Appendix 4D
Half-Year Report

Incitec Pivot Limited

ABN 42 004 080 264

Financial Half-Year Ended (current period)	Previous Financial Half-Year Ended (previous corresponding period)
31 March 2015	31 March 2014

Results for announcement to the market

Extracts of the Incitec Pivot Limited results for the half-year ended 31 March 2015				**$A mill**
Revenues from ordinary activities	up	6%	to	1,594.9
Profit after tax attributable to members of Incitec Pivot Limited	up	27%	to	146.4
Profit after tax from ordinary activities attributable to members of Incitec Pivot Limited	up	27%	to	146.4

Dividends	**Amount per security cents**	**Franked amount per security at 30% tax cents**
Current period		
Interim dividend	4.40	0.00
Previous corresponding period		
Interim dividend	3.50	2.63
Year end dividend – 2014		
Final dividend	7.30	0.73

Record date for determining entitlements to the interim dividend:	21 May 2015
Payment date of interim dividend:	1 July 2015

The Dividend Reinvestment Plan (the DRP) will continue to operate at a discount of 1.5%. The last date to elect to participate in the DRP is 22 May 2015. In accordance with the DRP Rules, the offer price will be calculated as the arithmetic average of the daily volume weighted average market price of the Company's shares during the 10 trading days commencing on the second trading day after the record date, less a discount of 1.5%.

	Current period	**Previous corresponding period**
Net tangible asset backing per ordinary security	$0.77	$0.81

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 Incitec Pivot Limited's 30 September 2014 Annual Financial Report

Conduit foreign income component:

Current period		*Previous corresponding period*	
Interim dividend		Interim dividend	
Ordinary	4.40 cents	Ordinary	0.88 cents
		Final dividend	
		Ordinary	4.27 cents

Half-Year Financial Report

Contents

Directors' Report

The Directors of Incitec Pivot Limited present their report together with the financial report for the half-year ended 31 March 2015 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
K Fagg FTSE, BE(Hons), MCom(Hons) Member of the Health, Safety, Environment and Community Committee Member of the Remuneration Committee	Appointed as a director on 15 April 2014
G Hayes MAppFin, GradDipACC, BA, ACA Chairman of the Audit and Risk Management Committee	Appointed as a director on 1 October 2014
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
R McGrath BTP(Hons), MASc, FAICD Chairman of the Health, Safety, Environment and Community Committee Member of the Audit and Risk Management Committee Member of the Nominations Committee	Appointed as a director on 15 September 2011
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
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
Former directors	
A C Larkin FCPA, FAICD	Appointed as a director on 1 June 2003 and resigned as a director on 19 December 2014

Review of operations

A review of the operations of Incitec Pivot Limited and its controlled entities (collectively the "Group") during the half-year ended 31 March 2015 is contained in the accompanying Incitec Pivot Limited Profit Report.

Events subsequent to reporting date

Since the end of the half-year, in May 2015 the directors determined to pay an interim dividend for the Company of 4.4 cents per share on 1 July 2015. The dividend is unfranked (refer to note 7 in the half-year financial report).

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 2015 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 2015.

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 8th day of May 2015

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

8 May 2015

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 report of Incitec Pivot Limited for the half year ended 31 March 2015, 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

