Incitec Pivot Limited

Results for the financial year ended 30 September 2012

BUSINESS PERFORMANCE

Incitec Pivot Limited (IPL) reported Net Profit After Tax (“NPAT”) of $510.7m.
NPAT excluding IMIs decreased $125.4m to $404.7m.

KEY FINANCIALS

- NPAT excluding individually material items (“NPAT ex IMIs”) decreased by 24%, or $125.4m, to $404.7m (2011: $530.1m).
- EBIT excluding individually material items (“EBIT ex IMIs”) decreased by 22% or $173.0m to $599.1m (2011: $772.1m), due to a 40% fall in Fertiliser EBIT, partially offset by 8% growth in Explosives.
- Operating cash flows decreased by $98.3m to $620.8m (2011: $719.1m) reflecting the decline in Fertiliser earnings and the resumption of tax payments, partially offset by an improvement in the Trade Working Capital (“TWC”) position.
- Net Debt increased by $98.1m to $1.3Bn (30 September 2011: $1.2Bn), as the Group spent $303m completing the construction of the Moranbah ammonium nitrate (“AN”) plant.
- Strong credit metrics were maintained: Net Debt/EBITDA 1.7 times (2011: 1.3 times) and interest cover 7.9 times (2011: 10.8 times).

	Year Ended 30 September		
A$M	**2012**	**2011**	**Change**
Sales Revenue	3,500.9	3,545.3	(1%)
EBITDA ex IMIs (1)	754.9	920.3	(18%)
EBIT ex IMIs (2)	599.1	772.1	(22%)
NPAT ex. IMIs (3)	404.7	530.1	(24%)
IMIs	106.0	(66.9)	
NPAT	510.7	463.2	10%
Business EBIT			
Explosives	399.9	368.8	8%
Fertilisers	270.9	449.0	(40%)
Shareholder Returns			
Earnings per share (cents) ex. IMIs	24.8	32.5	(24%)
Dividend per share (cents)	12.4	11.5	8%
Share price ($)	2.90	3.27	(11%)
Financing KPIs			
Operating cash flow s	620.8	719.1	(14%)
Net Debt	(1,286.9)	(1,188.8)	(8%)
Interest cover (times) (4)	7.9	10.8	
Net Debt/EBITDA (times)	1.7	1.3	

SHAREHOLDER RETURNS

- Earnings per share excluding individually material items (EPS ex IMIs) down 24% to 24.8 cps (2011: 32.5 cps).
- Dividends increased 8% to 12.4 cps (2011: 11.5 cps). The final dividend is franked to 75%.

BUSINESS SUMMARY – FERTILISERS

EBIT from the Fertiliser business was down by 40% to $270.9m (2011: $449.0m), reflecting the impact of fluctuating global fertiliser prices. The consolidation of the two Fertiliser businesses under one management team has proven successful with improved execution and risk management.

- Earnings were negatively impacted by Commodity prices ($41m) and a higher average AUD:USD rate ($40m).
- Distribution margins were $59m lower across the distribution businesses as they were impacted by fluctuating global fertiliser prices, particularly in the first half.
- The extended turnaround at the Mt Isa plant in the first half resulted in $44m of lost earnings.

BUSINESS SUMMARY - EXPLOSIVES

Explosives earnings were up 8% to $399.9m (2011: $368.8m), validating the Group’s strategy.

- DNAP EBIT grew by 8% as volumes recovered from the adverse impact of the 2011 floods and increased earnings from Initiating Systems (“IS”) and services provided to Moranbah foundation customers.
- DNA’s USD EBIT grew by 9%, highlighting the benefits of the business restructure undertaken in 2011 (Velocity). The business also capitalised on favourable market conditions for the St Helens Urea plant via higher Urea prices and lower gas costs. This was in part offset by the impact from the decline in the US Coal volumes.
- The construction of the Moranbah AN plant was completed in July 2012 and during the last quarter of the year the plant produced 25kt of AN during the commissioning phase. In late September 2012 the Ammonia plant started production. In October 2012, the plant has produced 17kt of AN, which is in line with the 250kt production plan for the 2013 year.

2013 OUTLOOK

IPL does not provide profit guidance. However, a summary of the sensitivity of the Group's earnings to changes in global fertiliser prices and foreign exchange movements is provided on this page.

The following represents a general outlook for the 2013 financial year (excluding sensitivities):

DNAP

- The Moranbah AN plant is on track to produce 250kt of AN, generating an incremental $75m of EBIT in the 2013 financial year.
- Growth in the base explosives business will be challenged by the loss of a customer contract in the Hunter Valley, which accounted for $11m in EBIT in 2012. Otherwise, expectations are for volume growth in all other regions.

DNA

- Despite a tempered outlook for the US Coal industry, the Explosives business is expected to generate moderate earnings growth via volume growth in the Metals & Mining and Quarry & Construction ("Q&C") segments and EBIT generated via BEx.
- The St Helens plant completed its one month turnaround in 2012. The next scheduled turnaround is in the 2015 financial year.
- During 2013 there is a one month turnaround planned for the Cheyenne Ammonia plant.

Fertilisers

- Distribution margins in the IPF business are expected to recover to more average levels in 2013. In 2012, margin lost due to falling prices was $11m and margin lost due to purchasing ahead of the season was $15m. As noted in IPF's performance commentary, the business has put in place enhanced risk management processes that will reduce the impact of changes in global fertiliser prices.
- No major turnarounds are scheduled at the Gibson Island plant in 2013. Phosphate Hill plant is expected to produce 900kt of Ammonium Phosphates.
- Quantum is expected to return to profit, after a loss of $9m in 2012.

Corporate Costs

- Underlying corporate costs are expected to be approximately $35m, while BEx costs are expected to be approximately $25m (also booked as a corporate cost) and to deliver $25m in EBIT benefit, which will be recognised through the business units.

SENSITIVITIES

Full Year EBIT Sensitivities	
IPF: Urea - Middle East Granular Urea (FOB)(1)	+/- US$10/t = +/- A$4.2M
SCI: DAP - Di-Ammonium Phosphate Tampa (FOB)(2)	+/- US$10/t = +/- A$9.9M
Forex - transactional (DAP & Urea)(3)	+/- 1 cent = A$7.9M
DNA: Urea (FOB)(4)	+/- US$10/t = +/- US$1.8M
DNA: Forex - translation of Explosives earnings(5)	+/- 1 cent = A$1.9M

Assumptions:

(1) 405kT (Gibson Island Fertiliser name plate capacity) urea equivalent sales at 2012 realised price of US$457 and the 2012 realised exchange rate of A$/US$ 0.957

(2) 950kT (Phosphate Hill name plate capacity) DAP sales at 2012 realised price of US$563 and the 2012 realised exchange rate of A$/US$ 0.957

(3) DAP & Urea volumes & FOB price based on assumptions 1& 2 (excludes impact of hedging)

(4) 180kT (St Helens name plate capacity - short tonnes) urea equivalent sales at 2012 realised price of $550/st

(5) For each US$200M EBIT

2013 HEDGING PROGRAM

The Group has hedged approximately 90% of its estimated USD Fertiliser sales exposure in 2013 at a worst case rate of $1.05 (including the cost of premiums), with full participation.

MORANBAH UNFAVOURABLE CONTRACT LIABILITY WRITE BACK

In the 2012 financial year the Moranbah Unfavourable Contract Liability release / write back impacted the financial results in two ways:

- The release relating to the 2012 year accounted for $81.1m EBIT and $42.0m NPAT in the Group result (refer DNAP commentary on page 8 for the full detail).
- The write back of all future years of the liability ($183.1m) was accounted for as an IMI (refer page 4 for more detail).

The impact of the write back of the Liability for all future years is that the non-cash profit uplift from the liability release will no longer be accounted for in the Group's results. As disclosed in the CEO & CFO Open Briefing released to the ASX, with recent results announcements[7], and in the DNAP section of this report, the 2012 release was as follows:

- EBIT $81.1m (DNAP EBIT)
- Discount unwind ($21.1m) (Interest expense)
- Tax ($18.0m)
- NPAT $42.0m

As a result of the Liability write back, future IPL results will exclude the impact of the liability release.

