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STRENGTH THROUGH DIVERSITY

Investor Open Day
Gibson Island, Brisbane
June 2011



Incitec Pivot Limited

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**Investor Open Day
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James Fazzino

Managing Director and CEO



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Zero Harm



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The IPL Strategy

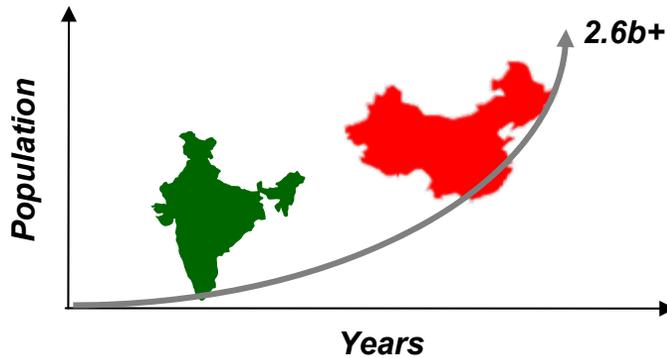
**Presented by Jamie Rintel
General Manager – Strategy & Business
Development**



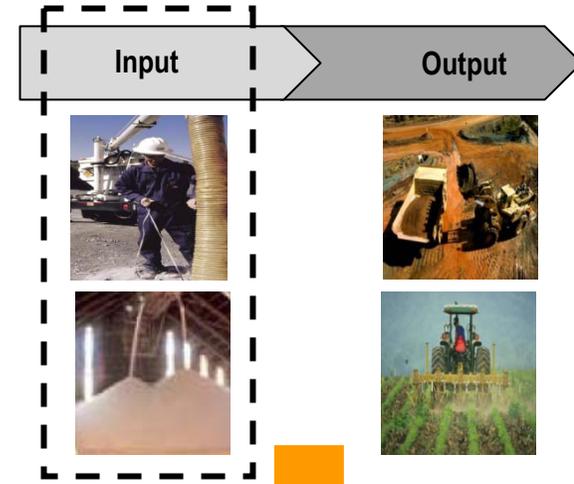
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Strategy on a Page

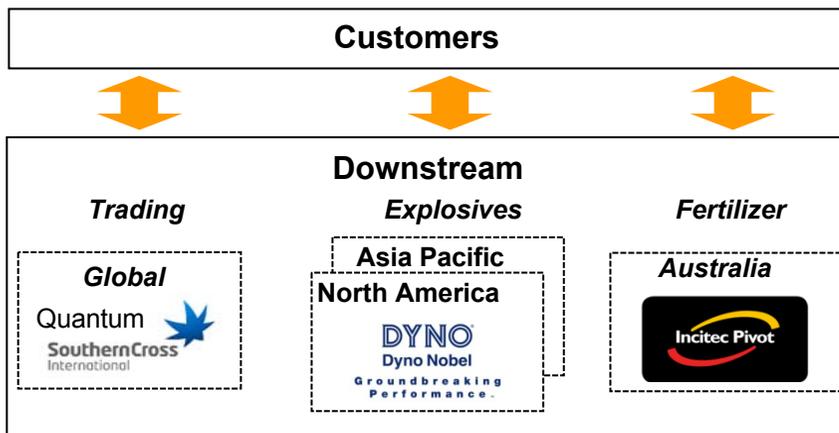
Leverage the industrialisation cycle



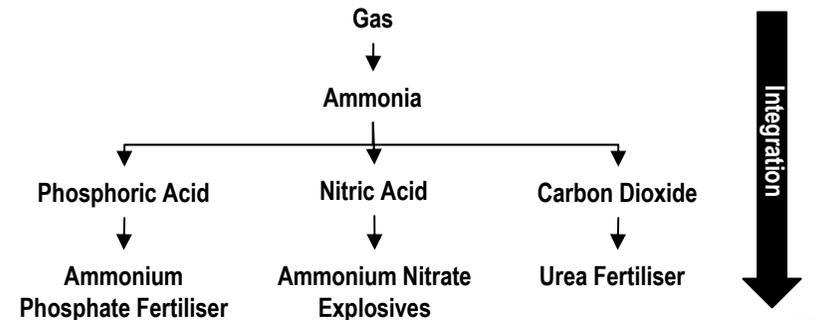
Input side of the value chain



Service customer via downstream business

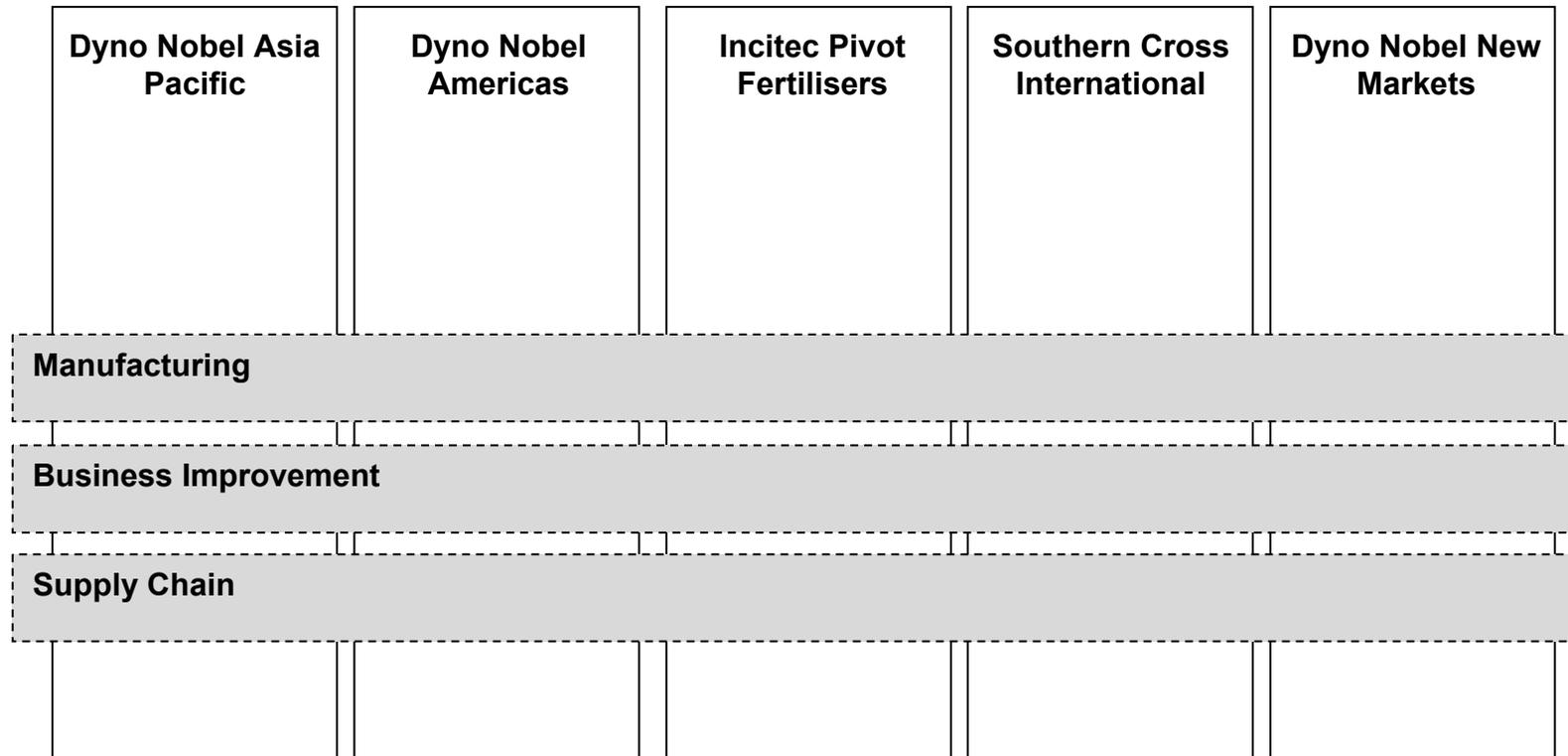


Vertically integrated manufacturing



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Execution of strategy based on a portfolio of businesses with common disciplines



As such, broad strategies for each business/region.....

Americas Explosives

- ✓ Largest explosives market in the world
 - Industry size builds scale and expertise, which can be leveraged in other markets
 - Provides base scale across the broader business (eg. Initiating Systems Manufacturing)

Asia Pacific Explosives

- ✓ Growth engine of the IPL Group
 - Moranbah underpins and grows the Asia Pacific explosives business
 - Servicing customers with a direct link to the Asian growth thematic

Incitec Pivot Fertilisers

- ✓ Geographical positions leveraged to the global fertiliser market
 - Manufacturing assets and distribution position are directly linked to global fertiliser pricing – driven by demand for soft commodities

Southern Cross International

- ✓ Provides scale and market access for global sourcing, supply and sales

New Markets (Dyno Nobel)

- ✓ Leverage existing capabilities across a broader geographical footprint
- ✓ Establish foothold positions which can be leveraged more broadly once capability matures



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Guiding principles have been defined to drive future investment decisions of the company

- ▶ Invest where there is direct exposure to the industrialisation cycle
- ▶ All investment opportunities benchmarked against capital returns to shareholders
- ▶ Preference for less volatile, more stable earnings stream
- ▶ Must meet investment hurdles (15% IRR and 18% RONA)

Questions?

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Dyno Nobel, Americas

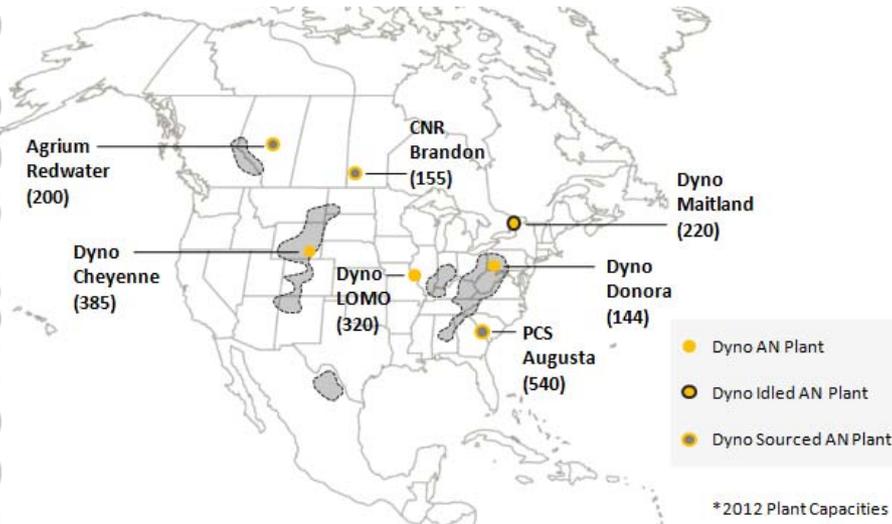
**Presented by Brian Wallace
President – Dyno Nobel Americas
20 June 2011**



Coal Market

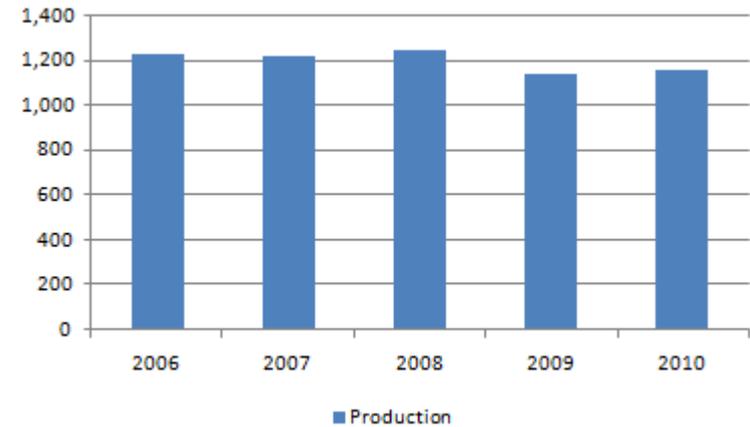
Freight Logical Ammonium Nitrate Manufacturing Footprint

Markets and Dyno Nobel AN Supply



Coal Production

(million short tons)



Market Drivers:

