

ASX Announcement

INCREASED PROFIT BUILDS PLATFORM FOR GROWTH

Orica Limited today announced a profit before significant items for 2003 of \$270 million, a 13% increase compared with 2002. Before significant items, this represents a return on shareholders' funds of 19.6% and an increase of 13% in earnings per share.

The profit was \$101 million after significant items, due principally to the previously announced \$123 million write-off of Orica's investment in Qenos. A final dividend was declared of 34 cents franked at 19%. The final dividend brings to 52 cents the dividend for 2003 – a rise of 18% compared to the dividend for 2002.

Orica Managing Director and Chief Executive Officer, Malcolm Broomhead, said: "This result demonstrates the strength of Orica's businesses as a platform for growth and reflects the continued development of the performance-based culture within Orica.

"It's a good outcome considering the impacts of the worst drought on record in Australia and extremely challenging trading conditions in North America where high gas prices and low coal volumes have held back the results.

"For 2004, we anticipate continued positive earnings momentum through the full-year contribution of the merger, acquisitions and expansions achieved this year and also through the partial recovery from the drought which will improve results for Incitec Pivot fertilisers," he said.

Highlights were:

- Efficiency improvements of \$51 million after tax including \$27 million after tax from new procurement and supply chain savings,
- Mergers and acquisitions including Incitec Pivot Limited, Fernz, Engineering Plastics, Welvic, Incitec Industrial Chemicals and the minorities in IES Australia as well as expansions of Yarwun and Kooragang Island ammonium nitrate manufacturing plants. (Yarwun has been completed and Kooragang Island is still under way). Since September 30, Orica has completed the purchase of Yates' garden products business. In addition, Indian Explosives and IES India have now gained final regulatory approval.

Business results were:

- Mining Services increased profit by 20% to \$247 million. There was double-digit profit growth in all regions except North America which experienced poor volumes and high ammonia costs.
- Chemicals increased profit by 22% - the sixth consecutive year of period-on-period earnings growth.

- Fertilisers delivered a profit of \$42.8 million, a 26% decrease on the previous period due to the drought. The merger of Incitec and Pivot is progressing well with synergy savings on track and market share retained.
- Orica Consumer Products' EBIT improved 18% to \$89.1 million through a focus on product mix and reducing the cost and capital base of the business.

In the context of the comparatively low franking as well as prudent capital management, Orica also announced the reactivation of the previously suspended share buy back of 5% of share capital. During 2003, 1.7% of issued share capital was purchased.

November 5 2003

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ORICA LIMITED - PROFIT REPORT

“Delivers Again”



RESULTS FOR YEAR ENDED 30 SEPTEMBER 2003

Orica has continued to build on the 2002 turnaround with underlying net profit⁽¹⁾ for the year to September 2003 up 13% to \$270M.

Net profit after significant items was \$101M (pcp: profit of \$214M) due principally to the decision to write off Orica's investment in Genos (\$123M) and increased environmental provision for Botany Groundwater (\$28M).

FINANCIAL HIGHLIGHTS

- 13% increase in NPAT ⁽¹⁾ to \$270M (previous corresponding period (pcp) \$239M).
- New cost saving initiatives delivered \$27M after tax.
- Earnings per share up 13% ⁽²⁾.
- Continued improvement in the return on shareholders' funds to 19.6% ⁽²⁾.
- Final dividend up 17% to 34 cents per share (cps) - 19% franked.

BUSINESS HIGHLIGHTS

- Strong profit growth in Mining Services.
- Continued double digit profit growth in Chemicals.
- Strong cost focus and improved mix in Consumer Products leading to improved profit.
- Depressed fertiliser profit following sustained drought in Eastern Australia.

MERGERS, ACQUISITIONS, DEVELOPMENT

- Buy-out of Incitec minorities for \$326M.
- Completion of the Incitec Pivot (IPL) merger.
- Acquisition of Fernz Speciality Chemicals (Fernz), Engineering Plastics and Welvic business.
- Acquisition of the minorities in Initiating Explosives Systems (IES) Australia.
- Acquisition of the minorities in India Explosives Limited and Initiating Explosives Systems India (completion expected mid November).