IPL GROUP RESULT OVERVIEW

REVENUE

Sales revenues decreased by $44.4m to $3,500.9m (2011: $3,545.3m). Significant movements included:

- Fertiliser sales were lower, reflecting the negative impact of the higher AUD:USD rate ($40m), lower Fertiliser prices ($31m) and lower sales revenue from Quantum Fertilisers ($60m) reflecting a more conservative Value at Risk ("VaR") in the second half of 2012.
- DNAP revenues increased, reflecting higher sales volumes.
- DNA revenues were flat, as higher prices for Urea were offset by lower volumes sold to the Coal customers.

EBIT ex IMIs

EBIT ex IMIs fell by 22% or $173.0m to $599.1m (2011: $772.1m), primarily due to:

- ($59m): Decrease in margins earned by the Fertiliser distribution businesses, including a decrease in IPF ($55m) and Quantum Fertilisers ($25m), offset by an increase in the Industrials business ($13m) and SCI ($8m).
- ($44m): Costs associated with the extended turnaround at the Mt Isa sulphuric acid plant and the impact of reduced production volumes.
- ($40m): Negative impact of the higher achieved AUD:USD rate, which IPL's hedging strategy capped at AUD:USD 95.7 cents (2011: 91.0 cents).
- ($23m): The net impact of commodity prices on the Group result was negative. The major impacts included; Ammonium Phosphates (-$50m), Sulphuric Acid (-$10m), SSP (-$5m), Urea sold via IPF (+$24m) and US Urea and Gas prices (+$18m).
- ($24m): The incremental costs incurred in implementing BEx in 2012 ($7m) and the expensed feasibility costs associated with the proposed Kooragang Island plant ($17m).

This was partially offset by the following:

- $15m: Volume growth in the Explosives businesses ($11m) and IPF ($4m).

Revenues	Year Ended 30 September		
A$M	2012	2011	Change
Revenues			
- SCI	731.9	877.6	(17%)
- IPF	1,159.1	1,185.5	(2%)
- Elimination	(160.3)	(193.8)	
Fertilisers	***1,730.7***	***1,869.3***	***(7%)***
- DNAP	626.4	533.1	18%
- DNA	1,172.2	1,172.5	(0%)
- Elimination	(28.4)	(27.5)	
Explosives	***1,770.2***	***1,678.1***	***5%***
Elimination of Expl to Ferts	***0.0***	***(2.1)***	
Total Revenues	**3,500.9**	**3,545.3**	**(1%)**

Earnings Summary	Year Ended 30 September		
A$M	2012	2011	Change
EBIT(2)			
- SCI	175.3	323.9	(46%)
- IPF	92.3	128.8	(28%)
- Elimination	3.3	(3.7)	
Fertilisers	***270.9***	***449.0***	***(40%)***
- DNAP	211.3	195.4	8%
- DNA	190.6	173.8	10%
- Elimination	(2.0)	(0.4)	
Explosives	***399.9***	***368.8***	***8%***
Corporate	***(71.7)***	***(45.7)***	***(57%)***
Total EBIT	**599.1**	**772.1**	**(22%)**
Borrowing costs	(55.5)	(58.2)	5%
Tax expense(5)	(141.6)	(179.7)	21%
NPAT excluding IMIs	402.0	534.2	(25%)
Minority interests	2.7	(4.1)	
NPAT attributable to shareholders - excluding IMIs	**404.7**	**530.1**	**(24%)**
Individually material items after tax	106.0	(66.9)	
NPAT attributable to shareholders	**510.7**	**463.2**	**10%**

BORROWINGS AND INTEREST

- Net Debt increased by $98.1m to $1,286.9m (2011: 1,188.8m), as the business funded $450m of growth projects, including the completion of construction of the Moranbah AN plant during the financial year.
- Net interest expense pre-accounting adjustments increased by $10.7m to $95.8m (2011: $85.1m), reflecting an achieved average interest rate in the 2012 financial year of 5.8% (inclusive of upfront costs and commitment fees) (2011: 5.7%).
- Net borrowing costs are inclusive of an increase in non-cash accounting expense for unwinding of discount applied to longer term liabilities of $25.3m (2011: $25.2m). In 2012, $21.1m of this expense related to the Moranbah unfavourable contract liability, the balance results from lower discount rates used to remeasure long term liabilities, as required by Australian Accounting Standards.

TAX

- Tax expense (excluding tax on individually material items) decreased to $141.6m (2011: $179.7m). This represents an effective tax rate of 26.0% (2011: 25.2%).

RETURNS TO SHAREHOLDERS

- The Directors have determined to pay a 75% franked dividend of 9.1 cps, which will be paid on 14 December 2012. This takes the total dividend in 2012 to 12.4 cps, an 8% increase from 2011.
- The dividend of 12.4 cps represents a payout of 50% of NPAT ex IMIs. The target dividend payout range was changed from 20% - 40%, to 30% - 60% of NPAT ex IMIs, reflecting an increased focus on shareholder returns and an increase in free cash flows post the completion of the AN Moranbah project. The franking level has been increased and franking credits will be paid out when available and, as a result, franking levels may vary in the future.

INDIVIDUALLY MATERIAL ITEMS

Individually material items (net of tax) in 2012 were an income of $106.0m, which included:

- The write back of the Moranbah unfavourable contract liability of $183.1m. The commencement of production of AN at the Moranbah plant in the last quarter of the 2012 financial year replaced the requirement to import AN to service the foundation customer contracts, therefore removing the obligation to carry the liability for future years.

Borrowing Costs / Credit Metrics	**Year Ended 30 September**		
A$M	**2012**	**2011**	**Change**
Underlying interest expense	(95.8)	(85.1)	(13%)
Non-cash unwinding of liabilities	(25.3)	(25.2)	(0%)
Total borrowing costs	**(121.1)**	**(110.3)**	(10%)
Less Capitalised Interest (Moranbah)	65.6	52.1	26%
Net Borrowing Costs	**(55.5)**	**(58.2)**	5%
Interest cover (times) (4)	7.9	10.8	
Net Debt/EBITDA (times)	1.7	1.3	

Return to Shareholders	**Year Ended 30 September**		
Cents per share (cps)	**2012**	**2011**	**Change**
Final Dividend	9.1	8.2	11%
Franking (%)	75%	0%	
Total Dividend	12.4	11.5	8%
Franking (%)	68%	0%	
Record date: 22 November 2012			
Dividend paid: 14 December 2012			

Individually material items	**Year Ended 30 September 2012**		
A$M	**Gross**	**Tax**	**Net**
Write back of Moranbah unfavourable contract liability	261.6	(78.5)	183.1
Environmental restoration obligations	(58.5)	16.4	(42.1)
Nitromak impairment	(35.0)	-	(35.0)
Total IMI's	**168.1**	**(62.1)**	**106.0**

INDIVIDUALLY MATERIAL ITEMS (CONTINUED)

- Provisions for environmental costs to remediate contamination at the Cockle Creek, Maitland and Wallaroo sites have increased by $58.5m. In accordance with Company policy, an assessment of all sites is performed on a six monthly basis. During the second half, the following events occurred; at Cockle Creek, New South Wales, with increased rainfall in the area affecting the site and potential cross boundary releases, a revised remediation proposal was established for completion in Q1 2014; at Maitland, Canada, while the contamination of groundwater has improved since the closure of the site, based on a recent assessment, additional remediation is required to be performed over a seventeen year period to meet the required minimum levels; and at Wallaroo, South Australia, costs incurred to remediate the site were previously expected to be recovered via the sale proceeds of the site. However a decrease in the expected proceeds from the site resulted in the costs being expensed.
- The goodwill recognised on the acquisition of the 100% share of Nitromak has been impaired by $35.0m to reflect a conservative view on lower European economic forecasts.