- Domestic electricity consumption
- Seaborne metallurgical coal trade

Market Outlook:

- Modest growth expectations for US surface coal production (1-2% annual)
- West coast export capacity expanding

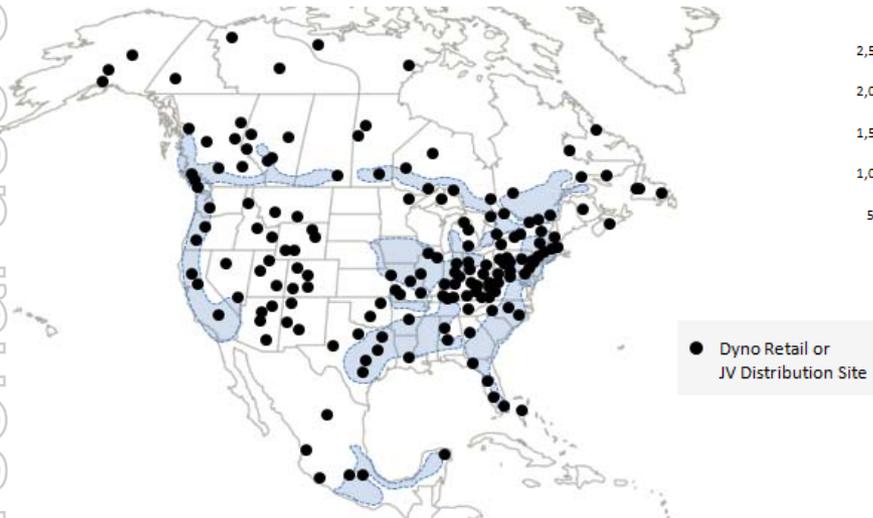
Source: EIA, Natural Resources Canada, Dyno Nobel

DYNO
Dyno Nobel

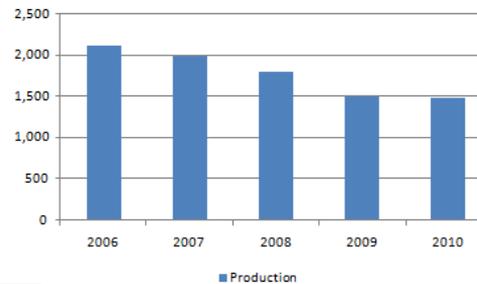
Stone & Construction Market

Broad Distribution Network

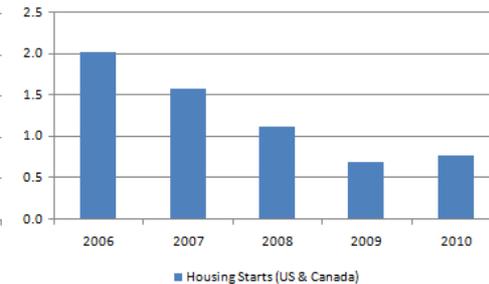
Markets and Dyno Nobel Distribution Sites



Crushed Stone Production (thousand metric tons)



Housing Starts (millions)



Market Drivers:

- Residential and non-residential construction
- Infrastructure spending and projects

Market Outlook:

- No recovery in demand for stone is expected from US housing in the short-term. Growth from private and government infrastructure unpredictable

Source: USGS, Natural Resources Canada, US Census Bureau, Canada Housing Corp, Dyno Nobel

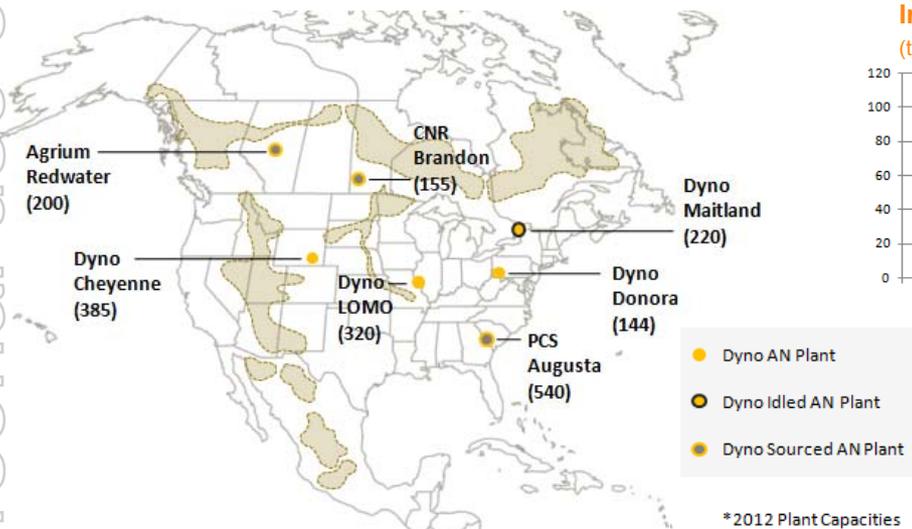
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Metals Market

Product Technology, Technical Expertise, and Delivery Systems

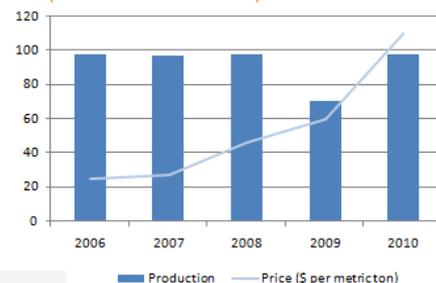
Markets and Dyno Nobel AN Supply



Metal Production

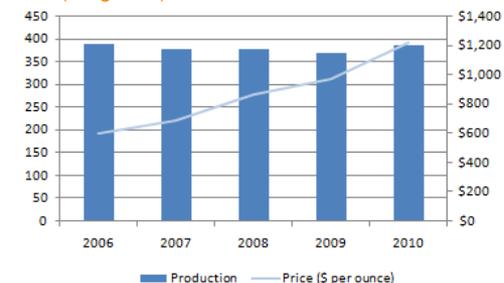
Iron Ore

(thousand metric tons)



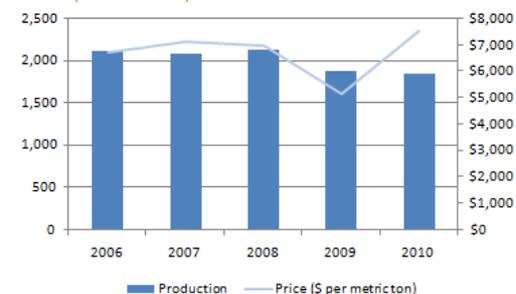
Gold

(kilograms)



Copper

(metric tons)



Market Drivers:

- Industrialization of developing countries
- Domestic GDP driven growth

Market Outlook:

- Overall outlook for North American metals market growth is robust

Source: USGS, Natural Resources Canada, Index Mundi, Dyno Nobel

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Dyno Nobel

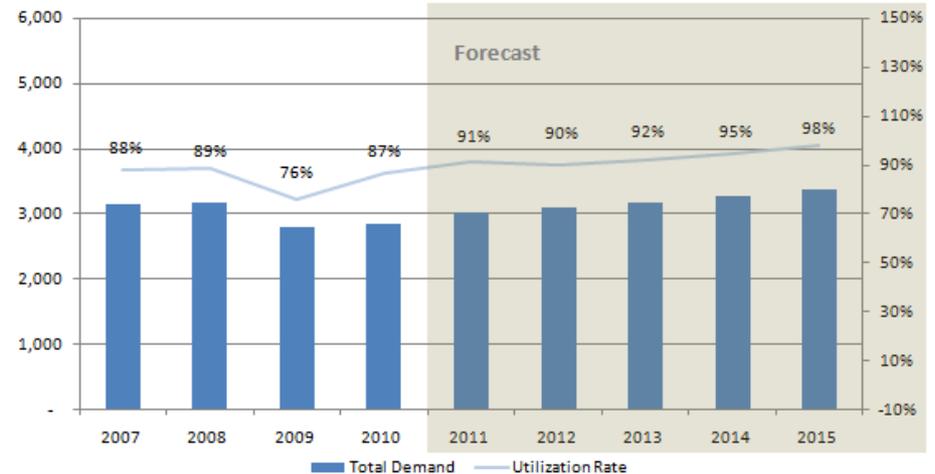
Groundbreaking Performance 14

Industrial AN in North America

AN Supply is Tightening Across the Industry

- Supply limited at capacity utilisation rates above 90%

North American AN Demand
(thousand short tons)



Dyno Nobel:

- Shut and idled surplus capacity at the end of 2009 as a consequence of the global financial crisis
- High storage capacity allows Dyno Nobel to manage seasonality of demand, logistics constraints, plant turnarounds
- Next logical capacity to come on line – Dyno Nobel's plant at Maitland, Ontario (currently idled)

Source: USGS, Natural Resources Canada, Blue Johnson, Dyno Nobel

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North American AN Industry

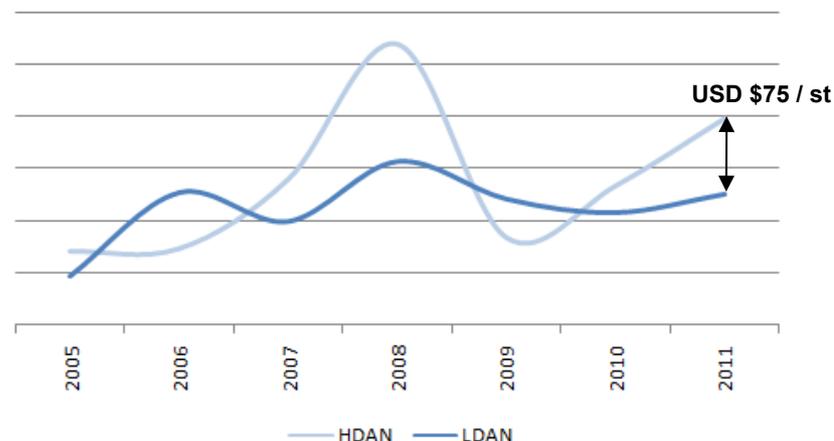
Industrial Grade AN is Trading at a Discount to Nitrogen Based Fertiliser Products

- **Low Density AN (LDAN)** is used for explosives applications and is commonly sold under long term supply agreements
- **High Density AN (HDAN)** is used as fertiliser in agricultural applications, with pricing for HDAN more volatile than for LDAN

Key Notes

- Historically HDAN and other nitrogen fertilisers have traded at a discount to LDAN in North America, but this trend has reversed in recent years as global fertiliser prices have risen

North American Wholesale AN Pricing
(USD per short ton)



Source: Blue-Johnson and Associates "The Sheet", May 2011

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Initiation, Packaged, and Bulk Products

Manufacturing Footprint with Full Line of Products and Services

Dyno Nobel North American Manufacturing Sites



Initiation Systems

Electronic Initiation



Non Electric Initiation



Detonating Cord & Cast Boosters



Electric Detonators



Packaged Explosives

Packaged Emulsions



Dynamites



Bulk Explosives and Delivery Systems



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Groundbreaking Performance 17

