

Incitec Pivot Limited

Office of the Company Secretary

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11 September 2013

The Manager
Company Announcements Office
Australian Securities Exchange
Level 45, South Tower
Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir or Madam

Electronic Lodgement

USA Investor Day – Presentation in Salt Lake City, USA on 11 September 2013 (being 12.15 am AEST 12 September 2013)

In accordance with the listing rules, I attach for release to the market, the presentation to be made by Incitec Pivot Management on 11 September 2013, in Salt Lake City, USA, including the speaking notes.

Yours faithfully



Kerry Gleeson
Company Secretary

USA Investor Day

Salt Lake City, Utah
September 2013



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Slide 1

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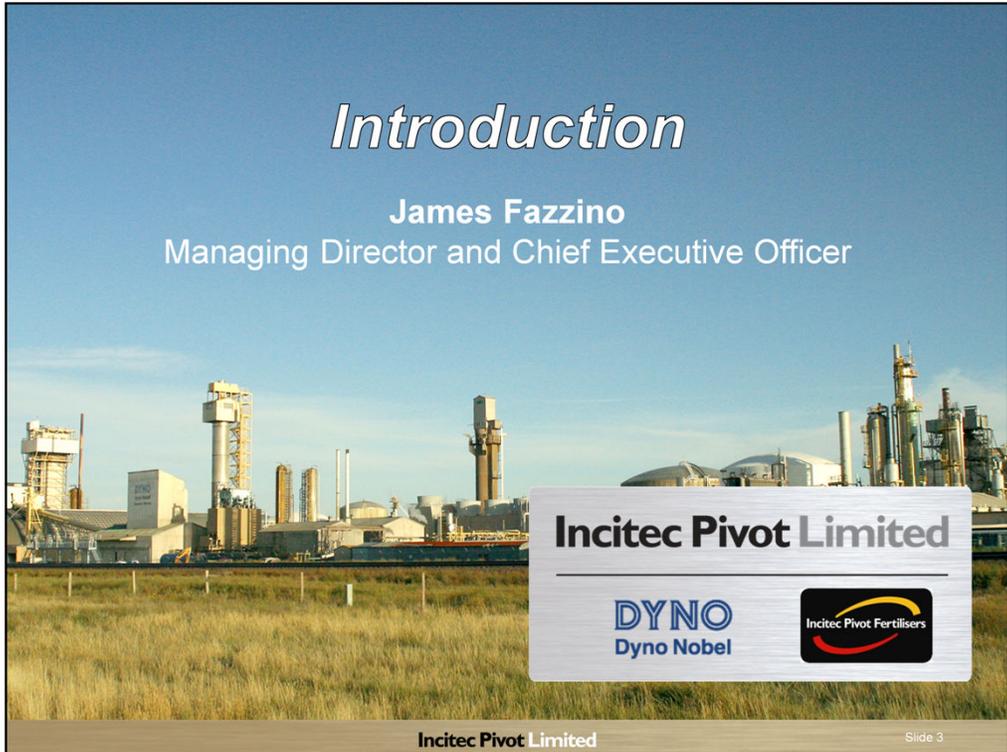
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Introduction

James Fazzino
Managing Director and Chief Executive Officer



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DYNO
Dyno Nobel



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Introduction

- Opportunity to focus on:
 - Dyno Nobel US business
 - IPL's strategic direction
 - Product, Service & Technology offering

- North America is a key growth engine over the medium term
 - Dyno Nobel North America ('DNNA') business is currently 30% of Group EBIT
 - \$850m investment into Louisiana Ammonia Plant

- US business plays central role in technology development and Business Excellence ('BEx')
 - Product & Technology focus at Lehi site visit (today)
 - BEx demonstration at Cheyenne site visit (tomorrow)

Strategy is set - IPL's focus is on execution

USA Investor Day – September 2013

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- Welcome all to the 2013 Incitec Pivot Investor Day.
- We thank you all for making the journey to Salt Lake City so that we can focus on the Group strategy.

- The results presentations at the half year and full year are focused on our financial results and the performance of the Group.

- Today is not about our results, but about our business. We like to hold these Investor days to give investors an opportunity to:
 - Go into a deeper dive on key areas (which today are our US business and product, service & technology abilities)
 - Give investors access to key members of the management team
 - And of course give you access to our operations through the two site visits we have planned.

Program

Day 1: Wednesday, 11 September 2013

Introduction	James Fazzino	Managing Director & CEO
Strategy Update	Jamie Rintel	President, Strategy & Business Development
Louisiana Ammonia Plant	Jamie Rintel	President, Strategy & Business Development
Dyno Nobel North America	Dan McAtee	President, Dyno Nobel Americas
Marketing & Technology	Rob Rounsley	Senior Vice President, Global Marketing & Technology
Business Update	Frank Micallef	Chief Financial Officer
Lehi Site Visit – Safety Briefing & Overview	Rob Rounsley	Senior Vice President, Global Marketing & Technology
Lehi Site Visit	Verlene Lovell	Site Manager, Lehi

Day 2: Thursday, 12 September 2013

Cheyenne Site Visit - Safety Briefing & Overview	Doug Chandler	Site Manager, Cheyenne
Cheyenne site visit	Doug Chandler	Site Manager, Cheyenne

Focus is Execution

- Large investments made will deliver growth over short to medium term
 - Moranbah: On track for 330kt of production in 2015
 - Louisiana: Construction on schedule and budget
- No new major growth projects until Louisiana has delivered its business case
- Management team is focused and incentivised to maximise earnings and cash generated from base businesses
- New manufacturing structure designed to improve plant reliability and return on sustenance and maintenance spend
- Commercial businesses are delivering in difficult environments
- BEx tools are being used to deliver sustained improvements

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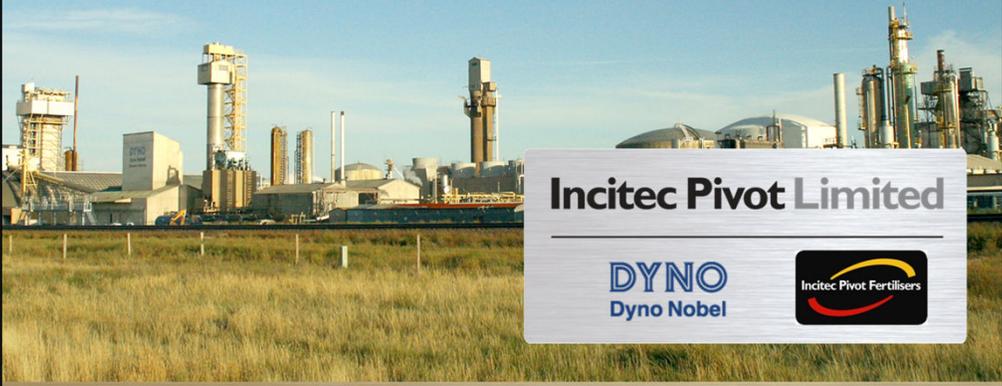
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- With our investments in Moranbah and Louisiana our medium term growth is locked in.
- Focus across the entire business is now on execution
 - (1) Base business needs to maximise returns from existing assets.
 - (2) Deliver on investments made.
- My management team is clear, the focus is on delivering growth from both our larger investments and the base business next year.
- Recent change to global manufacturing structure to give primacy to our engineering experts
 - Strategic & Technical function will embed best practice, manufacturing models, processes and set the operational and maintenance parameters for all plants.
 - Operational function will be responsible for running the plants efficiently and effectively within parameters set by the Strategic & Technical function.
- BEx has now been embedded in our business, so the focus has moved from completing the implementation to the way we conduct our business activities in our businesses every day.
- Thank you. I will now hand over to my General Manager of Strategy and Business Development, Jamie Rintel.

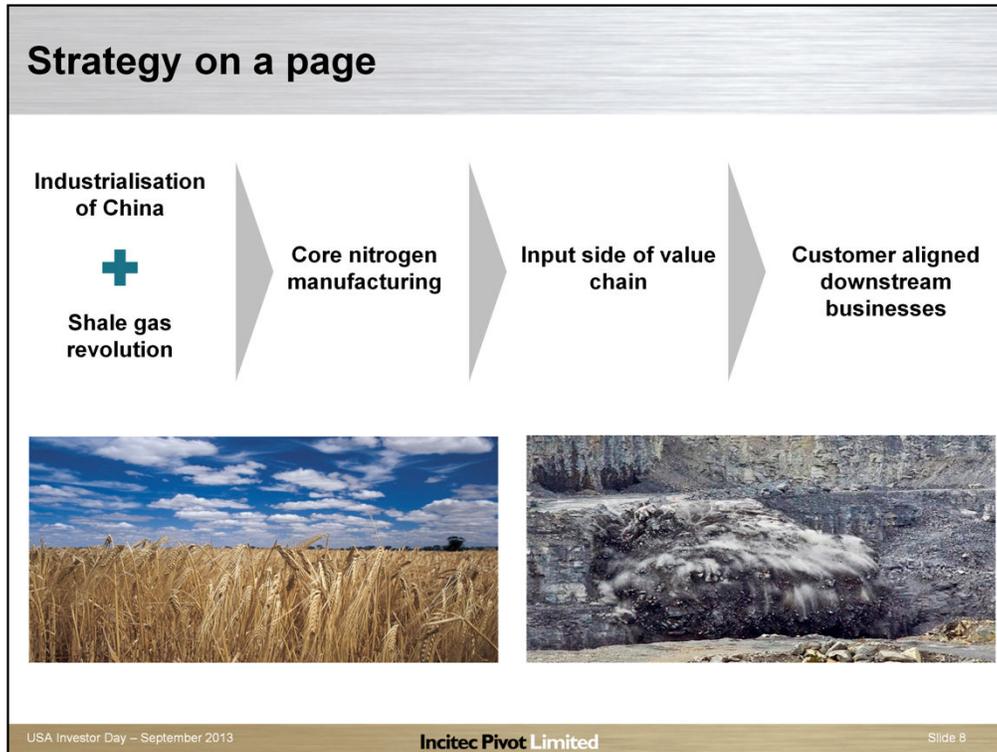
Strategy Overview

Jamie Rintel
President, Strategy & Business Development



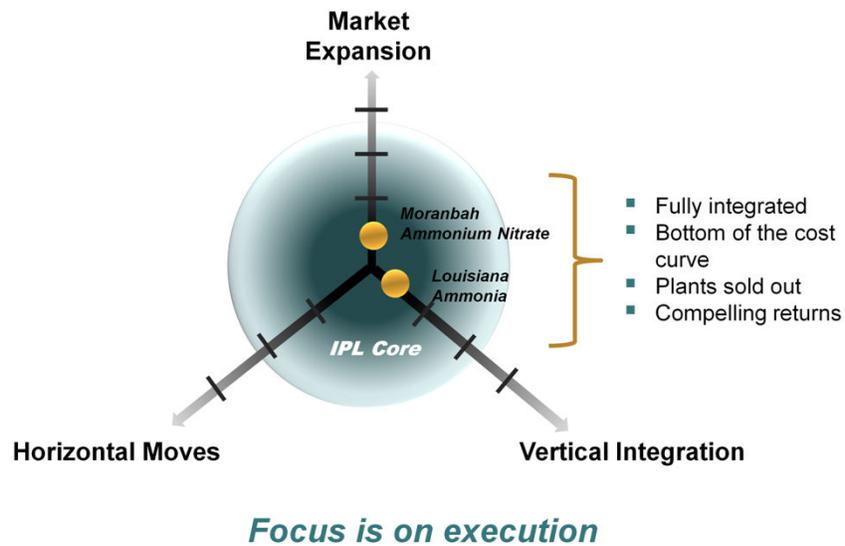
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- Strategy is a process of continual evolution and refinement but which is anchored around core elements/dimensions of the company – it is not a ‘set and forget’ exercise.
- IPL’s strategy is no different – we continue to evolve our strategy and it is anchored around a number of core strategic themes, these being:
 1. Look for market dislocations that drive above-trend returns;
 - a. Industrialisation of China.
 - b. Shale gas revolution in the US.
 2. Leverage our core nitrogen chemical manufacturing that capitalise on these market dislocations.

