



1999 Financial Report

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Orica Limited

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Directors' Report

The directors of Orica Limited (the company or Orica) present the financial report of the company and its controlled entities (collectively the consolidated entity) for the year ended 30 September 1999 and the auditors' report thereon.

Directors

The directors of the company at the date of this report are:

B H Lochtenberg, Chairman	G E Heeley
P L Weickhardt, Managing Director	A C Larkin
P J Clinch	G R Liebelt
A B Daniels	D P Mercer
B Healey	C M Walter

The office of company secretary is held by R S Kneebone. Particulars of directors' qualifications, experience and special responsibilities are detailed on pages 36 and 37 of the annual report.

Directors' interests in share capital

The interest of each director in the share capital of the company as at the date of this report is as follows:

Director	fully paid ordinary shares	options for fully paid ordinary shares*
B H Lochtenberg	10,000	-
P L Weickhardt	15,499	457,500
P J Clinch	20,513	122,500
A B Daniels	10,447	-
B Healey	2,300	-
G E Heeley	8,000	-
A C Larkin	6,347	185,000
G R Liebelt	14,181	215,000
D P Mercer	2,000	-
C M Walter	6,000	-
	95,287	980,000

* Issued under the Orica Executive Share Option Plan approved by shareholders on 10 June 1987, amended by a further deed approved by shareholders on 27 February 1995 and the Orica Share Option Plan approved by shareholders on 16 December 1998. All options have been issued in accordance with these plans subsequent to approval by shareholders at an Annual General Meeting.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the company during the financial year are listed below.

Director	Board		Audit Committee		Remuneration and Appointments Committee	
	Held ⁽¹⁾	Attended ⁽²⁾	Held ⁽¹⁾	Attended ⁽²⁾	Held ⁽¹⁾	Attended ⁽²⁾
B H Lochtenberg	12	12	-	-	6	6
P L Weickhardt	12	12	-	-	-	-
P J Clinch	12	12	-	-	-	-
A B Daniels	12	11	1	1	6	5
B Healey	12	12	5	3	6	5
G E Heeley	12	12	5	5	6	5
A C Larkin	12	11	-	-	-	-
G R Liebelt	12	12	-	-	-	-
D P Mercer	12	12	-	-	6	6
C M Walter	12	10	4	4	6	5

(1) This column shows the number of meetings held during the period the director was a member of the board or committee.

(2) This column shows the number of meetings attended by the director.

Directors' Report

Principal activities

The principal activities of the consolidated entity in the course of the financial year were the manufacture and distribution of mining products and services, fertilizers and crop care products, consumer products, chemicals and plastics.

On 1 July 1999, the consolidated entity combined its Australian polyethylene, polypropylene, synthetic rubber and engineering plastics operations in a joint venture with Kemcor, an existing joint venture between Exxon and Mobil. The consolidated entity has a 50% interest in the new joint venture company, Qenos Holdings Proprietary Limited.

No other significant changes have occurred in the nature of these activities during the financial year.

Dividends

Dividends paid or declared in respect of the year ended 30 September 1999 were:	\$m
Interim and final dividends at the rate of 5 cents per share on 2,000,000 preference shares, franked to 37.9% (1.9 cents) at the 36% corporate tax rate.	0.1
Interim dividend at the rate of 15 cents per share on 270,435,247 ordinary shares, franked to 40% (6 cents) at the 36% corporate tax rate.	40.6
The directors have declared a final dividend to be paid at the rate of 22 cents per share on 273,154,984 ordinary shares, for which provision has been made in the financial statements. 36.4% (8 cents) of this dividend will be franked at the 36% corporate tax rate.	60.1
Total dividend distribution	100.8

In addition, the final dividend of 29 cents per share in respect of the financial year ended 30 September 1998, referred to in the previous directors' report, was paid in cash or satisfied by the issue of shares under the dividend reinvestment plan on 18 December 1998. The full amount of \$78.0m was provided in the 1998 financial statements. This dividend was unfranked.

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 on pages 4 to 33 of the annual report.

Changes in state of affairs

Particulars of significant changes in the state of affairs of the consolidated entity during the year ended 30 September 1999 are as follows:

- 11 December 1998 – launched a takeover bid to acquire shares in Incitec Ltd held by all other parties. Orica increased its shareholding in Incitec from 73% to 76%.
- 23 December 1998 – disposed of the surfactants business to Huntsman Corporation for \$155m, generating a profit of \$37m after tax, as part of the ongoing program of rationalising non core assets.
- 1 July 1999 – combined the Australian polyethylene, polypropylene, synthetic rubber and engineering plastics operations in a joint venture with Kemcor, an existing joint venture between Exxon and Mobil. Orica has a 50% interest in the new joint venture company, Qenos Holdings Proprietary Limited.
- 29 September 1999 – acquired a 49% interest in Indian Explosives Limited.

Events after balance date

The directors have not become aware of any significant matter or circumstance that has arisen since 30 September 1999, 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.

Likely developments

Likely developments in the operations of the consolidated entity and the expected results of those operations are covered generally in the review of operations of the consolidated entity on pages 4 to 33 of the annual report.

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this report because, in the opinion of the directors, disclosure would result in unreasonable prejudice to the consolidated entity.

Directors' Report

Directors' and senior executives' emoluments

It is the broad policy of the company that its remuneration structure will:

- support the company's philosophy and values;
- reinforce both the short and long term objectives of the company;
- provide a common interest between management and shareholders; and
- be sufficiently competitive in the markets in which the company operates to attract, motivate and retain high calibre employees.

The remuneration structure for executive officers, including executive directors, seeks to emphasise payment for results through providing a variable reward scheme which, for example, incorporates incentive payments based on the achievement of pre agreed results. While there may be some years of zero incentive payment, total remuneration is designed to remain sufficiently competitive to attract, motivate and retain high calibre employees.

Details of the nature and amount of each element of emoluments paid to all officers who occupied the position of executive director during the year are set out in the table below. The table also discloses details of the nature and amount of each element of emoluments of the five highest remunerated senior executives.

The number of options issued under the Orica Share Option Plan during the year are listed below. These options have a maximum life of ten years and are not exercisable before 1 January 2002, and then only if performance hurdles are achieved. The performance hurdles are designed to ensure that options can only be exercised by reference to the total shareholder return of Orica relative to a peer group of companies (ASX100). Due to the nature of the performance hurdles which have been established for these options, their value is considered to be indeterminate.

Executive directors and senior executives	Cash benefits		Non cash benefits		Total	
	Salary	Incentive payments	Superannuation contributions	Other*	Options	No.
	\$000	\$000	\$000	\$000	\$000	No.
Executive Directors						
P L Weickhardt Managing Director and Chief Executive Officer	581.1	92.8	114.5	53.5	841.9	200,000
P J Clinch Executive Director, and Chief Executive Officer, International Explosives	727.9	179.1	105.9	150.1	1,163.0	110,000
A C Larkin Executive Director Finance	438.9	120.2	30.7	77.5	667.3	185,000
G R Liebelt Executive Director	377.5	57.3	77.9	48.2	560.9	110,000
Senior Executives						
A D King Senior Vice President Operations – International Explosives	386.5	24.6	12.7	80.5	504.3	25,000
R J King General Manager, Orica Consumer Products	395.0	47.3	49.5	94.1	585.9	–
A J Reeves Chief Financial Officer – Orica International Management Inc	331.3	34.5	27.1	113.5	506.4	40,000
A E Seale General Manager Technology Group [^]	401.4	31.9	21.0	22.9	477.2	–
D P Taylor President Explosives (USA and Canada)	510.1	115.5	–	89.0	714.6	–

* includes expatriate allowances paid, where applicable

[^] includes entitlements paid on retirement

Non-executive directors' fees are determined by the board within the aggregate amount of \$750,000 which was approved by shareholders at the 1998 Annual General Meeting. In determining the level of fees, the board reviews external professional advice and survey data on fees paid by comparable companies and considers this against the level of remuneration required to attract and retain directors of the appropriate calibre. Non-executive directors are not entitled to any form of incentive payments. On leaving the board, depending on their length of service, non-executive directors are entitled to a retiring allowance of up to a maximum of three years' fees.

Directors' Report

Non-executive directors

	Fees \$000	Superannuation contributions \$000	Total \$000
B H Lochtenberg, Chairman	165.0	11.6	176.6
A B Daniels	56.3	3.9	60.2
B Healey	62.5	4.4	66.9
G E Heeley	70.0	4.9	74.9
D P Mercer	67.3	4.7	72.0
C M Walter	61.2	4.3	65.5

Options

On 15 March 1999, the company granted options over 860,000 unissued ordinary shares to 10 executives under the Orica Share Option Plan. Each option relates to one fully paid ordinary share and the said options are exercisable at \$8.57 per share between 1 January 2002 and 31 December 2008 subject to performance hurdles.

The names of persons who currently hold options in Orica's share option plans are entered in the register of options kept by the company pursuant to Section 216C of the Corporations Law. The register may be inspected free of charge. Pursuant to ASIC Class Order 97/1011, issued on 9 July 1997, the directors have taken advantage of relief available from the requirement to disclose the names of persons, not being directors or the five highest remunerated senior executives, to whom options are issued, and the number of options issued to each person.

Particulars of options granted to and exercised by the executive directors under Orica's share option plans to the date of this report are shown in the table below. The table also discloses options granted and exercised by the five highest remunerated senior executives, excluding executive directors, under Orica's share option plans.

The exercise price of options issued under Orica's share option plans is set at the market price at the date of issue. The ability to exercise these options is conditional on the company achieving prescribed performance hurdles.

	Granted during the year	Exercised during the year	Outstanding at year end	Exercise price	Date first exercisable
Executive Directors					
P L Weickhardt	200,000	-	200,000	\$8.57	1 Jan 2002 [^]
			170,000	\$10.88	27 Feb 2001*
			87,500	\$11.38	22 Mar 1998*
P J Clinch	110,000	-	110,000	\$8.57	1 Jan 2002 [^]
			12,500	\$11.38	22 Mar 1998*
A C Larkin	185,000	-	185,000	\$8.57	1 Jan 2002 [^]
G R Liebelt	110,000	-	110,000	\$8.57	1 Jan 2002 [^]
			105,000	\$10.88	27 Feb 2001*
Senior Executives					
A D King	25,000	-	25,000	\$8.57	1 Jan 2002 [^]
			30,000	\$10.88	27 Feb 2001*
A J Reeves	40,000	-	40,000	\$8.57	1 Jan 2002 [^]
A E Seale	-	-	30,000	\$10.88	27 Feb 2001*

* The expiry date for options issued under the Orica Executive Share Option Plan is two years from the date first exercisable.

[^] The expiry date for options issued under the Orica Share Option Plan is ten years from the date issued.

No person entitled to exercise an option in the company has, by virtue of the option, a right to participate in a share issue of any other body corporate of the group.

No ordinary shares were issued during the financial year as a consequence of the exercise of options. As at the date of this report, there are 1,822,500 unissued ordinary shares under option. The price of issue and expiration dates of those unissued shares are set out in note 19 to the financial statements.

Directors' Report

Environmental regulations

Manufacturing licences and consents are in place at each Orica site in consultation with local environmental regulatory authorities. The measurement of compliance with conditions of licences and consents involves numerous tests being conducted regularly. The test results indicate consistent compliance as follows:

	1999	1998
Number of tests	26,601	49,626
Percentage of test results in compliance	99.5	99.5

The company received three environmental prosecutions during the year, the details of which are provided on page 15 of the annual report.

More specific details, including management processes, are available on pages 14 to 15 of the annual report and in the Safety, Health and Environment Performance Report 1999.

Indemnification of officers

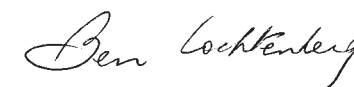
The company's Constitution requires the company to indemnify any person who is, or has been, an officer of the company, including the directors, the secretary and other executive officers, against any liability incurred by the person which arises out of the discharge of that person's duties, unless the liability was incurred as a result of dishonesty, negligence or lack of good faith. In such circumstances, the Board has a discretion whether or not to provide an indemnity.

The company has paid a premium in respect of a contract insuring officers of the company, and of bodies corporate related to the company, against a liability for costs and expenses incurred by them in defending civil or criminal proceedings involving them as such officers, with some exceptions. The contract of insurance prohibits disclosure of the nature of the liability insured against and the amount of the premium paid.

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.



B H Lochtenberg
Chairman

Dated at Melbourne this 29th day of October 1999

Profit and Loss Statements

For the year ended 30 September 1999

	Notes	Consolidated		Company	
		1999 \$m	1998 \$m	1999 \$m	1998 \$m
Revenue	(2)	4,416.0	4,599.5	344.1	478.4
Operating profit before income tax and abnormal items	(3)	258.4	326.4	269.5	421.1
(Loss)/profit on abnormal items before income tax	(4)	(33.7)	126.3	29.3	8.9
Operating profit before income tax		224.7	452.7	298.8	430.0
Income tax attributable to operating profit	(6)	(26.7)	(1.8)	(6.4)	3.3
Operating profit after income tax		198.0	450.9	292.4	433.3
Outside equity interests in operating profit after income tax		(11.8)	(16.0)	-	-
Operating profit after income tax attributable to members of Orica		186.2	434.9	292.4	433.3
Retained profits at the beginning of the financial year		776.9	476.1	608.3	309.1
Total available for appropriation		963.1	911.0	900.7	742.4
Dividends:	(21)				
Preference – paid/declared		(0.1)	(0.1)	(0.1)	(0.1)
Ordinary – interim paid		(40.6)	(56.0)	(40.6)	(56.0)
Ordinary – final declared		(60.1)	(78.0)	(60.1)	(78.0)
Retained profits at the end of the financial year		862.3	776.9	799.9	608.3
		cents	cents		
Earnings per share	(8)				
Including abnormal items		68.8	162.8		
Excluding abnormal items		57.8	76.6		
		\$m	\$m		
Operating profit after income tax attributable to members of Orica is comprised of:					
Operating profit after tax and before abnormal items		156.4	204.6		
Profit on abnormal items after income tax	(4)	29.8	230.3		
Operating profit after income tax and abnormal items		186.2	434.9		

The accompanying notes form part of these financial statements.

