Incitec Pivot Limited
2009 Interim Results

11 May 2009

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INCITEC PIVOT LIMITED ABN 42 004 080 264

IPL Group performance
Overview

- ✓ Dyno Nobel acquisition delivering consistent with the investment thesis
  - ✓ velocity program ahead of plan
  - ✗ difficult market conditions in North America
- ✗ Challenging conditions in the fertiliser business – unprecedented volatility in both global prices and global/domestic demand
- ✓ Balance sheet robust – both undrawn headroom and credit metrics

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IPL Group performance
Results summary

Half year ended 31 March (A$M)	2009	2008	Change
Revenue	1,708.0	749.3	128%
EBITDA(1)	360.3	269.0	34%
EBIT(1)	272.2	250.0	9%
NPAT(2) - excluding individually material items	169.8	171.1	(1%)
NPAT(2) - including individually material items	99.6	169.8	(41%)
Earnings per share (cents) (1)(3)	11.5	17.0	(32%)
Dividends per share (cents) (3)	2.1	10.2	(79%)
Gearing (4)	1.9x	1.0x	(81%)

a solid result in tough market conditions

(1) pre individually material items
(2) Net Profit After Tax
(3) 2008 EPS and DPS restated for 20 for 1 share split in 2008. 2009 EPS based on a diluted 1,478,060,354 weighted average number of issued shares
(4) 12-month historical EBITDA / Net debt at balance date
(5) 12 month rolling EBITDA/net interest expense

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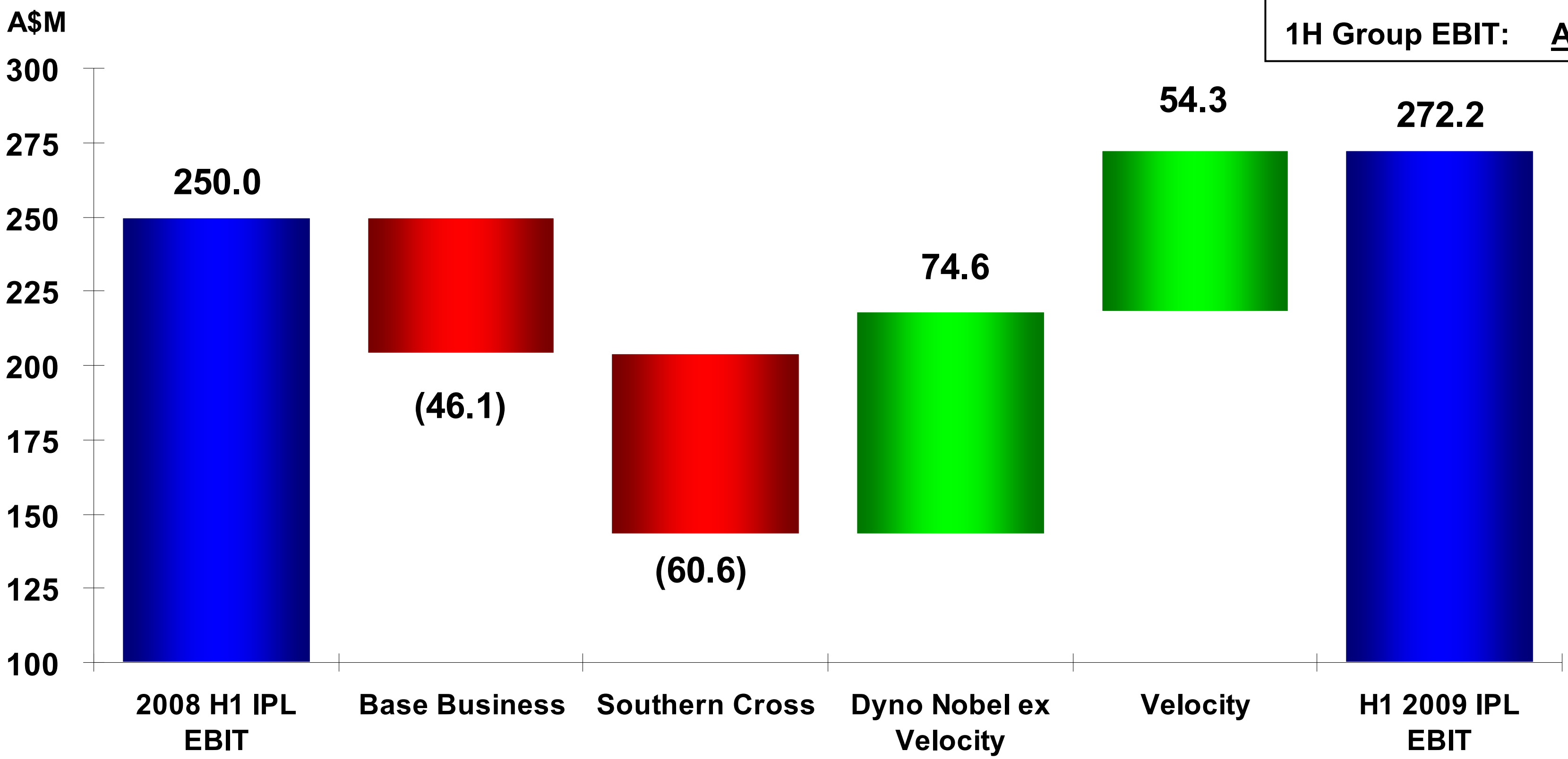
IPL Group performance