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Focus

**Optimize
Operations**

**Improve
Margins**

**Position for
Recovery in US
Economy**

**Selectively
Grow**

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Dyno Nobel, Asia Pacific

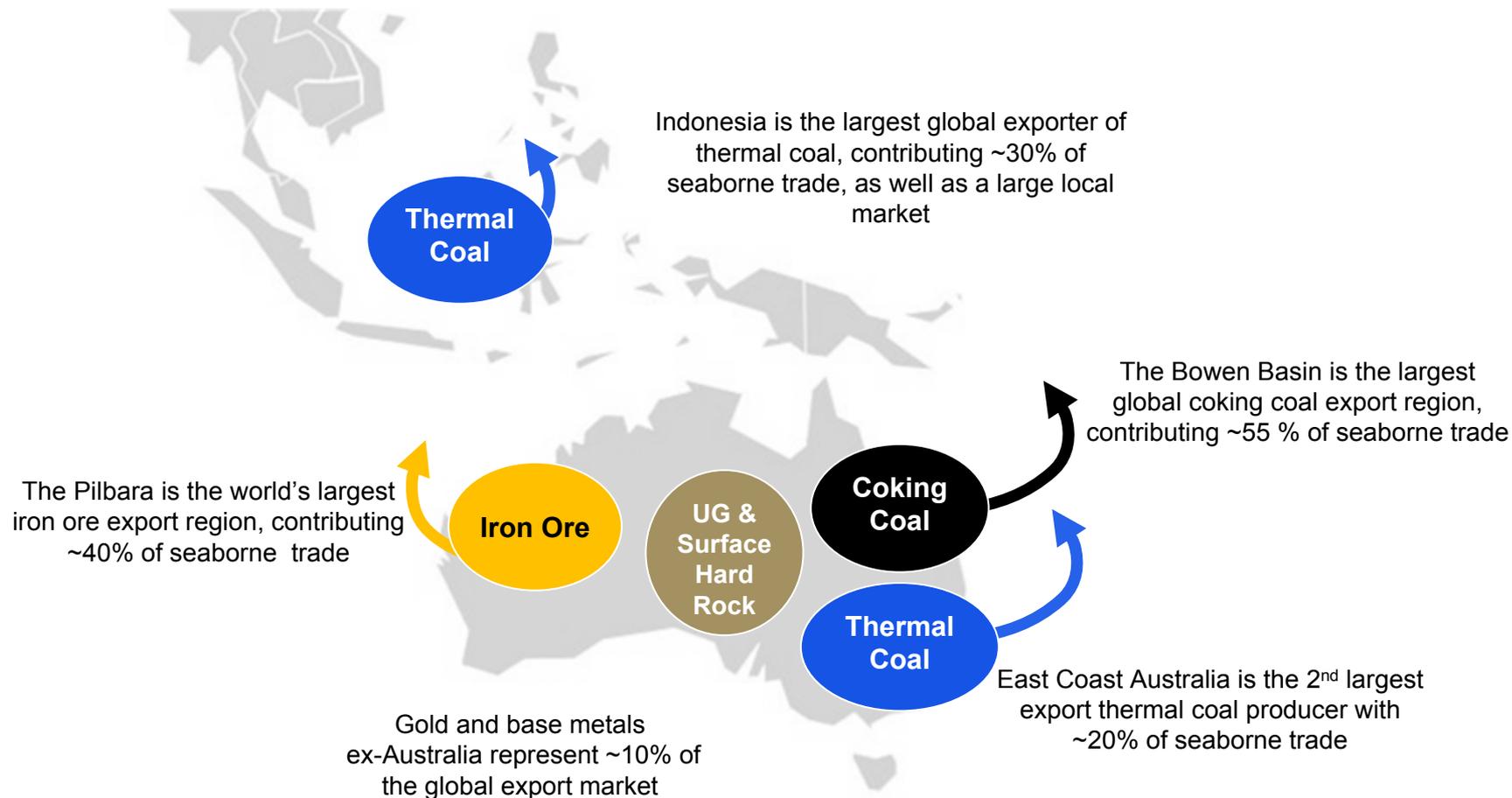
**Presented by Steve Dawson
President – Dyno Nobel Asia Pacific
20 June 2011**

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Asia Pacific Commodity Exports

Directly leveraged to the industrialisation cycle

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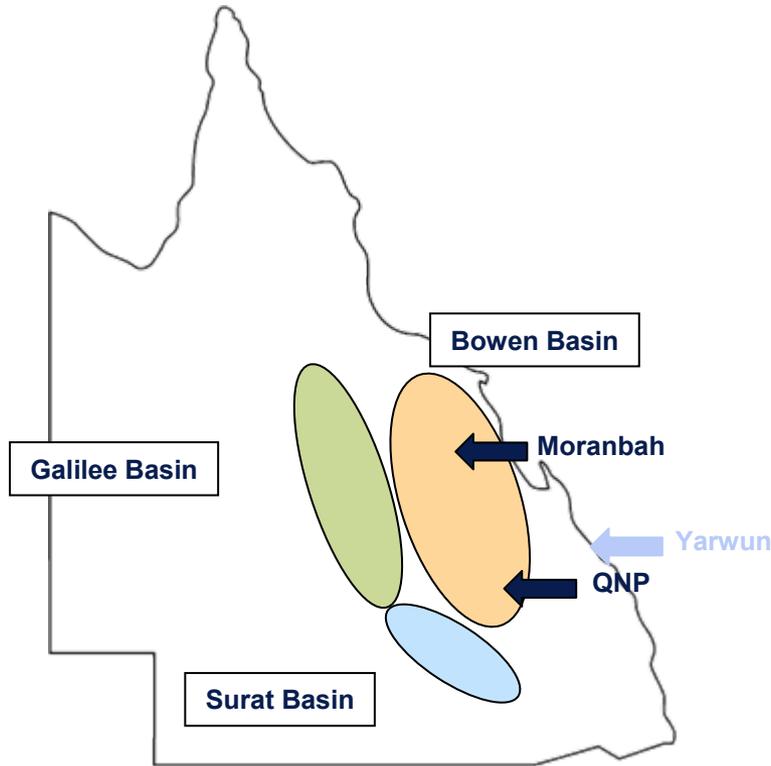
Source: Credit Suisse, AME, Dyno Nobel

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Bowen Basin Coal Market

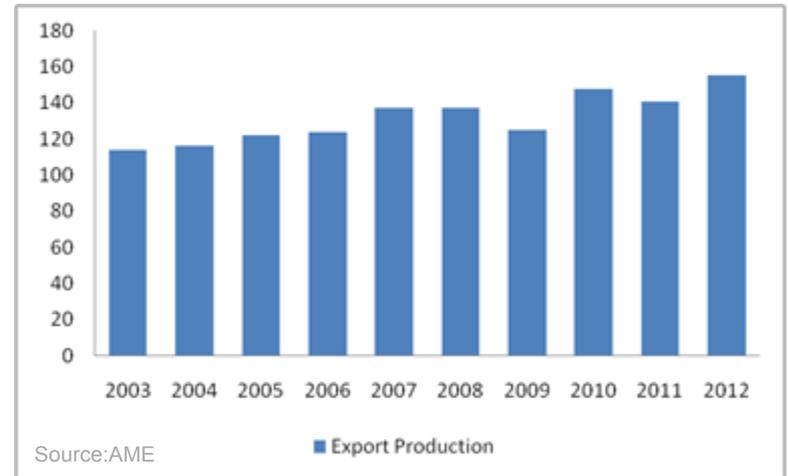
Competitively Advantaged following Moranbah Commissioning

Markets and Dyno Nobel Participation



Coal Production

(million tonnes)



Market Drivers:

- Primarily seaborne metallurgical coal (Japan, China, India)
- Some thermal domestic and seaborne coal

Market Outlook:

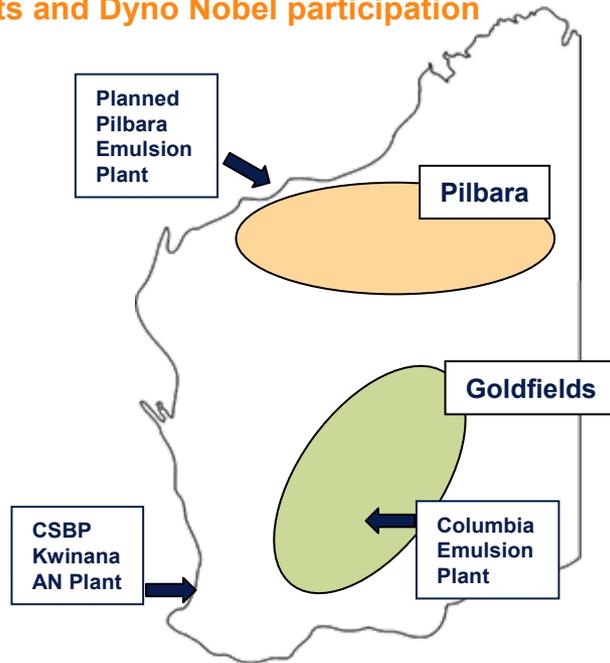
- ~7%pa medium term growth outlook (2 to 3 years)
- Galilee and Surat Basins opening up

Source: Credit Suisse, AME, Dyno Nobel

Pilbara Iron Ore Market

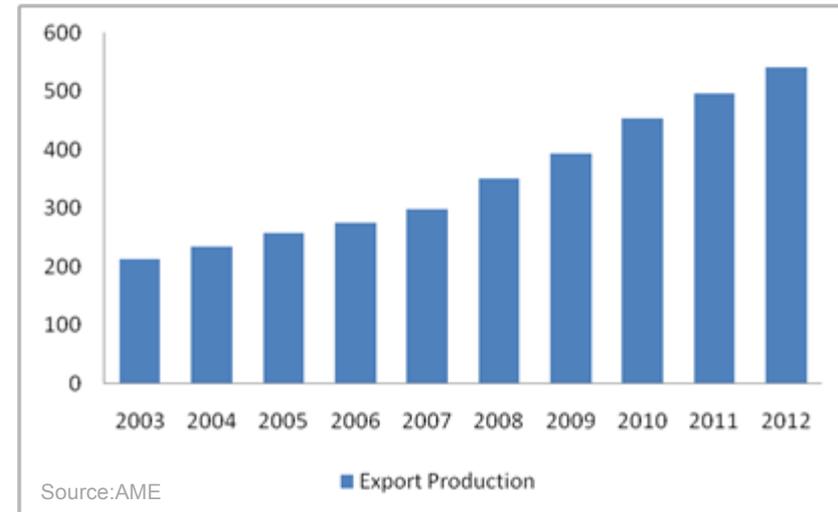
Long term relationships with key customers

Markets and Dyno Nobel participation



Iron Ore Production

(million tonnes)



Market Drivers:

- Chinese industrialisation (>50% of global demand)

Market Outlook:

- Continued strong growth (~9% pa medium term)
- Pilbara supply growth not keeping pace with Chinese demand growth

Source: AME, Dyno Nobel

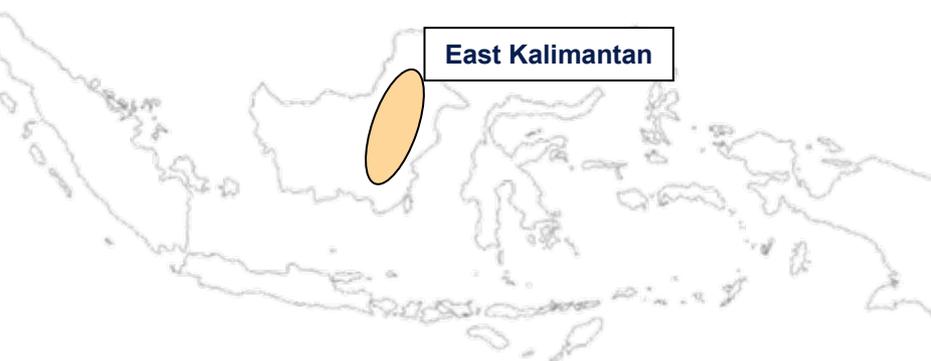
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Indonesian Coal Market

Expertise in remote sites

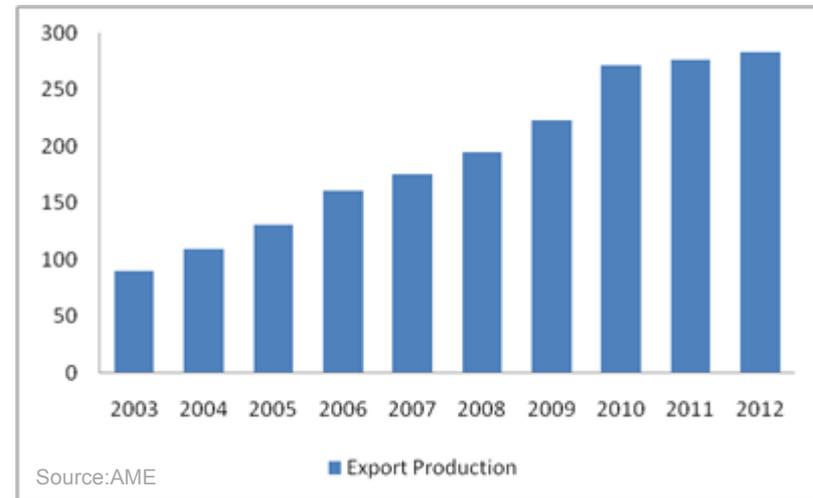
Markets and Dyno Nobel participation

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Coal Production

(million tonnes)



Market Drivers:

- Export Coal; Japan, China, India
- Low-cost, freight logical to key markets
- Transformation to one of the world's largest exporters within a twenty year period.