Balance Sheets

As at 30 September 1999

	Notes	Consolidated		Company	
		1999 \$m	1998 \$m	1999 \$m	1998 \$m
Current assets					
Cash	(9)	104.1	83.9	29.7	-
Receivables	(10)	682.9	548.3	209.1	248.5
Investments	(11)	-	13.8	-	-
Inventories	(12)	561.0	709.5	-	-
Other assets	(13)	29.8	32.0	-	-
Total current assets		1,377.8	1,387.5	238.8	248.5
Non-current assets					
Receivables	(10)	4.4	3.7	-	-
Investments	(11)	239.4	17.3	1,395.9	1,347.0
Property, plant and equipment	(14)	1,444.3	1,736.2	39.7	69.4
Intangibles	(15)	258.4	297.0	-	-
Other assets	(13)	205.3	205.7	2.2	2.1
Total non-current assets		2,151.8	2,259.9	1,437.8	1,418.5
Total assets		3,529.6	3,647.4	1,676.6	1,667.0
Current liabilities					
Accounts payable	(16)	531.4	564.1	3.9	7.8
Borrowings	(17)	280.0	306.6	241.0	445.5
Provisions	(18)	312.3	340.4	66.3	78.5
Total current liabilities		1,123.7	1,211.1	311.2	531.8
Non-current liabilities					
Accounts payable	(16)	0.1	1.3	-	0.1
Borrowings	(17)	533.9	578.4	1.1	1.1
Provisions	(18)	274.7	343.2	3.8	2.7
Total non-current liabilities		808.7	922.9	4.9	3.9
Total liabilities		1,932.4	2,134.0	316.1	535.7
Net assets		1,597.2	1,513.4	1,360.5	1,131.3
Shareholders' equity					
Share capital	(19)	465.0	427.4	465.0	427.4
Reserves	(20)	149.4	185.7	95.6	95.6
Retained profits		862.3	776.9	799.9	608.3
Shareholders' equity attributable to members of Orica		1,476.7	1,390.0	1,360.5	1,131.3
Outside equity interest in controlled entities	(22)	120.5	123.4	-	-
Total shareholders' equity		1,597.2	1,513.4	1,360.5	1,131.3

The accompanying notes form part of these financial statements.

Statements of Cash Flows

For the year ended 30 September 1999

	Notes	Consolidated		Company	
		1999 \$m Inflows/ (Outflows)	1998 \$m Inflows/ (Outflows)	1999 \$m Inflows/ (Outflows)	1998 \$m Inflows/ (Outflows)
Cash flows from operating activities					
Receipts from customers		3,974.1	3,946.2	-	-
Payments to suppliers and employees		(3,530.7)	(3,545.5)	(2.1)	(9.4)
Interest received		6.9	12.3	3.1	45.7
Borrowing costs		(52.2)	(70.3)	(23.7)	(43.0)
Dividends received		-	-	169.1	568.1
Royalties and other trading revenue received		26.7	27.5	20.7	19.1
Net income taxes paid		(26.6)	(97.7)	2.6	(13.6)
Net cash flows from operating activities	(23)	398.2	272.5	169.7	566.9
Cash flows from investing activities					
Payments for property, plant and equipment		(264.2)	(239.5)	-	(0.8)
Payments for intangibles		(0.8)	(4.1)	-	-
Payments for purchase of investments		(287.2)	(0.3)	(50.0)	(676.0)
Payments for purchase of businesses/controlled entities		(37.2)	(564.6)	-	-
Proceeds from sale of property, plant and equipment	(2)	43.1	20.5	34.3	-
Proceeds from sale of intangibles		0.4	-	-	-
Proceeds from sale of investments		15.0	-	-	-
Proceeds from sale of businesses/controlled entities		321.9	561.0	17.7	-
Net loan to associated company		(153.5)	-	-	-
Net cash flows from investing activities		(362.5)	(227.0)	2.0	(676.8)
Cash flows from financing activities					
Proceeds from long term borrowings		429.0	402.8	-	-
Repayment of long term borrowings		(378.0)	-	-	-
Net movement in short term financing		26.5	(319.9)	(60.9)	216.5
Principal repayments under finance leases		(0.6)	(1.0)	-	-
Proceeds from issue of shares		13.9	8.9	13.9	8.9
Dividends paid	(21)	(101.9)	(124.8)	(95.0)	(115.5)
Net cash flows from financing activities		(11.1)	(34.0)	(142.0)	109.9
Net increase in cash held					
Cash at the beginning of the financial year		79.2	68.3	-	-
Effects of exchange rate changes on cash		(3.9)	(0.6)	-	-
Cash at the end of the financial year	(23)	99.9	79.2	29.7	-

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

1.(a) Accounting policies

The principal accounting policies adopted in preparing the financial report of Orica and of the consolidated entity are stated to assist in a general understanding of this financial report. These policies have been consistently applied except as otherwise indicated.

The financial report is a general purpose financial report prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, the Corporations Law and other authoritative pronouncements of the Australian Accounting Standards Board.

(i) Basis of preparation

The financial report has been prepared on the basis of historical cost except where stated.

(ii) Consolidation

The controlled entities included in the consolidated financial statements are listed in note 33. All inter-entity transactions and balances have been eliminated. Where entities are not controlled throughout the entire financial year, the consolidated results include the results of those entities for that part of the year during which control existed.

(iii) Foreign currency translation

Overseas controlled entities are self-sustaining and their financial statements are translated using the current rate method, with any resulting unrealised exchange differences taken to a foreign currency translation reserve. Exchange differences which relate to the hedging of investments in self-sustaining foreign operations are transferred, on consolidation, to the foreign currency translation reserve.

Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables outstanding at balance date are translated at the exchange rates current at that date. Exchange gains and losses are taken to the profit and loss statements.

(iv) Environmental liabilities

The cost of monitoring operations and treating operating wastes is taken to the profit and loss statements as an operating cost as incurred.

Estimated costs relating to the remediation of soil and groundwater that have arisen as a result of past events are usually taken to the profit and loss statements in total as soon as the need is identified and a reliable estimate of the liability is identified. However, where the cost relates to land held for resale then, to the extent that the expected realisation exceeds both the book value of the land and the estimated cost of remediation, the cost is capitalised as part of the holding value of that land as it is incurred.

(v) Year 2000 software modification costs

Costs relating to the modification of computer software for year 2000 compatibility are expensed to the profit and loss statements as incurred.

(vi) Revenue recognition (see note 2)

External sales, royalty income and other income are recognised when the goods and services are provided. Interest income is recognised as it accrues. Proceeds from sale of businesses, controlled entities and other non-current assets are recognised when there is a signed unconditional contract of sale.

(vii) Research and development costs (see note 3)

Research and development costs are expensed as incurred.

(viii) Borrowing costs (see note 3)

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than twelve months to get ready for their intended use or sale. Where funds are borrowed specifically for the production of a qualifying asset, the interest on those funds is capitalised, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average interest rate. This represents a change in accounting policy (see note 1(b)).

(ix) Taxation (see note 6)

Income tax has been brought to account using the liability method of tax effect accounting. No provision is made for withholding tax on retained earnings of overseas controlled entities.

Capital gains tax is provided in the profit and loss statements in the year in which an asset is sold. When non-current assets are revalued, capital gains tax is not provided unless the asset is being held for sale.

(x) Investments (see note 11)

The consolidated entity's interests in entities other than controlled entities and associates are stated at market value. Investment income includes dividends which are recognised in the profit and loss statements when declared.

The company's interests in controlled entities are stated at cost or directors' valuation. Dividends are recognised in the profit and loss statements when declared.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Associates are those entities over which the consolidated entity exercises significant influence, but not control. This represents a change in accounting policy (see note 1(b)).

Where, in the opinion of the directors, there has been a permanent diminution in the carrying value of an investment, the investment is written down to its recoverable amount. The expected net cash flows included in determining recoverable amounts are discounted to their present values.

(xi) Inventories (see note 12)

Inventories are valued at the lower of cost and net realisable value.

Cost is based on first-in, first-out or weighted average method. For manufactured goods, cost includes direct material and labour costs plus an appropriate proportion of variable and fixed overheads. For merchanted goods, cost is net cost into store.

Notes to the Financial Statements

1. (a) Accounting policies (continued)

(xii) Maintenance, repairs and other costs (see note 13)

Expenditure for maintenance, repairs and replacements of a minor nature is expensed as incurred. Expenditure on major periodic shutdowns is deferred and amortised over the period to which the benefits relate.

(xiii) Property, plant and equipment and depreciation (see note 14)

Property, plant and equipment, other than freehold land, is depreciated on a straight line basis at rates calculated to allocate the cost or directors' valuation less the estimated residual value over the remaining estimated useful life of each asset to the entity.

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

Buildings and improvements	25 to 40 years
Machinery, plant and equipment	3 to 20 years

Non-current assets are revalued from time to time as considered appropriate by the directors. The consolidated entity has not adopted a policy of revaluing its non-current assets on a regular basis.

The carrying amounts of all non-current assets are reviewed half yearly to determine whether they are in excess of their recoverable amounts. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is revalued downwards to its recoverable amount. To the extent that a revaluation decrement reverses a revaluation increment previously credited to and still included in the balance of the asset revaluation reserve for the same asset, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the profit and loss statements.

The expected net cash flows included in determining recoverable amounts of non-current assets are discounted to their present values.

Profits and losses on disposal of property, plant and equipment are taken to the profit and loss statements.

(xiv) Leased assets (see note 14)

Finance leases are capitalised at the present value of the minimum lease payments and amortised on a straight line basis over the period during which benefits are expected to flow from the use of the leased assets. A corresponding liability is established and each lease payment is allocated between finance charges and reduction of the liability.

Operating leases are not capitalised and lease rental payments are taken to the profit and loss statements as incurred.

(xv) Goodwill (see note 15)

Goodwill represents the excess of the cost of acquisition over the fair value of the net assets acquired. Goodwill is amortised on a straight line basis over the period in which the benefits are expected to arise, not exceeding 20 years. The carrying value is reviewed half yearly and written down to recoverable amounts if considered necessary.

(xvi) Patents and trademarks (see note 15)

The cost of all patents and trademarks is amortised over their useful lives to the entity.

(xvii) Employee entitlements (see note 18)

Provisions are made for liabilities to employees for annual leave, sick leave and other current employee entitlements that represent the amount for which the consolidated entity has a present obligation. These have been calculated at nominal amounts based on current wage and salary rates and include related on-costs.

Liabilities for employee entitlements which are not expected to be settled within twelve months of balance date, such as long service leave, are accrued at the present value of future amounts expected to be paid. The present value is determined using interest rates applicable to government guaranteed securities with maturities during the next ten years.

Contributions for superannuation are taken to the profit and loss statements in the year in which the payment is made.

(xviii) Cash flows (see note 23)

For the purposes of the statements of cash flows, cash includes cash at bank, cash at hand and deposits at call which are readily convertible to cash on hand and which are used in the cash management function, net of bank overdrafts.

(xix) Derivative financial instruments (see note 28)

Derivative financial instruments are used to hedge interest rate and foreign currency exposures. Accordingly, hedge accounting principles are applied, under which gains and losses on derivatives are brought to account on the same basis as the gains and losses on the underlying physical exposures.

The effect of interest received, paid or accrued under interest rate swap and forward rate agreements is included in the calculation of net interest expense. The amount receivable or payable at balance date is included in assets or liabilities respectively.

(xx) Comparative figures

Comparative figures have been adjusted to conform with any changes to presentation in 1999.

1.(b) Changes in accounting policies

Capitalisation of borrowing costs incurred in the production of qualifying assets represents a change in accounting policy. This change was necessary to comply with AASB 1036 'Borrowing Costs'. This change in accounting policy has resulted in an increase of \$1.6m to operating profit after tax as a result of capitalisation of interest expense of \$2.4m.

The use of the equity method for accounting for investments in associates represents a change in accounting policy. This change was necessary to comply with AASB 1016 'Accounting for Investments in Associates'. There has been no material impact of this change in accounting policy on retained earnings and investments as at 1 October 1998, or to the operating profit for the year.

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$m	1998 \$m	1999 \$m	1998 \$m
2. Revenue				
Revenue from operating activities				
External sales	3,959.8	3,935.2	-	-
Royalty income	4.9	5.3	-	-
Dividend income:				
controlled entities	-	-	268.1	413.7
Interest income:				
controlled entities	-	-	3.2	36.7
associated companies	2.0	-	-	-
external parties – banks	5.5	3.7	0.1	-
external parties – other	-	8.9	-	8.9
Other income	21.8	22.3	20.7	19.1
Revenue from non-operating activities				
Sale of businesses/controlled entities	378.9	603.6	17.7	-
Sale of property, plant and equipment and distribution rights	43.1	20.5	34.3	-
Total revenue	4,416.0	4,599.5	344.1	478.4
3. Operating profit				
Operating profit before income tax and abnormal items is arrived at after crediting:				
Profit on sale of businesses/controlled entities	0.5	0.9	-	-
Profit/(loss) on sale of property, plant and equipment and distribution rights	4.6	15.0	(4.0)	-
Share of associates' net profit	0.2	-	-	-
Amounts withdrawn from provisions for:				
doubtful debts – sundry debtors	0.4	-	-	-
renaming	-	-	-	0.9
Net gain on foreign currency transactions	1.6	13.2	-	-
Operating profit before income tax and abnormal items is arrived at after charging:				
Borrowing costs paid/payable to:				
controlled entities	-	-	21.9	43.6
external parties	52.6	66.3	-	-
Finance charges – finance leases	0.1	0.1	-	-
Depreciation on property, plant and equipment:				
buildings and improvements	14.2	11.4	1.5	2.1
machinery, plant and equipment	140.6	147.6	-	-
Amortisation:				
goodwill	15.9	9.2	-	-
patents and rights	5.4	3.2	-	-
Amounts set aside to provide for:				
doubtful debts – trade	0.4	4.2	-	-
doubtful debts – sundry debtors	-	0.5	-	-
employee entitlements	15.9	23.6	-	-
environmental liabilities	0.5	-	-	-
stock losses and obsolescence	0.4	4.9	-	-
other provisions	16.0	15.7	-	-
Bad debts written off in respect of trade debtors	2.5	4.4	-	-
Bad debts written off in respect of sundry debtors	-	0.5	-	-
Lease payments – operating leases	28.4	28.5	-	-
Research and development expenses	43.9	44.2	-	-
Amortisation of deferred maintenance expenditure	11.0	3.8	-	-
Superannuation contributions	44.2	6.0	-	-