BALANCE SHEET

IPL's Balance sheet remains in a strong position at 30 September 2012, reflecting ongoing financial discipline throughout the business. The key movements in the balance sheet include:

- Trade Working Capital ("TWC") decreased by $119m to $160m at year end (2011: $279m), reflecting a significant decrease in the receivables and inventory balances at the end of the year, while payables decreased slightly. The average thirteen month TWC as a percentage of annual revenues for the Explosives business has decreased again in the current year, reflecting sustained improvement in this balance since the acquisition of Dyno Nobel.
- Net property plant and equipment increased by $449m to $2,739m (2011: $2,290m), mainly as a result of capital expenditure of $626m (of which $303m was incurred completing the construction of the Moranbah AN plant, including $66m of capitalised interest and $155m was spent on sustenance capital across the Group) partially offset by depreciation of $132m and disposals of $3m.
- The decrease in the intangible asset balance reflects the impact of the higher AUD on the translation of USD intangible assets ($52m), amortisation of intangibles ($24m) and the impairment of Nitromak Goodwill ($35m), partially offset by the recognition of intangibles on the additional 50% investment in Pepin Ireco ($13m).
- Net other assets increased by $331m to $76m (2011: liability of $255m), largely due to the $322m ($322m liability and $139m deferred tax asset was written back – net income statement impact of $183m) write back of the Moranbah Unfavourable Contract Liability in the 2012 financial year.

Balance Sheet	Year Ended 30 September		
A$M	**2012**	**2011**	**Change**
Trade Working Capital - Fertilisers	(39)	71	(110)
Trade Working Capital - Explosives	199	208	(9)
Net property plant and equipment	2,739	2,290	449
Intangible assets	2,845	2,942	(97)
Environmental & restructure provisions	(144)	(116)	(28)
Tax liabilities	(358)	(244)	(114)
Net other (liabilities)/assets	76	(255)	331
Net Debt	(1,287)	(1,189)	(98)
Net Assets	**4,031**	**3,707**	**324**
Equity	**4,031**	**3,707**	**324**
Net tangible assets per share (cents)	0.73	0.47	
Fertilisers - Average TWC % Rev(6)	13.1%	12.2%	
Explosives - Average TWC % Rev(6)	14.6%	15.3%	
Group - Average TWC % Rev(6)	13.9%	13.5%	

NET DEBT

The average tenor of drawn debt is approximately 4.9 years with no major debt facilities maturing until April 2014.

At 30 September 2012, IPL's net debt was $1,287m (2011: $1,189m), with committed headroom available of $1.1b (2011: $1.3b), representing the $900m undrawn three year Bank Facility and cash-on-hand at year end.

MAJOR PROJECTS UPDATE

- US Ammonia plant: The feasibility study into the brownfield construction of a 750kt Ammonia plant in Louisiana, USA is continuing. The project remains an attractive potential growth option for IPL, particularly given the valuable opportunity it provides to leverage competitive priced US gas and the opportunity to integrate the entire AN production of the DNA business back to gas. A final investment decision is expected in Q2 of the 2013 calendar year.

- Newcastle AN plant: Per the ASX announcement released on 26 September 2012, the feasibility study has been deferred for two years, as the project did not meet IPL's financial hurdles (15% IRR) under current market conditions.

CASH FLOW

Net operating cash inflows decreased by $98.3m to $620.8m (2011: $719.1m), primarily due to:

- An 18% decrease in EBITDA, as a result of lower Fertiliser business earnings.
- A return to a tax payable position for the business, resulting in a tax outflow of $86.3m for the period.

This was partially offset by:

- Significant improvement in TWC, reflecting lower Receivables and Inventory balances at year end.
- Lower integration and restructuring costs, as a result of the finalisation of the Velocity program in the 2011 financial year.

Net investing cash outflows decreased by $6.5m to $601.3m (2011: $607.8m), significant movements included:

- Moranbah AN plant expenditure of $237.6m (2011: $347.1m) and associated capitalised interest $65.6m (2011: $52.1m). Total cash project expenditure life-to-date is now $986.3m and life-to-date capitalised interest is $158.1m.
- Growth capital of $146.6m (2011: $43.0m), which included spending on new emulsion plants and mobile production units in the Explosives business and the Third Phosphoric Acid filter train at the Phosphate Hill plant.
- Spending on sustenance capital of $154.7m (2011: $204.4m). The major plant turnarounds completed during the year were at Mt Isa and St Helens, with the balance spent on smaller projects across the Group's manufacturing plants in Australia and North America. Spending on sustenance capital is consistent with IPL's risk and reliability strategy.
- Payment for a 49% share in MD&B for a joint venture share, in line with Dyno Nobel America's channel strategy ($32.7m).

Net financing cash flows were an outflow of $117.6m (2011: $203.0m), a decrease of $85.4m. Major financing cash flows included:

- Payment of cash dividends of $187.3m (2011: $151.4m).
- A gain on the translation of US debt of $85.6m, reflecting the higher AUD:USD rate at 30 September 2012 versus 30 September 2011.
- Non cash movement in Net Debt of -$21.2m (2011: -$63.9m), which represents the mark-to-market movement in long term interest rate swap derivatives.

Cash Flow Items	**Year Ended 30 September**		
A$M	**2012**	**2011**	**Change**
Net operating cash flows			
Group EBITDA	754.9	920.3	(18%)
Net interest paid	(33.9)	(17.9)	(89%)
Net income tax paid	(86.3)	(4.5)	(1818%)
TWC movement (excluding FX impact)	110.6	11.1	896%
Moranbah Provision release	(81.1)	(84.0)	3%
Dyno Nobel profit from associates	(27.4)	(24.2)	(13%)
Integration & restructuring costs	(10.8)	(53.4)	80%
Environmental and site clean up	(21.7)	(20.2)	(7%)
Other NTWC	16.5	(8.1)	304%
Operating cash flows	***620.8***	***719.1***	***(14%)***
Net investing cash flows			
Growth - Moranbah	(237.6)	(347.1)	32%
Growth - Moranbah capitalised interest	(65.6)	(52.1)	(26%)
Growth - Other	(146.6)	(43.0)	(241%)
Proceeds from asset sales	10.0	37.9	(74%)
Sustenance	(154.7)	(204.4)	24%
Investments	(35.1)	(0.2)	
Banked gas	(22.1)	0.0	
Repayment of JV loans	21.2	0.0	
Proceeeds from derivative hedge	29.2	1.1	
Investing cash flows	***(601.3)***	***(607.8)***	***1%***
Net financing cash flows			
Dividends paid	(187.3)	(151.4)	(24%)
Gain on translation of US$ Net Debt	85.6	12.3	596%
Realised market value gains on derivatives	5.3	0.0	
Non-cash movement in Net Debt	(21.2)	(63.9)	67%
Financing cash flows	***(117.6)***	***(203.0)***	***42%***
Decrease / (increase) in Net Debt	**(98.1)**	**(91.7)**	
Opening balance Net Debt	(1,188.8)	(1,097.1)	
Closing balance Net Debt	**(1,286.9)**	**(1,188.8)**	

2012 Capital Projects

In the 2012 financial year, the Group did not make any further major capital commitments. At 30 September 2012, the status of the major growth projects undertaken, is as follows:

- $40m: Pilbara Emulsion plant. Construction has been completed under budget and the plant is currently being commissioned with expected operations commencing in the first quarter of the 2013 financial year.
- $50m: Phosphate Hill - Third Phosphoric Acid filter train. The investment will increase reliability of the phosphoric acid plant and over the long term allow the processing of a wider range of phosphate rock. The plant has been completed and is in final commissioning.

DYNO NOBEL AMERICAS (DNA)

BUSINESS PEFORMANCE (USD)

DNA's USD EBIT increased by $16.3m or 9% to $195.7m (2011: $179.4m). After a record first half, the second half was slightly lower, reflecting the impact of lower Coal volumes on the explosives result and the St Helens plant being off-line for one month for a planned turnaround. Significant drivers of DNA's result include:

- $14m: The impact of higher Urea and Urea ammonium nitrate ("UAN") prices, which generated $16m of incremental margin in the Agriculture and Industrial Chemicals business on tonnes produced at the St Helens and Cheyenne plants. This was supplemented by savings in production costs as a result of lower US gas prices of $2m, offset by lower volumes as a result of the planned St Helen turnaround ($4m).
- $11m: EBIT in the Canadian business grew as a result of savings generated by the Velocity program and higher sales volumes to customers in the mining sector.
- $2m: Net price increases delivered $2m of incremental earnings over the year, with lower spot pricing in the East eroding increases on contracted tonnes.
- ($9m): The downturn in the coal sector which had the impact of reducing sales in the segment and incurring freight dislocation costs in redirecting product to other areas.