Low risk growth projects close to the core

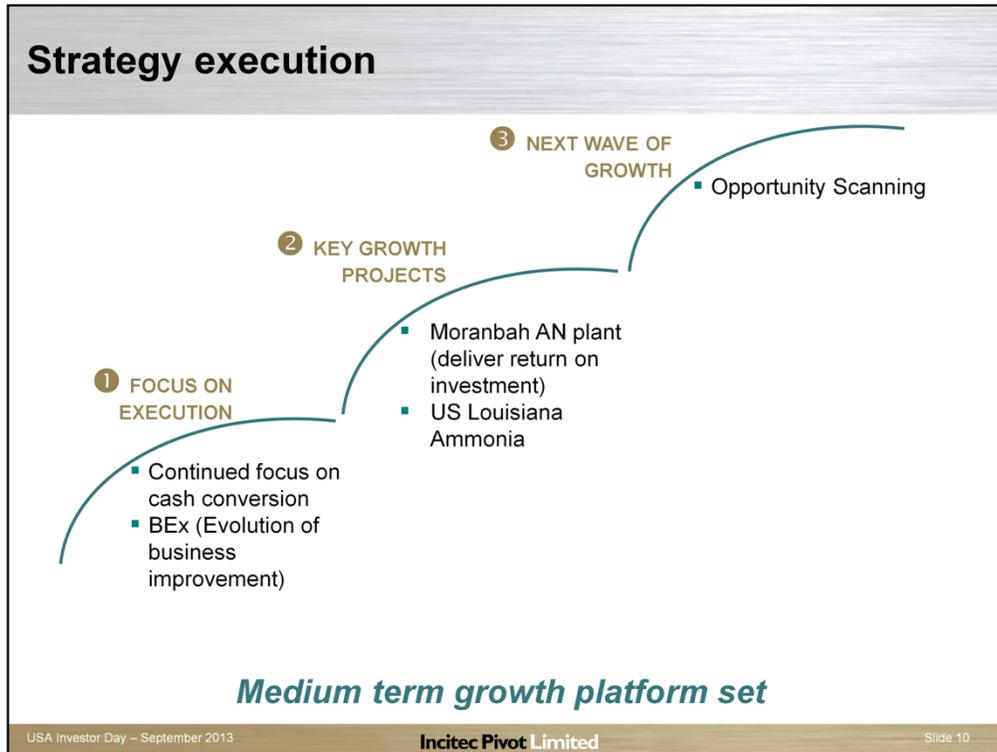


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- Looking at IPL's growth platform it is driven by projects that are close to the core of our strategy – capitalising on market dislocations that leverage our nitrogen based chemical manufacturing.
- By definition, growth projects that are close to the core are typically lower risk
- In addition, our two major growth projects, in Moranbah and Louisiana Ammonia, are both:
 - (1) Fully integrated – backed to gas – which means that both are at the bottom of the global cost curve.
 - (2) Fully sold from Day 1 – reducing any market risk.
- Which combined drives compelling returns.



- IPL's growth horizons are clearly defined, with the medium term growth platform set with Moranbah and Louisiana ammonia project
 - (1) First horizon is all about execution in our existing businesses and maximising returns from the assets we already have deployed.
 - (2) Next is to deliver on our major growth projects being Moranbah and the Louisiana Ammonia Plant.
 - (3) Lastly, is about the next wave of growth which is all about opportunity scanning and creating future options.

- I must point out that the focus of the business is very much on execution in terms of both the existing business and our two major growth projects.

Questions ?



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Louisiana Ammonia Plant

Jamie Rintel
President, Strategy & Business Development



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Investment overview

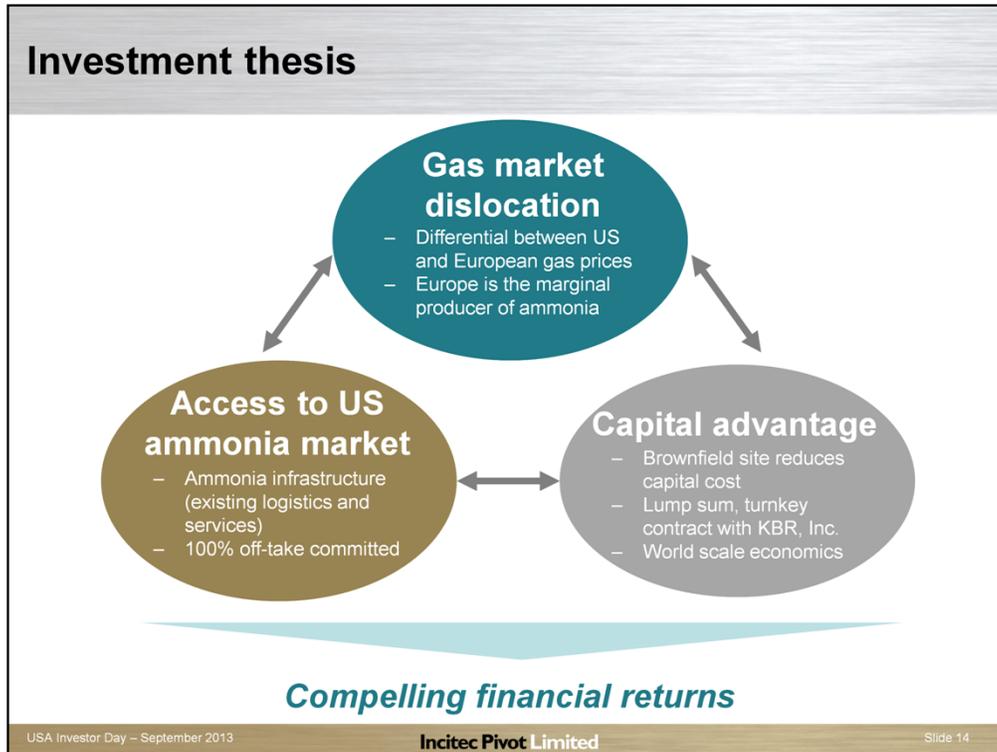
- **Construction of a world scale ammonia plant (800kt p.a.) for a capital cost of US\$850m**
 - Fully funded by debt and internally generated cash flow
- **Investment thesis**
 - Gas market dislocation
 - Access to US ammonia market
 - Capital advantage
- **KBR is Engineering Procurement and Construction contractor under a Lump Sum Turn Key arrangement**
- **Plant sold out**
 - Dyno Nobel = 300kt per annum
 - Cornerstone Chemicals = 200kt per annum
 - Transammonia = 300kt per annum
- **Financial returns**
 - 15% IRR
 - Simple payback ~ 5 years

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- As mentioned, we look to invest in market dislocations which allow us to make returns 50% above our cost of capital. This investment is capitalising on the dislocation between US and European gas prices (which is where the marginal production of ammonia is based).
- On the slide, we have presented the key details of our investment:
 - Capital cost is US\$850 million which includes feasibility and contingency costs
 - The plant's nameplate capacity will be 800,000 tonnes of ammonia per annum
 - It will be located on a brownfield site in Waggaman, Louisiana which is on the Cornerstone Chemicals Company complex
 - We have secured a Lump Sum Turn Key (LSTK), Engineering, Procurement & Construction (EPC) contract with KBR
 - First production is expected to occur in 3Q of 2016
 - 100% of the volume is already committed to off-take arrangements from day 1 of production with 300,000 tonnes going to Dyno Nobel America plants; 200,000 tonnes going towards melamine and other chemicals produced by our on-site partner, Cornerstone Chemicals and 300,000 tonnes to Transammonia, the largest independent trader of ammonia in the world

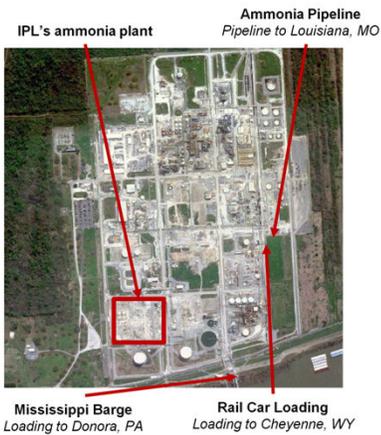


This opportunity has three connected dimensions which we believe will result in compelling financial returns to IPL.

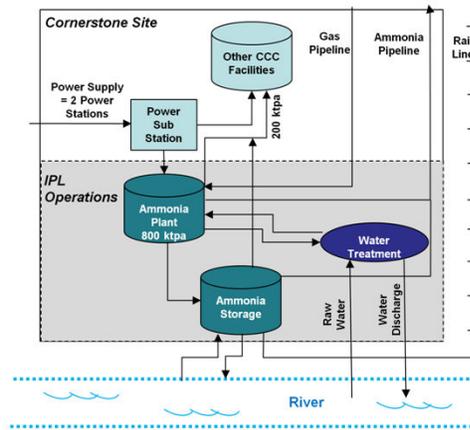
- **1) Gas price dislocation:** Currently there is a differential between US and European gas prices with Europe now being the marginal producer of ammonia. In our view this differential will persist driven by the shale gas revolution in the US and the decline in traditional indigenous gas supply in Europe and new production likely to be higher on the cost curve.
- **2) Capital advantage:** Secondly the fact that we are using a brownfield site and have secured a Lump Sum Turn Key contract with KBR, reduces capital costs and risks. Building on a brownfield site provides us with lowered capital costs as compared to construction on a greenfield site.
- **3) Access to ammonia market:** Finally the site enables us to leverage existing infrastructure such as existing logistics and storage facilities. The site is located in a large chemical complex which also contains the manufacturing site for our site-partner, Cornerstone Chemicals. The site is 800 hectares in size, and has been in operation for over 50 years and in that time the site has housed an ammonia plant as well. This gives us access to existing infrastructure.

Louisiana plant overview

Brownfield site at Cornerstone Chemical Company manufacturing complex



Site structure:



Key characteristics of the site:

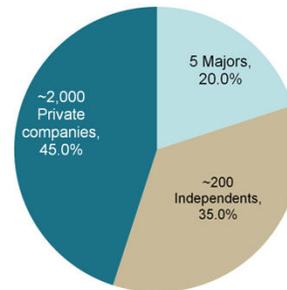
- On-site partner, Cornerstone Chemicals, is also a major customer – taking 200,000 tonnes of ammonia.
- Site is positioned on the banks of the Mississippi River giving us access to our manufacturing facility in Donora, Pennsylvania and the ammonia market in the US corn belt.
- Existing rail line provides us access to our plant in Cheyenne, Wyoming.
- An ammonia pipeline which gives us access to our plant to in Louisiana, Missouri.

US gas supply

1 Gas market structure

- Current over capacity of gas in US
 - Expected to continue into medium-long term
- US has deep gas supplies with significant resources remaining economic at low gas prices
- Current Henry Hub natural gas spot price is \$3.54/MMBtu¹
- Highly fragmented market for gas production

Fragmented US gas market:



Gas prices:

	US\$/MMBtu
Current (as at 28 Aug 2013)	3.54
Last 18 months	3.22
5 year historic average	5.12

Source: EIA
1. As at 28 August 2013

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- North America has large competitive gas resource.
- Key characteristics of the US gas market:
 - Market supply base with 80% of supply coming from over 2,000 producers.
 - Significant infrastructure connecting the market.
 - Highly liquid with transparent pricing.
 - Land owners receive royalties providing incentive for development.

US gas supply (cont.)

2 Technological improvements driving alternative gas production

- Greater drilling rig and well efficiencies

Shale gas

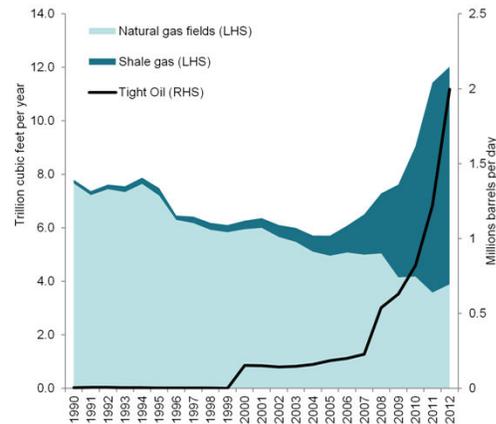
- Shale gas production as a percentage of US gas production increased from 6% in 2007 to 31% in 2012

Light tight oil

- Gas is a by-product of light tight oil production
- Light tight oil production has increased from ~200,000 barrels per day to ~2 million barrels per day over the last 10 years
- Increased development of light tight oil and other gas-from-liquids focused drilling

Source: EIA

US shale gas and light tight oil production:



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- Energy revolution being driven by:
 - (1) Shale gas development which as a percentage of total US gas production has increased from a ~6% share in 2007, to ~30% share in 2012
 - (2) Shale technology applied to light tight oil development.