Notes to the Financial Statements

	Gross \$m	1999 Tax \$m	Net \$m	Gross \$m	1998 Tax \$m	Net \$m
Consolidated						
Profit on sale of major businesses: ⁽¹⁾						
Pharmaceuticals	-	-	-	304.4	0.4	304.8
Technical Coatings	13.2	(0.2)	13.0	91.4	14.0	105.4
Surfactants	25.1	11.9	37.0	-	-	-
Polyethylene	37.1	12.0	49.1	-	-	-
Restructuring and rationalisation costs ⁽²⁾	(79.6)	30.1	(49.5)	(94.5)	22.8	(71.7)
Remediation costs ⁽³⁾	-	-	-	(68.1)	24.5	(43.6)
Information technology systems development costs ⁽⁴⁾	-	-	-	(35.2)	12.6	(22.6)
Tax refund ⁽⁵⁾	-	-	-	8.9	6.3	15.2
Writedown of assets	(14.5)	1.2	(13.3)	(65.9)	22.2	(43.7)
Writedown of intangibles	-	-	-	(14.7)	-	(14.7)
Provision in respect of customer guarantees	(15.0)	5.4	(9.6)	-	-	-
Profit/(loss) on abnormal items	(33.7)	60.4	26.7	126.3	102.8	229.1
Outside equity interests in abnormal items	(4.8)	1.7	(3.1)	(1.8)	0.6	(1.2)
Profit/(loss) on abnormal items attributable to members of Orica	(28.9)	58.7	29.8	128.1	102.2	230.3
Company						
Profit/(loss) on sale of major businesses: ⁽¹⁾						
Surfactants	(1.2)	(0.1)	(1.3)	-	-	-
Polyethylene	30.5	(5.7)	24.8	-	-	-
Tax refund ⁽⁵⁾	-	-	-	8.9	6.3	15.2
	29.3	(5.8)	23.5	8.9	6.3	15.2
⁽¹⁾ The major elements of profit on sale of major businesses are non-taxable. The profit has been arrived at after allowance for certain related tax deductible expenditure.						
⁽²⁾ Restructuring and rationalisation costs include redundancy and associated costs relating to the restructuring and reorganisation of support services, Incitec and the explosives businesses.						
⁽³⁾ Remediation includes provisions for waste removal costs associated with Botany and Cabarita sites.						
⁽⁴⁾ Implementation of new information technology systems.						
⁽⁵⁾ In prior years an abnormal loss was taken to the profit and loss accounts following an unfavourable Federal Court decision relating to debt restructuring undertaken in 1986. A decision of the High Court in 1998 resulted in a tax refund and interest received on overpayment of taxes.						
5. Auditors' remuneration						
Total remuneration received, or due and receivable, by the auditors for:						
audit services						
– auditors of the company – KPMG		366		366	70	70
– other KPMG member firms		618		586	-	-
other services						
– auditors of the company – KPMG		333		698	-	-
– other KPMG member firms		426		238	-	-

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$m	1998 \$m	1999 \$m	1998 \$m
6. Income tax				
The amount of income tax attributable to the financial year differs from the amount prima facie payable on the operating profit. The differences are reconciled as follows:				
Prima facie income tax calculated at 36% on operating profit	80.9	163.0	107.6	154.8
Tax effect of permanent differences which (reduce)/increase tax expense:				
rebate dividends	-	-	(98.4)	(148.9)
research and development allowances	(1.2)	(1.6)	-	-
variation in tax rates of foreign controlled entities and withholding tax on remittance of non-Australian profits	(3.0)	(2.3)	-	-
non-taxable profit on sale of businesses and controlled entities	(3.6)	(17.0)	-	-
non-taxable profit on sale of property, plant and equipment	(1.7)	(2.3)	-	-
abnormal items – non-taxable profit on sale of businesses and controlled entities	(57.0)	(140.1)	(4.7)	-
abnormal items – net non-allowable	7.0	1.4	-	-
abnormal items – tax refund	-	(9.5)	-	(9.5)
tax under/(over)provided in prior years	(1.9)	0.5	0.8	-
prior year tax losses recognised	(5.3)	-	-	-
non-allowable depreciation	2.3	2.5	0.3	0.4
goodwill amortisation	3.5	3.2	-	-
losses of foreign controlled entities not carried forward as future income tax benefit	1.6	1.5	-	-
other non-allowable/(non-taxable) items	5.1	2.5	0.8	(0.1)
Income tax attributable to operating profit	26.7	1.8	6.4	(3.3)
Income tax expense comprises:				
income tax provision	48.9	54.5	6.5	(2.8)
provision for deferred income tax	(1.9)	25.7	-	-
future income tax benefit ⁽ⁱ⁾	(20.3)	(78.4)	(0.1)	(0.5)
	26.7	1.8	6.4	(3.3)

⁽ⁱ⁾ Recovery of future income tax benefits included in other assets (see note 13) depends on future taxable earnings and the continuation of existing tax laws and compliance therewith.

Future tax benefits attributable to tax losses carried forward by controlled entities amounting to \$45.1m (1998 \$9.9m) have been brought to account in the consolidated financial statements at 30 September 1999 because the directors believe realisation of those benefits is virtually certain.

These benefits will only be obtained if:

- the controlled entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised; or
- the loss is transferred to an eligible entity in the consolidated entity; and
- the controlled entity continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the controlled entity or the consolidated entity in realising the benefit from the deductions for the loss.

Potential future tax benefits relating to tax losses of controlled entities amounting to \$14.9m (1998 \$18.4m) have not been brought to account as realisation is not virtually certain.

Notes to the Financial Statements

7. Segment report

The consolidated entity's operations have been divided into four core segments comprising Mining Services, Agricultural Chemicals, Consumer Products and Chemicals. Plastics and other businesses are shown as non core segments. Other includes minor, discontinued, divested businesses, non operating assets and corporate costs.

The consolidated entity's policy is to transfer products internally at negotiated commercial prices. Revenue includes royalties and proceeds on sale of property, plant and equipment. Unallocated items comprise financial items, such as interest and foreign currency gains/losses on borrowings, that are not specific to the defined business areas and proceeds on sale of businesses.

The business segments have been grouped into core and non core segments in 1999 to better reflect Orica's ongoing businesses and strategy. Corporate Centre costs are no longer allocated to the individual business segments and are included in the non core segment called Other. 1998 comparative figures have been restated to reflect these changes.

Defined business areas	Revenue external to the consolidated entity	Inter-segment revenue	Total revenue	Operating profit before income tax and abnormal items	Abnormal items	Operating profit before income tax and after abnormal items	Segment assets	Capital expenditure	Depreciation and amortisation
1999	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Core Segments									
Mining Services	1,359.0	2.7	1,361.7	113.2	(26.7)	86.5	1,179.7	97.5	72.4
Agricultural Chemicals	826.4	-	826.4	56.3	(13.6)	42.7	492.7	44.4	16.9
Consumer Products	626.6	0.3	626.9	63.0	(8.7)	54.3	323.5	18.7	13.5
Chemicals	691.0	122.8	813.8	60.4	(13.7)	46.7	493.4	82.0	26.9
Subtotal – Core Segments	3,503.0	125.8	3,628.8	292.9	(62.7)	230.2	2,489.3	242.6	129.7
Non Core Segments									
Plastics	478.3	18.7	497.0	33.6	(32.8)	0.8	489.0	7.7	30.4
Other	48.3	7.5	55.8	(22.5)	(13.6)	(36.1)	293.7	17.3	16.0
Subtotal – Non Core Segments	526.6	26.2	552.8	11.1	(46.4)	(35.3)	782.7	25.0	46.4
Eliminations	-	(152.0)	(152.0)	-	-	-	-	-	-
Subtotal	4,029.6	-	4,029.6	304.0	(109.1)	194.9	3,272.0	267.6	176.1
Unallocated items	386.4	-	386.4	(45.6)	75.4	29.8	257.6	-	-
Consolidated	4,416.0	-	4,416.0	258.4	(33.7)	224.7	3,529.6	267.6	176.1

1998

	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Core Segments									
Mining Services	944.3	1.4	945.7	105.0	(61.3)	43.7	1,218.0	58.7	52.0
Agricultural Chemicals	714.3	1.8	716.1	50.9	(1.2)	49.7	457.1	35.5	13.6
Consumer Products	570.9	1.2	572.1	57.2	(22.1)	35.1	344.6	10.4	15.7
Chemicals	644.2	129.7	773.9	57.6	(22.1)	35.5	453.1	54.7	26.9
Subtotal – Core Segments	2,873.7	134.1	3,007.8	270.7	(106.7)	164.0	2,472.8	159.3	108.2
Non Core Segments									
Plastics	514.1	47.5	561.6	53.0	(61.0)	(8.0)	682.4	28.2	39.8
Other	595.5	61.2	656.7	72.7	(110.7)	(38.0)	408.3	38.4	23.4
Subtotal – Non Core Segments	1,109.6	108.7	1,218.3	125.7	(171.7)	(46.0)	1,090.7	66.6	63.2
Eliminations	-	(242.8)	(242.8)	-	-	-	-	-	-
Subtotal	3,983.3	-	3,983.3	396.4	(278.4)	118.0	3,563.5	225.9	171.4
Unallocated items	616.2	-	616.2	(70.0)	404.7	334.7	83.9	-	-
Consolidated	4,599.5	-	4,599.5	326.4	126.3	452.7	3,647.4	225.9	171.4

Notes to the Financial Statements

7. Segment report (continued)

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 and sodium cyanide to the gold mining industry.
Agricultural Chemicals	Manufacture, import and supply of nitrogen, phosphate and other fertilizers and crop care products including herbicides, insecticides and fungicides.
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 use products.
Chemicals	Manufacture and supply of a broad range of industrial and specialty chemicals including chlorine, sodium hypochlorite, caustic soda and surfactants for household, food and personal care products and ammonia, ammonium nitrate and urea for explosives and fertilizers.
Plastics	Manufacture and supply of polyethylene, polypropylene, synthetic rubber and specialty plastics (provided through Qenos since 1 July 1999), vinyl and a range of plastic films.
Other	Includes other minor, discontinued, divested businesses, non-operating assets and corporate costs.

Geographic areas	Revenue external to the consolidated entity	Inter-segment revenue	Total revenue	Operating profit before income tax and abnormal items	Abnormal items	Operating profit before income tax and after abnormal items	Segment assets	Capital expenditure	Depreciation and amortisation
1999	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Australia	2,821.1	62.9	2,884.0	232.3	(89.3)	143.0	2,351.2	196.7	130.4
New Zealand	304.3	5.7	310.0	21.3	(5.8)	15.5	153.2	6.2	7.3
Americas	717.6	4.3	721.9	27.1	(6.6)	20.5	624.6	47.4	30.2
Other	186.6	1.7	188.3	23.3	(7.4)	15.9	143.0	17.3	8.2
Eliminations	-	(74.6)	(74.6)	-	-	-	-	-	-
Subtotal	4,029.6	-	4,029.6	304.0	(109.1)	194.9	3,272.0	267.6	176.1
Unallocated items	386.4	-	386.4	(45.6)	75.4	29.8	257.6	-	-
Consolidated	4,416.0	-	4,416.0	258.4	(33.7)	224.7	3,529.6	267.6	176.1
1998	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Australia	3,157.6	80.7	3,238.3	334.4	(190.1)	144.3	2,587.1	159.0	142.1
New Zealand	316.8	5.7	322.5	25.7	(16.1)	9.6	163.3	6.4	9.0
Americas	346.9	2.4	349.3	11.5	(55.8)	(44.3)	657.9	16.2	13.9
Other	162.0	1.2	163.2	24.8	(16.4)	8.4	155.2	44.3	6.4
Eliminations	-	(90.0)	(90.0)	-	-	-	-	-	-
Subtotal	3,983.3	-	3,983.3	396.4	(278.4)	118.0	3,563.5	225.9	171.4
Unallocated items	616.2	-	616.2	(70.0)	404.7	334.7	83.9	-	-
Consolidated	4,599.5	-	4,599.5	326.4	126.3	452.7	3,647.4	225.9	171.4

Notes to the Financial Statements

	Consolidated	
	1999	1998
	Cents per share	Cents per share
8. Earnings per share		
Basic earnings per share		
including abnormal items	68.8	162.8
excluding abnormal items	57.8	76.6
Diluted earnings per share is not materially different from basic earnings per share		
	Number	Number
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	270,601,332	267,085,575
	\$m	\$m
Reconciliation of earnings used in the calculation of basic earnings per share		
Operating profit after income tax	198.0	450.9
Less outside equity interests	(11.8)	(16.0)
Less preference share dividends appropriated	(0.1)	(0.1)
Earnings used in calculation of basic earnings per share	186.1	434.8

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m
9. Cash				
Cash at bank and on hand	86.6	40.6	11.8	-
Deposits at call				
external	17.5	43.3	-	-
controlled entities	-	-	17.9	-
	104.1	83.9	29.7	-

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$m	1998 \$m	1999 \$m	1998 \$m
10. Receivables				
Current				
Trade debtors				
external	491.9	539.2	-	-
associated companies	2.7	2.4	-	-
Less provision for doubtful debts				
external	(15.4)	(25.0)	-	-
	479.2	516.6	-	-
Sundry debtors/loans				
external	34.2	32.2	3.0	3.0
controlled entities	-	-	206.1	245.5
associated companies	169.7	-	-	-
executive directors	-	0.1	-	-
Less provision for doubtful debts				
external	(0.2)	(0.6)	-	-
	203.7	31.7	209.1	248.5
	682.9	548.3	209.1	248.5
Non-current				
Sundry debtors/loans				
external	4.4	3.7	-	-
	4.4	3.7	-	-

(i) Significant terms and conditions

Trade debtors to be settled within 30 days of supply of goods and services are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful debts based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

Sundry debtors generally arise from transactions outside the usual operating activities of the consolidated entity. Interest may be charged where the terms of repayment exceed 30 days.

(ii) Net fair values

The directors consider the carrying amount of receivables to approximate their net fair values.

(iii) Credit risk

Credit risk in debtors is managed in the following ways:

- payment terms are generally 30 days and compliance is high
- a risk assessment process is used for accounts over \$50,000
- credit insurance cover is obtained for any high risk customers.

The consolidated entity manages significant exposures to any individual customer or counterparty through the methods detailed above.

Notes to the Financial Statements

10. Receivables (continued)

(iii) Credit risk (continued)

Concentrations of credit risk by business area and geographic area as a proportion of the total receivables are:

	Consolidated		Company	
	1999 %	1998 %	1999 \$m	1998 \$m
Business area				
Mining Services	30.9	39.1		
Agricultural Chemicals	9.7	11.2		
Consumer Products	13.3	19.0		
Chemicals	14.4	17.4		
Plastics	30.5	8.6		
Other	1.2	4.7		
	100.0	100.0		
Geographic area				
Australia	68.3	64.7		
New Zealand	7.4	6.8		
Americas	18.6	19.7		
Other	5.7	8.8		
	100.0	100.0		

11. Investments

Current

External deposits not at call	-	13.8	-	-
	-	13.8	-	-

Non-current

Interest in unlisted controlled entities (see note 33)				
at directors' valuation 1986	-	-	508.4	508.4
at cost	-	-	887.5	838.6
	-	-	1,395.9	1,347.0
Interest in unlisted associates (see note 35)				
at directors' valuation 1986	0.8	0.8	-	-
at cost	203.0	15.3	-	-
	203.8	16.1	-	-
Interest in listed corporations at market value	-	1.2	-	-
Interest in managed funds at market value	35.6	-	-	-
	239.4	17.3	1,395.9	1,347.0

The directors' valuation in 1986 of unlisted shares was based on net fair value, being the relevant proportion of underlying net assets. The consolidated entity does not have a policy of regular revaluation.