EBIT waterfall – 1H 2008 to 1H 2009

Base Business:	A$74.7M
Southern Cross:	A$68.6M
Explosives:	A$128.9M
1H Group EBIT:	A$272.2M



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Explosives scorecard - Strategy
Half year ended 31 March 2009

✓ "Fit"
- nitrogen core
- business culture

✓ Improvement in quality of earnings
  - ✓ explosives balances fertilisers
  - ✓ 1H earnings 47% explosives / 53% fertiliser

✓ US$ cash flow acquired at the top of the A$ cycle

✓ Transaction structure preserves acquisition value
- 75% scrip based consideration
- exchange @ $7.37 per IPL share

investment thesis and acquisition value intact

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Explosives scorecard - Execution
Half year ended 31 March 2009

- ✓ Integration complete and successful
- ✓ Velocity ahead of schedule
  - ✓ US$36.5M delivered to date
  - ✓ on track for 2009 target of $67M and 2011 target of US$204M
- ✓ Disciplined approach to Moranbah construction:
  - alignment of beneficial operation with market demand
  - value engineering and a more benign construction environment expected upon remobilisation preserves $935M project cost
  - project will create shareholder value
- ✗ Plant reliability
  - Global Risk and Reliability and Process Technology teams formed
- ✗ 20% reduction in Q&C and mining volumes in North America

execution ahead of plan

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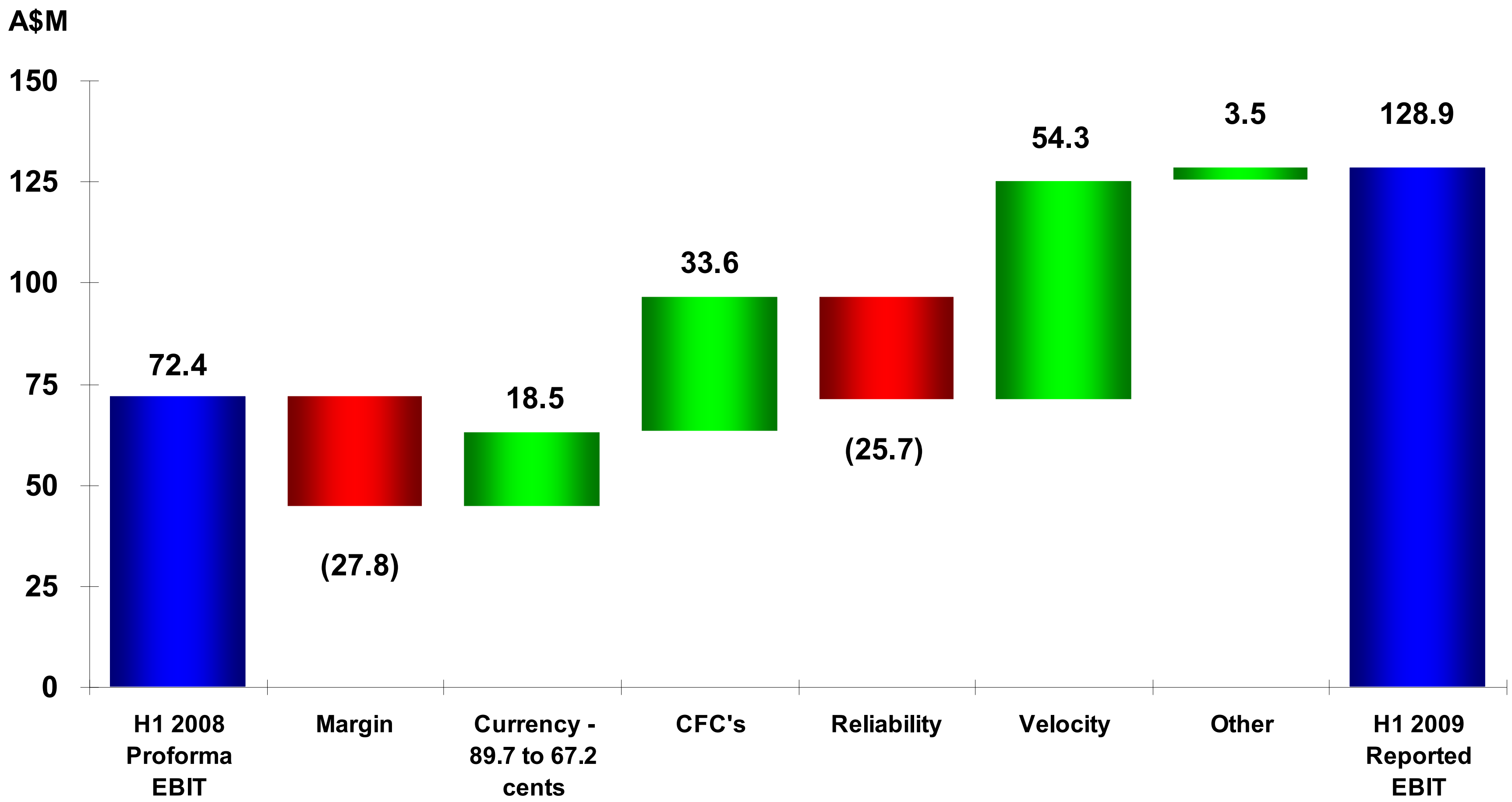
Explosives performance

