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About Orica

Orica is a publicly owned Australian company with around 9000 employees across approximately 30 countries. We manufacture and supply commercial explosives and services; agricultural chemicals and fertilizers; industrial and specialty chemicals including products for water care; and paints and paint preparation products.

Orica became an independent Australian company in 1997 after ICI PLC divested its majority shareholding. The business started in 1874 as a small explosives firm based in Melbourne, Australia.

Orica Limited ABN 24 004 145 868

Annual General Meeting

The 2001 Annual General Meeting (AGM) will be held on Wednesday 19 December at the John Batman Theatre, Level 3 Melbourne Exhibition and Convention Centre, corner Spencer and Flinders Streets, Melbourne, starting at 10.30am.

About this report

In the interests of reducing costs, this report was printed without colour on low cost paper. Feedback on the report is welcome and we ask that you fill out our feedback form on the Internet at: www.orica.com/feedback

The report was produced by Orica's Corporate Affairs and Corporate Reporting Divisions.

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Orica's Businesses

Information about our Plastics businesses appears on page 13.

Mining Services

Orica's Explosives business is the world's leading supplier of commercial explosives and fully integrated blasting services to the mining, quarrying and construction industries. It is a global business with manufacturing operations in 28 countries including Australia, the USA, Canada, Brazil, Mexico, Chile, Argentina, Venezuela, the United Kingdom, Spain, Turkey, Kazakhstan, Kyrgyzstan, the United Arab Emirates, New Zealand, the Philippines, Malaysia, China, Indonesia and Thailand. Our sodium cyanide business, which provides a key raw material for the gold mining sector, is included in this segment. (Business report, page 9.)

Case Study – Tailor made solution delivers results

This year Orica completed a complex blasting program for the construction of a \$90 million auxiliary spillway to protect Warragamba Dam (New South Wales, Australia) from a potential flood. Failure of the dam, which provides 80% of Sydney's drinking water, would cause significant damage and place many lives in the region at risk. Vibration and blast damage was a major technical issue, given the close proximity of the blast site to the dam wall, water supply pipes, a hydro-electric power station, and the local community nearby. In all, 1.3 million cubic meters were blasted without incident.



Agricultural Chemicals

Orica's agricultural chemical interests are represented by two separate businesses within Incitec Ltd, which is 77% owned by Orica. Incitec is Australia's largest manufacturer of nitrogen based chemicals and its business, Incitec Fertilizers, is a leading supplier of phosphatic and nitrogenous fertilizer nutrients in eastern and southern Australia. Crop Care Australasia, a 50-50 joint venture between Incitec and Orica, is a leading supplier of a range of herbicides, insecticides and fungicides to markets in Australia, New Zealand, Papua New Guinea and the Pacific Islands. (Business report, page 10.)

Case Study – Successful plant shutdown at Kooragang Island

Planned plant shutdowns are essential for continued efficient plant performance and for the safety of employees and surrounding communities. This year Incitec's ammonia plant at Kooragang Island (New South Wales, Australia) shut down for 35 days for a complete 'health check' which included comprehensive inspection and maintenance of equipment together with investment in plant improvements. The shutdown was completed on time, within budget and with no injuries recorded. There was no interruption to supply to the major customer, Orica Explosives, and the plant is now producing more product per day than it was before. Environmental performance has also improved.



Cover

The front cover represents Orica's four core businesses.

Consumer Products is the leading paint manufacturer in Australia. Its small test paint pots provide a low cost way of sampling colours before making a final decision.



Mining Services is the world's leading explosives company. It uses mobile manufacturing units (MMUs) which 'manufacture' product on site for blasting.



Chemicals is the leading chemical company in the Asia Pacific region, and the business supporting the commercialisation of the innovative MIEX® water treatment technology (see Chemicals case study on this page).



Agricultural Chemicals is the leader in Australia. Here Incitec's David Kettley (left) talks to farmer Vic Flatt about ways to improve productivity and profitability on his sugar cane property.



Consumer Products

Orica Consumer Products markets an extensive range of architectural coatings and paint preparation and hardware products in Australia and New Zealand through well-known brand names such as Dulux, Berger, British Paints, Walpamur, Levene, Cabot's, Feast Watson, Intergrain, Acratex, Selleys, Rota Cota, Poly and Turtle. The business also sells its products across the Asian region through Orica Coatings. (Business report, page 11.)

Case Study – Mycolour™ inspires colour solutions

Using world first computer technology, Dulux has developed a solution to the home painter's most vexing problem of what colour combinations will work in a room. Without lifting a paint brush, the interactive Mycolour™ colour visualisation tool allows people to 'paint' their room on screen and test the colours in a variety of settings by night light or by day. Mycolour™ is available on the Internet at www.dulux.com.au, www.dulux.co.nz and at 'kiosks' in Dulux stockists. It recently won the Mitre 10 Technical Innovation Award.



Chemicals

Orica is the leading supplier of chemical products and services in Australia, New Zealand and the Asia Pacific region. Key products include dairy cleaners, sanitisers and water treatment chemicals, raw materials for surface coatings, adhesives and resins for wood panels markets, as well as a broad range of chemicals for the manufacture of household and industrial cleaners, and for use in the food and beverage, engineering, construction and mining industries. The Chemnet trading and distribution business distributes these and other products throughout Australia, New Zealand, Fiji, Papua New Guinea and China. Incitec's Industrial Chemicals – which sells ammonium nitrate to Orica's Australian Explosives business, and also manufactures specialty sulphur products, industrial acids, urea, ammonia and alum used in water treatment – is also reported in this segment. (Business report, page 12.)

Case Study – Water quality innovation launched in Australia

This year Australians began drinking water from supplies treated with MIEX® (more details page 12), and now USA water utilities are showing strong interest in the technology to improve water quality. MIEX® is an Australian designed magnetic ion exchange process which improves drinking water prior to disinfection by removing the impurities that affect taste, colour and odour. The opening of the first commercial MIEX® plant in South Australia followed a long period of collaboration between Orica, South Australian Water and research organisation, CSIRO. For the community concerned, it means they can drink their tap water for the first time.

Vision and Values

Winning against the world's best...

with:

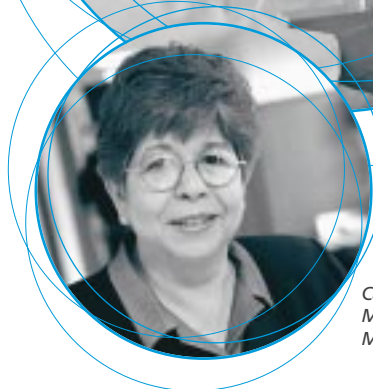
- Customers who are delighted and prefer to deal with us
- Shareholders attracted by superior returns
- Employees motivated to deliver outstanding results
- Communities who value the benefits we bring.

To realise our vision we will:

- Operate to the highest standards of safety, health and care for the environment
- Achieve outstanding levels of customer satisfaction
- Ensure all our activities ultimately add to shareholder returns
- Be a world competitive and innovative company using quality principles to generate competitive advantage
- Develop our technology to secure and expand our market position
- Develop leaders who motivate employees to deliver outstanding results
- Demand honest and ethical behaviour at all times
- Ensure cooperation and teamwork across the company for the benefit of the corporation as a whole
- Build a relationship of cooperation and teamwork with our customers, suppliers and business partners for mutual benefit.



Ramona David
Australia
Consumer Products



Carmen Flores
Mexico
Mining Services

An Australian Company with International Operations

The activities of three of Orica's core businesses are centred in Australia while its Explosives business (the major part of Mining Services) is in more than 30 countries and has its head office in Denver, USA. Orica's head office is in Melbourne, Australia.

Mining Services

Argentina
Australia
Brazil
Canada
Chile
China
Dominican Republic
Estonia
France
Germany
Guyana
Hong Kong
India
Indonesia
Ireland
Kazakhstan
Kyrgyzstan
Malaysia
Mexico
Myanmar
New Zealand
Norway
Peru
Philippines
Papua New Guinea
Singapore
Spain
Thailand
Turkey
Ukraine
United Arab Emirates
United Kingdom
USA
Venezuela

Agricultural Chemicals

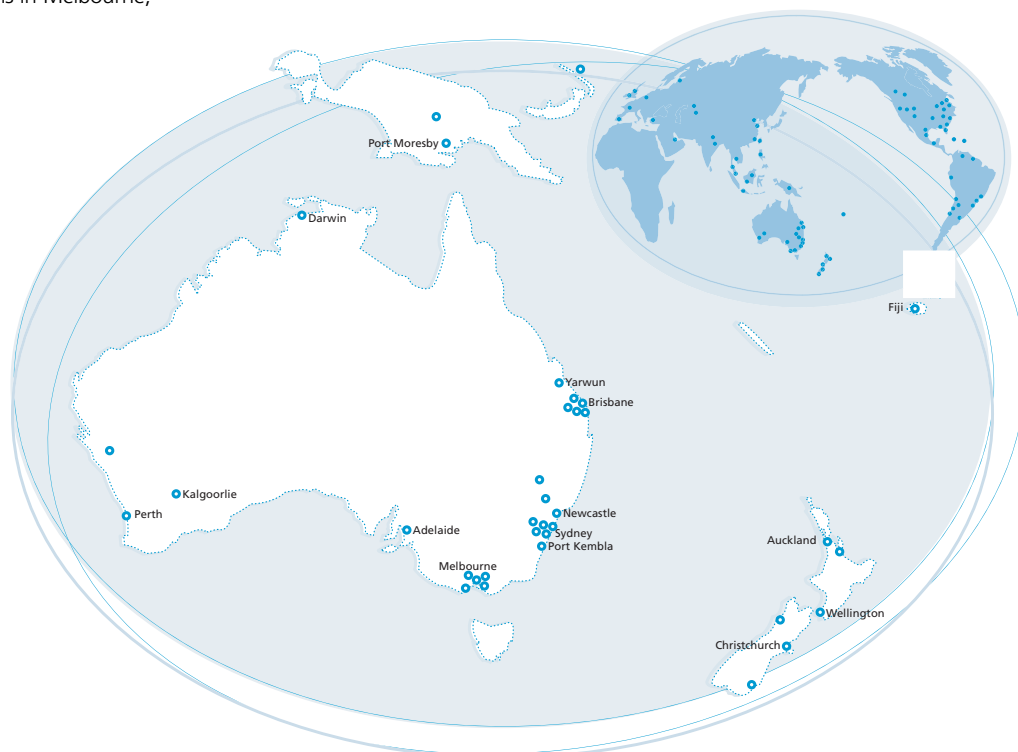
Australia
New Zealand
Papua New Guinea
Pacific Islands

Consumer Products

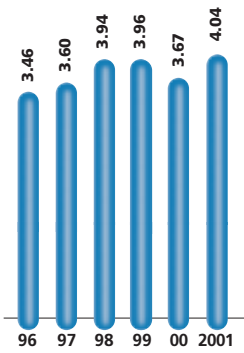
Australia
Fiji
New Zealand
Malaysia
Papua New Guinea

Chemicals

Australia
China
Fiji
New Zealand
Papua New Guinea



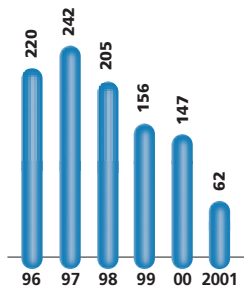
Financial Summary



External sales (\$billion)

External sales

External sales increased due mainly to higher prices for products and as a result of acquisitions made in the Mining Services business.



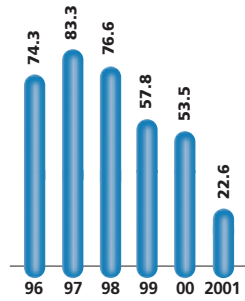
Profit after tax before individually significant items (\$m)

Profit after tax and before individually significant items

The reduction in underlying profitability was mainly due to the inability to pass on rapid increases in raw material costs in the Mining Services and Consumer Products businesses combined with further poor performance from the Plastics business.

Individually significant items

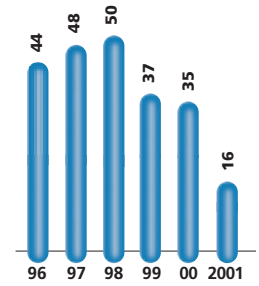
The loss reported after individually significant items was due to provisions for restructuring and the write down in carrying value of a number of assets, partially offset by the profit on the disposal of businesses.



Earnings per share before individually significant items (cents)

Earnings per share (EPS) before individually significant items

EPS fell in line with reduced profitability.

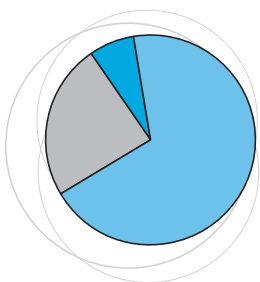


Dividend (cents)

Dividend per share

The Orica Board's current policy is to distribute between 55–65% of available profit before individually significant items. This year the total dividend was 16 cents, representing 71.3% of profits before individually significant items. The total dividend will be franked to 16 cents per share (100%).

Revenue percentage by region

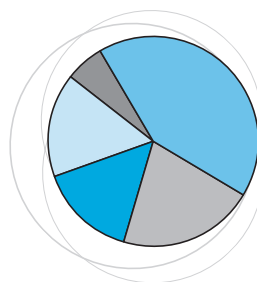


69% Australia and New Zealand

24% Americas

7% Others

Contribution to total 2001 revenue



42% Mining Services

21% Agricultural Chemicals

15% Consumer Products

16% Chemicals

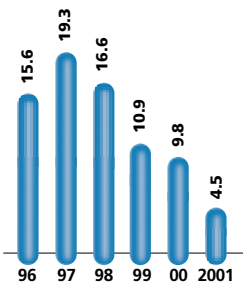
6% Plastics and other

Orica's results

What the Chairman has to say, page 4

What the CEO is doing about the results, page 5

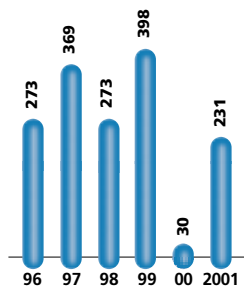
Financial review, page 6



Return on average shareholders' equity before individually significant items (%)

Return on average shareholders' funds before individually significant items (ROSHF)

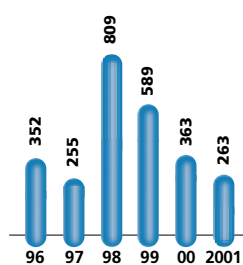
Lower profitability and investment in future earnings growth of the core businesses has reduced return on shareholder funds.



Cash flow from operations (\$m)

Cash flow from operations

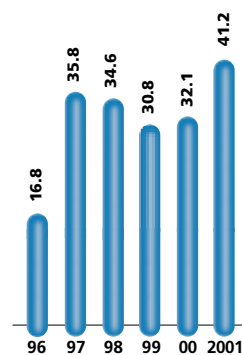
Cash flow from operations improved due to improved working capital management and reduced tax expense.



Capital expenditure and acquisitions (\$m)

Capital expenditure and acquisitions

The capital spent on the acquisition of new businesses, the maintenance of capacity and the development of existing businesses was lower than recent years. Levels of capital expenditure will be reduced until assets are earning an acceptable rate of return.



Gearing (%)

Gearing (net debt/net debt plus shareholders funds)

Orica has a long term gearing target in the range of 30–40%. This range allows Orica to balance new investment opportunities as they arise with prudent financial management. The gearing at year end of 41.2% was above the target range, and was materially affected by the reduction in equity attributable to the reported individually significant items. Management action has been taken to reduce gearing to within the target range.

For the year to 30 September

		2001	2000	change
External sales	(\$billion)	4.04	3.67	+10%
Profit from ordinary activities before individually significant items and income tax expense	(\$m)	110.4	235.1	-53%
Profit/(loss) from ordinary activities after income tax relating to members of Orica Limited				
– before individually significant items	(\$m)	62.3	147.0	-58%
– after individually significant items	(\$m)	(192.7)	113.7	-269%
Interim dividend	(cents)	8	16	-50%
Final dividend	(cents)	8	19	-58%
Total dividend	(cents)	16	35	-54%
Return on average shareholders' equity before individually significant items	(%)	4.5	9.8	
Net borrowings	(\$m)	984.1	777.4	+27%
Gearing	(%)	41.2	32.1	
Net tangible asset backing per share	(\$)	4.06	4.58	-11%
Interest cover before individually significant items	(times)	2.7	6.1	

Chairman's Report

Don Mercer was appointed Chairman prior to the announcement of the half year results.

The Orica Board has a commitment to address shareholder concern about the company's poor financial performance – a performance which we view as unacceptable.

As incoming chairman, I spoke to major shareholders and leading analysts about Orica. Our major shareholders were adamant that Orica must improve performance on capital already invested before investing more capital in new projects. They didn't want promises, they wanted actual performance.

Strategy review

In May the Board undertook an extensive review of the company's strategy and our options, and agreed to stay with the four businesses and seek a dramatic improvement in performance. Our decision to write down the carrying value of our explosives and plastics businesses in August was a result of thorough analysis of our portfolio of assets.