DELOITTE TOUCHE TOHMATSU

Tom Imbesi

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 2015

	Notes	**March 2015 $mill**	March 2014 $mill
Revenue	(5)	**1,594.9**	1,508.4
Financial and other income	(5)	**24.0**	31.5
Operating expenses			
Changes in inventories of finished goods and work in progress		**115.2**	66.9
Raw materials and consumables used and finished goods purchased for resale		**(757.7)**	(704.8)
Employee expenses		**(305.9)**	(295.5)
Depreciation and amortisation expense		**(121.7)**	(109.5)
Financial expenses		**(36.2)**	(52.0)
Purchased services		**(84.4)**	(76.7)
Repairs and maintenance		**(68.9)**	(70.7)
Outgoing freight		**(132.8)**	(111.5)
Lease payments – operating leases		**(35.0)**	(35.1)
Share of profit on equity accounted investments		**14.1**	15.9
Asset write-downs, clean-up and environmental provisions		**(4.0)**	(3.3)
Other expenses		**(15.0)**	(13.4)
		(1,432.3)	(1,389.7)
Profit before income tax		**186.6**	150.2
Income tax expense		**(40.1)**	(34.5)
Profit for the half-year		**146.5**	115.7
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains on defined benefit plans		**5.2**	6.4
Gross fair value loss on assets at fair value through other comprehensive income		**(3.0)**	(0.3)
Income tax relating to items that will not be reclassified subsequently		**(1.0)**	(2.3)
		1.2	3.8
Items that may be reclassified subsequently to profit or loss			
Fair value (loss)/gain on hedging instruments entered into for cash flow hedges		**(28.2)**	6.2
Cash-flow hedge loss transferred to profit or loss statement		**0.4**	7.9
Exchange differences on translating foreign operations		**368.5**	(9.9)
Loss on hedge of net investment		**(339.1)**	(1.7)
Income tax relating to items that may be reclassified subsequently		**1.1**	(3.3)
		2.7	(0.8)
Other comprehensive income for the period, net of income tax		**3.9**	3.0
Total comprehensive income for the half-year		**150.4**	118.7
Profit attributable to:			
Members of Incitec Pivot Limited		**146.4**	115.7
Non-controlling members		**0.1**	–
		146.5	115.7
Total comprehensive income attributable to:			
Members of Incitec Pivot Limited		**150.3**	118.7
Non-controlling members		**0.1**	–
		150.4	118.7
		cents	cents
Earnings per share			
Basic earnings per share	(6)	**8.8**	7.1
Diluted earnings per share	(6)	**8.8**	7.1

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 19.

Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	**March 2015 $mill**	September 2014 $mill
Current assets			
Cash and equivalents		**91.5**	70.5
Trade and other receivables		**326.0**	265.5
Inventories		**544.6**	434.1
Other assets		**48.3**	46.5
Other financial assets		**10.2**	16.9
Assets classified as held for sale		**0.9**	0.1
Total current assets		**1,021.5**	833.6
Non-current assets			
Trade and other receivables		**1.2**	7.1
Other assets		**52.3**	40.3
Other financial assets		**33.0**	221.8
Investments accounted for using the equity method		**317.8**	291.2
Property, plant and equipment		**3,755.8**	3,511.4
Intangible assets		**3,194.1**	2,992.3
Deferred tax assets		**63.6**	72.5
Total non-current assets		**7,417.8**	7,136.6
Total assets		**8,439.3**	7,970.2
Current liabilities			
Trade and other payables		**720.6**	823.0
Interest bearing liabilities	(10)	**669.9**	33.9
Other financial liabilities		**96.8**	26.0
Provisions		**88.8**	90.5
Current tax liabilities		**17.1**	16.7
Total current liabilities		**1,593.2**	990.1
Non-current liabilities			
Trade and other payables		**4.7**	10.1
Interest bearing liabilities	(10)	**1,599.1**	1,709.0
Other financial liabilities		**121.0**	277.0
Provisions		**85.7**	83.6
Deferred tax liabilities		**463.0**	415.3
Retirement benefit obligation		**81.3**	78.1
Total non-current liabilities		**2,354.8**	2,573.1
Total liabilities		**3,948.0**	3,563.2
Net assets		**4,491.3**	4,407.0
Equity			
Issued capital		**3,392.0**	3,332.8
Reserves		**(142.2)**	(144.8)
Retained earnings		**1,238.7**	1,216.3
Non-controlling interest		**2.8**	2.7
Total equity		**4,491.3**	4,407.0

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 19.