Market Outlook:

- Continued growth (~4% pa) with strong upside risk.

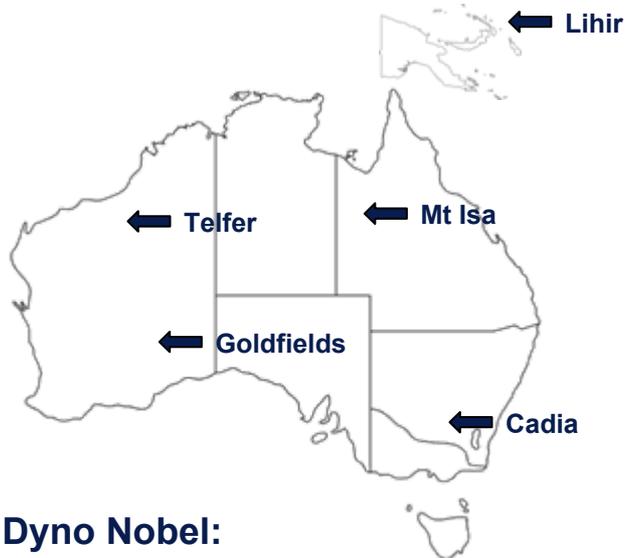
Source: Credit Suisse, AME, Dyno Nobel

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Hard Rock and Underground Markets

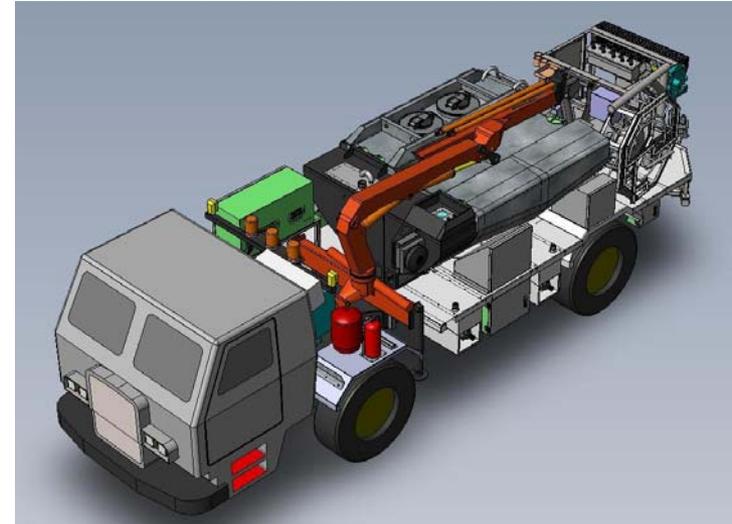
Technology-driven participation

Markets and Dyno Nobel participation



Dyno Nobel:

- Technology-driven participation
- Total customer cost is less AN dependant
- Advantaged in product and logistical solutions for remote sites
- Superior underground emulsion product



Market Characteristics & Drivers:

- Geographically-dispersed segment
- Secondary links to industrialisation cycle
- Asia Pacific operations generally higher on the global ore cost curve

Market Outlook:

- Short-term outlook is positive, but three-to-five-year outlook more volatile.
- Heavily dependant on gold price and on large individual projects (eg Olympic Dam)

Source: Dyno Nobel

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Moranbah AN Facility

Transforms DNAP

Dyno Nobel:

- 330,000tpa production, beneficial operation from mid-2012, full production by 2015.
- 100% sold out
- Long term secure offtake contracts with blue chip customer base.
- Bowen Basin is Australia's largest and fastest-growing explosives market (by volume).
- Dual-supply capacity at North and South end of Bowen Basin offers security of supply for customers.



Photograph: Moranbah AN Facility under construction

Focus

**Deliver on
Moranbah**

**Position for
Growth in Asia
Pacific Markets**

Questions?

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Moranbah “Confidently in Control”

Presented by Alan Grace
President – Global Major Projects

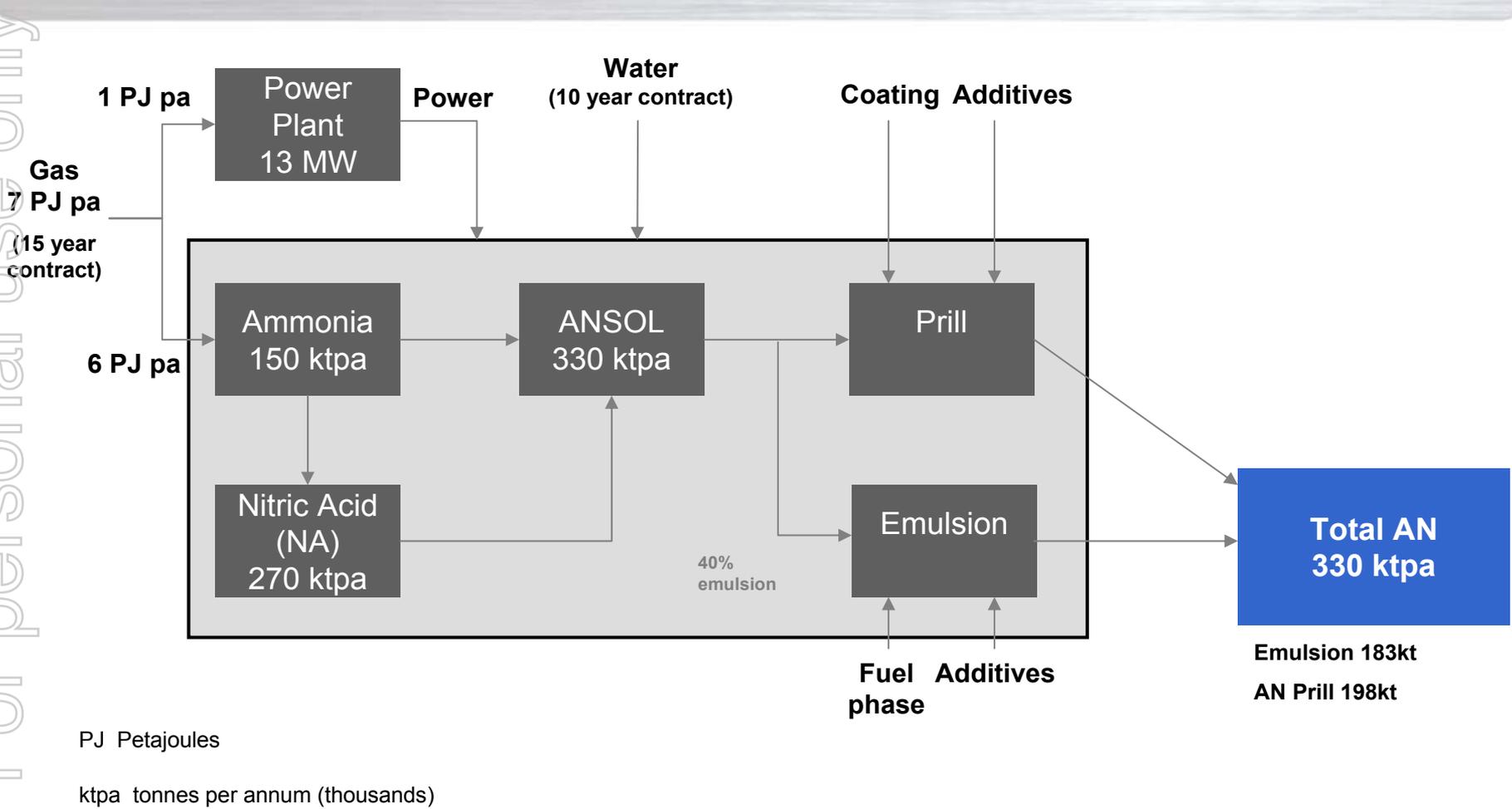
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Overview of the Moranbah AN Complex



A fully integrated back-to-gas ammonia, nitric acid and AN complex

Update



- Zero Harm – 1.7M construction hours
LTI free since re-start
- Project status: circa 80% complete
- Operational readiness ahead of plan



- Beneficial operation – delayed until end of June 2012
 - Challenging engineering and construction landscape in Australia
 - Wettest season for 50 years, including Cyclone Yasi
- On budget (cost \$935 million)
- All Moranbah production committed to customers

Update (continued)

- 700 plus workforce fully engaged
- Power station fully operational
- Civil construction works close to complete
- Procurement essentially complete
- Ammonia & Nitric acid plant tracking to plan
- Prill Tower complete
- Progressive hand-over of plants for commissioning
- Utilities planned to be commissioned in 2011



Moranbah skyline is changing

Where we are now



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The Moranbah Community

- ▶ Recruitment of operations employees almost complete
- ▶ Operations employees will live in Moranbah
- ▶ Strong relationship with community



Questions?



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Incitec Pivot Fertilisers, Australia

Presented by Gary Brinkworth
General Manager – Incitec Pivot Fertilisers

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Incitec Pivot Fertilisers is Australia's reliable leader in soil and plant nutrition, investing locally in agronomic solutions to help Australian farmers remain globally competitive. www.incitecpivot.com.au



SUSTAINED MARKET LEADERSHIP

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Key Account Management



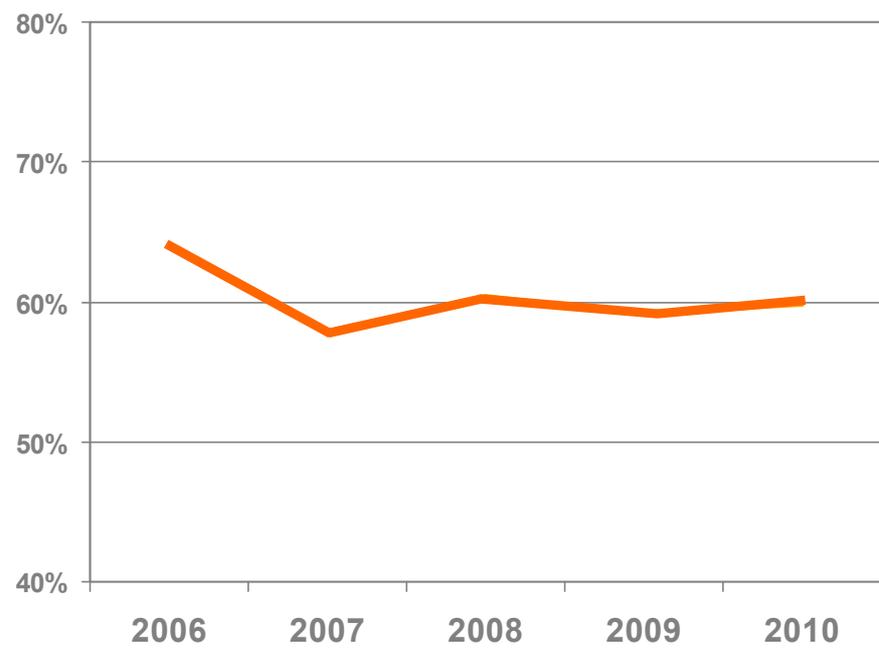
Extensive Product Range



Proprietary Services



Chart1. IPF Percentage Market Share 2006-2010*



* % Share based on East Coast Solid Fertilisers + Ammonia ROSCOM Report Dec 2010

INDUSTRY VOLATILITY

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Map 1. Indicative Market Segments