In July the then CEO Philip Weickhardt stood down, and we embarked on a search for a new CEO from outside the company to drive a change in Orica's culture and performance.

The senior management team was told that the priority issue was to lift the financial performance of the company. They had to be much tougher on costs, they had to make the balance sheet perform and they had to deliver performance on capital already invested in their businesses. This is not an impossible task as Orica's businesses are fundamentally robust and have operated well in all geographical areas except North America.

In this current climate it is important not to lose sight of the fact that Orica's businesses are good businesses. We are the world's leading explosives company, we have the leading paint and paint preparation brands in Australia and New Zealand, we are the leading chemical company in Australasia and we are a leading agricultural chemicals company in Australia.

Board changes

During the year there were a number of changes to the Orica Board. Three directors left the Board including Ben Lochtenberg, who retired as chairman, and Philip Weickhardt. Both had a long history of service to ICI PLC, ICI Australia and then to Orica. Geoff Heeley was our longest serving non executive director and the chairman of the Board's Audit Committee. We thank them

warmly for their contribution to the company, and wish them well in the future. We also welcomed one new director, Peter Duncan, who brings valuable international, business and technical expertise to the Board.

This year the Board broadened the remit of the audit committee to ensure significant attention is paid to risk management issues, and also created a new committee to focus on corporate governance issues.

CEO appointment

On 4 September we were fortunate to secure the services of Malcolm Broomhead as the new CEO of Orica. Malcolm has a proven track record of driving change and performance. With extensive Australian and international experience in the mining and industrial sectors, Malcolm was the former managing director and CEO of North Limited until it was taken over by Rio Tinto plc in October 2000. Malcolm has been given a mandate by the Board to move with urgency to transform the culture and the financial performance of Orica and, as you will see in this report, he has begun that process.



The Board has full confidence in Malcolm Broomhead's ability to turn the financial performance around and add significantly to the value of Orica. Like shareholders, the Board wants to see profits and a substantial increase in the return on investment in Orica's businesses.

Don Mercer
Chairman



SH&E Report

An overview of Orica's Safety, Health and Environment (SH&E) performance is contained in the 2001 SH&E Performance Report accompanying this annual report.

The shorter report has enabled us to cut costs without compromising the amount of information available to shareholders and the general public. Additional information can be found on the Orica website (www.ora.com) or can be obtained directly from the company.

Last year's annual report won the 2001 Annual Report Awards occupational health and safety award.

Irma Leticia Sosa Barajas works behind a protective screen at the Excel plant at Cuatrociénegas in Mexico.

Managing Director's Report

Malcolm Broomhead joined the company as Managing Director and CEO in the last month of the 2000/2001 financial year.

The Chairman has already highlighted that the 2000/2001 results are unacceptable. As the new CEO I don't intend to dwell on the past, which is covered elsewhere in this report, but to focus on what we are doing to produce better results for the future.

Orica has businesses with leading market positions, good assets and excellent people, and yet it has failed to deliver in the two critical areas of earnings growth and the return on the funds invested in this company.

Turning this performance around will be a great challenge. The first task is to ensure that the existing businesses within Orica perform to their potential. We then need to create a truly performance driven culture throughout the organisation. And finally, we will examine our portfolio of businesses and the future strategy for the group as a whole.

Efficiency

To improve the performance of the existing businesses we must increase operating efficiencies.

We have already begun this task by introducing efficiency improvements across the company. The \$101 million before tax provision announced recently to fund restructuring across the group is the first part of our remaking of Orica. This restructuring will simplify the corporation, cut costs, increase the efficiency of the company, and deliver over \$70 million in after tax cost savings in the 2002 financial year.

The restructuring has inevitably resulted in a large number of people leaving the company. Whilst this decision was necessary, I understand the difficulty and anxiety that many of these people may have felt. The company has offered assistance to help their employment transition and I thank them for the contribution they have made to Orica over the past years. However, I believe that greater efficiency as well as a performance driven culture are essential to increase value for our shareholders, and to ensure a strong and sustainable future.

Culture

As part of this process, we are also reviewing Orica's business culture to emphasise increased accountability of each individual for the delivery of our performance targets. We must align our behaviours more closely with the performance imperatives we now face. Getting the culture right will be a powerful tool in ensuring the sustainability of business success.

Strategy

The third element of Orica's recovery revolves around the strategies the company pursues in the future.

We are currently looking at various short term strategic issues, including a review of the strategic positioning for the North American explosives business. The medium term strategic issues are concerned with the business mix that will drive the long term profit growth required to make Orica an outstanding company. These issues inevitably take longer to resolve, but are crucial to our long term prosperity.



The priorities

The immediate priorities therefore are to improve the efficiency of Orica in terms of costs and capital so as to quickly improve returns for our shareholders, and to take the appropriate actions to instil a culture of delivery and accountability. These actions will build a strong base upon which our strategic direction will be decided.

It is important to reiterate that we are introducing efficiencies and a performance focused culture to what are fundamentally good businesses. I am confident that the steps we are taking give us a wonderful opportunity to rapidly improve Orica's results with the objective of providing value adding returns to all of our shareholders.

Malcolm Broomhead
Managing Director and CEO

Priorities for 2002

- Achieve a substantial improvement in net profit
- Strengthen balance sheet and cash flow
- Focus on a performance culture

Financial Review

Orica Limited recorded a loss of \$192.7 million after tax, minority interests and significant items for the year ended 30 September 2001 compared with a profit of \$113.7 million in the previous year. Prior to significant items Orica recorded a profit of \$62.3 million after tax compared to \$147 million last year.

Significant items

Significant items of \$255 million after tax and minority interests were incurred during 2000/2001.

A company wide cost reduction program was instigated in August 2001 which will achieve a significant reduction in fixed costs in the corporate centre, shared services and the business units. A provision for restructuring and redundancy costs of \$79.8 million after tax and before minority interests has been made.

In August, the Orica Board took a more conservative view of the carrying value of the North American explosives business and also decided to write down the Australian Vinyls business and other minor investments to recoverable value. In total the charges against profit for these items were \$227.2 million after tax and before minority interests.

Genos experienced significant industrial action during the year that resulted in the Altona (Victoria, Australia) plants being closed for over four months. The cost of this action plus the costs associated with the permanent closure of two plants resulted in Orica recording a loss of \$12.8 million after tax.

The Crop Care business and Syngenta (formerly Zeneca Limited) agreed to terminate a distribution agreement during the year. A termination payment of \$45.9 million after tax and before minority interests, which will be received from Syngenta, has been classified as a significant item. This has been reduced by a payment to Syngenta of \$6.6 million after tax and before minority interests in settlement of a product claim.

Revenue

Revenue from ordinary activities increased 5.5% to \$4,187.4 million, against \$3,970.2 million in the previous financial year. In 2001 earnings before interest and tax (EBIT) and significant items of \$174.4 million were 38% below 2000 EBIT of \$281.1 million.

The decline was mainly attributable to lower results from Mining Services, Consumer Products and Plastics, which more than offset improvements in the Agricultural Chemicals and Chemicals segments.

Interest debt and gearing

Net interest of \$64 million was 39% above the 2000 level reflecting average higher debt due to capital expenditure and business acquisitions made during 2001. Interest cover was 2.7 times with an average interest rate for the year of 6.7%.

Net debt at the end of the year was \$984.1 million compared to \$1,159.1 million at 31 March 2001 and \$777.4 million at 30 September 2000. Gearing (net debt to total capitalisation) was 41.2%. In October 2000 Orica completed a \$US255 million North American private debt placement with maturities ranging from seven to 12 years. This transaction significantly increased the maturity profile of the debt portfolio. In total around 80% of the gross debt is non current with an average maturity in excess of seven years.

Tax

Tax expense before significant items was \$36.5 million reflecting an effective tax rate of 33%. Tax expense includes a restatement of tax balances due to the reduction in the Australian corporate tax rate from 34% to 30%.

Dividend

Directors declared a fully franked dividend of 8 cents a share payable on 17 December 2001. The total dividend for 2001 is 16 cents per share fully franked.



Orica Facts and Figures on the Internet

www.orica.com hosts a realm of detailed information relevant to investors. To gain access to this information, simply visit www.orica.com and follow the link to the Investor Centre.

Among other things, this centre includes:

- Current and historical financial summaries including Orica's dividend history and Appendix 4b
- Share price information including a graph of Orica's share price performance for the past six months

- All of Orica's ASX announcements made over the past year
- Annual reports from past years
- Webcasts and slide presentations of speeches made by senior management to analysts and media
- Key investor dates.

Key Events

- In November 2000, Orica purchased ammonium nitrate assets from LaRoche industries in the USA, significantly **improving the supply costs of this key material** to Orica's North American explosives business, particularly on the East Coast.
- In March 2001, Orica completed the purchase of the industrial explosives operations of Dynamit Nobel GmbH Explosivstoff und Systemtechnik (DNES) in Germany and Estonia. This acquisition gives Orica a **strong base for expansion in Europe** as well as a sophisticated detonator manufacturing operation for Orica's new **i-kon™ electronic detonators**.
- Syngenta (formerly Zeneca Limited) terminated its product distribution agreement with Crop Care Australasia on 1 April 2001. This resulted in a **\$40.6 million addition to profit** by way of compensation.
- **Don Mercer**, who has been a director since 1997, became chairman of Orica on 2 May 2001.
- **Philip Weickhardt** stepped down from the position of managing director and CEO on 6 July 2001.
- In August, the Orica Board took a **more conservative view** of the carrying value of the North American explosives business and also decided to **write down** the Australian Vinyls business and other minor investments to recoverable value. In total the charges against profit for these items were \$227.2 million after tax.
- **Malcolm Broomhead**, formerly CEO of North Limited, was appointed managing director and CEO on 4 September 2001.
- Orica announced that 800 people would be leaving Orica from across the businesses as well as the corporate centre and shared services functions, as part of a **cost reduction** program.
- On 29 October 2001, it was announced that **Tony Larkin**, Executive Director Finance, would be retiring. He will leave the company once a successor is appointed.



*Luis F. Nolla (left),
Héctor Esquivel, Mexico,
Mining Services*

Review of Operations

Orica businesses will succeed in their markets by:

- Providing a safe and rewarding work environment for employees
- Being world competitive and delivering innovative solutions
- Delivering outstanding customer satisfaction and value
- Employing talented people to continuously improve all that we do.



Mining Services

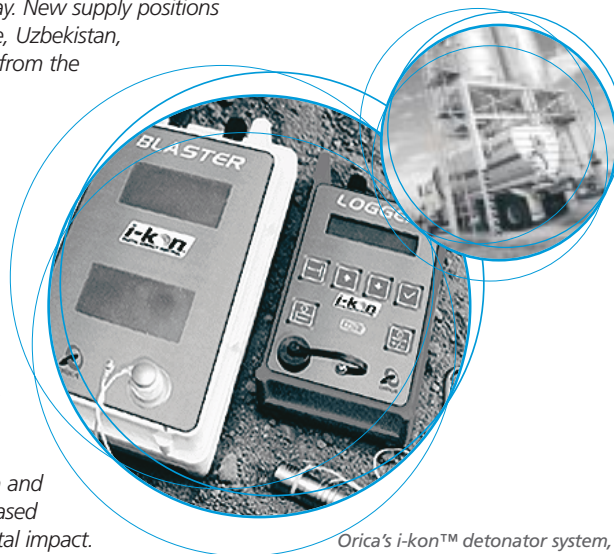
World leading supplier of explosives and blasting services

Review

- With new management, Orica consolidated its global position with further expansion into new markets with joint venture partners. The acquisition of DNES in Germany and Estonia was completed, as was a joint venture with Kimit in Scandinavia to make Orica the market leader in Europe.
- Despite strong competition, Orica maintained its leading share of the North American commercial explosives market, leveraging benefits from product and service innovations, as well as the rationalisation of ammonium nitrate assets.
- A spike in the price of USA natural gas significantly increased the cost of purchased ammonia, reducing profit in the North American operations. These cost increases could not be completely passed on to customers due to the nature of customer contracts in North America. Orica is reviewing its contracting arrangements in North America to secure improved protection against cost escalation.
- The acquisition of the Thiess explosives assets enabled the Australian business to recover market share and progress the core strategy of developing commercial relationships with key customers. However, output from a competitor's new ammonium nitrate plant at Moura (Queensland, Australia) has adversely impacted prices in this market. The Australian business was also adversely affected by input prices.
- The Latin American business continued to build on its good performance of past years. A detonator plant at Cuatrociénegas (Mexico) was opened to more cost effectively supply the domestic market, Central American and Caribbean markets. The business also invested in new bulk emulsion and packaged explosives plants to service growing demand in Venezuela.
- The sodium cyanide plant at Yarwun (Queensland, Australia) was operated at full capacity during the year due to the development of strong export markets.

Progress against business strategies

- Create low cost platforms to supply customers with leading high performance products and blasting services. *A system of modular plant design and construction for packaged products and initiating systems was successfully deployed in Mexico, the United Kingdom and Venezuela, dramatically reducing the cost and time to build such facilities.*
- Extract value from the business investment in low cost ammonium nitrate capacity. *Ammonium nitrate (AN) plants acquired in 2000 were successfully integrated into the business and the recently uprated Carseland (Alberta, Canada) AN plant is now running at full capacity. The full value of production from these plants will be realised as ammonia input prices decline following the decline in natural gas prices.*
- Consolidate and improve the position in existing markets. *The completion of the DNES acquisition has delivered 100% ownership of the i-kon™ technology as well as profitable, market leading operations in Germany and Estonia. The new Kimit joint venture made an acquisition in Norway. New supply positions were established in Myanmar, Ukraine, Uzbekistan, and Kazakhstan. Supply commenced from the new China facility.*
- Maintain focus on the safety of its operations and products. *Particular emphasis was placed on behavioural safety programs, and the European acquisition was integrated into our management systems and processes.*
- Create a global marketing platform that offers customers a common image, product and service package. *The new i-kon™ electronic detonator system, launched globally in September 2000, has been used by customers in Australia, North America and Europe. The results have shown increased productivity and reduced environmental impact.*



Orica's i-kon™ detonator system, launched globally last year, is revolutionising the global mining and quarrying markets. In the first year over 650 i-kon™ blasts have been conducted in 12 countries around the world. The results have shown increased productivity and reduced environmental impact.

www.oricaexplosives.com

* Definition

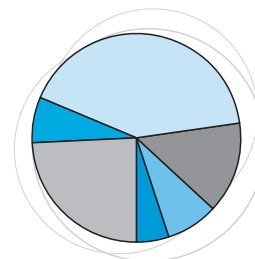
Return on average capital employed compares operating profit before interest and after tax (before abnormal items) attributable to members of Orica with a straight line average of capital employed.

Financial Performance (\$m)

Sales increased significantly over the last year with underlying volume and price increases augmented by a favourable exchange rate and acquisitions. Profitability, however, fell significantly as margins in North America were drastically reduced by higher raw material costs, which could not be fully passed on to the customers, and in Australia, by increased competition.

	2001	2000	Change
Total revenue	1,767.9	1,413.0	+25%
Earnings before interest and tax and before individually significant items	79.1	126.3	-37%
Average capital employed	1,194.9	942.1	+1%
Return on average capital employed*	3.4%	8.8%	
Contribution to total sales	42%	38%	

Sales breakdown



42%	North America
24%	Australia
14%	Latin America
8%	Europe
7%	Asia Pacific
5%	Mining Chemicals

Agricultural Chemicals

Leading supplier of fertilizers and crop protection products

Review

- Incitec Fertilizers achieved record sales volumes during the year. With mixed but reasonable seasonal conditions, Fertilizers expanded its market presence in southern Australia and retained key market positions in other eastern Australia regions. Improved world urea prices and the lower Australian dollar contributed to the strong earnings result.
- The Crop Care business recorded lower earnings as a result of Syngenta's termination of its product distribution agreement, and adverse seasonal conditions affecting sales to cotton and Western Australian broadacre markets.
- Syngenta terminated its product distribution agreement with Crop Care Australasia from 1 April 2001. This resulted in a \$40.6 million (classified as an individually significant item) addition to profit by way of compensation.
- Record production levels and safety performance were achieved at Incitec's major manufacturing facility at Gibson Island (Queensland, Australia) reflecting operating efficiencies and the sustained commitment to safety.
- Incitec completed the sale of its 50% shareholding in rural merchandising group Grow Force Australia Limited.