EBIT Waterfall – 1H 2008 v pro-forma to 1H 2009



Dyno Nobel delivering

Velocity program update

Half year – 31 March 2009

US$M	2009 YTD	2009 Forecast	% Delivered
Overhead reduction	19.3	30.0	64%
Plant efficiency	3.7	9.8	38%
Cost to serve	11.5	16.6	69%
Global supply chain	2.0	10.6	19%
Total Velocity EBIT	**36.5**	**67.0**	**54%**
Asset optimisation - Cash	15.2	70.0	22%

Velocity program on track for US$204M in 2011

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Fertiliser scorecard
Half year ended 31 March 2009

Positives

- ✓ Market share maintained in a soft market
- ✓ Record production at Gibson Island
  - ✓ risk and reliability & process technology focus
- ✓ Phosphate Hill team response to rail flooding
  - ✓ $10M benefit
- ✓ Strong cost control
- ✓ Working capital maintained at 2008 lows

good execution on business controllables

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February 2009 – ‘Tarping’ the 30,000 tonne Ammonium Phosphate bunker at Phosphate Hill

Fertiliser scorecard
Half year ended 31 March 2009

Negatives

- Unprecedented market volatility:
  - Local: distribution volumes down 44% on pcp
  - Global: “double” de-stocking, DAP price drop from US$1,200/t to US$320/t
- Collapse of East Coast SSP market
  - Geelong plant closure
  - Cockle Creek early closure
  - Imported phosphate rock mark-to-market
- Flooding of rail lines - SCO production off 102kt