MARKET SUMMARY

AN volumes sold were down 2% for the financial year. The DNA explosives business sells product into the following major markets:

Coal

The Coal market accounted for 58% of the AN volumes sold by the DNA business in the 2012 financial year. AN sales volumes to coal customers were down 8%. In the second half, volumes declined further as the impact of low gas prices and the unseasonably warm North American winter hit coal producers. Volumes were hardest hit in Appalachia, where surface mining activity (the primary user of explosives) was down by around 20%, while underground activity was down only marginally.

DNA	Year Ended 30 September 2012	2011	Change
US$m			
DNA Revenues	1,203.3	1,205.2	(0%)
DNA EBIT	195.7	179.4	9%
A$m			
Revenues	1,172.2	1,172.5	(0%)
EBIT	190.6	173.8	10%
Translation exch. rate - A$/US$	1.027	1.032	
St Helens - average Urea price (USD kst)	550	453	21%

Quarry & Construction

The Q&C market accounted for 17% of the AN volumes sold by the DNA business in the 2012 financial year. Sales volumes grew by 2% as activity remained subdued. DNA's Q&C volumes are driven by road construction, non-residential construction and the residential construction industries. While US residential starts are showing positive signs, DNA's leverage to this recovery is middle to late cycle, as volumes are driven by crushed rock use which is used intensively in residential estate construction. However the business remains highly leveraged to volume growth in this sector, when it returns.

Metals & Mining

The Metals and Mining market accounted for 25% of the AN volumes sold by the DNA business in the 2012 financial year. AN sales volumes increased by 10% reflecting the overall market growth and specifically, Canadian Iron Ore customer growth. Second half growth was down slightly from the first half as a result of softness in the US Iron Ore market in the third quarter of the financial year.

The DNA ***Agriculture and Industrial Chemicals*** business EBIT grew by $14m to $73m (2011: $59m) as a result of an increase in average Urea and UAN prices, lower US gas prices (gas is purchased on a spot basis), offset by lower production volumes as a result of the planned turnaround at the St Helens plant. The average achieved rate for Urea equivalent volumes sold from the St Helens plant was up $97 per short tonne to US$550/t (2011: $453/t).

DYNO NOBEL ASIA PACIFIC (DNAP)

BUSINESS PERFORMANCE

DNAP's EBIT increased by $15.9m or 8% to $211.3m (2011: $195.4m). Underlying earnings, excluding the Moranbah unfavourable contract liability release, increased by 17% or $18.7m to $130.2m (2011: $111.5m). Significant drivers of DNAP's result include:

- $16m: An increase in earnings from initiating systems and services provided to Moranbah foundation customers.
- $5m: Increased sales volumes during the year were a result of higher volumes sold in the first half largely attributable to the recovery from the Queensland floods in the prior year, which has been partially offset by the loss of a significant customer in the Pilbara (IS and emulsion) and adverse weather conditions and industrial action at mine sites in the second half.
- ($3m): An increase in operating costs associated with running the DNAP business. As the underlying business EBIT has grown by 30.5% compound annual growth rate since the 2008 acquisition, the business invested in core functions such as HR, Safety and Regulatory functions to ensure service levels remained high through the next phase of growth.

DNAP	Year Ended 30 September		
	2012	2011	Change
A$			
Revenues	626.4	533.1	18%
Reported EBIT	211.3	195.4	8%
less Moranbah Unfavourable Contract Liability	(81.1)	(83.9)	(3%)
Underlying EBIT	130.2	111.5	17%
Impact of the Moranbah Unfavourable Contract Liability			
Moranbah Unfavourable Contract Liability release	81.1	83.9	(3%)
Provision discount unwind (classified as interest)	(21.1)	(16.0)	(32%)
Tax effect	(18.0)	(20.4)	12%
NPAT impact	**42.0**	**47.5**	**(12%)**
Losses incurred on Moranbah foundation contracts	(2.9)	(4.0)	28%

MARKET SUMMARY

AN volumes sold were up 19% (7% excluding Moranbah customers) for the financial year. The DNAP business sells product into the following major markets:

Australian East Coast Coal

Sales of AN to Australian east coast coal customers accounted for 49% of total AN sold by the DNAP business during the financial year. In 2012, AN volumes sold increased by 45% (26% ex Moranbah) reflecting a volume recovery from the impact of the severe weather conditions in 2011 and the underlying growth of coal customers in the Bowen Basin.

Western Australia

WA sales accounted for 31% of the AN volumes sold by the DNAP business during the financial year. Sales volumes increased by 13%, reflecting the growth of the business' largest customer in the region, partially offset by the loss of a customer contract in the first months of the financial year.

Hard Rock and Underground

Hard Rock and Underground sales accounted for 8% of the AN volumes sold by the DNAP business in the financial year. Volumes grew in line with the recovery from the impact of the extreme weather conditions in the first half of 2011 and new business secured in the Underground market.

Indonesia and PNG

These markets accounted for 12% of the AN volumes sold by the DNAP business for the financial year. In 2012, AN volumes fell by 28% as, in Indonesia, local competitors lowered prices to place tonnes. Despite this Indonesia EBIT grew as the business increased its emulsion tolling.

MORANBAH AN PROJECT

Safety

The Moranbah AN plant construction project was completed without a lost time injury over 4 million construction hours worked.

Schedule

Construction at the site was completed in June 2012. The Nitric Acid, AN solution, AN prill and emulsion plants ("front end plants") commenced operation in July 2012, while the Ammonia plant commenced operation in September 2012. In the final quarter of the financial year 25kt of AN was produced from the plant. During the final quarter, the front end plants experienced interrupted production. The operations team has since identified all root causes and corrective actions have been successful. The Ammonia plant started in late September 2012. The plant remains on track to produce 250kt of AN (76% of capacity) in the 2013 financial year, recognising that production interruptions will be inevitable in the first full year of operations.

Project Cost

The construction project cash cost was recorded at $986.3m. The cost over-run, versus the budget of $935m, was a result of time lost to rain events in the 2011 year and lower than expected labour productivity rates.

Operations

In early July 2012 the plant was handed over from the construction team to the operations team, who have been managing the commissioning of the plant, together with production engineers from throughout the IPL Group.

INCITEC PIVOT FERTILISERS (IPF)

BUSINESS PERFORMANCE

IPF's EBIT decreased by $36.5m or 28% to $92.3m (2011: $128.8m). Factors impacting the result include the following:

- ($55m): Distribution margins were lower by $55m for the financial year, declining $18m in the second half as a result of selling product into a flat price market, as opposed to a strongly rising Urea market in the prior year. For the financial year, the change to the prior year's distribution margin can be attributed to the following; $29m as a result of higher margins achieved in 2011 due to selling product into a rising market, $11m impact of selling product into a falling market in the first half of 2012 and approximately $15m of lost margin in the first half of 2012 by purchasing Urea and Ammonium Phosphates ahead of the season. Management has responded to the risk associated with the increased price volatility by implementing a Value at Risk ("VaR") methodology to limit the size of long inventory open positions across the combined Fertiliser business. It is also making changes to customer contracts, to provide clarity to both IPL and its customers of their obligations to operate in accordance with the agreed terms.
- ($3m): One off costs incurred to restructure the business, arising from the combination of IPF and SCI businesses under one management team in March 2012.
- $4m: Distribution volumes sold increased by 110kt or 6% in the 2012 financial year. Refer to the market summary section for further detail.
- $19m: The effect of commodity prices on the IPF result. Higher global Urea prices, which averaged US$457/t in 2012 (2011: US$397/t) contributed $24m to earnings, which was partially offset by lower Single Super Phosphate ("SSP") prices which reduced earnings by $5m.
- ($11m): A higher average AUD:USD hedged exchange rate of 95.7c (2011: 91.0c) resulted in lower revenues and earnings from USD denominated Urea sales.
- $9m: The impact of higher production at Gibson Island plant, partially offset by higher production costs due largely to increased depreciation relating to the 2011 plant turnaround and CPI increases on input costs.