Notes to the Financial Statements

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m
12. Inventories				
Raw materials and stores				
At cost	182.8	236.9	-	-
At net realisable value	2.6	1.4	-	-
	185.4	238.3	-	-
Less provision for stock losses and obsolescence	(5.3)	(8.6)	-	-
	180.1	229.7	-	-
Work in progress at cost	6.4	16.8	-	-
Finished goods				
At cost	383.7	473.1	-	-
At net realisable value	0.3	0.5	-	-
	384.0	473.6	-	-
Less provision for stock losses and obsolescence	(9.5)	(10.6)	-	-
	374.5	463.0	-	-
	561.0	709.5	-	-
13. Other assets				
Current				
Deferred maintenance expenditure	9.0	11.0	-	-
Prepayments	20.8	21.0	-	-
	29.8	32.0	-	-
Non-current				
Deferred maintenance expenditure	2.8	18.5	-	-
Prepayments	4.4	5.4	-	-
Future income tax benefit	198.1	181.8	2.2	2.1
	205.3	205.7	2.2	2.1

Notes to the Financial Statements

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m
14. Property, plant and equipment				
Land, buildings and improvements				
At directors' valuation				
1986 and prior years	109.6	127.4	37.2	63.6
1987	-	2.7	-	-
1989	10.1	13.0	-	-
At cost	375.9	482.4	26.7	35.8
	495.6	625.5	63.9	99.4
Accumulated depreciation				
At directors' valuation				
1986 and prior years	(36.4)	(42.9)	(7.9)	(11.7)
1987	-	(1.6)	-	-
1989	(3.0)	(3.5)	-	-
At cost	(101.4)	(139.6)	(16.5)	(18.7)
	(140.8)	(187.6)	(24.4)	(30.4)
Net book value				
At directors' valuation				
1986 and prior years	73.2	84.5	29.3	51.9
1987	-	1.1	-	-
1989	7.1	9.5	-	-
At cost	274.5	342.8	10.2	17.1
Total net book value	354.8	437.9	39.5	69.0
Machinery, plant and equipment				
At directors' valuation				
1986 and prior years	57.8	101.4	-	-
1989	12.1	14.2	-	-
At cost	1,889.0	2,399.9	0.5	1.1
Under finance lease	3.9	4.1	-	-
	1,962.8	2,519.6	0.5	1.1
Accumulated depreciation/amortisation				
At directors' valuation				
1986 and prior years	(50.9)	(81.2)	-	-
1989	(10.7)	(11.5)	-	-
At cost	(810.5)	(1,128.3)	(0.3)	(0.7)
Under finance lease	(1.2)	(0.3)	-	-
	(873.3)	(1,221.3)	(0.3)	(0.7)
Net book value				
At directors' valuation				
1986 and prior years	6.9	20.2	-	-
1989	1.4	2.7	-	-
At cost	1,078.5	1,271.6	0.2	0.4
Under finance lease	2.7	3.8	-	-
Total net book value	1,089.5	1,298.3	0.2	0.4
Total net book value of property, plant and equipment	1,444.3	1,736.2	39.7	69.4

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$m	1998 \$m	1999 \$m	1998 \$m
14. Property, plant and equipment (continued)				
(i) Value of freehold land				
(included above with land, buildings and improvements)	155.7	168.6	32.3	54.0
(ii) Land held for resale				
At cost or directors' valuation	17.4	32.9	-	-
Development and remediation costs	35.6	33.2	-	-
Total land held for resale (included above in value of freehold land)	53.0	66.1	-	-
(iii) Current valuations				
The most recent valuations of freehold land, buildings and improvements, which are prepared every three years are listed below. These valuations are not incorporated in the financial statements.				
At directors' valuation				
1997	95.5	95.5	-	-
1998	350.1	383.0	185.0	203.9
	445.6	478.5	185.0	203.9

The valuations were independently determined on a market value for existing use basis except in relation to properties held as investments or for disposal in which case the valuations have been determined on a market value for alternative use. Capital gains tax has not been taken into account in these valuations.

(iv) Property, plant and equipment movements

Details of movements in property, plant and equipment during the year are:

Balance at the beginning of the financial year	1,736.2	1,591.7	69.4	70.7
capital expenditure	263.8	221.8	-	0.8
acquisition of controlled entities	9.7	252.0	-	-
interest capitalised on qualifying assets	2.4	-	-	-
writedowns and revaluations	(6.3)	(65.9)	-	-
disposals and demolitions	(379.7)	(99.8)	(25.7)	-
depreciation and amortisation	(154.8)	(159.0)	(4.0)	(2.1)
other	(27.0)	(4.6)	-	-
Balance at the end of the financial year	1,444.3	1,736.2	39.7	69.4

(v) Capitalised borrowing costs

Interest was capitalised to assets under construction using weighted average rates of 5.6% to 7.1%.

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$m	1998 \$m	1999 \$m	1998 \$m
15. Intangibles				
Patents and rights, at cost	80.0	77.6	-	-
Less accumulated amortisation	(12.1)	(7.4)	-	-
	67.9	70.2	-	-
Goodwill, at cost	266.4	287.2	-	-
Less accumulated amortisation	(75.9)	(60.4)	-	-
	190.5	226.8	-	-
Total net book value of intangibles	258.4	297.0	-	-
16. Accounts Payable				
Current				
Trade creditors				
external	469.3	459.3	0.2	3.5
associated companies	5.5	3.2	-	-
Sundry creditors and accrued charges				
external	56.6	101.6	1.7	0.5
controlled entities	-	-	2.0	3.8
	531.4	564.1	3.9	7.8
Non-current				
Sundry creditors and accrued charges				
external	0.1	1.3	-	0.1
	0.1	1.3	-	0.1

(i) Significant terms and conditions

Trade creditors, including expenditures not yet billed, are recognised when the consolidated entity becomes obliged to make future payments as a result of a purchase of goods or services. Trade accounts payable are normally settled within 32 days from invoice month end or within the agreed payment terms with the supplier.

(ii) Net fair values

The directors consider the carrying amount of trade creditors and other accounts payable approximate their net fair values.

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$m	1998 \$m	1999 \$m	1998 \$m
17. Borrowings				
Current				
Secured				
bank loans	2.0	1.5	-	-
Unsecured				
bank overdrafts	4.2	4.7	-	-
bank loans	8.5	185.2	-	-
commercial paper	129.2	48.9	-	-
other short term borrowings	34.2	-	-	-
other loans				
external	100.8	63.6	-	-
controlled entities	-	-	241.0	445.5
associated companies	-	1.5	-	-
Lease liabilities	1.1	1.2	-	-
	280.0	306.6	241.0	445.5
Non-current				
Unsecured				
bank loans	357.2	357.9	-	-
fixed term notes	175.0	100.0	-	-
other loans				
external	-	118.3	-	-
controlled entities	-	-	1.1	1.1
Lease liabilities	1.7	2.2	-	-
	533.9	578.4	1.1	1.1

(i) Significant terms and conditions

Secured bank loans are secured against a registered first mortgage over all assets and undertakings of Grow Force Australia Ltd. Commercial paper is recognised when issued at the amount of the net proceeds received and carried at amortised cost until the liabilities are fully settled. Interest on the instruments is recognised as an expense over the period to which it relates. Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

(ii) Net fair values

The directors consider the carrying amount of borrowings to approximate their net fair values.

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$m	1998 \$m	1999 \$m	1998 \$m
18. Provisions				
Current				
Dividends	60.2	78.1	60.2	78.1
Income tax	17.3	4.6	6.1	-
Employee entitlements	53.4	63.8	-	-
Change of corporate identity and renaming	-	16.1	-	0.4
Restructuring and rationalisation	105.5	129.7	-	-
Environmental	24.7	15.7	-	-
Other	51.2	32.4	-	-
	312.3	340.4	66.3	78.5
Non-current				
Income tax	23.0	24.2	2.4	2.3
Employee entitlements	48.0	77.1	-	-
Restructuring and rationalisation	6.6	6.9	-	-
Environmental	77.3	91.8	-	-
Deferred income tax	112.8	128.6	-	-
Other	7.0	14.6	1.4	0.4
	274.7	343.2	3.8	2.7
Aggregate employee entitlements				
Current	53.4	63.8	-	-
Non-current	48.0	77.1	-	-
	101.4	140.9	-	-

The present values of employee entitlements not expected to be settled within twelve months of balance date have been calculated using the following assumptions:

Assumed rate of increase in wage and salary rates	4.0%
Average discount rate	5.0%
Settlement term	10 years

Notes to the Financial Statements

	Company	
	1999	1998
	\$m	\$m
19. Share capital		
Issued and fully paid:		
Cumulative non-redeemable 5% preference shares – 2,000,000 (1998 – 2,000,000)	2.0	2.0
Ordinary shares – 273,154,984 (1998 – 268,844,662)	463.0	425.4
	465.0	427.4

Movements in issued and fully paid ordinary shares of the company during the past two years were as follows:

Details	Date	Number of shares	Issue price \$	\$m
Opening balance of shares issued	1 Oct 97	266,492,372		266.5
Shares issued under the general exempt employee share plan	1 Apr 98	256,338	10.57	0.2
Options exercised under the Orica Executive Share Option Plan	11 May 98	37,500	6.95	0.1
Transfer from share premium account (see note 20)	1 Jul 98			137.5
Shares issued under the dividend reinvestment plan	2 Jul 98	1,481,643	10.25	15.2
Shares issued under the share acquisition scheme	11 Aug 98	576,809	10.25	5.9
Balance	30 Sep 98	268,844,662		425.4
Shares issued under the dividend reinvestment plan	18 Dec 98	1,590,585	8.87	14.1
Shares issued under the general exempt employee share plan	17 Jun 99	231,718	8.63	2.0
Shares issued under the dividend reinvestment plan	2 Jul 99	1,113,723	8.63	9.6
Shares issued under the share acquisition scheme	16 Aug 99	1,365,364	8.63	11.8
Shares issued under the general exempt employee share plan	27 Sep 99	8,932	8.09	0.1
Balance	30 Sep 99	273,154,984		463.0

The balance in the share premium account as at 1 July 1998 was transferred to share capital as a result of the Company Law Review Act 1998.

Options

Options at 30 September 1999 under Orica share option plans are as follows:

- Nil options (1998 – 112,500) on fully paid ordinary shares exercisable at \$10.37 per share between 8 June 1997 and 7 June 1999 (112,500 options expired during the year).
- 137,500 options (1998 – 137,500) on fully paid ordinary shares exercisable at \$11.38 per share between 22 March 1998 and 21 March 2000.
- Nil options (1998 – 135,000) on fully paid ordinary shares exercisable at \$12.35 per share between 24 January 2000 and 23 January 2002 (135,000 options lapsed at year end).
- 825,000 options (1998 – 835,000) on fully paid ordinary shares exercisable at \$10.88 per share between 27 February 2001 and 26 February 2003 (10,000 options lapsed during the year).
- 860,000 options (1998 – nil) on fully paid ordinary shares exercisable at \$8.57 per share between 1 January 2002 and 31 December 2008.

Notes to the Financial Statements

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m
20. Reserves				
Share premium	-	-	-	-
Realisation and revaluation of assets	39.1	39.1	5.6	5.6
General and other	157.0	150.1	90.0	90.0
Foreign currency translation	(46.7)	(3.5)	-	-
	149.4	185.7	95.6	95.6

Movement in reserves during the financial year

Share premium				
opening balance	-	134.8	-	134.8
premium on issue of shares	-	2.7	-	2.7
transfer to ordinary share capital (see note 19)	-	(137.5)	-	(137.5)
Closing balance	-	-	-	-
Realisation and revaluation of assets				
opening balance	39.1	39.1	5.6	5.6
Closing balance	39.1	39.1	5.6	5.6
General and other				
opening balance	150.1	151.7	90.0	90.0
adjustment to ownership of controlled entity	6.9	(1.6)	-	-
Closing balance	157.0	150.1	90.0	90.0
Foreign currency translation				
opening balance	(3.5)	1.8	-	-
translation of overseas controlled entities at the end of the financial year	(43.2)	(5.3)	-	-
Closing balance	(46.7)	(3.5)	-	-

Withholding tax

Reserves of overseas controlled entities available to Orica include \$125.6m (1998 \$75.6m) which, if remitted to Australia, would be liable to a dividend withholding tax of 13% (1998 15%). This tax has not been provided for in these financial statements.

Notes to the Financial Statements

	Company	
	1999	1998
	\$m	\$m
21. Dividends		
Dividends paid or declared in respect of the year ended 30 September 1999 were:		
Ordinary		
interim dividend of 21 cents per share, fully franked at 36%, paid 2 Jul 1998		56.0
interim dividend of 15 cents per share, franked to 40% at 36%, paid 2 Jul 1999	40.6	
final dividend of 29 cents per share, unfranked, paid 18 Dec 1998		78.0
final dividend of 22 cents per share, franked to 36.4% at 36%, payable 17 Dec 1999	60.1	
Preference		
interim dividend of 2.5 cents per share, fully franked at 36%, paid 31 Jul 1998		0.05
interim dividend of 2.5 cents per share, franked to 40% at 36%, paid 31 Jul 1999	0.05	
final dividend of 2.5 cents per share, unfranked, paid 31 Jan 1999		0.05
final dividend of 2.5 cents per share, franked to 36.4% at 36%, payable 31 Jan 2000	0.05	
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the year were as follows:		
paid in cash	95.0	115.5
satisfied by issue of shares	23.7	15.2
Franking Credits		
franking credits available at the 36% corporate tax rate after allowing for tax payable in respect of the current year's profit and the payment of the proposed dividends is nil (1998 nil)		

	Consolidated		Consolidated	
	1999	1998	1999	1998
	%	%	\$m	\$m

22. Outside equity interests in controlled entities

Ordinary share capital of controlled entities held by outside equity interests in:

Australian Vinyls Corporation Ltd	37.4	37.4	27.8	27.8
Chai International Development Co Ltd	30.0	30.0	1.1	1.1
GBC Scientific Equipment Pty Ltd	33.4	33.4	0.3	0.3
Grow Force Australia Ltd	50.0	50.0	1.0	1.0
Ibernobel SA	20.0	20.0	-	-
Incitec Ltd	23.5	26.7	28.4	32.0
Initiating Explosives Systems Pty Ltd	30.0	30.0	6.9	6.9
Orica Nitro Patlayici Maddeler Ticaret ve Sanayi AS – formerly Nitrosan Patlayici Maddeler Ticaret ve Sanayi AS	49.0	49.0	1.5	1.5
Orica CCM Energy Systems Sdn Bhd	45.0	45.0	0.6	0.6
Orica Coatings (Fiji) Ltd	11.7	11.7	-	-
Orica Explosives Philippines Inc	10.6	10.6	0.2	0.2
Orica Weihai Explosives Co Ltd	20.0	20.0	3.3	4.7
			71.1	76.1

Outside equity interest in shareholders' equity at balance date is as follows:

share capital	71.1	76.1
reserves	27.5	30.7
retained profits	21.9	16.6
	120.5	123.4

Notes to the Financial Statements

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m

23. Cash flow information

Reconciliation of cashflows

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheets as follows:

cash	(9)	104.1	83.9	29.7	-
bank overdraft	(17)	(4.2)	(4.7)	-	-
		99.9	79.2	29.7	-

