

Appendix 4B

Half yearly report

Introduced 30/6/2002.

Name of entity

Orica Limited

ABN or equivalent company reference

24 004 145 868

Half yearly (tick)

Preliminary final (tick)

Half year/financial year ended ('current period')

Half Year Ended 31 March 2003

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'M

Revenues from ordinary activities (<i>item 1.1</i>)	down	(8.2)%	to	1,932.8
Profit (loss) from ordinary activities after tax attributable to members (<i>item 1.22</i>)	down	(149.8)%	to	(42.5)
Profit (loss) from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)				Nil
Net profit (loss) for the period attributable to members (<i>item 1.11</i>)	down	(149.8)%	to	(42.5)
Dividends (distributions)		Amount per security		Franked amount per security
Interim dividend (<i>Half yearly report only - item 15.6</i>)				
- Ordinary		18.0¢		4.5¢
- Preference		2.5¢		0.625¢
Previous corresponding period (<i>half yearly report - item 15.7</i>)				
- Ordinary		15.0¢		7.5¢
- Preference		2.5¢		1.25¢
⁺ Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)		26 June 2003		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
See attached profit report.				

The half yearly report is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

		Current period - \$'M	Previous corresponding period - \$'M
1.1	Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	1,932.8	2,105.3
1.2	Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(1,897.8)	(1,945.3)
1.3	Borrowing costs	(32.4)	(31.7)
1.4	Share of net (losses) profits of associates and joint venture entities (<i>see item 16.7</i>)	(9.6)	2.9
1.5	(Loss) profit from ordinary activities before tax	(7.0)	131.2
1.6	Income tax on ordinary activities (<i>see note 4</i>)	(30.9)	(36.9)
1.7	(Loss) profit from ordinary activities after tax	(37.9)	94.3
1.8	Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9	Net (loss) profit	(37.9)	94.3
1.10	Net profit attributable to outside ⁺ equity interests	4.6	8.9
1.11	Net (loss) profit for the period attributable to members	(42.5)	85.4
Non-owner transaction changes in equity			
1.12	Increase (decrease) in revaluation reserves	-	-
1.13	Net exchange differences recognised in equity	(23.2)	(14.1)
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15	Initial adjustments from AASB transitional provisions	76.9	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	53.7	(14.1)
1.17	Total changes in equity not resulting from transactions with owners as owners	11.2	71.3
Earnings per security (EPS)		Current period	Previous corresponding Period
1.18	Basic EPS	(15.3) cents	30.8 cents
1.19	Diluted EPS	(15.1) cents	30.7 cents

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance

(Loss) profit from ordinary activities attributable to members

	Current period – \$A'M	Previous corresponding period - \$A'M
1.20 (Loss) profit from ordinary activities after tax (<i>item 1.7</i>)	(37.9)	94.3
1.21 Less (plus) outside ⁺ equity interests	(4.6)	(8.9)
1.22 (Loss) profit from ordinary activities after tax, attributable to members	(42.5)	85.4

Revenue and expenses from ordinary activities (*see note 15*)

	Current period – \$A'M	Previous corresponding period - \$A'M
1.23 Revenue from sales or services	1,842.4	2,010.8
1.24 Interest revenue	4.7	5.2
1.25a Royalty income	0.4	0.4
1.25b Dividend income	-	0.1
1.25c Other income	9.4	23.9
1.25d Proceeds from sales of business/controlled entities	65.9	26.8
1.25e Proceeds from sale of property, plant and equipment	10.0	38.1
Total revenue	1,932.8	2,105.3
Expenses		
1.26a Changes in inventories of finished goods and work in progress	(76.6)	(48.5)
1.26b Raw materials and consumables used & finished goods purchased for resale	892.1	1,079.3
1.26c Employee expenses	301.2	344.0
1.26d Purchased services	121.6	116.6
1.26e Repairs and maintenance	50.6	49.7
1.26f Property, plant & equipment retired/disposed /written off	9.4	27.0
1.26g Outgoing freight	81.0	75.4
1.26h Lease payments – operating leases	19.4	23.9
1.26i Net assets disposed from sales of businesses/controlled entities	68.5	25.2
1.26j Significant items (refer to attachment 2)	145.8	2.3
1.26k Other expenses from ordinary activities	199.0	165.1
1.27 Depreciation and amortisation expense	85.8	85.3
Total expenses	1,897.8	1,945.3
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	5.6
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

+ See chapter 19 for defined terms.