Progress against business strategies

- Continue to develop advanced products and delivery systems to raise the productivity of the Australian agricultural sector. *Investment in Incitec's product distribution centres has lifted customer service levels, lowered logistics costs and expanded its distribution network to service growing markets.*
- Build partnerships with customers and world competitive suppliers. *In March 2001, Crop Care and FMC International AG formed a strategic alliance to integrate their businesses and jointly market their new and existing products. Under this agreement Crop Care has secured distribution of the existing FMC product range together with access to their research and development.*
- Reduce emissions to air and water from its operations. *The Gibson Island plant won the inaugural Queensland Chamber of Commerce and Industry's prestigious Plastics and Chemicals Industry Association Environmental Award and the Healthy Waterways Award by cutting nitrogen outflows from the plant to the Brisbane River by over 90%.*
- Expand product range through technical innovation. *Crop Care has continued to develop and commercialise its SusCon technology, which extends the effectiveness of the active ingredient through controlled release. This product is well suited to the key sugar market.*
- Monitor developments of greenhouse gas abatement measures. *Incitec fully achieved its obligations under the voluntary Australian Government Greenhouse Challenge Co-operative Agreement, and is seeking further reductions in emission levels.*

The year ahead

Incitec Fertilizers will focus on improvements in productivity and product distribution economies while continuing to drive higher returns from its assets. In the next 12 months urea prices are expected to be lower in US dollar terms and the business will aim to counter the adverse impact on margins with new cost efficiencies. An improvement in seasonal conditions and the continued success in establishing key product distribution agreements will drive expected earnings growth in the Crop Care business.



Sugar cane farmer Vic Flatt welcomes Incitec's advice on ways to improve profitability and productivity at his Queensland (Australia) property.

www.incitecfertilizers.com.au
www.cropcare.com.au

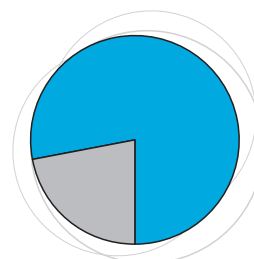
Financial Performance (\$m)

World fertilizer prices recovered in 2001 from their recent lows and combined with the low Australian dollar, led to improved selling prices. The business increased market share in Victoria and South Australia, while retaining market leadership in Queensland and New South Wales. Crop Care sales were adversely affected by dry weather conditions in Western Australia and poor growing conditions in the cotton regions. Lower priced sales due to the termination of the Syngenta Limited distribution agreement from 1 April 2001 were also a factor in reducing sales.

	2001	2000	Change
Total revenue	896.1	799.7	+12%
Earnings before interest and tax and before individually significant items	63.0	51.3	+23%
Average capital employed	352.1	333.0	+6%
Return on average capital employed*	12.8%	10.3%	
Contribution to total sales	21%	22%	

* Definition on page 9

Sales breakdown



78% Incitec Fertilizers
 22% Crop Care

Consumer Products

Leading manufacturer and supplier of brand name paints and related products

Review

- The downturn in Australia's building industry and the current economic environment adversely affected the decorative paint market, with industry volumes over 8% below last year. The trade segment of the industry fared worse than the retail segment but Consumer Products was still able to grow its share in both markets. In New Zealand the decorative paint market remained flat as a result of a decline in residential building activity.
- In December 2000, Consumer Products launched the new Dulux Colour Specifier System for professionals and Colour Solutions for the home renovator market. In 2001, the Mycolour™ tool (see inside front cover) was launched.
- Trade painters began ordering product and transacting billing and payment on line at www.duluxtradeonline.com.au. Orica Woodcare launched www.cabots.com.au and a decking restoration service called Deck Care. Selleys launched its website www.selleys.com.au
- In June 2001, the Australian Department of Education, Employment and Training conferred TAFE (Technical and Further Education) accreditation on the Orica Training Academy, recognising it as a registered training organisation. It teaches customers how to use our products.
- The Research and Development technology centre at Clayton (Victoria, Australia) was opened in November 2000.
- The business began to reap the cost and efficiency benefits from the Rocklea (Queensland, Australia) decorative paint facility upgrade and the consolidation of three New Zealand powder coatings sites to one site. The introduction of SAP business systems was difficult, but benefits are expected in 2002.
- Orica Woodcare completed an upgrade to its Scoresby (Victoria, Australia) manufacturing site, improving dust and solvent extraction systems and installing new manual handling equipment for both drums and filling lines.

Progress against business strategies

- Maintain a strong Research and Development program and increase the rate of product innovation.
New products were launched in 2001 under the Dulux, Rota Cota, Selleys, Poly, Cabot's and Feast Watson brands. The Dulux Effects range was expanded and Rota Cota launched complementary specialised paint application tools. Selleys became the Australasian distributor of TurtleWax.
- Continue to improve our relationships with customers and suppliers.
The business continued to win major supplier awards in recognition of its strong customer focus. Dulux Australia won the BBC Hardware and 3D Paint Store supplier of the year awards, and came second in the Mitre 10 awards and retained our largest supplier status. Orica Woodcare won the 3D Customer Service award. In New Zealand the business came second in the Guthrie Bowron supplier of the year.
- Ensure costs are world competitive.
The inclusion of Selleys into the SAP operating environment in June 2001 brought to an end a large infrastructure project and established a platform for delivering a high level of service at a low cost across Consumer Products.
- Reduce manual handling injuries.
Manual handling injuries continued to decline this year, assisted by the investment in Rocklea's automated filling line, reduced pack size and other workplace changes.
- Grow the business in offshore markets.
After many years of agency distribution Consumer Products took back the responsibility for distribution of Selleys products in key markets in Asia. This has resulted in growing the business and improving profitability.



Choosing house paint colours on the Internet or on a computer at a paint store using the Dulux Mycolour™ interactive colour visualisation tool (more details inside front cover) has been well received by home renovators eager to improve the appearance of their homes. Mycolour™ won the Mitre 10 Technical Innovation Award.

The year ahead

The outlook for the business is for improved trading conditions in the coming year as the building industry continues to recover and interest rates remain low. With recent marketing initiatives, new products launched and cost reductions, Consumer Products is well placed for improved profit performance in 2002.

www.dulux.com.au
www.dulux.co.nz
www.selleys.com.au
www.cabots.com.au

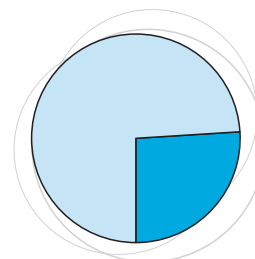
Financial Performance (\$m)

Total sales in consumer products in 2001 were similar to last year with reduced volumes offset by price increases. Profitability was significantly lower than last year. Price increases achieved during the year were not sufficient to recover increases in the cost of raw materials.

	2001	2000	Change
Total revenue	610.6	638.0	-4%
Earnings before interest and tax and before individually significant items	36.3	63.3	-43%
Average capital employed	241.3	217.0	+11%
Return on average capital employed*	10.1%	18.9%	
Contribution to total sales	15%	16%	

* Definition on page 9

Sales breakdown



74% Paints
26% Other

Chemicals

Leading chemical manufacturer and distributor in Australia, New Zealand and Asia Pacific

Review

- Chemicals profitability continued to improve through increased sales, cost efficiencies and productivity gains. Cash performance was strong as a result of tight control of working capital.
- The Adhesives & Resins business faced a difficult trading year in Australia due to significant key raw material price rises, a major downturn in the building industry and strong competitor pressure. The New Zealand business performed strongly, only feeling repercussions from the Australian downturn in the second half year. The Indonesian business delivered a profit in the second half year.
- ChlorAlkali reported a strong performance as a result of demand for chlorine and sodium hypochlorite. Caustic soda prices remained high throughout the year.
- Two new energy and cost efficient ChlorAlkali plants were built in Australia. The Botany (New South Wales) plant was completed on time and within budget, however a poor industrial relations climate in Victoria led to significant delays in the construction of the Laverton plant. Full beneficial operation is expected in 2002.
- Adelaide's (South Australia) Mount Pleasant community began drinking MIEX® treated water in July. The commissioning of Water Corporation of West Australia's Wanneroo (Western Australia) MIEX® water treatment plant is scheduled for late 2001. Orica Watercare Inc. is taking the technology to the USA. (See inside front cover)
- Despite difficult trading conditions in Australia's building and construction industry, the Chemnet distribution business performed particularly well. Chemnet New Zealand had an exceptional year in the dairy and pulp and paper industries.
- Incitec's Industrial Chemicals business improved earnings through better plant performance, favourable pricing conditions and strong demand for ammonium nitrate.

Progress against business strategies

- Build partnerships with customers and world competitive suppliers. *Chemicals continued to work closely with customers to improve products and services. In 2001, the ChlorAlkali business signed a five year contract with Bunbury Water (Western Australia) to supply not only chlorine gas, but to upgrade existing chlorination equipment, and to provide product training and on-going equipment maintenance.*
- Continue to realise productivity improvements and cost efficiencies. *Following the successful development of industry leading 'zero formaldehyde emission' resins for the Australian and New Zealand wood panels markets, Orica has now transferred the technology to Indonesia. This will lead to improved environmental performance of Indonesian wood panels industry products in the future.*
- Assist customers with safe storage, handling and use of chemicals. *The Chemnet New Zealand partnership with customer Norske Skog has enabled Norske Skog to achieve a 5 Star Rating for Safe Chemical Management under the National Safety Council of Australia's guidelines. This is the highest rating achievable.*
- Innovate through partnerships with research organisations. *Orica Watercare and CSIRO Molecular Science have set up a Research & Development relationship with Forschung Szentrum of Karlsruhe, Germany to further develop the use of Orica MIEX® technology for the treatment of effluent and ground water.*
- Achieve world competitive performance standards in all business processes and systems. *In 2001, Orica Chemicals added on-line invoicing and tank telemetry to www.orica-chemicals.com, offering customers a complete on-line stock management solution. Benefits include greatly reduced invoice processing and supplier management costs.*

The year ahead

The business will continue to strengthen its market position through growth in chemicals trading by expanding the range of products and services and, if appropriate opportunities become available, through acquisitions. The new chlorine production facilities at Laverton and Botany are expected to deliver energy efficiency benefits, and the novel MIEX® technology will continue to be adopted by more water treatment authorities.

www.orica-chemicals.com
www.mieuxresin.com



Stephen Hepburn (left) and Abdul Hussein have worked to deliver a website (www.orica-chemicals.com) which enables Chemicals customers to place all of their orders over the Internet.

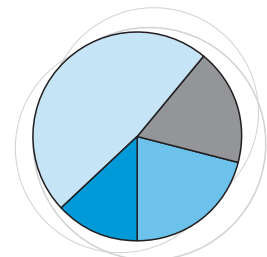
Financial Performance (\$m)

Sales increased in all businesses despite the effects of the slowdown in the Australian building and construction industry. Profitability improved as higher prices in most sectors, particularly ChlorAlkali, and tight cost control more than offset the lost earnings from the Polyurethanes business sold in 2000.

	2001	2000	Change
Total revenue	775.8	711.8	+9%
Earnings before interest and tax and before individually significant items	75.4	61.9	+22%
Average capital employed	399.3	373.4	+7%
Return on average capital employed*	13.3%	11.0%	
Contribution to total sales	16%	16%	

* Definition on page 9

Sales breakdown



48% Chemnet
21% Industrial Chemicals
18% ChlorAlkali
13% Adhesives and Resins

Plastics

Our Plastics business is represented through two joint ventures. Australian Vinyls Corporation, a joint venture with the USA company PolyOne, which manufactures PVC resins and other plastic compounds, and Qenos Holdings Pty Ltd, a joint venture with ExxonMobil Corporation, which manufactures polyethylene, polypropylene and synthetic rubber.

Review

- Australian Vinyls continued to experience difficult trading conditions, mainly as a result of the fall in building and construction industry activity. Since over 80% of PVC is consumed in this industry the impact on Australian Vinyls was severe. Domestic consumption of PVC fell from over 190,000 tonnes per annum to approximately 170,000 tonnes per annum. This placed severe pressure on revenues and has led to a second year of poor performance.
- Qenos also experienced very difficult conditions. A strike by employees at the Olefins facility at Altona (Victoria, Australia) resulted in the loss of all production for over four months of the year. This was exacerbated by the extension of a major maintenance turn-round which further reduced output. This plant was finally re-commissioned in late August. Output at the Botany (New South Wales, Australia) plant was particularly strong but was also curtailed following a fire at Moomba (South Australia) which reduced the supply of ethane feedstock. While Qenos supplemented its production with imported product and was able to retain its high domestic market shares in all its key products, it suffered substantial losses in the period.

Progress against business strategies

- Recover margins in Australian Vinyls. *Substantial progress has been made to re-align feedstock contracts to achieve world competitive raw material input costs. Organisational change was also implemented in the business to improve productivity, lower fixed costs and to exploit market growth opportunities.*
- Complete the realisation of synergies at Qenos and expand market share. *Despite the industrial relations problems at Qenos, the business continued to realise the synergies from the joint venture. The Botany facility performed particularly well and is now producing high density polyethylene to replace imports. Further productivity improvements and continued pressure on costs will deliver savings in the future.*

Financial Performance (\$m)

Australian Vinyls Corporation continued to encounter difficult trading conditions in 2001. Volumes declined as demand from PVC pipe customers reduced as a result of the slowdown in the building and construction industry.

Qenos Holding Pty Ltd contributed a loss in 2001 compared to a profit in 2000, due to the impact of a plant maintenance shutdown and extended industrial disputes.

	2001	2000	Change
Total revenue	244.5	329.0	-26%
Earnings before interest and tax and before individually significant items	(22.9)	13.3	
Contribution to total sales	6%	8%	

The year ahead

Australian Vinyls expects to see an improvement in volume demand for PVC as the building cycle improves. The completion of the major maintenance shutdown at Qenos will lead to restoration of virtually full output. While there is evidence of softening customer demand and prices in US dollar terms, the current low Australian dollar is underpinning import parity prices. If it continues at these levels, the result should be a profitable trading year for Qenos. The result will be supported by the increasing level of synergies being delivered.



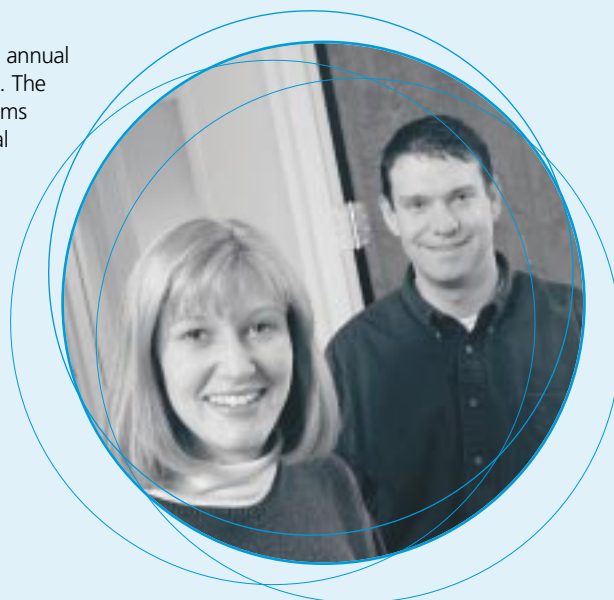
Qenos

www.qenos.com
www.av.com.au

People

During the 2000/2001 year:

- The majority of Orica employees undertook an annual performance agreement and review discussion. The process has been supported by training programs particularly in support of the use of Behavioural Competencies.
- Managers received training and development through the Interaction Management, Managing For Performance and Integrated Management Development Programs.
- Compulsory training programs were undertaken in a number of areas to meet internal and external standards. Of note was training in Trade Practices, Anti harassment awareness, IT security, High Performance Organisation and Emergency evacuation procedures.



Sarah Plunkett and Larry Fisher,
USA, Mining Services

Orica Board



Donald P Mercer

BSc (Hons) MA(Econ)

Age 60

Non executive director since October 1997. Appointed Chairman 2 May 2001, and was Acting Executive Chairman from 6 July to 3 September 2001. Chairman of the Board's Remuneration and Appointments Committee and Corporate Governance Committee.

Chairman of Australia Pacific Airports Corporation Ltd. Director and National Vice President of the Australian Institute of Company Directors Ltd. Director of CSIRO Australia and Australian Prudential Regulation Authority. Chancellor of RMIT University. Chairman of the State Orchestra of Victoria. Former Managing Director and Chief Executive Officer of ANZ Banking Group. Resident of Melbourne, Australia.



Malcolm W Broomhead

BE MBA FIE(Aus) FAusIMM FAIM MICE(UK)

Age 49

Managing Director and Chief Executive Officer since 4 September 2001.

Director of the Australian Council of the Royal Flying Doctor Service of Australia. Advisory Board Member of Endeavour Capital Corporation. Former Managing Director of North Limited. Former Chairman of Energy Resources of Australia Limited. Resident of Melbourne, Australia.



Anthony C Larkin

F CPA FAICD FFTA (Hon)

Age 59

Executive Director Finance since June 1998.

Chairman of Incitec Ltd, Qenos Holdings Pty Ltd and Australian Vinyls Corporation Limited. Functional responsibility for finance, internal audit, insurance, treasury, taxation, corporate affairs, legal, secretariat, investments management, acquisitions and divestments, and investor relations. Former Group Treasurer The Broken Hill Proprietary Company Ltd and Senior Vice President Finance & Investor Relations Foster's Brewing Group Ltd. Resident of Melbourne, Australia.



