Incitec Pivot Limited

Results for the financial year ended 30 September 2016

Incitec Pivot Limited ("IPL") reported Net Profit After Tax ("NPAT") of $128.1m, down $270.5m on 2015. NPAT excluding individually material items ("ex IMIs") was $295.2m, down $103.4m on 2015.

Group Summary

Summary Financials versus 2015:

- **IMIs:** $167.1m after tax
- **EBIT ex IMIs[1]:** $428.1m versus $576.5m
- **NPAT ex IMIs[2]:** $295.2m versus $398.6m
- **EPS ex IMIs[3]:** 17.5 versus 23.8 cents per share
- **Net Debt[4]:** Increased $104.5m to $1.4Bn
- **Net Debt/EBITDA ex IMIs[5]:** Increased to 2.1x from 1.6x
- **Dividend:** Final unfranked dividend of 4.6 cent per share maintaining a 50% NPAT ex IMIs payout ratio.

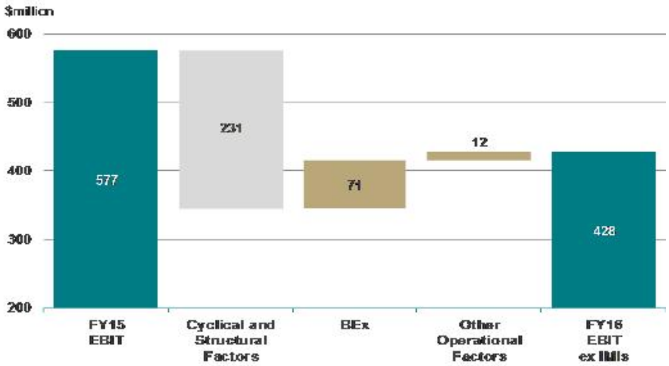
Zero Harm

Total Recordable Injury Frequency Rate ("TRIFR")[6] for the twelve months ended 30 September 2016 was 0.76 (2015: 0.67). 70% reduction in Employee Lost Day Severity Rate[7] and 61% reduction in Lost Time Injury Frequency Rate achieved during the period.

Benchmark performance at Waggaman, Louisiana ammonia plant ("WALA") with more than five million hours worked cumulatively during construction without a lost time injury.

Business Review

2016 earnings impacted by cyclical and structural changes in the markets IPL serves, which impacted EBIT by $231.4m. IPL's primary focus was on managing controllable factors, with BEx delivering $70.9m in productivity benefits.[8]



- **Explosives:** Earnings down 6% despite extremely challenging global conditions. Resilience underpinned by well-positioned Bowen Basin and Powder River Basin assets.
- **Industrial Chemicals:** Earnings up 26% reflecting net proceeds from WALA contractual arrangements.
- **Fertilisers:** Earnings down 63% driven by global fertiliser prices which were well below long-term trend.

  Asia Pacific Fertilisers distribution margin recovered.

IPL Group	Year ended 30 September		
	2016	2015	% Change
A$m			
Revenue	3,353.7	3,643.3	(7.9)%
EBITDA ex IMIs	672.6	825.6	(18.5)%
EBIT ex IMIs	428.1	576.5	(25.7)%
NPAT ex IMIs	**295.2**	**398.6**	**(25.9)%**
IMIs after tax	(167.1)	-	
NPAT	**128.1**	**398.6**	**(67.9)%**
Business EBIT ex IMIs			
Asia Pacific	290.5	417.0	(30.3)%
Americas	159.6	181.7	(12.2)%
Elimination and Corporate	(21.8)	(22.0)	0.9 %
Sector EBIT ex IMIs			
Explosives	315.3	334.2	(5.7)%
Industrial Chemicals	52.7	42.0	25.5 %
Fertilisers	81.9	222.3	(63.2)%
Elimination and Corporate	(21.8)	(22.0)	0.9 %
Shareholder Returns			
Cents Per Share			
EPS	7.6	23.8	(16.2)
EPS ex IMIs	17.5	23.8	(6.3)
Total Dividends	8.7	11.8	(3.1)
Credit Metrics			
A$m			
Interest Cover[9]	7.9x	9.7x	
Net debt / EBITDA ex IMIs	2.1x	1.6x	

- **Global Manufacturing**: Exceptional performance:

  WALA: Construction of world scale ammonia plant completed safely, on time and below US$850m budget with demonstrated ability to run at nameplate output and efficiency.

  Moranbah: Manufactured a record 345kt of ammonium nitrate ("AN") despite gas supply curtailments. [10]

  Phosphate Hill: Achieved four record production months and produced 1,010kt of ammonium phosphates, notwithstanding the December 2015 train derailment.

  Gas contracts secured during the year expected to reduce gas costs from calendar year 2017 to 2028.

Group

- **Balance Sheet:** Robust balance sheet; leverage remains inside target range of ≤2.5x, after US$778.3m expended to date on WALA and challenging cyclical conditions.
- **BEx:** $70.9m of benefits delivered, highlighting sustained and growing momentum of IPL's productivity improvement system. Includes $16m from the Organisation Focused Improvement ("BEx OFI") program announced at half year.

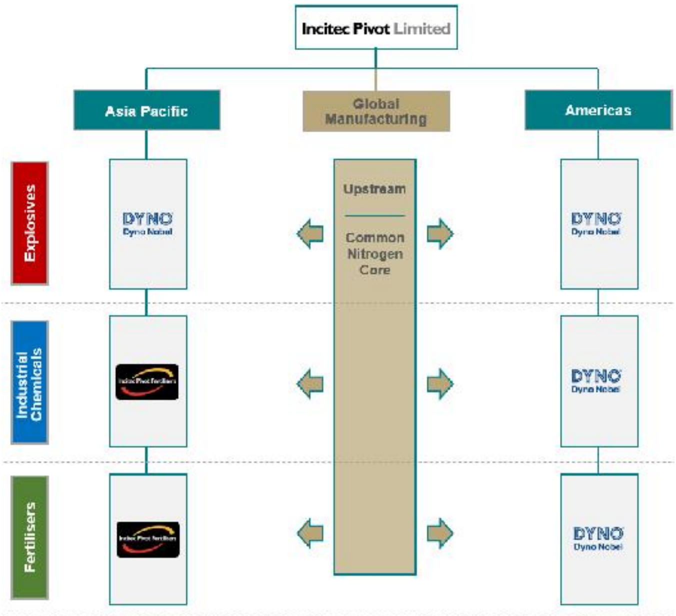
Individually Material Items

NPAT includes $167.1m after tax of IMIs relating to the writedown of Gibson Island and business restructuring costs.

NOTE: Numbers in this report are subject to rounding. Definitions and Notes appear on the last page of this report. All figures are in A$ except where noted.

Restructuring

As part of the BEx OFI, IPL restructured its operations in 2016 into two businesses, Asia Pacific and Americas, which share a common nitrogen core through Global Manufacturing. Both businesses serve three sectors: Explosives, Industrial Chemicals, and Fertilisers.



Sensitivities

The following table provides sensitivities to key earning drivers as they relate to the 2016 financial year.

Full Year EBIT Sensitivities	
Asia Pacific	
Urea (FOB Middle East)[11]	+/- US$10/mt = +/- A$4.7m
DAP (FOB Tampa)[12]	+/- US$10/mt = +/- A$13.8m
FX transactional (DAP / urea)[13]	+/- US$0.01 = -/+ A$8.0m
Americas	
Urea (FOB NOLA)[14]	+/- US$10/mt = +/- US$1.7m
FX earnings translation[15]	+/- US$0.01 = -/+ A$2.2m

Full Year Indicative WALA EBIT Sensitivities[16]	
Americas	
Ammonia Tampa CFR	+/- US$10/mt = +/- US$6.1m
Henry Hub Natural Gas	+/- US$0.10/mmbtu = -/+ US$2.0m
FX earnings translation	EBIT will be US$-denominated and subject to translation movements

As demonstrated above, IPL's earnings are influenced by movements in global fertiliser prices, commodity prices and foreign exchange. Investors should be cognisant of these factors.

Outlook

IPL does not provide profit guidance, particularly due to the variability of global fertiliser prices and foreign exchange movements. The following represents an outlook for business performance expectations for the 2017 financial year.

The markets in which IPL operates are expected to remain challenging in 2017.

Explosives

Structural changes in US coal markets and the cyclical oversupply of AN in Asia Pacific and the Americas is expected to continue in 2017.

Industrial Chemicals

Industrial Chemicals earnings are expected to grow as WALA ramps up through 2017. WALA earnings will be impacted by movements in global ammonia and US natural gas prices.

Fertilisers

The cyclical reduction in global fertiliser prices may continue into 2017. Water availability in eastern Australia looks favourable as a result of recent rainfall, boosting distribution volume prospects.

Phosphate Hill gas contracts secured during the year are expected to reduce gas costs from calendar year 2017 to 2028.

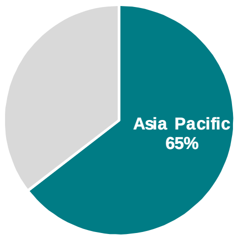
Group

- **BEx OFI:** $80m of sustainable operating efficiencies and $20m of sustainable capex savings expected by 2017.
- **Corporate:** Corporate costs expected to remain between $22.0m and $24.0m.
- **Borrowing Costs:** Net borrowing costs expected to increase to approximately $128.9m as the Group will no longer capitalise interest in relation to WALA.
- **Tax:** Full year effective tax rate is expected to continue to be approximately 22 to 24%.
- **Hedging:** 75% of estimated 1H17 US$ linked Group fertiliser sales are hedged at a rate of $0.76 with full participation in downward rate movements.
- **Turnarounds:** Major turnaround activity planned for Cheyenne, Wyoming and Moranbah plants.