unprecedented market volatility

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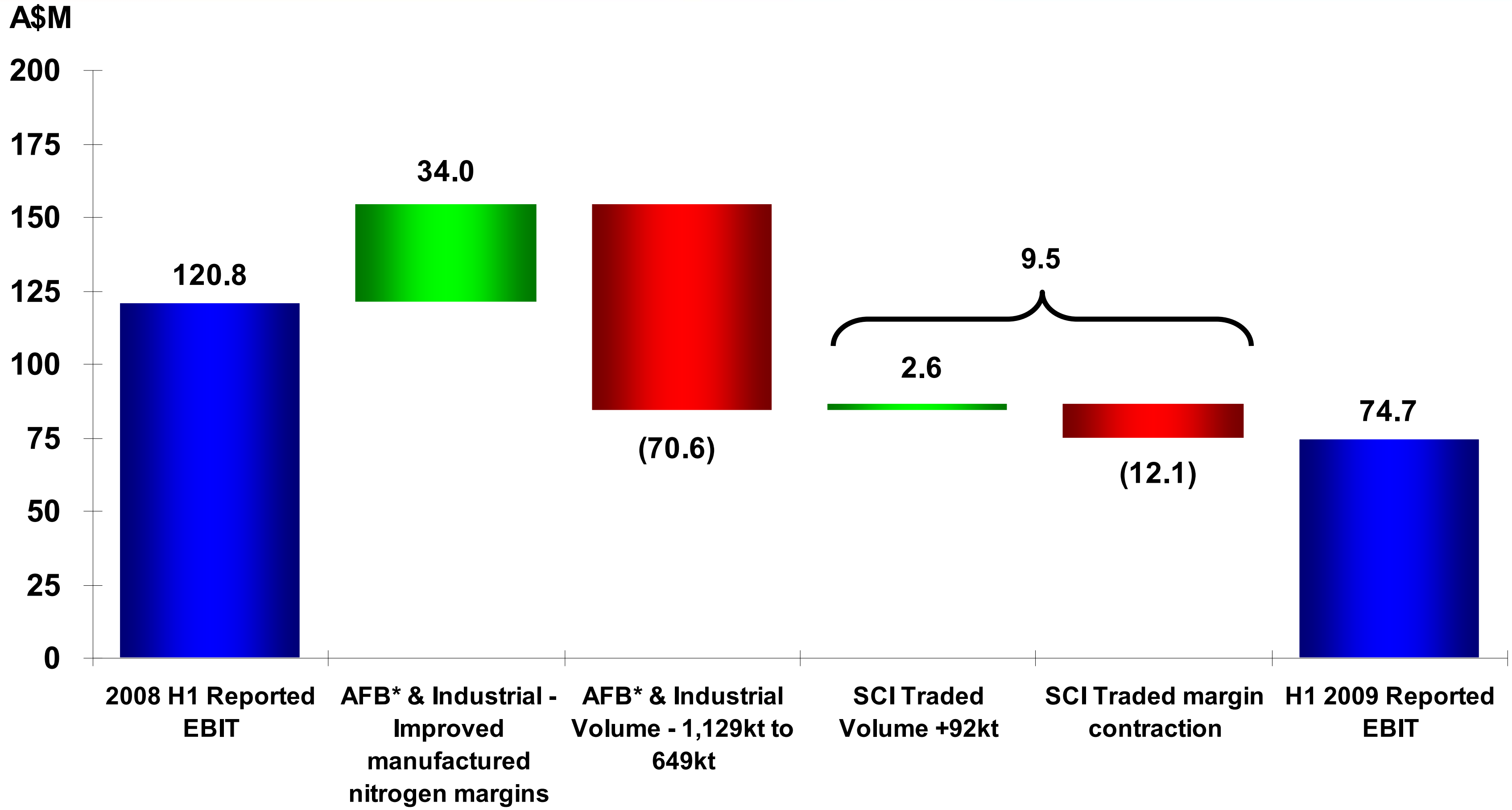
Base Business performance
EBIT waterfall – 1H 2008 to 1H 2009



