

INCITEC PIVOT LIMITED

2008 Profit Report – Value Delivered



BUSINESS PERFORMANCE – Results for the year ended 30 September 2008

Incitec Pivot Limited (IPL) has delivered value for shareholders with a tripling of Net Profit After Tax (NPAT) including individually material items to \$614.3M from \$205.3M in 2007.

The result was driven by the strategy of diversifying income streams and continuing to move the business upstream into manufacturing.

The acquisition of Dyno Nobel was completed on 16 June 2008. Unless otherwise noted, the Explosives business is only included for the period from acquisition to 30 September 2008 and is not reflected in any historical comparatives.

KEY FINANCIALS

- NPAT excluding individually material items, more than tripled to \$657.2M – up \$454.7M (2007: \$202.5M).
- EBIT⁽²⁾ up 210% or \$656.6M to \$969.1M (2007: \$312.5M).
- Continued financial discipline with year-end trade working capital (excluding Dyno Nobel) at a record low (\$74M), Net Debt to EBITDA of 1.95 times and interest cover of 15.8 times.

SHAREHOLDER RETURNS

- Earnings per share⁽³⁾ up 206% to 61.4 cents (2007: 20.1 cents⁽³⁾).
- Dividends per share up 98% to 29.7 cents (2007: 15.0 cents⁽³⁾).
- Total shareholder returns⁽⁴⁾ of 25% for 2008 (2007: 242%).

BUSINESS HIGHLIGHTS

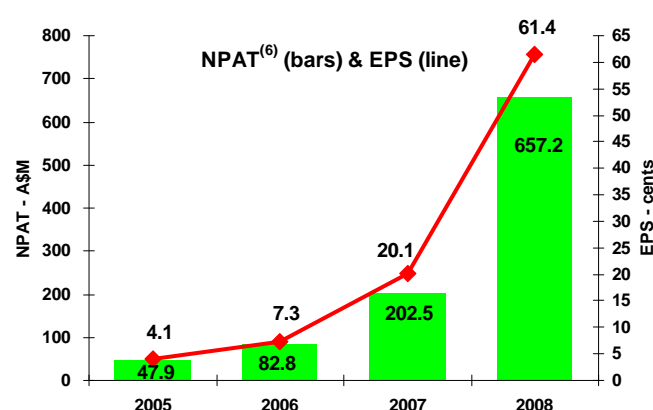
FERTILISER – SOUTHERN CROSS & IPL

- Record \$790M EBIT contribution from manufacturing representing 89% of total earnings.
- Excellent performance from the Australian Fertiliser Distribution business in challenging seasonal conditions.
- \$41.7M profit growth from IPL's Trading business, Southern Cross International (SCI), confirming the trading strategy.

EXPLOSIVES – DYNONOBEL

- A\$3.9B acquisition completed 16 June 2008.
- A\$109.5M EBITDA generated post acquisition (pro-forma full year EBITDA A\$307.4M).
- Acquisition integration now complete.
- Project Velocity US\$204M business improvement program well advanced.

Financial Summary A\$M	Year ended 30 September		
	2008	2007	Change
Sales Revenue	2,918.2	1,373.2	113%
EBITDA ⁽¹⁾	1,039.4	348.6	198%
EBIT ⁽²⁾	969.1	312.5	210%
NPAT - excl. individually material items	657.2	202.5	225%
NPAT - Incl. individually material items	614.3	205.3	199%
Returns excluding individually material items:			
Earnings per share (cents) ⁽³⁾	61.4	20.1	206%
Dividend per share (cents) ⁽³⁾	29.7	15.0	98%
Share price at 30 September (\$)	5.07	4.28	19%
Total Shareholder Return ⁽⁴⁾	25%	242%	
Financial Items			
Net Debt	2,030.3	411.7	(393%)
Net Debt / EBITDA	1.95x	1.18x	(65%)
Interest cover ⁽⁵⁾	15.8x	11.5x	37%



2009 OUTLOOK

- Although trading conditions may be impacted by the global credit crisis, strong long term industry fundamentals remain – full year earnings seasonality expected to be 30 - 35% first half.
- Uncertain near term outlook for fertilisers. However over recent times A\$ fertiliser prices have been stable year-on-year based on current A\$ exchange rate (softer US\$ global fertiliser prices offset by A\$ depreciation).
- First full year of Dyno Nobel earnings.
- Ramp up in Project Velocity program benefits and spend.
- Challenging trading conditions in the Australian Fertiliser Distribution business are expected to continue.
- Moranbah construction to continue as planned.
- Debottlenecking of Gibson Island and Southern Cross in progress.

