liabilities	**1,809.1**	**1,386.8**	**1,236.6**
Non-current liabilities			
Payables	12.7	14.8	17.2
Interest bearing liabilities	766.0	740.5	703.5
Deferred tax liabilities	148.3	151.7	144.9
Provisions	225.2	221.6	191.7
Total non-current liabilities	**1,152.2**	**1,128.6**	**1,057.3**
Total liabilities	**2,961.3**	**2,515.4**	**2,293.9**
Net assets	**1,631.9**	**1,637.9**	**1,534.8**
Equity			
Parent entity interest			
Contributed equity	397.4	369.3	438.8
Reserves	77.6	108.1	91.7
Retained profits	959.4	951.2	807.7
Total parent entity interest	**1,434.4**	**1,428.6**	**1,338.2**
Outside equity interests in controlled entities	197.5	209.3	196.6
Total equity	**1,631.9**	**1,637.9**	**1,534.8**

5.0. Statement of Cash Flows

For the period ended 31 March:

	2005 $m Inflows/ (Outflows)	2004 $m Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers	2,584.7	2,199.9
Payments to suppliers and employees	(2,535.4)	(2,047.8)
Interest received	4.3	4.0
Borrowing costs	(48.2)	(34.6)
Dividends received	4.2	3.8
Royalties and other operating revenue received	12.1	13.9
Net income taxes paid	(154.4)	(33.3)
Net cash flows from operating activities	**(132.7)**	**105.9**
Cash flows from investing activities		
Payments for property, plant and equipment	(136.3)	(81.6)
Payments for purchase of investments	(1.5)	(0.9)
Payments for purchase of businesses/controlled entities	(50.7)	(71.3)
Proceeds from sale of property, plant and equipment	22.1	14.6
Net cash flows (used in) investing activities	**(166.4)**	**(139.2)**
Cash flows from financing activities		
Proceeds from long term borrowings	50.0	280.1
Repayment of long term borrowings	-	(280.2)
Net movement in short term financing	400.3	212.4
Proceeds from issue of shares	26.3	7.2
Payments for buy-back of shares	(12.5)	(56.1)
Dividends paid - Orica shareholders	(122.5)	(94.5)
Dividends paid - outside equity interests	(19.4)	(3.3)
Net cash flows from financing activities	**322.2**	**65.6**
Net increase/(decrease) in cash held	23.1	32.3
Cash at the beginning of the financial period	147.3	85.1
Effects of exchange rate changes on cash	(2.7)	(3.4)
Cash at the end of the financial period	**167.7**	**114.0**

Reconciliation of cash
Cash at the end of the period as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:

Cash	**172.6**	118.2
Bank overdraft	**(4.9)**	(4.2)
	167.7	114.0

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

Reports for business

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

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

Reports for business and geographical segments

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

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

Segment report (continued)

