Appendix 4D
Half Year Report

Name of entity:	**ORICA LIMITED**
ABN:	**24 004 145 868**

Half year ended ('current period')	Half year ended ('previous corresponding period')
31 March 2012	31 March 2011

Results for announcement to the market

				$m
Consolidated revenue from operations	up	11.6%	to	3,290.7
Profit after tax attributable to shareholders	down	(4.0)%	to	253.3
Net profit for the period attributable to shareholders before individually material items	down	(4.0)%	to	253.3

Dividends		Amount per security	Franked amount per security at 30% tax
Interim dividend - Ordinary	Cents	38.00	14.00
Previous corresponding period Interim dividend - Ordinary	Cents	37.00	18.00

Record date for determining entitlements to the dividend:

	Ordinary Shares	1 June 2012
Payment date of dividend:	Ordinary Shares	2 July 2012

	Current period	Previous corresponding period
	Cents	Cents
Net tangible asset backing per ordinary security	205.3	151.9

For the profit commentary and any other significant information needed by an investor to make an informed assessment of Orica's results please refer to the accompanying Orica Limited Profit Report.

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Income Statement

For the period ended 31 March:

	Notes	**2012 $m**	2011 $m
Sales revenue	(4)	**3,290.7**	2,949.3
Other income	(4)	**18.9**	47.5
Expenses			
Changes in inventories of finished goods and work in progress		**45.2**	17.5
Raw materials and consumables used and finished goods purchased for resale		**(1,645.7)**	(1,409.8)
Share based payments		**(9.0)**	(8.2)
Other employee benefits expense		**(565.7)**	(515.8)
Depreciation expense		**(100.4)**	(92.0)
Amortisation expense		**(18.0)**	(18.2)
Purchased services		**(125.5)**	(155.7)
Repairs and maintenance		**(85.0)**	(79.4)
Outgoing freight		**(158.0)**	(147.4)
Lease payments - operating leases		**(30.7)**	(32.4)
Other expenses		**(218.0)**	(136.1)
Share of net profit of associates accounted for using the equity method		**19.9**	17.7
		(2,890.9)	(2,559.8)
Profit from operations		**418.7**	437.0
Net financing costs			
Financial income		**16.3**	20.2
Financial expenses		**(81.6)**	(82.7)
Net financing costs		**(65.3)**	(62.5)
Profit before income tax expense		**353.4**	374.5
Income tax expense	(12)	**(90.0)**	(97.3)
Net profit for the period		**263.4**	277.2
Net profit for the period attributable to:			
Shareholders of Orica Limited		**253.3**	263.8
Non-controlling interests		**10.1**	13.4
Net profit for the period		**263.4**	277.2
		cents	cents
Earnings per share			
Earnings per share attributable to ordinary shareholders of Orica Limited:			
Basic	(3)	**67.9**	71.1
Diluted	(3)	**67.8**	69.9

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

Statement of Comprehensive Income

For the period ended 31 March:

	2012 $m	2011 $m
Profit for the period	**263.4**	277.2
Net loss on hedge of net investments in foreign subsidiaries	**(79.1)**	(46.7)
Cash flow hedges		
- Effective portion of changes in fair value	**4.7**	9.4
- Transferred to carrying value of non current assets	**-**	0.1
- Transferred to income statement	**(1.3)**	(19.9)
Exchange differences on translation of foreign operations	**(90.5)**	(107.5)
Actuarial (losses)/benefits on defined benefit plans	**(12.8)**	22.4
Income tax on income and expense in other comprehensive income	**(8.6)**	(14.8)
Other comprehensive income for the period, net of income tax	**(187.6)**	(157.0)
Total comprehensive income for the period	**75.8**	120.2

Attributable to:		
Shareholders of Orica Limited	**72.0**	118.5
Non-controlling interests	**3.8**	1.7
Total comprehensive income for the period	**75.8**	120.2

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

Balance Sheet

as at:

	Notes	**31 March 2012 $m**	30 September 2011 $m	31 March 2011 $m
Current assets				
Cash and cash equivalents	(13)	**247.6**	346.9	296.9
Trade and other receivables		**998.1**	941.6	876.5
Inventories		**695.6**	614.5	575.0
Other assets		**90.9**	75.2	97.7
Other financial assets - derivative assets		**22.1**	7.0	21.3
Total current assets		**2,054.3**	1,985.2	1,867.4
Non-current assets				
Trade and other receivables		**5.3**	1.8	2.0
Investments accounted for using the equity method		**163.8**	172.1	160.4
Other financial assets - derivative assets		**2.6**	4.6	3.2
Other financial assets		**0.6**	0.6	0.6
Property, plant and equipment		**2,823.5**	2,709.7	2,356.0
Intangible assets		**2,414.6**	2,505.4	2,412.0
Deferred tax assets		**201.2**	241.7	243.2
Other assets		**6.7**	7.1	5.6
Total non-current assets		**5,618.3**	5,643.0	5,183.0
Total assets		**7,672.6**	7,628.2	7,050.4
Current liabilities				
Trade and other payables		**1,041.3**	1,141.0	984.0
Other financial liabilities - derivative liabilities		**6.5**	11.5	7.3
Interest bearing liabilities	(13)	**136.3**	76.5	40.9
Current tax liabilities		**9.4**	30.4	21.1
Provisions		**184.7**	198.0	226.7
Total current liabilities		**1,378.2**	1,457.4	1,280.0
Non-current liabilities				
Trade and other payables		**10.4**	25.6	22.9
Other financial liabilities - derivative liabilities		**78.4**	65.2	105.1
Interest bearing liabilities	(13)	**2,409.2**	1,678.5	1,574.2
Deferred tax liabilities		**98.4**	95.3	116.7
Provisions		**411.3**	430.6	388.2
Total non-current liabilities		**3,007.7**	2,295.2	2,207.1
Total liabilities		**4,385.9**	3,752.6	3,487.1
Net assets		**3,286.7**	3,875.6	3,563.3
Equity				
Ordinary shares	(7)	**1,779.5**	1,749.9	1,727.5
Reserves	(8)	**(1,012.4)**	(849.0)	(935.0)
Retained earnings	(8)	**2,396.9**	2,363.4	2,171.1
Total equity attributable to ordinary shareholders of Orica		**3,164.0**	3,264.3	2,963.6
Equity attributable to Step-Up Preference Securities' holders	(7)	**-**	490.0	490.0
Non-controlling interests in controlled entities		**122.7**	121.3	109.7
Total equity		**3,286.7**	3,875.6	3,563.3