Definitions and Notes

- (1) EBITDA: EBIT + depreciation + amortisation.
- (2) EBIT: Earnings before interest and tax, and excluding individually material items.
- (3) 2007 & 2008 EPS exclude individually material items. 2007 EPS and DPS restated for 20 for 1 share split in 2008. 2008 EPS based on a diluted 1,069,506,540 weighted average number of issued shares.
- (4) Total Shareholder Return = (Change in share price + dividend declared in financial year) / opening share price.
- (5) Interest cover = EBITDA/borrowing costs
- (6) NPAT excluding individually material items

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SALES VOLUMES (excluding Dyno Nobel)

Sales volumes increased 5% to 3,330kt (2007: 3,165kt).

Australian Fertiliser Distribution

While drought conditions on the east coast of Australia persisted, higher soft commodity prices generally encouraged increased planted area but were offset by a reduction in application rates. Market share gains in Single Superphosphate and some pre-stocking in the pasture and broadacre segments resulted in an improvement in sales volumes of 8% or 144kt to 2,012kt (2007: 1,868kt).

- **Winter Crop segment** – In-season rainfall was insufficient to support a return to normal season conditions. Increased planted area, due to higher soft commodity prices, was offset by reduced application rates as farmers drew down on farm nutrient levels. Overall sales in the segment were 45kt higher attributable to market share gains and some pre-stocking ahead of the 2009 plant.
- **Pasture segment** – Sales increased by 109kt, largely reflecting increased market share and pre-stocking ahead of the Spring'08 applications.
- **Sugar segment** – Sales volumes into the sugar segment decreased by 10kt in response to a lower global sugar price, exacerbated by a stronger A\$.
- **Summer crop segment** – Volumes into the summer crop segment were up 10kt consistent with the increase in area planted, with more normal rainfall patterns in Queensland/northern New South Wales.

Southern Cross (SCO)

Total sales volumes were 142kt lower at 828kt (2007: 970kt), with 34% or 283kt of SCO product sold through the Australian Fertiliser Distribution business (2007: 39% or 382kt).

In March 2008 production was impacted by railway line outages and an interruption to metgas feedstock supply at the Mt Isa sulphuric acid plant. In June 2008 the phosphoric acid tank failed resulting in a loss of 23 days production. Post the second outage, SCO operated at an annualised rate in excess of 1 million tonnes per annum.

Trade

Trade sales of 430kt were 12% higher (2007: 384kt). For the first time third party product was traded in addition to IPL manufactured product.

Sales Summary Tonnes '000's	Year ended 30 September		
	2008	2007	Change
Australian Fertiliser Distribution	2,012	1,868	8%
Southern Cross	828	970	(15%)
Trade	430	384	12%
Industrial	343	325	6%
Inter-company eliminations	(283)	(382)	
Total tonnes	3,330	3,165	5%
Sales Revenue A\$M			
Australian Fertiliser Distribution	1,320.5	867.2	52%
Southern Cross	896.0	508.1	76%
Trade	294.0	99.7	195%
Industrial	112.0	81.3	38%
Explosives - Dyno Nobel	570.9	0.0	
Inter-company eliminations	(275.2)	(183.1)	
Total sales revenue	2,918.2	1,373.2	113%
Average price per tonne (A\$/t) ⁽¹⁾	705	434	62%
Middle East Granular Urea (US\$/t) ⁽²⁾	456	264	73%
Average DAP Tampa (US\$/t) ⁽³⁾	921	364	153%
Average exchange rate - cents A\$/US\$	95.3	81.3	(17%)

Industrial

Industrial tonnes increased 6% or 18kt to 343kt (2007: 325kt) mainly due to new sulphuric acid sales.