A\$M	Year Ended September		
	2003	2002	Change F/(U)
Sales Revenue	3,958.6	4,085.2	(3%)
<i>Underlying Results:</i>			
EBIT	442.3	410.0	8%
Net interest expense	(60.7)	(59.5)	(2%)
Tax	(96.5)	(91.9)	(5%)
Minority interests	(14.8)	(19.5)	24%
NPAT and minority interests	270.3	239.1	13%
Earnings per share	97.2	86.0	13%
Return on shareholders' funds	19.6%	18.0%	
<i>Results including Significant items:</i>			
Significant items after tax and minority interests	(169.6)	(25.5)	
NPAT and minority interests	100.7	213.6	(53%)
Earnings per share	36.2	76.8	(53%)
<i>Financial Items</i>			
Interim ordinary dividend per share	18	15	20%
Final ordinary dividend per share	34	29	17%
Total ordinary dividend per share	52	44	18%
Net debt	877	680	(29%)
Gearing	35.7%	31.3%	
Interest cover (times)	7.3	6.9	6%
Average exchange rate (A\$/US\$)	61.5	54.4	(13%)

- Expansion of Australian ammonium nitrate manufacturing capacity.
- Acquisition of Yates Consumer and Garden Care business in October 2003.

OUTLOOK - 2004

Continued earnings momentum driven by:

- expected underlying growth in our existing businesses;
- the impact of 2003 acquisitions (plus Yates and Indian Explosives); and
- expected partial recovery from 2003 drought conditions.

⁽¹⁾ Net profit after tax (NPAT) and minorities before significant items.

⁽²⁾ Before significant items.

ORICA LIMITED
PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003

REVENUE

Sales revenue decreased 3% to \$3,959M. Underlying revenue (before acquisitions and divestments) was flat. Major factors were:

- Divestments - Crop Care and Vinyls (reported in Other Operations (-\$212M));
- North America Mining Services - volume down by 10% due to de-stocking by coal customers (-\$28M) and transfer of sales to equity accounted distribution joint venture (-\$42M);
- Currency movements (- \$145M);
- Fertiliser volumes down by 9% due to severe drought (- \$39M); and
- Acquisitions (Fernz and Pivot:+\$288M).

EARNINGS BEFORE INTEREST AND TAX (EBIT)

Total EBIT increased 8% to \$442M (pcp \$410M):

- Underlying EBIT (before acquisitions and divestments) increased 11% to \$428M;
- EBIT improvement in Mining Services, Chemicals and Consumer Products was largely driven by cost efficiencies, product mix and acquisitions; and
- Earnings decreased in Fertilisers, where fertiliser sales were impacted by drought, notwithstanding the merger with Pivot, and in Qenos (prior to cessation of equity accounting) which was impacted by low polyethylene prices, higher input costs and plant disruptions.

COST EFFICIENCIES

- Efficiency improvements of \$51M after tax continue to reflect Orica's major shift to a performance culture of "commercial ownership":
 - Fixed cost savings of \$37M (\$24M after tax) derived from the 2002 efficiency program; and
 - New procurement and supply chain savings of \$39M (\$27M after tax).

INTEREST

- Net interest expense was in line with pcp at \$61M with the impact of higher average debt levels following acquisitions offset by lower average interest rates. Interest cover improved to 7.3 times (pcp 6.9 times).

A\$M	Year Ended September		
	2003	2002	Change F/(U)
Revenue Summary			
Mining Services	1,663	1,857	(10%)
Fertilisers	760	649	17%
Consumer Products	658	640	3%
Chemicals	923	779	18%
Other Operations	33	240	(86%)
Eliminations	(78)	(80)	3%
Total sales revenue	3,959	4,085	(3%)
Other operating revenue	185	164	13%
Total operating revenue	4,144	4,249	(2%)

A\$M	Year Ended September		
	2003	2002	Change F/(U)
Earnings Summary			
EBIT			
Mining Services	247.4	205.8	20%
Fertilisers	42.8	58.1	(26%)
Consumer Products	89.1	75.6	18%
Chemicals	106.6	87.5	22%
Other Operations	(13.5)	23.6	(157%)
Corporate Centre	(23.2)	(25.0)	7%
Other Support Costs	(6.9)	(15.6)	56%
Total EBIT	442.3	410.0	8%
Net Interest	(60.7)	(59.5)	(2%)
Tax expense	(96.5)	(91.9)	(5%)
Outside equity interests	(14.8)	(19.5)	24%
NPAT and minority interests	270.3	239.1	13%
Significant items after tax	(169.6)	(25.5)	
NPAT and significant items	100.7	213.6	(53%)

TAX

- Tax expense before significant items was \$97M. The effective tax rate was 25.3% (pcp 26.2%) largely as a result of utilisation of prior year tax losses in North America not previously recognised and foreign deductions related to the capital structure of certain offshore subsidiaries.
- A full year tax rate of around 27% is sustainable over the medium term.