Primary reporting Business segments	Mining Services	Fertilisers	Consumer Products	Chemicals	Other Operations	Corporate & Support Services	Eliminations	Consolidated
2005								
	$m	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**	**$m**
Revenue								
External sales	**910.5**	**423.2**	**390.6**	**660.0**	**-**	**-**	**-**	**2,384.3**
Inter-segment sales	**9.9**	**16.5**	**0.1**	**27.5**	**-**	**-**	**(54.0)**	**-**
Total sales revenue	**920.4**	**439.7**	**390.7**	**687.5**	**-**	**-**	**(54.0)**	**2,384.3**
Other revenue	**12.8**	**3.6**	**0.3**	**3.6**	**-**	**5.3**	**-**	**25.6**
Total revenue	**933.2**	**443.3**	**391.0**	**691.1**	**-**	**5.3**	**(54.0)**	**2,409.9**
Results								
Profit from ordinary activities before significant items and income tax expense	**129.5**	**22.2**	**48.1**	**58.4**	**-**	**(68.4)**	**-**	**189.8**
Individually significant items	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Segment results post significant items	**129.5**	**22.2**	**48.1**	**58.4**	**-**	**(68.4)**	**-**	**189.8**
Income tax expense								**(51.4)**
Profit from ordinary activities after income tax expense								**138.4**
Outside equity interests in (profit)/loss from ordinary activities after income tax								**(7.7)**
Net profit from ordinary activities after income tax expense relating to members of Orica Limited								**130.7**
Segment assets	**1,747.9**	**1,067.7**	**399.5**	**1,115.7**	**56.9**	**205.5**	**-**	**4,593.2**
Segment liabilities	**483.1**	**264.0**	**145.2**	**201.1**	**142.5**	**1,725.4**	**-**	**2,961.3**
Investment in equity method associates included in segment assets	**55.8**	**-**	**1.5**	**3.1**	**-**	**0.8**	**-**	**61.2**
Capital expenditure	**82.5**	**14.3**	**7.9**	**14.3**	**15.2**	**0.1**	**-**	**134.3**
Depreciation and amortisation	**38.4**	**18.3**	**8.4**	**18.4**	**0.3**	**1.5**	**-**	**85.3**
Non-cash expenses other than depreciation and amortisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Share of associates net profit equity accounted	**2.8**	**-**	**-**	**0.1**	**-**	**-**	**-**	**2.9**
2004								
	$m	$m	$m	$m	$m	$m	$m	$m
Revenue								
External sales	779.8	420.3	386.9	466.5	-	-	-	2,053.5
Inter-segment sales	15.7	12.6	0.1	14.7	-	-	(43.1)	-
Total sales revenue	795.5	432.9	387.0	481.2	-	-	(43.1)	2,053.5
Other revenue	12.0	0.3	-	3.5	-	3.9	-	19.7
Total revenue	807.5	433.2	387.0	484.7	-	3.9	(43.1)	2,073.2
Results								
Profit from ordinary activities before significant items and income tax expense	106.6	31.5	50.6	51.6	-	(60.8)	-	179.5
Individually significant items	-	-	-	-	-	-	-	-
Segment results post significant items	106.6	31.5	50.6	51.6	-	(60.8)	-	179.5
Income tax expense								(49.9)
Profit from ordinary activities after income tax expense								129.6
Outside equity interests in (profit)/loss from ordinary activities after income tax								(7.4)
Net profit from ordinary activities after income tax expense relating to members of Orica Limited								122.2
Segment assets	1,473.6	1,038.4	383.7	728.3	57.4	147.3	-	3,828.7
Segment liabilities	410.8	291.8	139.9	220.2	8.0	1,223.2	-	2,293.9
Investment in equity method associates included in segment assets	58.0	-	1.2	-	-	1.6	-	60.8
Capital expenditure	48.3	15.2	2.9	12.4	-	1.4	-	80.2
Depreciation and amortisation	38.7	22.9	9.5	14.0	0.3	1.2	-	86.6
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-
Share of associates net (loss)/profit equity accounted	5.2	-	0.1	-	-	-	-	5.3

Segment report (continued)

Secondary reporting Geographical segments	Australia	New Zealand	Americas	Other	Eliminations	Consolidated
2005						
	$m	**$m**	**$m**	**$m**	**$m**	**$m**
Revenue						
External sales	**1,444.1**	**251.9**	**422.7**	**265.6**	**-**	**2,384.3**
Inter-segment sales	**52.3**	**5.6**	**8.0**	**26.0**	**(91.9)**	**-**
Total sales revenue	**1,496.4**	**257.5**	**430.7**	**291.6**	**(91.9)**	**2,384.3**
Other revenue	**11.5**	**0.1**	**11.9**	**2.1**	**-**	**25.6**
Total revenue	**1,507.9**	**257.6**	**442.6**	**293.7**	**(91.9)**	**2,409.9**
Results						
Profit from ordinary activities before significant items and income tax expense	**76.2**	**34.3**	**43.0**	**36.3**	**-**	**189.8**
Individually significant items	**-**	**-**	**-**	**-**	**-**	**-**
Segment results post significant items	**76.2**	**34.3**	**43.0**	**36.3**	**-**	**189.8**
Income tax expense						**(51.4)**
Profit from ordinary activities after income tax expense						**138.4**
Outside equity interests in (profit)/loss from ordinary activities after income tax						**(7.7)**
Net profit from ordinary activities after income tax expense relating to members of Orica Limited						**130.7**
Segment assets	**3,194.2**	**282.4**	**748.9**	**367.7**	**-**	**4,593.2**
Segment liabilities	**2,333.2**	**124.0**	**349.0**	**155.1**	**-**	**2,961.3**
Investment in equity method associates included in segment assets	**0.7**	**-**	**55.0**	**5.5**	**-**	**61.2**
Capital expenditure	**107.7**	**2.3**	**14.8**	**9.5**	**-**	**134.3**
Depreciation and amortisation	**61.1**	**3.7**	**12.6**	**7.9**	**-**	**85.3**
Non cash expenses other than depreciation and amortisation	**-**	**-**	**-**	**-**	**-**	**-**
Share of associates net profit equity accounted	**0.1**	**-**	**2.1**	**0.7**	**-**	**2.9**