Note: Numbers in this report are subject to rounding. Definitions and Notes appear on the last page of this report. All figures are in A$ and metric tonnes ("mt") except where noted.

Asia Pacific

FY16 EBIT Contribution(17)



Asia Pacific	Year ended 30 September		
	2016	2015	% Change
A$m			
Explosives	920.8	910.8	1.1 %
Industrial Chemicals	100.5	100.0	0.5 %
Fertilisers	1,241.4	1,410.9	(12.0)%
Elimination	(14.9)	(14.5)	2.8 %
Revenue	**2,247.8**	**2,407.2**	**(6.6)%**
Explosives	186.1	192.7	(3.4)%
Industrial Chemicals	28.9	32.2	(10.2)%
Fertilisers	75.3	191.9	(60.8)%
EBIT	**290.3**	**416.8**	**(30.4)%**
EBIT margin	*12.9%*	*17.3%*	

BUSINESS OVERVIEW

The Asia Pacific business comprises three downstream sectors:

- **Explosives;**
- **Industrial Chemicals; and**
- **Fertilisers.**

Downstream operations market and sell the output of fully integrated upstream Global Manufacturing assets and third party sourced products.

BUSINESS PERFORMANCE

EBIT from the Asia Pacific business declined $126.5m or 30% to $290.3m.

EBIT Movements

Movements by sector versus 2015 include:

- **Explosives:** ($6.6m) or (3%); earnings resilience underpinned by strong manufacturing performance.
- **Industrial Chemicals:** ($3.3m) in line with declining commodity prices.
- **Fertilisers:** ($116.6m) due to below trend fertiliser prices, somewhat offset by a recovery in distribution margin and BEx.

Asia Pacific – Explosives

Explosives comprised 64% of Asia Pacific EBIT.

EBIT Movements

Explosives earnings declined $6.6m to $186.1m.

Cyclical and structural factors of ($12.1m) comprised:

- **Customer Mine Closures and Curtailments:** ($9.5m) primarily in the Base & Precious Metals sector.
- **Gas Supply Curtailments:** ($2.6m) in lost margin associated with Moranbah gas supply curtailments in the first half. Curtailments did not occur in the second half.

Operational factors of $5.5m comprised:

- **BEx:** $16.4m from increased Moranbah volumes displacing third party produced AN, further benefited by continuous and focused improvement initiatives.
- **Services:** ($5.9m) due to reduced demand as customers continued to insource services; margins continued to decline as services contracts were renewed.
- **International:** ($5.0m) primarily Fabchem JV losses due to production interruption resulting from a temporary regulator imposed industry shutdown in China. Flat earnings in Indonesia and Turkey.

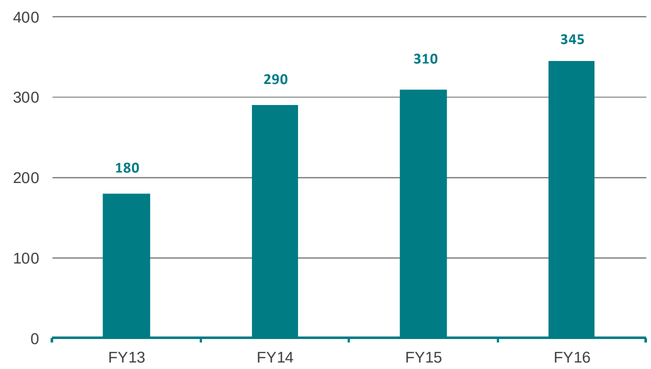
Manufacturing

Dyno Nobel manufactures AN at its Moranbah, Queensland AN plant ("Moranbah"), which is located in the Bowen Basin, the world's premier metallurgical ("met") coal region. It also sources third party AN from time to time.

Moranbah was commissioned in 2012 and has delivered increased production each year, driven by BEx. Moranbah produced 345k mt of AN in 2016, 11% above 2015.

Moranbah AN Production

Thousand metric tonnes (expressed as dry metric tonnes)



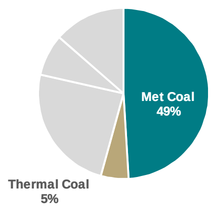
In addition to record AN output, production records were set in the ammonia and downstream plants notwithstanding 2016 being the last year of a 4-year turnaround cycle and previously disclosed gas supply curtailments.

Explosives	Plant	Year ended 30 September 2016	2015	% Change
Thousand metric tonnes				
Ammonium nitrate	Moranbah	344.7	310.2	11.1 %
Manufactured Product		**344.7**	**310.2**	**11.1 %**
A$m				
Coal		460.4	437.3	5.3 %
Base & Precious Metals		333.4	336.4	(0.9)%
International		127.0	137.2	(7.4)%
Revenue		**920.8**	**910.8**	**1.1 %**
EBIT		**186.1**	**192.7**	**(3.4)%**
EBIT margin		*20%*	*21%*	

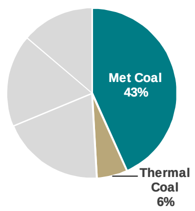
Coal

54% of AN volume sold was supplied to the Coal sector, the majority of which was supplied to metallurgical coal mines in Queensland's Bowen Basin. In aggregate, sales to the Coal sector comprised 49% of Asia Pacific Explosives revenue.

Asia Pacific Explosives Volume



Asia Pacific Explosives Revenue



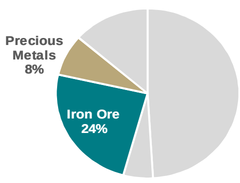
Volume to both the metallurgical and thermal coal sectors increased in 2016 with customers using volume leverage to reduce cost per tonne metrics. This was offset by the closure or curtailment of production at some marginal mines.

Demand for services contracted during the period as customers insourced the activity, though to a lesser extent than in 2015.

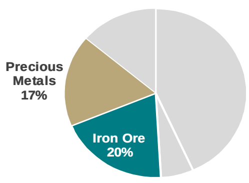
Base & Precious Metals

32% of Asia Pacific AN volume sold was supplied to the Base & Precious Metals sector in Australia in 2016. In aggregate, 24% of Explosives volume sold was supplied to iron ore mines in Western Australia, with the remainder supplied to hard rock and underground mines. Sales to the Base & Precious Metals sector comprised 37% of Asia Pacific Explosives revenue.

Asia Pacific Explosives Volume



Asia Pacific Explosives Revenue



Volume to the Base & Precious metals sector increased in 2016. This was largely driven by a recovery in commodity prices, particularly iron ore, and increased volume output from miners in Western Australia, but somewhat offset by the closure or curtailments of some marginal customer mines. Demand for initiating systems grew in tandem with AN volume, however demand for services contracted.

International

14% of Asia Pacific AN volume was sold internationally including in Indonesia, Malaysia, Papua New Guinea and Turkey. In these regions, Dyno Nobel sources AN from third parties, manufactures proprietary emulsion explosives, and combines them with proprietary initiating systems and services. International sales comprised 14% of Asia Pacific Explosives revenue.

Volume within the International market was broadly flat in 2016, despite AN oversupply in Southeast Asia, particularly Indonesia, and political instability in Turkey. Demand for initiating systems and services was also broadly flat during the period.

Outlook

The Explosives sector is expected to remain challenged through 2017 largely due to regional oversupply of AN and ongoing customer cost focus.

Asia Pacific – Industrial Chemicals

The Asia Pacific business manufactures and distributes industrial chemicals under the Incitec Pivot Fertilsers brand in eastern Australia. Products include ammonia, carbon dioxide (CO_2), diesel exhaust fluid (DEF), fluorosilicic acid and industrial urea. These products are primarily manufactured at the Gibson Island plant.

EBIT from Industrial Chemicals comprised 10% of Asia Pacific business earnings.

Industrial Chemicals		Year ended 30 September		
	Plant	2016	2015	% Change
A$m				
Revenue		**100.5**	**100.0**	**0.5 %**
EBIT		**28.9**	**32.2**	**(10.2)%**
EBIT margin		*29%*	*32%*	

EBIT Movements

Industrial Chemicals earnings declined $3.3m versus 2015:

Cyclical factors:

- **Commodity Prices:** ($4.0m) largely due to a decline in commodity prices.

Operational factors:

- **BEx:** $0.7m from BEx OFI.

Outlook

Industrial Chemicals volumes in 2017 are expected to be broadly consistent with those of 2016, with earnings subject to movements in commodity prices.

Asia Pacific – Fertilisers

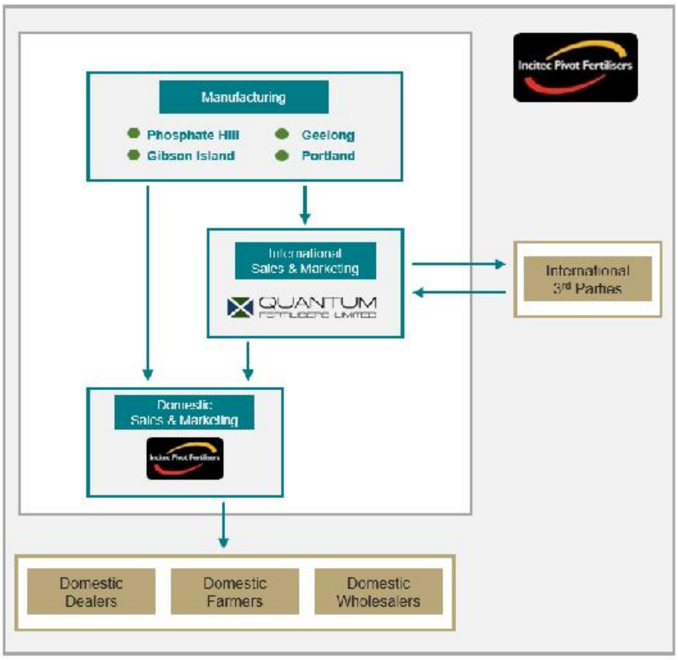
Incitec Pivot Fertilisers ("IPF") is Australia's largest domestic manufacturer and supplier of fertilisers by volume, dispatching 1.8m mt of fertilisers in 2016 (1.9m mt in 2015). IPF produces nitrogen and phosphate fertilisers for application in Australia's grain, cotton, fruit, pasture, dairy, sugar, sorghum and horticulture industries in New South Wales, Victoria, Queensland, South Australia and Tasmania. Fertiliser is distributed to farmers and through a network of more than 200 dealers and agents.