Consolidated retained profits

	Current period – \$A'M	Previous corresponding period - \$A'M
1.30 Retained profits (accumulated losses) at the beginning of the financial period	733.3	642.5
1.31 Net (loss) profit attributable to members (<i>item 1.11</i>)	(42.5)	85.4
1.32 Net transfers from (to) reserves (<i>details if material</i>)	-	-
1.33 Net effect of changes in accounting policies	76.9	-
1.34 Dividends and other equity distributions paid or payable		
- Ordinary – Interim Paid	-	-
- Ordinary – Final Dividend/Paid	(80.9)	(41.7)
1.35 Retained profits (accumulated losses) at end of financial period	686.8	686.2

+ See chapter 19 for defined terms.

Intangible and extraordinary items

		<i>Current period</i>			
		Before tax \$A'M (a)	Related tax \$A'M (b)	Related outside +equity interests \$A'M (c)	Amount (after tax) attributable to members \$A'M (d)
2.1	Amortisation of goodwill	7.2	(0.2)	-	7.0
2.2	Amortisation of other intangibles	1.3	(0.4)	-	0.9
2.3	Total amortisation of intangibles	8.5	(0.6)	-	7.9
2.4	Extraordinary items (details)	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

		<i>Previous corresponding period</i>			
		Before tax \$A'M (a)	Related tax \$A'M (b)	Related outside +equity interests \$A'M (c)	Amount (after tax) attributable to members \$A'M (d)
2.1	Amortisation of goodwill	5.0	-	(0.3)	4.7
2.2	Amortisation of other intangibles	1.9	(0.6)	(0.1)	1.2
2.3	Total amortisation of intangibles	6.9	(0.6)	(0.4)	5.9
2.4	Extraordinary items (details)	-	-	-	-
2.5	Total extraordinary items	-	-	-	-

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position		At end of current period \$A'M	As shown in last annual report \$A'M	As in last half yearly report \$A'M
Current assets				
4.1	Cash	123.3	146.4	105.9
4.2	Receivables	535.8	558.4	689.2
4.3	Investments	-	-	-
4.4	Inventories	609.9	548.2	609.5
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	58.5	17.3	46.0
4.7	Total current assets	1,327.5	1,270.3	1,450.6
Non-current assets				
4.8	Receivables	54.7	50.3	15.0
4.9	Investments (equity accounted)	90.7	234.2	236.0
4.10	Other investments	-	-	11.5
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	1,325.9	1,414.1	1,534.1
4.15	Intangibles (net)	384.2	135.5	145.0
4.16	Tax assets	197.7	224.2	219.8
4.17	Other			
-	Deferred Maintenance Expenditure	33.6	32.7	37.1
-	Prepayments	6.9	3.9	0.8
4.18	Total non-current assets	2,093.7	2,094.9	2,199.3
4.19	Total assets	3,421.2	3,365.2	3,649.9
Current liabilities				
4.20	Payables	596.9	538.1	591.9
4.21	Interest bearing liabilities	262.2	101.9	303.2
4.22	Tax liabilities	16.0	19.6	9.0
4.23	Provisions exc. tax liabilities	132.4	228.6	221.4
4.24	Other (provide details if material)	-	-	-
4.25	Total current liabilities	1,007.5	888.2	1,125.5
Non-current liabilities				
4.26	Payables	5.0	3.6	-
4.27	Interest bearing liabilities	840.5	724.2	821.1
4.28	Tax liabilities	110.3	108.6	116.0
4.29	Provisions exc. tax liabilities	148.8	146.5	150.6
4.30	Other (provide details if material)	-	-	-
4.31	Total non-current liabilities	1,104.6	982.9	1,087.7
4.32	Total liabilities	2,112.1	1,871.1	2,213.2
4.33	Net assets	1,309.1	1,494.1	1,436.7

+ See chapter 19 for defined terms.

		At end of current period \$A'M	As shown in last annual report \$A'M	As in last half yearly report \$A'M
Equity				
4.34	Capital/contributed equity	484.5	507.2	494.4
4.35	Reserves	109.3	132.5	135.2
4.36	Retained profits (accumulated losses)	686.8	733.3	686.2
4.37	Equity attributable to members of the parent entity	1,280.6	1,373.0	1,315.8
4.38	Outside ⁺ equity interests in controlled entities	28.5	121.1	120.9
4.39	Total equity	1,309.1	1,494.1	1,436.7
4.40	Preference capital included as part of 4.37	2.0	2.0	2.0

+ See chapter 19 for defined terms.