2004						
	$m	$m	$m	$m	$m	$m
Revenue						
External sales	1,286.8	209.7	385.0	172.0	-	2,053.5
Inter-segment sales	26.8	7.0	2.1	12.6	(48.5)	-
Total sales revenue	1,313.6	216.7	387.1	184.6	(48.5)	2,053.5
Other revenue	3.2	1.5	13.6	1.4	-	19.7
Total revenue	1,316.8	218.2	400.7	186.0	(48.5)	2,073.2
Results						
Profit from ordinary activities before significant items and income tax expense	99.0	31.0	28.3	21.2	-	179.5
Individually significant items	-	-	-	-	-	-
Segment results post significant items	99.0	31.0	28.3	21.2	-	179.5
Income tax expense						(49.9)
Profit from ordinary activities after income tax expense						129.6
Outside equity interests in (profit)/loss from ordinary activities after income tax						(7.4)
Net profit from ordinary activities after income tax expense relating to members of Orica Limited						122.2
Segment assets	2,637.6	220.3	674.2	296.6	-	3,828.7
Segment liabilities	1,814.3	73.4	299.2	107.0	-	2,293.9
Investment in equity method associates included in segment assets	2.4	-	52.6	5.8	-	60.8
Capital expenditure	59.0	2.9	14.2	4.1	-	80.2
Depreciation and amortisation	62.4	3.7	12.9	7.6	-	86.6
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Share of associates net (loss)/profit equity accounted	-	-	4.8	0.5	-	5.3

7.0 Details of individual and total dividends.

	2005 $m	2004 $m
Dividends		
Dividends paid or declared in respect of the six months to 31 March were:		
Ordinary		
final dividend of 34 cents per share, 19.1% franked at 30%, paid 10 Dec 2003	-	94.4
final dividend of 45 cents per share, 46.7% franked at 30%, paid 8 Dec 2004	122.4	-
Preference		
final dividend of 2.5 cents per share, 19.1% franked at 30%, paid 31 Jan 2004	-	0.05
final dividend of 2.5 cents per share, 46.7% franked at 30%, paid 31 Jan 2005	0.05	-
Redeemable Preference (1)		
quarterly dividend at 5.36% per annum, per share, unfranked, paid 27 November 2003	-	0.7
quarterly dividend at 5.36% per annum, per share, unfranked, paid 27 February 2004	-	0.7
quarterly dividend at 5.36% per annum, per share, unfranked, paid 27 November 2004	0.7	-
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the year were as follows:		
paid in cash	89.9	76.5
satisfied by issue of shares	-	-
Dividends satisfied by the purchase of shares on market for dividend reinvestment plan	32.6	18.0

Subsequent events
Since the 31 March 2005, the directors declared the following dividend:
Ordinary
interim dividend of 25.0 cents per share, 32% franked at 30%, payable 15 July 2005

The financial effect of the interim ordinary dividend has not been brought to account in the financial statements for the period ended 31 March 2005 and will be recognised in subsequent financial reports.

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

Amount per security of foreign source dividend:

Interim dividend:	Cents	Interim dividend:	Cents
Current year - Ordinary	Nil	Previous year - Ordinary	Nil

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

The dividend or distribution plans shown below are in operation.

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

The last date(s) for receipt of election notices for the dividend or distribution plans	Ordinary	24-Jun-05
	Preference	12-Jul-05

9.0 A statement of reserves and retained earnings showing movements.

	2005 $m	2004 $m
Reserves and retained profits		
(a) Reserves		
Realisation and revaluation of assets	75.6	75.6
General and other	157.0	157.0
Foreign currency translation	(155.0)	(140.9)
	77.6	**91.7**
Movement in reserves during the period		
Realisation and revaluation of assets		
Balance at beginning of period	75.6	75.6
Balance at end of period	**75.6**	**75.6**
General and other		
Balance at beginning of period	157.0	157.0
Balance at end of period	**157.0**	**157.0**
Foreign currency translation		
Balance at beginning of period	(124.5)	(115.4)
Translation of overseas controlled entities at the end of the period	(30.5)	(25.5)
Balance at end of period	**(155.0)**	**(140.9)**
(b) Retained profits		
Retained profits at the beginning of the period	951.2	780.0
Operating profit after income tax attributable to members of Orica	130.7	122.2
Dividends:		
Preference – declared/paid	(0.1)	(0.1)
Ordinary – final declared/paid	(122.4)	(94.4)
Retained profits at the end of the period	**959.4**	**807.7**

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

	Current period	Previous corresponding period
	Cents	Cents
Net tangible asset backing per ordinary security	305	313