Graeme R Liebelt

BEc (Hons)

Age 47

Executive director since July 1997. Chief Executive Officer, Explosives as of 1 October 2000 and functional responsibility for safety, health and environment. Previously chairman of Incitec Ltd, general manager of Plastics and managing director of Dulux. Resident of Denver, USA.



Michaela Healey

LLB, GradDip Resources Law

Age 34

Company Secretary and Corporate Affairs Manager.

Joined Orica in January 2001.



Peter JB Duncan

BChE(Hons) GradDip(Bus)

Age 60

Non executive director since 1 June 2001 and Chairman of the Board's Audit Committee.

Director of Woodside Petroleum Limited, National Australia Bank Ltd and GasNet Australia Ltd. Former Chairman of the Shell Group of Companies in Australia and New Zealand. Resident of Melbourne, Australia.



Brian Healey

Age 67

Non executive director since May 1996 and a member of the Board's Audit Committee and Remuneration and Appointments Committee.

Chairman of Centro Properties Ltd. Director of Citipower Pty, Foster's Group Limited and CGNU Australia Holdings Ltd. Former Senior Vice President of Nabisco Inc and Sara Lee Corporation. Former Chief Executive of Nicholas Kiwi, worldwide. Resident of Melbourne, Australia.



Catherine M Walter

LLB (Hons) LLM MBA

Age 49

Non executive director since October 1998. Member of the Board's Audit Committee and Remuneration and Appointments Committee.

Director of Australian Stock Exchange Ltd, Committee for Economic Development of Australia (CEDA), Melbourne Business School Ltd, National Australia Bank Ltd, Queensland Investment Corporation and The Walter & Eliza Hall Institute of Medical Research. Former Melbourne Managing Partner of Clayton Utz and Commissioner of City of Melbourne. Resident of Melbourne, Australia.

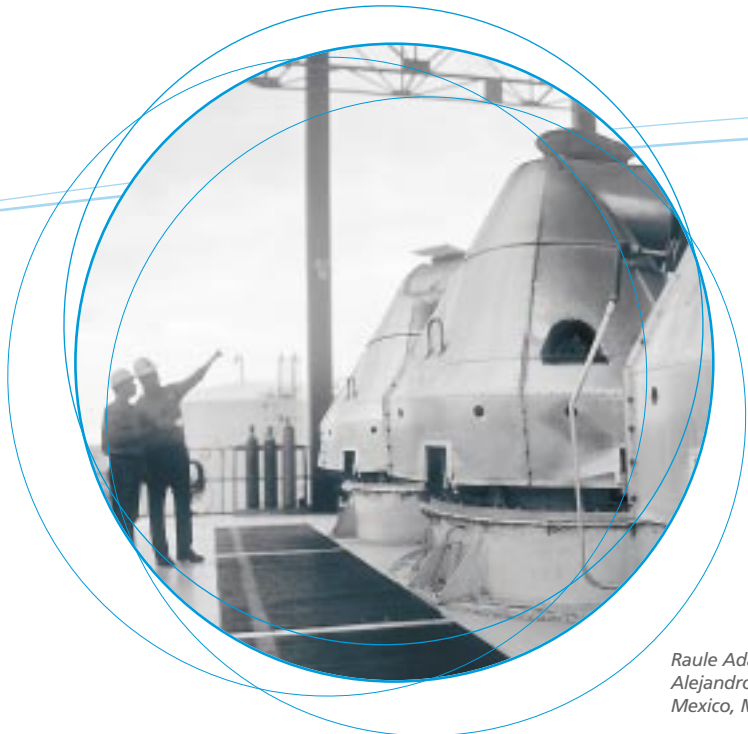


Anthony B Daniels OAM

Age 66

Non executive director since March 1995 and a member of the Board's Remuneration and Appointments Committee and Corporate Governance Committee.

Acting CEO/Managing Director of Pacific Dunlop Limited since April 2001. Director of Commonwealth Bank of Australia, The Australian Gas Light Company and O'Connell Street Associates Pty Ltd. Former managing director of Tubemakers Limited. Former President of National Competition Council. Resident of Sydney, Australia.



*Raule Adame and Alejandro de Hoyos
Mexico, Mining Services*

Executive Team



Malcolm Broomhead

BE, MBA, FIE(Aus), FAusIMM, FAIM, MICE(UK)

Managing Director and Chief Executive Officer

Joined Orica on 4 September 2001. Former Managing Director of North Limited with previous experience gained in strategy, finance and operational roles in that company. Former Chairman of Energy Resources of Australia Limited.

Age 49



Terry Keating

BSc, MSc, PhD

Strategic Planning Manager

Joined ICI PLC (UK) in 1969 holding senior positions in Research & Development, purchasing and ICI Petroleum. Seconded to ICI Australia in 1986. Joined this company in 1989. Has held a number of senior positions in Plastics, Finance and Planning. Director of Incitec Ltd, Qenos Holdings Pty Ltd and Australian Vinyls Corporation Limited.

Age: 59



Tony Larkin

FCPA, FAICD, FFTA (Hon)

Executive Director Finance

Joined the company in June 1998 with responsibility for Finance, Treasury, Taxation, Investments, Acquisitions and Divestments, Risk and Insurance Management, Internal Audit, Investor Relations, Corporate Affairs, Legal and Secretariat.

Previously Group Treasurer BHP and from 1993 to 1997 seconded to Fosters Brewing Group as Senior Vice President Finance and Investor Relations. From 1 August 2000 appointed a Director and Chairman of Incitec Ltd, Chairman of Australian Vinyls Corporation Limited, Chairman of Qenos Holdings Pty Ltd.

Age 59

Controller/Mgr – Finance Shared Services
John Lee

Investor Relations Mgr
James Fazzino

Investments Mgr
Richard Giles

Treasurer
Andrew Eddy

Risk & Insurance Mgr
David Lyons

Acquisitions & Divestments Mgr
Geoff Watson

Group Taxation Mgr
Adrian Muculj

General Counsel
Michael Barron



Graeme Liebelt

Bec (Hons)

Executive Director and CEO Explosives

Joined the company in 1989. Appointed Executive Director and General Manager Plastics Group in 1997. Previously Managing Director Dulux. Executive Director responsible for Safety, Health and Environment. Appointed CEO Explosives in October 2000.

Age 47

Chief Financial Officer
John Armour

Senior Vice President Technology and Business Development
Darrell Williams

Senior Vice President Strategic Planning
Philippe Etienne

Senior Vice President Marketing and Customer Relationships
Julian Segal

General Manager Australia/Asia
Broniek Karcz

David Gibson, Manager Mining
Darryl Roe, Manager Quarries & Construction

Sanjay Dayal, Manager Asia Pacific
Andy Paton, Manager Supply Chain
John Beevers, Manager Technical & Operations

Jackie Bottomley, Manager Corporate
President USA & Canada
Les Miller

Chris Spriggs, Vice President Finance & Administration and CFO

Jim O'Reilly, Sr. Vice President Quarry & Construction and Independent Distributors

Don Brinker, Vice President Mining Services
John McLaughlin, Vice President Initiation Systems International

Milt MacGregor, Vice President Ammonium Nitrate Products

Fortunato Villamagna, Vice President Technology

Peter Watson, General Counsel Americas
Don Harper, Vice President Human Resources

Frank Barker, SH&E/Quality
President Latin America
Christopher Hunter

Sergio Lafratta, Director of Business Development and Marketing

Claudio Rodríguez, Director Human Resources
Antonio Cyrino de Sá, Managing Director Brazil

Gabriel Larrondo, Managing Director Chile

Mike Moffat, General Manager Argentina
Marco Menin, General Manager Central America & Caribbean

Carlos Gonzalez, General Manager Mexico
Dennis Tremblay, General Manager Venezuela

Arthur Darivas, Business Controller
Managing Director Orica Europe
Jürgen Zimmermann

Stephen Connolly, General Manager Business Development and Operations

David Tierney, Chief Financial Officer
Thomas Brandt, General Manager Human Resources and SH&E

Jan Petzold, Managing Director Orica Germany



Greg Witcombe

BSc

Managing Director Incitec Ltd

Joined the company in 1977 and has held several senior management positions including General Manager Polyethylene Group in 1997. Appointed Managing Director of Incitec Ltd in October 1998. Chairman Crop Care Australasia Pty Ltd.

Age 47

GM Fertilizers
Gordon Davis

GM Crop Care Australasia
Geoff Marshall

GM Industrial Chemicals
Robert Ravens

GM Manufacturing
Richard Hoggard

Finance Mgr
Craig Elkington

Corporate Planning Mgr
Bill Surman

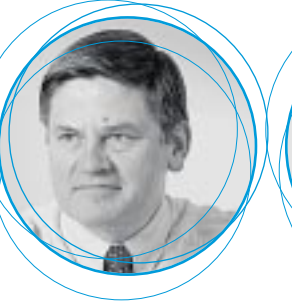
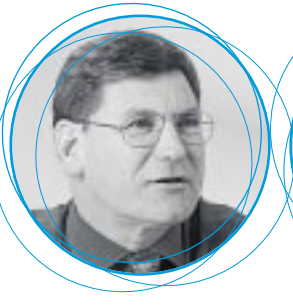
Human Resources Mgr
Ivan Wood

The Executive Team for 2000/2001 comprised the managing director and CEO, the executive directors and general managers of the businesses and functional groups, the Incitec managing director, general counsel and the strategic planning manager.

The Executive Team reviewed current and future business performance, as well as strategies for safety, health and environment, human resources, technology and other areas important to the company.

In 2002, the structure and role of this senior management group will change to reflect recently announced changes taking place in Orica.

Pictured is the 2000/2001 Executive Team as of 30 September.



Gerald (Jerry) Adams

BA, MBA

General Manager
Consumer Products

Joined Consumer Products in April 2000 as General Manager Consumer Products with responsibility for Dulux, Selleys, Powder Coatings and Woodcare. Previous roles include President & CEO of Box USA (a subsidiary of 4M Corporation) between 1996 and 1998, and Group General Manager of Amcor Fibre Packaging & Chief Executive of Australian Corrugated Box Business of Amcor (Australia) between 1992 and 1996.

Age 48

GM Decorative
Peter Bailey

GM Dulux New Zealand
Andrew Coleman

GM Woodcare
Andrew Ingleton

GM Operations
Malcolm Walters

GM – Powder Coatings
Steve Walker

GM Finance/IT/Planning
Michael Donnelly

GM Selleys Pty Limited
Martin Ward

GM Technology
John Lyons

Group Human Resources Mgr
Rob Weaver

Barbara Gibson

BSc, FTSE

General Manager
Chemicals Group

Joined the company in 1985. General Manager Chemicals Group since July 1997. Previously General Manager Advanced Sciences Group, General Manager Corporate Advisory Group and General Manager Research Group. Manager responsible for strategic procurement, Chairman of Orica New Zealand Ltd. Also Director of Incitec Ltd, KC Chemical Industries Pty Ltd, Orica Investments (NZ) Ltd, P.T. Orica Resindo Mahakam, Sarkem Pty Ltd, SHE Pacific Pty Ltd, and Deputy Chairman Biota Holdings Ltd.

Age 53

Div GM ChlorAlkali
Patrick Largier

Div GM Mining and Specialty Chemicals
Peter Walker

Div GM Chemnet
Graham Bird

Div GM Adhesives and Resins
George Barnett

Chemicals Group SH&E Mgr
Patrick Hanrahan

Chemicals Group HR Mgr
Michael Fisher

Chemicals Financial Controller
Noel Meehan

Chemicals Acquisitions and Planning Mgr
John MacKenzie

Chemicals Group IT Mgr
Abdul Hussein

Kevin Lynch

BSocSc, MBA

General Manager
Human Resources

Joined the company in 1994 as Industrial Relations Manager. Has held position of Group Personnel Manager in Chemicals Group, Advanced Sciences and Incitec. Appointed General Manager Human Resources in June 1998.

Age 45

Organisation Development Mgr
David Gunzburg

Group Remuneration Manager
Wendy Attwater

Corporate HR Manager
David McKinnon

Roy Rose

BSc

General Manager
Technology Group

Joined the company in 1969. Previously General Manager Technology and Planning at Dulux. Appointed General Manager Technology on 1 November 1998. Director of Incitec Ltd.

Age 54

Engineering Shared Services Mgr
Gregory McPhee

Corp Engineering & Manufacturing Mgr
Barry Hooper

IT Shared Services Mgr
Keith Revell

Chief Information Officer
Philip Nesci

Property Infrastructure Mgr
John Loschiavo

Group Security Mgr
Robert Fero

Corp SH&E Mgr
Patrick Hanrahan

SH&E Shared Services Mgr
Michael Brazel

Michael Barron

BEc, LLB

General Counsel

Joined Orica in 1985. General Counsel since 1993.

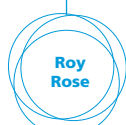
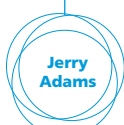
Age 46

Company Secretary and Corporate Affairs Manager
Michaela Healey

Chief Internal Auditor
Chris Williams



Executive Team



Mining Services
Explosives

Agricultural Chemicals
Incitec

Consumer Products

Chemicals

Finance

Technology

Human Resources

Strategy

Legal

Corporate Governance

Protection and enhancement of long term shareholder value is a key outcome of good corporate governance

At Orica, corporate governance is not a static statement of policy. It is an active process of continuous improvement led by the Board of directors and incorporated into a strong focus on responsible management throughout the organisation.

This report outlines the company's main corporate governance practices.

The Board

Role

The primary role of the Orica Board of directors is the protection and enhancement of long term shareholder value. The Board is accountable to shareholders for the performance of the company. It directs and monitors the business and affairs of the company on behalf of shareholders and is responsible for the company's overall corporate governance.

The Board has established general principles under which it and management operate to ensure that business is carried out in the best interests of the company. The Board responsibilities include:

- appointing the chief executive officer and managing director and succession planning
- approving major strategic plans
- monitoring the integrity and consistency of management's control of risk
- agreeing business plans and budgets
- approving major capital expenditure including acquisitions and divestments
- approving funding plans and capital raisings
- agreeing corporate goals
- reviewing performance against approved plans.

Responsibility for managing, directing and promoting the profitable operation and development of the company, consistent with the primary objective of enhancing long term shareholder value, is delegated to the managing director, who is accountable to the Board.

Independence

The Board recognises the special responsibility of non-executive directors for monitoring executive management and the importance of independent views. The chairman and all non-executive directors are independent of executive management and are free from any business or other relationship with the company that could compromise their autonomy and judgment.

If a conflict of interest arises, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Directors must keep the Board advised, on an ongoing basis of any interest which could potentially conflict with those of the company.

Composition

Orica maintains a majority of non-executive directors on its Board and separates the role of chair and chief executive. The Board currently comprises eight directors: five independent non-executive directors, including the chairman, and three executive directors, including the managing director. Details of the directors, their qualifications and experience are set out on pages 14 and 15.

The composition of the Board seeks to provide an appropriate range of experience, skills, knowledge and perspective to enable it to carry out its obligations and responsibilities. In reviewing the Board's composition and in assessing nominations for appointment as non-executive directors, the Board uses external professional advice as well as its own resources to identify candidates for appointment as directors.

The balance of skills and experience of the Board is critically reviewed by the Corporate Governance Committee.



Board meetings

The Board has 10 scheduled meetings per year and such additional meetings as the business of the company may require.

As well as holding regular Board meetings, the Board sets aside additional time annually to comprehensively review business plans and company strategy. Directors visit the company's operating sites. The Board is trialling less formal site visits by smaller groups of directors as a more efficient means of directors accessing a wider range of sites each year, and providing greater opportunity for meetings with employees and stakeholders at each of the company's operations.

Appointment terms

Apart from the managing director, directors are subject to shareholder re-election by rotation at least every three years. Non executive directors are appointed for a maximum term of 10 years. Directors must retire at 70 years of age. All directors must obtain the chairman's prior approval before accepting appointment to the Board of a publicly listed company.

Independent advice and access to company information

Each director has the right of access to all relevant company information and to the company's executives and, subject to prior consultation with the chairman, may seek independent

professional advice regarding their responsibilities at the company's expense. A director also has the right to have access to all documents which have been presented to meetings or made available whilst in office, or made available in relation to their position as director for a term of seven years after ceasing to be a director or such longer period as is necessary to determine relevant legal proceedings that commenced during this term.

Directors' Orica shareholdings

Directors are required to hold a minimum of 1,000 shares. Their current shareholdings are shown on page 23. Directors and relevant employees may buy or sell Orica shares during two month periods following the annual and half year results' announcement and the annual general meeting, and only when not in possession of any undisclosed price-sensitive information.

Executive directors and senior managers who are granted options under the Orica Executive Share Option Plan are prohibited from exercising options unless they do so within the above periods and are also not in possession of any undisclosed price-sensitive information.

Directors' fees

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 in the context of the nature of the directors' work and responsibilities, the Board reviews expert independent advice and survey data on fees paid by comparable companies and considers this against the level of remuneration required to attract and compensate directors of the appropriate calibre.