Consolidated Statement of Cash Flows

For the half-year ended 31 March 2015

	Notes	**March 2015 $mill Inflows/ (outflows)**	March 2014 $mill Inflows/ (outflows)
Cash flows from operating activities			
Receipts from customers		**1,703.4**	1,665.3
Payments to suppliers and employees		**(1,655.5)**	(1,683.4)
Interest received		**7.6**	8.8
Financial expenses paid		**(30.6)**	(38.4)
Other revenue received		**13.6**	13.8
Income taxes paid		**(22.0)**	(6.0)
Net cash flows from operating activities		**16.5**	(39.9)
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		**(209.8)**	(305.8)
Proceeds from sale of property, plant and equipment		**5.1**	14.0
Repayment of loans by equity-accounted investees		**2.7**	6.0
Payments on settlement of net investment hedge derivatives		**(14.9)**	(4.6)
Net cash flows from investing activities		**(216.9)**	(290.4)
Cash flows from financing activities			
Repayments of borrowings	(10)	**(24.2)**	(5.8)
Proceeds from borrowings	(10)	**297.5**	195.3
Realised market value losses on hedge of borrowings		**–**	(8.1)
Dividends paid		**(61.6)**	(54.9)
Net cash flows from financing activities		**211.7**	126.5
Net increase/(decrease) in cash and cash equivalents held		**11.3**	(203.8)
Cash and cash equivalents at the beginning of the half-year		**70.5**	270.6
Effect of exchange rate fluctuation on cash and cash equivalents held		**9.7**	1.9
Cash and cash equivalents at the end of the half-year		**91.5**	68.7

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 19.

Consolidated Statement of Changes in Equity

For the half-year ended 31 March 2015

	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 $mill	Non-controlling interest $mill	Total equity $mill
Balance at 1 October 2013	3,265.9	(26.7)	22.2	(163.1)	(11.0)	1,129.6	4,216.9	2.9	4,219.8
Total comprehensive income for the period	–	10.1	–	(10.9)	(0.2)	119.7	118.7	–	118.7
Dividends paid	–	–	–	–	–	(94.5)	(94.5)	(1.3)	(95.8)
Shares issued during the period	39.6	–	–	–	–	–	39.6	–	39.6
Share-based payment transactions	–	–	3.2	–	–	–	3.2	–	3.2
Balance at 31 March 2014	3,305.5	(16.6)	25.4	(174.0)	(11.2)	1,154.8	4,283.9	1.6	4,285.5
Balance at 1 October 2014	**3,332.8**	**(17.4)**	**22.7**	**(141.4)**	**(8.7)**	**1,216.3**	**4,404.3**	**2.7**	**4,407.0**
Early adoption of AASB 9 Financial instruments(1)	**–**	**–**	**–**	**–**	**–**	**(6.5)**	**(6.5)**	**–**	**(6.5)**
Total comprehensive income for the period	**–**	**(18.4)**	**–**	**21.1**	**(2.1)**	**149.7**	**150.3**	**0.1**	**150.4**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(120.8)**	**(120.8)**	**–**	**(120.8)**
Shares issued during the period	**59.2**	**–**	**–**	**–**	**–**	**–**	**59.2**	**–**	**59.2**
Share-based payment transactions	**–**	**–**	**2.0**	**–**	**–**	**–**	**2.0**	**–**	**2.0**
Balance at 31 March 2015	**3,392.0**	**(35.8)**	**24.7**	**(120.3)**	**(10.8)**	**1,238.7**	**4,488.5**	**2.8**	**4,491.3**

(1) Refer note 2 for additional information on the early adoption of AASB 9 *Financial Instruments*.

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 19.

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 rights recognised as an employee expense over the relevant vesting period and transactions associated with the 2012/15, 2013/16 and 2014/17 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 in the Consolidated Income Statement 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.

Non-controlling 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 2015

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 2015.

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 2014 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.

The Annual Financial Report of the Group for the year ended 30 September 2014 is available on Incitec Pivot Limited'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.

This half-year Consolidated Financial Report was approved by the Board of Directors on 8 May 2015.

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.