Light Tight Oil:

- Light tight oil is a petroleum play.
- North America may be at the dawn of a Liquid Tight Oil (LTO) revolution if shale gas technology successes are replicated for oil. LTO production has increased 10 fold over the last 3-4 years with North America now producing more than a million barrels per day mainly from two basins with more than a dozen additional basins being explored.
- If economically viable successes are replicated, we may be looking at 10-15 million barrels per day of total oil production in 2020 making North American oil independent and a major player in the global supply market.

Construction expertise



Who are KBR?

- Listed on the New York Stock Exchange

- Since 1943, KBR has been involved in the licensing, design, engineering and/or construction of more than 225 new ammonia plants worldwide
 - Represents approximately half of current global ammonia production

- Most recently completed engineering, procurement and construction projects were in Trinidad and Egypt

- KBR Purifier™ Ammonia Process plant technology – Burrup reference plant

- Operations across US, Australia, Africa, UK, Asia and Middle East

Source: KBR

Key contract terms

Contract type	Scope delivered through Lump Sum Turn Key (LSTK) contract
Contingencies	Standard contingency allowances <ul style="list-style-type: none">▪ Labour cost – shared▪ Adverse weather - shared No exposure to productivity
Plant design	Reference plant design

Progress to date

- Engineering progressing
- Construction execution plans progressing
- Development of plans for safe systems of work underway
- All long lead items placed on order
- Mobilised to site
- Demolition of existing foundations
- Piling commenced onsite



First pile being driven on site

Dyno Nobel North America

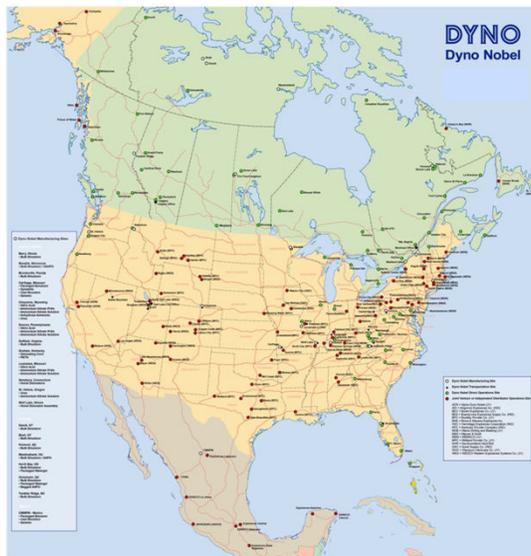
Dan McAtee
President, Dyno Nobel Americas



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Dyno Nobel North America



- >150 Operating/Retail Sites
- 11 Joint Ventures
- 3 Customers North of The Arctic Circle
- ~2,800 Employees
- ~2,000 Customers
- ~5,500 'Ship To' Locations
- ~125,000 Invoices / Year
- ~20,000 Blasts Initiated / Year
- ~17,000,000 Boosters Produced
- ~398,000 Miles of Shock Tube
- ~31,000 Miles of Detonating Chord
- ~1,100,000st AN



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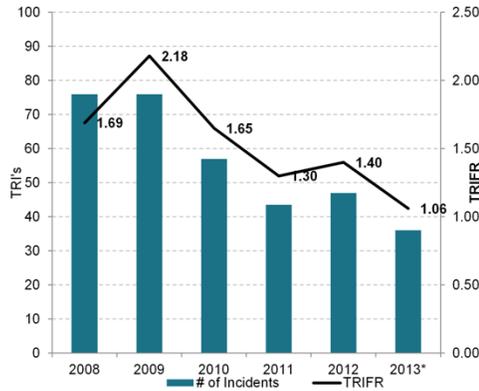
Dyno Nobel North America

- Is the largest and most diverse manufacturer and distributor of explosives goods and services in North America.
- Covers the entire landscape of North America.
- Built around a core of BEX or continuous improvement and the Group's seven core values.

Safety Performance



North American Safety Performance:



- Strong focus on Zero Harm and a heightened safety culture across the business since acquisition
 - 50% reduction in incident rate

- Behavioural training and simplified risk assessment tools at all levels of the business



- Upgrading of leadership and accountability at all levels of the organisation

- Next steps BEx and a stronger focus on processes and input drivers



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- Lets talk about one of these values which is an absolute focus on Zero Harm for our People.
- Our performance since acquisition is a 50% reduction in recordable injury rate.
 - We believe this to be an output of:
 - Training
 - Leadership
 - And organisational engagement at all levels
 - Do we still have room to improve – ABSOLUTELY
 - And BEx is the mechanism we will use going forward.
- Zero harm means Zero harm and we will not stop as an organisation working on process, and cultural improvement until we have achieved and can maintain that goal at each and every one of our sites.

DNNA Industry Overview

DNNA – Explosives

84%

Revenue

DNNA – Agricultural and Industrial Chemicals

16%

Year ended 30 September 2012



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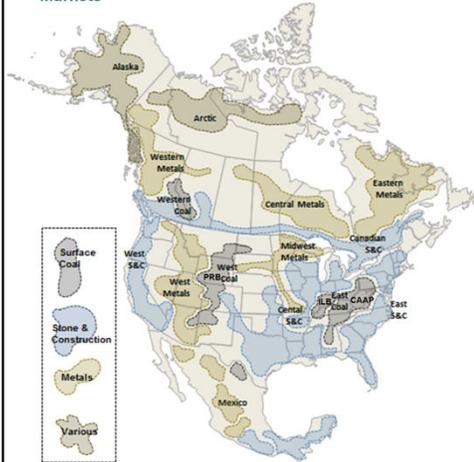
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- Looking at the North American business in more detail:
 - Most view us only as an explosives business, when in fact 16% of our revenue in 2012 was generated from products sold and distributed in the Agricultural and Industrial Chemicals industry
 - These include products such as Urea and UAN for agricultural use, Fuel Additives such as DEF, as well as raw industrial feedstocks such as concentrated acid and carbon dioxide.
 - In the past these may have been considered secondary 'opportunistic' sales. However as we continue to refine our capabilities and strategic focus we expect that these will expand.
 - Explosives is still our core market, but by ensuring that we, as an organisation, have the strategic intent to also capture the full value that can be achieved from our chemical assets, Industrial Chemicals will be a key element to our future potential.

Explosives Markets

North American AN Market Overview:

Markets



Supply



- The North American explosives industry is driven by AN supply
- DNNa assets are well positioned across North America

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- Looking at the explosives industry in more detail:
 - The North American explosives industry is driven by ammonium nitrate consumption across 3 primary markets; Surface Coal, Quarry & Construction, and Metals/Minerals Mining.
 - Each of these markets are highly regional from both a demand and the ability to serve effectively.
 - We believe Dyno Nobel is extremely well positioned to participate in these markets
 - For example our Cheyenne plant in Wyoming, is strategically located within the Powder River Basin.
 - And our Louisiana facility in Missouri, is ideally situated to serve the mid and south-west Coal and expanding Quarry & Construction markets.

Baseline AN Supply and Demand

Dyno Nobel is the #1 Manufacturer and Distributor of AN prill in North America

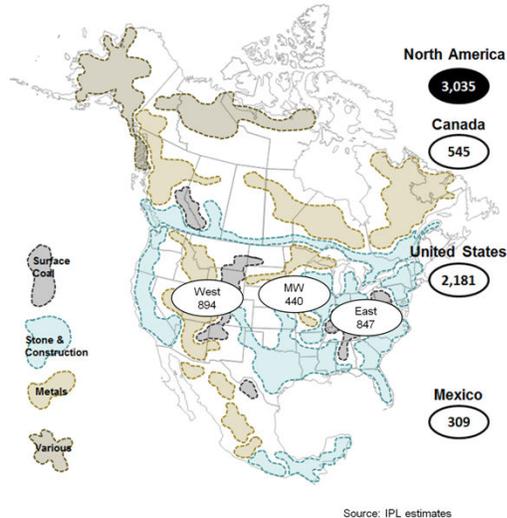
North America AN Baseline Demand 2013 (kst)

Supplier Capacity*	AN (kst)
Dyno Nobel AN manufacturing**	850
Dyno Nobel sourced from third parties	250
Total Dyno Nobel AN	1,100
Total Competitor AN	~2,365
Total AN manufacturing	~3,465

* Nameplate

**Excludes idled Maitland capacity

- 2013 demand down in the first half, expected to be slightly negative in the second half relative to the prior corresponding period
- Regionalised Market:
 - Western US and Canada – Balanced
 - Midwest US and Canada – Mixed
 - Eastern US – Oversupplied
- DNNA plants at ~90% utilisation



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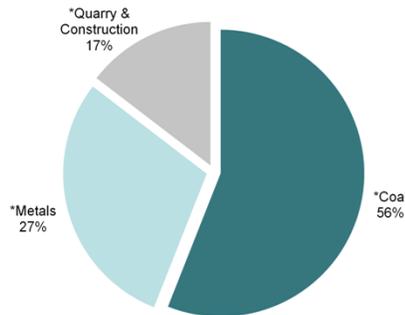
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- Looking at the regional supply demand balance it is a mixed story of opportunity and challenge
 - On a macro scale, we supply ~1.1 million short tonnes of ammonium nitrate annually into a total demand of ~3 million short tonnes.
 - Although the first half demand was down over 2012 we expect the second half to be slightly negative relative to the prior corresponding period.
 - Regionally the east and south-east are oversupplied where the West and areas of the Midwest are quite balanced.
 - This means that the opportunity does not lie in chasing volume, it lies in ensuring we target or place our 1.1 million short tonnes in the most value added markets, regions and partnering customers.
 - Our footprint and manufacturing capability gives us the flexibility, the challenge forward is to ensure our organisational capabilities are aligned with the various market opportunities.

DNNA Explosives – Market Exposure

DNNA – 1H13 AN Volumes by end-market:



The business is leveraged to the US economic recovery

- Construction recovery driving Quarry & Construction market
- Increase in US steel production driving local Iron Ore production
- Growth in Metals, Q&C & Western Coal offsets weakness in Appalachian Coal

*Rolling 12 months

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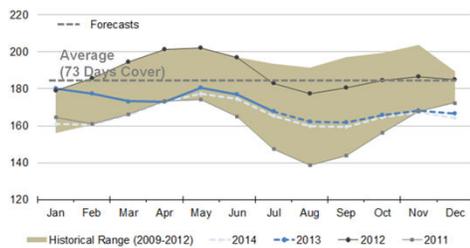
- So what is our Market exposure and where do we see the opportunities:
 - In the first half of 2013, Coal represented 56% of our ammonium nitrate volume, Metals 27% and Quarry & Construction 17% and we feel this mix is not only balanced against the opportunities but also has us well positioned to leverage the US economic recovery.
 - As construction activity continues to increase we will see improvement in our Quarry & Construction volumes.
 - Planned increases in US steel production will have a positive impact on local Iron ore production and our metals market volumes.
 - And although coal will continue to be challenged it is not going away, and we expect any continued downside in Appalachia coal volumes to be offset by expansion in our Metals and Quarry & Construction markets.