Internationally, IPF sells to major offshore agricultural markets in Asia Pacific, the Indian subcontinent and Brazil. It also procures fertilisers from overseas manufacturers to meet domestic seasonal peaks. Much of this activity is conducted through Quantum Fertilisers Limited, a Hong Kong based subsidiary.

IPF manufactures the following fertilisers at four locations:

- **Phosphate Hill (Queensland):** Diammonium Phosphate ("DAP") and Monoammonium Phosphate ("MAP");
- **Gibson Island (Queensland):** Ammonia ("Big N"), Granulated Ammonium Phosphate ("GranAm") and urea; and
- **Geelong and Portland (Victoria):** Single Super Phosphate ("SSP").

IPF's business model is illustrated in the following exhibit:



EBIT from Fertilisers comprised 26% of Asia Pacific business earnings and declined 61% in 2016.

EBIT Movements

Fertilisers earnings declined $116.6m to $75.3m in 2016.

Cyclical, structural and external factors of ($172.6m) comprised:

- **Foreign Exchange:** $48.6m, most of which accrued in the first half due to the strengthening US$ versus the A$.
- **Global Fertiliser Prices:** ($184.3m) due to lower global fertiliser prices, including a 30% fall in average realised urea (FOB Middle East) prices and a 23% fall in average realised DAP (FOB Tampa) prices.
- **Train Derailment:** ($19.9m) one-off impact of a train derailment as disclosed on 6 January 2016.
- **Gas Costs:** ($17.0m) due to increased Phosphate Hill gas costs versus 2015.

Operational factors of $56.0m comprised:

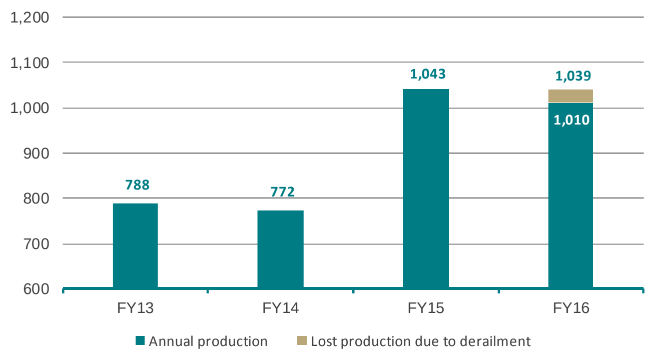
- **Distribution Margin Recovery:** $27.1m achieved in the nitrogen and phosphate value chains.
- **BEx:** $28.9m through efficiencies in manufacturing and the fertiliser supply chain.

Manufacturing

Phosphate Hill produced 1,010k mt of ammonium phosphates in 2016, slightly below the record of 1,043k mt despite a train derailment in late December 2015 that interrupted rail services for several weeks. As disclosed at the half year, the derailment caused approximately 29k mt of lost production. The year also included four record production months as well as record ammonia production.

Phosphate Hill Ammonium Phosphate Production

Thousand metric tonnes



In November 2015, IPL announced that it had entered an agreement providing gas to Phosphate Hill from the commencement of supply from the Northern Gas Pipeline (anticipated in 2019), through to 2028. This ten year supply will reduce costs by $55m per annum versus cost at the time of the announcement.

In March 2016, IPL announced that it had entered into an agreement for gas supply to Phosphate Hill in calendar years 2017 and 2018, reducing costs by approximately $20m per annum compared with gas cost at the time of that announcement. This bridging contract will cease once supply from the Northern Gas Pipeline commences.

Fertilisers	Plant	Year ended 30 September 2016	2015	% Change
Thousand metric tonnes				
DAP/MAP	Phosphate Hill	1,009.6	1,043.3	(3.2)%
Urea, GranAm and Ammonia	Gibson Island	350.3	369.7	(5.2)%
SSP	Portland & Geelong	385.7	349.1	10.5 %
Manufactured Product for Sale		**1,745.6**	**1,762.1**	**(0.9)%**
A$m				
Domestic Sales & Marketing		960.8	1,082.4	(11.2)%
International Sales & Marketing		280.6	328.5	(14.6)%
Revenue		**1,241.4**	**1,410.9**	**(12.0)%**
EBIT		**75.3**	**191.9**	**(60.8)%**
EBIT margin		*6%*	*14%*	
Notes				
1. Average realised urea (FOB Middle East) (US$/mt)		*217.0*	*308.0*	*(29.5)%*
2. Average realised DAP (FOB Tampa) (US$/mt)		*358.1*	*466.0*	*(23.2)%*
3. Average realised A$/US$ exchange rate		*0.74*	*0.80*	*(7.6)%*

Domestic Sales & Marketing

Revenue from Domestic Sales & Marketing decreased 11% as compared to 2015. This was largely due to a decline in fertiliser prices but somewhat offset by favourable foreign exchange movements. Weather also played a factor during the year, with wet conditions in the grain growing regions driving record demand for top-dress nitrogen during the June to August period. However, subsequent higher rainfall, including the wettest September on record for much of the east coast of Australia, slowed demand in all regions as many areas became too wet for fertiliser application.

Distribution margin recovered during 2016 due to improved position management and BEx initiatives.

International Sales & Marketing

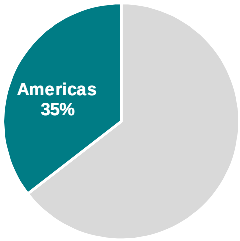
Revenue from International Sales & Marketing decreased by 15% as a result of lower fertiliser prices.

Outlook

The wetter than average conditions in the second half of 2016 have the potential to drive increased fertiliser demand in 2017. However, depressed global fertiliser prices may persist in the short term.

Americas

FY16 EBIT Contribution[17]



Americas	Year ended 30 September		
	2016	2015	% Change
US$m			
Explosives	705.3	829.3	(15.0)%
Industrial Chemicals	97.3	117.3	(17.1)%
Fertilisers	44.2	49.5	(10.7)%
Revenue	**846.8**	**996.1**	**(15.0)%**
Explosives	95.7	109.9	(12.9)%
Industrial Chemicals	17.6	7.6	131.6 %
Fertilisers	4.9	23.6	(79.2)%
EBIT	**118.2**	**141.1**	**(16.2)%**
EBIT margin	*14.0%*	*14.2%*	
A$m			
Revenue	**1,150.6**	**1,268.7**	**(9.3)%**
EBIT	**159.6**	**181.7**	**(12.2)%**
	13.9%	*14.3%*	
Notes			
1. Translation A$/US$ exchange rate	*0.74*	*0.79*	*(6.0)%*

BUSINESS OVERVIEW

The Americas business comprises three downstream sectors:

- **Explosives;**
- **Industrial Chemicals; and**
- **Fertilisers.**

Downstream operations market and sell the output of fully integrated upstream Global Manufacturing assets and third party sourced products.

BUSINESS PERFORMANCE

EBIT from the Americas business declined US$22.9m or 16% to US$118.2m.

EBIT Movements

Major period on period movements include:

- **Explosives:** (US$14.2m) largely due to lower volumes as a result of some mine closures and curtailments.
- **Industrial Chemicals:** $US10.0m primarily reflecting net proceeds from WALA contractual arrangements.
- **Fertilisers:** (US$18.7m) in line with declining global fertiliser prices.

Americas – Explosives

Explosives comprised 81% of Americas earnings in 2016.

EBIT Movements

Explosives earnings declined US$14.2m on 2015.

Cyclical or structural factors of (US$17.2m) comprised:

- **Customer Mine Closures and Curtailments:** (US$9.7m) from lower volumes across all regions.
- **Foreign Exchange:** (US$7.5m) primarily from movements in CAD versus US$.

Operational factors of US$3.0m comprised:

- **BEx:** US$17.4m through continuous and focused improvement initiatives.
- **Q&C Growth:** US$2.5m from growing Q&C demand.
- **Manufacturing Absorption:** (US$12.4m) of unabsorbed overheads due to lower production volume.
- **Initiating Systems:** (US$4.5m) international sales decline primarily due to the strength of the US$.

In North America, Dyno Nobel manufactures AN at IPL's Cheyenne, Wyoming and Louisiana, Missouri plants. The Cheyenne, Wyoming plant is adjacent to the Powder River Basin, North America's most competitive thermal coal mining region. The Louisiana, Missouri plant has a competitive logistic footprint from which to support mining in the both Appalachia and the Illinois Basin.

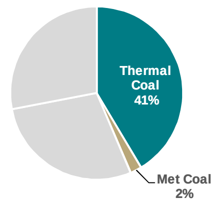
Production from the Cheyenne, Wyoming and Louisiana, Missouri plants declined during 2016, reflecting lower market demand and mirrored the broader contraction in regional demand for AN. Despite this contraction, the Cheyenne, Wyoming plant delivered its second highest ammonia production result to date.

Initiating systems are manufactured at Dyno Nobel's facilities in Connecticut, Kentucky, Illinois, Missouri, Chile and Mexico, and are also sourced from DetNet, a South African joint venture.

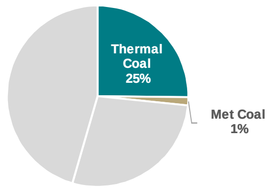
Coal

43% of Americas AN volume sold was supplied to the Coal sector in 2016, the majority of which was supplied to thermal coal mines in the Powder River Basin. In aggregate, sales to the Coal sector comprised 26% of Americas Explosives revenue.

