

Appendix 4D

Half-Year Report

Incitec Pivot Limited

Financial Half-Year Ended
(current period)

Previous Financial Half-Year Ended
(previous corresponding period)

31 March 2013

31 March 2012

Results for announcement to the market

Extracts of the Incitec Pivot Limited results for the half-year ended 31 March 2013

\$A mill

Revenues from ordinary activities	down	8%	to	1,426.9
Profit for the financial half-year	down	23%	to	110.2
Net profit for the financial half-year	down	23%	to	110.2

Dividends	Amount per security cents	Franked amount per security at 30% tax cents
Current period		
Interim dividend	3.40	2.55
Previous corresponding period		
Interim dividend	3.30	1.65
Year end dividend – 2012		
Final dividend	9.10	6.83
Record date for determining entitlements to the interim dividend:	23 May 2013	
Payment date of interim dividend:	2 July 2013	

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.70	\$0.54

For the profit commentary and any other significant information needed by an investor to make an informed assessment of Incitec Pivot Limited's results please refer to the accompanying Incitec Pivot Limited Profit Report.

The information should be read in conjunction with the most recent Annual Financial Report.

Conduit foreign income component:

<i>Current period</i>		<i>Previous corresponding period</i>
Interim dividend		Interim dividend
Ordinary	0.85 cents	Ordinary
		Final dividend
		Ordinary
		2.27 cents

Half-Year Financial Report

Contents

Directors' Report	3
Lead Auditor's Independence Declaration	4
Consolidated Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Cash Flows	7
Consolidated Statement of Changes in Equity	8
Notes to the half-year Consolidated Financial Report	9
1 Basis of preparation	9
2 Summary of accounting policies	9
3 Segment report	10
4 Revenue and other income	13
5 Investments accounted for using the equity method	14
6 Earnings per share (EPS)	15
7 Interest bearing liabilities	16
8 Dividends	17
9 Contingencies	17
10 Events subsequent to reporting date	17
Directors' Declaration	18
Independent Auditor's Review Report to the Members of Incitec Pivot Limited	19

Directors' Report

The Directors of Incitec Pivot Limited present their report together with the financial report for the half-year ended 31 March 2013 and the auditor's review report thereon.

Directors

The Directors of the Company during the financial half-year and up to the date of this report are:

Name, qualification and special responsibilities	Period of directorship
Non-executive directors	
P V Brasher BEc (Hons), FCA Chairman Chairman of the Nominations Committee	Appointed as a director on 29 September 2010 and appointed Chairman on 30 June 2012
A C Larkin FCPA, FAICD Chairman of the Audit and Risk Management Committee Member of the Nominations Committee	Appointed as a director on 1 June 2003
A D McCallum Dip. Ag Science, FAICD Chairman of the Health, Safety, Environment and Community Committee Member of the Remuneration Committee	Appointed as a director on 15 December 1997
J Marlay BSc, FAICD Chairman of the Remuneration Committee Member of the Audit and Risk Management Committee	Appointed as a director on 20 December 2006
G Smorgon AM B.Juris, LLB Member of the Health, Safety, Environment and Community Committee Member of the Nominations Committee Member of the Remuneration Committee	Appointed as a director on 19 December 2008
R McGrath BTP (Hons), MASC, FAICD Member of the Audit and Risk Management Committee Member of the Health, Safety, Environment and Community Committee Member of the Nominations Committee	Appointed as a director on 15 September 2011
Executive directors	
J E Fazzino BEc (Hons) Managing Director & Chief Executive Officer Member of the Health, Safety, Environment and Community Committee	Appointed as a director on 18 July 2005 and appointed Managing Director & CEO on 29 July 2009

Review of operations

A review of the operations of Incitec Pivot Limited and its controlled entities (collectively the "Group") during the half-year and of the results of those operations is contained in the accompanying Incitec Pivot Limited Profit Report.

Events subsequent to reporting date

Since the end of the half-year, in May 2013, the directors determined to pay an interim dividend for the Company of 3.4 cents per share on 2 July 2013. The dividend is 75 percent franked (refer to note 8 in the half-year financial report).