DNNA Explosives – Coal

- Accounts for ~56% of explosives volume
- Coal use in energy generation increases when gas price is greater than US\$3.50 per mmbtu
- Increased coal consumption driving coal stocks decline – inventories now below long-term (Jan-09 to present) avg
- Business leveraged to Powder River and Illinois Basins
- Industry targeting yields positive customer exposure

Key facts	\$/mmbtu
Switching point from coal to gas	Powder River Basin: \$2.50-2.75
	Illinois Basin: \$3.25-3.50
	Central Appalachia: > \$4.50
DNNA coal exposure:	Powder River Basin: 50%
	Illinois Basin: 30%
	Appalachia: 20%

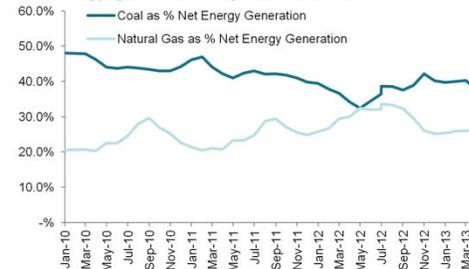
Coal Inventories - Electric Plant (mst)



Source: EIA

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Net energy generation by fuel source



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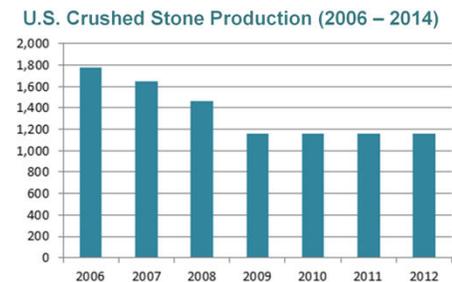
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- Coal market accounts for ~56% of our ammonium nitrate volumes - it is again a 'regional story'.
- Macro production of coal in the US has declined by ~17% from its peak in 2008 to 2012. Inside the macro decline of ~17%, thermal coal which creates the primary demand for explosives is down ~21% and surface production versus underground is down by ~26% - when you then look further regionally it varies extensively as well Surface mining in the Powder River Basin is down ~23%, Central Appalachia is down ~48% and the Illinois Basin/ Other west is down ~12%.
- Whilst we have seen year-on-year declines due to natural gas production and pricing (and the associated reduction in electric power generation cost) we do believe that we are beginning to see a stabilisation to the impact of regulation and the 'coal to gas switching' phenomena and there are several factors that indicate this:
 - Coal inventories at the power plants are starting to come in line with historical levels – although there is still further reduction needed, which the US Energy Information Administration (EIA) is forecasting to happen by the end of this calendar year.
 - The amount of power generated from coal versus gas has begun to reach a more stable steady state.
- The cause of this is purely a matter of cost of energy and value of the energy source – The various coal producing regions have different thermal values (Appalachia the highest, the Powder River Basin the lowest), however the cost to produce for effective mmbtu value of the coal is reversed. For coal in the Powder River Basin to be viable as a power fuel source the cost of natural gas needs to be higher than US\$2.50-\$2.75 – this number needs to be >US\$4.50 on average in Appalachia.
- We believe that as long as Natural gas prices stay above US\$3.50 per mmbtu we will see limited further switching with Powder River Basin and Illinois Basin coal being the primary providers to the market. Which is exactly how we have positioned ourselves and our exposure.
- However note that Appalachia still represents ~25% of coal based explosives demand and although the overall region will continue to see declines it will not entirely disappear in the foreseeable future.
- By selective targeting, or ensuring that we align ourselves to the strongest and most viable customers, even in declining markets still adds significant value.
- On a macro basis we believe there will still be positive and negative swings as the market continues to stabilise – we also know that in 2015 new regulations will put pressure on ~5% of the existing coal fired volume. Our focus remains on partnering with the very best customers across all regions with the intent of minimising the negative effect of this variation while capitalising on any upside potential.

DNNA Explosives – Quarry and Construction

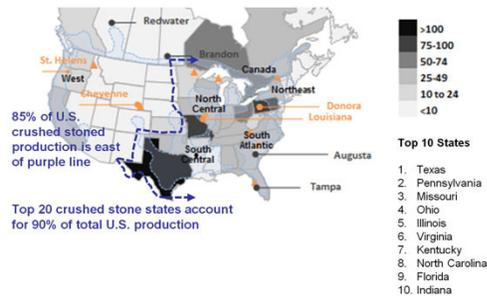
- Accounts for ~17% of explosives volume
- Highest usage of packaged products, initiation systems, and services
- High aggregate-use construction projects lag housing starts by ~18-24 months
- Aggregates intensity per dollar of spending for highways is ~7 times that of residential construction
- DNNA's assets are well positioned for key quarry and construction markets (states)

Key facts		
DNNA Q&C Exposure	Public construction:	50%
	Non-residential:	25%
	Residential:	25%



Source: USGS, McGraw-Hill, Reed Construction Data, Dyno Nobel, US Census Bureau, American Road & Transportation Builders Association
 1. ABI is a 9-12 month lead indicator of non-residential construction activity conducted by the AIA Economics & Market Research Group

North American Crushed Stone Production (million metric tonnes)



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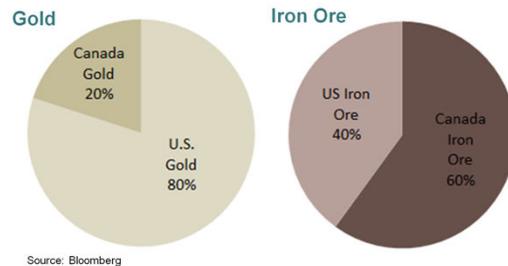
- For quarry and construction it is an even smaller and more fragmented market (there are over 1500 aggregate producers) which means understanding the various regional and value propositions or, again, 'targeting' becomes even more critical.
- The Quarry & Construction market represents ~17% of our overall portfolio and is about the same of the overall ammonium nitrate market demand
 - Although Quarry & Construction carries the largest 'pull' of packaged products as well as initiation systems and services the value proposition varies significantly in the type of activity and location of the opportunity.
 - Fundamentally, direct construction projects offer the highest value whereas bulk stone production, the lowest. However all construction projects rely on the production and distribution of crushed stone which is limited by transportation cost and local activity.
 - Public and Non-Residential construction projects have the highest degree of direct explosives use as well as consuming almost 7 times the crushed stone spend of residential construction activity. However these typically lag housing starts anywhere from 18-24 months.
 - From aggregate growth in Texas to Frac Sand in the mid-west to heavy pipeline and construction projects across the North Americas platform DNA's customer portfolio and assets are well positioned in the areas we believe will see the greatest exposure to existing and future recovery of this market.
- The bottom line is it is about knowing when and where projects are coming and aligning our self to both reliable quarry operators as well as key construction contractors.

DNNA Explosives – Metals & Mining

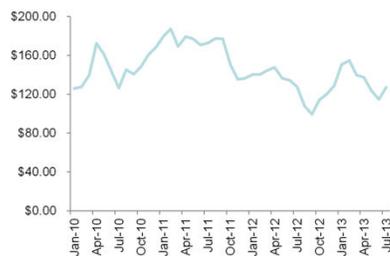
- Accounts for ~27% of explosives volume
- Higher usage of packaged products, initiation system and services than coal
- Stable U.S. gold production (bottom of cost curve)
- Balanced exposure to both stable domestic iron ore market and more volatile global iron ore market

Key facts		
DNNA metals exposure	50%	Iron Ore
	40%	Gold
	10%	Copper and Other
U.S. gold & iron ore production (outside of 2009 GFC, production reflects inherent stability of U.S. metals)	Gold (tons) Iron Ore (Mt)	
	2008:	233 54
	2009:	223 27
	2010:	231 50
	2011:	234 55
2012:	230 53	

U.S. and Canada Key Metal Exposure



Iron Ore Price (CFR Tianjin)



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- Our third major explosives market is in metals and mining – and this represents ~27% of our overall ammonium nitrate volume
 - Our exposure is approximately 50% iron ore, 40% gold and 10% 'other metals/minerals'.
- This market also has a higher percentage of packaged and Initiating Systems/Services than coal.
- It is also regional – although not nearly as such as the Quarry & Construction space and much more consolidated.
- We believe it adds the most stability to the overall explosives portfolio as both North American Iron Ore and North American gold are somewhat sheltered from global commodity pricing
 - North American Iron ore is primarily consumed internally and as the US recovery continues additional demand for steel increases this demand; and
 - US gold production is at the lower end of the global cost curve which gives it some shelter from volatile gold pricing.
- Again we believe our assets are well positioned and our portfolio well balanced across this market - future activity will be focused on ensuring we continue to partner and align with the strongest producers in this space.

DNNA Agricultural & Industrial Chemicals

- Products manufactured include Urea, UAN, DEF, nitric acid, Ammonia, carbon dioxide and ANSOL
- Agriculture products manufactured at
 - St Helens (Urea, UAN, Ammonia)
 - Cheyenne (UAN)
- Industrial chemicals are manufactured across all plants – placed into the market to maximise asset utilisation. (Contributed ~ \$10m EBIT in 2012 FY - represents more stable earnings stream)

Key Facts	1H 2013	FY 2012	1H 2012	FY 2011
EBIT (US\$m)	\$32m	\$73m	\$31m	\$59m
NOLA Urea FOB (US\$/stn)	\$411	\$491	\$452	\$402
Urea Price sensitivity (+/- US\$10/stn)	\$1.8m	\$1.8m	\$1.7m	\$1.8m

Dyno Nobel Regional Agricultural Footprint and Market(s)



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- Shifting gears to our Agricultural and Industrial Chemical Industry:
 - As previously stated, this represented approximately 16% of our revenues in 2012.
 - It is an area that we see potential in further expanding through strategic, and not opportunistic, intent.
 - Although the Agricultural products have exposure to global commodity pricing, the ability to better balance our chemical assets ensuring higher efficiency combined with strategic sales of alternate industrial chemicals such as DEF, Nitric Acid, carbon dioxide as well as Ammonia offer upside potential and more stability to our earnings .
 - Our current footprint allows us access to the Pacific-Northwest and certain western states and with the future addition of the Waggaman, Louisiana ammonia plant access to the entire US market.
 - We are still an explosives business, but in order to ensure the highest value from our nitrogen assets it becomes more and more critical to understand and continue to expand our capabilities across the industrial chemicals market space.

North American Strategy

- North American medium term strategic platform is largely set
- Focus on: (1) optimising existing assets and (2) selectively targeting customers and market segments

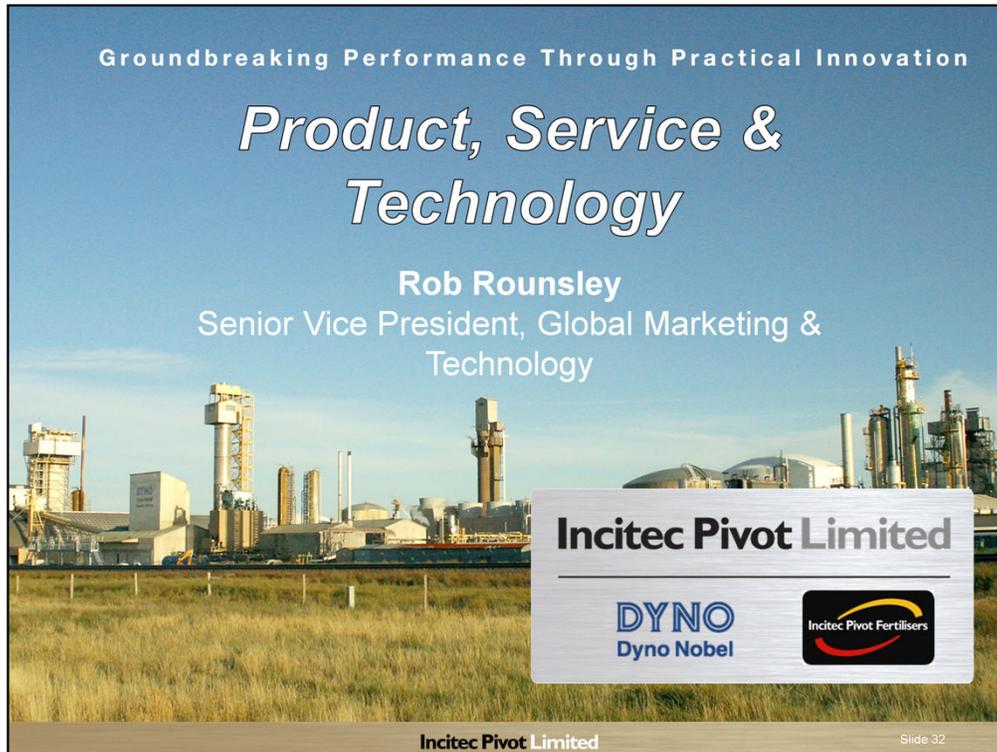
- 1 Business excellence (2013+)
- 2 Earnings quality within the portfolio (2013+)
- 3 AN pricing optimisation (2H 2015+)
- 4 Integrate Louisiana Ammonia plant (2H 2016)

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- In summary we have a simple 4 step strategic plan
 - 2013 has been about business excellence – we reorganised our teams at the beginning of the year to focus on not only a better understanding of the industries and markets we serve and how we add value to them, but also how we can improve our internal processes and delivery of value to those markets – we have integrated BEx into everything that we do and we are seeing results.
 - Moving forward it is about earnings quality – its about placing those 1.1M short tonnes of ammonium nitrate in the most valuable locations, it is about optimising the nitrogen assets, it is about allocating our resources and energy on the highest valued opportunities across our industry – it is about targeting.
 - Step 3 is about ensuring we achieve the market value from the products our nitrogen assets produce – specifically in 2015 we begin the process of renegotiating a significant number of our existing longer term ammonium nitrate contracts – it is critical that the market value of ammonium nitrate is understood and achieved – if it is not then we need to revisit where that nitrogen molecule is placed to ensure our assets are returning at reinvestment levels.
 - Step 4 in 2016 is the successful integration of the Louisiana Ammonia plant into our portfolio. At that time we will be a fully integrated industrial chemical company (IPL North America) with two distinctive and capable business units – our explosives business and our Ag and Industrial Chemical business – operating across a common leadership, process and asset platform, but ensuring the maximum market value distinctively in each.
- Simply put it is about utilising BEx to continue to drive cost out and cash into the business with growth being realised as the Louisiana ammonia plant comes on line in 2016.