Americas Explosives Volume



Americas Explosives Revenue



Explosives	Year ended 30 September		
	2016	2015	% Change
US$m			
Coal	187.8	258.1	(27.2)%
Precious & Base Metals	196.6	246.5	(20.2)%
Quarry & Construction	321.0	324.8	(1.2)%
Revenue	**705.3**	**829.3**	**(15.0)%**
EBIT	**95.7**	**109.9**	**(12.9)%**
EBIT margin	*13.6%*	*13.3%*	

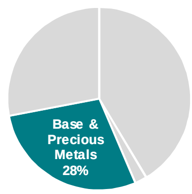
Volume to the Coal sector contracted 22% in 2016 as compared to 2015. This contraction was in part a consequence of excess coal inventory levels at electrical generators evident at the beginning of the period. Powder River Basin, Dyno Nobel's core region, fared better than Illinois River Basin and Appalachia, largely due to lower coal production costs.

Demand for initiating systems and services also contracted during the period in line with demand for AN volume.

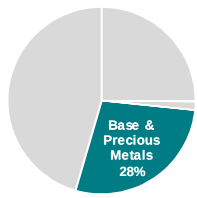
Base & Precious Metals

28% of Americas AN volume sold was supplied to the Base & Precious Metals sector in 2016, the majority of which was supplied to iron ore mines in the US midwest and west. Sales to the Base & Precious Metals sector also comprised 28% of Americas Explosives revenue.

Americas Explosives Volume



Americas Explosives Revenue

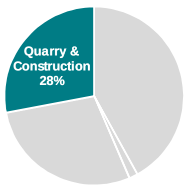


AN volume to the Base & Precious Metals sector also contracted in 2016. This was largely driven by subdued commodity prices, particularly during the first half of the year, but benefited from tariffs imposed in March 2016 on steel imports into the US. Demand for initiating systems and services contracted during the period in tandem with AN demand.

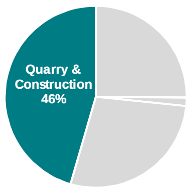
Q&C

28% of Americas AN volume sold was supplied to the Quarry & Construction ("Q&C") sector in 2016. Dyno Nobel has a leading position in this sector. Sales to Q&C comprised 46% of Americas Explosives revenue and benefits from a favourable mix of high grade explosives and proprietary initiating systems and services.

Americas Explosives Volume



Americas Explosives Revenue



AN volume sold to Q&C grew 2% in 2016, following 11% growth in 2015. Growth moderated in the second half with a slowdown in energy infrastructure markets. In aggregate, revenue from Q&C contracted 2% in the year reflecting product mix.

Outlook

The Explosives sector is expected to remain challenged through 2017 with an oversupply of AN and ongoing customer cost focus.

The sector may benefit from a five-year US$305Bn US highway spending bill announced in December 2015 that includes US$205Bn for highways and US$48Bn for transit projects.

Americas – Industrial Chemicals

The Americas business manufactures and distributes industrial chemicals under the Dyno Nobel brand in the US. These products include AN solution, CO_2, DEF and nitric acid, and are produced at WALA and the Louisiana, Missouri; Cheyenne, Wyoming; and St Helens, Oregon plants.

WALA produced 42k mt of ammonia during its commissioning in 2016 and is expected to operate at an average 80% of nameplate capacity in 2017 as it ramps up to full production.

The WALA plant is expected to be depreciated over an average life of approximately 35 years for accounting purposes, with the majority of the plant depreciated over the first six years for tax purposes.

Industrial Chemicals	Year ended 30 September		
	2016	2015	% Change
US$m			
Revenue	**97.3**	**117.3**	**(17.1)%**
EBIT	**17.6**	**7.6**	**131.6 %**

EBIT Movements

Industrial Chemicals earnings increased US$10.0m on 2015:

Operational factors:

- **WALA and Operational Factors:** $US10.0m reflecting net income from WALA contractual arrangements, partially offset by other operational factors.

Outlook

Industrial Chemicals earnings are expected to grow as WALA ramps up. Earnings will be impacted by global ammonia prices and US natural gas prices.

Americas – Fertilisers

Dyno Nobel manufactures and distributes nitrogen-based fertilisers in the United States at two locations:

- **St Helens, Oregon:** Urea and urea AN ("UAN"); and
- **Cheyenne, Wyoming:** Urea and UAN.

Fertilisers		Year ended 30 September		
	Plant	2016	2015	% Change
Thousand metric tonnes				
UAN	St Helens, OR	54.4	53.1	2.4 %
UAN	Cheyenne, WY	198.3	194.0	2.2 %
Manufactured Product Sale		**252.7**	**247.1**	**2.3 %**
US$m				
Revenue		**44.2**	**49.5**	**(10.7)%**
EBIT		**4.9**	**23.6**	**(79.2)%**
EBIT margin		*11.0%*	*47.7%*	
Notes				
1. Average realised urea (FOB NOLA) ($US/mt)		*193.5*	*273.9*	*(29.4)%*

EBIT Movements

Fertilisers earnings declined US$18.7m as compared to 2015:

Cyclical and structural factors of ($US21.2m) comprised:

- **Fertiliser Prices:** (US$24.2m) due to lower global prices, including a 29% fall in average realised urea (FOB NOLA) prices.
- **Gas Costs:** US$3.0m due to lower gas costs versus 2015.

Operational factors:

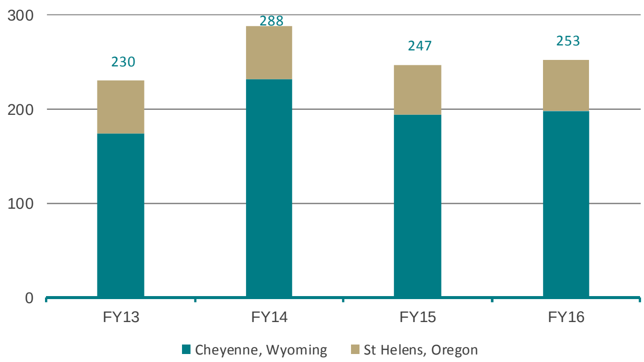
- **BEx:** US$2.4m through efficiencies in manufacturing and the fertiliser supply chain.

Manufacturing

The St Helens and Cheyenne plants together produced 253k mt of UAN in 2016, a 2% increase on 2015. St Helens underwent an eight-week turnaround that spanned both 2015 and 2016 equally (four weeks in each year).

Americas UAN Production

Thousand metric tonnes



Outlook

Fertiliser earnings in 2017 will remain subject to movements in commodity prices, in particular ammonia, urea and UAN.

Note: Numbers in this report are subject to rounding. Definitions and Notes appear on the last page of this report. All figures are in A$ and metric tonnes ("mt") except where noted.

Income Statement

Revenue

Revenue decreased by 8% to $3,353.7m as compared to $3,643.3m in 2015.

EBIT

EBIT ex IMIs decreased 26% or $148.4m to $428.1m.

Movements in EBIT

Item	Business	
A$m		
Cyclical, Structural or External Factors		
Foreign Exchange	Asia Pacific & Americas	47.6
Commodity Prices	Asia Pacific & Americas	(221.0)
Mine Closures and Curtailments	Asia Pacific & Americas	(22.6)
Train Derailment	Asia Pacific	(19.9)
Gas Costs and Supply Curtailments	Asia Pacific & Americas	(15.5)
Total		**(231.4)**
Operational Factors		
BEx	Asia Pacific & Americas	70.9
International and IS	Asia Pacific & Americas	(11.1)
Fertiliser Distribution Margin Recovery	Asia Pacific	28.9
WALA and other IC Factors	Americas	13.5
Q&C Growth	Americas	3.4
Manufacturing Absorption	Americas	(16.7)
Services	Americas	(5.9)
Total		**83.0**
Total Movements in EBIT		**(148.4)**

Interest

Gross interest expense of $93.2m compared favourably to $100.1m in 2015. The average interest rate for the period was 4.05% which compares favourably to 4.7% in 2015 and follows successful refinancing activities, and favourable foreign exchange movements relating to US$ borrowings.

Tax

Tax expense pre-IMIs decreased by $27.4m to $81.4m in 2016 compared to 2015, attributable to a corresponding fall in underlying earnings for the year.

IPL's underlying effective tax rate of 21.5% was consistent with the 2015 rate of 21.4%, and is expected to be approximately 22.0 – 24.0% in 2017.

NPAT

NPAT ex IMIs of $295.2m represents a 26% decline versus 2015.

Hedging

The Group has hedged 75% of its estimated 2017 first half US$ referenced fertiliser sales at a rate of $0.76 with full participation in downward rate movements.