Reconciliation of operating profit after income tax to net cash flows from operating activities

Operating profit after income tax	198.0	450.9	292.4	433.3
Depreciation and amortisation	176.1	171.4	1.5	2.1
Decrease/(increase) in net interest payable	-	(4.4)	5.3	0.6
Increase/(decrease) in dividend income receivable	-	-	(104.1)	154.4
Write down of property, plant and equipment	6.3	65.9	-	-
Write down of intangibles	-	14.7	-	-
Net (profit) on sale of businesses and controlled entities	(75.9)	(396.7)	(29.3)	-
Net loss/(profit) on sale of property, plant and equipment	(4.6)	(15.0)	4.0	-
Changes in assets and liabilities excluding the effects of acquisitions and disposals of businesses/controlled entities				
decrease/(increase) in trade and other debtors	10.0	(15.7)	(2.9)	(0.1)
decrease/(increase) in inventories	64.6	(7.7)	-	-
increase/(decrease) in deferred taxes payable	(22.3)	(54.8)	-	(0.5)
increase/(decrease) in creditors and provisions	34.5	102.8	(3.4)	(6.5)
increase/(decrease) in income taxes payable	11.5	(38.9)	6.2	(16.4)
Net cash flows from operating activities	398.2	272.5	169.7	566.9

Disposal of businesses/controlled entities

Consideration				
cash received	378.9	603.6		
disposal costs	(19.6)	(13.7)		
provisions arising on disposals	(19.2)	(63.1)		
	340.1	526.8		

Fair value of net assets of businesses/controlled entities disposed

receivables	39.3	1.4		
inventories	85.1	57.4		
property, plant and equipment	307.4	87.9		
other assets	4.9	5.1		
creditors and long term borrowings	(196.2)	(13.1)		
sundry creditors	-	(8.6)		
provisions	(27.6)	-		
	212.9	130.1		
	127.2	396.7		
Unrealised profit on sale to associated companies	(51.3)	-		
Profit on sale of business/controlled entities	75.9	396.7		

Notes to the Financial Statements

	Consolidated	
	1999	1998
	\$m	\$m
23. Cash flow information (continued)		
Acquisition of businesses/controlled entities		
Consideration		
cash paid	34.8	561.3
acquisition costs	-	11.7
net cash acquired	-	(7.2)
	34.8	565.8
Fair value of net assets of businesses/controlled entities acquired		
receivables	3.6	135.2
inventories	10.1	116.6
property, plant and equipment	9.7	252.0
intangibles including purchased goodwill	6.8	140.1
other assets	1.5	18.7
creditors	(4.1)	(107.0)
loans	(3.1)	(55.7)
provisions	(2.0)	(43.5)
	22.5	456.4
Less outside equity interests at date of acquisition	-	(1.9)
	22.5	454.5
Goodwill on acquisition	12.3	111.3

Financing facilities

Details of standby arrangements and credit facilities are included in note 26.

Notes to the Financial Statements

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m

24. Contingent liabilities

(Unsecured unless stated)

Details and estimated amounts of contingent liabilities (for which no provisions are included in the accounts) arising in respect of:

Repayment of debentures assigned under contract	1.0	1.0	1.0	1.0
Discounted bills of exchange ⁽¹⁾	15.5	19.3	-	-

⁽¹⁾ Contingent liability on discounted bills of exchange represents gross discounted bills of exchange of \$75.5m net of insurance cover available in the event of customer default.

Other contingent liabilities

Guarantees and warranties

Under the terms of a Deed of Cross Guarantee entered into in accordance with the ASIC Class Order 98/1418 dated 13 August 1998, each company which is a party to the Deed has covenanted with the Trustee of the Deed to guarantee the payment of any debts of the other companies which are party to the Deed which might arise on the winding up of those companies. The entities which are party to the Deed are indicated in note 33. A consolidated balance sheet and profit and loss statement for this closed group is shown in note 34.

The consolidated entity has entered into various long term supply contracts. In certain cases minimum charges are payable regardless of the level of operations, but in all cases the levels of operations are expected to remain above those that would trigger minimum payments.

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 businesses which were divested during the current and prior years included normal commercial warranties and indemnities to the purchasers. The company is not aware of any exposure under these warranties and indemnities.

Claims

A controlled entity, Incitec Ltd, has received amended tax assessments for the years 1989 to 1991 of \$3.7m in respect of a sale and leaseback transaction. If extended to 1995 (date of finalisation of the lease), the potential charge against Incitec's profits would be \$16.7m. Legal and taxation advice supports Incitec's treatment of the sale and leaseback and no charge has been made against cumulative profits. Incitec is currently awaiting a decision from the Federal Court of Australia in relation to this matter.

The company and a number of its controlled entities are parties to litigation relating to the use of the insecticide Helix. In June 1997 these companies were found liable in negligence to four general categories of claimant represented in the action. Finalisation of litigation in respect of a further three categories of claims is still pending. All settlements and awards of damages to date have been paid by the companies' insurers. There are some claims for damages that still have not been resolved. These claims are being mediated or heard on an ongoing basis. On the basis of the information the company has received to date, the company believes that any damages that may be awarded, or any settlements which may be concluded in the future, will be covered by insurance policies.

Zeneca Ltd and Zeneca Inc have commenced proceedings against a controlled entity, Crop Care Australasia Pty Ltd in the Federal Court of Australia. The proceedings relate to the selective herbicides 'Achieve' and 'Venture' formulated by Crop Care for Zeneca under a Toll Formulation Agreement. Zeneca is claiming damages for alleged breach of contract, breach of section 52 of the Trade Practices Act and negligence by Crop Care in relation to 'Achieve' and 'Venture' sold by Zeneca Inc for the 1998 spraying season in Canada. Crop Care denies liability and is defending the claim. Crop Care has also issued a cross claim against Zeneca in relation to this matter.

From time to time the consolidated entity is subject to claims for damages arising from products supplied by the consolidated entity in the normal course of business. Controlled entities have received advice of claims relating to alleged failure to supply product suitable for particular applications. The entities concerned deny liability and are defending the claims. The controlled entities believe the actions are without basis and they will not be financially disadvantaged by the claims.

Environmental

The company has set up provisions for all known environmental liabilities in accordance with Statement of Accounting Concepts SAC4. While the directors believe that, based upon current information, its current provisions are appropriate, 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.

Notes to the Financial Statements

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m
25. Commitments				
Capital expenditure commitments				
Capital expenditure on property, plant and equipment contracted but not provided for and payable:				
no later than one year	69.9	56.1	-	-
later than one, no later than two years	15.0	4.9	-	-
later than two, no later than five years	10.7	-	-	-
	95.6	61.0	-	-
Lease commitments				
Lease expenditure contracted for at balance date but not recognised in the financial statements and payable:				
no later than one year	56.4	34.2	-	-
later than one, no later than two years	43.6	38.5	-	-
later than two, no later than five years	49.6	38.5	-	-
later than five years	12.8	16.6	-	-
	162.4	127.8	-	-
Representing				
cancellable operating leases	120.7	85.8	-	-
non-cancellable operating leases	41.6	41.8	-	-
future finance charges on finance leases	0.1	0.2	-	-
	162.4	127.8	-	-
Non-cancellable operating lease commitments payable:				
no later than one year	14.9	13.8	-	-
later than one, no later than two years	10.1	11.2	-	-
later than two, no later than five years	12.6	14.4	-	-
later than five years	4.0	2.4	-	-
	41.6	41.8	-	-
Finance lease commitments payable:				
no later than one year	1.2	1.4	-	-
later than one, no later than two years	0.8	1.4	-	-
later than two, no later than five years	0.9	0.8	-	-
	2.9	3.6	-	-
Less future finance charges	(0.1)	(0.2)	-	-
Present value of minimum lease payments provided for as a liability	2.8	3.4	-	-
Representing lease liabilities (see note 17)				
current	1.1	1.2	-	-
non-current	1.7	2.2	-	-
	2.8	3.4	-	-

Notes to the Financial Statements

	Consolidated		Company	
	1999	1998	1999	1998
	\$m	\$m	\$m	\$m
26. Standby arrangements and credit facilities				
Unsecured bank overdraft facilities available	84.3	83.5	-	-
Amount of facilities unused	80.1	79.1	-	-
Secured bank overdraft facilities available	4.6	0.8	-	-
Amount of facilities unused	4.6	0.8	-	-
Committed standby and loan facilities available	1,262.7	1,327.9	-	-
Amount of facilities unused	730.8	849.4	-	-
27. Amounts receivable and payable denominated in foreign currencies				
The consolidated entity does not have any material exposure to currency movements on foreign currency amounts receivable and payable due to the policy of entering into a range of financial instruments to hedge net exposure.				
The consolidated entity does not have any material long term receivables or payables denominated in currencies other than the domestic reporting currency of each relevant controlled entity that are not effectively hedged.				
28. Additional financial instruments disclosures				
The consolidated entity uses several techniques to reduce the exposure to loss from financial risks. The major types of risks are interest rate risk, foreign exchange risk, liquidity risk and credit risk.				
Interest rate risk management				
The consolidated entity uses interest rate swaps and forward rate agreements to manage the interest rate risk within guidelines authorised by the board of directors. The effective interest rate on average net debt for the twelve months ended 30 September 1999 was 6.1% (1998 6.1%).				
The notional amounts of derivative instruments as summarised below represent the contract or face values of these derivatives. The notional amounts do not represent amounts exchanged by the parties. The amounts to be exchanged will be calculated with reference to the notional amounts and the other terms of the derivative contracts.				
<i>Interest rate swaps</i>				
Interest rate swaps provide the consolidated entity with the facility to raise long term borrowings at floating or fixed interest rates and effectively swap the interest obligation into fixed or floating interest rates respectively that are lower than those available to the consolidated entity if fixed or floating rate borrowings were made directly. Each contract involves quarterly payment or receipt of the net amount of interest.				
The notional principal amounts and periods of expiry of these interest rate swap contracts are as follows:				
	1999		1998	
	\$m		\$m	
Less than one year	70.0		210.0	
One to five years	472.0		160.0	
Five to ten years	60.0		-	
Notional principal	602.0		370.0	
Fixed interest rate range p.a.	5.2% to 7.1%		5.2% to 8.4%	
Floating interest rate range p.a.	4.7% to 5.0%		4.7% to 5.2%	
<i>Forward rate agreements</i>				
Forward rate agreements (FRAs) are used by the consolidated entity to manage its exposure to short term interest rate fluctuations. On settlement date, the interest differential between the current interest rate and the contract reference rate based on the notional principal is exchanged. The expiration terms are principally 3 months. As at September 30 1999, the consolidated entity had no outstanding FRAs (1998 no outstanding FRAs).				

Notes to the Financial Statements

28. Additional financial instruments disclosures (continued)

Interest rate risk

The consolidated entity's exposure to interest rate risk and the weighted average effective interest rates on financial assets and liabilities at balance date are:

	Notes	Floating interest rate \$m	Fixed interest rates			Non-interest bearing \$m	Total \$m	Weighted average effective interest rate % pa
			1 year or less \$m	1 to 5 years \$m	5 years or more \$m			
30 September 1999								
Cash	(9)	104.1	-	-	-	-	104.1	4.4
Trade debtors	(10)	-	-	-	-	479.2	479.2	-
Investments	(11)	35.6	-	-	-	203.8	239.4	4.5
Total financial assets		139.7	-	-	-	683.0	822.7	
Trade creditors	(16)	-	-	-	-	474.8	474.8	-
Bank overdrafts ⁽⁹⁾	(17)	4.2	-	-	-	-	4.2	10.8
Short term borrowings	(17)	145.5	-	-	-	-	145.5	5.1
Commercial paper	(17)	129.2	-	-	-	-	129.2	5.0
Lease liabilities	(17)	2.8	-	-	-	-	2.8	7.4
Other borrowings	(17)	432.2	-	100.0	-	-	532.2	5.6
Employee entitlements	(18)	-	-	-	-	101.4	101.4	-
Dividends payable	(18)	-	-	-	-	60.2	60.2	-
Interest rate swaps ⁽¹⁰⁾		(602.0)	70.0	472.0	60.0	-	-	5.7
Total financial liabilities		111.9	70.0	572.0	60.0	636.4	1,450.3	
Net financial liabilities		(27.8)	70.0	572.0	60.0	(46.6)	627.6	
30 September 1998								
Cash	(9)	83.9	-	-	-	-	83.9	4.5
Trade debtors	(10)	-	-	-	-	516.6	516.6	-
Investments	(11)	-	-	-	-	17.3	17.3	-
Deposits	(11)	13.8	-	-	-	-	13.8	5.2
Total financial assets		97.7	-	-	-	533.9	631.6	
Trade creditors	(16)	-	-	-	-	462.5	462.5	-
Bank overdrafts ⁽⁹⁾	(17)	4.7	-	-	-	-	4.7	15.2
Short term borrowings	(17)	251.8	-	-	-	-	251.8	5.2
Commercial paper	(17)	48.9	-	-	-	-	48.9	5.0
Lease liabilities	(17)	3.4	-	-	-	-	3.4	8.5
Other borrowings	(17)	476.2	-	100.0	-	-	576.2	5.5
Employee entitlements	(18)	-	-	-	-	140.9	140.9	-
Dividends payable	(18)	-	-	-	-	78.1	78.1	-
Interest rate swaps ⁽¹⁰⁾		(370.0)	210.0	160.0	-	-	-	5.8
Total financial liabilities		415.0	210.0	260.0	-	681.5	1,566.5	
Net financial liabilities		317.3	210.0	260.0	-	147.6	934.9	

⁽⁹⁾ Weighted average effective interest rate includes offshore funding at local rates.

⁽¹⁰⁾ Interest rate swaps are off-balance sheet transactions.

Notes to the Financial Statements

28. Additional financial instruments disclosures (continued)

Foreign exchange risk management

Foreign exchange transaction risk management

Each of the consolidated entity's major business units has specific policies for the management of foreign exchange exposures within guidelines agreed by the board of directors. The consolidated entity's businesses hedge up to 100% of their foreign exchange transaction exposures depending on the broader impact of exchange rates upon their business and other relevant factors, with the hedging of exposures undertaken centrally by the consolidated entity's treasury operation primarily through forward foreign exchange contracts. Option contracts may also be used.

As at 30 September 1999, the Australian dollar value of the outstanding forward foreign exchange contracts was \$118.6m (1998 \$34.3m). These contracts rarely extend for a period longer than twelve months. The majority of the underlying exposures are against the United States dollar.

As at 30 September 1999, the consolidated entity had no outstanding option contracts.

For contracts which hedge anticipated sales and purchases, any unrealised gains and losses on the contracts, together with the costs of the contracts, will be recognised in the financial statements at the time the underlying transaction occurs. The net unrecognised gain on hedges of forward foreign currency purchases and sales at 30 September 1999 was \$3.3m (1998 loss of \$1.5m).