NET PROFIT

- Prior to significant items, profit increased 13% to \$270M (pcp: \$239M).
- Net profit after tax, minority interests and significant items was \$101M (pcp: \$214M).

ORICA LIMITED
PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003

SIGNIFICANT ITEMS

Significant items were a loss of \$170M after tax (pcp loss of \$25M). Major items were:

- Orica insurance retention, short term funding support and equity share of operating loss arising from the Qenos Botany plant failure in December 2002 (\$16M);
- \$123M write off of Orica's investment in Qenos following continued losses in the first half of 2003;
- \$28M increase in environmental provisions relating to the Botany(NSW) groundwater clean up notice;
- \$32M profit on sale of Corporate surplus property (Ascot Vale site and part of the Deer Park site); and
- \$34M restructuring and rationalisation costs relating to global initiating systems and formation of Incitec Pivot Limited.

DIVIDEND

- Directors have increased the final dividend by 17% to 34 cps (pcp 29 cps) franked at 19%. This increase reflects Orica's strong underlying earnings growth and the Board's confidence in future earnings.
- Franking capacity is forecast to continue below 30% in 2004 due to unutilised Australian tax losses.

SHARE BUY-BACK

- Directors have reactivated the previously suspended buy-back of 5% of share capital. Only 1.7% of share capital was bought back during 2003.

BALANCE SHEET

Orica's balance sheet remains strong.

- Trade working capital has increased by \$63M since September 2002 despite the net impact of mergers, acquisitions and divestments which increased trade working capital by \$100M.
- Net property, plant and equipment is \$111M higher than March 2003 and in line with pcp. The increase is mainly due to the inclusion of Pivot during the second half plus increased spending on sustenance capital offset by depreciation.

A\$M	Year Ended September	
	2003	2002
Significant items after tax		
Qenos		
Qenos Botany Losses	(16.3)	0.0
Qenos Write-off	(123.2)	(19.3)
	<u>(139.5)</u>	<u>(19.3)</u>
Legacy issues		
Environmental provision	(27.5)	0.0
Sale of Property, Plant & Equipment	31.8	27.6
Writedown of assets	0.0	(19.1)
Carrying value of Cropcare	0.0	(7.5)
Other	0.0	(1.3)
	<u>4.3</u>	<u>(0.3)</u>
Restructuring & Rationalisation		
Restructuring costs	(34.4)	(5.9)
Total	<u><u>(169.6)</u></u>	<u><u>(25.5)</u></u>

Ordinary dividend	Year Ended September		
	2003	2002	Change F/(U)
Final Ordinary Dividend			
- CPS	34	29	17%
- Franking %	19.1%	25.9%	
Interim Ordinary Dividend			
- CPS	18.0	15.0	20%
- Franking %	25%	50%	
Total Ordinary Dividend			
- CPS	52.0	44.0	18%
- Franking %	21.1%	34.1%	

A\$M	Balance Sheet		
	Sept 2003	March 2003	Sept 2002
Trade working capital	671	571	608
Net property, plant & equipment	1,437	1,326	1,414
Net other assets	350	391	152
Net debt	(877)	(979)	(680)
Net Assets	1,581	1,309	1,494
Orica shareholders' equity	1,385	1,281	1,373
Outside equity interests	196	28	121
Equity	1,581	1,309	1,494
Gearing	35.7%	42.8%	31.3%

ORICA LIMITED
PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003

- The increase in net other assets over pcp largely reflects goodwill arising on the buy-out of Incitec minorities and the merger with Pivot.
- Net debt at \$877M has decreased by \$102M since March 2003 driven by improved operating cashflow in the second half. On 7 October 2003 Orica completed a US\$185M Private Placement increasing the average tenor of non-current debt from 4.9 to 9.2 years.
- Outside equity interests has increased by \$168M since March 2003 due to formation of Incitec Pivot and it's improved profitability.
- Gearing (net debt/net debt + equity) at 35.7% is 7.1pts lower than March 2003 reflecting higher second half earnings and is now well back within our target range of 30 - 40%.