Condensed consolidated statement of cash flows

		Current period \$A'M	Previous corresponding period - \$A'M
Cash flows related to operating activities			
7.1	Receipts from customers	2,016.2	2,164.2
7.2	Payments to suppliers and employees	(1,822.3)	(2,184.5)
7.3	Dividends received from associates	4.3	5.8
7.4	Other dividends received	-	0.1
7.5	Interest and other items of similar nature received	4.5	1.9
7.6	Interest and other costs of finance paid	(31.2)	(39.2)
7.7	Income taxes paid	(26.0)	(18.9)
7.8	Other (provide details if material)	9.8	24.3
7.9	Net operating cash flows	155.3	(46.3)
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(40.3)	(55.4)
7.11	Proceeds from sale of property, plant and equipment	10.0	38.1
7.12a	Payment for purchases of equity investments	-	(11.2)
7.12b	Payment for purchases of businesses/controlled entities	(395.5)	-
7.13a	Proceeds from sale of equity investments	-	-
7.13b	Proceeds from sale of business/controlled entities	65.9	26.8
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.17	Net investing cash flows	(359.9)	(1.7)
Cash flows related to financing activities			
7.18a	Proceeds from issues of ⁺ securities (shares, options, etc.)	7.1	-
7.18b	Payment for share buy-back	(49.2)	-
7.19	Proceeds from borrowings	150.0	-
7.20	Repayment of borrowings	(4.0)	-
7.21	Dividends paid	(83.1)	(30.4)
7.22a	Net movement in short term financing	165.0	61.0
7.22b	Principal repayments under finance lease	-	(0.2)
7.22c	Proceeds from issue of shares to outside equity interests	1.8	1.2
7.23	Net financing cash flows	187.6	31.6
7.24	Net (decrease)/increase in cash held	(17.0)	(16.4)
7.25	Cash at beginning of period (see Reconciliation of cash)	143.2	121.8
7.26	Exchange rate adjustments to item 7.25.	(3.0)	(5.2)
7.27	Cash at end of period (see Reconciliation of cash)	123.2	100.2

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

Dividends satisfied by the issue of shares under the dividend reinvestment plan - \$15.8m (2002 \$Nil m). Incentive payments satisfied by the issue of shares under the executive incentive scheme \$3.6m (2002 \$3.0m). Shares issued under the general employee exempt share plan \$Nil m (2002 \$Nil m).
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Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'M	Previous corresponding period - \$A'M
8.1 Cash on hand and at bank	54.3	69.0
8.2 Deposits at call	69.0	36.9
8.3 Bank overdraft	(0.1)	(5.7)
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	123.2	100.2

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (<i>item 1.5</i>) as a percentage of revenue (<i>item 1.1</i>)	(0.4)%	6.2%
9.2 Profit after tax / ⁺equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (<i>item 1.11</i>) as a percentage of equity (similarly attributable) at the end of the period (<i>item 4.37</i>)	(3.3)%	6.5%

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB 1027: Earnings Per Share* are as follows.

(a) Basic EPS	(15.3) cents	30.8 cents
(b) Diluted EPS	(15.1) cents	30.7 cents
(c) Weighted average number of ordinary shares outstanding during the period used in the calculation of the Basic EPS	278,319,805	277,395,904

NTA backing (see note 7)	Current period	Previous corresponding period
11.1 Net tangible asset backing per ⁺ ordinary security	323 cents	421 cents

+ See chapter 19 for defined terms.

Control gained over entities having material effect

13.1 Name of entity (or group of entities)	NONE
13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was ⁺ acquired	-
13.3 Date from which such profit has been calculated	-
13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	-

Refer to comments in the accompanying Profit Report.

Loss of control of entities having material effect

14.1 Name of entity (or group of entities)	Crop Care Australasia Pty Ltd
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	(\$1.4 M)
14.3 Date to which the profit (loss) in item 14.2 has been calculated	31 October 2002
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$6.3M
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	(\$1.9M)

Refer to comments in the accompanying Profit Report.

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable	17 July 2003
15.2 ⁺ Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺ securities are not ⁺ CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺ securities are ⁺ CHESS approved)	26 June 2003
15.3 Date the dividend is payable on preference shares	31 July 2003
15.4 Record date to determine entitlements to the dividend on preference shares	15 July 2003

⁺ See chapter 19 for defined terms.

Amount per security

		Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
15.6	<i>(Half yearly and preliminary final reports)</i>			
	Interim dividend:			
	Current year - Ordinary	18.0 cents	4.5 cents	13.5 cents
	Current year - Preference	2.5 cents	0.625 cents	1.875 cents
15.7	Previous year - Ordinary	15.0 cents	7.5 cents	7.5 cents
	Previous year - Preference	2.5 cents	1.25 cents	1.25 cents

Half yearly report - interim dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>	49,902	41,649
15.11 Preference +securities <i>(each class separately)</i>	50	50
15.12 Other equity instruments <i>(each class separately)</i>	-	-
15.13 Total	49,952	41,699

The +dividend or distribution plans shown below are in operation.

A dividend reinvestment plan for ordinary securities has operated since 30 April 1998. No discount will be applied for shares acquired under the plan for the time being.

The last date(s) for receipt of election notices for the +dividend or distribution plans

26 June 2003

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

None

+ See chapter 19 for defined terms.