REVENUE (Including Dyno Nobel)

Total sales revenue increased by \$1,545M or 113% to \$2,918M (2007: \$1,373M) due to the part-year inclusion of Dyno Nobel (\$571M) and higher realised fertiliser prices across both Southern Cross and the Australian Fertiliser Distribution Business.

The average delivered fertiliser price increased to \$705/t (2007: \$434/t) reflecting higher global fertiliser prices, net of the impact of the strengthening A\$. The average DAP price achieved was US\$921/t, a 153% increase on 2007 of US\$364/t, which was partly offset by an adverse foreign currency of 95.3 cents (2007: 81.3 cents)

The realised urea price of US\$456/t was US\$192/t higher than 2007 (US\$264/t) reflecting global pricing during the year, albeit the impact on profitability was moderated by the higher \$A.

Global commodity pricing

Farmers' terms of trade have improved with higher prices for key soft commodities arising from accelerating demand for the production of food, fibre, feed and fuel.

Definitions and Notes

- (1) Average price excludes Dyno Nobel revenue
- (2) Middle East Granular Urea is the weighted average of the international price lagged by 3 months plus achieved export prices
- (3) DAP Tampa based on the weighted average achieved price for the period

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EBITDA

Total IPL EBITDA increased 198% to \$1,039.4M (2007: \$348.6M).

Base Business

EBITDA was up 139% to \$333.4M (2007: \$139.7M). The main reconciling items were:

- +\$114.2M: Expansion in nitrogen and SSP manufacturing margins consistent with higher global fertiliser pricing.
- +\$12.7M: Partial recovery of distribution volumes somewhat offset by adverse sales mix.
- +\$41.7M: Improved trading margins.
- +\$35.3M: Tardis program efficiencies.
- -\$10.2M: Costs incurred in pursuing IPL business growth.

Southern Cross (SCO)

EBITDA was up 186% to \$596.5M (2007: \$208.9M). The main reconciling items were:

- +\$568.0M: US\$557/t increase in realised DAP price to US\$921/t (2007: US\$364/t).
- -\$154.6M: Impact of higher A\$ - up 14 cents to 95.3c (2007: 81.3c).
- -\$31.3M: Increased sulphuric acid costs.
- -\$50.4M: Lower sales volumes due to production issues.
- +\$48.3M: Expanded freight margins and mix.
- +\$7.6M: Other – primarily full year Tardis program efficiency benefits.

Explosives – Dyno Nobel

Post acquisition EBITDA was A\$109.5M and EBIT was A\$79.5M. A\$9.9M in Velocity program efficiency benefits were delivered mainly in the Overhead Reduction stream.

Earnings Summary A\$M	Year ended 30 September		
	2008	2007	Change
EBITDA⁽⁴⁾			
Base Business ⁽¹⁾	333.4	139.7	139%
Southern Cross	596.5	208.9	186%
EBITDA - Fertiliser business	929.9	348.6	167%
Explosives - Dyno Nobel	109.5	0.0	n/a
EBITDA - Total	1,039.4	348.6	198%
Depreciation & amortisation	(70.3)	(36.1)	(95%)
EBIT⁽⁵⁾ - Total	969.1	312.5	210%
Borrowing costs	(80.6)	(28.8)	(180%)
Tax expense	(231.3)	(81.2)	(185%)
NPAT - excl. individually material items	657.2	202.5	224%
Individually material items after tax	(42.9)	2.8	n/a
NPAT - incl. individually material items	614.3	205.3	199%
EBIT/sales - Fertiliser business	38%	23%	
EBIT/sales - Explosives	14%	n/a	
EBIT/sales - Total IPL	33%	23%	

Southern Cross (SCO) A\$M	Year ended 30 September		
	2008	2007	Change
Production tonnes - 000's	847.3	978.0	(13%)
Sales tonnes	828.4	970.0	(15%)
Sales Revenue	896.0	519.6	72%
EBITDA	596.5	208.9	186%
EBIT	587.0	200.9	192%
Average DAP Tampa (US\$/t)	921	364	153%
Average exchange rate - cents A\$/US\$	95.3	81.3	(17%)

EBIT

IPL total EBIT increased by 210% to \$969.1M (2007: \$312.5M). The EBIT margin improved to 33% (2007: 23%) primarily reflecting higher manufacturing margins.