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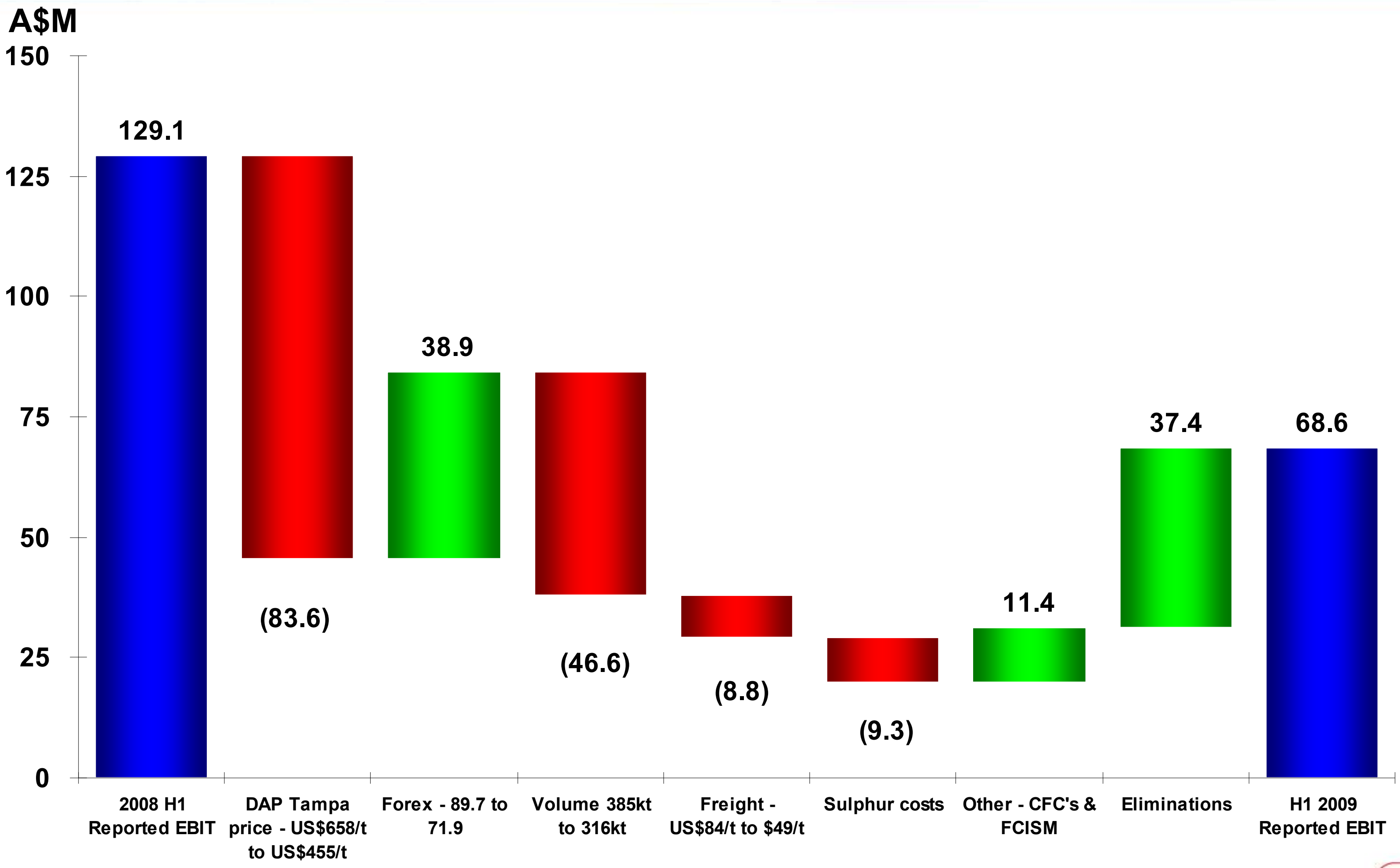