The Balance Sheet is to be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the period ended 31 March:

	Ordinary shares	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**
2011										
Balance at 1 October 2010	1,709.1	2,096.2	50.3	16.9	(656.8)	(183.0)	3,032.7	490.0	109.9	3,632.6
Profit for the period	-	263.8	-	-	-	-	263.8	-	13.4	277.2
Other comprehensive income	-	15.4	-	(7.3)	(153.4)	-	(145.3)	-	(11.7)	(157.0)
Total comprehensive income for the period	-	279.2	-	(7.3)	(153.4)	-	118.5	-	1.7	120.2
Transactions with owners, recorded directly in equity										
Total changes in contributed equity	18.4	-	-	-	-	-	18.4	-	0.2	18.6
Share-based payments expense	-	-	8.2	-	-	-	8.2	-	-	8.2
Acquisition of non-controlling interests	-	-	-	-	-	(9.9)	(9.9)	-	(0.1)	(10.0)
Dividends/distributions	-	(204.3)	-	-	-	-	(204.3)	-	-	(204.3)
Dividends declared/paid to non-controlling interests	-	-	-	-	-	-	-	-	(2.0)	(2.0)
Balance at the end of the period	1,727.5	2,171.1	58.5	9.6	(810.2)	(192.9)	2,963.6	490.0	109.7	3,563.3
2012										
Balance at 1 October 2011	**1,749.9**	**2,363.4**	**65.4**	**(11.5)**	**(715.5)**	**(187.4)**	**3,264.3**	**490.0**	**121.3**	**3,875.6**
Profit for the period	**-**	**253.3**	**-**	**-**	**-**	**-**	**253.3**	**-**	**10.1**	**263.4**
Other comprehensive income	**-**	**(8.9)**	**-**	**2.4**	**(174.8)**	**-**	**(181.3)**	**-**	**(6.3)**	**(187.6)**
Total comprehensive income for the period	**-**	**244.4**	**-**	**2.4**	**(174.8)**	**-**	**72.0**	**-**	**3.8**	**75.8**
Transactions with owners, recorded directly in equity										
Total changes in contributed equity	**29.6**	**-**	**-**	**-**	**-**	**-**	**29.6**	**-**	**1.2**	**30.8**
Share-based payments expense	**-**	**-**	**9.0**	**-**	**-**	**-**	**9.0**	**-**	**-**	**9.0**
Reclassification to interest bearing liabilities	**-**	**(10.0)**	**-**	**-**	**-**	**-**	**(10.0)**	**(490.0)**	**-**	**(500.0)**
Divestment of non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(0.9)**	**(0.9)**
Dividends/distributions	**-**	**(200.9)**	**-**	**-**	**-**	**-**	**(200.9)**	**-**	**-**	**(200.9)**
Dividends declared/paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2.7)**	**(2.7)**
Balance at the end of the period	**1,779.5**	**2,396.9**	**74.4**	**(9.1)**	**(890.3)**	**(187.4)**	**3,164.0**	**-**	**122.7**	**3,286.7**

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the period ended 31 March:

	Notes	2012 $m Inflows/ (Outflows)	2011 $m Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**3,492.8**	3,115.4
Payments to suppliers and employees		**(3,327.2)**	(2,798.0)
Interest received		**16.4**	20.2
Borrowing costs		**(99.8)**	(88.0)
Dividends received		**16.7**	11.9
Other operating revenue received		**12.8**	10.0
Net income taxes paid		**(72.9)**	(129.7)
Net cash flows from operating activities		**38.8**	141.8
Cash flows from investing activities			
Payments for property, plant and equipment		**(254.2)**	(246.5)
Payments for intangibles		**(20.6)**	(5.9)
Payments for purchase of investments		**-**	(2.6)
Payments for purchase of non-controlling interests	(10)	**-**	(4.4)
Payments for purchase of businesses/controlled entities	(10)	**(13.8)**	(0.6)
Payments of deferred consideration from prior acquisitions		**(29.3)**	(25.8)
Proceeds from sale of property, plant and equipment		**1.0**	6.4
Proceeds from sale of investments		**8.0**	1.3
Proceeds from sale of businesses/controlled entities	(11)	**2.5**	-
Net cash flows used in investing activities		**(306.4)**	(278.1)
Cash flows from financing activities			
Proceeds from long term borrowings		**3,324.9**	1,107.9
Repayment of long term borrowings		**(2,990.3)**	(655.9)
Net movement in short term financing		**26.1**	(153.8)
Payments for finance leases		**(3.3)**	(2.7)
Proceeds from issue of ordinary shares	(7)	**24.1**	4.6
Proceeds from issue of shares to non-controlling interests		**1.2**	0.2
Payments for buy-back of ordinary shares - LTEIP	(7)	**(19.9)**	(14.1)
Dividends paid - Orica ordinary shares	(6)	**(166.6)**	(166.2)
Distributions paid - Step-Up Preference Securities	(6)	**(11.1)**	(15.8)
Dividends paid - non-controlling interests		**(3.1)**	(7.8)
Net cash flows from financing activities		**182.0**	96.4
Net decrease in cash held		**(85.6)**	(39.9)
Cash at the beginning of the period		**343.3**	345.3
Effects of exchange rate changes on cash		**(14.3)**	(19.1)
Cash at the end of the period		**243.4**	286.3

Reconciliation of cash

Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

	Notes	2012	2011
Cash	(13)	**247.6**	296.9
Bank overdraft		**(4.2)**	(10.6)
		243.4	286.3

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Condensed notes to the consolidated half year financial report for the six months ended 31 March 2012

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 half year financial report.

(i) Basis of preparation

This general purpose financial report for the half year reporting period ended 31 March 2012 has been prepared in accordance with the requirements of applicable Accounting Standards including AASB 134 "Interim Financial Reporting", the Corporations Act 2001 and other mandatory professional reporting requirements.

The half year financial report has been prepared on a historical cost basis, except for derivative financial instruments and investments in financial assets (other than controlled entities 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.

The half year financial report is presented in Australian dollars which is Orica's functional and presentation currency. Orica is domiciled in Australia.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 September 2011 prepared under Australian Accounting Standards including Australian Interpretations and the Corporations Act 2001, changes in accounting policy for accounting standard requirements summarised below and any public announcements made by Orica during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies applied by the Group in the consolidated half year financial report are the same as those applied by the consolidated entity in its consolidated financial report for the year ended 30 September 2011.

The amounts shown in the half year financial report 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.