Definitions and Notes

- (1) Base Business comprises the Fertiliser Distribution, Industrial, Trading businesses, Gibson Island nitrogen plant and the Geelong, Portland and Cockle Creek SSP plants
- (2) EBITDA before purchase price adjustments
- (3) Unaudited and post impact of acquisition accounting adjustments
- (4) EBITDA: EBIT + depreciation + amortisation
- (5) EBIT: Earnings before interest and tax, and excluding individually material items

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BORROWING COSTS

Total borrowing costs increased to \$80.6M (2007: \$28.8M). The increase primarily reflects:

- \$66.5M increase in line with increased borrowings following the acquisition of Dyno Nobel,
- \$30.8M reduction in interest for the Fertiliser business reflecting strong cash inflow throughout the year,
- \$14.7M increase in non cash charges for the unwinding of discounts, primarily on environmental provisions.

Borrowing Costs A\$M	Year ended 30 September		
	2008	2007	Change
Interest - Fertiliser business	2.4	(28.4)	109%
Interest - Explosives business	(68.3)	(1.8)	n/a
Net interest expense	(65.9)	(30.2)	(118%)
Unwinding of discounts	(16.2)	(1.5)	n/a
Profit on cash flow hedges	1.5	2.9	48%
Total borrowing costs	(80.6)	(28.8)	(180%)
Interest cover ⁽¹⁾	15.8x	11.5x	37%

Total business interest cover improved to 15.8 times (2007: 11.5 times)

TAX

Tax expense (excluding tax on individually material items) of \$231.3M was 185% higher than 2007 in line with improved earnings (2007: \$81.2M).

Individually Material Items A\$M	Year ended 30 September 2008		
	Gross	Tax	Net
Incitec Pivot - restructuring	0.8	(0.2)	0.6
Southern Cross - integration	3.7	(1.1)	2.6
Dyno Nobel - Integration & restructuring	33.7	6.0	39.7
Total	38.2	4.7	42.9

INDIVIDUALLY MATERIAL ITEMS

2008 individually material items were a net loss after tax of \$42.9M. \$39.7M was incurred for Dyno Nobel integration and restructuring costs.

Project Velocity efficiency program costs of US\$50M are expected to be reported as individually material items in the 2009 year. In addition, Velocity capital of up to US\$50M will be spent.

RETURNS TO SHAREHOLDERS

Directors have declared a final dividend of 19.5 cents per share fully franked. Adjusting for the September 2008 share split, this brings the total 2008 dividend to 29.7cps, fully franked (2007: 15 cps including 2 cps special dividend, fully franked).

The distribution represents a yield of 6.9% based on the opening share price on 1 October 2007.

The 2008 dividend returns available franking credits to shareholders and represents a pay-out ratio of 55% of NPAT excluding individually material items. This is consistent with Board policy.

Total shareholder return was 25% for 2008 (2007: 242%) assuming shares were held for the full year.