CASH FLOW

Net operating cash flows of \$500M due to:

- EBITDA 6% higher to \$618M;
- Reduced trade working capital of \$114M primarily reflecting reduced trade working capital for Incitec Pivot since 1 June 2003 (\$100M) and further improvements in other businesses; and
- Non trade working capital of \$105M primarily reflecting spending on restructuring provisions (\$29M), employee entitlements (\$18M), site remediation (\$6M), options hedge premiums (\$6M) and payments to Qenos [\$10M short term funding and \$21M insurance claims (50% subject to re-insurance) following the Botany plant production problems after the December 2002 bushfires].

Net investing cash flow was an outflow of \$385M due to:

- Sustenance capital spending at \$88M was 75% higher than pcp however still reflects a focus on increasing the productivity of existing assets;
- Growth capital of \$31M largely related to the Yarwun and Kooragang Island expansions, final commissioning of the new ChlorAlkali plants and de-bottlenecking the sodium cyanide plant at Yarwun;
- Proceeds from asset sales were \$150M primarily due to the sale of the Crop Care business and surplus asset sales; and
- Acquisitions of \$416M covering the buy-out of Incitec and IES minorities, purchase of the Fernz Speciality Chemicals business, Engineering Plastics and the Welvic business.

Balance Sheet			
A\$M	Sept 2003	March 2003	Sept 2002
Trade working capital	671	571	608
Net property, plant & equipment	1,437	1,326	1,414
Net other assets	350	391	152
Net debt	(877)	(979)	(680)
Net Assets	1,581	1,309	1,494
Orica shareholders' equity	1,385	1,281	1,373
Outside equity interests	196	28	121
Equity	1,581	1,309	1,494
Gearing	35.7%	42.8%	31.3%

Cash Flow Items			
A\$M	Year Ended September		
	2003	2002	Change F/(U)
Net operating Cash Flows			
EBITDA	617.5	581.8	6%
Net interest paid	(63.2)	(66.3)	5%
Net income tax paid	(62.6)	(47.5)	(32%)
Trade Working Capital mvt	113.9	3.6	
Non Trade Working capital mvt	<u>(105.2)</u>	<u>(128.9)</u>	18%
Total	<u>500.4</u>	<u>342.7</u>	
Net investing cash flows			
Capital spending			
Sustenance capital	(88.4)	(50.5)	(75%)
Growth capital	<u>(31.3)</u>	<u>(49.7)</u>	37%
Sub-total	<u>(119.7)</u>	<u>(100.2)</u>	(19%)
Acquisitions	(415.8)	(1.3)	
Proceeds from surplus asset sales, businesses and investments	<u>150.1</u>	<u>113.5</u>	
Total	<u>(385.4)</u>	<u>12.0</u>	
Net financing cash flows			<u>\$M</u>
Movement in borrowings	30.2	(252.3)	282.5
Dividends paid	(159.5)	(77.2)	(82.3)
Other	<u>(37.1)</u>	<u>(0.4)</u>	<u>(36.7)</u>
Total	<u>(166.4)</u>	<u>(329.9)</u>	<u>(163.5)</u>

Net financing cash flows of \$166M included:

- A small increase in borrowings of \$30M;
- Dividend payments of \$160M relating to the restoration of the level of dividend; and
- Other financing of \$37M included \$49M for shares bought back on market partially offset by \$10M of equity issued to satisfy share options exercised.

ORICA LIMITED

PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003

STRATEGY

Orica is a “niche” chemical company with businesses united by chemical sciences which underpin their product ranges and by the creation of products that meet basic human needs.

Orica’s strategy of “building on strength” is based on three principles:

- Market leadership in all businesses.
- Growing only value adding businesses - those that have “earned the right to grow”.
- Related growth of our existing (best) businesses.

Execution against strategy is based on managing through strict financial criteria.