(ii) Statement of compliance

The half year financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards including Australian Interpretations and the Corporations Act 2001.

(iii) Changes in accounting policies

There were no changes in accounting policies during the period.

(iv) Recently issued or amended accounting standards

The following Australian Accounting Standards have recently been issued but are not yet effective and have not been adopted in the half year reporting period:

- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income - applicable for annual reporting periods beginning on or after 1 July 2012.
- AASB 9 Financial Instruments - applicable for annual reporting periods beginning on or after 1 January 2013.
- 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] - applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) – applicable for annual reporting periods on or after 1 January 2013.
- AASB 10 Consolidated Financial Statements – applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 11 Joint Arrangements – applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 12 Disclosure of Interests in Other Entities – applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 127 Separate Financial Statements – applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 128 Investments in Associates and Joint Ventures – applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards – applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 119 Employee Benefits – applicable for annual reporting periods on or after 1 January 2013.
- AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements – applicable for annual reporting periods beginning on or after 1 July 2013.
- AASB 13 Fair Value Measurement – applicable for annual reporting periods beginning on or after 1 January 2013.

1. Accounting policies (continued)

- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 – applicable for annual reporting periods beginning on or after 1 January 2013.
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) - applicable for annual reporting periods beginning on or after 1 January 2013.

The consolidated entity expects to adopt these standards and interpretations in the 2013 and subsequent financial reports - however the financial impact of adopting the new or amended standards has not yet been determined.

(v) Comparatives

Where applicable, comparatives have been adjusted to disclose them on the same basis as current period figures.

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.

The consolidated entity's operations have been divided into eight reportable segments comprising: Mining Services: Australia/Asia, North America, Latin America, EMET (Europe, Middle East & Turkey) and Other; Minova; 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.

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

Defined reportable segments	Products/services
Mining Services - Australia/Asia - North America - Latin America - EMET - Other *	Manufacture and supply of explosives and mining services, initiating systems and blasting technology to the mining, quarrying, construction and exploration industries.
Minova	Manufacture and supply of specialty bolts, accessories and chemicals for stabilisation and ventilation systems in underground mining and civil tunnelling works.
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, research and development and global purchasing and supply chain and Commonwealth of Independent States (CIS), Mongolia, Africa and China regions (CISMAC). The Mining Services business was reorganised during the financial year 2011 for internal reporting purposes and the CISMAC region was moved to the Mining Services Other segment.

Prior period comparative segment information has been restated.

2. Segment report (continued)

Reportable segments 2012 $m	Mining Services Australia/Asia	Mining Services North America	Mining Services Latin America	Mining Services EMET	Mining Services Other	Eliminations	Total Mining Services	Minova	Chemicals	Other	Eliminations	Consolidated
Revenue												
External sales	**893.5**	**422.5**	**470.9**	**226.9**	**118.2**	**-**	**2,132.0**	**432.8**	**724.9**	**1.0**	**-**	**3,290.7**
Inter-segment sales	**6.9**	**74.6**	**27.0**	**10.7**	**364.7**	**(481.7)**	**2.2**	**0.2**	**79.8**	**0.1**	**(82.3)**	**-**
Total sales revenue	**900.4**	**497.1**	**497.9**	**237.6**	**482.9**	**(481.7)**	**2,134.2**	**433.0**	**804.7**	**1.1**	**(82.3)**	**3,290.7**
Other income [1]	**1.3**	**7.3**	**5.7**	**1.4**	**3.2**	**-**	**18.9**	**2.3**	**0.9**	**(3.2)**	**-**	**18.9**
Total revenue and other income	**901.7**	**504.4**	**503.6**	**239.0**	**486.1**	**(481.7)**	**2,153.1**	**435.3**	**805.6**	**(2.1)**	**(82.3)**	**3,309.6**
Results												
Profit/(loss) from operations	**161.0**	**40.2**	**42.9**	**24.8**	**44.1**	**-**	**313.0**	**56.6**	**95.9**	**(46.8)**	**-**	**418.7**
Financial income												**16.3**
Financial expense												**(81.6)**
Profit before income tax expense												**353.4**
Income tax expense												**(90.0)**
Profit after income tax expense												**263.4**
Non-controlling interests in profit after income tax												**(10.1)**
Net profit for the period relating to shareholders of Orica Limited												**253.3**
Segment assets	**1,967.2**	**580.8**	**598.2**	**702.9**	**575.0**	**-**	**4,424.1**	**1,607.4**	**1,055.2**	**585.9**	**-**	**7,672.6**
Segment liabilities	**342.4**	**132.0**	**149.5**	**159.9**	**101.5**	**-**	**885.3**	**148.9**	**229.1**	**3,122.6**	**-**	**4,385.9**
Investments accounted for using the equity method	**28.9**	**123.2**	**2.8**	**2.2**	**3.7**	**-**	**160.8**	**2.7**	**0.3**	**-**	**-**	**163.8**
Acquisitions of PPE and intangibles	**153.2**	**19.1**	**29.3**	**27.7**	**26.9**	**-**	**256.2**	**15.2**	**19.3**	**4.4**	**-**	**295.1**
Impairment of intangibles	**-**	**-**	**0.4**	**-**	**-**	**-**	**0.4**	**-**	**-**	**-**	**-**	**0.4**
Impairment of inventories	**-**	**0.4**	**-**	**-**	**-**	**-**	**0.4**	**0.2**	**0.4**	**-**	**-**	**1.0**
Impairment of trade receivables	**-**	**0.1**	**-**	**0.2**	**-**	**-**	**0.3**	**0.2**	**0.8**	**-**	**-**	**1.3**
Depreciation	**35.7**	**16.9**	**8.8**	**7.6**	**4.0**	**-**	**73.0**	**4.9**	**20.7**	**1.8**	**-**	**100.4**
Amortisation	**0.6**	**0.2**	**0.7**	**1.6**	**3.1**	**-**	**6.2**	**9.8**	**0.3**	**1.7**	**-**	**18.0**
Non-cash expenses other than depreciation and amortisation:												
- share based payments	**1.0**	**0.8**	**0.4**	**0.1**	**1.6**	**-**	**3.9**	**0.9**	**0.7**	**3.5**	**-**	**9.0**
Share of associates net profit equity accounted	**-**	**19.4**	**0.4**	**-**	**0.2**	**-**	**20.0**	**-**	**(0.1)**	**-**	**-**	**19.9**