Thank you for the opportunity to talk about our product and services offering – Dyno Nobel's products, systems and skills that we develop to meet our customers' changing needs.

For Dyno Nobel, innovation has been at the core of our success for over 150 years. We invented the standard detonator, dynamite, Nonelectric detonators and slurry explosives. Indeed these products and technologies are the fundamental platform for today's advanced explosives systems that Dyno Nobel continues to develop - with advanced systems like our new Delta E bulk product system and our world beating electronic detonator systems.

The Dyno Nobel Marketing team runs a focused program of customer consultation. Through this process we identify the key trends at our customer operations and the direction of mining technology. This customer driven process ensures we develop the practical technologies our down to earth and pragmatic customers need.

Our strapline for the past 10 years has been 'ground breaking performance through practical innovation'. This is more than a marketing slogan, it defines our technology program. We develop practical solutions that our customers can use in their day to day operations, driving down the cost of mining through the implementation of useable products and systems that create real cost improvements.

At Dyno Nobel we develop practical products, systems and tools that allow our customers to mine more efficiently, lowering their overall cost of mining.

We call it delivering "Ground breaking performance through Practical Innovation".

Why innovate?

Customers are facing new challenges:

Deposits have:

- Greater depth
- Declining ore grades
- Increased ore complexity
- Increasing costs to explore and mine



Mining costs are on the rise due to:

- Energy
- Skills and labour shortage
- Rising material costs
- Increased regulation and environmental challenges



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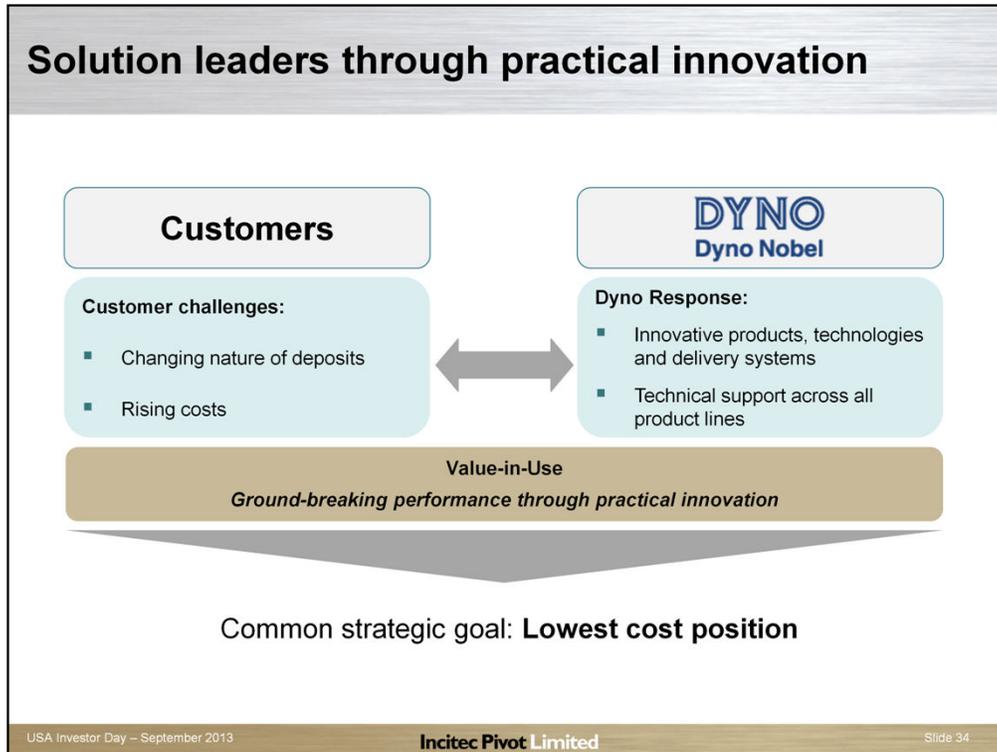
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I'm sure you are all aware of the challenges facing the mining industry at the moment.

These are summarised on the slide.

Our customers at the strategic level have been telling us about these trends for around 5 years through our technology advisory board.

And in the past 12 months we have clearly seen these emerge as direct operational challenges at the mine sites.



Over the past ten years many customers have been focused on volume at any cost, and it has been difficult to introduce new technologies during this period. That time has passed and our customers now look for solutions that will help to control and reduce costs as they face a revision to long-term trends for commodity prices.

At Dyno Nobel our technology program has two key strategic intents:

1. Driving down the cost curve for our current products – ensuring we have a competitive position with our existing plant and product footprint.
2. Developing new technologies that are applied through practical solutions our customers can implement. Achieving real cost reduction across the mining value chain.

Of course our practical customers are a sceptical bunch and we must demonstrate the value delivered from these higher value products as we implement them at their sites.

Our value-in-use program targets studies that quantify this benefit to our customers across their value chain, as we implement higher value solutions. For example our new bulk product technologies and electronics detonator tools provide our applications specialists, and our customer technologists, with the tools to mine differently. I will take you through some specific examples of this further in this presentation.

You can see how this is clearly aligned with our customers' new strategic imperative to drive efficiencies and reduce their costs.

Product portfolio

Bulk Explosives	Packaged Explosives	Initiating Systems
 TITAN® Emulsion 1000 Series  TITAN® Emulsion 2000 Series  TITAN® Emulsion 5000 Series  TITAN® Emulsion 7000 Series  Delivery systems product portfolio	 ANFO (Bagged)  Dynosplit®  Powermite® Pro  Powermite® RIGHT® pac  Powermite® Thermo®	 NONEL®MS Connector  PRIMACORD® 5  FIRELINE 8/40 RDX  NONEL®MS Series  NONEL®MS Heavy Duty  TROJAN® SPARTAN  NONEL® Starter  TROJAN® NBU  NONEL® EZTL  DigiShot® Plus System

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Here I would like to introduce you to the extensive range of products we manufacture, and we will touch on some of the latest developments further in the pack.

Dyno Nobel has the full range of explosives products including:

- Bulk products and delivery systems – we manufacture and deliver over two million tonnes of bulk explosives around the world, and we design and manufacture a full range of delivery equipment: Including our Underground DynoMiner Product range through to the DynoBulk Surface equipment range, meeting every mining application need. Additionally we design and build both full scale and modular emulsion explosive plants, ideal for remote mining operations, as well as depot and on site facility designs to create efficient customer site operations.
- We manufacture a full range of packaged explosives from Dynamites to our advanced Emulsion based packaged products.
- We design and build the most reliable Initiating Systems in the world and we are backward integrated into strategic raw materials such as Lead Azide and PETN - from the world leading Nonel branded range of signal tube detonators through to boosters and detonating cord and all the blasting accessories required to use these products effectively.
- Through a focused technology company (DetNet) we design and build the best Electronic Detonator Systems in the world, including the DigiShot™ Plus and SmartShot™ full feature systems through to our new industry specific products:
 - GeoShot™ for seismic applications; and
 - DriftShot™ underground applications.
- And we have an very healthy technology pipeline with a range of new technologies and associated products underdevelopment.

Customer driven solutions: Value-in-Use

- Dyno Nobel has an extensive global program, delivering practical customer solutions for its customers for over 30 years
- Recognised as leading innovators and technology providers across the industry
- Value-in-Use is driven by site specific, customer needs and challenges and achieved by working collaboratively

Value-in-Use

Customers Challenges	Ore dilution	Coal loss	Fragmentation	Fines	Shot size
Dyno Response	Delivery Systems & Equipment		Advanced Bulk Products		Advanced Initiating Systems
Customer solution case Studies	<ul style="list-style-type: none"> ▪ Reduction in coal loss ▪ Through seam blasting ▪ Block/panel caving ▪ Reduced vibration and high wall stability ▪ Improved excavation rates ▪ Over-break reduction ▪ Fines reduction for quarry customers ▪ Larger shot size ▪ NOx emission reduction ▪ Improved development rates ▪ Improved processing rates 				

Ground-breaking performance through practical innovation

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For mining customers, good quality, reliable, and differentiated explosives products are only one part of what is needed to create competitive success. It is critical that we also have the skills and knowledge to help customers apply these products efficiently to solve their mining challenges.

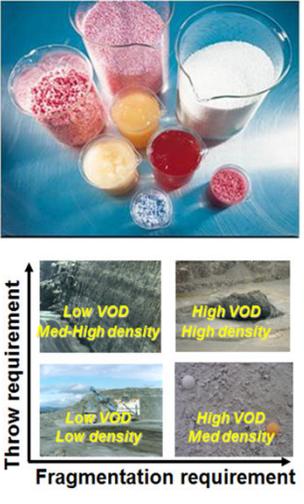
Dyno Nobel has a long history of delivering value-in-use solutions going back several decades. The Dyno Consult teams are mining applications specialists and charged with designing and implementing these application solutions. This involves utilising our advanced products suite to demonstrate clear efficiency improvement and cost reduction across the mining value chain while we apply our higher value product solutions.

Typical focus areas include:

- Reducing ore dilution
- Reducing coal loss
- Optimisation of fragmentation size (improved digging and processing)
- Optimisation of broken rock bulk density (improved digging and hauling)
- Improved underground development advance rates
- Reducing fines generation in quarry applications
- Larger more efficient shot size without vibration impacts

This is achieved primarily through a collaborative approach with our customers utilising joint committees that assess and approve projects to be implemented on a site by site basis.

Technology focus: Practical innovation

Delivery Systems & Equipment	Advanced Bulk Products	Advanced Initiation Systems				
	 <table border="1"> <tr> <td>Low VOD Med-High density</td> <td>High VOD High density</td> </tr> <tr> <td>Low VOD Low density</td> <td>High VOD Med density</td> </tr> </table>	Low VOD Med-High density	High VOD High density	Low VOD Low density	High VOD Med density	
Low VOD Med-High density	High VOD High density					
Low VOD Low density	High VOD Med density					

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While Dyno Nobel has the basic product suite and the efficient manufacturing and supply chain operations to deliver these products, we also have the high end range of products that deliver value for IPL and our customers - and in many cases our competitors cannot replicate these technologies.

Some examples include:

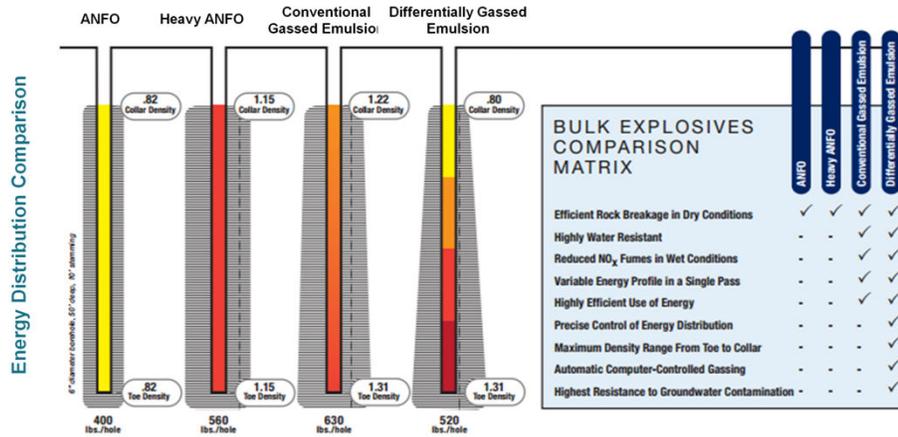
1. Delivery system and plant technologies including:
 - Uphole variable density loading for underground applications.
 - Bulk product string loads for development applications.
 - Jumbo trucks with differential energy loading capabilities at high discharge rates for surface applications.

2. Bulk products designed for every ground type.
 - Creating better fragmentation outcomes and associated downstream excavation and extraction efficiencies.
 - Solving problems like shot size and sleep times in high temperature or highly reactive ground types.
 - Creating tailored energy solutions for highly variable ground types within the same area.