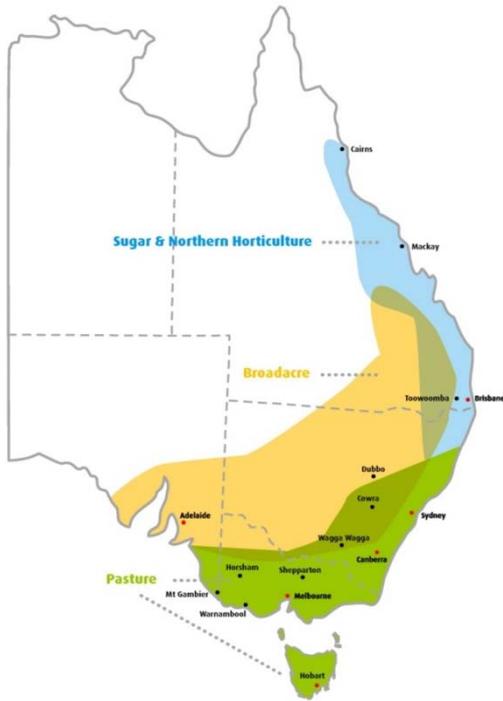
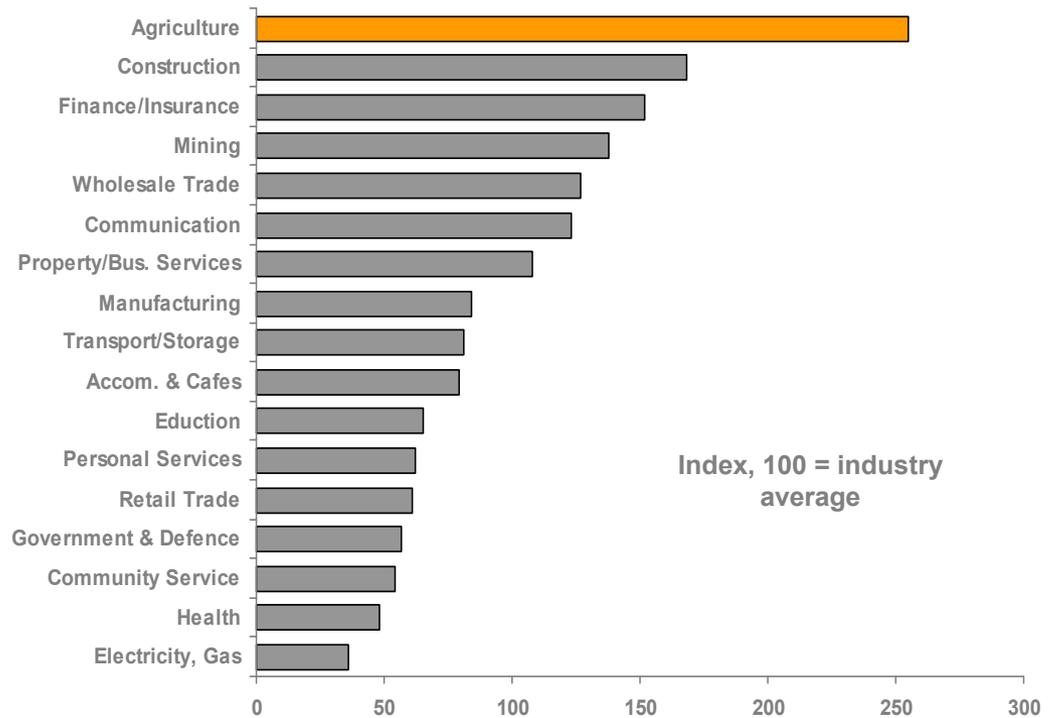


Chart 2. Industry Volatility 1975-2004 ^



^Source: Productivity Commission 2005, Trends in Australian Agriculture, Research Paper, Canberra.

INTEGRATED MANUFACTURING & DISTRIBUTION CAPABILITY

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Manufacturing Assets



Distribution Network

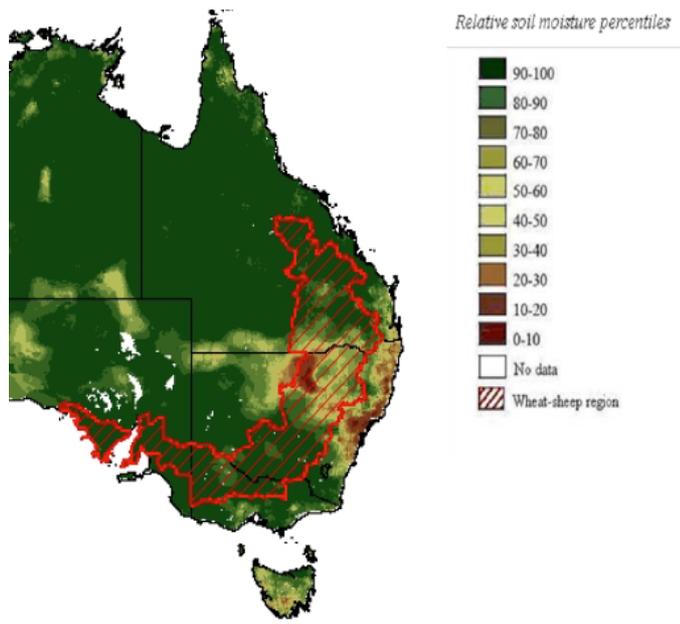


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MARKET OUTLOOK

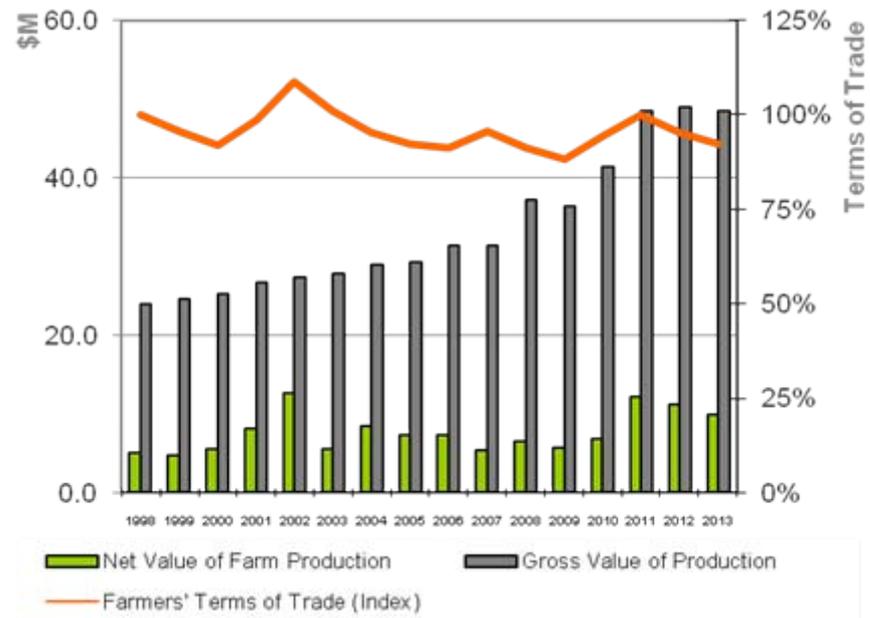
Moisture Availability

Map 1. Upper layer soil moisture percentiles (March 2011)[#]



Terms of Trade

Chart 2. Farmers Terms of Trade Index (March 2011)*



* Source: ABARES March 2011 (The indexes for the different groups of farm commodities are now calculated on a chained weight basis using Fishers' ideal index with a reference year of 1997-98 = 100. c Ratio of index of prices received by farmers to index of prices paid by farmers.)

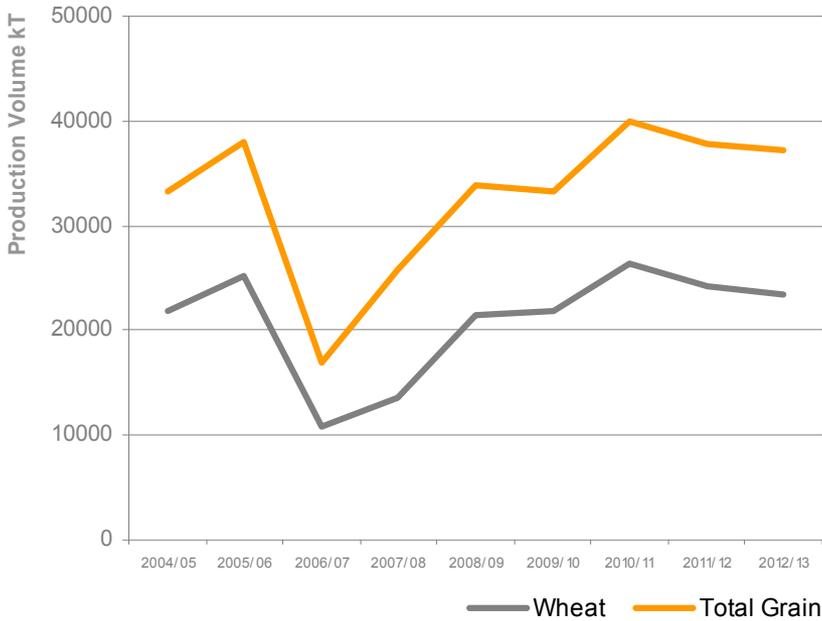
Source: ABARE climate and agricultural update, April 2011

MARKET OUTLOOK – WINTER CROP SEGMENT

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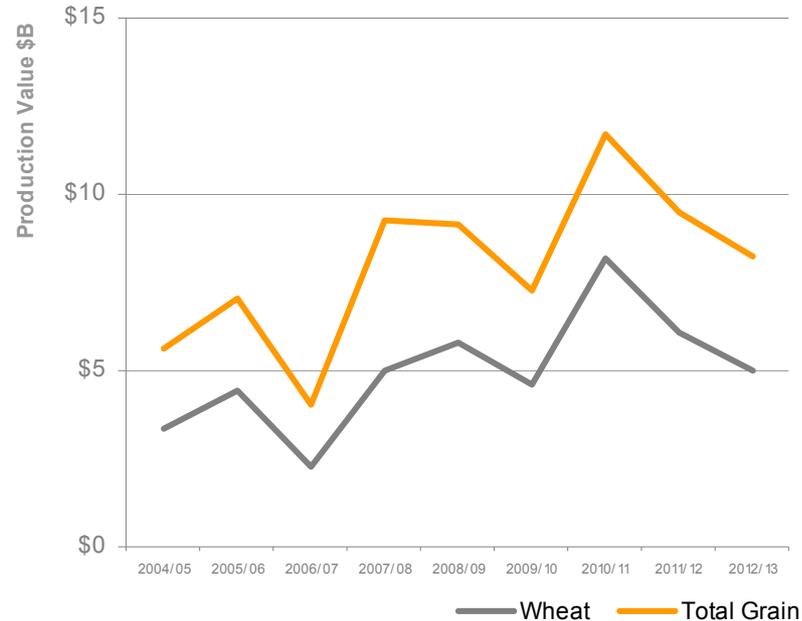
Production Tonnes

Chart 3. Total East Coast Grain Production 2003-12[^]



Production Value

Chart 4. Total East Coast Grain Value 2003-2012[^]



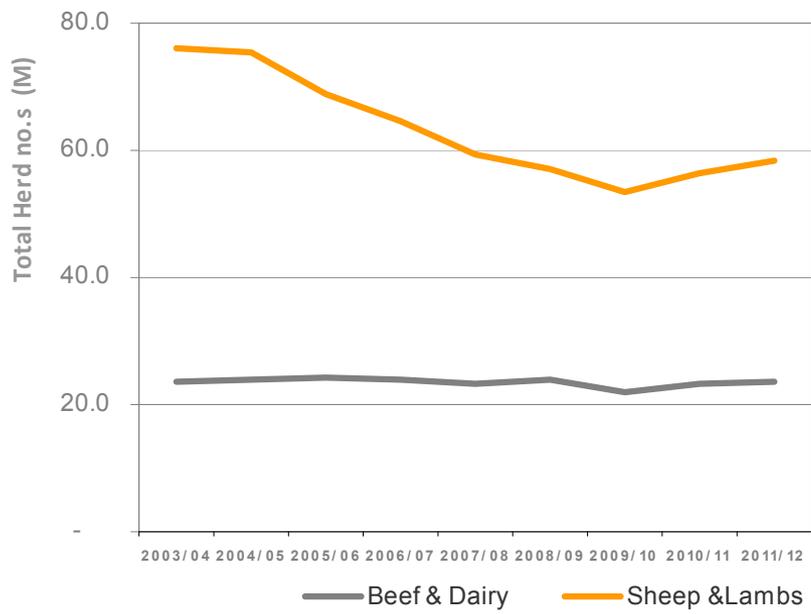
[^] Source: ABARES Outlook March 2011, ABS, Neil Clark & Associates. 2011/12