Details of aggregate share of (losses) profits of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'M	Previous corresponding period - \$A'M
16.1 (Loss) profit from ordinary activities before tax	(12.0)	3.1
16.2 Income tax benefit/(expense) on ordinary activities	2.4	(0.2)
16.3 (Loss) profit from ordinary activities after tax	(9.6)	2.9
16.4 Extraordinary items net of tax	-	-
16.5 Net (loss) profit	(9.6)	2.9
16.6 Adjustments	-	-
16.7 Share of net (loss) profit of associates and joint venture entities	(9.6)	2.9

+ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net (loss) profit <i>(item 1.9)</i>	
	Current Period	Previous corresponding period	Current period \$A'M	Previous corresponding period - \$A'M
17.1 Equity accounted associates and joint venture entities				
Qenos Holdings Pty Ltd	50%	50%	(12.8)	(5.4)
Nelson Brothers Mining Services LLC	27.7%	27.7%	} In Aggregate 1.3	} In Aggregate 7.4
Nelson Brothers LLC	50%	50%		
Emirates Explosives L.L.C	49%	49%		
Pigment Manufacturers of Australia Limited	50%	50%	} Individually Not Material	} Individually Not Material
Chemtrans Asiatic Limited (disposed of 10 January 2003)	49%	49%		
BXL Bulk Explosives Limited	50%	50%		
Northwest Energetic Services LLC	33.3%	33.3%		
Indian Explosives Limited	49%	49%		
Botany Industrial Park Pty Limited	50%	50%	} In Aggregate 1.9	} In Aggregate 0.9
Geneva Nitrogen	50%	50%		
Sprewa Sprengmittel GmbH	24%	24%		
MSW-Chemie GmbH	31.5%	31.5%		
Troisdorf GmbH	50%	50%		
Wurgendorf GmbH	50%	50%	} Individually Not Material	} Individually Not Material
Exor Explosives Limited (acquired 2 September 2002)	50%	-		
17.2 Total			(9.6)	2.9
17.3 Other material interests			-	-
17.4 Total			(9.6)	2.9

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (dollars)	Amount paid up per security (see note 14) (dollars)
18.1 Preference +securities <i>(description)</i>	2,000,000	2,000,000		
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 +Ordinary securities	277,234,070	277,234,070		
18.4 Changes during current period (a) Increases through issues	360,000	360,000	10.09	10.09
	254,200	254,200	8.57	8.57
	597,680	597,680	8.31	8.31
	244,924	244,924	0.00	0.00
Dividend Reinvestment Plan	1,535,408	1,535,408	10.32	10.32
(b) Decreases through returns of capital, buybacks	(4,846,181)	(4,846,181)	10.16 (average price)	10.16 (average price)
18.5 +Convertible debt securities <i>(description and conversion factor)</i>				
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

18.7	Options (<i>description and conversion factor</i>)	Total number	Number quoted	<i>Exercise Price (dollars)</i>	<i>Expiry date (if any)</i>
	Under Share Option Plan				
	Issued 15 March 1999	565,800		8.57	31 December 2008
	Issued 29 March 2000	725,820		8.31	31 December 2009
	Issued 1 March 2001	952,200		5.72	31 December 2010
	Issued 27 March 2002	1,175,000		5.67	31 December 2006
	Under Executive Share Option Plan				
	Issued 24 April 2002	8,762,595		7.91	31 October 2007
	Issued 4 June 2002	59,013		9.24	31 October 2007
	Issued 9 August 2002	32,509		9.02	31 October 2007
	Issued 12 November 2002	115,421		10.35	31 December 2007
	Issued 16 December 2002	20,000		10.36	31 December 2007
	Under Share Acquisition Plan				
	Issued 1 January 1999	41,420		0.00	31 December 2003
	Issued 1 January 2000	26,400		0.00	31 December 2004
	Issued 1 January 2001	164,400		0.00	31 December 2005
	Issued 1 January 2002	198,200		0.00	31 December 2006
18.8	Issued during current period				
	Under Share Option Plan				
	Issued 1 October 2002	25,000		8.57	31 December 2008
	Issued 1 October 2002	8,500		8.31	31 December 2009
	Under Executive Share Option Plan				
	Issued 12 November 2002	115,421		10.35	31 December 2007
	Issued 16 December 2002	20,000		10.36	31 December 2007
	Under Share Acquisition Plan				
	Issued 1 October 2002	3,000		0.00	31 December 2003
	Issued 1 October 2002	1,100		0.00	31 December 2004
	Issued 31 December 2002	3,000		0.00	31 December 2004

+ See chapter 19 for defined terms.