3. Advanced initiation systems that allow our customers to use unique blast designs.

Differential Energy™ lowers mining costs

- Unique and proprietary product, technology and application system developed by Dyno Nobel over the last 10 years



Customer benefits include:

- ✓ Reduction in mining cost
- ✓ Reduction in powder factor
- ✓ Improved crusher performance
- ✓ Zero fumes
- ✓ Increased shovel productivity

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Our latest practical innovation is the Differential Energy™ Bulk Product System. This unique and proprietary system allows customers to tailor the energy profile of the borehole.

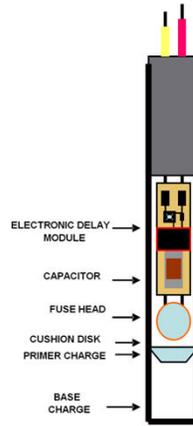
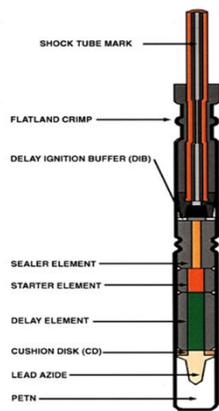
In our first major site conversion using our high value Titan Delta E product we achieved a reduced blasting cost of approximately \$1.5 million per annum excluding the increased mining productivity benefits. These included:

- Shovel productivity increased by 7.9%
- Improved crusher performance
- Zero fume

Move towards electronic detonators

- Customer trend towards using electronic detonators

Pyrotechnic Detonators: Electronic Detonators:



Customer benefits from electronics

- ✓ Optimal use of explosives energy through timing
- ✓ Improved fragmentation
- ✓ Improved cast in surface coal
- ✓ Less back-break/over-break
- ✓ Vibration reduction
- ✓ Safety and security – fired with specific coded signal
- ✓ Can be tested prior to arming and firing
- ✓ Detonator issues can be detected prior to clearing the pit
- ✓ No unintended detonations with Dyno Nobel technology

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Product life cycles for explosives products tend to be over decades rather than years.

Over the past 100 years mining has moved from cap and fuse, to electric detonators, to non-electric detonators and now, for a range of blasting applications in specific market segments onto electronic detonators.

Electronic detonators allow for much greater accuracy in blast hole firing times, creating a range of significant customer value which is quite application specific. Some examples are listed on the slide.

Dyno Nobel has an extensive electronic detonator portfolio of intellectual property and technology developed through our technology Joint Venture. We are very well placed to meet this demand as it continues to develop.

Electronics: SmartShot™ and DigiShot™ Plus

- Since 2007, Dyno Nobel has offered a large suite of electronic initiation products including:

smartshot™
digishot™ plus



DigiShot® Plus & SmartShot™

- Complex blasting
- Wireless remote blasting
- Precision timing controls
- Large blast size capability (7,200 detonators)
- Fired two largest electronics blasts in the world

digishot™



DigiShot®

- Small shot size
- Mining and quarry markets
- Fit for purpose

- These established products with over 9 million fired are continually improved to facilitate greater conversion rates in challenging borehole conditions
- Latest technologies have been developed for specific customers and markets: DriftShot™, GeoShot™
- An extensive pipeline of new technologies like our new Generation 4 Control equipment

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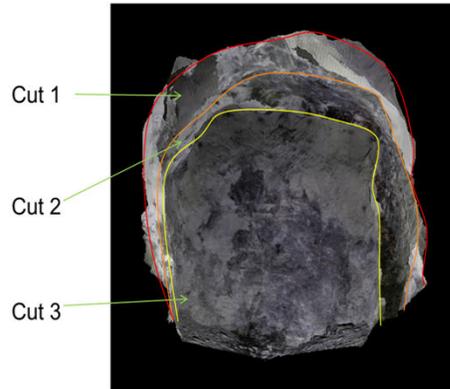
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While Dyno Nobel owns the pre-eminent non electric detonator brand “None!”, we also have an established Electronic Detonator Brand and product portfolio, which we are continually developing to facilitate an increased conversion of the various mining application segments.

With our strong core technology platform in electronics detonators we continue to roll-out product extension and new developments like our DriftShot™ and GeoShot™ products for Underground and Seismic applications respectively.

And we have an extensive pipeline of new technologies to meet our customers future needs eg. Like those incorporated in the new generation 4 control equipment which we are currently commercialising.

Significant reduction in over-break



- Through implementation of cutting-edge products and a program of design modifications, Dyno Nobel was able to assist customer in reducing development costs by 11.2%
- Estimated savings of \$9.5 million per annum for customer

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Now we can move onto examples of how we apply this in practice.

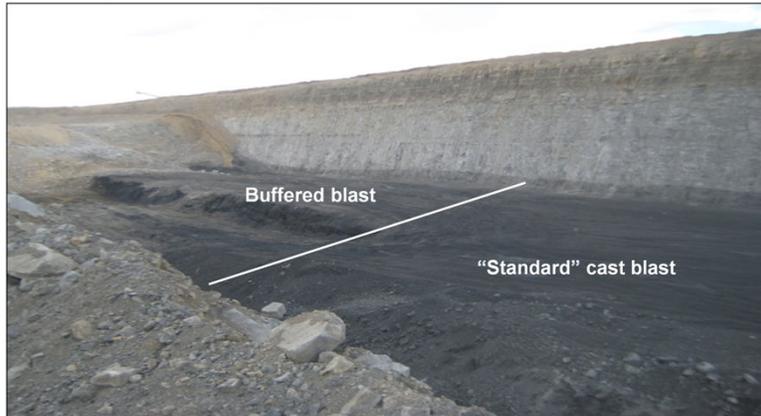
Dyno Nobel has the full range of products to meet our customer needs – and we also have the technical experts, within our DynoConsult Applications Technology teams, to apply these products and create solutions to our customers mining challenges.

These next few slides show how we have applied our products and tools to meet these challenges.

Over-break is a common underground development mining waste. Energy is transferred into the tunnel walls leading to extra excavation time and costs. In the example shown we were able to apply our high value products such as Bulk Product String loading and Electronics to reduce our customer development costs by 11.2% or close to \$9.5M.

Leading innovator in coal loss reduction

Customer Challenge: Reduction in coal loss



- Using advanced electronic detonation systems and specialised blasting skills, Dyno Nobel developed an innovative buffer blast design to achieve significantly reduced loss for customer
- Reduction in coal loss from 11% to only 4% - additional 250,000 tonnes of coal recovered per annum and additional productivity benefits

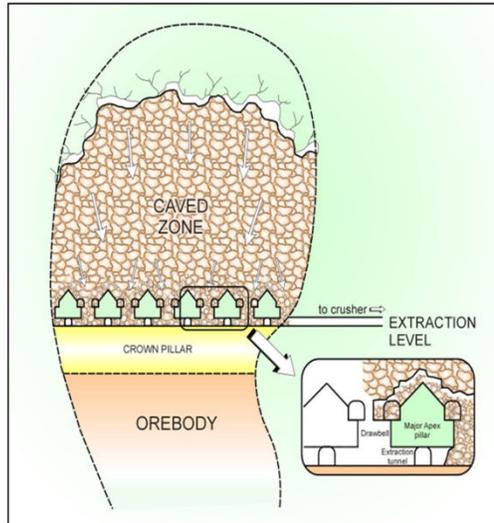
Using advanced electronic detonation systems and specialised blasting designs, Dyno Nobel developed an innovative buffer blast design to achieve significantly reduced loss for the customer.

Coal loss reduced to 4%

- Additional 250,000 tonnes of coal recovered per annum
- Additional productivity benefits from the reduction in the frequency of blasting

Market specialists in block/panel cave blasting

Customer Challenge: Block/panel cave blasting



- Customers have moved towards block/panel caving to lower mining costs
- Block/panel caves are typically deep deposits that are large low grade ore bodies
- Dyno Nobel was first to commercialise the Blast Preconditioning technique in Asia Pacific
- Blast Preconditioning enables better access at lower capital costs – industry favoured approach
- Dyno Nobel are the only providers of emulsion in 150 metre up-holes for block caving

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As customers move away from higher cost mining techniques like traditional open stopes, sub level caves or simple open pit designs we have adapted to produce solutions that work for lower cost mining methods like Block or Panel Caves.

Block/panel cave operations are typically large low grade ore bodies, deep deposits, capital intensive.

Case Study:

Customer needed to blast 150 metre up-holes to engineer the rock mass and assist in cave propagation.

Dyno Nobel developed a customised bulk explosives product, an innovative delivery system and applied our electronic initiation system to meet the challenge.

Optimising outcomes for customers

Customer Challenge: Reducing vibrations and high wall stability

- Customers face difficult geological conditions when blasting the final wall – approaching with higher angles enables cost effective recovery of ore however threatens high wall stability
- Dyno Nobel works with customers to develop a modified drilling and blasting program to reduce vibrations which saves significant costs for the customer



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Case Study

Geological conditions rendered high-wall unstable at hard-rock gold mine.

Dyno Nobel provided the products and technical expertise needed to develop a modified drilling and blasting program.

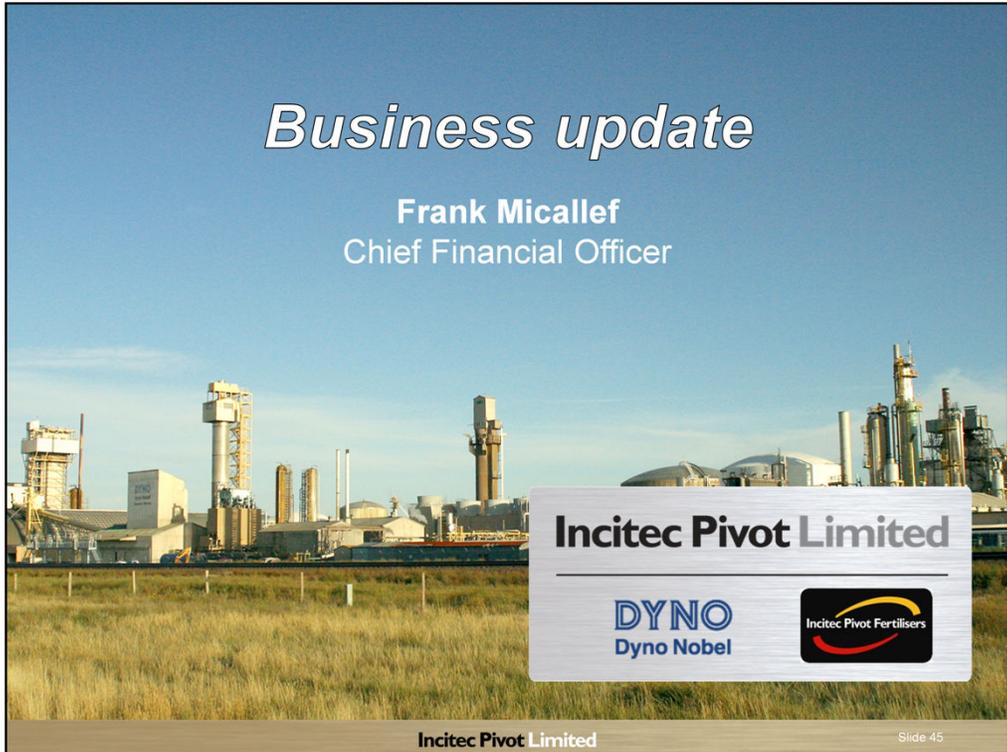
Modified program successful made high-wall more stable.

- Mine now safe
- Additional productivity gains
- Decreased the downtime associated with blasting operations

Around the globe we daily load and fire shots in every application, from rock and aggregate quarries, pipeline and infrastructure construction, seismic exploration, large open pit coal mines, surface metal and hard rock mines, underground mines, in extreme hot conditions, in extreme cold conditions, in extreme wet conditions and in extreme dry conditions in reactive conditions in deep holes, in shallow holes and just about every combination in between. Creating value for our customers with our Practical Innovations creating Ground breaking Performance.