Foreign exchange translation risk management

Foreign currency translation risk is managed within guidelines agreed by the board of directors.

Hedging of exposures is undertaken centrally by the consolidated entity's treasury operations primarily through originating debt in the currency of the asset. The remaining translation exposure is managed primarily through forward foreign exchange contracts. Cross currency swaps may also be used.

As at 30 September 1999, the Australian dollar value of the outstanding forward foreign exchange contracts was \$212.7m (1998 nil). These contracts partially hedge US and Canadian dollar translation exposures and rarely extend for a period longer than twelve months.

As at 30 September 1999, the consolidated entity had no outstanding cross currency swaps.

Liquidity risk management

Liquidity risk arises from the possibility that a market for derivatives may not exist in some circumstances. To counter this risk, the consolidated entity deals only in derivatives in highly liquid markets.

Credit risk management

Credit risk represents the loss that would be recognised if counterparties failed to meet their obligations under the contract or arrangement. The major exposure to credit risk arises from trade receivables which have been recognised on the balance sheet net of any provision for doubtful debts (see note 10) and from derivative financial instruments.

The credit risk exposure arising from derivative financial instruments is the sum of all contracts with a positive replacement cost. As at 30 September 1999, the sum of all contracts with a positive replacement cost was \$15.8m (1998 \$10.1m). The consolidated entity restricts dealings to counterparties approved within its credit limit policy. Exposure to counterparties is based upon credit ratings provided by international credit rating agencies.

Net fair values of financial assets and liabilities

On-balance sheet financial instruments

The directors consider that the carrying amount of recognised financial assets and liabilities approximates their net fair values. Fair values of monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers, reduced for expected credit losses, or amounts due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows.

The net fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets of the respective corporations.

Off-balance sheet financial instruments

The net fair values of the consolidated entity's unrecognised financial assets and liabilities at balance date are:

	Net fair value	
	1999 \$m	1998 \$m
Interest rate swaps	7.3	(3.4)
Forward foreign exchange contracts	3.3	(1.5)

Net fair values of unrecognised financial instruments are determined according to the estimated amounts which the consolidated entity would be expected to pay or receive to terminate the contracts. This is based on independent market quotations and determined using standard valuation techniques.

Notes to the Financial Statements

29. Related party disclosures

Directors

The directors of the company during the year were:

P J Clinch	G R Liebelt
A B Daniels	B H Lochtenberg
B Healey	D P Mercer
G E Heeley	C M Walter
A C Larkin	P L Weickhardt

Employee share plan loans to directors

No employee share plan loans were made to executive directors and directors of controlled entities of the company during the year (1998 nil). Repayments received during the year totalled \$24,102 (1998 \$53,408).

The following executives directors and directors of controlled entities of the company during the year made employee share plan loan repayments:

G J Bird	B L Lynch	W O Reynolds	C A Spriggs	P L Weickhardt
T A Esplin	D A Lyons	G R Roberts	P Svozil	D A Williams
J E Fazzino	J R Lyons	R R Rose	I G Treeby	W D Wilson
P B Hill	A G Millar	R A Russell	S J Walker	ME Winstanley
W K Hughes	S D Moore	W N Skilbeck	B C Walsh	G J Witcombe
A D King	A J Reeves	L K Smith	J I Watt	M A Yabsley
G R Liebelt				

Total employee share plan loans receivable from directors at balance date were \$98,038 (1998 \$122,140). These loans are on terms and conditions no more favourable than the interest free concessional terms available to other employees under the employee share plan detailed in note 30.

Other loans to directors

Employee loans made during the year to executives, who were directors of controlled entities of the company, amounted to \$415,900 (1998 \$177,400).

Employee loans were made to the following executives, who were directors of controlled entities:

A M Abacs	C B Jackson	A D King	C A Spriggs	D A Williams
C G Alston				

The following executives, who were directors of controlled entities of the company during the year, made loan repayments amounting to \$48,700 (1998 \$9,300) during the year:

A M Abacs	A D King	W N Skilbeck	C A Spriggs	D A Williams
C G Alston	A J Reeves			

Total employee loans receivable from the directors at balance date were \$560,600 (1998 \$208,500).

Interest of between 0.0% to 7.5% p.a. is charged on the employee loans. Interest charged and paid during the year amounted to \$12,400 (1998 nil interest charged and paid). There were no other loans made, payments received or amounts receivable from the executive directors and directors of controlled entities.

Directors' transactions in shares and options

	1999			1998		
	Acquired during the year ⁽ⁱ⁾	Disposed of during the year ⁽ⁱ⁾	Balance at year end ⁽ⁱⁱ⁾	Acquired during the year ⁽ⁱ⁾	Disposed of during the year ⁽ⁱ⁾	Balance at year end ⁽ⁱⁱ⁾
Orica Limited						
Ordinary shares	23,275	-	94,940	7,496	-	71,665
Options	605,000	-	980,000	275,000	-	450,000

⁽ⁱ⁾ Shares and options acquired or disposed by directors while they are directors of the company

⁽ⁱⁱ⁾ Balance of shares held by directors at balance date

Notes to the Financial Statements

29. Related party disclosures (continued)

Other directors' transactions

J D Story, a director of Grow Force Australia Ltd, is a partner of a legal firm which provides legal advice to Grow Force Australia Ltd. Fees of \$136,000 (1998 \$151,000) were paid to the legal firm for legal services.

D B Trebeck, a director of Incitec Ltd, is a director of a company which provides consulting services to Incitec Ltd. Fees of \$15,400 (1998 \$6,000) were paid to the company for consulting services.

R G Grey, a director of GBC Scientific Equipment Pty Ltd, is a director of a company which purchases from and sells to GBC Scientific Equipment Pty Ltd. Purchases of \$212,000 (1998 \$245,000) and sales of \$nil (1998 \$5,000) were made with the company.

S Saurajen, a director of Orica Singapore Pte Ltd, is a consultant of a legal firm which provides legal advice to Orica Singapore Pte Ltd. Fees of \$5,800 (1998 nil) were paid to the legal firm for legal services.

T A Esplin, an alternate director of Initiating Explosives Systems Pty Ltd, is a director of a company which provided project management services to Initiating Explosives Systems Pty Ltd. Fees of \$60,000 (1998 \$57,000) were paid to the company for project management services.

K Uawithya, a director of Chai International Development Co Ltd, is an employee of Goldfinch Holdings Limited which provides consultancy services to Chai International Development Co Ltd. Fees of \$109,000 (1998 \$74,800) were paid to the company.

K Uawithya and N Uawithya, both directors of Chai International Development Co Ltd, each received lease rental amounting to \$80,700 and \$24,600 respectively (1998 \$17,200 and \$41,300) for land leased by Chai International Development Co Ltd.

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

Other transactions entered into during the year with directors of the company and controlled entities were on terms and conditions no more favourable than those available to other customers, suppliers and employees and were of a trivial nature. These included the reimbursement of relocation expenses, housing assistance for relocation, minor purchases of product, eligible health benefits, the purchase and/or sale of shares and the receipt of dividends.

Remuneration of directors is disclosed in note 32.

Transactions with wholly owned controlled entities

Transactions between Orica Limited and entities in the wholly owned group during the year consisted of:

- rental revenue received by Orica for the use of land and buildings
- management fees received and paid by Orica for accounting and administrative assistance
- interest revenue received and paid by Orica for money deposited with or loaned from Orica Finance Ltd
- dividend revenue received by Orica.

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

Transactions with other related parties

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

Transactions during the year were:

Transactions of Orica – none.

Transactions of Orica's controlled entities:

- Australian Vinyls Corporation Ltd purchased goods from associated companies, Qenos Holdings Pty Ltd and Chemtrans Asiatic Ltd amounting to \$0.4m and \$2.0m respectively (1998 nil).
- Gorodok Pty Ltd sold goods and services to Qenos Holdings Pty Ltd amounting to \$5.5m (1998 nil).
- Incitec Ltd purchased goods and services from Chemtrans Asiatic Ltd, amounting to \$16,500 (1998 \$17,000).
- Orica Australia Pty Ltd purchased goods from an associated company, Pigment Manufacturers of Australia Ltd amounting to \$14.0m (1998 \$15.0m).
- Orica Australia Pty Ltd purchased goods from Qenos Holdings Pty Ltd amounting to \$1.2m (1998 nil) and received reimbursement for site utility costs of \$0.5m (1998 \$nil).
- Orica Finance Ltd received funds on deposit from Pigment Manufacturers of Australia Ltd. The funds are repayable on demand, interest is set at a margin on the BBSW 30 day average rate and is renegotiated monthly. The amount on deposit at 30 September 1999 was \$1.2m (1998 \$1.5m) and the interest paid for the year was \$53,000 (1998 \$18,000).
- Orica Finance Ltd made a loan to Qenos Holdings Pty Ltd. The funds are repayable on demand, interest is set at a margin on the BBSW last day of month rate and is renegotiated monthly. The amount on loan at 30 September 1999 was \$153.5m (1998 nil) and the interest received for the year was \$2.0m (1998 nil).
- Orica Insurance Pty Ltd received insurance premiums of \$1.4m (1998 nil), from Qenos Holdings Pty Ltd.
- Energetic Solutions Inc. sold goods to an associated company, Northwest Energetic Services LLC, amounting to \$4.2m (1998 \$0.6m for the period from date of acquisition of Energetic Solutions to 30 September 1998).
- Orica Canada Inc. sold explosives to an associated company, BXL Bulk Explosives Limited, amounting to \$11.8m (1998 \$4.6m for the period from date of acquisition of Orica Canada to 30 September 1998).
- Energetic Solutions Inc received royalty and technology fees of \$2.9m (1998 nil) from BXL Bulk Explosives Limited.
- Orica Europe Limited sold goods and seconded staff to an associated company, Emirates Explosives LLC amounting to \$0.3m (1998 nil).

Notes to the Financial Statements

29. Related party disclosures (continued)

Additional related party disclosures

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

Dividend income	note 2
Interest payable and receivable	note 2, 3
Receivables	note 10
Investments in controlled entities	note 11, 33
Accounts payable	note 16
Borrowings	note 17
Options	note 19
Remuneration of directors	note 32

30. Employee share plans

Employee share plan

The Orica employee share plan was established on 10 June 1987 following shareholder approval. As a result, a trust was established, known as the Orica Employee Share Plan (the Plan) which is administered by the trustee (the Plan Manager).

Under the terms of the Plan, the Plan Manager invites eligible employees to purchase shares in Orica and purchases them on their behalf. Employees who have completed at least two years and executives at least six months service with Orica or a wholly owned subsidiary within the consolidated entity are considered eligible. Offers are made to these employees once they become eligible and are made on the following basis:

- shares are purchased on market on behalf of employees by the Plan Manager at market price
- employees are entitled to purchase at least 400 ordinary shares with a maximum loan of \$6,000
- loans are made to employees by Orica Australia Pty Ltd to purchase shares and are interest free
- repayment of loans to employees must be made within ten years and repayments are deducted from employees' salaries
- employees who leave the consolidated entity must settle their outstanding loan as soon as practicable.

Offers have been made quarterly since the Plan began. As at 30 September 1999, participating members held a total of 565,886 (1998 983,523) ordinary shares in Orica. The market price of the shares at that date was \$8.25 per share (1998 \$8.20 per share).

The balance of loans receivable from employees participating in the Plan at balance date was \$2.6m (1998 \$3.2m).

Orica provides the Plan Manager with interest free finance to acquire shares. As at 30 September 1999, the loan outstanding to the Plan Manager was \$81,000 (1998 nil).

General employee exempt share plan

The general employee exempt share plan (GEESP) was established on 13 March 1998. It is administered by a custodial plan company, Orica GEESP Pty Ltd, a company formed solely to facilitate the operation of the GEESP on behalf of the company.

The Orica Limited board of directors determines which employees are eligible to receive offers to participate in the GEESP. Offers are made to these eligible employees on the following basis:

- shares acquired are either newly issued shares or existing shares acquired on market
- employees are each entitled to acquire shares with a market value of approximately \$1,000
- loans are made to employees by the custodial plan company to purchase shares and are interest free
- repayment of loans to employees must be made by twelve equal deductions from employees' salaries
- employees who leave the consolidated entity must settle their outstanding loan as an adjustment to their termination payment
- employees cannot dispose of the shares for a period of three years from date of purchase or until they leave their employment with Orica, whichever comes first.

An offer under GEESP was made on 15 June 1999. As at 30 September 1999, participating members held a total of 405,220 (1998 256,150) ordinary shares in Orica. The market price of the shares at that date was \$8.25 (1998 \$8.20) per share.

The balance of loans receivable from employees to the custodial plan company at 30 September 1999 was \$1.4m (1998 \$1.3m).

Orica provides the custodial plan company with interest free finance to acquire the shares. As at 30 September 1999, the loan outstanding to the custodial plan company was \$1.4m (1998 \$1.3m).

Notes to the Financial Statements

31. Superannuation commitments

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

Company sponsored plans

Australia and New Zealand

- The principal benefits are pensions or lump sums for members on resignation, retirement, disability or death. The benefits are provided on either a defined benefit basis or an accumulation basis.
- Employee contribution rates are either fixed by the rules of the fund or selected by members from time to time from a specified range of rates. The employer companies contribute the balance of the cost required to fund the defined benefits or, in the case of accumulation funds, the amounts required by the rules of the fund. Based upon actuarial advice received in October 1998, the company recommenced employer contributions in the first quarter of the 1999 financial year.
- The contributions made by the employer companies are legally enforceable.
- The last actuarial assessments in respect of defined benefits for employees belonging to the funds were:
 - Orica Group Superannuation Fund – 30 June 1997 by A Dillon FIA, FIAA.
 - Orica New Zealand Limited Pension Plan – 1 April 1997 by Ian Midgley MA, FIA, FIAA, FNZSA.

Based on the position at the above mentioned dates, funds are available to satisfy all benefits vested in the event of:

- termination of the plan;
- voluntary termination of the employment of each employee of the consolidated entity on the initiative of that employee; or
- compulsory termination of the employment of each employee of the consolidated entity by the consolidated entity.
- The accrued benefits, based on the last major actuarial assessments, the plan assets at net market value and the vested benefits at the balance dates shown of the superannuation plans sponsored by the company are:

	1999				1998			
	Accrued benefits* \$m	Plan assets \$m	Net difference# \$m	Vested benefits \$m	Accrued benefits* \$m	Plan assets \$m	Net difference# \$m	Vested benefits \$m
Orica Group Superannuation Fund Balance date: 30 June	705.9	670.6	(35.3)	632.9	705.9	734.9	29.0	720.6
Orica New Zealand Limited Pension Plan Balance date: 31 March	36.3	36.8	0.5	35.5	35.7	40.0	4.3	33.6
	742.2	707.4	(34.8)	668.4	741.6	774.9	33.3	754.2

* Accrued benefits are as at the last major actuarial assessment, being 30 June 1997 for the Orica Group Superannuation Fund and 1 April 1997 for the Orica New Zealand Limited Pension Plan.

