Orica Limited
ABN 24 004 145 868

ASX Announcement

Orica Bids To Gain Icon Garden Sector Brands with Yates Business Purchase

Orica Limited today announced it had made an offer to acquire the Yates Limited ("Yates") Consumer Lawn and Garden Business for $45 million. This tops a previous offer of $41 million from The Scotts Company, of the US.

Orica's offer is conditional on the Scotts' deal not proceeding and Yates obtaining shareholder approval for the sale. A shareholder meeting is expected to be held in late October. If approved by Yates' shareholders, the Orica acquisition is expected to be completed by the end of October, 2003.

The Yates business is the market leader in the garden care sector in Australia and New Zealand with icon brands including Yates, Hortico, Thrive, Dynamic Lifter, Waterwise and Nutricote. The business has annual sales of more than $100 million.

The acquisition would, if successful, form part of Orica's Consumer Products business (OCP).

Orica Managing Director and CEO, Malcolm Broomhead, said the acquisition, if accepted by shareholders, would meet Orica's financial targets and was strategically consistent with Orica's growth principles based upon low-risk, value-adding acquisitions and supporting Orica's best businesses.

"This acquisition would be a logical extension of Orica Consumer Products into the high growth garden care sector of the do-it-yourself business," he said. "These quality garden care brands would complement our existing portfolio of leading consumer product brands including Selleys, Dulux, Rota Cota, Cabot's, Feast Watson, Berger and British Paints."

"Orica would generate value through the significant customer overlaps as well as supply chain, overhead and administration synergies."

Yates has been the market leader in the garden care sector in Australia and New Zealand since 1887 selling garden products primarily to the consumer market. Key products are seeds, plant foods (fertilisers), plant protection (herbicides, fungicides and pesticides), growing media (potting mix) and merchandise (pots).

Key Yates facilities are the Mt Druitt manufacturing and distribution centre in Western Sydney and the Wyee facility near Gosford in New South Wales. There are also smaller manufacturing plants at Pakenham in Victoria and Auckland and Montgomery Road in New Zealand. The business employs 270 people.

16 September 2003

- **Contacts**:
  - Stewart Murrihy, Manager, Corporate Affairs: 03) 9665 7538 Mob: 0412 675 510
  - Noel Meehan, Manager, Investor Relations: 03) 9665 7844 Mob: 0413 187 000
- **Web site**: www.orica.com

Acquisition of Consumer Lawn and Garden Business from Yates Limited

Yates

ORICA
CONSUMER PRODUCTS

TRANSACTION SUMMARY

- Orica to acquire Consumer Lawn and Garden Business from Yates for A$45 million

- The acquisition is conditional on Yates obtaining shareholder approval for the sale

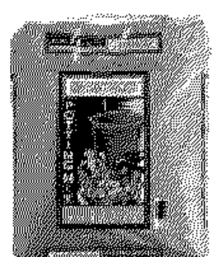
- Completion is expected by the end of October 2003

Yates Business

HISTORY

- Market leader in the garden care sector in Australia and New Zealand
- Yates brand has been in existence for over 100 years in Australia and New Zealand
- Other icon brands include:

Hortico	Thrive
Gro-Plus	Zero
Dynamic Lifter	Aquasol
Ratsak	Plassay
Watkins	



PRODUCTS

- Broadly divided into following categories

  - Seeds
  - Plant foods (fertilisers)
  - Plant protection (herbicides, fungicides, pesticides)
  - Growing media (potting mix)
  - Merchandise (pots)

BUSINESS OUTLINE

- Sales in excess of A$100M
- Employs ~ 270 people
- 5 manufacturing plants

  - Mt Druitt in Western Sydney (seeds, plant foods and merchandise)
  - Wyee (near Gosford) in New South Wales
  - 3 smaller plants at Pakenham in Victoria and Auckland and Maramarua in New Zealand

YATES IS AN ATTRACTIVE “BOLT ON” FOR ORICA CONSUMER PRODUCTS

- Yates is the largest supplier to the Australian and New Zealand garden care sectors with number one market positions
- Garden care sectors provides attractive underlying growth rates (2 times GDP)
- Provides Orica Consumer Products with category expansion
- Significant overlap between Orica Consumer Products and Yates customer base
- Synergy opportunities in supply chain, overhead and administration

WHY THE ACQUISITION MAKES SENSE FOR ORICA

- Acquisition satisfies our strategic principles
  - Market leadership
  - growing only value adding business who have “earned the right to grow”
  - related growth - building on our best businesses
- Orica Consumer Products
  - exceeds Orica performance measures
  - track record of year on year earnings growth

WHY THE ACQUISITION MAKES SENSE FOR ORICA

- EPS accretive in Year 1
- Transaction meets IRR and RONA targets
- Low risk value creation