Incitec Pivot Fertilisers	Year Ended 30 September		
	2012	2011	Change
Revenue	1,159.1	1,185.5	(2%)
EBIT	92.3	128.8	(28%)
IPF - KPIs			
Tonnes Sold '000's	2,002	1,892	6%
Middle East Granular Urea (US$/t)	457	397	15%
Average exchange rate - cents A$/US$	95.7	91.0	(5%)
Urea equivalent production sold via IPF	369	324	14%

MARKET SUMMARY

The IPF business sells product into the following major markets:

Winter Crop

While the start of the season was delayed, as a result of falling fertiliser prices, the second half saw strong demand for both sowing and topdressing, driven by favourable seasonal conditions and a stronger soft commodity outlook. IPF's volumes sold into this market were flat versus the previous year, where similar favourable conditions were experienced.

Summer Crop

Sales into the Cotton and Sugar crops have remained consistent with the prior year, as favourable cropping conditions prevailed in the second half.

Pasture

SSP sales volumes were 110kt higher than the prior year, as weather conditions in Southern Australia were more favourable than the prior year.

Summary of impact on distribution margin:

Distribution Margin - delta to 2011	1H 12	2H 12	FY 12
- Impact of rising prices in 2011 on margin	(11.0)	(18.0)	(29.0)
- Impact of falling prices in 2012 on margin	(11.0)	-	(11.0)
- Purchase of product ahead of season	(15.0)	-	(15.0)
Reduced distribution margin	**(37.0)**	**(18.0)**	**(55.0)**

SOUTHERN CROSS INTERNATIONAL (SCI)

BUSINESS PERFORMANCE

SCI's EBIT decreased by $148.6m or 46% to $175.3m (2011: $323.9m). SCI's result is split into four businesses and significant movements are explained below:

Phosphate Hill EBIT decreased by $144.8m to $133.9m (2011: $278.7m). Significant factors included:

- ($50m): DAP prices for the 2012 year averaged US$563/t (2011: US$617/t).
- ($41m): Manufacturing costs were higher with; $22m of costs associated with the extended Mt Isa plant turnaround, resulting from repairs ($8m) and production inefficiencies at the Phosphate Hill plant which ran at reduced rates ($14m); $10m in increased sulphuric acid costs, which resulted from higher sulphur and sulphuric acid prices during the year and $9m of CPI increases on fixed and variable input costs.
- ($29m): A higher average AUD:USD hedged exchange rate of 95.7c (2011: 91.0c) resulted in lower revenues and earnings from USD denominated DAP sales.
- ($25m): Lower sold production volumes of manufactured DAP had a negative impact on results. Of the $25m reduction in EBIT, $22m can be attributed to production lost from the Mt Isa extended turnaround and $3m represents inventory that was not sold at the end of the financial year, due to timing of shipments.

Industrials EBIT increased by $12.5m or 33% to $49.9m (2011: $37.4m), as a result of higher sales volumes of manufactured ammonia and urea related products sold by the business in 2012 and an increase in the volume and margin on traded products.

SCI EBIT increased by $8.3m to a profit of $0.8m (2011: loss of $7.5m), with 2011 impacted by the HiFert Pty Ltd bad debt.

Southern Cross International	Year Ended 30 September		
	2012	2011	Change
SCI Tonnes '000's			
Phosphate Hill production sold	879	929	(5%)
SCI Trading	115	84	37%
Industrial	323	284	14%
Quantum	2,554	2,602	(2%)
SCI Revenue $Am			
Phosphate Hill production sold	552.9	667.0	(17%)
SCI Trading	48.4	50.0	(3%)
Industrial	117.7	87.8	34%
Quantum	12.9	72.8	(82%)
Total	**731.9**	**877.6**	**(17%)**
SCI EBIT $Am			
Phosphate Hill plant	133.9	278.7	(52%)
SCI	0.8	(7.5)	
Industrial	49.9	37.4	33%
Quantum	(9.3)	15.3	
Total	**175.3**	**323.9**	**(46%)**
SCI KPIs			
Average DAP Tampa ($US/t)	563	617	(9%)
Freight margin net of distribution ($A/t) (8)	12.3	10.9	13%
Average exchange rate A$/US$	95.7	91.0	(5%)
Phosphate Hill Production Tonnes ('000's)	892	932	(4%)

Quantum EBIT decreased by $24.6m to a loss of $9.3m (2011: profit of $15.3m). After incurring a loss of $10.6m in the first half of the 2012 financial year, the business made a $1.3m profit in the second half, as trading of open positions was restricted. The loss incurred in the first half was caused by the business holding long positions late in the first quarter when European financial instability significantly impacted global trade and resulted in a fall in global fertiliser prices, which fell by up to 30% within a month. During the period when the losses were incurred, the IPL trading policy was complied with and the stop loss on each position was enforced.

The value of the Quantum business to IPL continues to grow by achieving higher prices on exported DAP, better procurement of key imports such as sulphuric acid, reducing TWC by providing alternate channels to market when domestic demand falls short of forecast, and shorter lead times on additional imports when domestic demand exceeds forecast.

Health and Safety

In line with our corporate Value "Zero Harm for everyone, everywhere", IPL has an objective of Zero Harm. The Group's Total Recordable Injury Frequency Rate for the rolling twelve months ("TRIFR") increased to 1.45 (2011: 1.24) at the end of the financial year.

The safety performance of the business remains at unacceptable levels and as a response, in the past year IPL developed a five year health and safety strategy to deliver on our commitment to achieving a workplace where all injuries, illnesses and environmental incidents can be prevented. The strategy was approved by the IPL Board and new leadership positions and governance structures were created to support its implementation alongside the BEx driven culture change.

Sustainability

IPL remains committed to creating long term economic value while caring for its people, communities and environment. The sustainability agenda of "Use Less, Get Close and Be Responsible" focuses IPL businesses on being more efficient with their use of non-renewable resources, proactively engaging with communities where they operate, and working with customers to improve product life cycle sustainability, whilst remaining committed to the IPL safety vision of 'Zero Harm', people and culture.

The keystone projects, initiated in 2011, form the core of the agenda underpinning IPL's commitment to sustainability. These projects are progressing well. Key achievements to date include:

- Reduction targets set for energy and water consumption and waste.
- Global community investment framework established with community spend guidelines, reporting processes and a new IPL community fund.
- Indigenous employment strategy developed, including target setting, with pilot programs underway in the Pilbara and Mt Isa regions, with a view to expand Australia-wide.

For the third year consecutive year, IPL participated in the Dow Jones Sustainability Indexes (DJSI) Corporate Sustainability Assessment. This year IPL's overall performance rating increased significantly and the company was admitted into the DJSI Asia Pacific index for the first time, enabling sustainability focussed investors to invest in IPL.

Sustainability (continued)

This achievement not only reflects IPL's commitment to greater transparency and reporting, but is also reflective of a commitment to sustainability and managing environmental and social impacts of the business. As was previously the case, IPL's 2012 Sustainability Report is again being prepared in accordance with the Global Reporting Initiative's guidelines (GRI) for sustainability reporting and will be released in December, maintaining our communication commitment to our stakeholders.

Environment (including Carbon Regulation)

Resource efficiency targets for energy and water consumption and waste generation have been developed in all Australian manufacturing sites as part of Keystone 1. Target setting in North America is the next priority with a 2012 baseline being set. Using 2010 as the baseline, the 2014 Australian targets are:

- 2% reduction in natural gas energy usage
- 1.5% reduction in carbon dioxide equivalent emissions
- 15% reduction in potable water consumption
- 10% reduction in waste to landfill

A number of initiatives are underway and delivering monetary and non-renewable resource savings in many IPL sites across Australia and North America.

IPL's approach to carbon regulation is one of mitigating risk and leveraging opportunities, in line with its broader Sustainability position. Preparations for carbon regulation are well advanced and have focused on impact assessment, risk /opportunity review, process implementation and education.

The IPL Group's current global carbon footprint of 2.8 million tonnes of carbon dioxide equivalent is representative of the scale and capacity of its manufacturing plants and, in particular, the energy intensive manufacture of nitrogen derived products, such as ammonia and AN which require natural gas as a feed-stock for production.