This is the net difference between the accrued benefits at the last major actuarial assessment and the market value of the plan assets at the balance date of the fund. The negative difference for the Orica Group Superannuation Fund is primarily due to lower plan assets resulting from a reduction in the number of members during the year compared to accrued benefits assessed on 30 June 1997 which have not been reassessed for this change in membership.

- There were no employer contributions payable at balance date.

Notes to the Financial Statements

31. Superannuation commitments (continued)

Europe

- The Orica UK Pension Scheme was established with effect from 1 May 1998 for permanent employees transferring to Orica Europe Limited following the purchase of Imperial Chemical Industries PLC's (ICI PLC) international explosives businesses. The employer company is paying contributions of 13.4% of pensionable pay (plus expenses and early retirement costs) as recommended in an initial actuarial assessment by A A S Bryans BSc, FIA, FPMI, CMath, FIMA. During the year, these contributions amounted to \$0.7m (1998 \$0.3m). In May 1999, a bulk transfer of \$14.4m was received from the ICI Pension Fund. An actuarial valuation, including a review of the employer contribution rate, will be carried out by early 2000.

Americas

- The Pension Plan for Orica Canada Inc. was established with effect from 1 May 1998, as a result of the purchase of ICI PLC's explosives business in Canada. The estimated employer cost of the defined benefit pension plan is approximately 5.4% of pensionable earnings. Assets from the ICI Pension Plan will be transferred to the Orica Plan to cover benefits earned during membership of the ICI Pension Plan by the members who transferred to Orica. Since the final amount of asset transfer has not been determined at this time, a formal actuarial valuation of the Plan has not been performed. An actuarial valuation, including a review of the employer contribution rate, will be carried out as soon as practical after the amount of asset transfer has been finalised. An initial actuarial assessment carried out on 1 May 1998 by Amy Pun FSA, FCIA showed actuarial benefits of \$42.2m. The estimated assets of the plan and the estimated vested benefits under the plan as at 30 September 1999 were \$38.2m and \$29.3m respectively. The net deficit of plan assets over accrued benefits is \$4.0m and will be made up over the Expected Average Remaining Service Lifetime (EARSL), which is 13 years.
- The Energetic Solutions Retirement Income Plan is a defined benefit fund established to provide pensions for employees of Energetic Solutions Inc., Orica (US) Inc., Orica International Management Inc. and Atlas Powder International Inc. Contributions are determined on a projected unit credit method of funding. On 5 April 1999, a bulk transfer of \$8.8m was received from ICI Master Trust Plan. The latest estimated actuarial assessment made on 30 September 1999 by Deborah Distler, FSA showed actuarial benefits of \$15.2m (1998 \$16.9m). The assets of the plan and vested benefits under the plan as at 30 September 1999 were \$9.8m and \$7.5m (1 May 1998 \$9.9m and \$7.9m) respectively. The estimated net deficit of plan assets over actuarial benefits is \$5.4m (1 May 1998 \$7.0m) and will be made up by employer contributions over 30 years in accordance with local regulatory requirements.

Industry/union plans

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

Notes to the Financial Statements

	Consolidated		Company	
	1999 \$000	1998 \$000	1999 \$000	1998 \$000

32. Remuneration of directors and executives

Directors

Aggregate of income paid or payable, or otherwise made available, to all directors by the consolidated entity or any related party

20,532	16,641	3,749	3,080
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The number of directors of the company whose total income from the company or any related party was within the specified bands are as follows:

	No.	No.
\$		
60,000 – 69,999	3	3
70,000 – 79,999	2	1
170,000 – 179,999	1	1
340,000 – 349,999	–	1
350,000 – 359,999	–	1
460,000 – 469,999	–	1
560,000 – 569,000	1	–
620,000 – 629,999	–	1
660,000 – 669,999	1	–
840,000 – 849,999	1	–
850,000 – 859,999	–	1
1,160,000 – 1,169,999	1	–

Executive officers – domiciled in Australia

Aggregate of income received or due and receivable by executive officers (including executive directors) whose income is more than \$100,000. An executive officer is a person who is directly accountable and responsible for the strategic direction and operational management of Orica.

\$000	\$000	\$000	\$000
19,085	16,959	2,070	2,295

The number of executive officers with income of more than \$100,000 is shown in the relevant income bands:

	No.	No.	No.	No.
\$				
100,000 – 109,999	–	5	–	–
110,000 – 119,999	4	4	–	–
120,000 – 129,999	2	6	–	–
130,000 – 139,999	5	7	–	–
140,000 – 149,999	3	3	–	–
150,000 – 159,999	8	13	–	–
160,000 – 169,999	5	6	–	–
170,000 – 179,999	7	7	–	–
180,000 – 189,999	10	4	–	–
190,000 – 199,999	2	7	–	–
200,000 – 209,999	4	3	–	–
210,000 – 219,999	1	4	–	–
220,000 – 229,999	4	–	–	–
230,000 – 239,999	6	3	–	–
240,000 – 249,999	3	1	–	–
250,000 – 259,999	2	1	–	–
260,000 – 269,999	–	1	–	–
270,000 – 279,999	1	–	–	–
280,000 – 289,999	–	1	–	–
300,000 – 309,999	1	2	–	–
330,000 – 339,999	2	–	–	–
350,000 – 359,999	3	1	–	1
360,000 – 369,999	1	–	–	–
400,000 – 409,999	1	–	–	–
440,000 – 449,999	1	–	–	–
460,000 – 469,999	1	1	–	1
470,000 – 479,999	1	–	–	–
540,000 – 549,999	–	1	–	–
560,000 – 569,999	1	–	1	–
580,000 – 589,999	1	–	–	–
620,000 – 629,999	–	1	–	1
660,000 – 669,999	1	–	1	–
710,000 – 719,999	–	1	–	–
840,000 – 849,999	1	–	1	–
850,000 – 859,999	–	1	–	1

Notes to the Financial Statements

Name of entity	Place of incorporation other than Australia	Notes
33. Investments in controlled entities		
Company		
Orica Limited		
Controlled Entities		
Olefines Pty Ltd (b)		Disposed of in 1999
Orica Australia Pty Ltd (a)		
Orica Engineering Pty Ltd (a)		
Orica Finance Ltd		
Orica Nominees Pty Ltd (a)		
Penlon Pty Ltd (a)		
Orica Papua New Guinea Pty Ltd	PNG	
British Paints (PNG) Pty Ltd	PNG	
Dulux Papua New Guinea Pty Ltd	PNG	
United Pacific Drilling (PNG) Pty Ltd	PNG	
Orica Investments Pty Ltd (a)		
Advanced Sciences Pty Ltd (a)		
Australian Vinyls Corporation Ltd		
AVC Properties Pty Ltd		
BJN Investments Pty Ltd		In liquidation
CHEM Advisory Services Pty Ltd (a)		
CHEM Exports Pty Ltd (a)		
CHEM Instruments Pty Ltd (a)		
CHEM International Pty Ltd (a)		
CHEM Powder Coatings Pty Ltd		
Dulux Holdings Pty Ltd (a)		
GBC Scientific Equipment Pty Ltd		
GBC Scientific Equipment Pty Inc	USA	
GBC Scientific Equipment (UK) Ltd	UK	
GBC Scientific International Pty Ltd		
Gorodok Pty Ltd (b)		
Incitec Ltd		
Incitec Investments Ltd		
ACF and Shirleys Ltd		
Austral-Pacific Fertilizers Limited		
Crop Care Australasia Pty Ltd		Owned 50% by Incitec & 50% by Orica Investments
Crop Care Holdings Ltd	NZ	
Eastern Nitrogen Limited		
Grow Force Australia Ltd		
Incitec Trading Pty Ltd		
Retec Ltd		
Incitec Services Pty Ltd		
Initiating Explosives Systems Pty Ltd		
KC Chemical Industries Pty Ltd (a)		
Orica-CCM Energy Systems Sdn Bhd	Malaysia	
Orica Coatings (Fiji) Ltd	Fiji	
Orica Explosives Holdings Pty Ltd (b)		
Brasex Participacoes Ltda	Brazil	
Orica Brasil Ltda	Brazil	Formerly Explo Brasil Ltda
ICI Explosives Guyana Inc	Guyana	
Orica Argentina SAIC	Argentina	Formerly ICI Explosives Argentina SAIC
Orica Canada Inc	Canada	
Orica Chile SA	Chile	
Orica Europe Limited	UK	

Notes to the Financial Statements

Name of entity	Place of incorporation other than Australia	Notes
33. Investments in controlled entities (continued)		
ICI Systemes SARL	France	
Orica European Investments Limited	UK	
Ibernobel SA	Spain	
Compania Aragonesa Explosivos SA	Spain	
Orica Nitro Patlayici Maddeler Ticaret ve Sanayi AS	Turkey	Formerly Nitrosan Patlayici Maddeler Ticaret ve Sanayi AS
Orica Securities Limited	UK	
Orica Explosives Research Pty Ltd		Acquired during the financial year
Orica Explosives Technology Pty Ltd		Formerly Orica Trading Pty Ltd
Orica International Management Inc	USA	
Orica Peru SA	Peru	
Orica (US) Inc	USA	
Atlas Powder International Inc	USA	
Orica Puerto Rico Inc	Puerto Rico	Formerly ICI Explosives Puerto Rico Inc
Energetic Solutions Inc	USA	
Oricorp Mexico SA de CV	Mexico	
Explosivos Mexicanos SA de CV	Mexico	
Nitroamonia de Mexico SA de CV	Mexico	
Oricorp Commercial SA de CV	Mexico	Acquired during the financial year
Orica Fiji Ltd	Fiji	
Orica Films Asia Sdn Bhd	Malaysia	
Orica GEESP Pty Ltd		
Orica Holdings Pty Ltd		
Orica Weihai Explosives Co Ltd	China	
Orica Hong Kong Limited	Hong Kong	
Orica Insurance Pty Ltd		
Orica Investments (NZ) Limited	NZ	
Orica New Zealand Limited	NZ	
Berger Paints Limited	NZ	
British Paints New Zealand Limited	NZ	
Chemical Cleaning Limited	NZ	
Chemnet Limited	NZ	
Chemsafe New Zealand Limited	NZ	
Dulux New Zealand Limited	NZ	
Levene Paint Manufacturing Limited	NZ	
Oregon Paint Company Limited	NZ	
Selleys Chemical Co NZ Limited	NZ	
Orica Investments (Thailand) Pty Ltd		
Orica Explosives (Thailand) Co Ltd	Thailand	
Chai International Development Co Ltd	Thailand	
Orica Share Plan Pty Ltd		Incorporated during the financial year
Orica Singapore Pte Ltd	Singapore	
Orica Explosives Philippines Inc	Philippines	
PT Orica Mining Services	Indonesia	
Orica Watercare Vietnam Ltd	Vietnam	Acquired during the financial year
PT Orica Resindo Mahakam	Indonesia	
Sarkem Limited (a)		
Selleys Pty Ltd (a)		
SHE Pacific Pty Ltd		
Valchem (Australia) Pty Ltd		Liquidated during the financial year

Refer Note 22 for outside equity interests in controlled entities.

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

(b) These entities were removed from the Deed of Cross Guarantee with Orica on 10 September 1999.

Notes to the Financial Statements

	Closed Group 1999 \$m	Closed Group 1998 \$m
34. Deed of cross guarantee		
Entities which are party to a Deed of Cross Guarantee, entered into in accordance with ASIC Class Order 98/1418 dated 13 August 1998, are indicated in note 33. A consolidated balance sheet and profit and loss statement for this closed group is given below.		
Balance sheet		
Current assets		
Cash	1,094.8	610.8
Receivables	261.1	62.5
Inventories	167.8	17.8
Other assets	8.4	2.1
Total current assets	1,532.1	693.2
Non-current assets		
Investments	1,105.3	1,071.6
Property, plant and equipment	615.4	482.6
Intangibles	63.4	52.5
Other assets	107.2	20.8
Total non-current assets	1,891.3	1,627.5
Total assets	3,423.4	2,320.7
Current liabilities		
Accounts payable	227.4	43.4
Borrowings	1,333.5	995.0
Provisions	170.1	107.1
Total current liabilities	1,731.0	1,145.5
Non-current liabilities		
Borrowings	-	1.1
Provisions	191.4	33.3
Total non-current liabilities	191.4	34.4
Total liabilities	1,922.4	1,179.9
Net assets	1,501.0	1,140.8
Shareholders' equity		
Share capital	465.0	427.4
Reserves	141.2	90.4
Retained profits	894.8	623.0
Total shareholders' equity	1,501.0	1,140.8
Profit and loss statement		
Operating profit before income tax	245.4	424.4
Income tax attributable to operating profit	22.2	18.0
Operating profit after income tax	267.6	442.4
Retained profits at the beginning of the financial year	623.0	314.7
Retained profits of companies joining and leaving the Deed	105.0	-
Dividends paid/provided	(100.8)	(134.1)
Retained profits at the end of the financial year	894.8	623.0

Notes to the Financial Statements

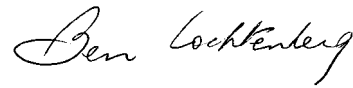
	Consolidated 1999 %	1998 %	Consolidated 1999 \$m	1998 \$m
35. Investments in associates				
Name	Principal activity	Balance date		
Botany Industrial Park Pty Ltd	Facility management service	30 Sep	33.3	-
BXL Bulk Explosives Ltd	Manufacture and sale of explosives	31 Oct	50.0	50.0
Chemtrans Asiatic Limited	Provision and marketing of specialist transport services	31 Dec	49.0	49.0
Emirates Explosives LLC	Manufacture and sale of explosives	31 Dec	49.0	-
Indian Explosives Limited	Manufacture and sale of explosives	31 March	49.0	-
Nelson Brothers Mining Service LLC	Supply of explosives	30 Sep	27.7	-
Nobeltax SA	Manufacture and sale of explosives	30 Sep	48.0	48.0
Northwest Energetic Services LLC	Manufacture and sale of explosives	31 Dec	33.3	33.3
Pigment Manufacturers of Australia Limited	Distribute chemical products	31 Dec	50.0	50.0
Qenos Holdings Pty Ltd	Manufacture and sale of polyethylene	31 Dec	50.0	-
			203.8	16.1
Results of associates⁽¹⁾				
Share of associates' operating profit before income tax				0.2
Share of associates' income tax attributable to operating profit				-
Share of associates' net profit				0.2
Adjustment for unrealised profit				-
Share of associates' net profit equity accounted				0.2
Share of post-acquisition retained profits and reserves attributable to associates⁽¹⁾				
<i>Retained profits</i>				
Share of associates' retained profits at the beginning of the financial year				-
Share of associates' net profit				0.2
Dividends from associates				-
Share of associates' retained profits at the end of the financial year				0.2
Movements in carrying amounts of investments⁽¹⁾				
Carrying amount of investments in associates at the beginning of the financial year				16.1
Investments in associates acquired during the year				187.5
Share of associates' net profit				0.2
Carrying amount of investments in associates at the end of the financial year				203.8
Contingent Liabilities⁽¹⁾				
Share of associates' contingent liabilities				
Discounted bills of exchange				1.0
Commitments⁽¹⁾				
Share of associates' operating lease commitments				0.1
Summary performance and financial position of associates⁽¹⁾				
The aggregate profits, assets and liabilities of associates are:				
Net profits after tax				0.9
Assets				46.6
Liabilities				24.8

⁽¹⁾ Comparatives are not shown as investments in associates were not equity accounted in 1998.