		Total number	Number quoted	Exercise Price (dollars)	Exercise Date (if any)
18.9	Exercised during current period				
	Under Share Option Plan				
	Issued 15 March 1999	123,469		8.57	13 January 2003
		15,500		8.57	14 January 2003
		53,231		8.57	15 January 2003
		13,008		8.57	24 January 2003
	Issued 29 March 2000	48,992		8.57	31 January 2003
		53,269		8.31	8 January 2003
		1,847		8.31	9 January 2003
		228,384		8.31	13 January 2003
		73,080		8.31	14 January 2003
		14,280		8.31	15 January 2003
		4,640		8.31	16 January 2003
		9,240		8.31	17 January 2003
		9,240		8.31	20 January 2003
		18,900		8.31	22 January 2003
		140,280		8.31	24 January 2003
		44,520		8.31	31 January 2003
	Under Share Acquisition Plan				
	Issued 1 January 1999				
	Issued 1 January 2000	105,400		0.00	6 February 2003
		138,904		0.00	6 February 2003
		620		0.00	14 February 2003
18.10	Expired during current period				
	Under Share Option Plan				
	Issued 1 March 2001	6,800		5.72	16 December 2002
	Under Executive Share Option Plan				
	Issued 24 April 2002	44,931		7.91	16 December 2002
	Under Share Acquisition Plan				
	Issued 1 January 1999	23,180		0.00	31 December 2002
	Issued 1 January 2000	6,376		0.00	6 December 2002
	Issued 1 January 2001	4,200		0.00	31 December 2002
	Issued 1 January 2002	11,800		0.00	31 December 2002
18.11	Debentures (description)				
	Changes during current period				
18.12	Increases through issues				
	(b) Decreases through securities matured, converted				
18.13	Unsecured notes (description)				
	Changes during current period				
18.14	(a) Increases through issues				
	(b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: *Segment Reporting* and for half year reports, AASB 1029: *Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's +accounts should be reported separately and attached to this report.)

31 March 2003

	Mining Services	Agricultural Chemicals	Consumer products	Chemicals	Other Operations	Corporate and Support Services	Eliminations	Consolidated
	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M
Revenue								
External Sales	787.7	264.0	335.3	434.4	21.0	-	-	1,842.4
Inter-Segment sales	0.4	64.4	0.1	13.0	0.1	-	(78.0)	-
Total sales revenue	788.1	328.4	335.4	447.4	21.1	-	(78.0)	1,842.4
Other revenue	6.4	3.2	2.6	5.1	66.4	6.7	-	90.4
Total segment revenue	794.5	331.6	338.0	452.5	87.5	6.7	(78.0)	1,932.8
Results								
Profit from ordinary activities before income tax and significant items	95.4	9.8	48.1	49.8	(14.0)	(50.3)	-	138.8
Individually significant items	-	-	-	-	(145.8)	-	-	(145.8)
Segment results post significant items	95.4	9.8	48.1	49.8	(159.8)	(50.3)	-	(7.0)
Income tax expense								(30.9)
Loss from ordinary activities after income tax expense								(37.9)
Outside equity interests in loss from ordinary activities after income tax expense								(4.6)
Net loss from ordinary activities after income tax expense relating to members of Orica								(42.5)
Segment Assets	1,323.2	830.6	344.7	668.1	84.2	170.4	-	3,421.2
Segment Liabilities	402.1	203.5	114.9	204.2	27.3	1,160.1	-	2,112.1
Investment in equity method associates included in segment assets	89.9	-	-	-	0.8	-	-	90.7
Capital expenditure	17.1	10.2	2.7	4.6	0.4	-	-	35.0
Depreciation and amortisation	44.4	17.1	8.6	12.1	0.7	2.9	-	85.8
Non-cash expenses other than depreciation and amortisation	-	-	-	-	123.2	-	-	123.2
Share of associates net profit/(loss) equity accounted	3.2	-	-	-	(12.8)	-	-	(9.6)

+ See chapter 19 for defined terms.

31 March 2002

	Mining Services	Agricultural Chemicals	Consumer products	Chemicals	Other Operations	Corporate and Support Services	Eliminations	Consolidated
	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M
Revenue								
External Sales	893.3	289.2	326.7	354.1	147.5	-	-	2,010.8
Inter-Segment sales	0.5	58.8	-	19.2	1.0	-	(79.5)	-
Total sales revenue	893.8	348.0	326.7	373.3	148.5	-	(79.5)	2,010.8
Other revenue	8.7	12.1	0.1	3.1	66.3	4.2	-	94.5
Total segment revenue	902.5	360.1	326.8	376.4	214.8	4.2	(79.5)	2,105.3
Results								
Profit from ordinary activities before income tax and significant items	68.3	24.6	35.4	39.5	10.8	(46.3)	-	132.3
Individually significant items	-	1.2	(6.1)	-	-	3.8	-	(1.1)
Segment results post significant items	68.3	25.8	29.3	39.5	10.8	(42.5)	-	131.2
Income tax expense								(36.9)
Profit from ordinary activities after income tax expense								94.3
Outside equity interests in profit from ordinary activities after income tax expense								(8.9)
Net profit from ordinary activities after income tax expense relating to members of Orica								85.4
Segment Assets	1,487.9	580.8	381.7	559.2	460.1	180.2	-	3,649.9
Segment Liabilities	517.8	169.3	122.0	205.6	70.1	1,128.4	-	2,213.2
Investment in equity method associates included in segment assets	98.5	0.7	-	-	136.8	-	-	236.0
Capital expenditure	23.9	10.7	1.1	21.2	2.8	-	-	59.7
Depreciation and amortisation	47.3	16.3	8.3	7.5	3.3	2.6	-	85.3
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-
Share of associates net profit/(loss) equity accounted	8.4	-	-	-	(5.5)	-	-	2.9