Income Statement Items	Year ended 30 September		
	2016	2015	% Change
A$m			
Business Revenue			
Asia Pacific	2,247.8	2,407.2	(6.6)%
Americas	1,150.6	1,268.7	(9.3)%
Elimination and Corporate	(44.7)	(32.6)	(37.1)%
Group Revenue	**3,353.7**	**3,643.3**	**(7.9)%**
Sector Revenue			
Explosives	1,879.1	1,967.1	(4.5)%
Industrial Chemicals	232.7	249.4	(6.7)%
Fertilisers	1,301.5	1,473.9	(11.7)%
Elimination and Corporate	(59.6)	(47.1)	(26.5)%
Group Revenue	**3,353.7**	**3,643.3**	**(7.9)%**
Business EBIT ex IMIs		-	
Asia Pacific	290.3	416.8	(30.4)%
Americas	159.6	181.7	(12.2)%
Elimination and Corporate	(21.8)	(22.0)	(0.9)%
Group EBIT ex IMIs	**428.1**	**576.5**	**(25.7)%**
EBIT margin	*12.8%*	*15.8%*	
Sector EBIT ex IMIs			
Explosives	315.3	334.2	(5.7)%
Industrial Chemicals	52.7	42.0	25.5 %
Fertilisers	81.9	222.3	(63.2)%
Elimination and Corporate	(21.8)	(22.0)	0.9 %
Group EBIT ex IMIs	**428.1**	**576.5**	**(25.7)%**
EBIT margin	*12.8%*	*15.8%*	
Group NPAT			
Underlying interest expense	(93.2)	(100.1)	6.9 %
Non-cash unwinding liabilities	(5.0)	(6.4)	21.9 %
Total borrowing costs	**(98.2)**	**(106.5)**	**7.8 %**
Less Capitalised Interest	48.0	37.7	27.3 %
Net Borrowing Costs	**(50.2)**	**(68.8)**	**27.0 %**
Tax expense	(81.4)	(108.8)	25.2 %
Minority interests	(1.3)	(0.3)	(333.3)%
NPAT excluding IMIs	**295.2**	**398.6**	**(25.9)%**
IMIs after tax	(167.1)	-	
NPAT	**128.1**	**398.6**	**(67.9)%**

Individually Material Items

NPAT includes the following items, classified as IMIs:

IMIs	2016		
A$m	Gross	Tax	Net
Business Restructuring Costs			
Restructuring and other direct costs	20.4	(6.1)	14.3
Employee redundancies and allowances	43.3	(13.7)	29.6
Impairment of operating assets and site exit costs	26.8	(9.2)	17.6
Sub Total	**90.5**	**(29.0)**	**61.5**
Impairment of Gibson Island	150.8	(45.2)	105.6
Total	**241.3**	**(74.2)**	**167.1**

- **Impairment of Gibson Island:** The impairment of $105.6m after tax was recognised at 31 March 2016, and reflects the impact of lower forecast fertiliser prices and higher forecast gas prices on the recoverable amount of the asset.
- **Business Restructuring Costs:** In May 2016, IPL announced that it was responding to the cyclical and structural changes in the markets that it serves through a BEx OFI program.

  Total restructuring costs were $90.5m with expected cash benefit of $100m ($80m of operating efficiencies and $20m of capital expenditure savings) per annum by 2017, representing an expected payback period of less than one year. Total restructuring costs include $26.8m of asset impairments and site exit costs.

Balance Sheet

IPL's balance sheet as at 30 September 2016 reflects ongoing financial discipline throughout the Group. Key movements include:

Assets

- **Trade Working Capital ("TWC")**: Decreased $56.9m to ($49.2m). Average TWC as a percentage of revenue decreased to 5% and compares favourably to 7% in 2015.[18]
- **Property, Plant & Equipment ("PP&E"):** Decreased by $110.9m to $3,892.7m. Significant movements included depreciation of $218.8m, impact of foreign currency translation of non-A$ denominated assets of $153.0m, Gibson Island impairment of $146.4m before tax, write-down of $22.8m in operating assets in relation to the business restructure, partially offset by capital expenditure on WALA of $243.5m (including capitalised interest), minor growth spend of $30.2m and sustenance capital expenditure of $159.6m.
- **Intangible Assets:** Decreased by $175.9m mainly as a result of the impact of foreign currency translation of non-A$ denominated assets of $155.6m and amortisation of intangibles of $25.7m.

Liabilities

- **Tax Liabilities:** Decreased by $114.6m over the period to ($414.9m) mainly due to lower pre-tax earnings for 2016, the impact of the higher $A on foreign currency denominated tax liabilities and timing differences between tax and accounting depreciation rates related to property, plant and equipment and intangibles.
- **Net Other Liabilities:** Decreased by $247.9m over the period to ($490.8m) mainly due to favourable market value movements of derivative hedging instruments (offsetting foreign exchange movements in US$ net assets), partially offset by movements in the retirement benefit obligations.
- **Net Debt:** Net Debt increased by $104.5m to ($1.4bn) as compared to 2015. The fair value of balance sheet hedges as at 30 September 2016 was $468.5m.

Credit Metrics

- **Net Debt/EBITDA ex IMIs:** Leverage remains inside target range of ≤2.5x, after US$778.3m expended to date on WALA since 2013 and challenging cyclical conditions.
- **Interest Cover:** Decreased from 9.7x to 7.9x over the period.

Balance Sheet Items	Year ended 30 September		
	2016	2015	Change
A$m			
Assets			
Group TWC	(49.2)	7.7	(56.9)
Net PP&E	3,892.7	4,003.6	(110.9)
Intangible assets	3,170.4	3,346.3	(175.9)
Total Assets	**7,013.9**	**7,357.6**	**(343.7)**
Liabilities			
Environmental & restructure provisions	(129.9)	(111.9)	(18.0)
Tax liabilities	(414.9)	(529.5)	114.6
Net other liabilities	(490.8)	(738.7)	247.9
Net Debt	(1,393.8)	(1,289.3)	(104.5)
Total Liabilities	**(2,429.4)**	**(2,669.4)**	**240.0**
Net Assets	**4,584.5**	**4,688.2**	**(103.7)**
Equity	**4,584.5**	**4,688.2**	**(103.7)**
Key Performance Indicators			
Net Tangible Assets / Share	0.84	0.80	
Avg TWC as % Revenue	5.0%	6.9%	
Credit Metrics			
A$m			
EBITDA ex IMIs	672.6	825.6	(153.0)
Interest Cover	7.9x	9.7x	
Net debt / EBITDA ex IMIs	2.1x	1.6x	

Cash Flow

Operating Cash Flow

Operating cash flow decreased 24% on 2015 to $575.3m. Key drivers of this movement include:

- **EBITDA ex IMIs:** 19% decline to $672.6m largely attributable to falling commodity prices.
- **TWC:** Average 13 month TWC as a percentage of annual revenue declined to 5% during the period, primarily as a result of effective cash management efficiency initiatives and lower commodity prices reflected in purchased inventory.

Investing Cash Flow

Net investing cash flows reduced to $480.4m from $498.2m in 2015. Significant movements included:

- **Major Growth Capital:** WALA project spend of $167.2m and $48.0m of capitalised interest. Total project cash spend as at 30 September 2016 was US$778.3m and capitalised interest of US$82.9m.
- **Sustenance Capital:** Total spend of $190.5m included turnaround activity at the Mt Isa and Gibson Island plants, as well as turnaround activity at St Helens, Oregon plant.

  In the period following the commissioning of WALA, capital expenditure is expected to relate primarily to sustenance.

Financing Cash Flow

Net financing cash outflows increased to $199.4m as compared to 2015 due to lower take up of the Dividend Reinvestment Plan ("DRP").

Dividends

In November 2016, the Directors of IPL determined to pay a franked final dividend of 4.6 cents per share payable in December 2016, bringing total dividends paid with respect to the 2016 financial year to 8.7 cents per share. This represents a 50% payout ratio for the 2016 financial year.

The Board also determined to maintain the DRP with respect to the 2016 financial year, with no discount applied in determining the offer price under which the plan would be implemented. The Board further determined that the DRP would be implemented in a manner that ensures no dilutive effect to shareholders.

Cash Flow Items	Year ended 30 September		
	2016	2015	% Change
A$m			
Operating Cash Flows			
Group EBITDA	672.6	825.6	(18.5)%
Net interest paid	(41.9)	(54.5)	23.1 %
Net income tax paid	(81.7)	(15.7)	(420.4)%
TWC movement (excluding FX impact)	39.2	59.4	(34.0)%
Profit from associates	(35.9)	(38.2)	6.0 %
Dividends received from JVs	35.6	37.0	(3.8)%
Environmental and site clean up	(5.4)	(7.4)	27.0 %
Other Non TWC	(7.2)	(50.0)	85.6 %
Operating cash flows	**575.3**	**756.2**	**(23.9)%**
Investing Cash Flows			
- WALA	(167.2)	(218.7)	23.5 %
- WALA capitalised interest	(48.0)	(37.7)	(27.3)%
Major growth capital	**(215.2)**	**(256.4)**	**16.1 %**
Minor growth capital	(29.8)	(16.4)	(81.7)%
Sustenance	(190.5)	(100.0)	(90.5)%
Proceeds from asset sales	1.2	7.0	(82.9)%
Payments/(repayment) of JV loans	0.4	(17.3)	102.3 %
Derivative hedge payments	(46.5)	(115.1)	59.6 %
Investing cash flows	**(480.4)**	**(498.2)**	**3.6 %**
Financing Cash Flows			
Dividends paid	(194.0)	(96.4)	(101.2)%
Gain on translation of US$ Net Debt	(0.4)	31.5	(101.3)%
Non-cash movement in Net Debt	(5.0)	(2.4)	(1.1)
Financing cash flows	**(199.4)**	**(67.3)**	**(196.3)%**
Change to Net Debt	**(104.5)**	**190.7**	**(154.8)%**
Opening balance Net Debt	(1,289.3)	(1,480.0)	12.9 %
Closing balance Net Debt	**(1,393.8)**	**(1,289.3)**	**(8.1)%**

Capital Expenditure	Year ended 30 September		
	2016	2015	Change
A$m			
Major growth capital	**(215.2)**	**(256.4)**	**16.1 %**
Asia Pacific	(10.7)	(12.8)	16.4 %
Americas	(19.1)	(3.6)	(430.6)%
Minor growth capital	**(29.8)**	**(16.4)**	**(81.7)%**
Asia Pacific	(126.9)	(51.5)	(146.4)%
Americas	(63.6)	(48.5)	(31.1)%
Sustenance	**(190.5)**	**(100.0)**	**(90.5)%**
Total	**(435.5)**	**(372.8)**	**(16.8)%**