Deficiency of net current assets

As at 31 March 2015, the Group's current liabilities exceeded its current assets by $571.7m due to the Group's US$500.0m (AU$658.8m) fixed interest rate bond maturing in December 2015. At 31 March 2015, the Group has un-drawn financing facilities of $1,113.5m and cash balances of $91.5m to finance this deficiency. In addition, the Group's forecast cash flow for the next twelve months indicates that it will be able to meet current liabilities as and when they fall due. Accordingly, the consolidated financial statements have been prepared on a going concern basis. The Group constantly assesses the adequacy of its financing arrangements and will establish new funding facilities as and when required to ensure they appropriately support its investment grade credit profile and liquidity requirements.

2. Summary of accounting policies

Except as described below, the accounting policies applied by the Group in the 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 2014.

The principal Australian Accounting Standards and Interpretations that became effective and that were adopted or early adopted by the Group since 30 September 2014 were:

- AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*. The amendments to AASB 136 *Impairment of Assets* became effective for the Group since 30 September 2014.
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*. The amendments to AASB 101 *Presentation of Financial Statements* were early adopted by the Group since 30 September 2014.
- AASB 9 *Financial Instruments*, Impairment of Financial Assets (phase 2) and Hedge Accounting (phase 3). The Group early adopted the final two phases of AASB 9 from 1 October 2014. The early adoption of phase 2 introduces a new impairment assessment model for financial assets that has an impact on the Group's assessment of its doubtful debt allowances and resulted in an opening balance adjustment of $6.5m to retained earnings and the provision for doubtful debts. The early adoption of phase 3 introduces a new hedge accounting methodology that will impact how the Group measures the effectiveness of its hedging arrangements, and allows the Group to recognise the movement in the time value of its hedging instruments in the hedge reserve until the underlying transaction has occurred, when any gains or losses are released through the profit or loss.

The adoption of these standards did not have an impact, other than set out above, on the Group's results in the current period.

3. Critical accounting estimates and judgments

Impairment of assets

The carrying amount of the Group's assets, excluding financial assets, defined benefit fund assets, inventories and deferred tax assets, is reviewed at each reporting date to determine whether there are any indicators of impairment. If indicators are identified, the asset is tested for impairment by comparing its recoverable amount to its carrying amount. Irrespective of any indication of impairment, goodwill and indefinite life intangible assets are tested for impairment annually in September.

Southern Cross International (SCI) and Gibson Island CGUs

At 30 September 2014 the Group had identified the sustained pressure on fertiliser prices and high input costs in Australia as indicators of impairment which resulted in the assessment of the recoverable amount of the SCI and Gibson Island CGUs. The Group employed a value-in-use model to determine the recoverable amounts of the SCI and Gibson Island CGUs and it was concluded that the recoverable amounts were higher than the carrying amounts and, as such, no impairment was recognised for these assets.

At 31 March 2015, after considering changes in fertiliser prices, foreign exchange rates and input costs of raw materials, which are estimated by reference to external market publications and market analyst estimates, the Group has concluded that the recoverable amounts of the SCI and Gibson Island CGUs remain higher than their carrying amounts.

Other CGUs

As at 30 September 2014, the Group recognised a non-cash impairment charge of $43.0m for the Nitromak CGU and $43.4m for the Donora CGU.

The Nitromak charge related to the write-off of goodwill and property, plant and equipment largely due to changed conditions in the Turkish explosives market as a result of economic, political and industry pressures. Notwithstanding that the same economic and market conditions continue to prevail at 31 March 2015, the Nitromak CGU has performed in line with expectations during the six months ended 31 March 2015 and no further impairment or reversal of impairment is required.

Lower forecast production volumes for the Donora ammonium nitrate plant due to a reduction in contracted volumes with key customers resulted in the full impairment of the plant assets at 30 September 2014. In March 2015, the Group decided to idle the plant effective from 1 May 2015.

The recoverable amounts of IPL's remaining CGUs, being IPF, DNAP and DNA exceeded their carrying amounts at 30 September 2014 and the economic performance for the six months ended 31 March 2015 of these CGUs continued to support their carrying values.

4. 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 (representing the chief operating decision maker) 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 the sale of SCI manufactured products to IPF at an import parity price.

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 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 and Turkey.

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.