MARKET OUTLOOK – PASTURE SEGMENT

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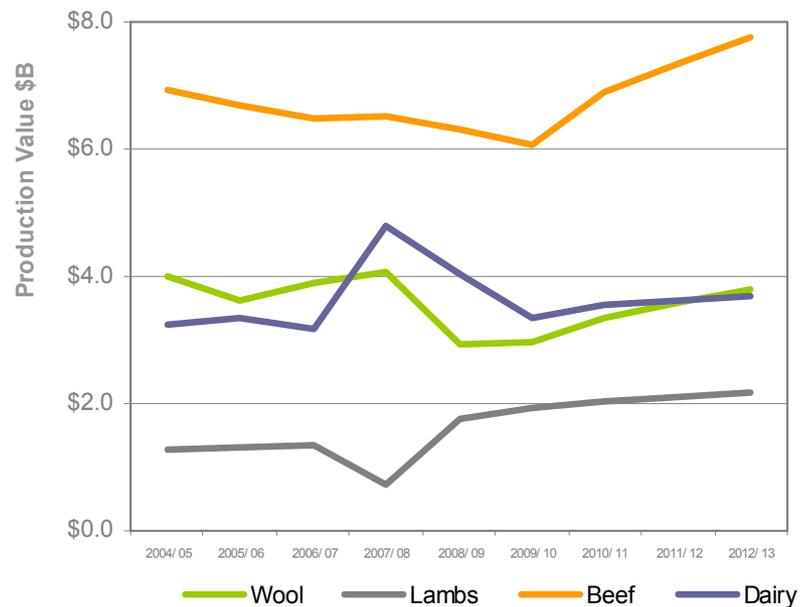
Livestock Numbers

Chart 5. East coast livestock numbers[^]



Production Value

Chart 6. East coast livestock segment production value[^]



[^] Source: ABARES Outlook March 2011, ABS, Neil Clark & Associates. 2011/12

MARKET OUTLOOK – SUMMER CROP

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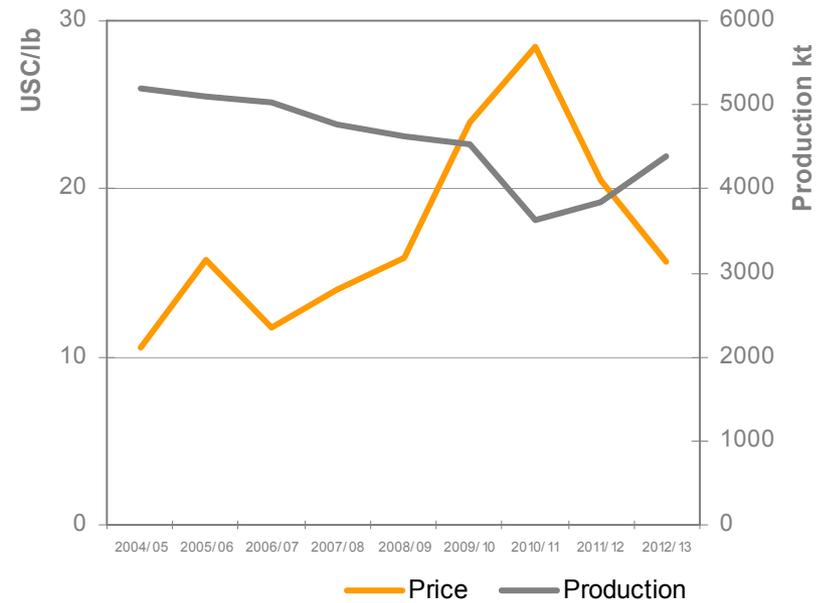
Cotton

Chart 7. Total Hectares Planted to Cotton^



Sugar

Chart 8. Sugar production and prices 2004- 2013^



^ Source: ABARES Outlook March 2011, Neil Clark & Associates. 2011/12

KEY SUSTAINABILITY INITIATIVES

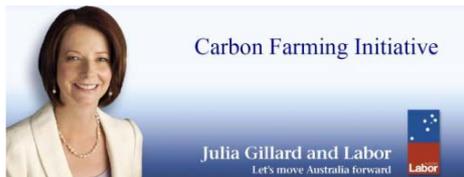
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Sustainable Farming

- IPF has been a significant contributor and participator in the Reef Rescue legislative process



- A voluntary opportunity to obtain credits for carbon abatement for domestic or export use,



Supporting Rural Communities

- Building effective engagement through targeted communications, sharing research and industry insights, access to leading industry professionals



- Leveraging leading technical expertise to promote nutrient management practises



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Focus

Customers

Efficiency

Questions ?

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Southern Cross International

Presented by James Whiteside
General Manager – Supply Chain & Trading

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Global Ammonium phosphate markets

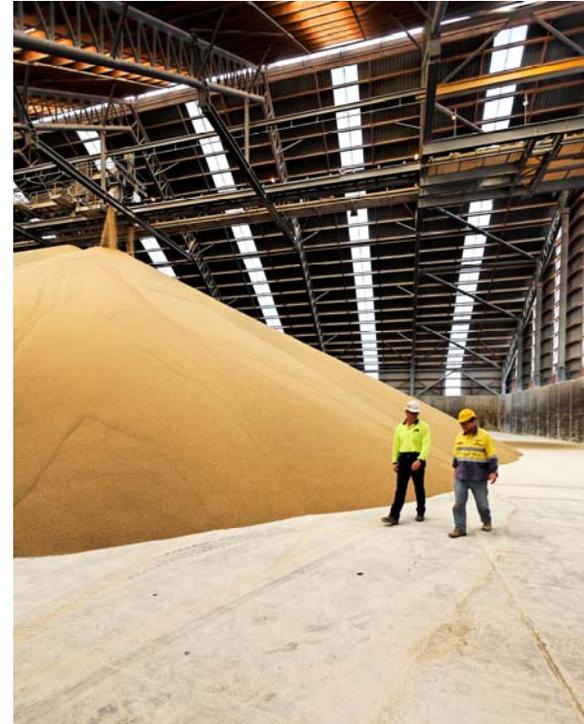
Features of global supply and demand

Our view on Supply:

- Capacity changes
- Tax regimes

Our view on Demand:

- Growing at ~3% per annum
- Tax regimes
- Driven by strong soft commodity prices



Global nitrogen markets - Urea

Features of global supply and demand

Our view on Supply:

- Global market more fragmented; higher volatility than phosphates
- New capacity in low cost gas regions
- High cost production in China is closing

Our view on Demand:

- Global demand growing ~3% per annum
- Driven by strong soft commodity prices



Remit



- Manages wholesale fertiliser sales in Australia
- Industrial Chemicals business
- Quantum Fertilisers



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Quantum Fertilisers

- Joint Venture 65% owned by Incitec Pivot Limited
- Established December 2009
- Based in Hong Kong (15 employees) and has offices in India (2), Switzerland (2) and the US (3)
- Its remit is:
 - IPL exports
 - procurement
 - third party trading



QUANTUM
FERTILISERS LIMITED

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Active management of key manufacturing inputs

- Sulphuric Acid
- Gas



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Focus

**Grow
Quantum**

**Secure Key
Inputs**

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Global Manufacturing Overview

Presented by Bernard Walsh
President – Global Manufacturing

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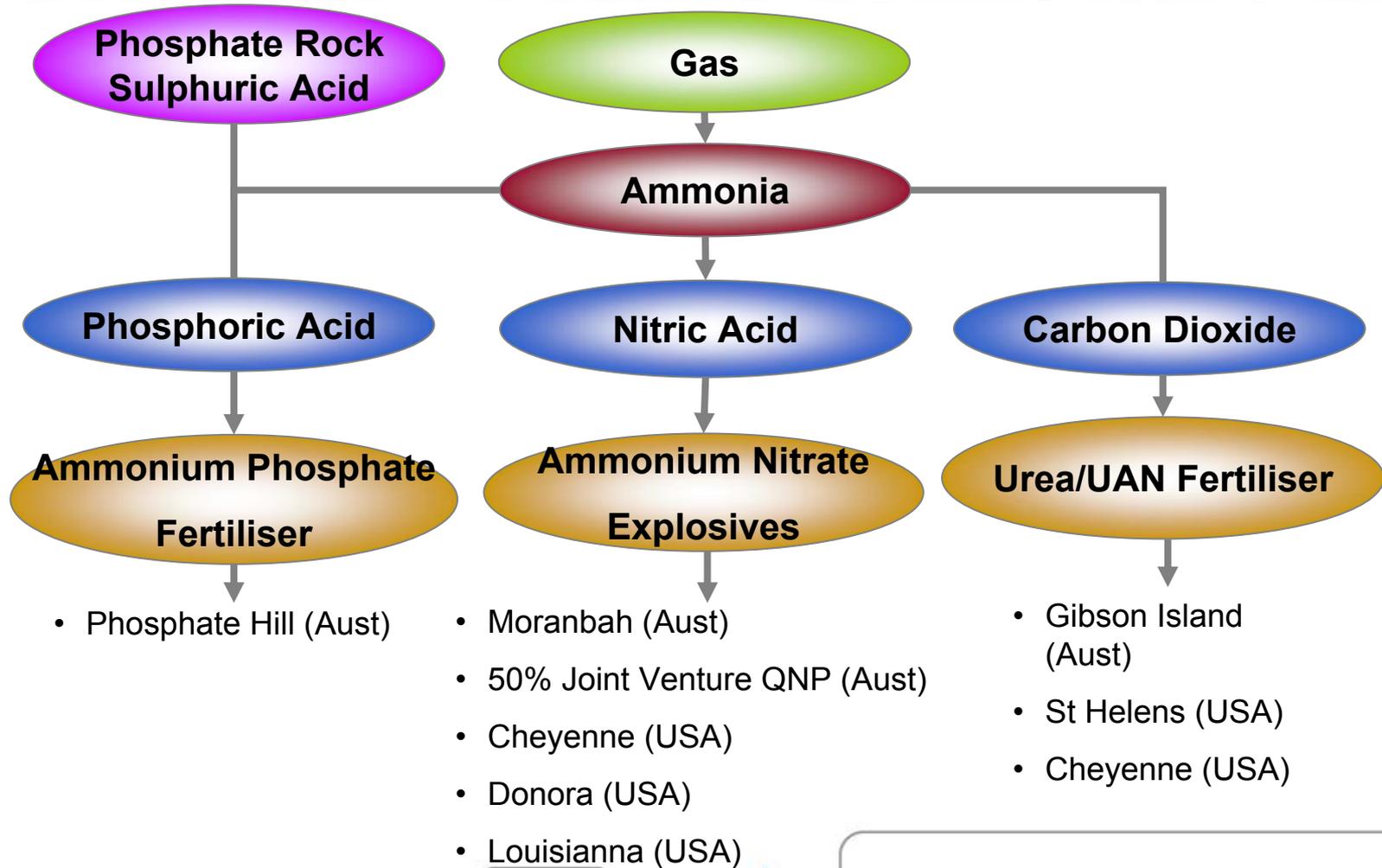
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Global Manufacturing Objective

Overall objective is to safely and reliably provide IPL downstream businesses with low unit cost, world competitive quality products.