On 17 April 2013, the Company announced that it had approved US\$850.0 million of capital expenditure for the construction of a world scale 800,000 metric tonne per annum ammonia manufacturing plant in Waggaman, Louisiana in the United States of America. The construction of the plant is expected to take 39 months, with production planned to commence in the third quarter of calendar 2016.

Other than the matters reported above, as at the date of this report, the directors are not aware of any significant matter or circumstance that has arisen since 31 March 2013 that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the half-year ended 31 March 2013.

Rounding

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with that Class Order, the amounts shown in this report and in the accompanying half-year financial report have been rounded off, except where otherwise stated, to the nearest one hundred thousand dollars.

This report is made in accordance with a resolution of Directors.

Signed on behalf of the Board



Paul V Brasher,
Chairman

Dated at Melbourne
this 10th day of May 2013

The Board of Directors
Incitec Pivot Limited
Level 8, 28 Freshwater Place
Southbank Victoria 3006
Australia

10 May 2013

Dear Board Members

Auditors Independence Declaration to Incitec Pivot Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Incitec Pivot Limited.

As lead audit partner for the review of the half year financial statements of Incitec Pivot Limited for the half year ended 31 March 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Tom Imbesi
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 March 2013

	Notes	March 2013 \$mill	March 2012 \$mill
Revenue	(4)	1,426.9	1,548.2
Financial and other income	(4)	26.3	20.3
Operating expenses			
Changes in inventories of finished goods and work in progress		130.1	85.2
Raw materials and consumables used and finished goods purchased for resale		(734.3)	(752.4)
Employee expenses		(293.8)	(271.8)
Depreciation and amortisation expense		(82.5)	(76.4)
Financial expenses		(35.3)	(30.8)
Purchased services		(80.2)	(79.7)
Repairs and maintenance		(62.3)	(58.7)
Outgoing freight		(103.1)	(143.4)
Lease payments – operating leases		(33.3)	(32.3)
Share of profit on equity accounted investments		15.1	8.5
Asset write-downs, clean-up and environmental provisions		(1.3)	(2.9)
Other expenses		(24.8)	(26.9)
		(1,305.7)	(1,381.6)
Profit before income tax		147.5	186.9
Income tax expense		(37.2)	(47.1)
Profit for the half-year		110.3	139.8
Other comprehensive income (expense), net of income tax			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gains on defined benefit plans		8.3	14.8
Gross fair value loss on available-for-sale assets		(0.3)	(4.7)
Income tax relating to items that will not be reclassified subsequently		(3.1)	(4.3)
		4.9	5.8
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain on hedging instruments entered into for cash flow hedges		4.2	49.2
Cash-flow hedge gains transferred to profit or loss statement		(13.5)	(11.5)
Exchange differences on translating foreign operations		(9.4)	(129.3)
Net gain on hedge of net investment		0.6	45.6
Income tax relating to items that may be reclassified subsequently		3.2	(10.7)
		(14.9)	(56.7)
Other comprehensive expense for the period, net of income tax		(10.0)	(50.9)
Total comprehensive income for the half-year		100.3	88.9
Profit attributable to:			
Members of Incitec Pivot Limited		110.2	143.5
Non-controlling members		0.1	(3.7)
Profit for the half-year		110.3	139.8
Total comprehensive income attributable to:			
Members of Incitec Pivot Limited		100.2	92.6
Non-controlling members		0.1	(3.7)
Total comprehensive income for the half-year		100.3	88.9
		cents	cents
Earnings per share			
Basic earnings per share	(6)	6.8	8.8
Diluted earnings per share	(6)	6.8	8.8

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the half-year Consolidated Financial Report set out on pages 9 to 17.