The amount of directors' fees paid to each non-executive director is presently \$60,000 per annum and the chairman receives a multiple of three times this amount. Additional annual fees of \$7,500 are paid to members of the Audit Committee, the chairman of which is paid \$15,000. No additional fees are payable to the members of other Board Committees. Non-executive directors do not participate in any equity incentive schemes.

The total fees paid to non-executive directors for 2001 was \$536,823.

Retiring non-executive directors are entitled to an allowance, up to a maximum of their last three years' remuneration after five years' service (pro rata for a lesser period).

The details of remuneration paid to each non-executive director during 2001 is set out on page 26.

Board committees

The Board has established charters for the operation of its committees. These charters provide flexibility for the scope and operation of the committees' activities and the minutes of these committees are circulated to the Board.

Audit Committee

The Audit Committee comprises three independent non-executive directors. The current chairman is Mr Peter Duncan and the other members are Mr Brian Healey and Mrs Catherine Walter. It is charged with assessing the adequacy of the company's financial and operating risk management controls, compliance with legal requirements and ethical guidelines affecting the company and the effectiveness of corporate governance practices. The Committee assesses and reviews external and internal audits and any material issues arising from these audits. It also assesses and reviews the accounting policies and practices of the group as an

integral part of reviewing the half yearly and full year accounts for recommendation to the Board. It also makes recommendations to the Board regarding the appointment of external auditors and the level of their fees and provides a facility, if necessary, to convey any concerns raised by the internal and external auditors independently of management influence. The Audit Committee ensures that the level of any non audit services is compatible with maintaining auditor independence. The external auditors attend meetings and meet privately with the Committee at least twice per year.

In 2002 the Audit Committee will be renamed the Audit and Risk Management Committee and will expand its role in the review of effectiveness of the risk management systems utilised by the company.

Remuneration & Appointments Committee

The Remuneration & Appointments Committee, which comprises all the non-executive directors, is chaired by Mr Don Mercer. It reviews the performance and remuneration of senior management including executive directors. Remuneration is set by reference to independent data, external professional advice, the company's circumstances and the requirement to attract and retain high-calibre management. It also has responsibility for the appointment and succession of the chief executive officer and executive directors.

Corporate Governance Committee

The Corporate Governance Committee was formed in August 2001 and comprises the chairman, managing director and non-executive director Mr Tony Daniels.

The Board created a committee dedicated to the review of corporate governance issues in recognition of the increasing importance of implementing good governance practices. The Committee monitors new developments in corporate governance practices and evaluates the company's policies and practices in response to changing external and internal factors.

This Committee also deals with the nomination of non-executive directors and considers the most appropriate processes for review of the Board's composition and performance.

The directors are conscious of the need to ensure that Board members possess the diversity of skill and experience required to fulfil the obligations of the Board. This Committee evaluates the composition of the Board and the annual program of matters considered by the Board.

Nominations for appointment to the Board are considered by the Board as a whole.

Board performance review

The Board carries out a formal annual review of its performance against its responsibilities and objectives. The purpose of the review is to identify any areas of weakness or scope for improvement and to focus on specific performance objectives. In addition a discussion with individual directors is undertaken by the chairman.

At the conclusion of each Board meeting a nominated director provides a critique of the Board meeting evaluating the standard of the material received by the Board and the quality of the contribution made by directors to the consideration of issues on the agenda.

The non-executive directors are responsible for regularly evaluating the performance of the chief executive officer. The evaluation is based on specific criteria, including the company's business performance, short and long term strategic objectives and the achievement of personal objectives agreed annually with the chief executive.

Internal controls and management of risk

The company has established controls at the Board and business group level that are designed to safeguard the company's interests and ensure the integrity of its reporting. These include accounting, financial reporting, safety, health and environment and other internal control policies and procedures, which are directed at ensuring the company fully complies with all regulatory requirements and community standards.

The Board has in place integrated risk management programs aimed at ensuring the company conducts its operations in a manner that allows risks to be identified, assessed and appropriately managed. Businesses have the responsibility and accountability for implementing and managing the processes required by the program.

Further details of the company's policies relating to interest rate management, forward exchange risk management and credit risk management are included in Notes (32) and (33) of the full financial statements.

Through these and other policies the company seeks to control the risk that arises through its activities. Comprehensive practices are in place with the intent that:

- capital expenditure and revenue commitments above a certain size obtain prior Board approval
- financial exposures are controlled, including the use of derivatives

Corporate Governance

- safety, health and environment standards and management systems are monitored and reviewed to achieve high standards of performance and compliance
- business transactions are properly authorised and executed.

Shareholders

The company seeks to provide relevant and timely information to its shareholders and is committed to fulfilling its obligations to the broader market for continuous disclosure. The www.orica.com website contains copies of our annual reports, investor relations publications, briefings and presentations given by executives plus links to information on our products and services. Shareholders may elect to receive electronic notification of releases of information by the company. On the inside back cover of this report there are details of how information provided to shareholders may be obtained.

Code of Ethics

Orica has published a Code of Ethics to provide employees with guidance on what is acceptable behaviour. Specifically, the company requires that all directors, managers and employees maintain the highest standards of integrity and honesty.

The key elements of the code are characterised by:

- fairness, honesty and loyalty supporting all actions
- being aware of and obeying the law
- individually and collectively contributing to the well-being of shareholders, customers, the economy and the community
- avoiding behaviour which is likely to reflect badly on employees and the company
- 'openness' and 'public disclosure' as the test for all actions.

To assist employees in applying the code in practice, the company has developed policies and guidelines dealing with the following:

- safety, health and environment
- protection of information and the company's resources
- trade practices compliance
- conflict of interest
- insider trading and dealing in securities
- equal employment opportunity and harassment.
- gifts and benefits
- prevention of, and dealing with, fraud.

The Code of Ethics is reviewed by the Board and processes are in place to promote and communicate these policies.

Safety, Health & Environment

Orica considers the successful management of safety, health and environment issues as a vital issue for our employees, customers, communities and business success. The separate Safety, Health & Environment Performance Report that accompanies this Annual Report outlines the company's policies, practices and performance in these important areas.

Political donations

Orica does not contribute funds to any political party, politician or candidate for public office.



*Shirley Sostre-Oquendo
USA, Mining Services*

Concise Financial Report

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The financial statements and other specific disclosures in the concise financial report on pages 28 to 41 have been derived from Orica Limited and its controlled entities' 2001 full financial report. Other information included in the concise financial report is consistent with the consolidated entity's full financial report. A more comprehensive understanding of the financial performance, financial position and financing and investing activities of the consolidated entity than the concise report is able to provide, is given in the full financial report.

A copy of the full financial report, including the audit report on the full financial report, is available and will be sent to any shareholder without charge on request by telephoning the Corporate Affairs Division on +61 3 9665 7246. It can also be accessed via the Internet at www.orica.com

Directors' Report

The directors of Orica Limited ('the Company' or 'Orica') present their Annual Report together with the report on the year's activities and the concise financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 September 2001 and the auditors' report thereon.

Directors

The directors of the Company during the financial year and up to the date of this report are:

D P Mercer, Chairman (appointed Chairman 2 May 2001)	G E Heeley (resigned 1 May 2001)
M W Broomhead, Managing Director (appointed 4 September 2001)	A C Larkin
P J Clinch (resigned 3 November 2000)	G R Liebelt
A B Daniels	B H Lochtenberg (retired 2 May 2001)
P J Duncan (appointed 1 June 2001)	C M Walter
B Healey	P L Weickhardt, Managing Director (resigned 6 July 2001)

The office of company secretary is held by M J Healey. Particulars of directors' qualifications, experience and special responsibilities are detailed on pages 14 and 15.

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 *
D P Mercer	11,000	-
M W Broomhead	1,500,000**	-
A B Daniels	27,624	-
P J Duncan	6,019	-
B Healey	9,300	-
A C Larkin	52,107	442,000
G R Liebelt	63,871	367,000
C M Walter	10,000	-
	1,679,921	809,000

* Issued under the Orica Share Option Plan approved by shareholders on 16 December 1998. All options have been issued in accordance with this plan subsequent to approval by shareholders at an Annual General Meeting

** Prior to M W Broomhead's appointment as Managing Director and Chief Executive Officer of Orica, the Company issued 1,500,000 fully paid ordinary shares to him at \$4.50 per share. Orica Australia Pty Ltd, a controlled entity of Orica, provided an interest free loan of \$6.75m with recourse limited to the value of the shares, to fund the share acquisition. The Managing Director will be unable to deal with the shares until the earlier of 5 years after his appointment or the termination of his employment at which time he will be required to repay the outstanding loan to the company or sell the shares to discharge the obligations of the loan. The post-tax dividends on the trust shares will be applied to the repayment of the loan. The loan is repayable upon the earlier of the 5th anniversary of the loan and cessation of employment and it will be subject to reduction upon satisfaction of share price performance hurdles on each of the 3rd, 4th and 5th anniversaries. The performance hurdles are directly related to increases in share price.

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		Corporate Governance and Board Composition Committee	
	Held ⁽¹⁾	Attended ⁽²⁾	Held ⁽¹⁾	Attended ⁽²⁾	Held ⁽¹⁾	Attended ⁽²⁾	Held ⁽¹⁾	Attended ⁽²⁾
D P Mercer	11	11	-	-	7	7	1	1
M W Broomhead ⁽³⁾	1	1	-	-	-	-	-	-
P J Clinch ⁽⁴⁾	2	2	-	-	-	-	-	-
A B Daniels	11	11	-	-	7	7	1	1
P J Duncan ⁽⁵⁾	4	4	1	1	3	3	-	-
B Healey	11	11	4	4	7	7	-	-
G E Heeley ⁽⁶⁾	7	6	3	3	4	4	-	-
A C Larkin	11	11	-	-	-	-	-	-
G R Liebelt	11	10	-	-	-	-	-	-
B H Lochtenberg ⁽⁷⁾	7	7	-	-	4	4	-	-
C M Walter	11	10	4	3	7	6	-	-
P L Weickhardt ⁽⁸⁾	8	8	-	-	-	-	-	-

(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.

(3) M W Broomhead was appointed on 4 September 2001.

(4) P J Clinch resigned on 3 November 2000.

(5) P J Duncan was appointed on 1 June 2001.

(6) G E Heeley resigned on 1 May 2001.

(7) B H Lochtenberg retired on 2 May 2001.

(8) P L Weickhardt resigned on 6 July 2001.

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.

No 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 2001 were:	\$m
Interim dividend paid at the rate of 2.5 cents per share on 2,000,000 preference shares, franked to 100% (2.5 cents) at the 30% corporate tax rate.	0.05
Final dividend declared at the rate of 2.5 cents per share on 2,000,000 preference shares, franked to 100% (2.5 cents) at the 30% corporate tax rate.	0.05
Interim dividend paid at the rate of 8.0 cents per share on 275,761,177 ordinary shares, franked to 100% (8.0 cents) at the 30% corporate tax rate.	22.1
The directors have declared a final dividend to be paid at the rate of 8.0 cents per share on 277,261,177 ordinary shares, for which provision has been made in the financial statements. This dividend will be franked to 100% (8.0 cents) at the 30% corporate tax rate.	22.2
<hr/> Total dividend distribution	<hr/> 44.4

In addition, the final dividend of 19 cents per share in respect of the financial year ended 30 September 2000, referred to in the previous directors' report, was paid in cash on 14 December 2000 or satisfied by the purchase of shares on market. The full amount of \$52.4m was provided in the 2000 financial statements. This dividend was franked to 25% (4.8 cents) at the 34% corporate tax rate.

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 8 to 13.

Changes in the state of affairs

Particulars of significant changes in the state of affairs of the consolidated entity during the year ended 30 September 2001 are as follows:

Acquisitions/Investments

- November 2000 – Acquisition of the Ammonium Nitrate and Packaged Explosives plants of La Roche Industries located in Utah and Illinois in the United States of America (USA).
- March 2001 – Acquisition of the industrial explosives business of Dynamit Nobel GmbH Explosivstoff und Systemtechnik (DNES) located in Germany and Estonia.

Events subsequent to balance date

The directors have not become aware of any significant matter or circumstance that has arisen since 30 September 2001, 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 8 to 13.

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 be likely to result in unreasonable prejudice to the consolidated entity.

Directors' and senior executives' emoluments

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

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

Directors' Report

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. The Company is currently reviewing its executive remuneration and incentive plans. In addition to this, payments shown in the table below reflect a number of special circumstances such as early termination of employment contracts for long serving executives. 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 2004, 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 (TSR) of Orica relative to a peer group of companies (ASX100). The number of options which become exercisable depends on where Orica ranks in its peer group when the group is arranged in terms of total shareholder return for the relevant performance period. No options are exercisable unless Orica's TSR is equal to or exceeds the median TSR of the ASX 100. Full exercise of options requires Orica's TSR to be better than 75% of companies in the ASX 100. Performance tests are carried out three, four and five years after allotment date and if the performance tests have not been successfully achieved by year five, the options lapse.

Executive directors and senior executives	Cash benefits			Non cash benefits		Total	No. of options issued ⁽¹⁾
	Salary \$000	Termination payments ⁽²⁾ \$000	Incentive payments ⁽⁵⁾ \$000	Superannuation contributions \$000	Other ⁽³⁾ \$000		
Executive Directors							
P L Weickhardt (resigned 6 July 2001) Former Managing Director and Chief Executive Officer	577.0	2,148.7	121.7	113.8	27.1	2,988.3	270,000
P J Clinch ⁽⁴⁾ (resigned 3 November 2000) Former Executive Director	7.6	1,348.8	608.4	17.6	-	1,982.4	-
G R Liebelt ⁽⁴⁾ Executive Director and Chief Executive Officer – International Explosives	983.8	-	103.1	66.8	217.4	1,371.1	142,000
A C Larkin Executive Director Finance	522.0	-	94.3	50.9	31.9	699.1	142,000
M W Broomhead (appointed 4 September 2001) Managing Director and Chief Executive Officer	108.3	-	-	-	-	108.3	-
Senior Executives							
J L Miller ⁽⁴⁾ President Explosives (USA and Canada) and former President Latin America	579.9	-	263.6	105.9	312.6	1,262.0	-
A D King ⁽⁴⁾ Former Senior Vice President Operations – International Explosives	199.5	610.9	237.0	21.1	143.3	1,211.8	-
D P Taylor ^{(4), (6)} Former President Explosives (USA and Canada)	703.8	-	204.0	-	80.8	988.6	67,000
A J Reeves ⁽⁴⁾ Former Chief Financial Officer - Orica International Management Inc	195.4	300.2	201.3	34.8	110.3	842.0	-
L Smith Former Commercial Manager – Explosives Supply Chain	148.2	562.2	30.4	22.0	30.5	793.3	-

(1) Using the Black-Scholes Option Pricing Model, based on an exercise price of \$5.72 per share, a range of values of each option issued during the financial year can be calculated, applying reasonable ranges of probabilities of exercising the option and the expected volatility of the underlying share. In the opinion of the Directors, on the grounds that the options cannot be traded, and given the nature of the performance hurdles that have been established for these options, it is not appropriate to attribute a fair market value or range of fair market values prior to the performance hurdles being achieved.

(2) Includes payment in lieu of notice, contractual entitlements due to early termination of employment contracts, annual leave and long service leave entitlement.

(3) Includes the cost to the company of motor vehicles, car parking, car allowances and fringe benefits tax, where applicable.

(4) For overseas based executives, other non cash benefits include relocation and travel allowances, reimbursement of accommodation and living away from home expenses, family travel and taxation planning expenses, the cost to the company of motor vehicles and car allowances.

(5) Incentive payments are in respect of the 2000 financial year as these were finalised and approved by the Remuneration and Appointments Committee subsequent to the completion of the 2000 financial statements. Any incentive payments for 2001 will be finalised and approved in late 2001 and disclosed in the 2002 financial statements.

(6) Mr Taylor was remunerated for certain executive officer services under a contract between Orica and Wimase Limited, a corporation in which Mr Taylor is the controlling shareholder. The total amount paid to Wimase Limited, including amounts reimbursed for services provided by Mr Taylor during the twelve months ended 30 September 2001, amounted to \$988,620.

Directors' Report

Non-executive directors' fees, including Committee 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.

Non-executive directors	Fees \$000	Superannuation contributions \$000	Retirement allowance \$000	Total \$000
D P Mercer, Chairman * (appointed 2 May 2001)	152.9	12.2	-	165.1
A B Daniels	60.0	4.8	-	64.8
P J Duncan (appointed 1 June 2001)	25.0	2.0	-	27.0
B Healey	67.5	5.4	-	72.9
G E Heeley (resigned 1 May 2001)	44.0	3.5	216.7	264.2
B H Lochtenberg (retired 2 May 2001)	120.0	9.6	518.8	648.4
C M Walter	67.5	5.4	-	72.9

* Includes a special remuneration for assuming role of Executive Chairman during the period 6 July to 3 September 2001.