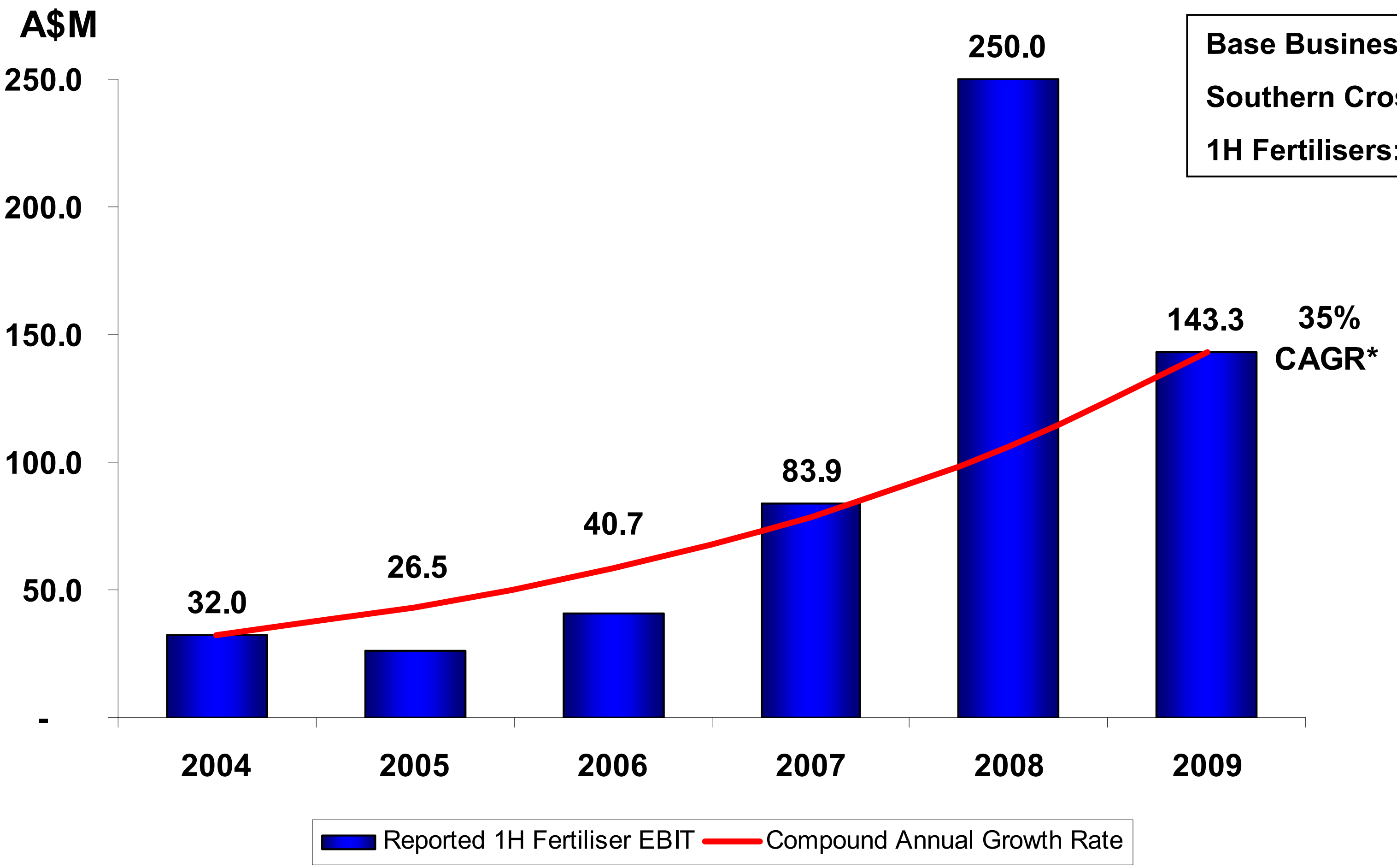
* AFB: Australian Fertiliser Business