Safety and Sustainability

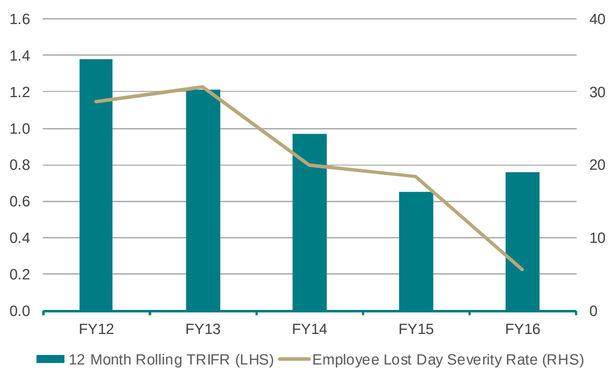
HEALTH, SAFETY AND ENVIRONMENT (HSE)

IPL prioritises its "Zero Harm for Everyone, Everywhere" Company value above all others. It does so through a fully integrated Health, Safety and Environment ("HSE") system that provides the foundation for effective identification and management of HSE risks. Central to IPL's HSE system are the '4Ps':

- **Passionate Leadership;**
- **People;**
- **Procedures; and**
- **Plant.**

In 2012, IPL adopted a five year Group HSE goal of achieving world class safety performance. Among other measures, this included reducing TRIFR to less than 1.0 by 2016. For the 2016 financial year, IPL achieved a TRIFR of 0.76 representing a 45% decline since 2012. As demonstrated in the chart below, the Employee Lost Day Severity Rate also declined significantly over the same period.

TRIFR and Employee Lost Day Severity Rate



IPL also reported a 52% reduction in Tier 1 process safety incidents in the year.

Cumulatively, more than five million hours were worked on the construction of WALA plant without a lost time injury.

The 2016 result and the safe completion of WALA are important milestones toward achieving IPL's vision of "Zero Harm for Everyone, Everywhere." Notwithstanding progress to date, IPL will continue to focus on further improvement of its safety performance.

Sustainability

IPL's commitment to operating sustainably is driven by the Company's values which are core to the way the Group does business. IPL defines Sustainability as 'the creation of long term economic value whilst caring for our people, our communities and our environment'.

The Group's Sustainability Strategy was formally adopted by the Board in September 2010 and reaffirmed following a review in 2014. Environmental, Social and Governance ("ESG") considerations material to the sustainability of IPL have been included in the 2016 Annual Report and Sustainability Report.

IPL is a member of the Dow Jones Sustainability Index (DJSI), FTSE4Good Index and ECPI Indices, and is rated by CAER, EcoVadis, MSCI, Sustainalytics and Vigeo EIRIS, enabling investors to consider IPL on an informed basis.

Note: Numbers in this report are subject to rounding. Definitions and Notes appear on the last page of this report. All figures are in A$ and metric tonnes ("mt") except where noted.

1. EBIT = Earnings Before Interest and Tax.
2. NPAT attributable to shareholders; excludes, minority interests.
3. EPS = Earnings per share.
4. Net Debt aggregates interest bearing liabilities plus the fair value of derivative instruments in place economically to hedge the Group's interest bearing liabilities, less available cash and cash equivalents.
5. EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation.
6. TRIFR is calculated as the number of recordable injuries per 200,000 hours worked; includes contractors. TRIFR results are subject to finalisation of the classification of any pending incidents.
7. Employee Lost Day Severity Rate calculated as the number of employee lost work days per 200,000 hours worked represented in days; does not include contractors.
8. BEx = Business Excellence, IPL's productivity improvement system based on the Toyota Production System; includes $16m delivered from the BEx OFI program.
9. Interest Cover = Average 12 month rolling EBITDA / net interest expense before accounting adjustments.
10. AN equivalents expressed as dry metric tonnes for comparative purposes; previously reported as wet metric tonnes.
11. 347,000mt urea equivalent (Gibson Island actual sales) at 2016 realised exchange rate of A$/US$ 0.7393.
12. 1,017,300mt DAP (Phosphate Hill actual sales) and realised exchange rate of A$/US$ 0.7393.
13. DAP and urea volumes and prices based on footnotes 11 & 12 above (excludes impact of hedging).
14. 165,000mt urea equivalent (St Helens nameplate).
15. Based on actual FY16 Americas EBIT of US$118.2m and an average exchange rate of A$/US$ 0.7359.
16. 640,000 mt ammonia (80% WALA nameplate capacity).
17. Excludes elimination.
18. Average TWC as %Revenue = 13 month average trade working capital / annual revenue.

Appendix A – Group Reconciliation

Incitec Pivot Limited

	REPORTED SEGMENT	Revenue		EBIT ex IMIs		PRESENTATION	Revenue		EBIT ex IMIS	
		2016	2015	2016	2015		2016	2015	2016	2015
Asia Pacific	**DNAP**	920.8	910.8	186.1	192.7	**Explosives**	920.8	910.8	186.1	192.7
	Fertilisers • IPF • SCI • Elimination	1,341.9	1,510.9	104.2	224.1	**Fertilisers** • IPF • SCI, excluding Industrials & Trading ("I&T") component • Elimination	1,241.4	1,410.9	75.3	191.9
						Industrial Chemicals • I&T component of SCI	100.5	100.0	28.9	32.2
Americas	**DNA** • Explosives • Agriculture & Industrial Chemicals ("Ag&IC")	1,150.6	1,286.7	159.6	181.7	**Explosives** • Explosives	958.3	1,056.3	129.2	141.5
						Fertilisers • Agriculture component of Ag&IC	60.1	63.0	23.8	9.8
						Industrial Chemicals • Industrial Chemicals component of Ag&IC	132.2	149.4	6.6	30.4

Appendix B – Fertilisers Reconciliation

IPF and SCI	Year ended 30 September		
	2016	2015	% Change
A$m			
Phosphate Hill	522.9	646.0	(19.1)%
Quantum Fertilisers	8.3	9.2	(9.8)%
Industrials & Trading	100.5	100.0	0.5 %
SCI	**631.8**	**755.2**	**(16.3)%**
IPF	**906.1**	**1,034.5**	**(12.4)%**
Elimination	**(196.0)**	**(278.8)**	**(29.7)%**
Revenue	**1,341.9**	**1,510.9**	**(11.2)%**
Phosphate Hill	24.3	141.7	(82.9)%
Quantum Fertilisers	4.5	1.0	350.0 %
Industrials & Trading	28.9	32.2	(10.2)%
SCI	**57.8**	**174.9**	**(67.0)%**
IPF	**44.3**	**50.3**	**(11.9)%**
Elimination	**2.1**	**(1.1)**	**(290.9)%**
EBIT	**104.2**	**224.1**	**(53.5)%**

Asia Pacific - Fertilisers	Year ended 30 September		
	2016	2015	% Change
A$m			
Phosphate Hill	522.9	646.0	(19.1)%
Quantum Fertilisers	8.3	9.2	(9.8)%
	531.3	**655.2**	**(18.9)%**
IPF	**906.1**	**1,034.5**	**(12.4)%**
Elimination	**(196.0)**	**(278.8)**	**(29.7)%**
Revenue	**1,241.4**	**1,410.9**	**(12.0)%**
Phosphate Hill	24.3	141.7	(82.9)%
Quantum Fertilisers	4.5	1.0	350.0 %
	28.9	**142.7**	**(79.7)%**
IPF	**44.3**	**50.3**	**(11.9)%**
Elimination	**2.1 -**	**1.1**	**(290.9)%**
EBIT	**75.3**	**191.9**	**(60.8)%**

Asia Pacific - Industrial Chemicals	Year ended 30 September		
	2016	2015	% Change
A$m			
Industrials & Trading	100.5	100.0	0.5 %
	100.5	**100.0**	**0.5 %**
Revenue	**100.5**	**100.0**	**0.5 %**
Industrials & Trading	28.9	32.2	(10.2)%
	28.9	**32.2**	**(10.2)%**
EBIT	**28.9**	**32.2**	**(10.2)%**