Consolidated Statement of Financial Position

As at 31 March 2013

	Notes	March 2013 \$mill	September 2012 \$mill
Current assets			
Cash and equivalents		37.0	154.1
Trade and other receivables		354.3	372.9
Inventories		538.0	403.7
Other assets		50.9	57.4
Other financial assets		7.7	32.2
Assets classified as held for sale		0.2	0.2
Current tax assets		3.7	–
Total current assets		991.8	1,020.5
Non-current assets			
Trade and other receivables		12.1	24.2
Other assets		17.2	17.7
Other financial assets		43.8	49.5
Investments accounted for using the equity method		284.7	292.8
Property, plant and equipment		2,771.4	2,738.5
Intangible assets		2,844.5	2,845.2
Deferred tax assets		9.5	25.0
Total non-current assets		5,983.2	5,992.9
Total assets		6,975.0	7,013.4
Current liabilities			
Trade and other payables		650.0	817.5
Interest bearing liabilities	(7)	119.6	125.7
Other financial liabilities		2.3	14.8
Provisions		110.7	122.8
Current tax liabilities		–	11.4
Total current liabilities		882.6	1,092.2
Non-current liabilities			
Trade and other payables		12.0	17.1
Interest bearing liabilities	(7)	1,551.1	1,315.3
Provisions		77.2	74.5
Deferred tax liabilities		376.8	371.3
Retirement benefit obligation		95.4	111.6
Total non-current liabilities		2,112.5	1,889.8
Total liabilities		2,995.1	2,982.0
Net assets		3,979.9	4,031.4
Equity			
Issued capital		3,265.9	3,265.9
Reserves		(197.1)	(178.4)
Retained earnings		908.7	941.6
Minority interest		2.4	2.3
Total equity		3,979.9	4,031.4

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the half-year Consolidated Financial Report set out on pages 9 to 17.

Consolidated Statement of Cash Flows

For the half-year ended 31 March 2013

	Notes	March 2013 \$mill Inflows/ (outflows)	March 2012 \$mill Inflows/ (outflows)
Cash flows from operating activities			
Receipts from customers		1,608.8	1,754.9
Payments to suppliers and employees		(1,635.9)	(1,823.2)
Interest received		9.5	3.3
Financial expenses paid		(32.0)	(15.7)
Other revenue received		14.0	8.7
Income taxes paid		(29.0)	(55.3)
Net cash flows from operating activities		(64.6)	(127.3)
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(191.3)	(266.8)
Payments for purchase of investments		-	(34.0)
Proceeds from sale of property, plant and equipment		22.6	7.5
Repayment of loans to equity-accounted investees		10.8	5.0
Proceeds on settlement of net investment hedge derivatives		14.8	29.2
Net cash flows from investing activities		(143.1)	(259.1)
Cash flows from financing activities			
Repayments of borrowings	(7)	(40.3)	(35.8)
Proceeds from borrowings	(7)	278.0	218.1
Realised market value gains on interest rate swaps		1.2	-
Dividends paid	(8)	(148.2)	(133.6)
Net cash flows from financing activities		90.7	48.7
Net decrease in cash and cash equivalents held		(117.0)	(337.7)
Cash and cash equivalents at the beginning of the half-year		154.1	379.7
Effect of exchange rate fluctuation on cash and cash equivalents held		(0.1)	(1.7)
Cash and cash equivalents at the end of the half-year		37.0	40.3

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the half-year Consolidated Financial Report set out on pages 9 to 17.

Consolidated Statement of Changes in Equity

For the half-year ended 31 March 2013

	Issued capital \$mill	Cash flow hedging reserve \$mill	Share- based payments reserve \$mill	Foreign currency translation reserve \$mill	Fair value reserve \$mill	Retained earnings \$mill	Total	Minority interest \$mill	Total equity \$mill
Balance at 1 October 2011	3,265.9	(10.5)	11.9	(189.9)	(4.3)	628.6	3,701.7	5.0	3,706.7
Total comprehensive income for the period	-	26.5	-	(83.2)	(3.3)	152.6	92.6	(3.7)	88.9
Dividends paid	-	-	-	-	-	(133.6)	(133.6)	-	(133.6)
Share-based payment transactions	-	-	6.0	-	-	-	6.0	-	6.0
Balance at 31 March 2012	3,265.9	16.0	17.9	(273.1)	(7.6)	647.6	3,666.7	1.3	3,668.0
Balance at 1 October 2012	3,265.9	(0.3)	22.3	(190.8)	(9.6)	941.6	4,029.1	2.3	4,031.4
Total comprehensive income for the period	-	(6.4)	-	(8.5)	(0.2)	115.3	100.2	0.1	100.3
Dividends paid	-	-	-	-	-	(148.2)	(148.2)	-	(148.2)
Share-based payment transactions	-	-	(3.6)	-	-	-	(3.6)	-	(3.6)
Balance at 31 March 2013	3,265.9	(6.7)	18.7	(199.3)	(9.8)	908.7	3,977.5	2.4	3,979.9

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the half-year Consolidated Financial Report set out on pages 9 to 17.