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

2. Segment report (continued)

Reportable segments 2011 $m	Mining Services Australia/Asia	Mining Services North America	Mining Services Latin America	Mining Services EMET	Mining Services Other	Eliminations	Total Mining Services	Minova	Chemicals	Other	Eliminations	Consolidated
Revenue												
External sales	740.3	405.3	397.8	212.0	65.8	-	1,821.2	410.8	716.2	1.1	-	2,949.3
Inter-segment sales	8.4	98.9	13.1	10.5	267.8	(394.7)	4.0	-	32.6	0.2	(36.8)	-
Total sales revenue	748.7	504.2	410.9	222.5	333.6	(394.7)	1,825.2	410.8	748.8	1.3	(36.8)	2,949.3
Other income [1]	2.7	10.0	16.5	3.1	(4.6)	-	27.7	(0.3)	1.9	18.2	-	47.5
Total revenue and other income	751.4	514.2	427.4	225.6	329.0	(394.7)	1,852.9	410.5	750.7	19.5	(36.8)	2,996.8
Results												
Profit/(loss) from operations	207.4	32.3	44.2	21.2	29.4	-	334.5	55.4	94.7	(47.6)	-	437.0
Financial income												20.2
Financial expense												(82.7)
Profit before income tax expense												374.5
Income tax expense												(97.3)
Profit after income tax expense												277.2
Non-controlling interests in profit after income tax												(13.4)
Net profit for the period relating to shareholders of Orica Limited												263.8
Segment assets	1,602.1	557.5	596.0	618.7	333.3	-	3,707.6	1,607.7	1,034.3	700.8	-	7,050.4
Segment liabilities	259.0	132.1	142.5	207.6	91.0	-	832.2	170.3	234.3	2,250.3	-	3,487.1
Investments accounted for using the equity method	32.1	116.6	2.8	2.2	3.6	-	157.3	2.9	0.2	-	-	160.4
Acquisitions of PPE and intangibles	153.6	13.4	19.6	9.5	18.8	-	214.9	8.8	45.3	7.4	-	276.4
Impairment of inventories	0.1	2.8	-	0.2	0.1	-	3.2	0.2	0.4	-	-	3.8
Impairment of trade receivables	-	0.3	-	0.8	-	-	1.1	0.6	0.2	-	-	1.9
Depreciation	34.3	14.9	7.6	7.3	3.1	-	67.2	4.5	18.4	1.9	-	92.0
Amortisation	2.1	-	0.9	1.6	1.7	-	6.3	9.9	0.3	1.7	-	18.2
Non-cash expenses other than depreciation and amortisation:												
- share based payments	0.6	0.6	0.4	0.4	0.8	-	2.8	0.6	0.6	4.2	-	8.2
Share of associates net profit equity accounted	2.0	14.7	0.6	-	0.4	-	17.7	-	-	-	-	17.7

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

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.

2012 $m	Australia	United States of America	Other *	Consolidated
Revenue from external customers				
External sales from continuing operations	**1,135.2**	**413.1**	**1,742.4**	**3,290.7**
Location of non-current assets				
Non-current assets **	**1,953.9**	**962.5**	**2,496.7**	**5,413.1**

2011 $m	Australia	United States of America	Other *	Consolidated
Revenue from external customers				
External sales from continuing operations	1,017.1	409.6	1,522.6	2,949.3
Location of non-current assets				
Non-current assets **	1,703.7	963.3	2,268.7	4,935.7

* Sales to other countries are individually less than 10% of the total external sales.

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

3. Earnings per share (EPS)

As reported in Income Statement	Notes	2012 $m	2011 $m
Reconciliation of earnings used in the calculation of EPS attributable to ordinary shareholders of Orica			
Net profit for the period		**263.4**	277.2
Net profit for the period from operations attributable to non-controlling interests		**(10.1)**	(13.4)
Distribution on Orica Step-Up Preference Securities (net of tax benefit)		**(8.9)**	(10.2)
Earnings used in calculation of basic EPS attributable to ordinary shareholders of Orica		**244.4**	253.6
Add back distribution on Orica Step-Up Preference Securities (net of tax benefit)*		**-**	10.2
Earnings used in calculation of diluted EPS attributable to ordinary shareholders of Orica		**244.4**	263.8

* On 13 October 2011 Orica elected to repurchase the SPS and the SPS were reclassified to interest bearing liabilities from that date. Until 12 October 2011 the SPS were treated as equity for accounting purposes.

		Number	Number
Weighted average number of shares used as the denominator:			
Number for basic earnings per share		**359,891,958**	356,830,633
Effect of executive share options and rights		**457,592**	720,128
Effect of Orica Step-Up Preference Securities		**-**	20,066,562
Number for diluted earnings per share		**360,349,550**	377,617,323

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 between:		
- 18 Dec 2007	- 17 Nov 10 to 23 Jan 11	**-**	643,353
- 26 Jun 2009	- 18 Nov 11 to 23 Jan 12	**11,531**	40,580
- 15 Dec 2009	- 19 Nov 12 to 23 Jan 13	**1,594,553**	1,763,781
- 17 Dec 2010	- 19 Nov 13 to 23 Jan 14	**1,759,971**	1,084,071
- 19 Dec 2011	- 18 Nov 14 to 23 Jan 15	**333,603**	-
- 24 Feb 2012	- 18 Nov 14 to 23 Jan 15	**60,059**	-

	Cents per share	Cents per share
Total attributable to ordinary shareholders of Orica		
Basic earnings per share	**67.9**	71.1
Diluted earnings per share	**67.8**	69.9

4. Sales revenue and other income

	2012 $m	2011 $m
Sales revenue	**3,290.7**	2,949.3
Other income		
Royalty income	**0.2**	0.2
Other income	**14.5**	7.3
Currency gains	**1.9**	35.0
Profit from sale of businesses/controlled entities/investments	**2.3**	0.9
Profit on sale of property, plant and equipment	**-**	4.1
Total other income	**18.9**	47.5

5. Specific income and expenses

There is no individually material items in the current and prior period.

6. Dividends and distributions

	2012 $m	2011 $m
Dividends and distributions		
Dividends paid or declared in respect of the half year ended 31 March were:		
Ordinary shares		
final dividend of 54 cents per share, 100% franked at 30%, paid 10 December 2010		194.1
final dividend of 53 cents per share, 100% franked at 30%, paid 9 December 2011	**192.0**	
Distributions paid in respect of the period ended 31 March were:		
Step-Up Preference Securities		
distribution at 6.30% per annum, per security, unfranked, paid 30 November 2010 for the period from 31 May 2010 to 29 November 2010		15.8
distribution at 6.52% per annum, per security, unfranked, paid 30 November 2011 for the period from 31 May 2011 to 29 November 2011 (1)	**11.1**	
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the period were as follows:		
paid in cash	**166.6**	166.2
satisfied by issue of shares	**25.4**	27.9
Distributions paid in cash (1)	**16.3**	15.8
No distributions were satisfied by the issue/purchase of shares.		