INCITEC PIVOT LIMITED FINANCIAL PERFORMANCE	September 2016 FY $mill	September 2016 HY $mill	March 2016 HY $mill	September 2015 FY $mill	September 2015 HY $mill	March 2015 HY $mill	September 2014 FY $mill	September 2014 HY $mill	March 2014 HY $mill	September 2013 FY $mill	September 2013 HY $mill	March 2013 HY $mill
VOLUMES ('000's tonnes)												
Incitec Pivot Fertilisers	1,812.9	1,197.5	615.4	1,926.2	1,110.2	816.0	1,850.5	1,025.0	825.5	2,005.0	1,311.9	693.1
Southern Cross International												
Manufactured AP's	1,017.3	553.2	464.1	1,045.6	571.8	473.8	775.0	404.0	371.0	790.0	460.0	330.0
Traded & Non-AP's	78.6	45.0	33.6	51.8	15.8	36.0	113.7	81.7	32.0	121.0	72.1	48.9
Industrial Chemicals	248.0	125.0	123.0	252.3	127.3	125.0	282.8	153.8	129.0	295.0	147.0	148.0
Quantum - open sales	1,782.6	1,041.9	740.7	2,044.9	1,330.9	714.0	1,459.0	986.0	473.0	1,609.0	1,180.0	429.0
Intercompany Eliminations	(347.5)	(101.6)	(245.9)	(424.4)	(105.4)	(319.0)	(338.0)	(85.0)	(253.0)	(360.0)	(162.0)	(198.0)
BUSINESS SEG SALES												
Incitec Pivot Fertilisers	906.1	568.1	338.0	1,034.5	606.9	427.6	953.2	540.2	413.0	1,095.4	704.2	391.2
Southern Cross International	631.8	312.3	319.5	755.2	412.6	342.6	542.8	285.9	256.9	562.9	313.5	249.4
Fertilisers Eliminations	(196.0)	(65.9)	(130.1)	(278.8)	(72.1)	(206.7)	(194.4)	(51.6)	(142.8)	(192.9)	(87.0)	(105.9)
Fertilisers	1,341.9	814.5	527.4	1,510.9	947.4	563.5	1,301.6	774.5	527.1	1,465.4	930.7	534.7
Dyno Nobel Americas	1,150.6	569.8	580.8	1,268.7	644.4	624.3	1,205.2	631.1	574.1	1,127.7	601.4	526.3
Dyno Nobel Asia Pacific	920.8	474.1	446.7	910.8	483.1	427.7	897.0	463.3	433.7	862.3	467.0	395.3
Explosives Eliminations	(44.7)	(20.1)	(24.6)	(32.6)	(16.0)	(16.6)	(38.8)	(18.8)	(20.0)	(33.4)	(18.0)	(15.4)
Explosives	2,026.7	1,023.8	1,002.9	2,146.9	1,111.5	1,035.4	2,063.4	1,075.6	987.8	1,956.6	1,050.4	906.2
Group Elimination	(14.9)	(8.6)	(6.3)	(14.5)	(10.5)	(4.0)	(13.0)	(6.5)	(6.5)	(18.3)	(4.3)	(14.0)
Total Sales - IPL Group	***3,353.7***	***1,829.7***	***1,524.0***	***3,643.3***	***2,048.4***	***1,594.9***	***3,352.0***	***1,843.6***	***1,508.4***	***3,403.7***	***1,976.8***	***1,426.9***
GEOGRAPHIC SEG SALES												
Australia	2,151.5	1,247.8	903.7	2,306.4	1,365.6	940.8	2,070.3	1,173.6	896.7	2,189.5	1,326.5	863.0
North Americas	1,067.5	532.5	535.0	1,203.7	611.3	592.4	1,136.0	595.9	540.1	1,064.1	571.8	492.3
Turkey	57.9	25.9	32.0	63.9	33.0	30.9	79.0	38.0	41.0	80.9	45.5	35.4
Other	76.8	23.5	53.3	69.3	38.5	30.8	66.7	36.1	30.6	69.2	33.0	36.2
Total - IPL Group	***3,353.7***	***1,829.7***	***1,524.0***	***3,643.3***	***2,048.4***	***1,594.9***	***3,352.0***	***1,843.6***	***1,508.4***	***3,403.7***	***1,976.8***	***1,426.9***
BUSINESS SEG EBITDA (excluding IMIs)												
Incitec Pivot Fertilisers	71.2	41.4	29.8	82.2	46.3	35.9	134.1	86.2	47.9	129.2	87.8	41.4
Southern Cross International	98.3	35.0	63.3	211.6	119.4	92.2	105.8	56.1	49.7	97.5	59.4	38.1
Fertilisers Eliminations	2.1	5.5	(3.4)	(1.1)	33.5	(34.6)	0.1	20.5	(20.4)	3.0	4.1	(1.1)
Fertilisers	171.6	81.9	89.7	292.7	199.2	93.5	240.0	162.8	77.2	229.7	151.3	78.4
Dyno Nobel Americas	253.5	140.3	113.2	280.7	158.2	122.5	255.6	141.2	114.4	244.9	133.6	111.3
Dyno Nobel Asia Pacific	267.6	139.4	128.2	271.6	140.3	131.3	277.2	151.3	125.9	201.0	114.3	86.7
Explosives Eliminations	1.5	0.1	1.4	1.6	1.4	0.2	1.5	1.2	0.3	(1.1)	(0.4)	(0.7)
Explosives	522.6	279.8	242.8	553.9	299.9	254.0	534.3	293.7	240.6	444.8	247.5	197.3
Corporate / Group Elimination	(21.6)	(11.7)	(9.9)	(21.0)	(10.8)	(10.2)	(31.6)	(16.4)	(15.2)	(29.3)	(6.2)	(23.1)
Total EBITDA (excluding IMIs) - IPL Group	***672.6***	***350.0***	***322.6***	***825.6***	***488.3***	***337.3***	***742.7***	***440.1***	***302.6***	***645.2***	***392.6***	***252.6***
BUSINESS SEG Depreciation and Amortisation												
Incitec Pivot Fertilisers	(26.9)	(11.6)	(15.3)	(31.9)	(15.0)	(16.9)	(30.4)	(14.8)	(15.6)	(34.2)	(17.6)	(16.6)
Southern Cross International	(40.5)	(20.5)	(20.0)	(36.7)	(19.1)	(17.6)	(26.2)	(14.4)	(11.8)	(27.2)	(14.3)	(12.9)
Fertilisers	(67.4)	(32.1)	(35.3)	(68.6)	(34.1)	(34.5)	(56.6)	(29.2)	(27.4)	(61.4)	(31.9)	(29.5)
Dyno Nobel Americas	(93.9)	(44.9)	(49.0)	(99.0)	(51.9)	(47.1)	(89.9)	(44.4)	(45.5)	(81.7)	(43.3)	(38.4)
Dyno Nobel Asia Pacific	(81.5)	(41.4)	(40.1)	(78.9)	(40.1)	(38.8)	(73.9)	(38.6)	(35.3)	(38.7)	(25.0)	(13.7)
Explosives	(175.4)	(86.3)	(89.1)	(177.9)	(92.0)	(85.9)	(163.8)	(83.0)	(80.8)	(120.4)	(68.3)	(52.1)
Corporate	(1.7)	(0.8)	(0.9)	(2.6)	(1.3)	(1.3)	(2.9)	(1.6)	(1.3)	(1.9)	(1.0)	(0.9)
Total Depreciation and Amortisation - IPL Group	***(244.5)***	***(119.2)***	***(125.3)***	***(249.1)***	***(127.4)***	***(121.7)***	***(223.3)***	***(113.8)***	***(109.5)***	***(183.7)***	***(101.2)***	***(82.5)***
BUSINESS SEG EBIT (excluding IMIs)												
Incitec Pivot Fertilisers	44.3	29.8	14.5	50.3	31.3	19.0	103.7	71.4	32.3	95.0	70.2	24.8
Southern Cross International	57.8	14.5	43.3	174.9	100.3	74.6	79.6	41.7	37.9	70.3	45.1	25.2
Fertilisers Eliminations	2.1	5.5	(3.4)	(1.1)	33.5	(34.6)	0.1	20.5	(20.4)	3.0	4.1	(1.1)
Fertilisers	104.2	49.8	54.4	224.1	165.1	59.0	183.4	133.6	49.8	168.3	119.4	48.9
Dyno Nobel Americas	159.6	95.4	64.2	181.7	106.3	75.4	165.7	96.8	68.9	163.2	90.3	72.9
Dyno Nobel Asia Pacific	186.1	98.0	88.1	192.7	100.2	92.5	203.3	112.7	90.6	162.3	89.3	73.0
Explosives Eliminations	1.5	0.1	1.4	1.6	1.4	0.2	1.5	1.2	0.3	(1.1)	(0.4)	(0.7)
Explosives	347.2	193.5	153.7	376.0	207.9	168.1	370.5	210.7	159.8	324.4	179.2	145.2
Corporate / Group Elimination	(23.3)	(12.5)	(10.8)	(23.6)	(12.1)	(11.5)	(34.5)	(18.0)	(16.5)	(31.2)	(7.2)	(24.0)
Total EBIT (excluding IMIs) - IPL Group	***428.1***	***230.8***	***197.3***	***576.5***	***360.9***	***215.6***	***519.4***	***326.3***	***193.1***	***461.5***	***291.4***	***170.1***
GEOGRAPHIC SEG NON-CURRENT ASSETS OTHER THAN FINANCIAL INSTRUMENTS AND DEFERRED TAX ASSETS												
Australia	3,568.2	3,568.2	3,594.7	3,759.5	3,759.5	3,778.0	3,801.4	3,801.4	3,741.2	3,737.5	3,737.5	3,711.3
North Americas	3,763.0	3,763.0	3,657.6	3,885.4	3,885.4	3,431.8	2,925.8	2,925.8	2,606.2	2,420.3	2,420.3	2,039.2
Turkey	1.4	1.4	1.3	1.3	1.3	-	-	-	43.3	46.1	46.1	86.8
Other	132.0	132.0	131.2	111.7	111.7	111.4	115.1	115.1	106.3	102.3	102.3	92.6
Total - IPL Group	***7,464.6***	***7,464.6***	***7,384.8***	***7,757.9***	***7,757.9***	***7,321.2***	***6,842.3***	***6,842.3***	***6,497.0***	***6,306.2***	***6,306.2***	***5,929.9***
FINANCIAL PERFORMANCE												
EBIT	428.1	230.8	197.3	576.5	360.9	215.6	519.4	326.3	193.1	461.5	291.4	170.1
Net Interest	(50.2)	(25.8)	(24.4)	(68.8)	(39.8)	(29.0)	(76.9)	(34.0)	(42.9)	(71.2)	(44.8)	(26.4)
Operating Profit Before Tax and Minorities	377.9	205.0	172.9	507.7	321.1	186.6	442.5	292.3	150.2	390.3	246.6	143.7
Income Tax Expense	(81.4)	(46.0)	(35.4)	(108.8)	(68.7)	(40.1)	(85.1)	(50.6)	(34.5)	(96.2)	(60.4)	(35.8)
NPAT pre Individually Material Items	296.5	159.0	137.5	398.9	252.4	146.5	357.4	241.7	115.7	294.1	186.2	107.9
Individually Material Items Before Tax	(241.3)	(90.5)	(150.8)	-	-	-	(130.8)	(130.8)	-	(41.5)	(41.5)	-
Tax effect of Individually Material Items	74.2	29.0	45.2	-	-	-	21.6	21.6	-	115.1	115.1	-
NPAT & Individually Material Items	***129.4***	***97.5***	***31.9***	***398.9***	***252.4***	***146.5***	***248.2***	***132.5***	***115.7***	***367.7***	***259.8***	***107.9***
NPAT attributable to shareholders of IPL	128.1	96.6	31.5	398.6	252.2	146.4	247.1	131.4	115.7	367.1	259.3	107.8
NPAT attributable to minority interest	1.3	0.9	0.4	0.3	0.2	0.1	1.1	1.1	-	0.6	0.5	0.1