From 1 July 2012, IPL's annual Australian emissions (including Moranbah) are forecast at 1.6 million tonnes of carbon dioxide equivalent and we are a liable entity under the Carbon Pricing Mechanism. IPL estimate that, with the receipt of assistance for its emission-intensive trade-exposed manufacturing activities, its final annual carbon tax liability will be less than $10m per annum during the 3 year fixed price period from 1 July 2012 to 30 June 2015.

BEx

BEx is a long term culture change within the IPL business, which embraces continuous improvement across all levels of the organisation, and is led by employees on factory floor, mine bench and the farm.

In 2012, BEx (Business Excellence) was rolled out to 16 of IPL's operations and the plans were developed for the roll out to the Supply Chain and Logistics organisation in 2013.

Key activities in establishing the foundations for the cultural change during the year included the employment of site facilitators, employee education programs, initial site assessments and first stage action plans, and most importantly a drive to move the business culture to one that embraces a structured methodology around business process and efficiency.

In 2013, there is an expectation that the business will begin to see a return on its investment. At this stage, the financial benefits that BEx will deliver are expected to be $25m. The costs of integrating BEx into the IPL business in 2013 are expected to be no greater than $25m (2012: $17m, 2011: $10m).

Beyond 2013, the benefit of BEx is expected to significantly exceed its ongoing cost, which from 2014 will be recorded within the business units. Meaningful improvements are expected in the following areas:

Manufacturing

- Improved plant reliability and production quality
- Lower waste on input costs (fixed and variable)
- Increased efficiency in sustenance capital spend
- Reduction of maintenance costs
- Reduction in production spares costs

Supply Chain & Logistics

- Optimised freight spend
- Optimised warehousing capacity
- Improved customer service
- Reduced inventory holdings and cash conversion

Benchmarking exercises suggest that best practice level of improvements in these areas over an extended period of time, could lead to significant incremental EBIT. It is important to note, that the benefits generated from BEx will occur on a significantly slower basis than previous cost out programs, as they will represent a change in how IPL conducts business.

The size of the long term potential EBIT uplift is the reason why the business is confidently investing in BEx for the future of the business.

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NOTE & DEFINITIONS: Numbers in this report are subject to rounding.

1. EBITDA = Earnings before Interest, Tax, Depreciation and Amortisation, excluding individually material items
2. EBIT = Earnings before Interest and Tax, excluding individually material items
3. NPAT = Net Profit after Tax attributable to shareholders of IPL, excluding individually material items
4. Interest cover = EBITDA/Net interest expense before accounting adjustments
5. Excluding Individually material items
6. Average TWC % = 13 month average trade working capital / Annual Revenues
7. Disclosed in the CEO & CFO Open Briefing released with 2010 & 2011 Financial Year financial results and 2011 & 2012 Half Year financial results
8. Freight margin net of distribution costs = The average freight margin on product sold into domestic and export markets, less the costs of the Townsville distribution site.