+ See chapter 19 for defined terms.

Reports for industry 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, initiating systems and blasting technology to the mining, quarrying, construction and exploration industries.
Agricultural Chemicals	Manufacture, import and supply of a broad range of industrial chemicals including nitrogen, phosphate and other fertilizers for the agricultural industry, ammonia, ammonium nitrate and urea for industrial applications.
Consumer Products	Manufacture and supply of paints and other surface coatings to the decorative and technical markets and a range of home handyman and car care products.
Chemicals	Manufacture and supply of a broad range of industrial and specialty chemicals including chlorine, sodium hypochlorite, caustic soda 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), PVC resins and customised vinyl compounds, other minor activities, discontinued and divested businesses and crop care products including herbicides, insecticides and fungicides. Crop Care is now reported under Other Operations (previously Agricultural Chemicals). Prior year comparatives have been restated accordingly.
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.

31 March 2003

	Australia	New Zealand	Americas	Other	Eliminations	Consolidated
	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M
Revenue						
External Sales	1,060.3	206.2	417.9	158.0	-	1,842.4
Inter-Segment sales	29.0	6.2	3.8	6.4	(45.4)	-
Total sales revenue	1,089.3	212.4	421.7	164.4	(45.4)	1,842.4
Other revenue	80.6	4.1	3.6	2.1	-	90.4
Total segment revenue	1,169.9	216.5	425.3	166.5	(45.4)	1,932.8
Results						
Profit from ordinary activities before income tax and significant items	69.8	24.8	22.8	21.4	-	138.8
Individually significant items	(145.8)	-	-	-	-	(145.8)
Segment results post significant items	(76.0)	24.8	22.8	21.4	-	(7.0)
Income tax expense						(30.9)
Loss from ordinary activities after income tax expense						(37.9)
Outside equity interests in loss from ordinary activities after income tax expense						(4.6)
Net loss from ordinary activities after income tax expense relating to members of Orica						(42.5)
Segment Assets	2,228.9	215.8	713.3	263.2	-	3,421.2
Segment Liabilities	1,639.5	67.7	355.1	49.8	-	2,112.1
Investment in equity method associates included in segment assets	0.8	-	58.0	31.9	-	90.7
Capital expenditure	20.6	1.3	7.0	6.1	-	35.0
Depreciation and amortisation	53.4	3.9	20.4	8.1	-	85.8
Non-cash expenses other than depreciation and amortisation	123.2	-	-	-	-	123.2
Share of associates net profit/(loss) equity accounted	(12.8)	-	1.4	1.8	-	(9.6)

+ See chapter 19 for defined terms.

31 March 2002

	Australia	New Zealand	Americas	Other	Eliminations	Consolidated
	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M	A\$'M
Revenue						
External Sales	1,149.2	168.3	513.2	180.1	-	2,010.8
Inter-Segment sales	35.2	4.1	3.1	3.0	(45.4)	-
Total sales revenue	1,184.4	172.4	516.3	183.1	(45.4)	2,010.8
Other revenue	87.0	-	2.8	4.7	-	94.5
Total segment revenue	1,271.4	172.4	519.1	187.8	(45.4)	2,105.3
Results						
Profit from ordinary activities before income tax and significant items	77.2	14.2	20.7	20.2	-	132.3
Individually significant items	(0.7)	(0.4)	-	-	-	(1.1)
Segment results post significant items	76.5	13.8	20.7	20.2	-	131.2
Income tax expense						(36.9)
Profit/ from ordinary activities after income tax expense						94.3
Outside equity interests in profit from ordinary activities after income tax expense						(8.9)
Net profit from ordinary activities after income tax expense relating to members of Orica						85.4
Segment Assets	2,383.5	158.8	808.4	299.2	-	3,649.9
Segment Liabilities	1,655.4	48.8	401.4	107.6	-	2,213.2
Investment in equity method associates included in segment assets	136.8	-	68.9	30.3	-	236.0
Capital expenditure	36.5	1.6	17.2	4.4	-	59.7
Depreciation and amortisation	50.2	3.3	22.9	8.9	-	85.3
Non-cash expenses other than depreciation and amortisation	-	-	-	-	-	-
Share of associates net profit/(loss) equity accounted	(5.5)	-	7.3	1.1	-	2.9

+ See chapter 19 for defined terms.