Cash flow hedging reserve

The cash flow hedging reserve comprises the cumulative net change in the fair value of cash flow hedging instruments related to the effective portion of hedged transactions that have not yet occurred.

Share-based payments reserve

The share-based payments reserve comprises the fair value of shares treated as options and of rights recognised as an employee expense over the relevant vesting period and transactions associated with the 2010/13, 2011/14 and 2012/15 Long Term Incentive Plans.

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled operations are taken to the foreign currency translation reserve. The relevant portion of the reserve is recognised as a profit or loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the foreign operation is disposed of.

The foreign currency translation reserve is also used to record gains and losses on hedges of net investments in foreign operations.

Fair value reserve

The fair value reserve represents the cumulative net change in the fair value of equity instruments.

Minority interest

Represents a 35 percent outside equity interest in Quantum Fertilisers Limited, a Hong Kong based fertiliser marketing company.

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

1. Basis of preparation

Incitec Pivot Limited (the 'Company') is a company incorporated and domiciled in Australia. This half-year Consolidated Financial Report includes the financial statements of the Company and its subsidiaries (collectively the 'Group') and the Group's interest in associates, as at and for the half-year ended 31 March 2013.

The Annual Financial Report of the Group is available on Incitec Pivot's website, www.incitecpivot.com.au, or upon request from the Company's registered office at Level 8, 28 Freshwater Place, Southbank Victoria 3006, Australia.

The half-year Consolidated Financial Report is a general purpose Financial Report which has been prepared in accordance with the requirements of the Australian *Corporations Act 2001* and Accounting standards applicable in Australia, including AASB 134: *Interim Financial Reporting*.

This half-year Consolidated Financial Report does not include all the notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 September 2012 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure obligations set out in the ASX listing rules.

This half-year Consolidated Financial Report was approved by the Board of directors on 10 May 2013.

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with the Class Order, amounts in the half-year Consolidated Financial Report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated. The half-year Consolidated Financial Report is presented in Australian dollars.

2. Summary of accounting policies

Except as described below, the accounting policies applied by the Group in this half-year Consolidated Financial Report are the same as those applied by the Group in its Annual Financial Report as at and for the year ended 30 September 2012.

The principal Australian Accounting standards and interpretations that became effective since 30 September 2012 are:

- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB1, AASB5, AASB7, AASB101, AASB112, AASB120, AASB121, AASB132, AASB133 and AASB134].

The adoption of this standard did not have a significant impact on the Group's results in the current and/or prior year. However, the application of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income' resulted in changes to the Group's presentation of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

There were no standards and interpretations impacting the Group that were issued during the six months to 31 March 2013 available for early adoption.

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

3. Segment report

(a) Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Group's Executive Team in assessing performance and in determining the allocation of resources.

The operating segments are identified by management and are based on the market and region in which product is sold. Discrete financial information about each of these operating businesses is reported to the Executive Team on at least a monthly basis.

(b) Description of operating segments

Fertilisers:

Incitec Pivot Fertilisers (IPF): manufactures and distributes fertilisers in Eastern Australia. The products that IPF manufactures include Urea, Ammonia and Single Super Phosphate. IPF also imports products from overseas suppliers and purchases Ammonium Phosphates from Southern Cross International for resale.

Southern Cross International (SCI): manufactures Ammonium Phosphates, is a distributor of its manufactured fertiliser product to wholesalers in Australia (including IPF) and the export market. SCI also has a 65 percent share of the Hong Kong marketing company, Quantum Fertilisers Limited and operates an Industrial Chemicals business.

Fertilisers Elimination (Elim): represents the elimination of profit in stock arising from SCI sales to IPF.

Explosives:

Dyno Nobel Americas (DNA): principal activity is the manufacture and sale of industrial explosives and related products and services to the mining, quarrying and construction industries in the Americas (USA, Canada, Mexico and Chile) and Turkey, and the manufacture and sale of agricultural chemicals.