A relentless focus on cost and capital efficiency with year on year productivity improvement per unit of sales targeted.

Strategy and execution are underpinned by a performance culture based on “delivering the promise”.

Major strategic projects in 2003 were:

Incitec:

- Buy-out of Incitec minorities for \$326M giving Orica shareholders 100% ownership of the growth in Australia Mining Services.
- Industrial Chemicals assets merged into the Mining Services and Chemicals businesses.

Fertilisers:

- Creation of Australia’s leading fertiliser company, Incitec Pivot Limited in June 2003. (Orica shareholding 70%)
- Divestment of the under-performing Crop Care business for \$75M.

Mining Services:

- Acquisition of the 30% minorities in Australia’s leading detonator manufacturer IES Australia for \$16M on 1 April 2003. The acquisition allows the global optimisation of detonator manufacture.
- Expansion of ammonium nitrate (explosives) production to meet growing demand in Australia/Asia:
 - 15% expansion of the Yarwun (Queensland) plant for \$7M completed on time and ahead of budget.
 - Approval for a 40% capacity increase in the Kooragang Island (NSW) plant for \$50M scheduled for completion in December 2004.
- Acquisition of 100% control of Indian Explosives Limited and Initiating Explosives Systems India (completion expected mid November).

Chemicals:

- Successful completion of the Fernz Speciality Chemicals, Engineering Plastics, Welvic and Incitec Industrial Chemicals acquisitions into Chemnet.
- 2 further Miex contracts signed in the USA bringing the total to 4.

Consumer Products

- Acquisition of the Yates Consumer Lawn and Garden Care business approved in October 2003.

ORICA LIMITED
PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003
ORICA MINING SERVICES

Profitability of Mining Services increased by 20% to \$247M. This is the best full year result on record for Mining Services.

HIGHLIGHTS

- Double digit profit growth in all regions, except North America, largely driven by cost efficiencies.
- Record profit in Australia/Asia.
- Improved profit in North America despite poor volumes, increased ammonia costs and challenging market conditions.
- Efficiencies - cost savings \$41M and improved capital management.
- 250% increase in I-kon™ electronic detonator sales over pcp.

BUSINESS SUMMARIES

Australia/Asia

- Sales up 4% in Australia driven by demand in the Hunter Valley (NSW).
- Improved pricing on some contracts and product mix.
- Ammonia input costs flat.
- Full control gained over the Kooragang Island and IES manufacturing facilities. Yarwun plant successfully expanded.

North America

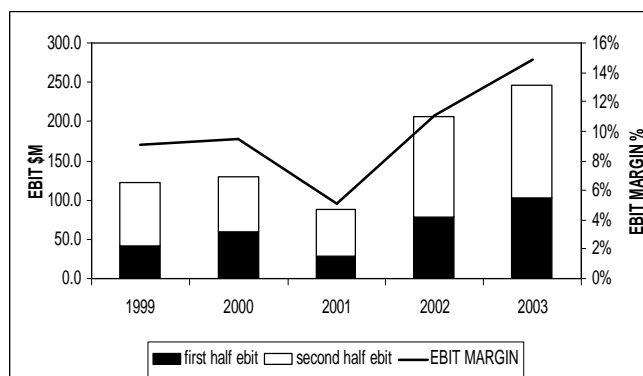
- Sales volumes down 10% with de-stocking by coal customers and electricity utilities. Sales revenue, was also down due to depreciation of the USD and the transfer of \$42M in sales to distribution joint venture (equity accounted).
- Increases in ammonia input costs (+\$40M) were largely, but not fully, recovered through increased selling prices. The inherent lag in rise and fall contracts, and aggressive competitor pricing in the marketplace resulted in a net adverse EBIT of \$9M.
- Significantly reduced fixed costs.
- Profit on sales of some Mobile Manufacturing Units (\$5M)

Latin America

- Sales were maintained at 2002 levels despite a two month general strike in Venezuela and depreciation of the USD

A\$M	Year Ended September		
	2003	2002	Change F/(U)
Sales Revenue	1,663	1,857	(10%)
EBIT	247.4	205.8	20%
Net Assets	1,049	999	(5%)
RONA	24.2%	19.3%	
EBIT:			
Australia/Asia	136.8	111.0	23%
North America	47.1	44.5	6%
Latin America	41.1	34.6	19%
Europe	22.4	15.7	43%

EBIT TREND



- Profit improvement driven by cost efficiencies and improved product mix/margin

Europe

- Western Europe sales and profit adversely impacted by an explosion at the German nitroglycerine plant earlier in 2002 and a flat German economy.
- Sales up over 20% in the growth markets of Turkey and Estonia.
- Good progress made on cost efficiencies.