Comments by directors

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last +annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report.*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Comments on significant trends of the current year are included in the accompanying Profit Report.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

On 14 April 2003, Orica completed the purchase of shares in Incitec Limited not already owned (0.18%) at a cost of \$2.5M.

On 1 April 2003, Orica purchased the 30% shareholding in Initiating Explosives Systems Pty Ltd not already owned at a cost of \$16.0M.

On 29 April 2003, Pivot Limited shareholders agreed to merge the business of Pivot Limited with that of Incitec Fertilizers Limited, a wholly owned subsidiary of Incitec Limited, in return for issuing to Incitec Limited 70% of the expanded share capital of Pivot Limited.

The financial effects of the above transactions have not been brought to account in the financial statements for the six months to 31 March 2003.

The directors have not become aware of any other significant matter or circumstance that has arisen since 31 March 2003, 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 have not been covered in this report.

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

Franking credits arising from tax payments relating to the amended income tax assessments in respect of a sale and lease back transaction amounting to \$41.2M (tax paid \$17.7M) will not be used to frank dividends while the tax is in dispute. In 2004, it is anticipated that dividends will be partly franked at a rate not greater than 30%.

+ See chapter 19 for defined terms.

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

The consolidated entity has applied the revised AASB 1012 – Foreign Currency Translation for the first time from 1 October 2002. For hedges of specific purchases or sales, the gains or costs on entering the hedge and the exchange differences up to the date of the purchase or sale are now deferred and recognised as assets or liabilities on the statement of financial position from the inception of the hedge contract, not when the specific purchase or sale occurs.

The consolidated entity has also applied the revised AASB 1028 – Employee Benefits for the first time from 1 October 2002. The liability for wages and salaries, annual leave is now calculated using the remuneration rates the Company expects to pay as at each reporting date, not wage and salary rates current at reporting date. The initial adjustments to the consolidated financial report as at 1 October 2002 as a result of this change are:

\$1.4 million increase in provision for employee benefits;
\$1.0 million decrease in opening retained profits; and
\$0.4 million increase in future income tax benefit.

The consolidated entity has also applied AASB 1044 – Provisions, Contingent Liabilities and Contingent Assets for the first time from 1 October 2002. Dividends are now recognised at the time they are declared, determined or publicly recommended. Previously, final dividends were recognised in the financial year to which they related, even though the dividends were announced after the end of that financial year. The adjustments to the consolidated financial report as at 1 October 2002 as a result of this change are:

\$80.9 million increase in opening retained profits;
\$7.4 million increase in opening Outside Equity interests; and
\$88.3 million decrease in provision for dividends.

A number of contracts held by the Group have been identified as onerous, whereby the unavoidable costs of meeting the obligations under these contracts exceed the economic benefits expected to be received. Under AASB 1044 a provision is required to be recognised for the excess of the unavoidable cost of the commitments and the expected future benefits. A provision has been recognised in respect of onerous contracts which the Group has been able to reliably measure. These provisions primarily relate to onerous sales contracts in the North American explosives business. In accordance with the transitional arrangements on adoption of the requirements of AASB 1044, the adjustment to provisions of \$3.0 million, net of applicable tax has been adjusted against opening retained earnings.

- 19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

None

- 19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Discounted bills of exchange

A discounted bill of exchange facility is in place with a bank and is utilised by a number of customers for the purpose of trade finance. The majority of these discounted bills of exchange are issued for periods less than 120 days.

Total discounted bills of exchange outstanding at 31 March 2003 amounted to \$34.5m (2002 \$37.0m).

Except as set out above, the contingent liabilities of the economic entity have not changed from the annual report for the year ended 30 September 2002.

+ See chapter 19 for defined terms.

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

NONE

- 2 This report, and the ⁺accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on ⁺accounts to which one of the following applies.

(Tick one)

The ⁺accounts have been audited.

The ⁺accounts have been subject to review.

The ⁺accounts are in the process of being audited or subject to review.

The ⁺accounts have *not* yet been audited or reviewed.

- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)

- 6 The entity has a formally constituted audit committee.

Sign here: Date: 5th May 2003
(~~Director~~/Company Secretary)

Print name: Michaela Healey

+ See chapter 19 for defined terms.