Dyno Nobel Asia Pacific (DNAP): principal activity is the manufacture and sale of industrial explosives and related products and services to the mining industry in the Asia Pacific region.

Explosives Eliminations (Elim): represents eliminations of profit in stock arising from DNA sales to DNAP.

(c) Accounting policies and inter-segment transactions

Corporate (Corp):

Corporate costs include all head office expenses that cannot be directly attributed to the operation of any of the Group's businesses.

Inter-entity sales are recognised based on an arm's length transfer price. The price aims to reflect what the business operation could achieve if they sold their output and services to external parties.

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

3. Segment report (continued)

(d) Reportable segments

31 March 2013	IPF \$mill	SCI \$mill	Elim \$mill	Total Fertilisers \$mill	DNAP \$mill	DNA \$mill	Elim \$mill	Total Explosives \$mill	Corp/ Group Elim \$mill	Consolidated Group \$mill
Sales to external customers	391.2	249.4	(105.9)	534.7	359.9	559.9	(13.6)	906.2	(14.0)	1,426.9
Share of profits in associates and joint ventures accounted for by the equity method	-	-	-	-	9.0	6.1	-	15.1	-	15.1
Earnings before interest, related income tax expense and depreciation and amortisation	42.1	38.1	(1.1)	79.1	80.8	118.8	(0.7)	198.9	(23.0)	255.0
Depreciation and amortisation	(16.6)	(12.9)	-	(29.5)	(13.3)	(38.8)	-	(52.1)	(0.9)	(82.5)
Earnings before interest and related income tax expense	25.5	25.2	(1.1)	49.6	67.5	80.0	(0.7)	146.8	(23.9)	172.5
Net interest expense										(25.0)
Income tax expense										(37.2)
Profit after tax										110.3
Non-controlling interest										(0.1)
Profit after tax (attributable to members of Incitec Pivot Limited)										110.2

31 March 2012	IPF \$mill	SCI \$mill	Elim \$mill	Total Fertilisers \$mill	DNAP ⁽¹⁾ \$mill	DNA \$mill	Elim \$mill	Total Explosives \$mill	Corp/ Group Elim \$mill	Consolidated Group \$mill
Sales to external customers	442.0	362.3	(97.2)	707.1	285.6	570.5	(13.7)	842.4	(1.3)	1,548.2
Share of profits in associates and joint ventures accounted for by the equity method	-	-	-	-	3.5	5.0	-	8.5	-	8.5
Earnings before interest, related income tax expense and depreciation and amortisation	17.9	78.0	(4.4)	91.5	106.4	117.1	(1.0)	222.5	(23.2)	290.8
Depreciation and amortisation	(15.7)	(14.9)	-	(30.6)	(10.4)	(34.6)	-	(45.0)	(0.8)	(76.4)
Earnings before interest and related income tax expense	2.2	63.1	(4.4)	60.9	96.0	82.5	(1.0)	177.5	(24.0)	214.4
Net interest expense										(27.5)
Income tax expense										(47.1)
Profit after tax										139.8
Non-controlling interest										3.7
Profit after tax (attributable to members of Incitec Pivot Limited)										143.5

(1) For the half-year ended 31 March 2012, the result included the non-cash earnings relating to the release of the Moranbah unfavourable contract liability, which had the following impact on the reported profit:

	\$mill
DNAP earnings before interest, related income tax expense and depreciation and amortisation	40.5
Net interest expense	(10.5)
Income tax expense	(9.0)
Profit after tax	21.0

As the business wrote back the entire unfavourable contract liability in the 2012 financial year, there is no comparative release in the six month period ended 31 March 2013.

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

3. Segment report (continued)

(e) Geographical segments

The Group operates in four principal countries being Australia (country of domicile), USA, Canada and Turkey.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the entity making the sale. Assets are based on the geographical location of the assets.