OUTLOOK - 2004

- Anticipate some improved demand in North America coal markets. Nominal growth in most other regions.
- Ammonia input costs expected to remain high.
- Efficiencies from integrating Incitec's Kooragang Island facility and IES into Australian Mining Services. New earnings from the Yarwun expansion and Indian explosives businesses.
- Benefits realised from global initiating systems rationalisation.

ORICA LIMITED
PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003
FERTILISERS

Incitec Fertilisers merged with Pivot Limited on 1 June 2003 creating Australia's leading manufacturer and distributor of fertiliser.

Fertilisers delivered robust earnings in the face of the worst drought in Australia in 100 years. (EBIT down 26% to \$43M)

HIGHLIGHTS

- Merger with Pivot Limited - Orica shareholding 70%.
- Incitec Pivot successfully listed on the ASX with a market capitalisation at 30 September 2003 of \$913M.
- Merger on track:
 - \$6M in synergies delivered ("low hanging fruit") and
 - East coast market share retained
- \$10M EBIT delivered from the former Pivot business in 4 months.

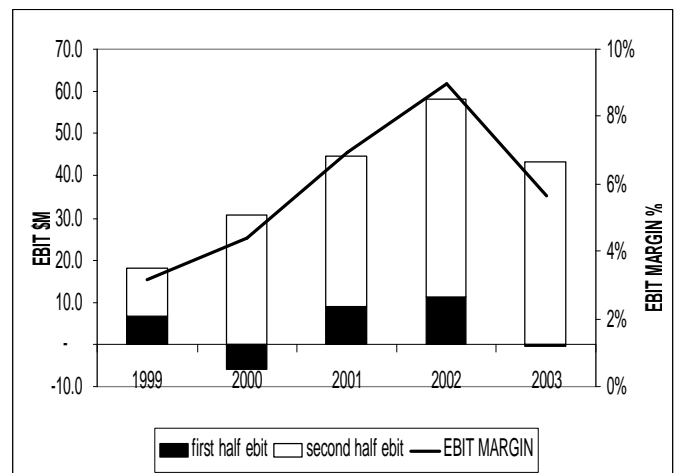
BUSINESS SUMMARY (commentary relates to variance for Incitec Fertilisers from 2002)

- Total fertiliser volumes were down 9%:
 - patchy rains severely reduced pre-plant fertiliser application in the winter cropping season;
 - low dam levels in the cotton valleys resulted in the lowest plant in 10 years. Sales of Big-N fertiliser reduced by 45%;
 - reduced fertiliser application in pasture markets with drought in NSW and Victoria; and
 - negative \$22M EBIT impact from volume reductions.
- Overall prices were at similar levels to 2002:
 - global Urea prices increased from US\$106/t to US\$135/t albeit partially offset by the strengthening A\$. Margin up \$4M; and
 - offset by softer prices across the remaining product range with robust competition in a soft market.
- Amortisation of goodwill of \$6M (pcp: nil).

A\$M	Year Ended September		
	2003 ⁽¹⁾	2002 ⁽²⁾	Change F/(U)
Sales Revenue	760	649	17%
EBIT	42.8	58.1	(26%)
Net Assets	686	297	(131%)
RONA	8.7%	21.0%	

⁽¹⁾ Includes 8 month Incitec Fertilisers plus 4 months Incitec Pivot
⁽²⁾ Relates to Incitec Fertilisers only

EBIT TREND



OUTLOOK - 2004

- Earnings underpinned by merger synergies.
- The 2004 synergies exit rate is expected to be \$30M per annum although not all of the \$30M will fall into 2004 profit.
- Improved weather outlook, albeit very early in the season.

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PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003
ORICA CONSUMER PRODUCTS

Profitability significantly improved to an EBIT of \$89M (+18% on pcp) with a focus on product mix and reducing the cost and capital base of the business.