Options

During the year, the Company granted options over 1,969,800 unissued ordinary shares to 71 executives under the Orica Share Option Plan. Each option relates to one fully paid ordinary share and the said options are exercisable at \$5.72 per share between 1 January 2004 and 31 December 2010 subject to prescribed performance hurdles.

The names of persons who currently hold options in Orica's share option plan are entered in the registers of options kept by the Company pursuant to Section 170 of the Corporations Act 2001. The registers may be inspected free of charge. Particulars of options granted to and exercised by the executive directors under Orica's share option plan to the date of this report are shown in the table below. The table also discloses options granted to and exercised by the five highest remunerated senior executives, excluding executive directors, under Orica's share option plan.

The exercise price of options issued under Orica's share option plan is set at the market value of an Orica share at the time of issue of the option. Market value is defined as the average of the closing price at which Orica shares were traded on the ASX during the three calendar months preceding the date of issue. The ability to exercise these options is conditional on the Company achieving prescribed performance hurdles.

	Granted during the year	Lapsed during the year	Exercised during the year	Outstanding at year end	Exercise price	Date first exercisable	
Executive Directors							
P J Clinch	-	-	-	115,000	\$8.31	1 Jan 2003	^
(resigned 3 November 2000)	-	-	-	110,000	\$8.57	1 Jan 2002	^
A C Larkin	142,000	-	-	142,000	\$5.72	1 Jan 2004	^
	-	-	-	115,000	\$8.31	1 Jan 2003	^
	-	-	-	185,000	\$8.57	1 Jan 2002	^
G R Liebelt	142,000	-	-	142,000	\$5.72	1 Jan 2004	^
	-	-	-	115,000	\$8.31	1 Jan 2003	^
	-	-	-	110,000	\$8.57	1 Jan 2002	^
	-	105,000	-	-	\$10.88	27 Feb 2001	*
P L Weickhardt	270,000	270,000	-	-	\$5.72	1 Jan 2004	^
(resigned 6 July 2001)	-	-	-	225,000	\$8.31	1 Jan 2003	^
	-	-	-	200,000	\$8.57	1 Jan 2002	^
	-	170,000	-	-	\$10.88	27 Feb 2001	*
Senior Executives							
A D King	-	-	-	53,000	\$8.31	1 Jan 2003	^
J L Miller	-	-	-	-	-	-	-
A J Reeves	-	-	-	53,000	\$8.31	1 Jan 2003	^
L Smith	-	-	-	-	-	-	-
D P Taylor	67,000	-	-	67,000	\$5.72	1 Jan 2004	^

* 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, subject to certain performance hurdles.

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 3,971,800 unissued ordinary shares under option. The price of issue and expiration dates of those unissued shares are set out in note 23 to the full 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 sites record their compliance and report that there is continued high compliance. Any breaches are reported to the authorities as required.

The Company received two environmental prosecutions during the year, the details of which are provided in the Safety, Health and Environment Performance Report 2001.

More specific details of Orica's safety, health and environmental performance, including management processes, are available in the Safety, Health and Environment Performance Report 2001.

Indemnification of officers

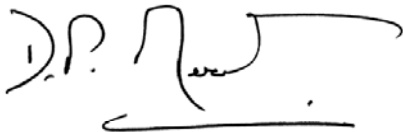
The Company's Constitution requires the Company to indemnify any person who is, or has been, an officer of the Company, including the directors, the secretary and other executive officers, against any liability incurred by the person which arises out of the discharge of that person's duties, unless the 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 controlled entities, 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.



D P Mercer
Chairman

Dated at Melbourne this 5th day of November 2001.

Concise Statement of Financial Performance

For the year ended 30 September 2001

	Notes	Consolidated 2001 \$m	2000 \$m
Revenue from ordinary activities	(3)	4,187.4	3,970.2
Operating expenses			
Changes in inventories of finished goods and work in progress		(59.5)	73.0
Raw materials and consumables used		(1,323.3)	(1,088.4)
Employee benefits expense		(715.1)	(649.3)
Depreciation and amortisation expense		(175.3)	(161.4)
Borrowing costs		(72.0)	(59.0)
Other expenses from ordinary activities		(1,991.6)	(1,909.5)
Share of associates' net profit/(loss) equity accounted		(20.6)	12.8
		(4,357.4)	(3,781.8)
(Loss)/profit from ordinary activities before income tax expense		(170.0)	188.4
Income tax expense attributable to (loss)/profit from ordinary activities		(36.6)	(65.1)
(Loss)/profit from ordinary activities after income tax expense		(206.6)	123.3
Outside equity interests in loss/(profit) from ordinary activities after income tax		13.9	(9.6)
(Loss)/profit from ordinary activities after income tax relating to members of Orica Limited		(192.7)	113.7
Non-owner transactions in equity			
Net exchange differences on translation of financial reports of foreign controlled entities		2.3	(2.4)
Total revenues, expenses and valuation adjustments relating to members of the parent entity recognised directly in equity		2.3	(2.4)
Total changes in equity other than those resulting from transactions with owners as owners		(190.4)	111.3
		cents	cents
Earnings per share			
Earnings per ordinary share		(69.9)	41.4
Diluted earnings per ordinary share is not materially different from basic earnings per share			

The consolidated statement of financial performance is to be read in conjunction with the discussion and analysis on page 29 and the notes to the financial statements set out on pages 34 to 41.

Discussion and Analysis of the Concise Statement of Financial Performance

Total revenue and profit from ordinary activities before tax and individually significant items (NPBT) for the Group comprised:

	Revenue	Change from 2000		NPBT	Change from 2000	
	2001	Increase/(decrease)		2001	Increase/(decrease)	
	\$m	\$m	%	\$m	\$m	%
Mining Services	1,764.6	355.5	25.2	79.1	(47.2)	(37.4)
Agricultural Chemicals	894.1	96.7	12.1	63.0	11.7	22.8
Consumer Products	610.5	(27.1)	(4.3)	36.3	(27.0)	(42.7)
Chemicals	667.8	58.3	9.6	75.4	13.5	21.8
Core Segments	3,937.0	483.4	14.0	253.8	(49.0)	(16.2)
Non Core Segments	242.0	(106.6)	(30.6)	(79.3)	(58.5)	281.3
Interest income/(expense)	8.0	(5.0)	(38.5)	(64.0)	(18.0)	(39.1)
Other income/(expense)	0.4	(154.6)	(99.7)	(0.1)	0.8	88.9
	4,187.4	217.2	5.5	110.4	(124.7)	(53.0)

Profit from ordinary activities before income tax and individually significant items was down \$124.7 million (53%) to \$110.4 million from \$235.1 million last year.

Each of the segments was impacted by significant items, which totalled \$280.4 million before tax and minority interests. Each core segment incurred rationalisation and restructuring costs which aggregated to \$68.8 million, with Mining Services also impacted by the write down of intangibles and other assets (\$118.8 million), and Agricultural Chemicals gaining from the termination of the Syngenta distribution agreement (\$55.0 million), partly offset by the settlement of the Zeneca Achieve claim (\$10.0 million). Non core segments were also impacted by the write down of the Australian Vinyls business and other minor investments of \$93 million and plant closures and industrial disputes at Qenos of \$12.8 million. Further costs of \$32 million were incurred to rationalise and restructure the Corporate Centre and shared services. The segment discussion below reflects the underlying result before significant items.

Business Performance

Mining Services – Earnings decreased by \$47.2 million (37.4%) compared to last year, whilst revenue grew by \$355.5 million (25.2%). The Explosives business continued to increase market share but was adversely impacted by significant increases in raw material costs, particularly ammonia due to increased natural gas prices worldwide. The Australian and Asian business volumes significantly improved as new contracts were won during the year. In the North American business, increases in selling prices and volumes did not compensate for reduced margins caused by higher costs. Latin American profitability continued to grow, the business improved sales volumes and prices. The European business also improved profitability reflecting its continued market expansion. The sodium cyanide business improved prices and secured increased volume in export markets.

Agricultural Chemicals – Earnings increased by \$11.7 million (22.8%) over last year, and revenue increased by \$96.7 million (12.1%). The improved profitability arose in the Fertilizer business, where a strong Urea market saw the business achieve both price and volume increases. The crop protection business, Crop Care, suffered lower volumes as a result of the termination of the Syngenta distribution agreement.

Consumer Products – Earnings decreased by \$27.0 million (42.7%) compared to last year. Total revenue fell by \$27.1 million (4.3%). Consumer Products had a difficult year. The downturn in the building industry in Australia and New Zealand reduced the Trade Decorative business volumes whilst prime cost increases reduced margin. In the last quarter trading conditions showed signs of recovery and the business achieved price increases. Selleys also had a difficult year with prices reducing in a competitive market.

Chemicals – Earnings increased by \$13.5 million (21.8%) over last year, and revenue increased by \$58.3 million (9.6%). The Chlor Alkali business achieved increased volumes and prices while the distribution business, Chemnet, also improved prices as it benefited from the lower Australian dollar. The Adhesives & Resins business improved profitability despite Resin raw materials prices cycling upwards. The Incitec Industrial Chemicals business, reported in this segment, again improved margins to produce a higher profit.

Non Core Segments – Australian Vinyls Corporation (AVC) continued to experience difficult trading conditions, with a slow down in the building and construction industry leading to disappointing sales prices and volumes, and with the low Australian dollar leading to an escalation in raw materials prices. In addition to lower AVC sales, the divestment of non core businesses in 2000 resulted in reduced revenue.

Net interest expense was \$18.0 million higher than last year. The group's interest cover was 2.7 times compared to 6.1 times last year.

Income tax expense attributable to (loss)/profit from ordinary activities at \$36.6 million has decreased by \$28.5 million over last year. This decrease was mainly due to the reduction in profit before tax of \$124.7 million (approximate tax effect of \$42 million) and lower tax credits from significant losses of \$13.3 million.

Concise Statement of Financial Position

As at 30 September 2001

	Consolidated	
	2001	2000
	\$m	\$m
Current assets		
Cash assets	122.4	87.2
Receivables	709.6	608.3
Inventories	580.9	642.8
Other	21.0	26.4
Total current assets	1,433.9	1,364.7
Non-current assets		
Receivables	9.4	4.1
Investments accounted for using the equity method	243.9	258.6
Other financial assets	0.3	6.0
Property, plant and equipment	1,621.4	1,484.0
Deferred tax assets	244.2	203.8
Intangible assets	155.0	249.6
Other	22.4	8.5
Total non-current assets	2,296.6	2,214.6
Total assets	3,730.5	3,579.3
Current liabilities		
Payables	650.1	532.7
Interest bearing liabilities	237.3	312.3
Current tax liabilities	13.9	16.8
Provisions	289.9	249.5
Total current liabilities	1,191.2	1,111.3
Non-current liabilities		
Interest bearing liabilities	869.2	552.3
Deferred tax liabilities	114.3	116.7
Provisions	153.1	155.2
Total non-current liabilities	1,136.6	824.2
Total liabilities	2,327.8	1,935.5
Net assets	1,402.7	1,643.8
Equity		
Parent entity interest		
Contributed equity	491.4	484.8
Reserves	149.3	147.0
Retained profits	642.5	879.6
Total parent entity interest	1,283.2	1,511.4
Outside equity interests in controlled entities	119.5	132.4
Total equity	1,402.7	1,643.8

The consolidated statement of financial position is to be read in conjunction with discussion and analysis on page 31 and the notes to the financial statements set out on pages 34 to 41.

Discussion and Analysis of the Concise Statement of Financial Position

Orica's net assets have decreased by 14.7% to \$1.40 billion over the year.

The major balance sheet movements were:

Total assets have increased by \$151.2 million principally due to:

- an increase of \$137.4 million in property, plant and equipment largely due to capital expenditures of \$253.3 million and additions through acquisitions of entities of \$86.5 million, partially offset by depreciation of \$154.5 million and the write-down of Australian Vinyls Corporation (AVC) and other minor assets of \$62.2 million.
- an increase in current receivables of \$101.3 million, due to a \$48.9 million increase in trade debtors mainly as a result of the current year acquisitions (\$26.6 million), a 10.1% increase in external sales, and a \$45.5 million increase in sundry external debtors mainly as a result of payments due to Orica from Syngenta following termination of a distribution agreement.
- an increase in deferred tax assets of \$40.4 million largely as a result of an increase in tax deductible provisions.
- a decrease of \$94.6 million in intangible assets primarily due to the write down of intangibles of \$118.5 million partly offset by \$40.2 million of intangibles arising from current year acquisitions.
- a decrease in current inventories of \$61.9 million mainly due to reductions in stock levels at Incitec through improvements in inventory management and demand forecasting processes, a reduction in Crop Care inventories due to the termination of a distribution agreement with Syngenta, and the divestment of the Grow Force business.

Total liabilities have increased by \$392.3 million principally due to:

- a net increase in interest bearing liabilities of \$241.9 million resulting in a gearing ratio (net debt to net debt plus equity) of 41.2% compared to 32.1% in the previous year.
- an increase in current payables of \$117.4 million mainly due to a \$70.9 million increase in trade creditors reflecting several factors, including acquisitions during the period, and a \$47.5 million increase in sundry external creditors mainly as a result of the Zeneca Achieve claim (\$10.0 million) and foreign currency balance sheet hedging contracts (\$25.5 million).
- a net increase in provisions of \$38.3 million, mainly due to additional restructuring provisions of \$100.8 million, spending against restructuring and environmental provisions of \$44 million, a \$14.3 million increase in employee entitlements, partly offset by a \$30.1 million reduction in the dividend payable to Orica shareholders.

Share capital has increased by \$6.6 million, which includes 1,500,000 shares issued to Malcolm Broomhead under the executive incentive scheme.

Outside equity interests in controlled entities has decreased by \$12.9 million to \$119.5 million.

Concise Statement of Cash Flows

For the year ended 30 September 2001

	Consolidated	
	2001	2000
	\$m	\$m
	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers	4,388.7	3,660.6
Payments to suppliers and employees	(4,077.9)	(3,540.3)
Interest received	6.6	13.1
Borrowing costs	(82.0)	(63.4)
Dividends received	8.4	1.5
Royalties and other trading revenue received	41.4	45.4
Net income taxes paid	(54.6)	(86.5)
Net cash flows from operating activities	230.6	30.4
Cash flows from investing activities		
Payments for property, plant and equipment	(253.3)	(318.8)
Payments for intangibles	(0.3)	(6.4)
Payments for purchase of investments	(9.3)	(37.7)
Payments for purchase of businesses/controlled entities	(128.7)	(0.4)
Proceeds from sale of property, plant and equipment	39.8	83.7
Proceeds from sale of investments	6.0	30.0
Proceeds from sale of businesses/controlled entities	0.3	153.0
Proceeds from/(net loan to) associated company	0.3	125.7
Net cash flows from/(used in) investing activities	(345.2)	29.1
Cash flows from financing activities		
Proceeds from long term borrowings	772.0	1.8
Repayment of long term borrowings	(378.5)	(22.5)
Net movement in short term financing	(159.6)	32.6
Principal repayments under finance leases	(1.0)	(1.1)
Proceeds from issue of shares to outside equity interests	3.3	-
Dividends paid	(80.5)	(94.4)
Net cash flows from/(used in) financing activities	155.7	(83.6)
Net increase/(decrease) in cash held	41.1	(24.1)
Cash at the beginning of the financial year	80.2	99.9
Effects of exchange rate changes on cash	0.5	4.4
Cash at the end of the financial year	121.8	80.2

The consolidated statement of cash flows is to be read in conjunction with the discussion and analysis on page 33 and the notes to the financial statements set out on pages 34 to 41.

Discussion and Analysis of the Concise Statement of Cash Flows

Net cash flows from operating activities

Net cash inflows from operations of \$230.6 million were higher than the previous year by \$200.2 million. Receipts from customers were 19.9% higher than the previous year, mainly due to increased operating revenues and the inclusion of GST on receivables. Payments to suppliers and employees were higher by 15.2% with increased costs and the inclusion of GST on payables being partly offset by a reduction in inventory levels, compared to an increase in inventories in 2000. Net income tax payments have decreased by \$31.9 million. In 2000, tax payments were adversely impacted by over \$40 million of amended tax assessments (objections lodged) in relation to a sale and leaseback transaction undertaken in 1989–90.

Net cash flows from investing activities

Net cash outflows used in investing activities totalled \$345.2 million, compared to a net inflow in the previous year of \$29.1 million.

Payments for capital expenditure were \$253.3 million for the financial year, down \$65.5 million (20.5%) on 2000. This included expenditure on the investment in Chlor Alkali, the Explosives Technology Centre in Denver USA, and various Explosives plants in North America, Latin America, Asia and Australia.

Payment for the purchase of businesses/controlled entities and investments of \$128.7 million was mainly represented by the acquisition of the industrial explosives business of DNES (\$56.6 million) and the Ammonium Nitrate and Packaged Explosives plants of La Roche (\$68.2 million), and compared to \$0.4 million last year.

Proceeds from the sale of businesses/controlled entities and investments of \$0.3 million, compared to \$153 million in 2000, which was mainly due to the divestment in 2000 of the polyurethanes and plastic films businesses and the ethane pipeline.