31 March 2013	Australia \$mill	USA \$mill	Canada \$mill	Turkey \$mill	Other/Elim \$mill	Consolidated \$mill
Revenue from external customers	863.0	377.2	115.1	35.4	36.2	1,426.9
Non-current assets other than financial instruments and deferred tax assets	3,714.5	1,982.6	56.6	86.8	92.6	5,933.1

31 March 2012	Australia \$mill	USA \$mill	Canada \$mill	Turkey \$mill	Other/Elim \$mill	Consolidated \$mill
Revenue from external customers	932.2	392.8	108.8	38.6	75.8	1,548.2

30 September 2012	Australia \$mill	USA \$mill	Canada \$mill	Turkey \$mill	Other/Elim \$mill	Consolidated \$mill
Non-current assets other than financial instruments and deferred tax assets	3,659.0	2,016.5	58.4	88.4	99.7	5,922.0

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

4. Revenue and other income

	March 2013 \$mill	March 2012 \$mill
Revenue		
External sales	1,426.9	1,548.2
Total revenue	1,426.9	1,548.2
Other income		
Interest income	10.3	3.3
Other income	14.0	11.2
From outside operating activities		
Net gain on sale of property, plant and equipment	2.0	5.8
Total financial and other income	26.3	20.3

Seasonality of operations

Earnings are biased to the second half of the financial year and are significantly influenced in the Fertilisers business by the Australian winter planting season, which is dependent upon autumn and early winter rainfall, and in the Explosives business which is significantly influenced by the North American winter and the Australian wet season in Queensland.

The following table presents selected results, excluding individually material items, for the Group for the 12 months ended 31 March 2013 and 31 March 2012.

	March 2013 \$mill	March 2012 \$mill
Revenue from ordinary activities		
Fertilisers	1,558.3	1,923.5
Explosives	1,834.0	1,749.0
Group Elimination	(12.7)	(3.4)
Total revenue from ordinary activities	3,379.6	3,669.1
Profit from ordinary activities before interest and related income tax		
Fertilisers	259.6	371.3
Explosives	369.2	399.3
Corporate	(71.6)	(57.8)
Total profit from ordinary activities before interest and related income tax	557.2	712.8

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

5. Investments accounted for using the equity method

Name of Entity	Principal Activity	Ownership Interest March 2013	Ownership Interest September 2012	Country of incorporation
Jointly controlled entities				
Alpha Dyno Nobel Inc.	Delivery of explosives and related products	50%	50%	USA
Boren Explosives Co., Inc.	Delivery of explosives and related products	50%	50%	USA
Buckley Powder Co. ⁽¹⁾	Delivery of explosives and related products	51%	51%	USA
IRECO Midwest Inc.	Delivery of explosives and related products	50%	50%	USA
Wampum Hardware Co.	Delivery of explosives and related products	50%	50%	USA
Midland Powder Company	Delivery of explosives and related products	50%	50%	USA
Mine Equipment & Mill Supply Company	Delivery of explosives and related products	50%	50%	USA
Controlled Explosives Inc.	Delivery of explosives and related products	50%	50%	USA
Western Explosives Systems Company	Delivery of explosives and related products	50%	50%	USA
Newfoundland Hard-Rok Inc.	Delivery of explosives and related products	50%	50%	Canada
Dyno Nobel Labrador Inc.	Delivery of explosives and related products	50%	50%	Canada
Quantum Explosives Inc.	Inactive	50%	50%	Canada
Dene Dyno Nobel Inc.	Delivery of explosives and related products	49%	49%	Canada
Qaaqtuq Dyno Nobel Inc. ⁽²⁾	Delivery of explosives and related products	49%	49%	Canada
Denesoline Western Explosives Inc. ⁽³⁾	Delivery of explosives and related products	49%	49%	Canada
Queensland Nitrates Pty Ltd ⁽⁴⁾	Production of ammonium nitrate	50%	50%	Australia
Queensland Nitrates Management Pty ⁽⁴⁾	Management services	50%	50%	Australia
DetNet International Limited	Distribution of electronic detonators	50%	50%	Ireland
DetNet South Africa (Pty) Ltd	Development, manufacture and supply of electronic detonators	50%	50%	South Africa
DNEX Mexico, S. De R.L. de C.V.	Mexican investment holding company	49%	49%	Mexico
Explosivos De La Region Lagunera, S.A. de C.V.	Distribution of explosives and related products	49%	49%	Mexico
Explosivos De La Region, Central, S.A. de C.V.	Distribution of explosives and related products	49%	49%	Mexico
Nitro Explosivos de Ciudad Guzman, S.A. de C.V.	Distribution of explosives and related products	49%	49%	Mexico
Explosivos Y Servicios Para La Construccion, S.A. de C.V.	Distribution of explosives and related products	49%	49%	Mexico
Tenaga Kimia Ensign-Bickford Sdn Bhd	Manufacture of explosive accessories	50%	50%	Malaysia
Sasol Dyno Nobel (Pty) Ltd ⁽⁴⁾	Distribution of detonators	50%	50%	South Africa
Associates				
Labrador Maskuau Ashini Ltd	Delivery of explosives and related products	25%	25%	Canada
Fabchem China Ltd ⁽⁵⁾	Manufacture of commercial explosives	30%	30%	Singapore
Valley Hydraulics Inc.	Hydraulic equipment repair	25%	25%	Canada
Apex Construction Specialities Inc.	Industrial and commercial construction materials	25%	25%	Canada
Innu Namesu Ltd	Delivery of explosives and related products	25%	25%	Canada
Warex Corporation	Delivery of explosives and related products	25%	25%	USA
Warex LLC	Delivery of explosives and related products	25%	25%	USA
Maine Drilling and Blasting Group	Drilling and blasting	49%	49%	USA
Independent Explosives	Delivery of explosives and related products	49%	49%	USA

