YATES LIMITED
ABN 51 071 707 232

Facsimile Transmission

To	**Companies Announcements Office** **Australian Stock Exchange**
From	**PETER MULLIN**
Date	**16 September 2003**
No of pages	**3**
Subject	**YATES LIMITED – OFFER FROM ORICA LTD**

Dear Sir

I attach our announcement regarding an Offer from Orica Ltd.

Yours faithfully

Peter Mullin
Chief Financial Officer
Company Secretary

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Yates®

ASX ANNOUNCEMENT

YATES LIMITED
ABN 51 071 707 232

YATES LIMITED – OFFER FROM ORICA LTD

Yates Limited today is pleased to announce it has received a detailed offer from Orica Ltd to purchase its Consumer Lawn and Garden business in Australia and New Zealand, and part of its Commercial business in Australia (the Businesses) for $45 million.

The Orica offer, which will expire on 29 September 2003, has been welcomed by Yates as it is, in the opinion of the Yates board, a good opportunity for Yates and clearly the most favorable offer Yates has received for the Businesses. If the offer is accepted and the sale to Orica completes, the directors believe that it will deliver quickly the highest return available to Yates shareholders. This would be the case even taking into account a compensatory payment which would need to be made based on existing commitments. See the Notice of Extraordinary Meeting released to the ASX on 2 September 2003.

Due to its attractive terms and in the absence of any better offer, the board of Yates unanimously recommends this proposal to its shareholders. An offer of employment will be made by Orica to the Managing Director of Yates, Mr David Marginson. Due therefore to his personal interest in this proposal, Mr Marginson has abstained from voting on this proposal.

Also in the absence of any better offer, the three major shareholders of Yates, representing approximately 32% of the shares in Yates also intend to vote their shares in favour of a sale to Orica.

If the transaction with Orica proceeds, then on completion, which is due 31 October 2003, Orica would pay Yates approximately $40.4 million. The balance of $4.6 million represents assumption of employee entitlements and various hold backs for warranties and deferred consideration. The offer is subject to Yates being free of its existing commitments in respect of the sale of the Businesses. See the Yates announcements to the market on 14 August 2003, 2 September 2003 and 5 September 2003 for a comparison with the existing commitments of Yates.

In consideration of Orica making its offer and holding it open, Yates, will if it does not accept the offer and complete the sale, pay Orica $2m. The directors of Yates believe this arrangement to be fair, having regard to effort and commitment shown by Orica in making its offer and agreeing to hold it open.

Proceeds from the sale will be used to retire remaining debt. Following completion of the divestment, the company also may make a return to shareholders.

Ross Norgard, Chairman of Yates Ltd commented "That the Directors are extremely pleased to have received this offer from Orica in that it provides shareholders with an offer that would deliver greater value than that received from any other available source."

To consider this offer it is anticipated that shareholders will receive a notice of meeting accompanied by a detailed explanatory memorandum in the week commencing 22 September. This will outline details of the offer, voting procedures and the meeting details. The meeting is proposed for the week commencing 20 October 2003 in Perth.

For further information please call:
David Marginson, Managing Director, Yates Limited, Tel: +61 2 9763 9200
Kate Kerrison, Gavin Anderson, Mob: 0413 946 704

Notes to editors:

About Yates
Yates is the leading consumer gardening and commercial horticultural branded goods company in Australia and New Zealand. It markets and distributes a range of branded horticultural products through its Yates Consumer and Yates Commercial divisions. Yates' headquarters are in Sydney and it has operations throughout Australasia.

The Yates brand has been in existence for 116 years in Australia and 120 years in New Zealand and is supported by other well-known brands such as "Hortico", "Thrive", "Gro-Plus", "Zero", "Dynamic Lifter", "Aquasol", "Ratsak", "Plassay" and "Watkins".

Products include seeds, bulbs, plant protection, plant food, growing media, garden merchandise, gardening service and propagated plants. Yates employs approximately 345 people in Australia and New Zealand of whom 270 are included in the Businesses that are proposed to be sold to Orica.

About Orica
Orica is a publicly owned Australian chemical company employing around 8,000 staff across approximately 30 countries and with revenue of $AUD4 billion annually.
Orica's operations are divided into four main business areas - Mining Services, Chemicals, Consumer Products and Agricultural Chemicals. Orica is also involved in a plastics joint venture.

Orica manufacture and supply industrial and specialty chemicals, agricultural chemicals and fertilizers, commercial explosives and mining chemicals, paints and other consumer products sold under well-known brands such as Dulux, Selleys and Cabot's. Orica are the largest chemical company in the region and the world's leading supplier of commercial explosives.

Orica has controlled entities in Argentina, Australia, Brazil, Canada, Chile, China, Dominican Republic, Estonia, Fiji, France, Germany, Guyana, Hong Kong, Indonesia, Ireland, Kazakhstan, Malaysia, Mexico, New Zealand, Peru, the Philippines, Papua New Guinea, Puerto Rico, Singapore, Spain, Thailand, Turkey, the United Kingdom, the USA and Venezuela. Orica also has a presence in India and the United Arab Emirates through investments in associates.