Net loan repayments from associates of \$0.3 million compared to \$125.7 million last year, which represented loan repayments to Orica from Qenos Holdings Pty Ltd.

Net cash flows from financing activities

Net cash inflows from financing activities were \$155.7 million, a \$239.3 million increase compared to the net cash outflow of \$83.6 million in the previous year.

Net proceeds from long term borrowings of \$393.5 million, compared to net repayments the previous year of \$20.7 million, was partly offset by a \$159.6 million repayment of short term financing compared to net borrowings of \$32.6 million in 2000.

Dividends paid during the year were \$80.5 million, compared to \$94.4 million in the previous year, a decrease of \$13.9 million.

Notes to the Financial Statements

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Notes to the Financial Statements

1. Basis of preparation of concise financial report

The concise financial report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB1039 'Concise Financial Reports' and applicable Urgent Issues Group Consensus Views.

A full description of the accounting policies adopted by the consolidated entity may be found in the consolidated entity's full financial report.

The principal accounting policies adopted in preparing the concise financial report have been consistently applied except as otherwise indicated.

Where necessary, comparative figures have been adjusted to conform with any changes to presentation in 2001.

Change in accounting policy

Revaluation of non-current assets

The consolidated entity has applied AASB 1041 Revaluation of Non-Current Assets for the first time from 1 October 2000. The standard requires each class of non-current asset to be measured on either the cost or fair value basis. AASB 1041 does not apply to inventories, foreign currency monetary assets, goodwill, investments accounted for using the equity method, deferred tax assets and other assets measured at net market value where the market value movements are recognised in the statement of financial performance.

The consolidated entity has applied AASB 1041 as follows:

Other financial assets

The consolidated entity has continued to apply the cost basis of valuation to unlisted shares in other entities, for unlisted shares in associates and interests in managed funds.

Property, plant and equipment

The consolidated entity has adopted the cost basis for property, plant and equipment and has deemed the cost of the property, plant and equipment to be equal to the carrying value as at 1 October 2000. The carrying value brought forward as at 1 October 2000 comprised land, buildings and improvements at cost of \$278.0m and \$68.3m carried at directors' valuation. In addition, machinery, plant and equipment of \$1,135.4m was carried at cost of acquisition, and \$1.7m was carried at directors' valuation. Finance leases totalled \$0.6m. The change in accounting policy has no financial effect in the current or prior financial years. As a consequence of making this election, on the adoption of AASB 1041 the balance of the asset revaluation reserve at 1 October 2000 relating to property, plant and equipment which is no longer available for asset write-downs is \$39.1m.

Other non-current assets

The consolidated entity has continued to apply the cost basis for other non-current assets such as receivables, intangibles other than goodwill and exploration, evaluation and development expenditure.

Notes to the Financial Statements

2. 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 and proceeds on sale of businesses.

Defined business areas	Revenue external to the consolidated entity	Inter-segment revenue	Total revenue	Profit from ordinary activities before income tax and significant items	Individually significant items	(Loss)/profit from ordinary activities before income tax and significant items	Segment assets	Capital expenditure	Depreciation and amortisation
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2001

	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Core Segments									
Mining Services	1,764.6	3.3	1,767.9	79.1	(162.8)	(83.7)	1,656.5	123.7	99.8
Agricultural Chemicals	894.1	2.0	896.1	63.0	38.1	101.1	587.4	25.6	24.9
Consumer Products	610.5	0.1	610.6	36.3	(8.1)	28.2	392.9	19.2	14.8
Chemicals	667.8	108.0	775.8	75.4	(9.8)	65.6	566.9	78.6	22.6
Subtotal Core Segments	3,937.0	113.4	4,050.4	253.8	(142.6)	111.2	3,203.7	247.1	162.1
Non Core Segments									
Plastics	244.5	-	244.5	(22.9)	(84.2)	(107.1)	243.4	3.4	5.9
Other	(2.5)	-	(2.5)	(56.4)	(53.6)	(110.0)	133.5	16.6	7.3
Subtotal Non Core	242.0	-	242.0	(79.3)	(137.8)	(217.1)	376.9	20.0	13.2
Eliminations	-	(113.4)	(113.4)	-	-	-	-	-	-
Subtotal	4,179.0	-	4,179.0	174.5	(280.4)	(105.9)	3,580.6	267.1	175.3
Unallocated items	8.4	-	8.4	(64.1)	-	(64.1)	149.9	-	-
Consolidated	4,187.4	-	4,187.4	110.4	(280.4)	(170.0)	3,730.5	267.1	175.3

2000

	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Core Segments									
Mining Services	1,409.1	3.9	1,413.0	126.3	(37.0)	89.3	1,460.3	136.4	81.2
Agricultural Chemicals	797.4	2.3	799.7	51.3	-	51.3	586.5	34.9	21.1
Consumer Products	637.6	0.4	638.0	63.3	(1.7)	61.6	396.0	32.7	13.0
Chemicals	609.5	102.3	711.8	61.9	-	61.9	521.6	80.4	25.9
Subtotal Core Segments	3,453.6	108.9	3,562.5	302.8	(38.7)	264.1	2,964.4	284.4	141.2
Non Core Segments									
Plastics	329.0	-	329.0	13.3	1.0	14.3	375.2	4.2	13.4
Other	19.6	-	19.6	(34.1)	(24.9)	(59.0)	120.5	24.5	6.8
Subtotal Non Core	348.6	-	348.6	(20.8)	(23.9)	(44.7)	495.7	28.7	20.2
Eliminations	-	(108.9)	(108.9)	-	-	-	-	-	-
Subtotal	3,802.2	-	3,802.2	282.0	(62.6)	219.4	3,460.1	313.1	161.4
Unallocated items	168.0	-	168.0	(46.9)	15.9	(31.0)	119.2	-	-
Consolidated	3,970.2	-	3,970.2	235.1	(46.7)	188.4	3,579.3	313.1	161.4

Notes to the Financial Statements

2. 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 care products.
Chemicals	Manufacture and supply of a broad range of industrial and specialty chemicals including chlorine, sodium hypochlorite, caustic soda and chemicals for household, food and personal care products and ammonia, ammonium nitrate and urea for industrial applications.
Plastics	Manufacture and supply of polyethylene and polypropylene, synthetic rubber and specialty plastics (provided through Qenos Holdings Pty Ltd 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	Profit from ordinary activities before income tax and significant items	Individually significant items	(Loss)/profit from ordinary activities before income tax and after significant items	Segment assets	Capital expenditure	Depreciation and amortisation
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2001

	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Australia	2,539.8	58.8	2,598.6	109.4	(124.2)	(14.8)	2,257.9	165.1	107.3
New Zealand	314.9	5.9	320.8	15.8	(0.2)	15.6	152.3	8.2	6.2
Americas	1,023.1	7.7	1,030.8	21.0	(153.7)	(132.7)	853.2	76.7	47.5
Other	301.2	2.9	304.1	28.3	(2.3)	26.0	317.2	17.1	14.3
Eliminations	-	(75.3)	(75.3)	-	-	-	-	-	-
Subtotal	4,179.0	-	4,179.0	174.5	(280.4)	(105.9)	3,580.6	267.1	175.3
Unallocated items	8.4	-	8.4	(64.1)	-	(64.1)	149.9	-	-
Consolidated	4,187.4	-	4,187.4	110.4	(280.4)	(170.0)	3,730.5	267.1	175.3

2000

	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Australia	2,528.9	50.8	2,579.7	185.1	(26.6)	158.5	2,314.7	193.0	110.3
New Zealand	277.7	7.8	285.5	21.2	(4.9)	16.3	132.3	4.5	6.1
Americas	793.9	7.7	801.6	48.9	(31.1)	17.8	794.7	87.2	35.5
Other	201.7	2.8	204.5	26.8	-	26.8	218.4	28.4	9.5
Eliminations	-	(69.1)	(69.1)	-	-	-	-	-	-
Subtotal	3,802.2	-	3,802.2	282.0	(62.6)	219.4	3,460.1	313.1	161.4
Unallocated items	168.0	-	168.0	(46.9)	15.9	(31.0)	119.2	-	-
Consolidated	3,970.2	-	3,970.2	235.1	(46.7)	188.4	3,579.3	313.1	161.4

Notes to the Financial Statements

	Consolidated	
	2001	2000
	\$m	\$m
3. Revenue from ordinary activities		
External sales	4,041.9	3,672.7
Other revenue from operating activities		
Royalty income	1.5	3.7
Dividend income:		
external parties	0.9	0.4
Interest income:		
associated companies	1.6	6.9
external parties – banks	6.4	6.1
Other income	39.9	41.7
From outside operating activities		
Sale of businesses/controlled entities	0.4	155.0
Sale of property, plant and equipment	39.8	83.7
Proceeds from termination of distribution agreement	55.0	-
Total other revenue	145.5	297.5
Total revenue	4,187.4	3,970.2

	2001			2000		
	Gross	Tax	Net	Gross	Tax	Net
	\$m	\$m	\$m	\$m	\$m	\$m
4. Individually significant items						
(Loss)/profit from ordinary activities includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:						
Consolidated						
Write down of explosives business (1)	(114.3)	(8.0)	(122.3)	-	-	-
Write down of carrying value of assets of AVC and other minor investments to recoverable value (2)	(97.5)	(7.4)	(104.9)	-	-	-
Impact of plant closures at Qenos (3)	(12.8)	-	(12.8)	-	-	-
Settlement of Zeneca Achieve claim (4)	(10.0)	3.4	(6.6)	-	-	-
Profit on termination of distribution agreement (5)	55.0	(9.1)	45.9	-	-	-
Restructuring and rationalisation costs (6)	(100.8)	21.0	(79.8)	(52.0)	9.7	(42.3)
Profit on sale of major business:						
Polyurethanes	-	-	-	24.2	1.9	26.1
Profit on sale of other assets	-	-	-	29.3	(4.6)	24.7
Amended tax assessment - sale & leaseback transaction	-	-	-	(8.2)	(4.3)	(12.5)
Remediation costs	-	-	-	(40.0)	10.5	(29.5)
Individually significant items	(280.4)	(0.1)	(280.5)	(46.7)	13.2	(33.5)
Outside equity interests in individually significant items	(23.0)	(2.5)	(25.5)	(0.4)	0.2	(0.2)
Individually significant items attributable to members of Orica	(257.4)	2.4	(255.0)	(46.3)	13.0	(33.3)

- (1) Write down of North American Explosives intangibles and US future income tax benefit to recoverable amount.
- (2) Write down of carrying value of assets of Australian Vinyls Corporation Limited (AVC), eCommerce investments and other assets, and costs relating to the closure of Myspace Limited.
- (3) Equity accounted loss attributable to rationalisation and restructuring costs associated with the closure of two plants at Qenos Holdings Pty Ltd (a 50:50 venture between Orica Investments Pty Ltd and ExxonMobil Corporation).
- (4) Settlement with Zeneca Ltd by Crop Care Australasia Pty Ltd (a 50:50 venture between Orica Investments Pty Ltd and Incitec Ltd) in relation to damages for alleged breach of contract regarding the Achieve product.
- (5) Termination payments from Syngenta Ltd to Crop Care Australasia Pty Ltd following termination of a distribution agreement for crop protection products in Australia, New Zealand and the Pacific Islands.
- (6) Restructuring and rationalisation costs include redundancy and associated costs relating to the restructuring and reorganisation of support services and Orica core businesses.

Notes to the Financial Statements

		Consolidated	
		2001	2000
	Notes	Cents per share	Cents per share
5. Earnings per share (EPS)			
Basic earnings per share			
including significant items		(69.9)	41.4
excluding significant items		22.6	53.5
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		275,892,684	274,567,879
		\$m	\$m
Reconciliation of earnings used in the calculation of basic earnings per share including individually significant items			
(Loss)/profit from ordinary activities after income tax expense		(206.6)	123.3
Less outside equity interests		13.9	(9.6)
Less preference share dividends appropriated		(0.1)	(0.1)
Earnings used in calculation of basic EPS		(192.8)	113.6
Reconciliation of earnings used in the calculation of earnings per share excluding individually significant items			
(Loss)/profit from ordinary activities after income tax expense		(206.6)	123.3
Less outside equity interests		13.9	(9.6)
Less preference share dividends appropriated		(0.1)	(0.1)
Add individually significant items after income tax	(4)	255.0	33.3
Earnings used in calculation of EPS excluding individually significant items		62.2	146.9

Notes to the Financial Statements

	2001	Company 2000
	\$m	\$m
6. Dividends		
Dividends paid or declared in respect of the year ended 30 September were:		
Ordinary		
interim dividend of 16 cents per share, franked to 40% at 34%, paid 2 Jul 2000		43.9
interim dividend of 8 cents per share, fully franked at 30%, paid 6 Jul 2001	22.1	
final dividend of 19 cents per share, franked to 25% at 34%, paid 14 Dec 2000		52.4
final dividend of 8 cents per share, fully franked at 30%, payable 14 Dec 2001	22.2	
Preference		
interim dividend of 2.5 cents per share, franked to 40% at 34%, paid 31 Jul 2000		0.05
interim dividend of 2.5 cents per share, fully franked at 30%, paid 31 Jul 2001	0.05	
final dividend of 2.5 cents per share, franked to 25% at 34%, paid 31 Jan 2001		0.05
final dividend of 2.5 cents per share, fully franked at 30%, payable 31 Jan 2002	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	56.6	85.0
satisfied by issue of shares	-	19.1
Dividends satisfied by the purchase of shares on market for dividend reinvestment plan	18.0	-

Franking credits

Franking credits available at the 30% (2000 at 34%) 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 (2000 nil).

Franking credits at the 30% corporate tax rate arising from tax payments relating to the amended income tax assessments in respect of a sale and leaseback transaction amounting to \$41.2m (2000 \$34.3m) will not be used to frank dividends while the tax is in dispute.

Notes to the Financial Statements

7. Contingent liabilities

Discounted bills of exchange

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

Total discounted bills of exchange outstanding at year end amounted to \$48.6m (2000 \$67.0m).

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 (as amended), 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 disclosed in note 38 of the full financial statements. A consolidated statement of financial position and statement of financial performance for this closed group is shown in note 39 of the full financial statements.

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.

Sale and Leaseback transaction

In October 1989 a subsidiary of Incitec Ltd, Eastern Nitrogen Limited, entered into a 'Sale and Leaseback' arrangement whereby an ammonia plant located at Newcastle was sold for a cash consideration of \$71.4m. During the 1992 financial year, the Australian Taxation Office (ATO) completed a routine tax audit of the Incitec group for the years 1986 – 1990 and the treatment of the Sale and Leaseback transaction is the only audit issue which has not been satisfactorily resolved. This transaction has been the subject of amended assessments for 1989 – 1991 whereby certain expenditure previously deducted in income tax returns has been disallowed by the ATO. These assessments amounted to \$3.7m including penalties of \$1.3m. The Full Court of the Federal Court has upheld Eastern Nitrogen Ltd's appeal against the validity of the amended assessments. The ATO is seeking leave to appeal this decision to the High Court of Australia.

If the approach adopted by the ATO were to be extended to the end of this financial year and amended tax assessments were issued, and if the ATO position was upheld by the Courts, the cumulative amount of tax to be charged against profits, after taking account of timing differences, could be up to \$20.0m. This includes the \$3.7m of tax and penalties already paid.

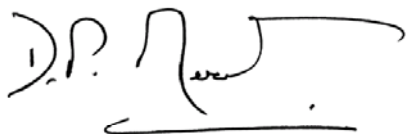
Environmental

The company has created 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.

Directors' Declaration on the Concise Financial Report set out on pages 28 to 41

I, Donald Penn Mercer, being a director of Orica Limited, do hereby state in accordance with a resolution of the directors that, in the opinion of the directors, the financial report set out on pages 28 to 41:

- (a) has been derived from or is consistent with the full financial report for the year ended 30 September 2001; and
- (b) complies with Accounting Standard AASB1039: 'Concise Financial Reports'.

A handwritten signature in black ink, appearing to read 'D.P. Mercer', with a horizontal line underneath.

D P Mercer
Chairman

Dated at Melbourne this 5th day of November 2001.

Audit Report

For the year ended 30 September 2001

Independent audit report on the Concise Financial Report to the members of Orica Limited

Scope

We have audited the concise financial report of Orica Limited and its controlled entities for the financial year ended 30 September 2001, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 7, and the accompanying discussion and analysis on the statement of performance, statement of financial position and statement of cash flows, set out on pages 28 to 41 in order to express an opinion on it to the members of the Company. The Company's directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Orica Limited and its controlled entities for the year ended 30 September 2001. Our audit report on the full financial report was signed on 5th November 2001 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 'Concise Financial Reports' issued in Australia.

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

Audit opinion

In our opinion the concise financial report of Orica Limited and its controlled entities for the year ended 30 September 2001 complies with AASB 1039 'Concise Financial Reports'.



KPMG



P M Shannon
Partner

Dated at Melbourne this 5th day of November 2001.