(1) Due to the contractual and decision making arrangement between the shareholders of the entities, despite the legal ownership exceeding 50 percent, this entity is not considered to be a subsidiary.

(2) Due to legal requirements in the Canadian Northwest Territories, the Group cannot own more than 49 percent of the shares in Qaaqtuq Dyno Nobel Inc. However, under the joint venture agreement, the Group is entitled to 75 percent of the profit of Qaaqtuq Dyno Nobel Inc.

(3) Due to legal requirements in the Canadian Northwest Territories, the Group cannot own more than 49 percent of the shares in Denesoline Western Explosives Inc. However, under the joint venture agreement, the Group is entitled to 95 percent of the profit of Denesoline Western Explosives Inc.

(4) These jointly controlled entities have a 30 June financial year end. For the purpose of applying the equity method of accounting, the unaudited financial information through to 31 March 2013 has been used.

(5) Fabchem China Ltd has a 31 March financial year end. For the purpose of applying equity method of accounting, the unaudited financial information through to 31 March 2013 has been used.

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

6. Earnings per share (EPS)

	March 2013 Cents per share	March 2012 Cents per share
Basic earnings per share	6.8	8.8
Diluted earnings per share	6.8	8.8

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	March 2013 \$mill	March 2012 \$mill
Profit attributable to ordinary shareholders for basic and diluted earnings	110.2	143.5

	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	1,628,730,107	1,628,730,107

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

7. Interest bearing liabilities

	March 2013 \$mill	September 2012 \$mill
Current		
Secured		
bank loans		
participation facilities	77.6	104.1
Unsecured		
bank loans	12.4	6.7
other loans		
jointly controlled entities and associates ⁽¹⁾	7.2	14.9
other	22.4	-
	119.6	125.7
Non-current		
Secured		
bank loans		
participation facilities	19.3	24.0
lease liability	-	0.1
Unsecured		
fixed interest rate bonds	1,282.7	1,291.2
bank facility	249.1	-
	1,551.1	1,315.3

(1) Loans from jointly controlled entities and associates relate to unsecured loans from joint venture Wampum Hardware Co.

	Fixed interest rate bonds \$mill	Bank facility \$mill	Participation facilities \$mill	Other loans – joint ventures & associates \$mill	Other loans – other \$mill	Total \$mill
Balance at 1 October 2012	1,291.2	-	128.1	14.9	6.8	1,441.0
Proceeds from borrowings	-	250.0	-	-	28.0	278.0
Repayments of borrowings	-	(1.3)	(31.3)	(7.7)	-	(40.3)
Foreign exchange movement	(1.4)	-	-	-	-	(1.4)
Fair value adjustment	(9.0)	-	-	-	-	(9.0)
Funding costs	1.9	0.4	0.1	-	-	2.4
Balance at 31 March 2013	1,282.7	249.1	96.9	7.2	34.8	1,670.7

During the half-year ended 31 March 2013, the Group entered into two bilateral funding arrangements with a total limit of A\$250.0m. These facilities are revolving in nature, mature in April 2014 and may be used for general corporate purposes. These facilities were undrawn as at 31 March 2013.