Cents per share (cps)	Year ended 30 September		
	2008	2007	Change
Final Dividend			
- normal	19.5	9.6	103%
- special	0.0	2.0	
- subtotal	19.5	11.6	68%
Franking (%)	100%	100%	
Total Dividend			
- normal	29.7	13.0	128%
- special	0.0	2.0	
- subtotal	29.7	15.0	98%
Franking (%)	100%	100%	0%
Dividend payout ratio ⁽²⁾	55%	65%	
Dividend yield			
- opening share price 1 October	6.9%	11.6%	
- closing share price 30 September	5.9%	3.5%	
Share price			
- opening 1 October	4.28	1.29	231%
- closing 30 September	5.07	4.28	19%
Total Shareholder Return	25%	242%	

Definitions and Notes

- (1) Interest cover = EBITDA / net interest expense
- (2) Dividend payout ratio takes into account the \$21.0M adjustment to scrip consideration paid to Dyno Nobel Limited shareholders in lieu of dividends paid during the offer period

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BALANCE SHEET

Strong financial discipline has been maintained in 2008, and is reflected in the closing balance sheet.

Excluding Dyno Nobel

2008 saw the continuing emphasis on optimising asset intensity across the business in order to improve shareholder returns:

- Trade working capital at year end was \$74M, a 39% or \$47M reduction on 2007 of \$121M.
- Average trade working capital to sales⁽¹⁾ was 9%, an outstanding result notwithstanding a \$234M negative impact from higher fertiliser prices on inventory balances.
- Environmental and restructuring provisions fell by \$20M reflecting spending for the year. The year end balance was \$54M (2007: \$74M).
- Tax payments generally lag earnings resulting in a \$154M increase in tax liabilities for the year to \$161M.

Dyno Nobel

The acquisition of Dyno Nobel was completed on 16 June 2008. Post the acquisition an assessment and valuation exercise was completed that identified and attributed value to physical assets and intangibles.

As at 30 September 2008 the identified tangible and intangible assets have been recorded on the balance sheet at their respective AIFRS values.

Further adjustments to fair value may be made in IPL's published financial statements for the half year ending 31 March 2009 or year ended 30 September 2009.

The Dyno Nobel enterprise value of \$3.9bn comprised:

\$ 256M: Original investment
 1,909M: IPL scrip: 10.4M shares @ \$182.88/share
 515M: Cash for DXL scrip and options
 37M: IPL Transaction costs

\$2,717M: Purchase consideration

345M: Step-Up Preference share pay-out
 818M: DXL net debt at completion

\$3,880M: Enterprise value at completion

Overall

Net Debt to EBITDA of 1.95 times (2007: 1.18 times) was below IPL's long-term range of up to 2.5 times⁽²⁾ (includes only 3^{1/2} months of Dyno Nobel earnings, but 100% of Dyno Nobel debt).

On a pro-forma basis, assuming Dyno Nobel was held for a full year, net debt to EBITDA would have been 1.66 times.

Balance Sheet A\$M	Year ended 30 September		
	2008	2007	Change
Excluding Dyno Nobel			
Trade working capital	74	121	(47)
Net property plant and equipment	544	502	42
Intangibles	190	184	6
Environmental & restructuring	(54)	(74)	20
Tax (liabilities)/assets	(161)	(7)	(154)
Net other liabilities	(63)	(71)	8
Sub-total	530	655	(125)
Dyno Nobel			
Trade working capital	236	0	236
Net property plant and equipment	1,150	0	1,150
Intangibles	3,666	0	3,666
Environmental & restructuring	(56)	0	(56)
Tax (liabilities)/assets	(42)	0	(42)
Net other assets/(liabilities)	(307)	0	(307)
Investment in Dyno Nobel	0	291	(291)
Sub-total	4,647	291	4,356
NET ASSETS	5,177	946	4,231
Net Debt			
Dyno Nobel			
Initial investment	256	256	0
Step-up Preference shares	345	0	345
Cash component	515	0	515
Transaction costs	37	0	37
Dyno Nobel completion debt	818	0	818
Sub-total	1,971	256	1,715
Underlying debt	59	156	(97)
Total	2,030	412	1,618
Equity	3,147	534	2,613
Total Capitalisation	5,177	946	4,231
Net Debt / EBITDA⁽²⁾	1.95x	1.18x	(65%)

Net Debt Reconciliation

In summary, net debt increased by \$1,618M during the year from \$412M to \$2,030M, comprising:

- \$818M: net borrowings acquired from Dyno Nobel.
- \$196M: Currency movements on net debt acquired.
- \$345M: Retirement of the Dyno Nobel SPS.
- \$552M: Cash component and transaction costs for the Dyno Nobel acquisition.
- -\$293M: Net Cash inflow from the balance of business operations, net of dividends paid.