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

Name of entity (or group of entities)	-
The date of the gain of control	-
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period on which control was acquired	-
Profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period	-

11.2 Loss of control of entities having material effect.

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

12.0 Details of associates and joint ventures.

The economic entity has an interest in the following entities:

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
Equity accounted associates and joint venture entities	Current period	Previous corresponding period	Current period $A'M	Previous corresponding period $A'M
Qenos Holdings Pty Limited	50%	50%	-	-
Nelson Brothers, LLC	50%	50%		
Nelson Brothers Mining Services, LLC	27.7%	27.7%	3.3	4.3
Emirates Explosives LLC	49%	49%		
Pigment Manufacturers of Australia Limited	50%	50%	Individually	Individually
BXL Bulk Explosives Limited	50%	50%	not material	not material
Northwest Energetic Services, LLC	33.3%	33.3%	In aggregate	In aggregate
Botany Industrial Park Pty Limited	50%	50%		
Geneva Nitrogen LLC	50%	50%		
Sprewa Sprengmittel GmbH	24%	24%		
MSW-Chemie GmbH	31.5%	31.5%		1.0
Troisdorf GmbH	50%	50%		
Wurgendorf GmbH	50%	50%		
Pinegro Products Pty Ltd (Acquired 31 October 2003)	50%	50%	loss of 0.4	
Orica Camel Coatings Ltd (Acquired 31 October 2003)	50%	50%		
Australian Plantations Pty Ltd (Acquired 1 June 2004)	50%	-		
Tasmannia Lanceolata Plantation (Acquired 1 June 2004)	50%	-		
Exor Explosives Limited	50%	50%		
PIIK Limited Partnership	49%	49%		
Total			2.9	5.3
Other material interests	N/A	N/A	0.0	0.0
Total			2.9	5.3

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

Please refer to the accompanying Orica Limited Profit Report.

14.0 A commentary on the results for the period.

Please refer to the accompanying Orica Limited Profit Report.

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

	2005 Cents per share	2004 Cents per share
Earnings per share (EPS)		
Basic earnings per share		
including significant items	47.9	44.2
excluding significant items	47.9	44.2
Diluted earnings per share		
including significant items	47.1	43.4
excluding significant items	47.1	43.4
	Number	**Number**
Weighted average number of shares used as the denominator:		
Number for basic earnings per share	272,850,471	276,084,228
Effect of Executive Shares Options on issue	4,131,559	4,791,129
Effect of Award Rights on issue	174,200	350,979
Number for diluted earnings per share	277,156,230	281,226,336

	$m	$m
Reconciliation of earnings used in the calculation of basic and diluted earnings per share:		
Including individually significant items		
Profit from ordinary activities after income tax expense	138.4	129.6
Less outside equity interests	(7.7)	(7.4)
Less preference share dividends appropriated	(0.1)	(0.1)
Earnings used in calculation of EPS including individually significant items	**130.6**	**122.1**
Reconciliation of earnings used in the calculation of basic and diluted earnings per share:		
Excluding individually significant items		
Profit from ordinary activities after income tax expense	138.4	129.6
Less outside equity interests	(7.7)	(7.4)
Less preference share dividends appropriated	(0.1)	(0.1)
Earnings used in calculation of EPS excluding individually significant items	**130.6**	**122.1**

14.2.1 Returns to shareholders including distributions and buy-backs.

	2005 $m	2004 $m
Contributed equity		
Issued and fully paid:		
Cumulative non-redeemable 5% preference shares - 2,000,000 (2004 2,000,000)	2.0	2.0
Ordinary shares - 273,895,530 (2004 274,718,548)	395.4	436.8
	397.4	**438.8**

Details	Date	Number of shares	Issue price $	$m
Opening balance of shares issued	1 Oct 03	277,612,490		485.7
Shares issued under the share acquisition plan (1)		226,784	0.00	0.0
Shares issued under the Orica executive option plan (1)		591,700	5.72	3.4
Shares issued under the Orica executive option plan (1)		305,160	8.31	2.5
Shares issued under the Orica executive option plan (1)		152,900	8.57	1.3
Share buy-back (2)		(4,170,486)	13.45	(56.1)
Balance	31 Mar 04	274,718,548		436.8
Shares issued under the Orica executive option plan (1)		151,600	5.72	0.8
Shares issued under the Orica executive option plan (1)		72,480	8.31	0.6
Shares issued under the Orica executive option plan (1)		53,000	8.57	0.5
Share buy-back (2)		(4,937,735)	14.46	(71.4)
Balance	30 Sep 04	270,057,893		367.3
Shares issued under the share acquisition plan (3)		174,200	0.00	0.0
Shares issued under the Orica executive option plan (3)		3,640,713	7.22	26.3
Shares issued under the Orica long term equity incentive plan		1,096,702	20.16	22.1
Share buy-back (2)		(1,073,978)	18.90	(20.3)
Balance	**31 Mar 05**	**273,895,530**		395.4

(1) The options and award rights have been exercised at various times during the period. The weighted average of the fair value of shares issued was $13.56.