Significant terms and conditions

Interest expense is recognised progressively over the life of the facilities.

Fixed Interest Rate Bonds

The Group has on issue the following Fixed Interest Rate Bonds in the US 144A/Regulation S debt capital market:

- US\$800.0m 10 year bond denominated in USD, with a fixed rate semi-annual coupon of 6 percent, maturing in December 2019.
- US\$500.0m 5 year bond denominated in USD, with a fixed rate semi-annual coupon of 4 percent, maturing in December 2015.

The Group entered into the following Interest Rate Swaps to receive fixed interest and pay floating interest:

- 5 year US\$500.0m Interest Rate Swap entered into during December 2010.
- 8.5 year US\$300.0m Interest Rate Swap, which commenced in June 2011.

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2013

7. Interest bearing liabilities (continued)

Bank Facility

The Bank Facility is a 3 year revolving facility that may be drawn in either AUD or USD. It has a facility limit of A\$900.0m (30 September 2012: A\$900.0m) with a maturity date of 4 April 2014. At 31 March 2013, the balance of A\$249.1m was drawn in AUD.

Participation Facilities

The Participation Facilities mature in June 2013 and September 2014. The carrying amount of the facilities is A\$96.9m (30 September 2012: A\$128.1m) and the facilities are secured against certain assets operated by Southern Cross Fertilisers Pty Ltd. The facilities are denominated in AUD and have fixed nominal interest rates of 8.93 percent and 9.63 percent respectively for the term of the facilities.

8. Dividends

	March 2013 \$mill	March 2012 \$mill
Dividends paid or declared in the half-year ended 31 March were:		
Ordinary Shares		
Final dividend of 8.2 cents per share, unfranked, paid 16 December 2011	-	133.6
Final dividend of 9.1 cents per share, 75 percent franked at the 30 percent corporate rate, paid 14 December 2012	148.2	-
Total ordinary share dividends paid	148.2	133.6

Subsequent event

Since the end of the half-year, the directors have determined to pay the following dividend:

Ordinary shares

Interim dividend of 3.4 cents per share, 75 percent franked at the 30 percent corporate tax rate, payable on 2 July 2013. The total dividend payment will be \$55.4 million.

The financial effect of this dividend has not been recognised in the half-year Consolidated Financial Report and will be recognised in subsequent Financial Reports.

9. Contingencies

Taxation

The Group is currently subject to information requests, investigations and audit activities by the Australian Taxation Office and other revenue authorities. The outcomes of these investigations and audits depends upon several factors which may result in further tax payments or refunds of tax payments already made by the Group. Provisions for potential further payments will be recognised if a present obligation in relation to a taxation liability exists which can be reliably estimated.

There have been no significant changes to other contingent liabilities disclosed at 30 September 2012.

10. Events subsequent to reporting date

Dividends

Since the end of the half-year, in May 2013, the directors determined to pay an interim dividend for the Company of 3.4 cents per share on 2 July 2013. The dividend is 75 percent franked at the 30 percent corporate tax rate.

Other

On 17 April 2013, the Company announced that it had approved US\$850.0 million of capital expenditure for the construction of a world scale 800,000 metric tonne per annum ammonia manufacturing plant in Waggaman, Louisiana in the United States of America. The construction of the plant is expected to take 39 months, with production planned to commence in the third quarter of calendar 2016.

Other than the matters reported above, as at the date of this report, the directors are not aware of any significant matter or circumstance that has arisen since 31 March 2013 that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 303(5) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors



Paul V Brasher
Chairman

Melbourne, 10 May 2013

Independent Auditor's Review Report to the Members of Incitec Pivot Limited

We have reviewed the accompanying half-year financial report of Incitec Pivot Limited, which comprises the consolidated statement of financial position as at 31 March 2013, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 18.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Incitec Pivot Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Incitec Pivot Limited would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Incitec Pivot Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Tom Imbesi
Partner
Chartered Accountants
Melbourne, 10 May 2013

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