Southern Cross performance
EBIT waterfall – 1H 2008 to 1H 2009



a solid result

Fertilisers performance EBIT waterfall



Base Business:	$74.7M
Southern Cross:	$68.6M
1H Fertilisers:	$143.3M

business transformation intact

* CAGR: Compound annual growth rate

Capital management scorecard
Half year ended 31 March 2009

Positives

- ✓ Working capital management in Fertilisers
- ✓ Timing of equity raising
- ✓ Successful refinancing of debt book
- ✓ Investment grade credit metrics
- ✓ Dividend policy and payout
  - ✓ competitive, tax effective yield
  - ✓ minimise dilution of the underwrite

Negatives

- × Global financial crisis, closure of debt markets

robust balance sheet position

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Capital Management - Net debt
Half year – March 2009

Net debt at 31 March 2009 [1]	A$Bn
Drawn	2.1
Committed facilities	2.7
Headroom	0.6

* 2.5 year (30 months) average tenor of committed facilities

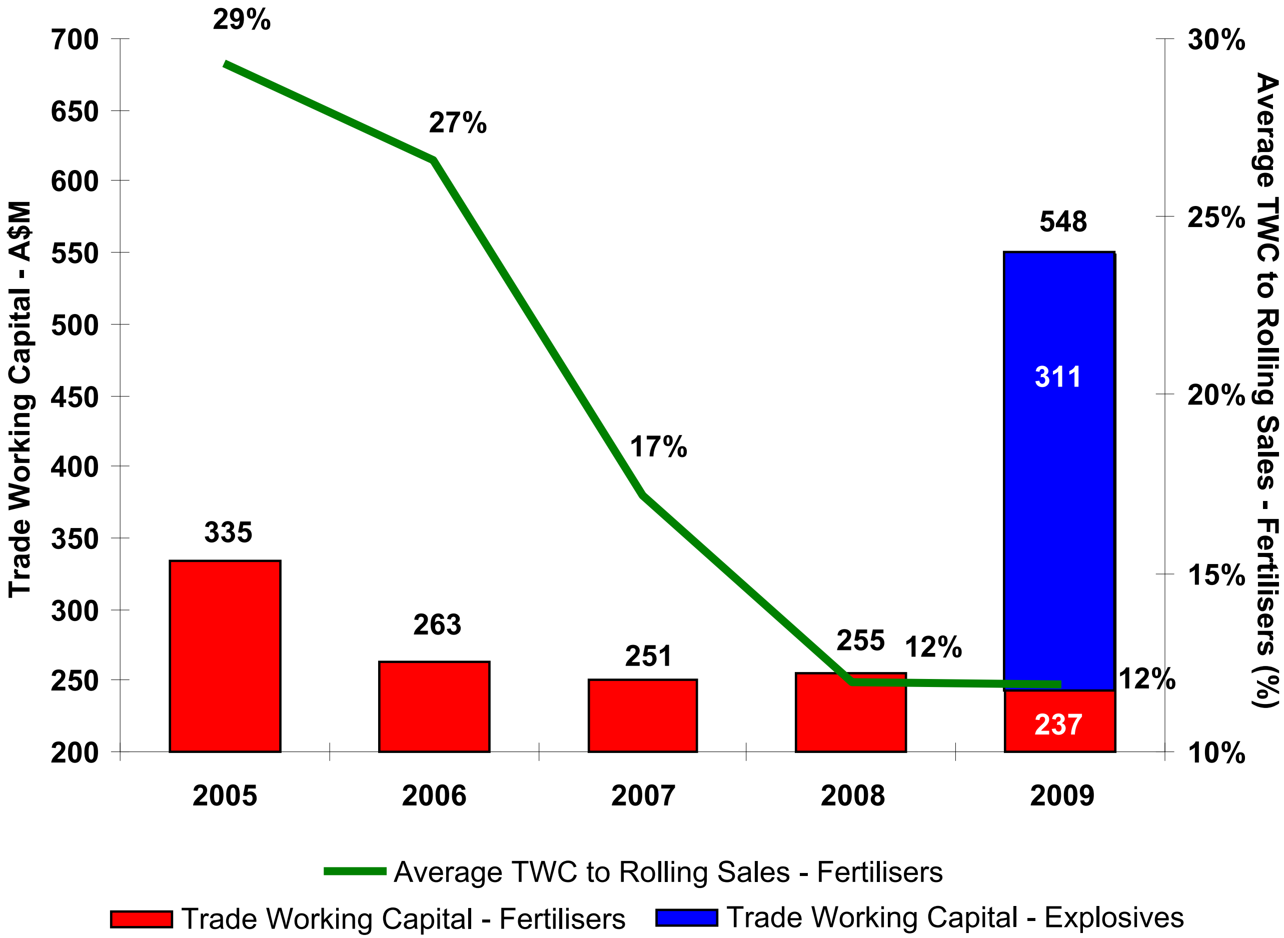
Investment grade credit metrics

	March 2009	Target range
Net debt / EBITDA [2]	1.9x	< 2.5x
Interest cover [3]	11.5x	>6.0x

robust balance sheet position

(1) Annual net debt peak is 31 March
(2) Based on last 12 month historical EBITDA / Net debt at point in time
(3) Interest cover = 12 month rolling EBITDA/net interest expense

Capital Management - working capital
Half year - March 2009



- Working capital investment annual peak is March – both Fertilisers and Explosives
- Fertiliser working capital held constant at 12% relative to sales
- Fertiliser working capital investment declined 7%
- Illustrates opportunity in explosives

financial discipline maintained

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Capital Management – Dividends
Half year – March 2009

Revised policy

20 - 40% pay-out of NPAT subject to franking capacity, capital requirements and other relevant factors

2009 Interim dividend

2.1 cents fully franked, to be paid 7 July 2009

Distributes 100% of available franking credits to shareholders

Dividend underwrite

2009 interim & 2009 full year, and 2010 interim

Maximises financial flexibility

Optimising capital management

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Individually material items

Half year ended 31 March 2009

A$M	Gross	Tax	Net
Phosphate rock mark to market	(49.4)	14.8	(34.6)
Velocity program integration & restructuring	(30.0)	9.5	(20.5)
Early closure of Cockle Creek	(15.8)	4.8	(11.0)
Bridge facility borrowing costs	(5.9)	1.8	(4.1)
	(101.1)	**30.9**	**(70.2)**

Phosphate rock mark-to-market:

- Collapse of dairy prices and SSP demand
- Decline of global phosphate rock prices

Cockle Creek early closure -

- write off of assets and decommissioning costs

Closure of Geelong Plant - $2M immediate cost impact in H2 2009.

Strategy

Incitec Pivot's strategy is to leverage the industrialisation and urbanisation of the developing world (particularly China and India):

- Position on the input side of the value chain where returns are highest and less volatile
  - Explosives for hard commodities and fertilisers for softs
- Capture value upstream through low cost, vertically integrated nitrogen/phosphate based chemical manufacturing positions ("own the product/resource" and "lowest cost base")
  - Leverages IPL's manufacturing competency and is the common core that links the downstream businesses

Strategy - robust and intact

Strategy execution

Consolidate:

1. Deliver on the investment in Dyno Nobel:
   - Velocity program – US$204M by 2011 & US$200M capital
   - position business to benefit from global economic recovery
2. Improve plant and supply chain reliability
3. Continue to strengthen balance sheet
   - tenor and diversity of funding
   - focus on operating cash flow

Growth:

4. Growth from nitrogen/phosphate core - Moranbah

platform for competitive shareholder returns

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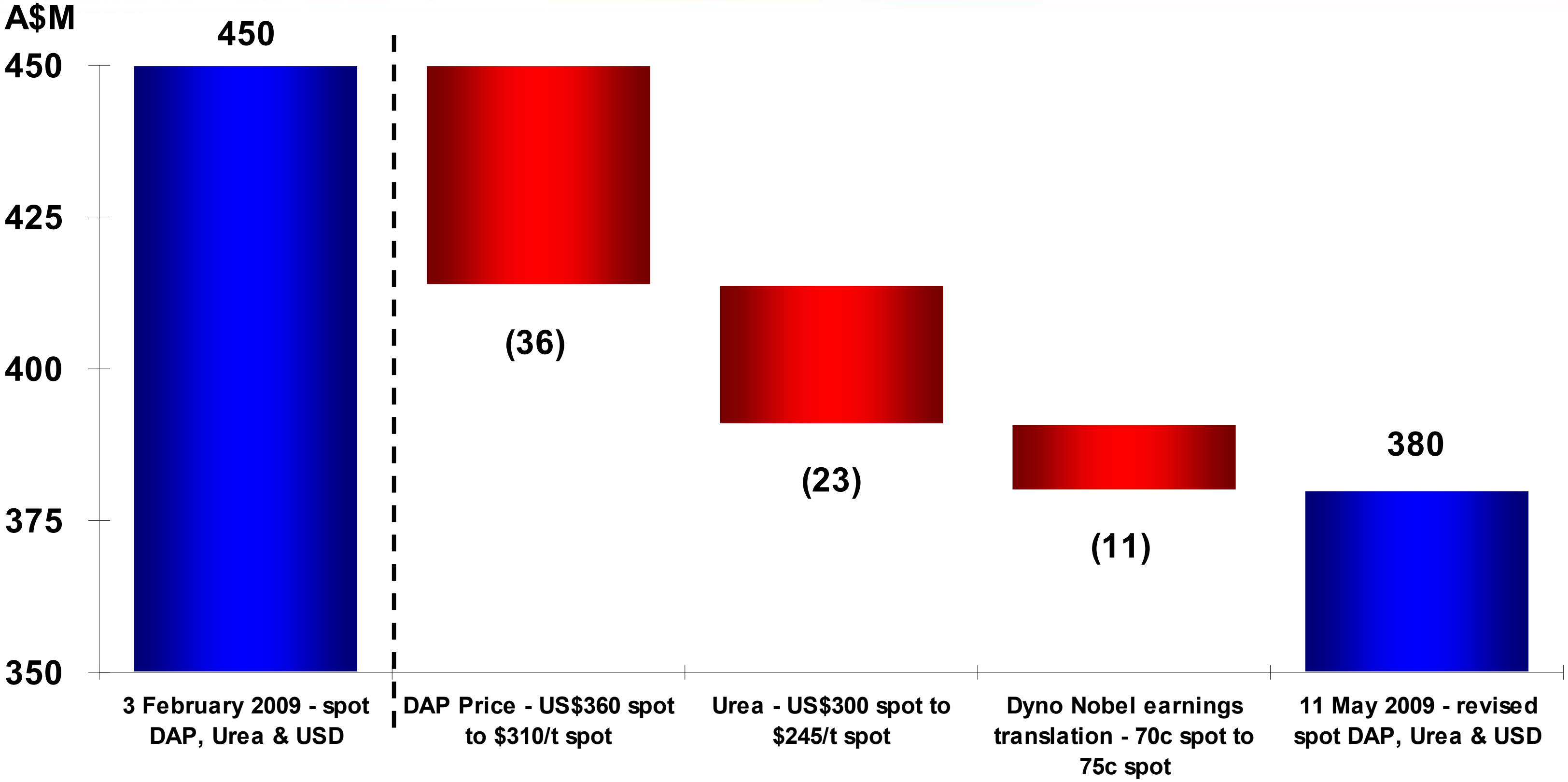
Calculation of earnings based on 11 May 2009 spot commodity prices & US$ currency



Key Sensitivities – 2009 Year to Go

+/- US$10 DAP price +/- A$5.7M EBIT

+/- US$10 Urea price +/- A$6.0M EBIT

+/- AUD/USD +/- 1c +/- A$2.9M (Dyno Nobel earnings translation USD/AUD)

2009 earnings sensitive to DAP, urea and US$ currency

Outlook –

- Challenging trading conditions to persist for the balance of 2009
  - conservative fertiliser application/nutrient mining
  - global recession
- Positive outlook for 2010
  - rebuilding of soil nutrients
  - positive impact of global stimulus packages
- Efficiency improvements from the Velocity program.

focus on execution

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Summary

- ✓ Dyno Nobel acquisition delivering consistent with investment thesis
- ✓ Velocity program on track
- ✗ Unprecedented volatility in global end markets
- ✓ Balance sheet robust – both credit metrics and headroom

a solid result in tough market conditions