Business update

Frank Micallef
Chief Financial Officer



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Explosives outlook – 2nd half 2013

▪ DNNA

- Explosives base business volumes slightly negative in second half as coal stocks continue to be run down
- Fertiliser - St Helens plant at capacity in the second half. Urea New Orleans Louisiana (NOLA) FOB price drop from US\$527/stn in 2H 2012 to US\$330/stn YTD in 2H 2013. Current Urea NOLA FOB is US\$285/stn
- BEx benefits on track

▪ DNAP

- Base business (Ex-Moranbah) will grow slightly, excluding the impact of the loss of a Hunter Valley customer in 2012. This is a \$8M EBIT impact in 2H
- \$2m redundancy costs in 2H as business right sizes in challenging market
- \$5m cost-to-serve impact due to higher cost sourced AN during plant outages in 2H
- Moranbah plant on track to achieve guidance of \$40M incremental EBIT in 2013
- Moranbah capitalised for accounting purposes from 1 July 2013

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DNNA

- Coal stocks are continuing to run down, therefore our ammonium nitrate volumes in the second half are slightly negative to previous corresponding period.
- St Helens fertiliser results will obviously be impacted by the drop in Urea prices in the second half as compared to second half of 2012.
- The business continues with embedding BEx, and the benefits are on track.

DNAP

- Ammonium nitrate market has changed over the last year, conditions are tougher for everyone.
- You will see the \$8M impact in the second half of the loss of a large customer in the Hunter Valley, as detailed in our first half results.
- The remainder of the base business will deliver slight growth.
- Due to this changing mining environment, we have taken some cost down opportunities and there are \$2M of associated redundancy costs in the second half.
- Moranbah cost to serve increase in the second half due to purchasing ammonium nitrate whilst plant was down for repairs early in second half.
- Moranbah is on track against to deliver against guidance of \$56M EBIT in 2013.

Moranbah AN plant ramp up

2013 Update

- Ammonia plant repair – all major items now complete
- Steam balance solutions are in place, completion March 2014
- Control systems upgrade on track
- Additional gas redundancy – 3rd node slated for November 2013

2014

- EBIT guidance: \$110m
- Customers at bottom of take or pay – 300kt
- Additional resources held for first six months to mitigate remaining risk
- Steam balance to be optimised by March 2014, allowing plant to achieve gas efficiency targets

2015

- Plant at nameplate and investment case delivered, \$165M EBIT

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2013 Update

- For the last 2 months, the Plant has been running well.
- Ammonia plant is regularly at 90% of capacity on a daily basis. Average 85% for last 2 months.
- Other downstream plants have all run at nameplate capacity or above.
- We are not planning to run the plant to 100%, as there is further work required through the next 6 months.
- Ammonia plant damage caused by the last gas outage is now repaired.
- Through some clever engineering work, the team has improved steam balance throughout the complex.
- The work on the control systems is about 80% complete and will be finished in 2014.
- 3rd Gas node is expected to be commissioned in November, with there being the slight delay in connecting the node to the pipeline.

2014

- Guidance for 2014 is \$110M EBIT which is the bottom of our range.
- Further improvement work on steam balance will be completed in the next financial year, and this will allow the plant to achieve nameplate gas utilisation efficiency.

2015

We hold our guidance of \$165M EBIT for 2015.

Fertilisers outlook – 2nd Half 2013

- Global fertiliser prices have softened considerably during the last quarter (current spot Urea US\$280/tn, spot DAP US\$400/tn)
- Generally favourable weather conditions across Australia, driving strong distribution volumes in 2H
- Second half distribution margins (per tonne) expected to be slightly down on the pcp. The new contract model has significantly offset pressures of falling global fertiliser prices, conditions which have been similar to 1H12
- Phosphate Hill
 - On track for 400kt in the second half (763kt for the full year)
 - Ammonia plant repair completed. Earnings impact of \$23.5M in line with previous guidance.
 - Some reliability risk remains until the maintenance turnaround planned for June 2014
- BEx benefits on track

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- The global fertiliser market is very bearish at present. Our DAP production is exported at this time of year, so we do see the full impact of the spot prices in the last few months of the year.
- With global fertiliser prices softening in the second half of this financial year, distribution margins are off slightly against the second half of the 2012 financial year.
- Strong nitrogen volumes, on back of favourable weather conditions in Australia.
- The new contract model combined with value-at-risk model have worked extremely well to protect our profit in the current market where there are falling global fertiliser prices. Customers have committed to volumes and prices, and those contracts have been honoured. A great result in these challenging times.
- Phosphate Hill is back up following the outage announced in July. The plant is being run with care, as it is in its last year of a 4 year campaign prior to the next major scheduled turnaround.
- BEx is now embedded in the Fertilisers business and benefits are on track.

BEx and Manufacturing update

- US plants operating well
- Moranbah progressing well and on track to achieve guidance
- Phosphate Hill repairs completed. Critical period between now and 2014 planned shutdown
- Strong manufacturing performance at Gibson Island
- New Strategic & Technical Operations function implementation is underway
- BEx embedded in business units from half year
- DNAP in first year of BEx. Benefits expected from 2014

BEx Summary	Benefit \$m	Cost \$m
Fertilisers	15	7
Explosives		
- DNNA	10	5
- DNAP		3
Total	25	15

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Manufacturing

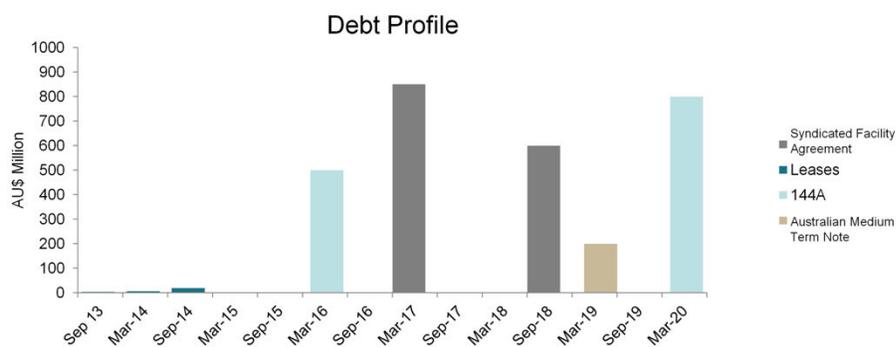
- Moranbah and Phosphate Hill addressed on earlier slides.
- Our US plants and Gibson Island are all performing well.
- Alan Grace has transitioned from his project role leading the Louisiana project and is officially starting on 1 October in his new role as President Strategic Engineering.

Business Excellence

- BEx has been embedded in the businesses in the second half, and the cost now sits with the businesses. We have done this to give clearer guidance on 2013.
- BEx benefits in previous guidance of \$25M are on track.

Capital Management

- Successful refinancing of the Syndicated Facility Agreement and new Medium Term Note, giving diversity and tenor
- Significant committed undrawn funding lines & no refinancing required for 2 years
- Louisiana project is funded



Refinancing completed

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- Over \$1.6bn of refinancing completed recently, resulting in a very strong capital structure with excellent tenor and investor diversity.
- Consistent with our conservative capital management approach, we have fully pre-funded the capital cost of the Louisiana project.
- Long dated debt maturity profile with significant committed funding headroom.
- No refinancing requirements in the next 2 years with over 80% of debt facilities maturing post the completion of Louisiana.

Lehi Site Visit – Briefing

Rob Rounsley
Senior Vice President, Global Marketing &
Technology



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Lehi Site Visit - Overview

- The purpose of the day is to provide an insight into our research and technology capabilities
 - Understand our product development process

- Provide a hands on experience to see, hear and feel our explosive products in action:
 - See our latest delivery systems

 - View comparisons of Nonelectric and Electronic detonators

 - See our latest bulk products and understand our variable gassing technologies in practice

Lehi Site Visit - Overview

- Facility has played an integral role for over 50 years in the development of modern packaged and bulk explosives, including formulations and packaging and delivery systems

Lehi facility consists of:

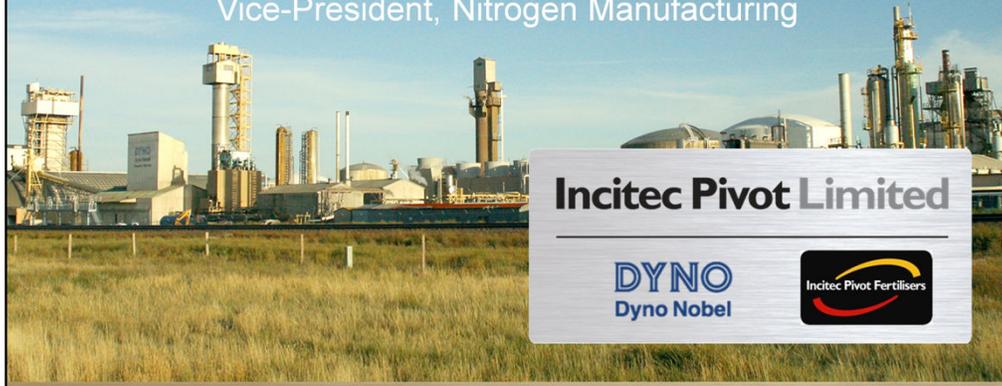
- Analytical and Functional Laboratories (chemical analysis, feasibility and small-scale testing)
- Pilot Plant (product/process design and simulation)
- Test Site (comprehensive detonation performance, regulatory testing and classification)
- Detonation Pond (fume characteristics testing, seismic product analysis and dynamic shock studies)



Cheyenne Site Visit – Briefing

Doug Chandler
Site Manager, Cheyenne

Tim McDaniel
Vice-President, Nitrogen Manufacturing



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DYNO
Dyno Nobel



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Cheyenne, Wyoming – Plant Site



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This slide provides an aerial photo of the Site. The Site sits on 3,000 acres. You'll note the broad expanse of space around the Site, which provides a large safety band with the adjacent community.

Cheyenne Site Visit - Overview

- Cheyenne is IPL's largest AN manufacturing facility (380kt AN)
- Products: AN, Ammonia, Urea, UAN, Nitric Acid
 - All products manufactured from natural gas feedstock
- Comprehensive truck and rail transport network services both agricultural and industrial customers
- Strategically located within 200 miles of the largest coal fields in North America (Powder River Basin)



The Site's location provides a strategic advantage, with close proximity to the major customers of explosives for coal production. We have a close relationship with Peabody.

The photo shows our Prill barn, which has been expanded in capacity to meet our customer expectations.

Cheyenne Site History



1964 – Original Wycon Plant
Ammonia Plant 125 tpd
Nitric Acid Plant 100 tpd
HiDan Prill Plant 105 tpd



1985 – 1992
Ammonia Plant Expansion 550 tpd
3rd Nitric Acid Plant 550 tpd
LoDan Prill Plant 650 tpd
Dry Ice Plant 60 tpd
CO2 Plant Expansion 400 tpd
MTBE Plant 4000 bb/day
Urea Plant 325 tpd



1966 – 1976
Urea Plant 125 tpd
2nd Ammonia Plant 300 tpd
2nd Nitric Acid Plant 100 tpd
CO2 Plant 300 tpd



2007 – 2010
4th Nitric Acid Plant 455 tpd
3rd AN Plant 560 tpd
Expanded UAN Storage & Loading
Ammonia Rail Offloading & Storage
Emulsion Plant 100,000 tpy

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The Cheyenne site is nearly 50 years in operation, and has undergone several expansions and upgrades in its history.

Zero Harm at Cheyenne



Safety Measure	
TRIFR	0.32 (12 month rolling average)
MTI's	0 (12 month rolling average)
LTI's	1 (12 month rolling average)
Hours worked without a recordable incident	452,143 hours
Days worked without a recordable incident	192 days

Zero Harm is the primary focus for everything we do at the Cheyenne site.

Certainly, we drive for injury-free performance for our employees. We also drive for incident-free performance, to ensure full compliance to our environmental obligations. Our definition of Zero Harm includes Process Safety Management (PSM), to ensure Zero incidents for our high-hazard processes.

