

Incitec Pivot Limited

Office of the Company Secretary

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The Manager
Company Announcements Office
Australian Securities Exchange
Level 45, South Tower
Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir or Madam

Electronic Lodgement

Chairman's Address to Shareholders at 2013 AGM

In accordance with the listing rules, I attach a copy of the Chairman's Address to Shareholders for release to the market.

Yours faithfully



Daniella Pereira
Company Secretary

Attach.

Incitec Pivot Limited

INCITEC PIVOT LIMITED – ANNUAL GENERAL MEETING 19 DECEMBER 2013

SPEECH BY THE CHAIRMAN, PAUL BRASHER

Introduction

Welcome Ladies and Gentlemen.

It is good to be here with you today.

Today's Annual General Meeting marks my first full year as your Chairman of Incitec Pivot Limited.

I am looking forward to hearing your questions and comments about the Company during today's meeting or after the meeting concludes, when the Directors and I will have the opportunity to talk with shareholders.

Performance in 2013

Before going any further, I must start with the fact that, tragically, we suffered the loss of two work colleagues during the year and I want to express our sympathy to the families of the two men who were killed in those incidents. The first was a truck driver at a remote location in Canada. The other was a contractor working on an Australian site. While we have seen a downward trend in safety incidents across the Company in 2013, this has been totally outweighed by the two fatalities. A major focus of the Board is our strong commitment to Zero Harm for every employee. We should never accept anything less than Zero Harm and our continued resolve is for the safety of every employee across our business. Safety will continue to be the first item on the agenda of every Board meeting.

When James speaks to you shortly, he will address the Company's financial and operational performance and insights into the business environment in Australia and internationally.

As I said at the 2012 Annual General meeting, the environment in which this Company operates is a particularly challenging one and still is today. We operate across 18 countries, with Australia and the United States our two key locations. In general terms, our financial performance was impacted by a number of external factors: a high Australian dollar, low global fertiliser prices and an international resources sector facing cost pressures.

Taking into consideration these external factors, our overall financial performance has been mixed. There is no point in complaining about low fertiliser prices or a high Australian dollar. Our objective is to protect ourselves to the maximum extent possible against these factors – and there is a limit to the extent that can be done – but, more importantly, to ensure that we are totally focused on managing the things we can control, improve our performance in all of these controllable areas and make sure that we keep our cost base at an acceptable level.

James will describe some of the initiatives we are taking.

From a longer term perspective, 2013 was a year when we established a strong foundation for the medium term through the commissioning of the Moranbah Ammonium Nitrate Plant and the commencement of construction of our Ammonia Plant in Louisiana. I believe that these two major investments will go a very long way towards underpinning our results in the years ahead.

Dividend

Whilst our overall performance was not where we would like it to be, we have maintained a very strong cash flow and a sound balance sheet. The Board has resolved to pay a final dividend of 5.8 cents per share, bringing the full year dividend to 9.2 cents per share, compared to the 2012 full year dividend of 12.4 cents per share. This dividend payout ratio of 50% of NPAT, excluding Individually Material Items, reflects the payout ratio endorsed by the Board of 30–60% of NPAT excluding Individually Material Items. Our intention is to distribute franking credits when they are available. Pleasingly, for the final dividend, we were able to maintain the 75% franking.

Remuneration Report

An area of particular interest for all of our shareholders is the alignment of our Executives' remuneration structures with Company performance. Later in the meeting, we will propose the resolution for adoption of the Remuneration Report and you will have the opportunity to ask questions and to vote. The remuneration arrangements of the Executive Team are a matter the Board takes very seriously and we are always seeking to ensure alignment between interests of the shareholders and Executive rewards in the short and medium term. Our priority is to ensure we reward and incentivise Executives to deliver on the strategy and our business targets. In relation to the 2012/13 remuneration, you will see that our profit target was not met and, whilst our safety objective was met in terms of number of recordable injuries, we tragically had two fatalities this year. As a consequence, no short term or long term incentives were paid to management in 2013. We will continue to review our remuneration structures to ensure we maintain challenging targets and stretch management in delivering on the strategy.

Strategy and Growth

In terms of our strategy, our strategic direction is sound and we have aligned our business to the two major global trends of the industrialisation of Asia, with a particular focus on China's growth, and the shale gas revolution in the US. We will continue to increase the capability of our assets to take advantage of these market dynamics.

We have a significant operational footprint across 18 countries and we are increasing the capacity of the business to take advantage of the market dynamics. This year, we saw the completion and operation of the Moranbah Ammonium Nitrate Plant and the commencement of construction of the Louisiana Ammonia Plant.

The Moranbah plant is located in the Australian Bowen Basin region which has some of the lowest cost metallurgical coal delivered into Asia. Our customers are very supportive of the investment at Moranbah by IPL.

Importantly, the Moranbah plant will be a significant low cost manufacturing asset of the Group for many years.