Directors' Declaration on the Financial Report set out on pages 6 to 45

I, Bernard Hendrik Lochtenberg, 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 6 to 45, are in accordance with the Corporations Law, including:
 - (i) giving a true and fair view of the financial position of the company and the consolidated entity as at 30 September 1999 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations; 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.
2. There are reasonable grounds to believe that the company and the subsidiaries identified in note 33 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the company and those subsidiaries pursuant to ASIC Class Order 98/1418.



B H Lochtenberg
Chairman

Dated at Melbourne this 29th day of October 1999

Auditors' Report

For the year ended 30 September 1999

Independent Auditor's Report to the Members of Orica Limited

Scope

We have audited the financial report of Orica Limited for the financial year ended 30 September 1999, consisting of the profit and loss statements, balance sheets, statements of cash flows, accompanying notes, and the directors' declaration set out on pages 6 to 46. 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 year or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

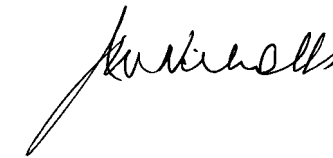
Audit Opinion

In our opinion, the financial report of Orica Limited is in accordance with:

- (a) the Corporations Law, including:
 - i) giving a true and fair view of the Company's and the consolidated entity's financial position as at 30 September 1999 and of their performance for the financial year ended on that date; and
 - ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.



KPMG



JW Nicholls
Partner

Dated at Melbourne this 29th day of October 1999

Shareholders' Statistics

As at 11 October 1999

Distribution of Ordinary Shareholders and Shareholdings

Size of holding	Number of holders		Number of shares	
1 – 1,000	42,918	68.22%	19,793,220	7.25%
1,001 – 5,000	17,453	27.74%	36,624,539	13.41%
5,001 – 10,000	1,617	2.57%	11,498,907	4.21%
10,001 and over	928	1.47%	205,238,318	75.13%
Total	62,916	100.00%	273,154,984	100.00%

Included in the above total are 1,816 shareholders holding less than a marketable parcel of 59 shares. The holdings of the 20 largest holders of fully paid ordinary shares represent 57.13% of that class of shares.

Twenty largest ordinary fully paid shareholders

	Shares	% of total
Westpac Custodian Nominees Limited	31,957,633	11.70
Chase Manhattan Nominees Limited	27,796,595	10.18
National Nominees Limited	20,207,613	7.40
ANZ Nominees Limited	14,342,116	5.25
BT Custodial Services Pty Limited	12,417,975	4.55
Perpetual Nominees Pty Limited	7,412,365	2.71
Citicorp Nominees Pty Limited	6,127,221	2.24
Queensland Investment Corporation	5,862,422	2.15
AMP Nominees Pty Limited	4,974,151	1.82
IOOF Australia Trustees (NSW) Limited	4,850,870	1.78
Mercantile Mutual Life Insurance Company Limited	4,115,564	1.51
AMP Life Limited	3,445,602	1.26
Tyndall Life Insurance Company Limited	2,451,766	0.90
Permanent Trustee Australia Limited	1,926,892	0.70
Australian Foundation Investment Company Limited	1,790,286	0.66
Commonwealth Custodial Services Limited	1,580,289	0.58
GIO Personal Investment Services Limited	1,349,325	0.49
Perpetual Trustees Australia Limited	1,187,065	0.43
MLC Life Ltd	1,144,305	0.42
UBS Nominees Pty Ltd	1,100,509	0.40
Total	156,040,564	57.13

Register of substantial shareholders

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

22 November 1998	UBS Nominees Pty Ltd	17,371,508	6.46%
25 January 1999	Perpetual Trustees Australia Limited	19,416,105	7.18%
19 July 1999	Royal and Sun Alliance Australia Holdings Limited	22,524,319	8.32%
18 August 1999	Delaware International Advisors Limited	16,422,922	6.04%

Shareholders' Statistics

As at 11 October 1999

Distribution of Preference Shareholders and Shareholdings

Size of holding	Number of holders		Number of shares	
1 – 1,000	306	77.46%	93,890	4.69%
1,001 – 5,000	50	12.66%	134,507	6.73%
5,001 – 10,000	12	3.04%	98,441	4.92%
10,001 and over	27	6.84%	1,673,162	83.66%
Total	395	100.00%	2,000,000	100.00%

Included in the above total are 230 shareholders holding less than a marketable parcel of 454 shares. The holdings of the 20 largest holders of 5% cumulative preference shares represent 79.64% of that class of shares.

Twenty largest 5% cumulative preference shareholders

	Shares	% of total
National Roads and Motorists Association	569,250	28.46
NRMA Investments Pty Ltd	369,472	18.47
Super John Pty Limited	130,440	6.52
Mr John Frederick Bligh	58,153	2.91
Winpar Holdings Limited	55,670	2.78
J S Millner Holdings Pty Ltd	55,300	2.76
Patmic Pty Ltd	40,300	2.01
Tanlane Pty Limited	40,000	2.00
Robert John Charles Catto	36,102	1.81
Ms Nina Tschernykov	34,500	1.73
Gowing Bros Ltd	33,400	1.67
Mr Ian Morton	29,600	1.48
Great Northern Laundry Pty Ltd	26,000	1.30
Grampian Hills Pty Ltd	21,400	1.07
Henley Underwriting & Investment Company Pty Limited	18,000	0.90
Robert Franklin Cameron	16,936	0.85
Mr Douglas Robert Graham Neild	15,500	0.78
Arthurs Trading Co Pty Ltd	15,000	0.75
Mrs Deborah Lee Morton	14,136	0.71
Mr Allistair Hazard	13,643	0.68
Total	1,592,802	79.64

Voting rights

Voting rights as governed by the Constitution of the company provide that each ordinary shareholder present in person or by proxy at a meeting shall have:

(a) on a show of hands, one vote only;

(b) on a poll, one vote for every fully paid ordinary share held.

No voting rights attach to the 5% cumulative preference shares except as defined in the Constitution.

Ten Year Financial Statistics

Orica consolidated

	1999 \$m
Sales	3,959.8
Earnings before net interest and tax	303.6
Depreciation and amortisation	176.1
Trading cash flow	479.7
Net interest	45.2
Operating profit before income tax and abnormal items	258.4
Operating profit after tax and before abnormal items	156.4
Operating profit after tax and abnormal items	186.2
Dividends	100.8

Current assets	1,377.8
Property, plant and equipment	1,444.3
Investments	239.4
Intangibles	258.4
Other non-current assets	209.7
Total assets	3,529.6
Current payables	531.4
Current borrowings	280.0
Current provisions	312.3
Non-current payables	0.1
Non-current borrowings	533.9
Non-current provisions	274.7
Total liabilities	1,932.4
Net assets	1,597.2
Shareholders' equity	1,476.7
Equity attributable to minority interests	120.5
Total shareholders' equity	1,597.2

Profit margin	%	7.7
(earnings before net interest and tax/sales)		
Interest cover	times	6.7
(earnings before net interest and tax/net interest)		
Gearing	%	30.8
(net debt/net debt plus equity)		
Earnings per share including abnormal items	cents	68.8
Dividends per share	cents	37.0
Dividend franking	%	37.9
Share price range – High		\$9.60
Low		\$7.97

1998 \$m	1997 \$m	1996 \$m	1995 \$m	1994 \$m	1993 \$m	1992 \$m	1991 \$m	1990 \$m
3,935.2	3,602.1	3,457.6	3,365.3	3,060.5	2,834.8	2,769.0	2,836.7	2,010.4
389.1	438.6	376.3	423.5	313.2	240.2	199.2	182.9	205.1
171.4	158.9	130.4	137.3	154.2	146.8	164.2	144.4	125.4
560.5	597.5	506.7	560.8	467.4	387.0	363.4	327.3	330.5
62.7	37.0	26.2	15.4	29.0	36.9	40.9	66.4	84.5
326.4	401.6	350.1	408.1	284.2	203.3	158.3	116.5	120.6
204.6	242.2	220.1	268.8	187.4	125.2	91.4	68.3	74.4
434.9	132.2	197.1	268.8	167.5	118.9	85.4	126.5	74.4
134.1	134.0	130.5	154.2	97.9	68.2	53.4	44.4	59.2

1,387.5	1,184.2	1,130.0	1,126.4	1,057.1	1,003.6	976.7	1,018.0	1,048.0
1,736.2	1,591.7	1,568.6	1,351.6	1,173.5	1,133.9	1,118.9	1,125.2	1,122.1
17.3	1.5	1.1	1.6	1.8	4.5	3.9	3.1	9.1
297.0	65.6	44.6	49.0	43.6	47.1	49.4	62.4	73.1
209.4	118.6	99.1	127.1	116.4	161.9	206.1	158.3	137.6
3,647.4	2,961.6	2,843.4	2,655.7	2,392.4	2,351.0	2,355.0	2,367.0	2,389.9
564.1	481.5	479.7	467.8	533.9	464.0	441.3	403.6	414.9
306.6	583.9	143.4	102.7	97.7	82.6	41.5	74.6	322.7
340.4	294.0	262.1	340.4	273.6	225.6	235.1	205.4	123.5
1.3	2.5	2.7	2.2	2.6	55.0	105.6	166.5	161.0
578.4	160.3	236.0	75.4	0.4	107.6	175.6	193.8	86.9
343.2	259.7	203.8	221.3	161.0	146.2	144.2	134.2	153.2
2,134.0	1,781.9	1,327.7	1,209.8	1,069.2	1,081.0	1,143.3	1,178.1	1,262.2
1,513.4	1,179.7	1,515.7	1,445.9	1,323.2	1,270.0	1,211.7	1,188.9	1,127.7
1,390.0	1,072.0	1,440.5	1,377.6	1,263.8	1,205.9	1,148.7	1,131.1	1,053.2
123.4	107.7	75.2	68.3	59.4	64.1	63.0	57.8	74.5
1,513.4	1,179.7	1,515.7	1,445.9	1,323.2	1,270.0	1,211.7	1,188.9	1,127.7

9.9	12.2	10.9	12.6	10.2	8.5	7.2	6.5	6.8
6.2	11.9	14.4	27.5	10.8	6.5	4.9	2.8	2.4
34.6	35.8	16.8	5.6	5.2	10.9	16.6	19.6	32.3
162.8	45.4	66.5	90.7	56.5	40.1	28.9	42.8	25.2
50.0	48.0	44.0	52.0	33.0	23.0	18.0	15.0	20.0
42.0	100.0	65.7	100.0	100.0	100.0	100.0	100.0	100.0
\$13.12	\$13.85	\$12.25	\$11.60	\$11.50	\$8.40	\$6.12	\$4.55	\$6.84
\$7.80	\$10.80	\$8.93	\$8.70	\$8.29	\$4.46	\$4.45	\$3.06	\$3.75

Shareholder Information

Share registry enquiries

Perpetual Registrars Limited
GPO Box 1736P
Melbourne Victoria 3001

Telephone: (03) 9205 4999
International: +61 3 9205 4999
Facsimile: (03) 9205 4000
International: + 61 3 9205 4900
Toll Free: 1800 177 752

Web site:
www.perpetual.com.au/prl/index.htm
Email:
registry_melb@perpetual.com.au

The Share Registrar, Perpetual Registrars Limited, is the appropriate contact for enquiries regarding shareholdings, debenture holdings, dividend payments or related administrative matters.

Stock Exchange Listing

Orica Limited shares are listed on the Australian Stock Exchange (ASX) and are traded under the code ORI.

Payment of dividends

Australian shareholders may have their dividends paid directly into any bank, building society or credit union account in Australia. A form for this purpose is available from the company's Share Registrar.

Change of name

Shareholders who change their name should notify the Share Registrar in writing and provide a copy of a relevant deed poll or marriage certificate.

Change of address

Shareholders should notify the Share Registrar in writing immediately upon any change in their registered address and quote their holder identification number (HIN).

Uncertificated share register

The share register has been converted to a wholly uncertificated sponsored register. Information regarding the company's issuer sponsored holdings is available from the Share Registrar.

Consolidation of Multiple shareholdings

If you have multiple shareholding accounts that you wish to consolidate into a single account, please advise the Share Registrar in writing.

Annual General Meeting

The 1999 Annual General Meeting will be held on Tuesday 21 December, commencing at 10.30am at the Grand Hyatt Melbourne, 123 Collins Street, Melbourne. The business to be presented at the meeting is set out in the separate Notice of Meeting. This is issued, together with a proxy form to shareholders, with this report.

The 2000 Annual General Meeting will be held in Sydney.

Auditors

KPMG

Trustee for debenture holders

Permanent Trustee Company Limited

Dividend Reinvestment Plans (DRP)

The company introduced a DRP last year. Eligible shareholders who wish to participate in this scheme can obtain forms from the Share Registrar.

Tax File Numbers (TFN)

The company is obliged to deduct tax from dividend payments, other than those which are fully franked, to shareholders registered in Australia who have not quoted their TFN to the company. Personalised forms for notifying TFNs have been sent to all shareholders. If you have not already quoted your TFN, you may do so by contacting the Share Registrar.

Annual Report mailing list

All shareholders are entitled to receive an Annual Report. However, shareholders can nominate not to receive an Annual Report by writing to the Share Registrar and quoting their HIN. Shareholders will, however, still receive the Notice of Meeting and Proxy Form.

Orica Communications Publications include

- Annual Report
- Safety Health and Environment Report
- A half yearly result summary which reviews the six months ending 31 March

Other financial and operating information about the company is available from the Manager, Investor Relations.

Copies of these publications are also available on request from Corporate Affairs:

Telephone: (03) 9665 7246
International: +61 3 9665 7246
Facsimile: (03) 9665 7771
International: +61 3 9665 7771
Email:
corporate_internet@orica.com.au

Shareholder Calendar (dates subject to change)

Books close for 1999 Final Dividend

2 December 1999

1999 final dividend paid

17 December 1999

Half year results and 2000 interim dividend announced

3 May 2000

Books close for 2000 interim dividend

22 June 2000

2000 Interim dividend paid

7 July 2000

Full year results and 2000 final dividend announced

2 November 2000

2000 Annual General Meeting

19 December 2000

Debenture stock and preference shares

Interest payments and preference share dividends will be made as follows:

31 January 2000
31 July 2000

This report was produced by the Corporate Reporting Division.



Orica Limited

ACN 004 145 868

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