(1) Total distribution paid for the current period was $16.3m and has been allocated between dividends ($11.1m) and interest ($5.2m) based on the equity/interest bearing liabilities classification over the distribution period.

Subsequent events
Since the end of the half year, the directors declared the following dividend:
Interim dividend on ordinary shares of 38 cents per share, 36.8% franked at 30%, payable 2 July 2012.

The financial effect of the interim dividend on ordinary shares has not been brought to account in the half year financial report for the period ended 31 March 2012 - however will be recognised in the 2012 annual financial report.

The Company's DRP continues to be available to eligible shareholders. For the interim dividend, shares will be allocated based on the arithmetic average of the daily volume weighted average market price of all shares sold through a normal trade on the ASX for a period of 7 days from 5 to 14 June 2012 inclusive. The last date for receipt of election notices for participation in the interim dividend under the DRP is Friday 1 June 2012. Shares issued pursuant to the DRP will rank equal to all other ordinary shares. No discount applies to the DRP.

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 of no more than 40%.

Conduit foreign income (CFI) component:

Interim dividend:				Interim dividend:			
Current period	-	Ordinary	24 cents	Previous period	-	Ordinary	19 cents

7. Contributed equity

	2012 $m	2011 $m
Issued and fully paid:		
Step-Up Preference Securities - nil (2011 5,000,000) (1)	**-**	490.0
Ordinary shares - 365,007,037 (2011 363,223,767)	**1,779.5**	1,727.5
Balance at end of the period	**1,779.5**	2,217.5

(1) The Group issued Step-Up Preference Securities (SPS) via a prospectus dated 17 February 2006. The SPS were stapled securities comprising a fully paid Preference Share and a fully paid unsecured note. The SPS had no fixed repayment date.
On 13 October 2011 Orica elected to repurchase the SPS and the SPS were reclassified to interest bearing liabilities from that date.
Until 12 October 2011 the SPS were treated as equity for accounting purposes.

7. Contributed equity (continued)

Movements in issued and fully paid shares of Orica since 1 October 2010 were as follows:

Details	Date	Number of shares	Issue price $	$m
Step-Up Preference Securities				
Opening balance - gross [1]	1-Oct-10	5,000,000	100.0	500.0
Opening balance - costs [1]				(10.0)
Balance at end of the period	**31-Mar-11**	**5,000,000**		**490.0**
Balance at end of the period	**30-Sep-11**	**5,000,000**		**490.0**
Reclassification to interest bearing liabilities	13-Oct-11	(5,000,000)		(500.0)
Transfer to retained earnings	13-Oct-11	-		10.0
Balance at end of the period	**31-Mar-12**	**-**		**-**
Ordinary shares				
Opening balance of ordinary shares issued	1-Oct-10	362,100,430		1,709.1
Shares issued under the Orica dividend reinvestment plan	10-Dec-10	1,089,406	25.62	27.9
Share movements under the Orica LTEIP plan [3]		33,931		(10.8)
Shares issued under the Orica GEESP plan [2]		-		1.3
Balance at end of the period	**31-Mar-11**	**363,223,767**		**1,727.5**
Shares issued under the Orica dividend reinvestment plan	1-Jul-11	742,803	25.77	19.1
Share movements under the Orica LTEIP plan [3]		-		3.3
Balance at end of the period	**30-Sep-11**	**363,966,570**		**1,749.9**
Shares issued under the Orica dividend reinvestment plan	9-Dec-11	1,040,467	24.40	25.4
Share movements under the Orica LTEIP plan [3]		-		2.8
Shares issued under the Orica GEESP plan [2]		-		1.4
Balance at end of the period	**31-Mar-12**	**365,007,037**		**1,779.5**

[1] Shares issued and costs incurred in 2006 pursuant to the Step-Up Preference Securities issued in accordance with the prospectus dated 17 February 2006.

[2] Shares issued under the Orica general employee exempt share plan.

[3] Share movements under the Orica LTEIP plans:

	Date	Number of shares	Issue price * $	$m
2010/2011				
Shares issued	31-Jan-11	33,931	25.23	-
Shares bought back	Various	-		(14.1)
Shares issued - loan repayment	Various	-		3.3
Movement for the period	**31-Mar-11**	**33,931**		**(10.8)**
Shares issued - loan repayment	Various	-		3.3
Movement for the period	**30-Sep-11**	**-**		**3.3**
2011/2012				
Shares bought back	Various	-		(19.9)
Shares issued - loan repayment	Various	-		22.7
Movement for the period	**31-Mar-12**	**-**		**2.8**

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 the Company. 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 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. Shares purchased on-market under the plans are recognised as a share buy-back.
Repayments of share loans are recognised as share capital. Under the November 2006 and subsequent LTEIP executive allocations, in general the shares are returned to Orica if the executives leave Orica within three years.

* Issue price was based on VWAP (volume-weighted average price) at the time of issue.

7. Contributed equity (continued)

LTEIP options over unissued shares:

Exercisable between		Balance 30 Sep 10	Issued during the period	Exercised during the period	Lapsed during the period	Balance 31 Mar 11	Issued during the period	Exercised during the period	Lapsed during the period	Balance 30 Sep 11
19 Nov 13	23 Jan 14	-	1,886,701	-	-	1,886,701	-	(41,008)	(46,186)	1,799,507
19 Nov 12	23 Jan 13	1,785,616	-	-	(41,808)	1,743,808	-	(48,740)	(61,037)	1,634,031
18 Nov 11	23 Jan 12	40,580	-	-	-	40,580	-	-	-	40,580
18 Nov 11	23 Jan 12	2,455,267	-	-	(63,830)	2,391,437	-	(66,540)	(53,934)	2,270,963
17 Nov 10	21 Jan 11	1,041,353	-	(3,789)	(1,037,564)	-	-	-	-	-
Total		5,322,816	1,886,701	(3,789)	(1,143,202)	6,062,526	-	(156,288)	(161,157)	5,745,081