(2) Shares bought back and cancelled over a period from Jan 2005 to Mar 2005 (2004 - Nov 2003 to May 2004).

(3) The options and award rights have been exercised at various times during the period. The weighted average of the fair value of shares issued was $19.18.

Options over unissued shares:

Exercisable between		Balance 30 Sep 03	Issued/ Reinstated During Year	Exercised During Year	Lapsed During Year	Balance 31 Mar 04	Issued/ Reinstated During Year	Exercised During Year	Lapsed During Year	Balance 30 Sep 04
01 Jan 02	31 Dec 08	410,800	-	(152,900)	(204,900)	53,000	-	(53,000)	-	-
01 Jan 03	31 Dec 09	502,400	-	(305,160)	(62,880)	134,360	-	(72,480)	-	61,880
01 Jan 04	31 Dec 10	952,200	140,800	(591,700)	(134,000)	367,300	-	(151,600)	-	215,700
31 Dec 04	31 Dec 06	1,175,000	-	-	-	1,175,000	-	-	(59,000)	1,116,000
31 Oct 05	31 Oct 07 (1)	8,418,583	-	-	(571,083)	7,847,500	-	-	(355,433)	7,492,067
31 Oct 05	31 Oct 07 (1)	40,176	-	-	-	40,176	-	-	-	40,176
31 Oct 05	31 Oct 07 (1)	32,509	-	-	-	32,509	-	-	-	32,509
31 Oct 05	31 Oct 07 (1)	115,421	-	-	-	115,421	-	-	-	115,421
31 Oct 05	32 Oct 07 (1)	20,000	-	-	-	20,000	-	-	-	20,000
31 Oct 05	33 Oct 07 (1)	84,576	-	-	-	84,576	-	-	-	84,576
10 Nov 05	34 Oct 07 (1)	-	27,507	-	-	27,507	-	-	-	27,507
10 Nov 06	35 Oct 07 (1)	-	-	-	-	-	21,045	-	-	21,045
Total		11,751,665	168,307	(1,049,760)	(972,863)	9,897,349	21,045	(277,080)	(414,433)	9,226,881

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

14.2.1
Returns to shareholders including distributions and buy-backs (continued).

Share acquisition plan - Award Rights over unissued shares:

Exercisable between		Balance 30 Sep 03	Issued/ Reinstated During Year	Exercised During Year	Lapsed During Year	Balance 31 March 04	Issued/ Reinstated During Year	Exercised During Year	Lapsed During Year	Balance 30 Sep 04
31 Dec 01	31 Dec 03	41,420	-	(23,760)	(17,660)	-	-	-	-	-
31 Dec 02	31 Dec 04	26,400	-	(26,224)	-	176	-	-	(176)	-
31 Dec 03	31 Dec 05	163,000	-	(176,800)	-	(13,800)	18,600	-	(4,800)	-
31 Dec 04	31 Dec 06	188,800	-	-	-	188,800	-	-	(16,600)	172,200
Total		419,620	-	(226,784)	(17,660)	175,176	18,600	-	(21,576)	172,200

Options over unissued shares:

Exercisable between		Balance 30 Sep 04	Issued/ Reinstated During Year	Exercised During Year	Lapsed During Year	Balance 31 Mar 05
01 Jan 03	31 Dec 09	61,880	-	(6,380)	-	55,500
01 Jan 04	31 Dec 10	215,700	-	(159,400)	-	56,300
31 Dec 04	31 Dec 06	1,116,000	10,000	(998,000)	-	128,000
31 Oct 05	31 Oct 07 (1)	7,492,067	-	(2,437,842)	-	5,054,225
31 Oct 05	31 Oct 07 (1)	40,176	-	(10,044)	-	30,132
31 Oct 05	31 Oct 07 (1)	32,509	-	(8,127)	-	24,382
31 Oct 05	31 Oct 07 (1)	115,421	-	(20,920)	-	94,501
31 Oct 05	32 Oct 07 (1)	20,000	-	-	-	20,000
31 Oct 05	33 Oct 07 (1)	84,576	-	-	-	84,576
10 Nov 05	34 Oct 07 (1)	27,507	-	-	-	27,507
10 Nov 06	35 Oct 07 (1)	21,045	-	-	-	21,045
Total		9,226,881	10,000	(3,640,713)	-	5,596,168