Definitions and Notes

- (1) Average trade working capital to sales based on 13 month average working capital/annual sales
- (2) Based on last 12 month (LTM) historical EBITDA / Net debt at point in time

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CASH FLOW

Strong earnings performance is reflected in cash flow.

Net operating cash flows tripled to \$822.6M (2007: \$259.2M). Major factors were:

- EBITDA tripled to \$1,039.4M, an increase of \$690.8M (2007: \$348.6M).
- Interest payments increased by \$36.3M to \$62.2M (2007: \$25.9M), reflecting increased debt related to Dyno Nobel.
- Tax paid was \$76.3M (2007: \$37.8M) due to improved earnings.
- The investment in working capital in the fertiliser business fell by \$47.4M.
- Business integration and restructuring costs paid were \$62.1M (2007: \$29.5M), primarily comprises costs of integrating and restructuring the Dyno Nobel business.
- Environmental and site clean up expenditure was \$17.2M (2007: \$6.1M).
- Profits generated by Dyno Nobel joint ventures and not distributed during period were \$6.7M.
- Foreign currency option premium of \$25.5M.

Net investing cash outflows were up \$484.1M to \$804.0M (2007: \$319.9M).

Fertiliser capital expenditure:

- Sustenance of \$41.7M (2007: \$30.7M) held at depreciation levels.
- Tardis supply chain expenditure of \$8.0M.
- Plant shut down expenditure of \$28.0M at Southern Cross (SCO) related to the catalyst refresh (\$10.1M), reactor modifications (\$11M) and the gypsum cell (\$6.9M). 2007 expenditure of \$42.1M was for the Gibson Island (GI) Reset'07.
- Growth expenditure of \$5.3M primarily related to debottlenecking projects at SCO and GI.

Explosives Capital expenditure:

- Sustenance and minor growth of \$47.7M.
- Moranbah AN project expenditure of \$81.0M.
- Final Cheyenne liquid fertiliser project expenditure of \$15.7M. The plant is now online and supplying agricultural customers.

Investments of \$22.9M were made in Carbon Energy Limited (\$11.3M), Fabchem China Limited (\$7.0M) and the Nitromak explosives joint venture in Turkey (deposit of \$4.6M).

Cash Flow Items A\$M	Year ended 30 September		
	2008	2007	Change
Net operating cash flows			
EBITDA	1,039.4	348.6	690.8
Net interest paid	(62.2)	(25.9)	(36.3)
Net income tax paid	(76.3)	(37.8)	(38.5)
TWC movement - Fertiliser	47.4	31.8	15.6
Business integration and restructuring	(62.1)	(29.5)	(32.6)
Environmental and site clean up	(17.2)	(6.1)	(11.1)
Dyno Nobel profit from associates	(6.7)	0.0	(6.7)
Foreign currency option premium	(25.5)	0.0	(25.5)
Other	(14.2)	(21.9)	7.7
Operating cash flows	822.6	259.2	563.4
Net investing cash flows			
Fertiliser business			
Sustenance	(41.7)	(30.7)	(11.0)
Tardis Supply chain	(8.0)	0.0	(8.0)
Plant shut down expenditure	(28.0)	(42.1)	14.1
Growth	(5.3)	(18.8)	13.5
Proceeds from surplus asset sales	9.8	28.7	(18.9)
Sub-total	(73.2)	(62.9)	(10.3)
Explosives business			
Sustenance	(47.7)	0.0	(47.7)
Growth - Moranbah	(81.0)	0.0	(81.0)
Growth - Cheyenne	(15.7)	0.0	(15.7)
Sub-total	(144.4)	0.0	(144.4)
Purchase of Dyno Nobel	(563.5)	(256.0)	(307.5)
Investments	(22.9)	(1.0)	(21.9)
Investing cash flows	(804.0)	(319.9)	(484.1)
Net financing cash flows			
Increase in net debt	569.2	136.3	432.9
DXL SPS repayment & distribution	(358.8)	0.0	(358.8)
Dividends paid	(219.3)	(75.6)	(143.7)
Bridge establishment costs	(7.7)	0.0	(7.7)
Share issuance costs	(2.0)	0.0	(2.0)
Financing cash flows	(18.6)	60.7	(79.3)