Exercisable between		**Balance 30 Sep 11**	**Issued during the period**	**Exercised during the period**	**Lapsed during the period**	**Balance 31 Mar 12**
18 Nov 14	**23 Jan 15**	**-**	**592,717**	**-**	**-**	**592,717**
18 Nov 14	**23 Jan 15**	**-**	**305,302**	**-**	**-**	**305,302**
19 Nov 13	**23 Jan 14**	**1,799,507**	**-**	**(18,216)**	**(54,533)**	**1,726,758**
19 Nov 12	**23 Jan 13**	**1,634,031**	**-**	**(17,871)**	**(53,685)**	**1,562,475**
18 Nov 11	**23 Jan 12**	**40,580**	**-**	**(40,580)**	**-**	**-**
18 Nov 11	**23 Jan 12**	**2,270,963**	**-**	**(2,261,138)**	**(9,825)**	**-**
Total		**5,745,081**	**898,019**	**(2,337,805)**	**(118,043)**	**4,187,252**

(4) LTIRP rights over unissued shares:

Exercisable between		**Balance 30 Sep 11**	**Issued during the period**	**Exercised during the period**	**Lapsed during the period**	**Balance 31 Mar 12**
6 Nov 14	**6 Nov 14**	**-**	**663,944**	**-**	**(780)**	**663,164**
29 Mar 13	**29 Mar 13**	**-**	**108,246**	**-**	**-**	**108,246**
Total		**-**	**772,190**	**-**	**(780)**	**771,410**

8. Reserves and retained earnings

	2012 $m	2011 $m
Reserves and retained earnings		
(a) Reserves		
Share based payments	**74.4**	58.5
Cash flow hedging	**(9.1)**	9.6
Foreign currency translation	**(890.3)**	(810.2)
Equity - arising from purchase of non-controlling interests	**(187.4)**	(192.9)
Balance at end of the period	**(1,012.4)**	(935.0)
Movement in reserves during the period		
Share based payments		
Balance at beginning of period	**65.4**	50.3
Share based payments expense	**9.0**	8.2
Balance at end of the period	**74.4**	58.5
Cash flow hedging		
Balance at beginning of period	**(11.5)**	16.9
Movement for the period	**3.4**	(10.4)
Tax effect of movement in cash flow hedge reserve	**(1.0)**	3.1
Balance at end of the period	**(9.1)**	9.6
Foreign currency translation		
Balance at beginning of period	**(715.5)**	(656.8)
Translation of overseas controlled entities at the end of the period	**(163.3)**	(142.5)
Tax effect of translaton of overseas controlled entities at the end of the period	**(11.5)**	(10.9)
Balance at end of the period	**(890.3)**	(810.2)
Equity - arising from purchase of non-controlling interests		
Balance at beginning of period	**(187.4)**	(183.0)
Purchase of non-controlling interests [1]	**-**	(9.9)
Balance at end of the period	**(187.4)**	(192.9)
(b) Retained earnings		
Retained earnings at the beginning of the period	**2,363.4**	2,096.2
Profit after income tax attributable to shareholders of Orica	**253.3**	263.8
Defined benefit fund superannuation movement (net of tax) [2]	**(8.9)**	15.4
Transfer of cost related to issue of Step-Up Preference Securities	**(10.0)**	-
Dividends/distributions:		
Step-Up Preference Securities distributions	**(11.1)**	(15.8)
Less tax credit on Step-Up Preference Securities distributions	**2.2**	5.6
Ordinary dividends – final	**(192.0)**	(194.1)
Retained earnings at end of the period	**2,396.9**	2,171.1

[1] The equity reserve arising from purchase of non-controlling interests represents the excess of 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 period ended 31 March 2011 relates to purchase of non-controlling interests in Minería, Explosivos y Servicios, S.A., Orica Philippines Inc and Beijing Ruichy Minova Synthetic Material Company Limited.

[2] Orica's external Group actuary has liaised with major fund actuaries in updating material assumptions of Orica's funds as at 31 March 2012. These assumptions relate primarily to actual asset returns and discount rates as at 31 March 2012. The Group actuary has used this information to evaluate the aggregate defined benefit superannuation fund obligations. This has resulted in the consolidated entity increasing the retirement benefit obligation by $12.8m (2011 $22.4m decrease) ($8.9m after tax increase, 2011 $15.4m decrease) which has been recognised directly in equity in accordance with the consolidated entity's accounting policy for the treatment of actuarial gains and losses.

9. Investments accounted for using the equity method

The consolidated 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	
	31-Mar-12	31-Mar-11	**31-Mar-12**	31-Mar-11
	%	%	**$m**	$m
Thai Nitrate Company Ltd [e]	**50.0**	50.0	**-**	2.0
Nelson Brothers, LLC	**50.0**	50.0		
Nelson Brothers Mining Services, LLC	**50.0**	50.0	**19.2**	14.5
Southwest Energy LLC	**50.0**	50.0		
Beijing Sino-Australia Orica Watercare Technology and Equipment Co. Ltd	**45.0**	45.0		
Botany Industrial Park Pty Limited	**33.4**	33.4		
Controladora DNS de RL de CV [a]	**-**	49.0		
Orica-UMMC LLC	**50.0**	50.0		
Exor Explosives Limited	**50.0**	50.0		
FiReP Holding AG	**25.0**	25.0		
Geneva Nitrogen LLC	**50.0**	50.0		
Geodynamics B.V. [b]	**-**	27.3		
Irish Mining Emulsion Systems Ltd	**50.0**	50.0		
Kitikmeot Explosives Limited	**49.0**	49.0		
MicroCoal Inc. [c]	**41.8**	50.0		
MSW-Chemie GmbH	**31.5**	31.5	**Individually**	Individually
PIIK Limited Partnership	**49.0**	49.0	**not material.**	not material.
Pigment Manufacturers of Australia Limited	**50.0**	50.0	**0.7**	1.2
Sahtu Explosives Limited	**49.0**	49.0		
Servicios Petroleros Oricorp Mexico, SA de CV [d]	**-**	47.0		
Sprewa Sprengmittel GmbH	**24.0**	24.0		
SVG&FNS Philippines Holdings Inc	**40.0**	40.0		
Tli Cho Explosives Limited	**49.0**	49.0		
Troisdorf GmbH	**50.0**	50.0		
Ulaex SA	**50.0**	50.0		
Wurgendorf GmbH	**50.0**	50.0		
Total			**19.9**	17.7

[a] Consolidated as a subsidiary: Controladora DNS de RL de CV from 1 October 2011.
[b] Disposed of in 2012.
[c] Partial disposal in 2012.
[d] Disposed of in 2011.
[e] 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 Thailand nationals. 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. This equates to approximately $17 million less than the carrying value of those shares. Orica has received legal advice to the effect that this judgement is without merit and is vigorously pursuing its legal appeal rights in the Thailand courts against this decision.
On 1 November 2011 the Court granted a temporary stay of execution of its earlier judgement.