Shareholders' Statistics

As at 11 October 2001

Distribution of Ordinary Shareholders and Shareholdings

Size of holding		Number of holders		Number of shares		
1	–	1,000	37,725	59.22%	18,740,605	6.76%
1,001	–	5,000	22,586	35.45%	48,205,427	17.39%
5,001	–	10,000	2,341	3.67%	16,924,487	6.10%
10,001	–	100,000	947	1.49%	19,177,595	6.92%
100,001 and over			107	0.17%	174,213,063	62.83%
Total			63,706	100.00%	277,261,177	100.00%

Included in the above total are 3,521 Shareholders holding less than a marketable parcel of 114 shares.
The holdings of the 20 largest holders of fully paid ordinary shares represent 53.73 % of that class of shares.

Twenty largest ordinary fully paid shareholders

	Shares	% of total
Chase Manhattan Nominees Limited	31,848,671	11.49
National Nominees Limited	23,699,453	8.55
Westpac Custodian Nominees Limited	20,728,550	7.48
MLC Limited	9,299,172	3.35
ANZ Nominees Limited	8,826,029	3.18
Queensland Investment Corporation	6,926,002	2.50
Colbern Fiduciary Nominees Pty Ltd	5,931,946	2.14
RBC Global Services Australia Nominees Pty Ltd	5,812,041	2.10
Perpetual Trustees Australia Limited	5,383,937	1.94
Citicorp Nominees Pty Limited	4,699,214	1.69
AMP Life Limited	4,400,963	1.59
Commonwealth Custodial Services Limited	3,433,647	1.24
AMP Nominees Pty Limited	2,970,995	1.07
Bowyang Nominees Pty Limited	2,922,948	1.05
Tyndall Life Insurance Company Limited	2,546,708	0.92
Perpetual Trustees Nominees Limited	2,391,900	0.86
Australian Foundation Investment Company Limited	2,230,286	0.80
Guardian Trust Australia Ltd	1,788,901	0.65
National Australia Financial Management Limited	1,632,244	0.59
Mr Malcolm Broomhead	1,500,000	0.54
Total	148,973,607	53.73

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:

5 October 2001	UBS Nominees Pty Ltd	14,331,716	5.17%
3 October 2001	National Australia Bank Limited	15,743,113	5.68%
27 September 2001	Perpetual Trustees Australia Limited	15,248,605	5.50%
25 July 2001	Delaware International Advisors Limited	22,531,661	8.17%
8 March 2001	Maple - Brown Abbott Limited	21,435,041	7.77%

Distribution of Preference Shareholders and Shareholdings

Size of holding	Number of holders	Number of shares
1 – 1,000	272	76.62%
1,001 – 5,000	45	12.68%
5,001 – 10,000	12	3.38%
10,001 – 100,000	25	7.04%
100,001 and over	1	0.28%
Total	355	100.00%

Included in the above total are 203 shareholders holding less than a marketable parcel of 480 shares.

The holdings of the 20 largest holders of 5% cumulative preference shares represent 81.93% of that class of shares.

Twenty largest 5% cumulative preference shareholders

	Shares	% of total
NRMA Nominees Pty Limited	938,722	46.94
Mr Ian Edward Morton	80,000	4.00
Super John Pty Limited	78,940	3.95
Winpar Holdings Limited	65,777	3.29
Mr John Frederick Bligh	58,153	2.91
J S Millner Holdings Pty Ltd	55,300	2.77
Oceanbridge Limited	41,150	2.06
Patmic Pty Limited	40,300	2.02
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 Limited	21,400	1.07
Mr Alistair Hazard	20,930	1.05
Robert Franklin Cameron	16,936	0.85
Mr Eric Raymond Arnold Elsey	16,607	0.83
Mr Douglas Robert Graham Neild	15,500	0.78
Mrs Deborah Lee Morton	14,136	0.71
Meggsies Pty Ltd	14,100	0.71
Total	1,637,553	81.93

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	2001 \$m
Sales	4,041.9
Earnings before depreciation, amortisation, net borrowing costs and tax	349.7
Depreciation and amortisation (excluding goodwill)	(161.2)
Goodwill amortisation	(14.1)
Earnings before net borrowing costs and tax (EBIT)	174.4
Net borrowing costs	(64.0)
Individually significant items before tax	(280.4)
Taxation expense	(36.6)
Outside equity interests	13.9
Operating profit after tax and individually significant items	(192.7)
Individually significant items after tax attributable to members of Orica	(255.0)
Operating profit after tax before individually significant items (net of tax)	62.3
Dividends	44.3
Current assets	1,433.9
Property, plant and equipment	1,621.4
Investments	244.2
Intangibles	155.0
Other non-current assets	276.0
Total assets	3,730.5
Current borrowings and payables	887.4
Current provisions	303.8
Non current borrowings and payables	869.2
Non current provisions	267.4
Total liabilities	2,327.8
Net assets	1,402.7
Shareholders' equity	1,283.2
Equity attributable to minority interests	119.5
Total shareholders' equity	1,402.7
Number of ordinary shares on issue at year end	millions 277.3
Weighted average number of ordinary shares on issue	millions 275.9
Earnings per share	
before individually significant items	cents 22.6
including individually significant items	cents (69.9)
Dividends per share	cents 16.0
Dividend franking	% 100.0
Dividend yield (based on year end share price)	% 3.7
Share price range – High	\$6.08
Low	\$4.04
Year end	\$4.34
Stockmarket capitalisation at year end	\$m 1,203.3
Net tangible assets per share	\$ 4.49
Profit margin (earnings before net borrowing costs and tax/sales)	% 4.3
Net debt	984.1
Gearing (net debt/net debt plus equity)	% 41.2
Interest cover (earnings before net borrowing costs and tax/net borrowing costs)	times 2.7
Net capital expenditure on plant and equipment	(213.8)
Net capital expenditure on acquisitions/(disposals)	(131.7)
Return on average shareholders funds	
before individually significant items	% 4.5
including individually significant items	% (13.8)

Note: Due to acquisition and disposal of businesses, the financial statistics from 1997 to 2001 are not directly comparable to prior years.

2000 \$m	1999 \$m	1998 \$m	1997 \$m	1996 \$m	1995 \$m	1994 \$m	1993 \$m	1992 \$m
3,672.7	3,959.8	3,935.2	3,602.1	3,457.6	3,365.3	3,060.5	2,834.8	2,769.0
442.5	479.7	560.5	597.5	506.7	560.8	467.4	387.0	363.4
(145.5)	(160.2)	(147.8)	(153.0)	(125.7)	(133.0)	(150.4)	(142.2)	(156.5)
(15.9)	(15.9)	(23.6)	(5.9)	(4.7)	(4.3)	(3.8)	(4.6)	(7.7)
281.1	303.6	389.1	438.6	376.3	423.5	313.2	240.2	199.2
(46.0)	(45.2)	(62.7)	(37.0)	(26.2)	(15.4)	(29.0)	(36.9)	(40.9)
(46.7)	(33.7)	126.3	(152.9)	(35.9)	-	(15.5)	4.0	(19.5)
(65.1)	(26.7)	(1.8)	(97.9)	(95.9)	(124.2)	(89.0)	(75.9)	(40.4)
(9.6)	(11.8)	(16.0)	(18.6)	(21.2)	(15.1)	(12.2)	(12.5)	(13.0)
113.7	186.2	434.9	132.2	197.1	268.8	167.5	118.9	85.4
(33.3)	29.8	230.3	(110.0)	(23.0)	-	(20.3)	(6.3)	(6.0)
147.0	156.4	204.6	242.2	220.1	268.8	187.8	125.2	91.4
96.4	100.8	134.1	134.0	130.5	154.2	97.9	68.2	53.4
1,364.7	1,377.8	1,387.5	1,184.2	1,130.0	1,126.4	1,057.1	1,003.6	976.7
1,484.0	1,444.3	1,736.2	1,591.7	1,568.6	1,351.6	1,173.5	1,133.9	1,118.9
264.6	239.4	17.3	1.5	1.1	1.6	1.8	4.5	3.9
249.6	258.4	297.0	65.6	44.6	49.0	43.6	47.1	49.4
216.4	209.7	209.4	118.6	99.1	127.1	116.4	161.9	206.1
3,579.3	3,529.6	3,647.4	2,961.6	2,843.4	2,655.7	2,392.4	2,351.0	2,355.0
845.0	811.4	870.7	1,065.4	623.1	570.5	631.6	546.6	482.8
266.3	312.3	340.4	294.0	262.1	340.4	273.6	225.6	235.1
552.3	534.0	579.7	162.8	238.7	77.6	3.0	162.6	281.2
271.9	274.7	343.2	259.7	203.8	221.3	161.0	146.2	144.2
1,935.5	1,932.4	2,134.0	1,781.9	1,327.7	1,209.8	1,069.2	1,081.0	1,143.3
1,643.8	1,597.2	1,513.4	1,179.7	1,515.7	1,445.9	1,323.2	1,270.0	1,211.7
1,511.4	1,476.7	1,390.0	1,072.0	1,440.5	1,377.6	1,263.8	1,205.9	1,148.7
132.4	120.5	123.4	107.7	75.2	68.3	59.4	64.1	63.0
1,643.8	1,597.2	1,513.4	1,179.7	1,515.7	1,445.9	1,323.2	1,270.0	1,211.7
275.8	273.2	268.8	266.5	296.4	296.3	296.3	296.2	296.0
274.6	270.6	267.1	290.7	296.4	296.3	296.2	296.0	295.8
53.5	57.8	76.6	83.3	74.2	90.7	63.4	42.3	30.9
41.4	68.8	162.8	45.4	66.5	90.7	56.5	40.1	28.8
35.0	37.0	50.0	48.0	44.0	52.0	33.0	23.0	18.0
32.0	37.9	42.0	100.0	65.7	100.0	100.0	100.0	100.0
6.1	4.5	6.1	3.7	3.6	5.2	3.0	2.8	3.4
\$8.66	\$9.60	\$13.12	\$13.85	\$12.25	\$11.60	\$11.50	\$8.40	\$6.12
\$5.58	\$7.97	\$7.80	\$10.80	\$8.93	\$8.70	\$8.29	\$4.46	\$4.45
\$5.73	\$8.25	\$8.20	\$13.14	\$12.25	\$10.00	\$11.00	\$8.29	\$5.25
1,580.1	2,253.5	2,204.5	3,501.7	3,631.1	2,963.2	3,259.4	2,455.2	1,554.1
\$5.05	\$4.89	\$4.52	\$4.17	\$4.96	\$4.71	\$4.31	\$4.12	\$3.92
7.7	7.7	9.9	12.2	10.9	12.6	10.2	8.5	7.2
777.4	709.8	801.1	658.6	304.0	85.0	72.0	155.6	241.8
32.1	30.8	34.6	35.8	16.7	5.6	5.2	10.9	16.6
6.1	6.7	6.2	11.9	14.4	27.5	10.8	6.5	4.9
(241.5)	(221.5)	(223.1)	(203.2)	(332.8)	(274.0)	(156.2)	(130.8)	(148.4)
144.9	12.5	(3.9)	(2.9)	10.3	(18.4)	(0.6)	2.4	27.1
9.8	10.9	16.6	19.3	15.6	20.4	15.2	10.6	15.9
7.6	13.0	35.3	10.5	14.0	20.4	13.6	10.1	14.9

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Shareholder Information

Annual General Meeting

10.30am Wednesday 19 December 2001, John Batman Theatre, Level 3, Melbourne Exhibition and Convention Centre, Corner Spencer and Flinders Streets, Melbourne Victoria.

Stock Exchange Listing

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

Orica Share Registry

ASX Perpetual Registrars Limited
Level 4, 333 Collins Street,
Melbourne Victoria 3000
Australia

GPO Box 1736P
Melbourne Victoria 3001

Telephone: +613 9615 9999
Facsimile: +613 9615 9900
Toll Free: **1800 177 752**
(for callers within Australia)

E-mail: registrars@aprl.com.au
Website:

www.registrars.aprl.com.au

Share Enquiries

Shareholders seeking information about their shareholding or dividends should contact Orica's Share Registrar, ASX Perpetual Registrars Limited. Contact details are above. Callers within Australia can obtain information on their investments with Orica by calling the InvestorLine toll-free on **1800 177 752**. This is a 24 hour, seven days a week service. Before you call, make sure you have your security holder reference number (SRN) or holder identification number (HIN) handy.

Shareholders can also access information on their investments with Orica and download standard forms by visiting the Share Registrar's website at: www.registrars.aprl.com.au Select the 'Holder Information' menu option and enter either the ASX code 'ORI' or the name 'Orica'. You will only be able to access details of your shareholding by entering your SRN or HIN and your surname/company name and postcode.

Tax and Dividend Payments

For Australian registered shareholders who have not quoted their Tax File Number (TFN) Exemption or Australian Business Number (ABN), the company is obliged to deduct tax at the top marginal rate plus Medicare levy from unfranked and/or partially franked dividends. If you have not already quoted your TFN/ABN, you may do so by contacting the Share Registrar or by registering your TFN/ABN at the Share Registrar's website at:

www.registrars.aprl.com.au

Dividend Payments

Your dividends will be paid in Australian dollars by cheque mailed to the address recorded on the share register unless you notify the Share Registrar that you wish your dividends to be paid directly into an account held with an Australian Bank or other financial institution in Australia.

You may elect to receive your dividends by way of direct credit by completing an application form available by contacting the Share Registrar or from the Share Registrar's website at www.registrars.aprl.com.au

Shareholders should be aware that any cheques that remain uncashed after approximately two years from a dividend payment, are required to be handed over to State Trustees under the Unclaimed Monies Act. Shareholders are encouraged to cash cheques promptly or to have their dividends directly deposited into their bank accounts.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) enables Orica's fully paid ordinary shareholders to reinvest all or part of their dividends in additional Orica fully paid ordinary shares. Applications are available from the Share Registrar.

Consolidation of Multiple Holdings

If you have multiple issuer sponsored holdings that you wish to consolidate into a single account, please notify the Share Registrar in writing, quoting your full registered names and SRNs for these accounts and nominating the account to which the holdings are to be consolidated.

Change of Name and/or Address

For issuer-sponsored holdings: please notify the Share Registrar in writing if you change your name and/or address. (Please supply details of your new/previous name, your new/previous address and your SRN number)

For CHES/broker sponsored holdings: please notify your broker in writing if you change your name and/or address. (Please supply details of your new/previous name, your new/previous address and your SRN number.)

Orica Communications

Orica's internet site: www.orica.com offers shareholder publications, news releases, announcements to the ASX, and the text of the Chairman's and Managing Director's addresses at the AGM. The website provides essential information about the company and offers insights into Orica's businesses.

Orica's printed communications for shareholders includes the Annual Report, the Safety, Health & Environment Performance Report and the Half Year Report which provides a review of the company's performance in the six months to 31 March.

Shareholders may elect to receive a full annual report, a concise annual report, no annual report or notification by email when the annual report is available online at www.orica.com. If you do not make an annual report election you will receive the concise annual report. If you wish to change your annual report election please contact the Share Registrar or visit the Share Registrar's website. You will continue to receive notices of meetings, proxy forms and other important intermittent items in the mail.

Copies of publications are available on request.

Telephone: (03) 9665 7111
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Facsimile: (03) 9665 7937
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Email: companyinfo@orica.com

Auditors

KPMG

Shareholder Timetable*

30 September 2001	Orica Year End
26 November 2001	Books close for 2001 final dividend
17 December 2001	Final dividend paid
19 December 2001	Annual General Meeting
31 March 2002	Orica Half Year End
7 May 2002	Half year profit and interim dividend announced
26 June 2002	Books close for 2002 interim dividend
17 July 2002	Interim dividend paid
30 September 2002	Orica Year End

* Timing of events may be subject to change

Orica Website

Orica Limited

ABN 24 004 145 868

Registered address and head office:

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Facsimile:

+613 9665 7937

Email:

companyinfo@orica.com

Website: www.orica.com

International office

Denver, USA
9781 Meridian Boulevard
Englewood
Colorado 80112
USA

Shareholder and Analyst Enquiries:

Many shareholder and analyst enquiries may be answered by visiting our website (see details this page).

Shareholders may also access information relating to their holdings (details on previous page) via a link to the Share Registrar, ASX Perpetual, at: www.registrars.aprl.com.au

Investor Relations

Telephone: +613 9665 7111

Email:

companyinfo@orica.com

On our website you will find:

About Orica

An overview of the company and its history as well as its Code of Ethics and organisation structure.

Businesses and Products

Find information on our four core businesses and follow links to their websites for more information.

News Centre

Discover the latest Orica news through press releases and excerpts from our publications.

Investor Centre

Check Orica's share price, download our latest reports, find out key dates and gain access to recent speeches and presentations.

Career Centre

Acquaint yourself with some of the benefits of working at Orica.

Safety, Health & Environment (SH&E)

Read Orica's SH&E Policy, site reports and our safety, health and environment performance results.



www.orica.com