INCITEC PIVOT LIMITED FINANCIAL PERFORMANCE	September 2012 FY $mill	September 2012 HY $mill	March 2012 HY $mill	September 2011 FY $mill	September 2011 HY $mill	March 2011 HY $mill	September 2010 FY $mill	September 2010 HY $mill	March 2010 HY $mill	September 2009 FY $mill	September 2009 HY $mill	March 2009 HY $mill
VOLUMES ('000's tonnes)												
Incitec Pivot Fertilisers	2,002.0	1,224.0	778.0	1,892.0	1,184.7	707.3	1,728.0	940.0	788.0	1,423.0	920.0	503.0
Southern Cross International												
Manufactured AP's	879.0	508.0	371.0	929.0	575.2	353.8	902.0	470.0	432.0	824.0	508.0	316.0
Traded & Non-AP's	115.0	66.0	49.0	84.0	13.6	70.4	211.0	126.0	85.0	351.0	163.0	188.0
Industrial Chemicals	323.0	182.0	141.0	284.0	154.5	129.5	251.0	119.0	132.0	275.0	129.0	146.0
Quantum - open sales	2,554.0	2,449.0	105.0	2,602.0	2,551.4	50.6	-	-	-	-	-	-
Intercompany Eliminations	(264.0)	(106.0)	(158.0)	(294.0)	(127.5)	(166.5)	(286.0)	(58.0)	(228.0)	(235.0)	(93.0)	(142.0)
BUSINESS SEG SALES												
Incitec Pivot Fertilisers	1,159.1	717.1	442.0	1,185.5	762.1	423.4	885.9	506.8	379.1	950.2	565.7	384.5
Southern Cross International	731.9	369.6	362.3	877.6	537.2	340.4	647.1	367.2	279.9	777.5	377.5	400.0
Fertilisers Eliminations	(160.3)	(63.1)	(97.2)	(193.8)	(82.9)	(110.9)	(145.4)	(34.3)	(111.1)	(136.4)	(49.0)	(87.4)
Fertilisers	1,730.7	1,023.6	707.1	1,869.3	1,216.4	652.9	1,387.6	839.7	547.9	1,591.3	894.2	697.1
Dyno Nobel Americas	1,172.2	601.7	570.5	1,172.5	622.4	550.1	1,092.5	618.9	473.6	1,388.4	594.8	793.6
Dyno Nobel Asia Pacific	626.4	340.8	285.6	533.1	299.0	234.1	499.8	261.7	238.1	505.7	254.5	251.2
Explosives Eliminations	(28.4)	(14.7)	(13.7)	(27.5)	(14.8)	(12.7)	(48.2)	(25.0)	(23.2)	(66.5)	(32.6)	(33.9)
Explosives	1,770.2	927.8	842.4	1,678.1	906.6	771.5	1,544.1	855.6	688.5	1,827.6	816.7	1,010.9
Group Elimination	-	1.3	(1.3)	(2.1)	(2.1)	-	-	-	-	-	-	-
Total Sales - IPL Group	***3,500.9***	1,952.7	***1,548.2***	***3,545.3***	***2,120.9***	***1,424.4***	***2,931.7***	***1,695.3***	***1,236.4***	***3,418.9***	***1,710.9***	***1,708.0***
BUSINESS SEG EBITDA												
Incitec Pivot Fertilisers	124.1	106.2	17.9	156.0	93.8	62.2	141.6	75.2	66.4	121.1	65.4	55.7
Southern Cross International	203.6	125.6	78.0	353.3	229.4	123.9	236.9	158.2	78.7	195.8	94.3	101.5
Fertilisers Eliminations	3.3	7.7	(4.4)	(3.7)	15.8	(19.5)	(0.6)	17.8	(18.4)	24.3	6.2	18.1
Fertilisers	331.0	239.5	91.5	505.6	339.0	166.6	377.9	251.2	126.7	341.2	165.9	175.3
Dyno Nobel Americas	263.2	146.1	117.1	244.3	141.0	103.3	236.5	144.7	91.8	297.4	150.0	147.4
Dyno Nobel Asia Pacific	232.6	126.2	106.4	215.3	125.7	89.6	196.0	111.0	85.0	135.6	73.9	61.7
Explosives Eliminations	(2.0)	(1.0)	(1.0)	(0.4)	(0.4)	-	1.5	1.0	0.5	(3.8)	8.4	(12.2)
Explosives	493.8	271.3	222.5	459.2	266.3	192.9	434.0	256.7	177.3	429.2	232.3	196.9
Corporate	(69.9)	(46.7)	(23.2)	(44.5)	(33.5)	(11.0)	(24.6)	(17.2)	(7.4)	(27.4)	(15.5)	(11.9)
Total EBITDA - IPL Group	***754.9***	464.1	***290.8***	***920.3***	***571.8***	***348.5***	***787.3***	***490.7***	***296.6***	***743.0***	***382.7***	***360.3***
BUSINESS SEG Depreciation and Amortisation												
Incitec Pivot Fertilisers	31.8	16.1	15.7	27.2	13.7	13.5	29.2	14.3	14.9	27.1	14.2	12.9
Southern Cross International	28.3	13.4	14.9	29.4	14.9	14.5	14.3	9.4	4.9	12.5	6.5	6.0
Fertilisers	60.1	29.5	30.6	56.6	28.6	28.0	43.5	23.7	19.8	39.6	20.7	18.9
Dyno Nobel Americas	72.6	38.0	34.6	70.5	34.3	36.2	73.3	37.5	35.8	99.7	46.9	52.8
Dyno Nobel Asia Pacific	21.3	10.9	10.4	19.9	10.1	9.8	20.0	10.2	9.8	25.8	10.6	15.2
Explosives	93.9	48.9	45.0	90.4	44.4	46.0	93.3	47.7	45.6	125.5	57.5	68.0
Corporate	1.8	1.0	0.8	1.2	0.5	0.7	2.2	1.1	1.1	2.2	1.0	1.2
Total Depreciation and Amortisation - IPL Group	***155.8***	***79.4***	***76.4***	***148.2***	***73.5***	***74.7***	***139.0***	***72.5***	***66.5***	***167.3***	***79.2***	***88.1***
BUSINESS SEG EBIT												
Incitec Pivot Fertilisers	92.3	90.1	2.2	128.8	80.1	48.7	112.4	60.9	51.5	94.0	51.3	42.7
Southern Cross International	175.3	112.2	63.1	323.9	214.5	109.4	222.6	148.8	73.8	183.3	87.8	95.5
Fertilisers Eliminations	3.3	7.7	(4.4)	(3.7)	15.8	(19.5)	(0.6)	17.8	(18.4)	24.3	6.1	18.2
Fertilisers	270.9	210.0	60.9	449.0	310.4	138.6	334.4	227.5	106.9	301.6	145.2	156.4
Dyno Nobel Americas	190.6	108.1	82.5	173.8	106.7	67.1	163.2	107.2	56.0	197.7	103.1	94.6
Dyno Nobel Asia Pacific	211.3	115.3	96.0	195.4	115.6	79.8	176.0	100.8	75.2	109.8	63.3	46.5
Explosives Eliminations	(2.0)	(1.0)	(1.0)	(0.4)	(0.4)	-	1.5	1.0	0.5	(3.8)	8.4	(12.2)
Explosives	399.9	222.4	177.5	368.8	221.9	146.9	340.7	209.0	131.7	303.7	174.8	128.9
Corporate	(71.7)	(47.7)	(24.0)	(45.7)	(34.0)	(11.7)	(26.8)	(18.3)	(8.5)	(29.6)	(16.5)	(13.1)
Total EBIT - IPL Group	***599.1***	***384.7***	***214.4***	***772.1***	***498.3***	***273.8***	***648.3***	***418.2***	***230.1***	***575.7***	***303.5***	***272.2***
GEOGRAPHIC SEG SALES												
Australia	2,316.3	1,384.1	932.2	2,303.6	1,432.8	870.8	1,871.8	1,096.1	775.7	2,097.5	1,157.4	940.1
North America	1,030.8	529.2	501.6	1,036.0	547.9	488.1	1,006.2	565.2	441.0	1,292.7	550.4	742.3
Turkey	78.1	39.5	38.6	82.9	46.1	36.8	14.8	14.8	-	-	-	-
Other	75.7	(0.1)	75.8	122.8	94.1	28.7	38.9	19.2	19.7	28.7	3.1	25.6
Total - IPL Group	***3,500.9***	***1,952.7***	***1,548.2***	***3,545.3***	***2,120.9***	***1,424.4***	***2,931.7***	***1,695.3***	***1,236.4***	***3,418.9***	***1,710.9***	***1,708.0***
GEOGRAPHIC SEG NON-CURRENT ASSETS OTHER THAN FINANCIAL INSTRUMENTS AND DEFERRED TAX ASSETS												
Australia	3,659.0	3,659.0	3,346.7	3,170.2	3,170.2	2,842.5	2,702.5	2,702.5	2,567.5	2,590.3	2,590.3	3,278.1
North America	2,074.9	2,074.9	2,028.3	2,129.6	2,129.6	2,042.5	2,195.4	2,195.4	2,395.4	2,431.8	2,431.8	3,352.0
Turkey	88.4	88.4	126.7	129.6	129.6	137.9	153.6	153.6	-	-	-	-
Other	99.7	99.7	92.3	97.0	97.0	84.4	76.9	76.9	126.6	85.1	85.1	124.2
Total - IPL Group	***5,922.0***	***5,922.0***	***5,594.0***	***5,526.4***	***5,526.4***	***5,107.3***	***5,128.4***	***5,128.4***	***5,089.5***	***5,107.2***	***5,107.2***	***6,754.3***
FINANCIAL PERFORMANCE												
EBIT	599.1	384.7	214.4	772.1	498.3	273.8	648.3	418.2	230.1	575.7	303.5	272.2
Net Interest	(55.5)	(28.0)	(27.5)	(58.2)	(28.4)	(29.8)	(53.0)	(21.8)	(31.2)	(107.6)	(48.3)	(59.3)
Operating Profit Before Tax and Minorities	543.6	356.7	186.9	713.9	469.9	244.0	595.3	396.4	198.9	468.1	255.2	212.9
Income Tax Expense	(141.6)	(94.5)	(47.1)	(179.7)	(115.2)	(64.5)	(150.8)	(98.1)	(52.7)	(120.3)	(77.2)	(43.1)
NPAT pre Individually Material Items	402.0	262.2	139.8	534.2	354.7	179.5	444.5	298.3	146.2	347.8	178.0	169.8
Individually Material Items Before Tax	168.1	168.1	-	(92.5)	(73.3)	(19.2)	(55.4)	(34.9)	(20.5)	(782.7)	(681.6)	(101.1)
Tax on Individually Material Items	(62.1)	(62.1)	-	25.6	19.4	6.2	23.1	16.7	6.4	213.5	182.6	30.9
NPAT & Individually Material Items	***508.0***	***368.2***	***139.8***	***467.3***	***300.8***	***166.5***	***412.2***	***280.1***	***132.1***	***(221.4)***	***(321.0)***	***99.6***
NPAT attributable to shareholders of IPL	510.7	367.2	143.5	463.2	297.6	165.6	410.5	278.1	132.4	(221.4)	(321.0)	99.6
NPAT attributable to minority interest	(2.7)	1.0	(3.7)	4.1	3.2	0.9	1.7	2.0	(0.3)	-	-	-

Note i) Where applicable, balances have been adjusted to disclose them on the same basis as current period figures.