10. Businesses acquired

Consolidated - 2012
Acquisition of businesses and controlled entities
The consolidated entity acquired the following businesses and entities (100% unless stated otherwise):

Businesses
Business assets of Atlas Copco MAI GmbH on 6 October 2011.

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.

2012	Book Values $m	Fair Value Adjustment $m	Total $m
Consideration			
cash paid	**13.8**	**-**	**13.8**
Outflow of cash	**13.8**	**-**	**13.8**
Total consideration	**13.8**	**-**	**13.8**
Fair value of net assets of businesses/controlled entities acquired			
inventories	**3.3**	**-**	**3.3**
property, plant and equipment	**4.7**	**-**	**4.7**
provision for employee entitlements	**(0.3)**	**-**	**(0.3)**
	7.7	**-**	**7.7**
Goodwill on acquisition			**6.1**

Results contributed by acquired entities since acquisition date:	**$m**
Revenue for the period	**12.5**
Earnings before interest, tax, depreciation and amortisation (EBITDA) for the period	**1.2**

The unaudited operating revenue and earnings before interest, tax, depreciation and amortisation for the acquired businesses and entities for the six months to 31 March 2012 are as follows:

	$m
Operating revenue	**12.5**
EBITDA	**1.2**

The unaudited information at the time of acquisition was compiled by Orica management based on financial information available to Orica during due diligence and assuming no material transactions between Orica and the acquired business. Goodwill on the purchase of this entity is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating this business. None of the goodwill recognised is expected to be deductible for income tax purposes.

10. Businesses acquired (continued)

Consolidated - 2011

Acquisition of businesses and controlled entities

The consolidated entity acquired the following businesses and entities (100% unless stated otherwise):

Forbusi Importadora e Exportadora Ltda on 1 October 2010.
Mineria, Explosivos y Servicios, S.A. on 12 October 2010, Orica acquired an additional 4% shareholding.
Orica Philippines Inc, at various times, Orica acquired an additional 4.4% shareholding.

Businesses

Business assets of 1723416 Ontario Limited "MHA" on 21 October 2010.

2011	Book Values $m	Fair Value Adjustments $m	Total $m
Consideration			
cash paid	0.7	-	0.7
net cash acquired	(0.1)	-	(0.1)
Outflow of cash	0.6	-	0.6
Total consideration	0.6	-	0.6
Fair value of net assets of businesses/controlled entities acquired			
payables and interest bearing liabilities	(2.4)	-	(2.4)
	(2.4)	-	(2.4)
Goodwill on acquisition			3.0

Acquisition of non-controlling interest: 2011	Total $m
Decrease in non-controlling interests	0.1
Equity reserve	9.9
Deferred consideration	(5.6)
Total consideration	4.4

Results contributed by acquired entities since acquisition date:

	$m
Revenue for the period	0.2
EBITDA for the period	-

The unaudited operating revenue and earnings before interest, tax, depreciation and amortisation for the acquired businesses and entities for the six months to 31 March 2011 are as follows:

	$m
Operating revenue for the period	0.2
EBITDA	-

The unaudited information at the time of acquisition was compiled by Orica management based on financial information available to Orica during due diligence and assuming no material transactions between Orica and the acquired businesses. Goodwill on the purchase of these entities is attributable mainly to the skills and technical talent of the acquired businesses' work forces and the synergies expected to be achieved from integrating these businesses. None of the goodwill recognised is expected to be deductible for income tax purposes.

11. Businesses disposed

Disposal of businesses/controlled entities
The following businesses and controlled entities were disposed of:

2012
Teradoran Pty Limited on 10 February 2012 (67.0% holding).

2011
Taiko Trucking Inc. on 1 January 2011.

	Consolidated	
	2012	2011
	$m	$m
Consideration		
cash received	**2.0**	-
cash disposed	**(0.1)**	-
debt disposed	**0.6**	-
Inflow of cash	**2.5**	-
Net consideration	**2.5**	-
Carrying value of net assets of businesses/controlled entities disposed		
trade and other receivables	**1.2**	0.2
inventories	**1.3**	-
property, plant and equipment	**1.1**	-
intangibles	**0.2**	-
other assets	**0.3**	-
payables and interest bearing liabilities	**(0.7)**	(0.5)
provision for employee entitlements	**(0.3)**	-
provision for income tax	**-**	0.1
	3.1	(0.2)
Less minority interests at date of disposal	**(0.9)**	-
	2.2	(0.2)
Profit on sale of business/controlled entities	**0.3**	0.2

12. Income tax expense

	Consolidated	
	2012	2011
	$m	$m
a) Income tax expense recognised in the income statement		
Current tax expense		
Current period	**52.5**	90.9
Deferred tax	**35.0**	10.5
Under/(over) provided in prior years	**2.5**	(4.1)
Total income tax expense in income statement	**90.0**	97.3
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	**106.0**	112.4
Tax effect of items which (decrease)/increase tax expense:		
variation in tax rates of foreign controlled entities	**(9.0)**	(2.8)
tax under/(over) provided in prior years	**2.5**	(4.1)
non allowable share based payments	**2.7**	1.9
other foreign deductions	**(16.8)**	(16.6)
sundry items	**4.6**	6.5
Income tax expense attributable to profit	**90.0**	97.3

13. Standby arrangements and credit facilities

Reconciliation of net debt:

	Mar 2012 $m	Sep 2011 $m	Mar 2011 $m
Current interest bearing liabilities	**136.3**	76.5	40.9
Non current interest bearing liabilities	**2,409.2**	1,678.5	1,574.2
Less cash and cash equivalents	**(247.6)**	(346.9)	(296.9)
Net debt	**2,297.9**	1,408.1	1,318.2

Credit facilities:

	Mar 2012 $m	Sep 2011 $m	Mar 2011 $m
Unsecured bank overdraft facilities available	**105.8**	109.7	106.9
Amount of facilities undrawn	**101.6**	106.1	96.3
Committed standby and loan facilities available	**3,732.9**	3,809.1	3,787.4
Amount of facilities unused	**1,218.4**	2,078.7	2,224.3

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 29 July 2012 to 25 October 2030 (2011 3 September 2011 to 25 October 2030).

14. 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, management disclose them as contingent liabilities. These are not provided for in the financial statements but are disclosed in note 15.