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

Share acquisition plan - Award Rights over unissued shares:

Exercisable between		Balance 30 Sep 04	Issued/ Reinstated During Year	Exercised During Year	Lapsed During Year	Balance 31 Mar 05
31 Dec 01	31 Dec 03	-	-	-	-	-
31 Dec 02	31 Dec 04	-	-	-	-	-
31 Dec 03	31 Dec 05	-	-	-	-	-
31 Dec 04	31 Dec 06	172,200	2,000	(174,200)	-	-
		172,200	2,000	(174,200)	-	-

14.2.2 Returns to shareholders including distributions and buy-backs.

	2005 $m	2004 $m
Total equity reconciliation		
Total equity at the beginning of the period	1,637.9	1,580.5
Total changes recognised in the statements of financial performance	100.2	96.7
Transactions with owners as owners		
Dividends provided for or paid	(122.5)	(94.5)
Contribution of equity	28.1	(48.9)
Total changes in outside equity interests	(11.8)	1.0
Total equity at the end of the period	**1,631.9**	**1,534.8**

14.3 Significant features and discussion of trends of operating performance.

Please refer to the accompanying Orica Limited Profit Report.

14.4 Events subsequent to balance date.

Since 31 March 2005, the directors declared an interim dividend of 25.0 cents per share payable on 15 July 2005. The financial effect of this dividend is not included in the financial statements for the period ended 31 March 2005 and will be recognised in the financial statements for the year ended 30 September 2005.

The Directors have not become aware of any other significant matter or circumstance that has arisen since 31 March 2005, that has affected or may affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent years, which has not been covered in this report.

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

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

Basis of financial report preparation

The general purpose half-year consolidated financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029 "Interim Financial Reporting", applicable AASB Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. It is recommended that the half-year financial report be read in conjunction with the 30 September 2004 full year financial report and any public announcements by Orica Limited and its controlled entities during the half-year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001. These accounting policies have been consistently applied by each entity in the consolidated entity and are consistent with those applied in the 30 September 2004 full year financial report. The half-year financial report does not include full note disclosures of the type normally included in a full year financial report.

Revisions in estimates of amounts reported in previous interim periods

There are no revisions in estimates of amounts reported in previous interim periods.

Changes in contingent liabilities or assets.

Contingent liabilities and contingent assets are detailed in Note 30 of the Annual Report 2004. The changes to contingent liabilities and contingent assets from that date are as follows:

The total discounted bills of exchange outstanding at 31 March 2005 amounted to $102m compared to $38.9m at 30 September 2004 and $41.5m at 31 March 2004.

Tax Audit – 1998 Sale of Pharmaceuticals Business

On 13 October 2004, Orica Limited received a notice of amended assessment from the Australian Taxation Office (“ATO”) for $210.3 million (primary tax of $95.3 million, penalties of $23.8 million and interest of $91.2 million). The amended assessment relates to the sale of the pharmaceuticals business to Zeneca in September 1998. The ATO has rejected Orica’s objection to the assessment and Orica has lodged an appeal with the Federal Court. The directors are of the opinion, based on Queen’s Counsel advice, that no liability should be recognised.

In accordance with the ATO administrative practice, Orica paid to the ATO 50% ($105.1m) of the amended assessment, which has been recognised as a non-current receivable.

The ATO has indicated that if it is unsuccessful in defending the amended assessment against Orica, it may consider issuing an amended assessment for a similar amount to Orica Australia Pty Ltd in respect of the same transaction. The ATO considers that it is not in a position to decide if the second assessment should issue until the outcome of the dispute with Orica Limited is known. Orica would also contest this matter.

Incitec Fertilizers Limited a wholly owned subsidiary of Incitec Pivot Limited terminated its supply agreement with Elders effective 16 December 2004. This termination is the subject of a court challenge by Elders and pending the court determination payment of rebates to Elders have ceased. If the court determines rebates are payable in full the impact on the half-year report would be a charge of $3.5m before tax.

Impact of adopting AASB equivalents to IASB standards
This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). Orica (the Group) has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (AIFRS). The company has allocated internal resources and engaged expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to AIFRS. As a result of these procedures, Orica has graded impact areas as either high, medium or low and has established a project team to address each of the areas. The project team reports to each meeting of the Board Audit and Risk Committee.