INCITEC PIVOT LIMITED **FINANCIAL POSITION**	**September 2012 FY**	**September 2012 HY**	**March 2012 HY**	**September 2011 FY**	**September 2011 HY**	**March 2011 HY**	**September 2010 FY**	**September 2010 HY**	**March 2010 HY**	**September 2009 FY**	**September 2009 HY**	**March 2009 HY**
	$mill	$mill	$mill	$mill	$mill	$mill	$mill	$mill	$mill	$mill	$mill	$mill
Cash	154.1	154.1	40.3	379.7	379.7	116.5	48.7	48.7	76.7	125.2	125.2	493.8
Inventories	403.7	403.7	577.8	477.9	477.9	606.0	336.2	336.2	446.7	397.1	397.1	737.5
Trade Debtors	357.1	357.1	375.6	431.5	431.5	396.1	432.3	432.3	303.8	275.3	275.3	384.3
Trade Creditors	(600.7)	(600.7)	(452.7)	(630.1)	(630.1)	(503.4)	(476.7)	(476.7)	(398.7)	(413.5)	(413.5)	(574.0)
Trade Working Capital	160.1	160.1	500.7	279.3	279.3	498.7	291.8	291.8	351.8	258.9	258.9	547.8
Net Property, Plant & Equipment	2,738.7	2,738.7	2,447.1	2,289.8	2,289.8	2,015.8	1,853.2	1,853.2	1,672.3	1,673.7	1,673.7	1,930.2
Intangibles	2,845.2	2,845.2	2,782.8	2,942.3	2,942.3	2,823.0	3,010.0	3,010.0	3,005.2	3,153.0	3,153.0	4,452.7
Net Other Assets	(425.7)	(425.7)	(428.3)	(615.9)	(615.9)	(425.6)	(446.6)	(446.6)	(316.2)	(282.6)	(282.6)	(595.3)
Net Interest Bearing Liabilities												
Current	(125.7)	(125.7)	(105.6)	(95.7)	(95.7)	(98.6)	(108.5)	(108.5)	(144.8)	(432.2)	(432.2)	(173.2)
Non-Current	(1,315.3)	(1,315.3)	(1,569.0)	(1,472.8)	(1,472.8)	(1,373.7)	(1,037.3)	(1,037.3)	(1,208.4)	(1,156.4)	(1,156.4)	(2,426.0)
Net Assets	***4,031.4***	***4,031.4***	***3,668.0***	***3,706.7***	***3,706.7***	***3,556.1***	***3,611.3***	***3,611.3***	***3,436.6***	***3,339.6***	***3,339.6***	***4,230.0***
Total Equity	***4,031.4***	***4,031.4***	***3,668.0***	***3,706.7***	***3,706.7***	***3,556.1***	***3,611.3***	***3,611.3***	***3,436.6***	***3,339.6***	***3,339.6***	***4,230.0***
Capital Expenditure (Accruals Basis)												
Total Capital Expenditure	***626.2***	***358.2***	***268.0***	***612.2***	***335.2***	***277.0***	***359.3***	***268.3***	***91.0***	***328.7***	***133.4***	***195.2***
Depreciation and amortisation	155.8	79.4	76.4	148.2	73.5	74.7	139.0	72.5	66.5	170.5	78.6	91.9
Ratios												
EPS, cents pre individually material items	24.8	16.0	8.8	32.5	21.5	11.0	27.3	18.3	9.0	22.6	11.1	11.5
EPS, cents post individually material items	31.4	22.6	8.8	28.4	18.2	10.2	25.3	17.1	8.2	(14.4)	(21.1)	6.7
DPS, cents	12.4	9.1	3.3	11.5	8.2	3.3	7.8	6.0	1.8	4.4	2.3	2.1
Franking, %	68%	75%	50%	0%	0%	0%	0%	0%	0%	48%	0%	100%
Interest Cover (times)	7.9	7.9	10.6	10.8	10.8	11.2	12.2	12.2	9.5	6.4	6.4	11.5
Gearing (net debt/net debt plus equity)	24.2%	24.2%	30.8%	24.3%	24.3%	27.6%	23.3%	23.3%	27.1%	30.5%	30.5%	33.2%

Note i) Where applicable, balances have been adjusted to disclose them on the same basis as current period figures.

Note ii) Interest cover is calculated as 12 month rolling EBITDA/12 month rolling interest cost (where interest cost is calculated as interest expense less unwind on provisions plus capitalised interest)

INCITEC PIVOT LIMITED CASH FLOWS	September 2012 FY $mill Inflows/ (Outflows)	September 2012 HY $mill Inflows/ (Outflows)	March 2012 HY $mill Inflows/ (Outflows)	September 2011 FY $mill Inflows/ (Outflows)	September 2011 HY $mill Inflows/ (Outflows)	March 2011 HY $mill Inflows/ (Outflows)	September 2010 FY $mill Inflows/ (Outflows)	September 2010 HY $mill Inflows/ (Outflows)	March 2010 HY $mill Inflows/ (Outflows)	September 2009 FY $mill Inflows/ (Outflows)	September 2009 HY $mill Inflows/ (Outflows)	March 2009 HY $mill Inflows/ (Outflows)
Net operating cash flows												
Group EBITDA	754.9	464.1	290.8	920.3	571.8	348.5	787.3	490.7	296.6	743.0	382.7	360.3
Net interest paid	(33.9)	(21.5)	(12.4)	(17.9)	(2.5)	(15.4)	(38.7)	(17.3)	(21.4)	(92.2)	(35.9)	(56.3)
Net income tax received/(paid)	(86.3)	(31.0)	(55.3)	(4.5)	(24.5)	20.0	(10.3)	(3.4)	(6.9)	(146.3)	(69.3)	(77.0)
TWC movement (excluding FX impact)	110.6	339.7	(229.1)	11.1	226.5	(215.4)	(34.3)	65.6	(99.9)	50.8	289.5	(238.7)
Moranbah provision release	(81.1)	(40.6)	(40.5)	(84.0)	(42.0)	(42.0)	(85.4)	(42.7)	(42.7)	(61.6)	(30.8)	(30.8)
Dyno Nobel profit from associates	(27.4)	(18.9)	(8.5)	(24.2)	(13.1)	(11.1)	(30.5)	(16.2)	(14.3)	(19.8)	(10.3)	(9.5)
Integration & restructuring costs	(10.8)	(4.1)	(6.7)	(53.4)	(34.2)	(19.2)	(52.0)	(31.5)	(20.5)	(87.4)	(57.3)	(30.1)
Environmental and site clean up	(21.7)	(15.4)	(6.3)	(20.2)	(12.1)	(8.1)	(5.0)	(3.0)	(2.0)	(11.5)	(6.9)	(4.6)
Other NTWC	16.5	75.8	(59.3)	(8.1)	(36.1)	28.0	(2.2)	7.5	(9.7)	(37.6)	(11.5)	(26.1)
Operating cash flows	***620.8***	***748.1***	***(127.3)***	***719.1***	***633.8***	***85.3***	***528.9***	***449.7***	***79.2***	***337.4***	***450.2***	***(112.8)***
Net investing cash flows												
Growth - Moranbah	(237.6)	(114.1)	(123.5)	(347.1)	(204.0)	(143.1)	(73.9)	(69.0)	(4.9)	(247.8)	(87.8)	(160.0)
Growth - Moranbah capitalised interest	(65.6)	(31.7)	(33.9)	(52.1)	(29.9)	(22.2)	(25.2)	(14.7)	(10.5)	(14.2)	(8.0)	(6.2)
Growth - Other	(146.6)	(94.5)	(52.1)	(43.0)	(30.0)	(13.0)	(18.5)	(12.1)	(6.4)	(26.2)	(26.2)	-
Proceeds from surplus asset sales	10.0	2.5	7.5	37.9	34.4	3.5	19.0	17.2	1.8	52.5	21.1	31.4
Sustenance	(154.7)	(97.4)	(57.3)	(204.4)	(80.7)	(123.7)	(198.7)	(131.8)	(66.9)	(104.8)	(30.3)	(74.5)
Investments	(35.1)	(1.1)	(34.0)	(0.2)	(0.2)	-	(103.7)	(99.8)	(3.9)	(2.0)	(2.0)	-
Banked Gas	(22.1)	(22.1)	-	-	-	-	-	-	-	-	-	-
Other	50.4	16.2	34.2	1.1	21.7	(20.6)	-	-	-	-	-	-
Investing cash flows	***(601.3)***	***(342.2)***	***(259.1)***	***(607.8)***	***(288.7)***	***(319.1)***	***(401.0)***	***(310.2)***	***(90.8)***	***(342.5)***	***(133.2)***	***(209.3)***
Net financing cash flows												
Equity raising	-	-	-	-	-	-	-	-	-	901.7	-	901.7
Equity raising fees	-	-	-	-	-	-	-	-	-	(37.8)	(1.1)	(36.7)
Dividends paid	(187.3)	(53.7)	(133.6)	(151.4)	(53.7)	(97.7)	(18.3)	(18.3)	-	(237.4)	-	(237.4)
Gain/(Loss) on translation of US$ Debt	85.6	11.3	74.3	12.3	(61.4)	73.7	48.0	39.2	8.8	(342.7)	21.6	(364.3)
Realised market value gains/(losses) on derivatives	5.3	5.3	0.0	-	8.0	(8.0)	201.3	27.3	174.0	306.3	306.3	-
Non-cash movement in Net Debt	(21.2)	(21.4)	0.2	(63.9)	(71.0)	7.1	7.4	(8.3)	15.7	(18.3)	(2.0)	(16.3)
Financing cash flows	***(117.6)***	***(58.5)***	***(59.1)***	***(203.0)***	***(178.1)***	***(24.9)***	***238.4***	***39.9***	***198.5***	***571.8***	***324.8***	***247.0***
Decrease/(increase) in net debt	***(98.1)***	***347.4***	***(445.5)***	***(91.7)***	***167.0***	***(258.7)***	***366.3***	***179.4***	***186.9***	***566.7***	***641.8***	***(75.1)***