INCITEC PIVOT LIMITED FINANCIAL POSITION	September 2016 FY $mill	September 2016 HY $mill	March 2016 HY $mill	September 2015 FY $mill	September 2015 HY $mill	March 2015 HY $mill	September 2014 FY $mill	September 2014 HY $mill	March 2014 HY $mill	September 2013 FY $mill	September 2013 HY $mill	March 2013 HY $mill
Cash	427.1	427.1	83.0	606.3	606.3	91.5	70.5	70.5	68.7	270.6	270.6	37.0
Inventories	405.7	405.7	534.6	401.3	401.3	544.6	434.1	434.1	509.7	435.6	435.6	538.0
Trade Debtors	210.3	210.3	333.8	274.3	274.3	310.4	241.7	241.7	332.1	331.3	331.3	337.7
Trade Creditors	(665.2)	(665.2)	(598.7)	(667.9)	(667.9)	(560.0)	(614.6)	(614.6)	(559.5)	(729.6)	(729.6)	(494.8)
Trade Working Capital	(49.2)	(49.2)	269.7	7.7	7.7	295.0	61.2	61.2	282.3	37.3	37.3	380.9
Net Property, Plant & Equipment	3,892.7	3,892.7	3,815.6	4,003.6	4,003.6	3,755.8	3,511.4	3,511.4	3,235.2	3,033.5	3,033.5	2,771.6
Intangibles	3,170.4	3,170.4	3,169.4	3,346.3	3,346.3	3,194.1	2,992.3	2,992.3	2,949.0	2,961.0	2,961.0	2,844.5
Net Other Assets	(567.1)	(567.1)	(492.0)	(722.0)	(722.0)	(576.1)	(485.5)	(485.5)	(408.6)	(428.5)	(428.5)	(383.4)
Net Interest Bearing Liabilities												
Current	(11.1)	(11.1)	(17.7)	(747.1)	(747.1)	(669.9)	(33.9)	(33.9)	(35.3)	(33.5)	(33.5)	(119.6)
Non-Current	(2,278.3)	(2,278.3)	(2,269.6)	(1,806.6)	(1,806.6)	(1,599.1)	(1,709.0)	(1,709.0)	(1,805.8)	(1,620.6)	(1,620.6)	(1,551.1)
Net Assets	***4,584.5***	***4,584.5***	***4,558.4***	***4,688.2***	***4,688.2***	***4,491.3***	***4,407.0***	***4,407.0***	***4,285.5***	***4,219.8***	***4,219.8***	***3,979.9***
Total Equity	***4,584.5***	***4,584.5***	***4,558.4***	***4,688.2***	***4,688.2***	***4,491.3***	***4,407.0***	***4,407.0***	***4,285.5***	***4,219.8***	***4,219.8***	***3,979.9***
Capital Expenditure (Accruals Basis)												
Total Capital Expenditure	*439.0*	*204.8*	*234.2*	*408.8*	*228.9*	*179.9*	*664.4*	*355.1*	*309.3*	*419.7*	*294.4*	*125.3*
Depreciation and amortisation	244.5	119.2	125.3	249.1	127.4	121.7	223.3	113.8	109.5	183.7	101.2	82.5
Ratios												
EPS, cents pre individually material items	17.5	9.4	8.1	23.8	15.0	8.8	21.7	14.6	7.1	18.0	11.4	6.6
EPS, cents post individually material items	7.6	5.7	1.9	23.8	15.0	8.8	15.0	7.9	7.1	22.5	15.9	6.6
DPS, cents	8.7	4.6	4.1	11.8	7.4	4.4	10.8	7.3	3.5	9.2	5.8	3.4
Franking, %	47%	0%	100%	38%	60%	0%	31%	10%	75%	75%	75%	75%
Interest Cover (times)	7.9	7.9	9.5	9.7	9.7	9.6	9.1	9.1	7.5	6.2	6.2	6.8
Gearing	28.9%	28.9%	32.6%	29.3%	29.3%	32.7%	27.5%	27.5%	29.3%	24.7%	24.7%	29.1%

INCITEC PIVOT LIMITED CASH FLOWS	September 2016 FY $mill Inflows/ (Outflows)	September 2016 HY $mill Inflows/ (Outflows)	March 2016 HY $mill Inflows/ (Outflows)	September 2015 FY $mill Inflows/ (Outflows)	September 2015 HY $mill Inflows/ (Outflows)	March 2015 HY $mill Inflows/ (Outflows)	September 2014 FY $mill Inflows/ (Outflows)	September 2014 HY $mill Inflows/ (Outflows)	March 2014 HY $mill Inflows/ (Outflows)	September 2013 FY $mill Inflows/ (Outflows)	September 2013 HY $mill Inflows/ (Outflows)	March 2013 HY $mill Inflows/ (Outflows)
Net operating cash flows												
Group EBITDA	672.6	350.0	322.6	825.6	488.3	337.3	742.7	440.1	302.6	645.2	390.2	255.0
Net interest paid	(41.9)	(20.8)	(21.1)	(54.5)	(31.5)	(23.0)	(57.7)	(28.1)	(29.6)	(70.9)	(48.4)	(22.5)
Net income tax (paid) / refund	(81.7)	(21.1)	(60.6)	(15.7)	6.3	(22.0)	1.5	7.5	(6.0)	(67.1)	(38.1)	(29.0)
TWC movement (excluding FX impact)	39.2	310.9	(271.7)	59.4	290.1	(230.7)	(52.5)	191.8	(244.3)	140.6	361.6	(221.0)
Dyno Nobel profit from joint ventures and associates	(35.9)	(18.6)	(17.3)	(38.2)	(24.1)	(14.1)	(33.3)	(17.4)	(15.9)	(33.5)	(18.4)	(15.1)
Dividends received from joint ventures and associates	35.6	16.4	19.2	37.0	28.9	8.1	23.7	9.6	14.1	43.0	22.6	20.4
Environmental and site clean up	(5.4)	(2.5)	(2.9)	(7.4)	(4.5)	(2.9)	(16.9)	(3.5)	(13.4)	(23.8)	(14.8)	(9.0)
Other NTWC	(7.2)	26.9	(34.1)	(50.0)	(13.8)	(36.2)	(72.3)	(24.9)	(47.4)	(19.0)	24.4	(43.4)
Operating cash flows	***575.3***	***641.2***	***(65.9)***	***756.2***	***739.7***	***16.5***	***535.2***	***575.1***	***(39.9)***	***614.5***	***679.1***	***(64.6)***
Net investing cash flows												
Growth - Louisiana ammonia project	(167.2)	(38.6)	(128.6)	(218.7)	(88.8)	(129.9)	(370.7)	(194.0)	(176.7)	(107.3)	(107.3)	-
Growth - Louisiana ammonia project capitalised interest	(48.0)	(24.8)	(23.2)	(37.7)	(19.8)	(17.9)	(17.7)	(12.0)	(5.7)	(2.0)	(2.0)	-
Growth - Other	(29.8)	(19.5)	(10.3)	(16.4)	(12.3)	(4.1)	(17.1)	(7.0)	(10.1)	(99.7)	(38.1)	(61.6)
Growth - Moranbah	-	-	-	-	-	-	-	-	-	(15.0)	-	(15.0)
Growth - Moranbah capitalised interest	-	-	-	-	-	-	-	-	-	(40.4)	(13.3)	(27.1)
Sustenance	(190.5)	(52.0)	(138.5)	(100.0)	(42.1)	(57.9)	(256.9)	(143.6)	(113.3)	(169.7)	(109.2)	(60.5)
Proceeds from asset sales	1.2	0.3	0.9	7.0	1.9	5.1	24.4	10.4	14.0	24.0	1.4	22.6
Banked Gas	-	-	-	-	-	-	-	-	-	(18.1)	-	(18.1)
Other	(46.1)	(84.3)	38.2	(132.4)	(120.2)	(12.2)	0.3	(1.1)	1.4	38.8	22.2	16.6
Investing cash flows	***(480.4)***	***(218.9)***	***(261.5)***	***(498.2)***	***(281.3)***	***(216.9)***	***(637.7)***	***(347.3)***	***(290.4)***	***(389.4)***	***(246.3)***	***(143.1)***
Net financing cash flows												
Dividends paid	(193.8)	(68.9)	(124.9)	(96.4)	(34.8)	(61.6)	(85.1)	(30.2)	(54.9)	(203.6)	(55.4)	(148.2)
Gain/(Loss) on translation of US$ Debt (incl fair value adjustments)	(5.6)	(7.7)	2.1	29.1	1.9	27.2	(6.6)	(13.9)	7.3	(69.9)	(77.8)	7.9
Realised market value gains/(losses) on derivatives	-	-	-	-	-	-	(8.3)	(0.2)	(8.1)	1.7	0.5	1.2
Financing cash flows	***(199.4)***	***(76.6)***	***(122.8)***	***(67.3)***	***(32.9)***	***(34.4)***	***(100.0)***	***(44.3)***	***(55.7)***	***(271.8)***	***(132.7)***	***(139.1)***
Decrease/(increase) in net debt	***(104.5)***	***345.7***	***(450.2)***	***190.7***	***425.5***	***(234.8)***	***(202.5)***	***183.5***	***(386.0)***	***(46.7)***	***300.1***	***(346.8)***