At the date of this report, the project team has analysed most of the AIFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under AASB 1 - First-time Adoption of Australian Equivalents to International Financial Reporting Standards. Some of these choices are still being analysed to determine the most appropriate accounting policy for the Group. Accordingly, there can be no assurances that the consolidated statements of financial performance and statements of financial position as disclosed in the 2004 financial report would not be significantly different if determined in accordance with AIFRS. It is expected that the consolidated entity will be fully prepared for the transition in 2005.

The differences between Australian GAAP and AIFRS identified to date as potentially having a significant effect on the consolidated entity's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and AIFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

Major changes identified to date that will be required to the Group's existing accounting policies include the following:

Employee Benefits
Under AASB 119 - Employee Benefits, employer sponsors are required to recognise the net surplus or deficit in their employer sponsored defined benefit funds as an asset or liability respectively. This will result in a change in the Group's current accounting policy which does not currently recognise the net assets/liabilities of the defined benefit funds unless there is a present obligation. Under the new policy, Orica will be required to recognise an asset/liability of the defined benefit fund for the net surplus/deficit based on an actuarial calculation of the position of the fund. The initial adjustment on transition will be through retained earnings. The consolidated entity currently expects to elect to record actuarial gains and losses directly though retained earnings. Reliable estimation of the future financial effects of this change in accounting policy on transition is impracticable because the actuarial calculations on an AIFRS basis have not yet been completed as at the date of this report.

Goodwill
Under AASB 3 - Business Combinations, amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing of the cash flows of the related cash generating unit. This will result in a change in the Group's current accounting policy which amortises goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known. The impact on Orica (subject to impairment testing) will be to increase net profit.
An election is available in AASB 1 which provides the ability to choose whether the acquisition accounting of business combinations prior to transition date is restated under AIFRS. Entities can choose to restate all prior business combinations; only those after a certain date; or none at all. The consolidated entity currently expects to take advantage of the election available and not restate business combinations prior to transition date.

Provisions
Under AASB 3 - Business Combinations, provisions for restructuring on acquisition of businesses may only be created when the acquiree has, at the acquisition date, an existing liability for restructuring recognised in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets. The impact on Orica will be to decrease net profit where acquisitions are restructured subsequent to acquisition.

Share based payments
Under AASB 2 - Share based payments, Orica will be required to determine the fair value of share based payments issued to employees as remuneration and recognise an expense in the statements of financial performance. This applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005. The impact on Orica will be to decrease net profit and increase contributed equity. Reliable estimation of the future financial effects of this change in accounting policy on transition is impracticable as the details of future equity based remuneration plans are unknown. In addition, our interpretation of AASB 2 will require that shares issued under employee incentive share plans in conjunction with non-recourse loans are to be accounted for as options. As a result, the amounts receivable from employees will be deducted from share capital on transition to AIFRS.

Classification of Financial Instruments.
Under AASB 139 - Financial Instruments Recognition and Measurement: Financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item. The classifications are:
- loans and receivables - measured at amortised cost;
- held to maturity - measured at amortised cost;
- held for trading - measured at fair value with fair value changes charged to net profit or loss;
- available for sale - measured at fair value with fair value changes taken to equity; and
- non-trading liabilities - measured at amortised cost.

This will result in a change in the existing accounting policy which does not classify financial instruments. Current measurement is at amortised cost, with certain derivative financial instruments not recognised on balance sheet. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.

Hedge Accounting
Under AASB 139 - Financial Instruments: Recognition and Measurement, in order to achieve a qualifying hedge, the entity is required to meet the following criteria:
- Identify the type of hedge - fair value or cash flow;
- Identify the hedged item or transaction;
- Identify the nature of the risk being hedged;
- Identify the hedging instrument;
- Demonstrate that the hedge has and will continue to be highly effective; and
- Document the hedging relationship, including the risk management objectives and strategy for undertaking the hedge and how effectiveness will be tested.

This may result in a change in the entity's existing accounting policy if hedge transactions are designated as a hedge of:
- the anticipated purchase or sale of goods or services,
- purchase of qualifying assets, or
- an anticipated interest transaction.

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.
Under the new policy, hedge accounting may no longer be able to be applied to such contracts, and gains and losses on the contracts may be recognised in the statements of financial performance. Reliable estimation of the future financial effect of this change in accounting policy has not yet been measured.

Intangible Assets
Under AASB 138 - Intangible Assets, internally generated intangible assets (except development phase expenditure in certain circumstances) will not be recognised and intangible assets can only be revalued if there is an active market. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future internally generated intangible assets are unknown.