Common Nitrogen core

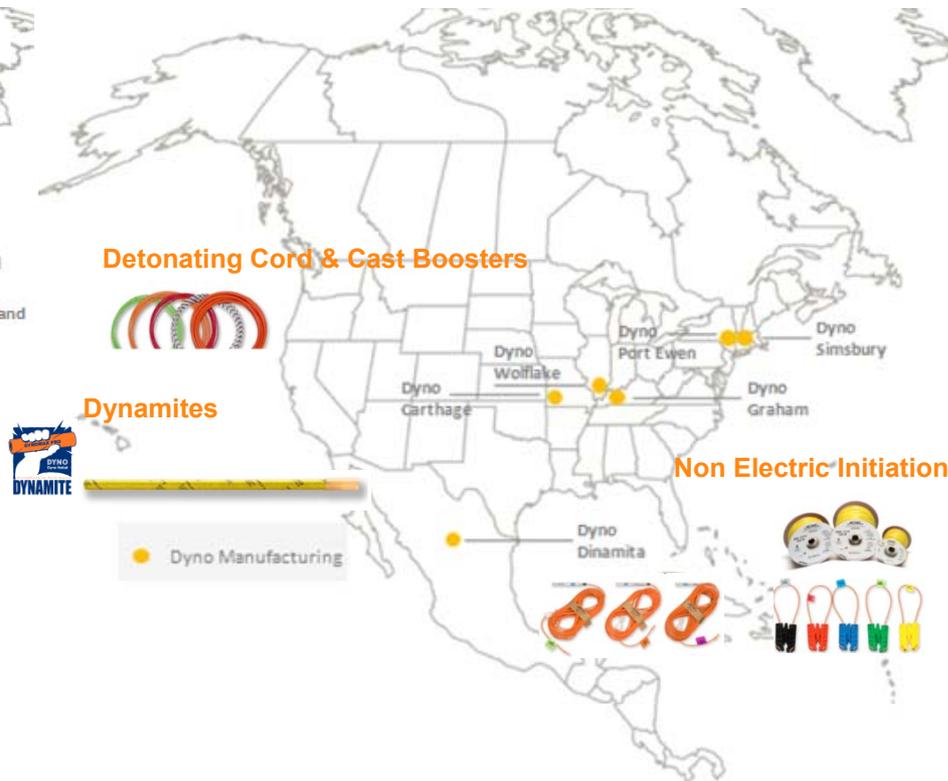


Dyno Nobel manufacturing sites in North America

Ammonium Nitrate / Nitrogen



Initiating Systems / Packaged Explosives



Detonating Cord & Cast Boosters



Dynamites



Non Electric Initiation



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Australian Fertiliser Manufacturing Assets



Phosphate Hill: 950ktpa MAP & DAP
Mt Isa: 1,000ktpa Sulphuric Acid
Townsville: MAP & DAP distribution & export facility

Gibson Island

- 280ktpa Urea
- 300ktpa Ammonia
- 200ktpa Ammonium Sulphate

Geelong and Portland

- 450ktpa Single Super phosphate (SSP)

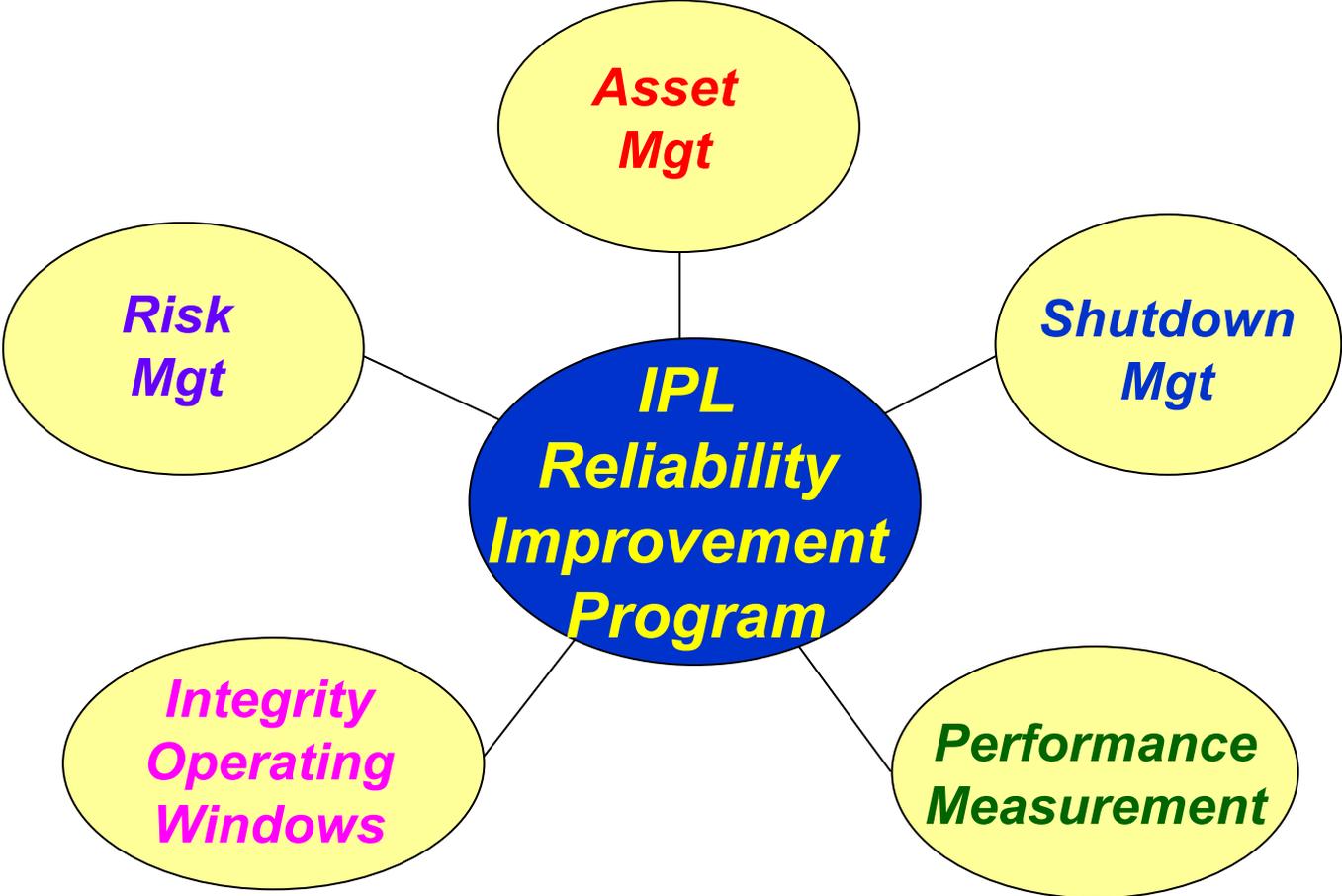
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Reliability Strategy



The Business Efficiency approach and discipline will underpin success

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Next Evolution of Business Improvement

Presented by Chris Trotter
President – Global Business Efficiency

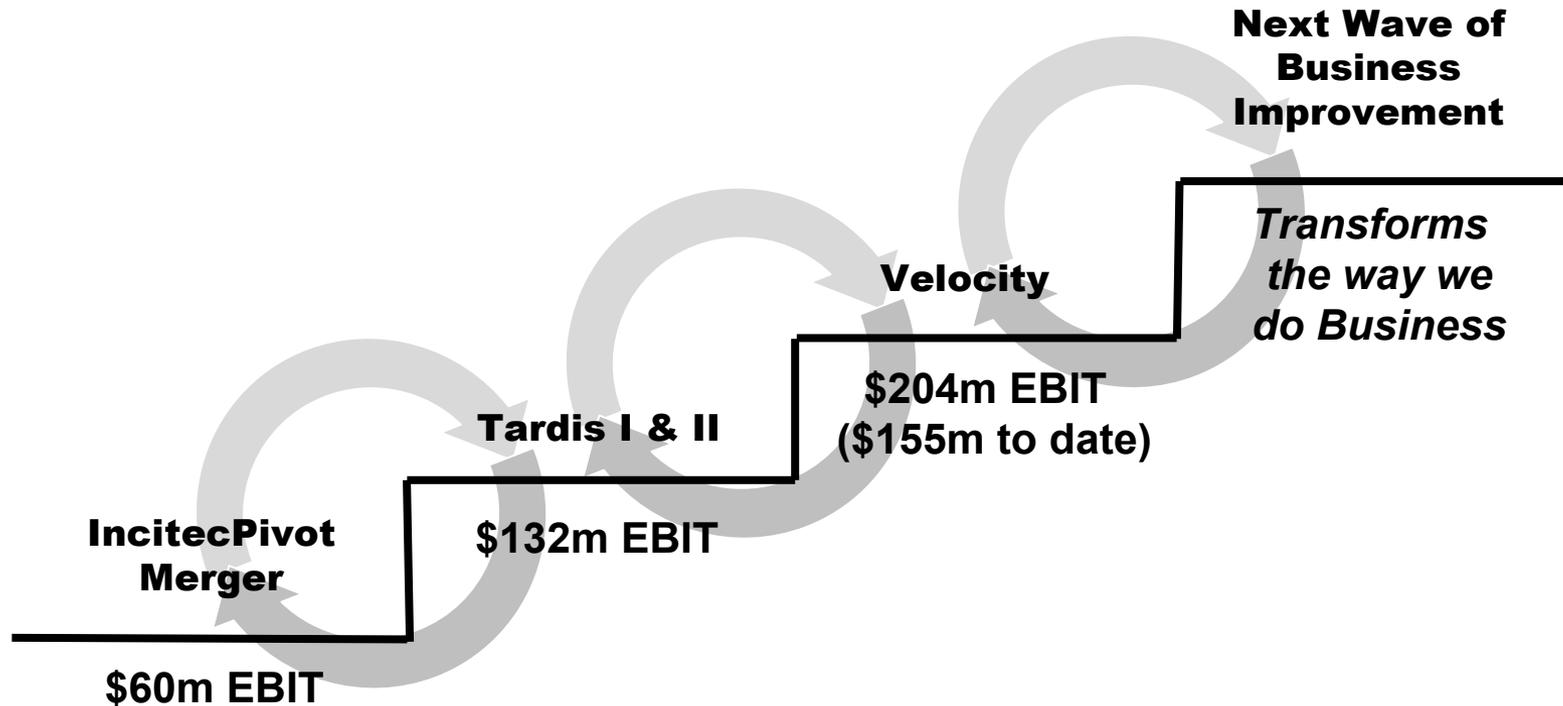
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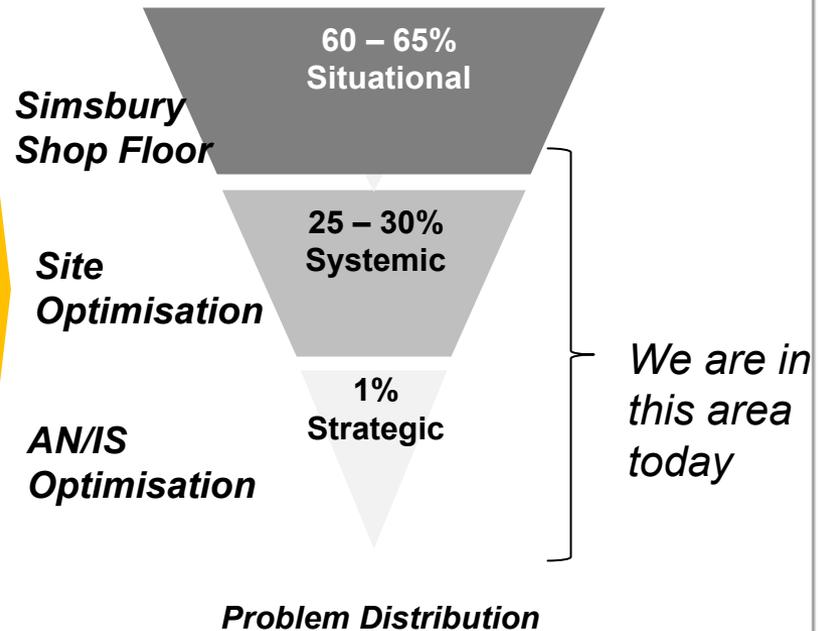
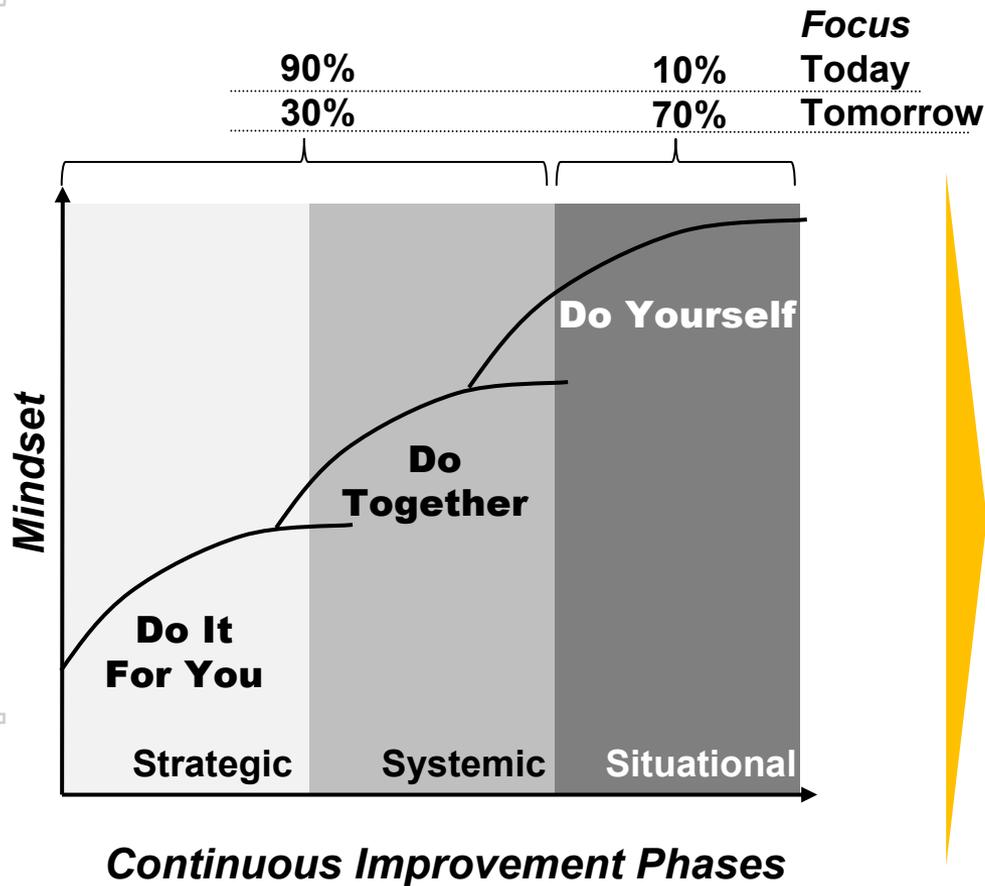
IPL's successful track record in delivering business efficiency