Net financing cash flows were an outflow of \$18.6M (2007: inflow \$60.7M) reflecting:

- \$569.2M: increase in net debt (2007:\$136.3M).
- \$358.8M: retirement of the Dyno Nobel Step-up Preference Shares following acquisition (\$345M), and final distribution (\$13.8M).
- \$219.3M: dividends paid (2007:\$75.6M),
- \$7.7M: establishment costs for the \$2.4bn acquisition bridge facility.
- \$2.0M share issuance costs for the scrip component of the Dyno Nobel acquisition.

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DYNO NOBEL ACQUISITION

On 11 March 2008, IPL announced that it had entered into a Scheme Implementation Agreement with Dyno Nobel under which IPL proposed to acquire all of the shares in Dyno Nobel which it did not already own.

On 16 June 2008 the acquisition of Dyno Nobel was completed on a 75% scrip-for-scrip basis with the balance paid in cash. The merged group was refinanced at acquisition via a 364-day A\$2.4 billion multi-currency bridge facility.

Excellent progress has been made in refinancing the bridge facility with A\$2.0 billion of term funding secured to date:

- a A\$1.68 billion 3-year syndicated bank facility agreement signed 18 September 2008, and
- a A\$320 million finance lease facility.

The combination of IPL and Dyno Nobel creates a leading international chemicals company favourably positioned to benefit from the soft and hard commodity demand cycles.

VELOCITY

Following the acquisition of Dyno Nobel, a business efficiency improvement program (“Velocity”) has been developed. Velocity aims to make a step-change in business profitability.

The US\$204M Velocity program involves 350 initiatives across five streams and will be delivered within three years:

1. Overhead reduction – restructuring and rationalisation of the North American business and integration of the corporate office into IPL.
2. Plant efficiency – Optimisation of global manufacturing.
3. Cost to Serve – improving customer profitability and adoption of a “value, not just volume” approach to sales.
4. Global supply chain optimization – Implementation of sales and operations planning process (S&OP) across Dyno Nobel.
5. Asset efficiency/optimisation – rigorous review of non-core and surplus assets.

MORANBAH AN PROJECT

On 28 July 2008, IPL announced that it would proceed with the construction of a 330ktpa fully integrated ammonium nitrate complex at Moranbah in central Queensland, Australia at a cost of A\$935M. The complex comprises an ammonia, nitric acid and ammonium nitrate plant plus infrastructure, utilities and housing.

The plant is at the bottom of the cost curve by virtue of its back to gas ammonia position. Mechanical completion is targeted for the first quarter of calendar 2010, and beneficial operation for the first quarter of calendar 2011.

The project is based in the heart of Australia’s largest metallurgical coal region and adjacent to some of the largest coal mines in the world.

HEALTH, SAFETY, ENVIRONMENT AND THE COMMUNITY

IPL’s commitment to the value of Zero harm to Everyone, Everywhere was evident again this year with multiple sites recording best ever site safety statistics - all worker recordable case rate (number of injuries and illnesses per 200,000 hours worked) of 1.25 (inclusive of Dyno Nobel from 16 June 2008).

This year, a detailed environmental reporting system was developed and rolled out across Australia to capture IPL’s energy, waste and water consumption as an important element of the company’s commitment to improving the IPL environmental footprint.

In 2008 IPL undertook an Energy Efficiency Opportunities (EEO) assessment of its Gibson Island site in line with the Australian Government program requirements. This program will now be rolled out across the Phosphate Hill and Mt Isa sites to capture further energy savings.

Further Information

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