ATTACHMENT 1

	2003	2002
	A\$'M	A\$'M
Income tax expense		
The amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating (loss)/ profit. The differences are reconciled as follows:		
Income tax expense attributable to operating profit before significant items		
Prima facie income tax expense/(benefit) calculated at 30% on profit from ordinary activities before significant items	41.6	39.7
Tax effect of permanent differences which (reduce)/increase tax expense:		
variation in tax rates of foreign controlled entities	(0.7)	(1.3)
Tax (over) provided in prior years	(1.7)	(0.9)
non-allowable goodwill amortisation	1.9	1.5
net losses of foreign controlled entities not carried forward as future income tax benefit	0.7	8.3
sundry items	(4.6)	(3.3)
Income tax expense attributable to operating profit before significant items	37.2	44.0
Income tax expense attributable to significant items		
Prima facie income tax (benefit) calculated at 30% on (loss) from significant items	(43.7)	(0.3)
Tax effect of permanent differences which (reduce)/increase tax expense:		
variation in tax rates of foreign controlled entities	-	(1.4)
individually significant items – non-deductible insurance excess and short term funding related to Qenos Botany plant failure	0.5	-
individually significant items – write-off of carrying value of investment	36.9	-
individually significant items – non-taxable profit on sale of assets	-	(0.7)
individually significant items – write back non allowable provision	-	(1.0)
individually significant items – amended tax assessment on sale and leaseback transaction	-	(3.7)
Income tax (benefit) attributable to operating loss from significant items	(6.3)	(7.1)
Income tax expense attributable to operating profit	30.9	36.9

+ See chapter 19 for defined terms.

ATTACHMENT 2

Other specific relevant items not separately shown in Item 1.24 and 1.26j Individually Significant Items – 2003	Consolidated – Current Period			
	Before Tax	Related Tax	Related Outside equity interests	Amount (after tax) Attributable to members
	A\$'M	A\$'M	A\$'M	A\$'M
Write-off of carrying value of Qenos	(123.2)	-	-	(123.2)
Insurance excess and short term funding relating to Qenos Botany plant failure	(22.6)	6.3	-	(16.3)
Total individually significant items	(145.8)	6.3	-	(139.5)

Individually Significant Items – 2002	Consolidated – Prior Period			
	Before Tax	Related Tax	Related Outside equity interests	Amount (after tax) Attributable to members
	A\$'M	A\$'M	A\$'M	A\$'M
Restructuring Provisions	(6.8)	4.5	-	(2.3)
Tax and Interest Credit in relation to the Incitec sale and leaseback transaction	1.2	3.2	(1.0)	3.4
Sale of Orica Art Collection	4.5	(0.6)	-	3.9
Total individually significant items	(1.1)	7.1	(1.0)	5.0

Total equity reconciliation

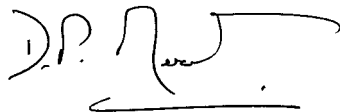
	Consolidated	
	2003 \$M	2002 \$M
Total equity at the beginning of the half-year	1,494.1	1,402.7
Total changes in equity not resulting from transactions with owners as owners	11.2	71.3
Transactions with owners as owners:		
Dividends provided for or paid	(80.9)	(41.7)
Contributions of equity	(22.7)	3.0
Total changes in outside equity interest	(92.6)	1.4
Total equity at the end of the half-year	1,309.1	1,436.7

+ See chapter 19 for defined terms.

Orica Limited and its Controlled Entities
Directors' Declaration on the Financial Report set out on pages 2 to 25

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 25, 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 2003 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 5th day of May 2003.

Orica Limited and its Controlled Entities

Directors' Report

The directors of Orica Limited (Orica) present the consolidated financial report in the form of Appendix 4B of the Australian Stock Exchange (ASX) Listing Rules, for the period ended 31 March 2003 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
A B Daniels
P J Duncan
J W Hall
B Healey
G R Liebelt
C M Walter

The office of company secretary is held by M J Healey.

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.

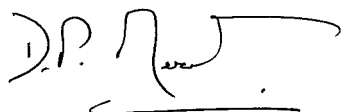
Events subsequent to balance date

The directors have not become aware of any significant matter or circumstance (other than referred to in note 19.3) that has arisen since 31 March 2003, 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.

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 5th day of May 2003.

+ See chapter 19 for defined terms.



Independent review report to the members of Orica Limited

Scope

We have reviewed the financial report of Orica Limited ("the Company") for the half-year ended 31 March 2003 in the form of Appendix 4B of the Australian Stock Exchange Listing Rules, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes and the directors' declaration set out on pages 2 to 26, but excluding the following sections:

- (a) material factors affecting the revenues and the expenses of the economic entity for the current period (page 21);
- (b) compliance statements (page 23);
- (c) ratios (page 9); and
- (d) NTA backing (page 9).

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 procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional 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. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The 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 2003 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 professional reporting requirements in Australia.

KPMG

KPMG

P M Shannon
Partner

Melbourne
5 May 2003