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Natural evolution of Business Improvement program



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A business improvement system has been identified

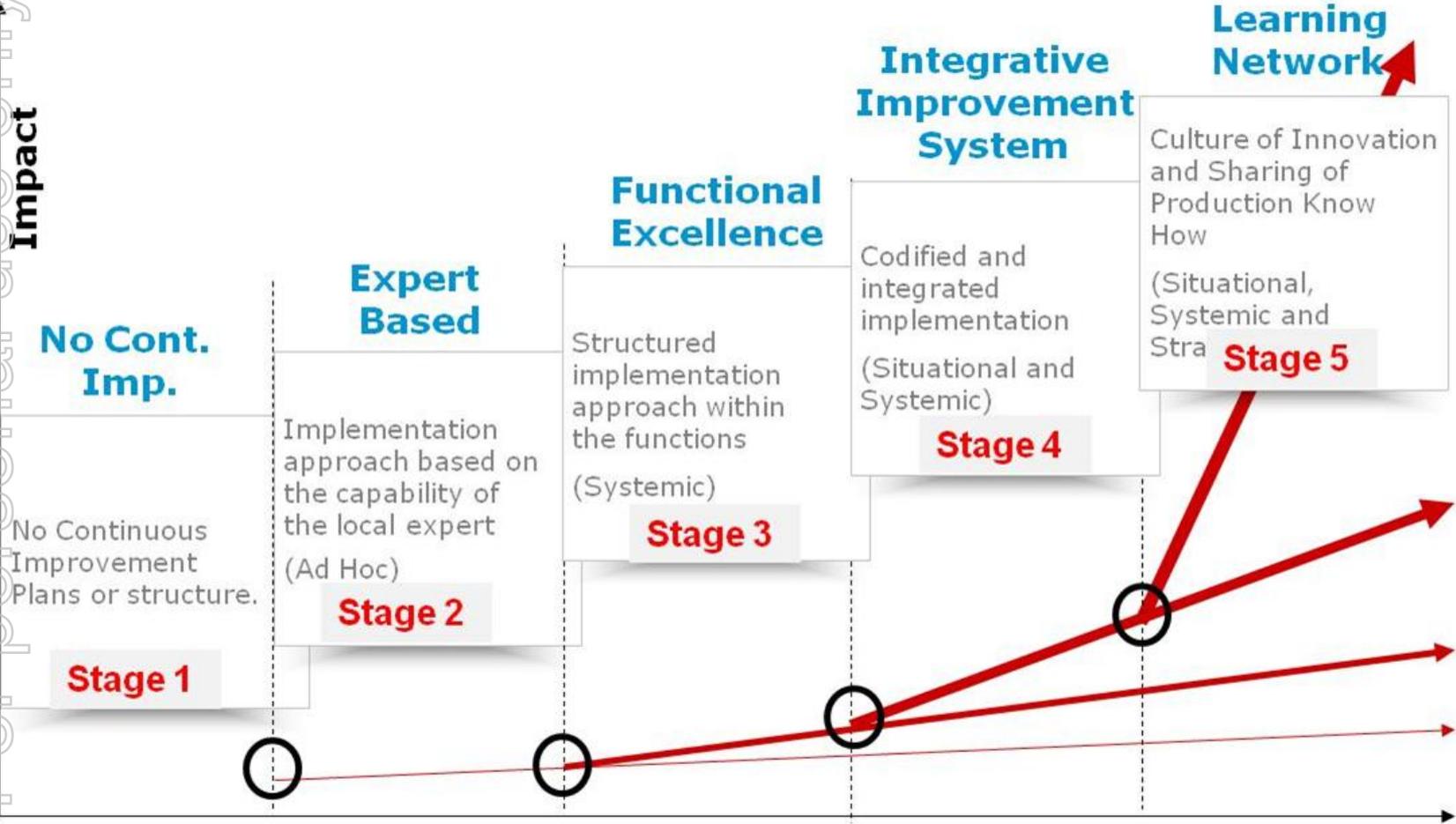
System & Design Criteria:

- builds capability
- structured system
- align to our core values

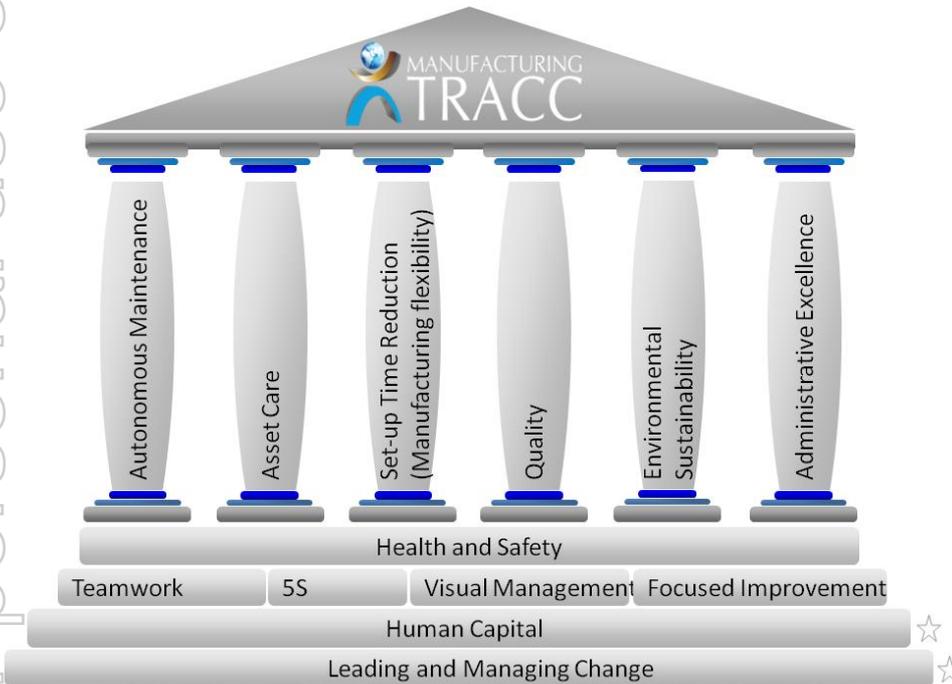
Has the capability to:

- identify gaps against best practice
- builds integrated “supply chain” improvement
- plan performance improvement
- engage and empower employees

Integrated business improvement system selected



Program touches all aspects of the business and will transform execution



Enabler for:

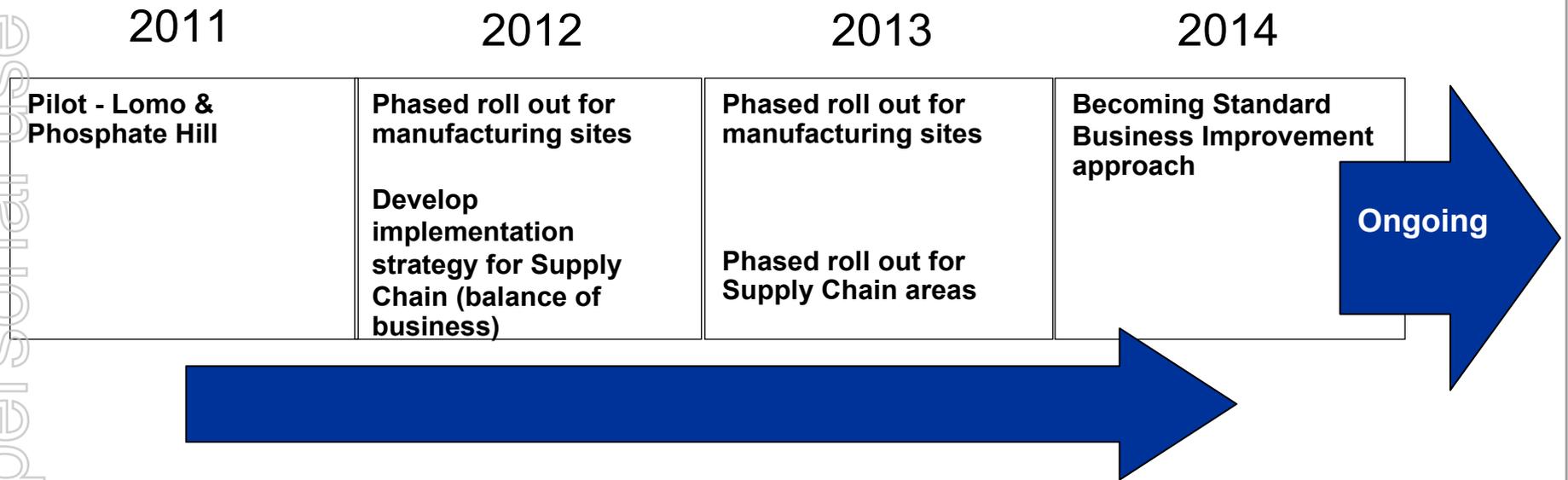
1. Zero Harm
2. Continuous improvement
3. Employee engagement
4. Reliability improvement
5. Efficiency Improvements

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Benchmark Results Highlight Potential Benefit

Company	Reference Benchmark
Chemicals	<ul style="list-style-type: none"> • 10% variable and fixed cost reduction; 5% working capital reduction in 2010
Brewery	<ul style="list-style-type: none"> • quality index up from 87% - 97.5% in 2002 • machine efficiency 77% - 88% in 2 years • line changeover time down from 4 hours to 45 min
Pharmaceuticals	<ul style="list-style-type: none"> • setups down from 11 hours to 6 hours • capex deferral of euro 950k achieved • 40% increase in volume estimated
Beverage	<ul style="list-style-type: none"> • water usage down 49% • mechanical efficiency up 10%, 16% and 20% on 3 lines • electrical consumption per litre of output down 35% • energy usage per litre of output down 41%
Miner	<ul style="list-style-type: none"> • Crusher availability up 13% • Plant stoppages down 40% • Re-processing down 32% • Tons milled up 9.8%

Build support, test and confirm with phased implementation



Transformation of Business Model

- Time to deliver value and improvement – 18 months from implementation
- \$10M spend in 2011
- \$35M spend ongoing
- This is a transformation of our business model

Led by Executive Team

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Questions?

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