HIGHLIGHTS

- Improved margins through business and product mix changes leading to record profitability.
- Cost savings of \$9M.
- Trade working capital reduced by \$28M to 10.7% of sales, at period end.

BUSINESS SUMMARIES

Paints and Woodcare

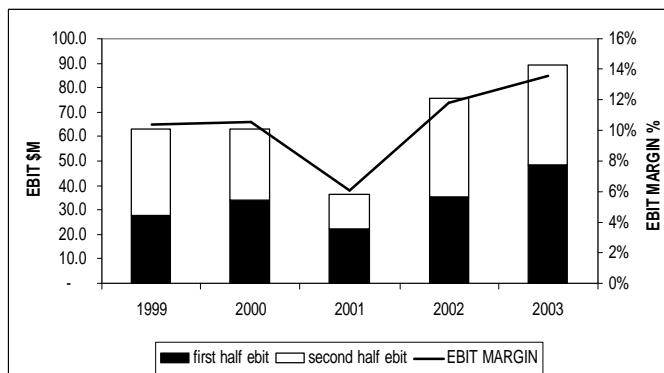
- Sales up 4%, driven by strength in both retail and trade segments.
- Average price increases of 2% to recover prior period raw material cost increases.
- Some loss of Australian market share as unprofitable low end volume was exited and one off events from 2002 were not repeated (eg initial fill of ex-BBC stores, launch of British Paints 'IN-COLOUR').
- Volume and market share growth in New Zealand with sales up 9%.
- Substantial improvement in working capital, particularly inventory and trade debtors.

Selleys

- Reduced profitability driven by loss of sales in December 2002 following new warehouse computer system integration problems.
- Margin improvement from exiting low profit segments.
- Car care ranges hit by drought and drought enforced legislation on car washing.

A\$M	Year Ended September		
	2003	2002	Change F/(U)
Sales Revenue	658	640	3%
EBIT	89.1	75.6	18%
Net Assets	183.8	218.1	16%
RONA	44.3%	32.7%	
Business Sales:			
Paints	505.2	486.5	4%
Other	163.7	166.9	(2%)

EBIT TREND



OUTLOOK - 2004

- Softening demand in trade paints.
- Retail demand continues to be healthy albeit dependant on consumer confidence remaining strong.
- Strong demand in New Zealand to continue.
- Continued profit improvement through productivity and cost reduction initiatives.
- Increased marketing spend to support brands and new product innovations.
- Integration of Yates Consumer Lawn and Garden Care business.

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PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003
ORICA CHEMICALS

Chemicals increased profit by 22% to \$107M over the record 2002 result. This is the sixth ⁽¹⁾ consecutive year of period on period earnings growth.

HIGHLIGHTS

- Another record result.
- Several acquisitions successfully completed.
- Cost savings of \$7M.
- Continued disciplined capital management.

BUSINESS SUMMARIES

Chemnet

- Underlying sales up 4% with good demand in major market segments. Dairy sales in New Zealand were not as strong as the exceptional 2002 season.
- Efficiencies and returns from acquisitions realised due to well executed integration.
- Attractive opportunities exist for growth in food, polymers and additives and metals sectors.

ChlorAlkali

- Rebound in sales to water treatment markets after the mild 2002 summer.
- Net caustic soda prices down \$4M.
- Laverton (Victoria) and Botany (NSW) chlorine plants operating at 110% of nameplate capacity.

Adhesives and Resins

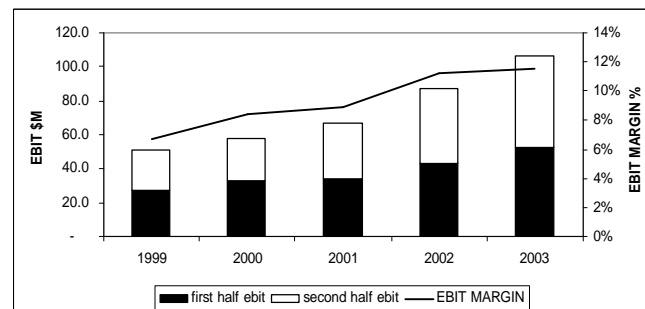
- Volumes up 7.6%.
- Record volumes in New Zealand.