In the United States, our Louisiana project is a particularly exciting one and an excellent fit with our strategy. We have a brownfield site which is extremely well suited to our operations and we have in place a lump sum turnkey contract with KBR, who we believe are at the forefront of global ammonia plant construction. The IPL project team on site is an experienced one, with some key team members having also worked on the Moranbah project.

Board Visits

In August this year, the Board visited the team and site at Louisiana to meet with key project partners and also the leaders of the local and state governments. During the visit I was particularly impressed with the commitment by Cornerstone Chemical Company – our brownfield site owner and onsite customer and, KBR, our construction partner; in particular, their safety approach which strongly aligns with our core value of Zero Harm. Importantly, they are just as focused as we are on delivering the project on time and on budget and meeting the technical requirements of a brand new, world class ammonia plant.

We were also privileged to meet with Bobby Jindal, Governor of Louisiana and John Young, President of the Jefferson Parish. Both leaders were very supportive of our investment and understand the significance of the project to the local community and businesses.

While in the US, the Board also took the opportunity to meet with our leadership and employees across the Dyno Nobel business. I admire the calibre of our people; they are smart, customer focused and business savvy. The Board and I also visited two of our major customers, Martin Marietta and Peabody, to hear firsthand about our ongoing service to their business. Both customers were complimentary about our people and the way in which we are working with customers to create the greatest possible value in their operations. This is hugely important at a time when some customers are themselves experiencing great pressures on volumes and margins.

As we continue our drive to increase productivity in the business, the Directors and I are continually updating our knowledge on how Business Excellence (BEx) is being used across the Company. In April this year, the Board joined with site leaders and employees in Queensland at the Gibson Island fertiliser production plant. We were impressed with the way our people are using BEx to identify opportunities for improvements in efficiency and develop business solutions. We have seen tangible outcomes as a result of every employee's preparedness to take ownership of the issues, particularly in relation to our maintenance turnarounds, as well as some of our on-going plant maintenance activities.

I believe it is important that the Directors have first-hand experience of these initiatives to understand the business and see the way the work is done from the ground up.

Board renewal

Whilst I have focused on the employees, the business and our major projects, I am cognisant that our performance as a Board is also critical to the success of the Company.

A constant Board topic is how we achieve the best possible board performance, not only as an instrument of governance, but also as an enabler of strategy.

This time last year, we commissioned an external review of Board performance (both individual performance and collective performance) and Board succession planning. Following the review, we now have in place a formal Board succession planning methodology covering the next seven years. This methodology takes into account the likely timing of board member rotations and the skills which will be required to allow us to drive our strategy through this period.

Today, I would particularly like to pay tribute to one of the foundation directors of Incitec Pivot. Allan McCallum has been a Director of Incitec Pivot Limited for almost 16 years and has made a fantastic contribution to the Company's growth, often in very challenging environments. Allan is about to complete his current three year term and will not be seeking re-election at this AGM. Allan's foresight and common sense and his understanding of our agricultural customers have been highly valued by the Board and the Company. On behalf of the shareholders, Allan, thank you for your commitment and professional service as Director of Incitec Pivot and we wish you all the best for the future.

Thank you to all of my fellow Directors, who have been energetic and constructive and have provided great support to me and to our management team over the last twelve months.

To the 5,200 people who work for Incitec Pivot, your safety every day is important to our future success. I have interacted with our people across the business and I am very proud to say that your work ethic, your contributions to continuous improvements and your commitment to the safety of each other is to be admired and appreciated.

Thank you to James and the Executive Team for guiding the business through this challenging period. This year, we have seen several long term Executives and senior managers retire from the business and we wish them well. In particular, from a Board viewpoint, many of you will remember Kerry Gleeson, General Counsel and Company Secretary from previous Annual General Meetings. After 10 years of service, Kerry has recently resigned. On behalf of my fellow Directors, I would like to thank Kerry for her professional advice and service to the Board and Company. We wish Kerry the very best for the future.

I would also like to welcome Daniella Pereira to this Annual General Meeting as our new Company Secretary.

In closing my report, I would like to highlight that the next few years have some tremendous opportunities: Moranbah is moving closer to delivering on its promise, and Louisiana is progressing quickly and safely towards full operation in 2016; and we are consolidating our business offering to the fertiliser, resources and quarry and construction industries.

Obviously, we have our challenges, one of which is our access to competitively priced raw materials. While we have announced today that we have signed a new 23-month gas supply agreement for Phosphate Hill, we believe it is vital to the country's interest to have a coherent energy policy which recognises the gas supply / demand imbalance over the next few years and attempts to find ways to redress this. We will continue to work with industry and the Australian government to ensure that there is a policy framework in place that supports growth in Australian manufacturing for the long-term.

Your Board and I are committed to the Company's strategy and delivering on our business targets for 2014.

Thank you and I look forward to your questions and comments on my report.