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 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 for. 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 the various countries and at the 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

14. Critical accounting judgements and estimates (continued)

contaminated with pollutants from historical operations. A provision exists to cover the estimated costs associated with remediation until 2017. 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 this period. The provision will continue to be re-evaluated based on future regulatory assessments and advancements in appropriate technologies.

On 18 August 2010, the Australian Federal Government and the Danish Government respectively issued export and import permits under the Basel Convention for the shipment of 6,100 tonnes of Hexachlorobenzene (HCB) waste from Orica's Botany site to the Kommunekemi plant in Nyborg, Denmark for environmentally sound destruction. On 24 December 2010, the Danish Government stated that for political reasons it would not accept shipments of HCB waste from Orica. Orica is committed to finding a solution for destruction of the HCB waste. There are no facilities to treat the HCB waste locally or in Australia and Orica's export applications have been unsuccessful. Given the complex technical, social and political aspects of the HCB Waste, Orica is now considering its next steps. A provision has been established in respect of this matter and Orica continues to safely store the waste.

In respect of Botany Car Park Waste Encapsulation, soil and ash contaminated with low level chlorinated materials (including hexachlorobutadiene and HCB) are stored in an approved and licensed encapsulation on the Botany site, known as the Car Park Waste Encapsulation. Orica evaluated conventional destruction methods and determined that direct thermal treatment of this waste was the preferred treatment technology. Remediation works commenced during 2011 with completion expected in late 2012. A provision has been established for remediation activities in respect of this matter.

Orica has 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 started remediating the site in May 2011 using a soil washing technology to remove mercury. The soil washing plant has not been able to sustain adequate reliable operation and Orica decided to suspend the works. Orica remains committed to achieving the remediation objectives agreed with the NSW Environment Protection Authority and is currently evaluating alternative ways to meet those objectives. The remediation is now regulated by a Management Order. Orica is working with the NSW Environment Protection Authority to finalise its remediation plan and aims to restart works in 2012. 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 as a rule 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 significant judgement in relation to assumptions for future salary and superannuation increases, long term price inflation and investment returns. While management believes the assumptions used are appropriate, a change in the assumptions used may impact the earnings and equity of the Group.

14. Critical accounting judgements and estimates (continued)

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.

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.

The determination of value in use requires the estimation and discounting of future cashflows. The estimation of the cashflows considers information available at balance date which may result in cashflows deviating from actual developments. 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 will alter expectations 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.

Carbon Price Scheme

The introduction of the Carbon Price Scheme has the potential to impact the assumptions used in determining the future cash flows generated from the Group's Australian assets for the purpose of impairment testing – however based on Orica's review of the proposals, it is not expected that those assets will be impaired based on the anticipated level of emissions, production schedules, abatement opportunities and anticipated carbon price.

15. Contingent liabilities

Environmental

General

A number of sites within the Group have been identified as requiring environmental remediation or review. Appropriate implementation of remediation actions to meet Orica's obligations for these sites is continuing.

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. 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 which give rise to the groundwater contamination which is being remediated 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.

Taxation

(i) Tax 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 the Australian Taxation Office (ATO) and tax authorities in other jurisdictions in which Orica operates.

(ii) 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. The Brazilian Taxation authority has been granted security over the Lorena site as well as a bank guarantee of up to approximately $9 million.

(iii) Norway Tax Action

In August 2009, the Central Tax Office for Large Enterprises (CTO) sent a letter to Dyno Nobel AS (now Orica Norway AS) in Norway regarding a possible reassessment of that company'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. The amount of the possible reassessment is approximately $50 million. Orica has been advised by external Norwegian counsel that there is no legal basis under the Norwegian Tax Code for such a reassessment.

(iv) Australian Tax Audit

The Australian Taxation Office ("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 an amended assessment in relation to the 2004 year (which Orica, under external legal advice, has lodged an objection to) and a position paper in relation to the 2005 and 2006 years. If the ATO proceeds with assessments for the 2005 and 2006 years, and Orica's objections against all three years are unsuccessful, the total additional primary tax is likely to be approximately $27 million. The ATO has not yet indicated whether it will impose interest and penalties.

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.

15. Contingent liabilities (continued)

- Orica Limited guaranteed senior notes issued in the US private placement market in 2000, 2003, 2005 and 2010. The notes have maturities between 2012 and 2030.

16. Events subsequent to balance date

On 7 May 2012, the directors declared an interim dividend of 38 cents per ordinary share payable on 2 July 2012. The financial effect of this dividend is not included in the financial statements for the period ended 31 March 2012 and will be recognised in the 30 September 2012 financial statements.

The directors have not become aware of any other significant matter or circumstance that has arisen since 31 March 2012, 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.

Compliance statement

This report is based on information which has been subject to review by KPMG.

The entity has a formally constituted audit committee.

Annette Cook
Company Secretary
7th May 2012

Orica Limited and its Controlled Entities
Directors' Declaration on the Financial Report set out on pages 3 to 28

I, Peter John Benedict Duncan, being a director of Orica Limited, do hereby state in accordance with a resolution of the directors that in the opinion of the directors,

(a) the financial statements and notes, set out on pages 3 to 28, 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 2012 and of its performance for the half year ended on that date; and

   (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; and

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

P J B Duncan
Chairman

Dated at Melbourne this 7th day of May 2012.

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 2012 and the auditor's review report thereon.

Directors
The directors of the Company during or since the end of the half year are:
P J B Duncan, Chairman
I K Smith, Managing Director (appointed Managing Director 27 February 2012)
G R Liebelt, Managing Director (retired 27 February 2012)
N A Meehan, Executive Director Finance
M E Beckett (retired 15 December 2011)
R R Caplan
I D Cockerill
G A Hounsell
Lim C O
N L Scheinkestel
M Tilley

The office of company secretary is held by A Cook.

Review and results of operations
A review of the operations of the consolidated entity during the period and of the results of those operations is contained in the accompanying Orica Limited 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 16) that has arisen since 31 March 2012, 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 31.

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.

P J B Duncan
Chairman

Dated at Melbourne this 7th day of May 2012.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Orica Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 March 2012 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

Gordon Sangster
Partner

Dated at Melbourne on the 7th day of May 2012

Independent auditor's review report to the members of Orica Limited

Report on the financial report

Independent auditor's review report to the members of Orica Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Orica Limited, which comprises the consolidated balance sheet as at 31 March 2012, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 16 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 half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 March 2012 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Orica Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Orica Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 March 2012 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

Gordon Sangster
Partner

Dated at Melbourne on the 7th day of May 2012