Mining Chemicals

- Domestic cyanide sales down marginally due to mine closures offset by a further increase in exports.
- Input costs, particularly caustic soda and freight, down \$5M.

A\$M	Year Ended September		
	2003	2002	Change F/(U)
Sales Revenue	923	779	18%
EBIT	106.6	87.5	22%
Net Assets	568	443	(28%)
RONA	21.1%	20.4%	
Business Sales:			
Chemnet	576.0	436.3	32%
ChlorAlkali	143.5	153.7	(7%)
Mining Chemicals	97.1	100.9	(4%)
Adhesives & Resins	118.4	101.6	17%

EBIT TREND



MIEX[®]

- Good progress on commercialisation continues to be made in the USA.
- Commercialisation costs of \$8M (pcp \$4M) reflecting increased field trials in the USA and expansion of activities in other developed countries.

OUTLOOK - 2004

Continued earnings momentum driven by:

- Earnings improvement through ongoing efficiencies from recent acquisitions;

offset partially by:

- increased expenditure on MIEX[®].

⁽¹⁾ Excluding Polyurethanes business sold in 1999.

ORICA LIMITED
PROFIT REPORT - YEAR ENDED 30 SEPTEMBER 2003
OTHER OPERATIONS, CORPORATE CENTRE AND OTHER SUPPORT SERVICES

PLASTICS AND DIVESTED BUSINESSES

A\$M	Year Ended September		
	2003	2002	Var'n
Sales Revenue	33	240	(207)
EBIT	(13.5)	23.6	(37)
EBIT:			
Qenos	(11.3)	(0.7)	(11)
AVC Vinyls	-	4.4	(4)
Crop Care	(2.2)	20.8	(23)
Other	-	(0.9)	1

QENOS HOLDINGS PTY LTD

Orica's equity accounted share of pre-significant items earnings from Qenos to 31 March 2003 was a loss of \$11.3M (pcp: loss \$0.7M). Major factors were:

- Low polyethylene prices and high input costs (oil).
- Strengthening A\$/US\$ exchange rate.

Orica's investment in Qenos was written off to zero in March 2003 (refer significant items) and equity accounting discontinued.

DIVESTED BUSINESSES

- Crop Care made a loss of \$2.2M compared to a profit of \$20.8M in pcp (pcp included \$27M compensation on the cancellation of the Syngenta distribution agreement). The business was sold to Nufarm Limited for \$75M effective 31 October 2002.
- The Australian Vinyls business was divested in February 2002 (profit in pcp \$4.4M).

CORPORATE CENTRE AND OTHER SUPPORT COSTS

- Corporate centre costs of \$23.2M were \$1.8M below pcp reflecting a full year benefit from the 2002 cost saving program (pcp included nine months benefit).
- Other support costs of \$6.9M were \$8.7M below pcp. Expenditure included \$1.6M on the working capital improvement project and \$8M of insurance retention losses, relating to incidents in the German and Chicago plants, partially offset by lower captive insurance costs.

CULTURE

Orica is committed to developing a culture driven by commercial and financial outcomes and personal accountability.

In 2003, the focus is on "living the principles" and making them an integral part of the way we do business. The principles are now common language in Orica, have been incorporated into the induction program for new starters/ acquired businesses and form the basis of the leadership behaviour of senior managers.

Progress on the four cultural principles:

1. Safety, Health & Environment (SH&E)

Good progress was made in safety with a recordable case rate of 0.94 compared to 1.02 for pcp. This equates to 0.9 injuries and illnesses per 200,000 hours worked (81 injuries recorded during the year). Tragically, 1 fatality occurred in the US.

2. Commercial Ownership

Commercial ownership continues to be a highlight and is reflected in the financial results. Profit improvement was largely driven by internal improvements rather than the external environment where market conditions were mixed.

3. Creative Customer Solutions

Pleasing progress was made in the commercialisation of the Miex[®] water treatment technology in Chemicals and I-kon[™] electronic detonator system in Mining Services. Focus will increasingly turn to this principle as we begin to grow our businesses.

4. Working Together

The benefits of working together has helped deliver further ongoing cost savings and working capital improvements in the year.

Further Information
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