Impairment of Assets
Under AASB 136 - Impairment of Assets, the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the Group's existing accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. An impairment assessment will be undertaken at the date of transition. Other than for goodwill, which must be tested for impairment annually, assets will be tested in future periods where there is an indicator of impairment. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

Income taxes
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 statements of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the existing accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity. The full tax consequences of the impact of adoption of AASB 112 are being considered and the consolidated entity continues to gather detailed and complex information to assess the transition and ongoing impact of this standard. Reliable estimation of the future financial effect of this change in accounting policy has not yet been measured.

Changes in accounting policies
Under AIFRS, changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments, with note disclosure of prior year effects as is the existing practice under Australian GAAP.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to AIFRSs, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to AIFRSs on the Group's statements of financial position and reported results.

Compliance statement
This report has been subject to review.
The entity has a formally constituted audit committee.

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

Print name: ……..………………………………………

Attachment 1

	2005 **$m**	2004 $m
Income tax expense		
The amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating profit. The differences are reconciled as follows:		
Income tax expense attributable to operating profit before significant items		
Prima facie income tax expense calculated at 30% on profit from ordinary activities before significant items	56.9	53.9
Tax effect of permanent differences which (reduce)/increase tax expense:		
variation in tax rates of foreign controlled entities	1.6	0.5
tax under/(over) provided in prior years	0.4	0.9
prior year tax losses recognised	(6.9)	(0.7)
non-allowable goodwill amortisation	5.2	4.1
other foreign deductions	(10.3)	(8.5)
sundry items	4.5	(0.3)
Income tax expense attributable to operating profit before significant items	**51.4**	49.9
Income tax expense attributable to operating profit	**51.4**	49.9
Income tax expense comprises:		
provision for income tax	23.4	3.5
deferred income tax	(3.4)	17.4
future income tax benefit	31.4	29.0
	51.4	49.9

Orica Limited and its Controlled Entities

Directors' Declaration on the Financial Report set out on pages 2 to 20

I, Donald Penn Mercer, being a director of Orica Limited, do hereby state in accordance with a resolution of the directors that in the opinion of the directors,

1. (a) the financial statements and notes, set out on pages 2 to 20, 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 31 March 2005 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and

   (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and Corporations Regulations 2001; and

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

D P Mercer
Chairman
Dated at Melbourne this 2nd day of May 2005.

Orica Limited and its Controlled Entities
Directors' Report

The directors of Orica Limited (Orica) present the consolidated financial report in the form of Appendix 4D of the Australian Stock Exchange (ASX) Listing Rules, for the period ended 31 March 2005 and the auditor's review report thereon.

Directors

The directors of the company during or since the end of the half-year are:
D P Mercer, Chairman
M W Broomhead, Managing Director
M E Beckett
P J Duncan
J W Hall (Retired 30 April 2005)
G A Hounsell
P M Kirby
G R Liebelt
M Tilley
C M Walter
The office of company secretary is held by J van Reyk.

Review and results of operations

A review of the operations of the consolidated entity during the financial year and of the results of those operations is contained in the accompanying Profit Report.

Events subsequent to balance date

The directors have not become aware of any significant matter or circumstance (other than referred to in note 14.4) that has arisen since 31 March 2005, 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.

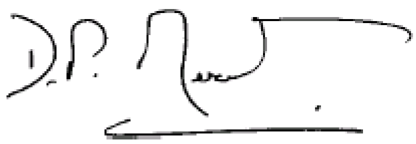
Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 23.

Rounding

The amounts shown in this report and in the financial statements have been rounded off, except where otherwise stated, to the nearest tenth of a million dollars, the company being in a class specified in the ASIC Class Order 98/100 dated 10 July 1998.

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



D P Mercer
Chairman
Dated at Melbourne this 2nd day of May 2005.

Lead Auditor's Independence Declaration under Section 307C of the Corporation Act 2001 to the directors of Orica Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 March 2005 there have been:

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

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

KPMG

KPMG

PM Shannon

P M Shannon
Partner

Place: Melbourne

Date: 2 May 2005

KPMG

Independent review report to the members of Orica Limited

Scope

We have reviewed the financial report of Orica Ltd ("the Company") for the half-year ended 31 March 2005, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the directors' declaration set out on page 21. The financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half-year. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows and in order for the Company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Orica Limited is not in accordance with:

(a) the Corporations Act 2001, including:

i. giving a true and fair view of the consolidated entity's financial position as at 31 March 2005 and of its performance for the half-year ended on that date; and

ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

KPMG

KPMG

P M Shannon

P M Shannon
Partner

Date: 2 May 2005