Introduction to Business Excellence (BEx)



BEx at IPL is all about leadership, standards, discipline and rigour:

- 1) Defining what's important and ensuring alignment throughout the business
- 2) A planned, disciplined approach to each day, supported by visual management tools
- 3) Documented and standardised work plans
- 4) Rigour and compliance is achieved via a cycle of 'Plan, Do, Check, Act'
- 5) Real leadership: Significant time is invested in coaching, providing clarity and alignment to goals and driving the right culture
- 6) A culture where continuous business improvement becomes a way of life



BEx is the system we use to continuously improve the way we work and enable us to realise our shared company Goals and Values

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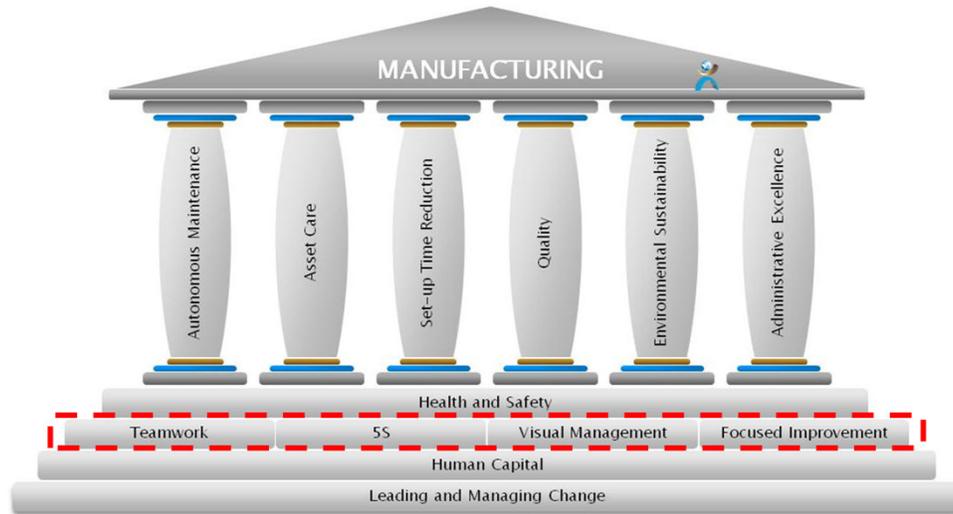
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IPL began its BEx journey in 2011, to drive Continuous Improvement through the use of Standardised Systems and the Engagement of all people.

BEx is the way we run our business, every day. The key elements are:

- Defining what's important and ensuring alignment throughout the business and each site.
- A planned, disciplined approach to each day, via the daily management system.
- Documented and standardised work plans. Everyone knows what they need to do and achieve during their day and shift.
- Rigour and compliance is achieved via a cycle of Plan, Do, Check, Act.
- Real leadership is crucial to the success of BEx. Leadership that is:
 - Present on the plant floor.
 - Leadership that ensure problems get solved at the right level.
 - Leaders that coach and inspire.
- A culture where continuous business improvement becomes a way of life.

BEx Framework - Manufacturing



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We describe our BEx framework in Manufacturing through this Parthenon concept - a framework built on solid “Foundational” elements, followed by development of further capabilities through “Pillar” elements.

Teamwork



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A few photos here to illustrate the effort to develop strong Teamwork between the Cheyenne Site and Leveraged Turnaround team members. Getting to know one another on a personal level, away from the plant, allowed for stronger relationships at work to carry out a very successful Turnaround in June.

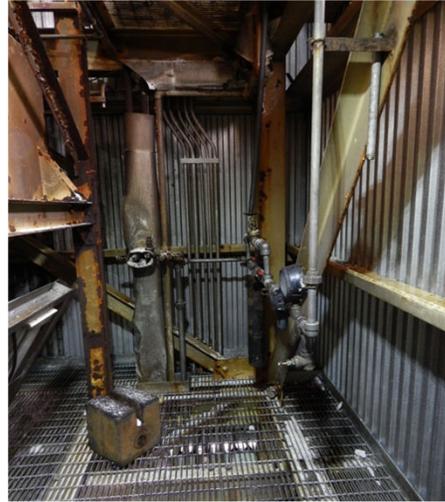
5S in Action



Before



After



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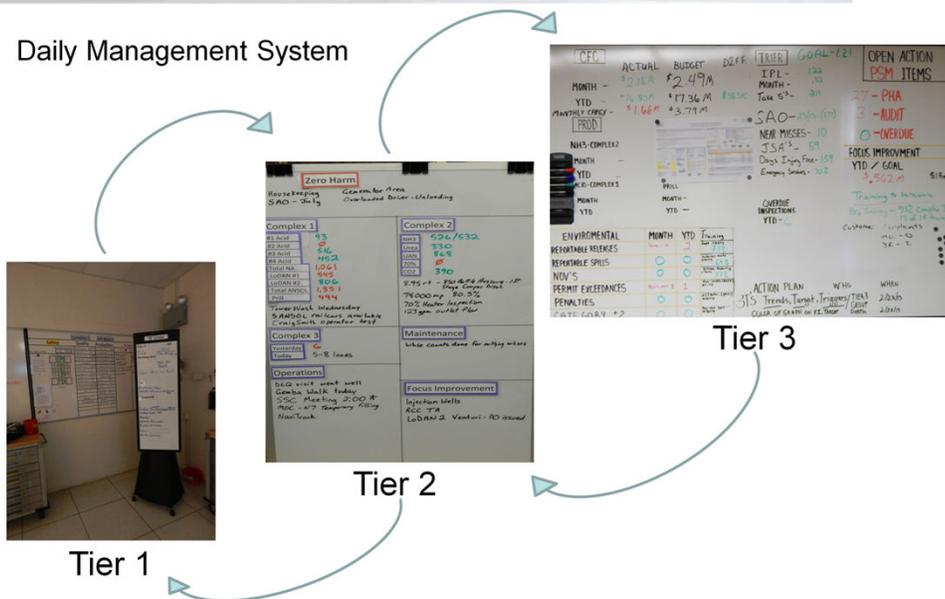
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An example of BEx-5S improvement can be seen here, in the LoDAN Prill loadout area. The effort here obviously points to a reduction in yield loss, along with housekeeping and safety improvements, and the long-term benefit of being able to define future leaking points if they were to occur. Another benefit and an important one is the improvement in employees' morale, as they are clearly showing pride in their workplace.

Visual Management



Daily Management System



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Visual Management is another key Foundational element - starting with clear understanding of the Key Performance metrics that ensures the Site success. If performance varies from those goals, actions must be taken to drive performance. Within BEx, this is achieved through a “Tiered” system, in which metrics, decisions and actions are taken at the appropriate work level (Tier 1 – Shopfloor, Tier 2 – Supervisory level, Tier 3 – Site Leadership), with clear lines of communication and cascading between the Tiers to drive ongoing performance improvement.

Focused Improvement



Annualised Savings
~\$350K

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One example of BEx-Focused Improvement is the Yield improvement we've seen in Prill. Based on suggestions from Operations, we adopted smaller screens and modified the slope of the screener deck to prevent loss of Prill into fines. The benefit is \$350,000 per year.

Cheyenne's BEx Journey



- February 2012 **Initial Plant Assessment**
 - Site Steering Committee Workshop
 - Site Facilitator Workshop
- April 2012 Nitric Acid Plant 3 (NAP3) and Low Density Ammonium Nitrate 1 (LoDAN1) Turnaround
- May: 2012 **Charter Approved by Executive Leadership Committee**
- June 2012 Implementation Task Force Workshop
- October 2012 Improvement Facilitator Workshop
- January 2013 **Training of Foundational Elements Begin in NAP3 & LoDAN1**
 - World Class Operation Introduced to Engineering & Turnaround Group
- January 2013 **Leveraging BEx Elements in Ammonia turnaround**
- Current **Maturing in BEx Best Practices**

The Cheyenne Site began its BEx Journey roughly 18 months ago, and we've made great progress so far.

In the upcoming slides, there are some examples of how BEx has been applied to drive improvement.

Turnaround and BEx



2013: Recent Cheyenne Turnaround

- Turnaround required at Ammonia, Urea, carbon dioxide, support facilities
- 35-day planned outage
- Peak labour: 540 workers
- **Result: Turnaround delivered with zero injuries, on-time, on-budget**
- Application of BEx practices and Turnaround best practices



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In June, 2013, the Cheyenne site conducted a large Turnaround for the Ammonia, Urea and supporting facilities.

The results were excellent - Zero injury, On-time and on-budget.

We did this by applying BEx processes throughout the Turnaround

Knowledge Sharing



Representatives from the Cheyenne Plant had the opportunity to visit Coors' Golden, Colorado Facility

The Cheyenne Site has been very active in our drive for improvement, looking to learn from others as we progress on our BEx journey. The photos on this slide capture some of that leveraging during interactions with Coors facility in Golden, Colorado.

Cheyenne BEx strategy



CHEYENNE OPERATIONS 3 YEAR STRATEGY
"Achieve and Sustain Excellence through Innovation & Empowerment"

OWNER:	DOUG CHANDLER
PERIOD:	FY2013-FY2016

Rev. 1.0 02-14-2013

BACKGROUND GOAL:
Achieve the Cheyenne Plant's 3-year production goals, while maintaining the best performance in the use of the Cheyenne Plant. Achieve the Cheyenne Plant's 3-year production goals, while maintaining the best performance in the use of the Cheyenne Plant.

- Deliver on 2013 plan
- Improve cost of quality, improve base products
- Improve customer satisfaction through service projects and contributions
- Optimize management of our plant projects
- Deliver margin growth with manufacture of differentiated products

BUSINESS STATE:
Deliver the Cheyenne Plant's 3-year production goals, while maintaining the best performance in the use of the Cheyenne Plant.

- Deliver on our "Optimal" production and costs budget
- Deliver for the community through environmental stewardship and service
- Facilitate "cost & waste" opportunities to drive down cost of conversion and deliver value improvement
- Deliver O&M projects and assets in line with strategy
- Facilitate for long-term sustainability
- Customer-focused

CURRENT STATE:

Key Metrics

Cost of Conversion

Reliability

Product and Capability

Differentiated Products - O&M

Target State:

Product and Capability

Differentiated Products - O&M

ACTIONS:

Category	Action	Owner	Due Date
ZERO HAZARD	1. SAG implemented at Cheyenne plant	H&S Mgr	Feb 2013
	2. Safety Partners training	H&S Mgr	Oct 2013
	3. Zero environmental incidents	PSM Mgr	Oct 2013
	4. Zero overdue action items	PSM Mgr	Feb 2013
Reliability Uptime	1. Equipment document with appropriate inspections	Rel. Mgr	Mar 2014
	2. Zero overdue inspections	Rel. Mgr	Jul 2013
	3. Implement RCM Turbo	Main. Mgr	Jun 2014
	4. BEx training for AC & AM to stage 3	BEx Fac	Sep 2014
Cost of Conversion	1. Comprehensive Cost & Waste Analysis	Fin/Op	Jun 2013
	2. 5% electricity cost reduction	Ops Mgr	Sep 2013
New Operations	1. Deliver O&M per business plan	Shared	Nov 2013
	2. M&A feasibility	Ops Mgr	Apr 2013

METRICS:

2013-12 implementation year	2013-12 implementation year
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The overall strategy for the Site is captured in an "A3" process - reflecting Business expectations, current state versus those expectations, what our Target state is 3-years out, and what significant actions we need to take during those 3 years to achieve target.

Glossary & Sensitivities

Abbreviation	Term
IPL	Incitec Pivot Limited
DNNA	Dyno Nobel North America
DNAP	Dyno Nobel Asia Pacific
IPF	Incitec Pivot Fertilisers
SCI	Southern Cross International
BEx	Business excellence
AN	Ammonium nitrate
UAN	Urea ammonium nitrate
ANSOL	Ammonium nitrate solution
DEF	Diesel exhaust fluid
CO ²	Carbon dioxide

EBIT Sensitivities

IPF: Urea - Middle East Granular Urea (FOB) ⁽¹⁾	+/- US\$10/t = +/- A\$3.9m
SCI: DAP - Di-Ammonium Phosphate Tampa (FOB) ⁽²⁾	+/- US\$10/t = +/- A\$8.4m
Forex - transactional (DAP & Urea) ⁽³⁾	+/- 1 cent = A\$7.4m
DNNA: Urea (FOB) ⁽⁴⁾	+/- US\$10/stn = +/- US\$1.8m
DNNA: Forex - translation of Explosives earnings ⁽⁵⁾	+/- 1 cent = A\$1.0m

Assumptions:

- (1) 405kT (Forecast Gibson Island 2013 production) urea equivalent sales at a 2013 average exchange rate of A\$/US\$1.04
- (2) 870kT (Forecast Phosphate Hill 2013 production) DAP sales at a 2013 average exchange rate of A\$/US\$1.04
- (3) Based on DAP and Urea sales at 2013 forecast production volumes, 2012 realised prices and the achieved 2012 AUD:USD rate of A\$/US\$0.957
- (4) 180kST (Forecast St Helens 2013 production - short tonnes) urea equivalent sales
- (5) For each US\$100m EBIT