4. Segment report (continued)

(d) Reportable segments

31 March 2015	IPF $mill	SCI $mill	Elim $mill	Total Fertilisers $mill	DNAP $mill	DNA $mill	Elim $mill	Total Explosives $mill	Corporate[(1)] /Group Elim $mill	Consolidated Group $mill
Sales to external customers	**427.6**	**342.6**	**(206.7)**	**563.5**	**427.7**	**624.3**	**(16.6)**	**1,035.4**	**(4.0)**	**1,594.9**
Share of profits in associates and joint ventures accounted for by the equity method	–	–	–	–	**7.7**	**6.4**	–	**14.1**	–	**14.1**
Earnings before interest, related income tax expense, depreciation and amortisation	**35.9**	**92.2**	**(34.6)**	**93.5**	**131.3**	**122.5**	**0.2**	**254.0**	**(10.2)**	**337.3**
Depreciation and amortisation	**(16.9)**	**(17.6)**	–	**(34.5)**	**(38.8)**	**(47.1)**	–	**(85.9)**	**(1.3)**	**(121.7)**
Earnings before interest and related income tax expense	**19.0**	**74.6**	**(34.6)**	**59.0**	**92.5**	**75.4**	**0.2**	**168.1**	**(11.5)**	**215.6**
Net interest expense										**(29.0)**
Income tax expense										**(40.1)**
Profit after tax										**146.5**
Non-controlling interest										**(0.1)**
Profit after tax (attributable to members of Incitec Pivot Limited)										**146.4**
Segment assets	**892.5**	**576.9**	–	**1,469.4**	**2,982.2**	**3,770.4**	–	**6,752.6**	**153.7**	**8,375.7**
Segment liabilites	**(381.0)**	**(95.1)**	–	**(476.1)**	**(211.1)**	**(477.2)**	–	**(688.3)**	**(2,320.6)**	**(3,485.0)**
Net segment assets	**511.5**	**481.8**	–	**993.3**	**2,771.1**	**3,293.2**	–	**6,064.3**	**(2,166.9)**	**4,890.7**
Deferred tax balances										**(399.4)**
Total net assets per statement of financial position										**4,491.3**

31 March 2014	IPF $mill	SCI $mill	Elim $mill	Total Fertilisers $mill	DNAP $mill	DNA $mill	Elim $mill	Total Explosives $mill	Corporate[(1)] /Group Elim $mill	Consolidated Group $mill
Sales to external customers	413.0	256.9	(142.8)	527.1	433.7	574.1	(20.0)	987.8	(6.5)	1,508.4
Share of profits in associates and joint ventures accounted for by the equity method	–	–	–	–	8.9	7.0	–	15.9	–	15.9
Earnings before interest, related income tax expense and depreciation and amortisation	47.9	49.7	(20.4)	77.2	125.9	114.4	0.3	240.6	(15.2)	302.6
Depreciation and amortisation	(15.6)	(11.8)	–	(27.4)	(35.3)	(45.5)	–	(80.8)	(1.3)	(109.5)
Earnings before interest and related income tax expense	32.3	37.9	(20.4)	49.8	90.6	68.9	0.3	159.8	(16.5)	193.1
Net interest expense										(42.9)
Income tax expense										(34.5)
Profit after tax										115.7
Non-controlling interest										–
Profit after tax (attributable to members of Incitec Pivot Limited)										115.7
30 September 2014										
Segment assets	760.1	563.8	–	1,323.9	3,003.2	3,207.8	–	6,211.0	362.8	7,897.7
Segment liabilites	(434.5)	(89.2)	–	(523.7)	(197.7)	(453.7)	–	(651.4)	(1,972.8)	(3,147.9)
Net segment assets	325.6	474.6	–	800.2	2,805.5	2,754.1	–	5,559.6	(1,610.0)	4,749.8
Deferred tax balances										(342.8)
Total net assets per statement of financial position										4,407.0

(1) Corporate assets and liabilities include the Group's interest bearing liabilities and derivative assets and liabilities.

4. 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 2015	Australia $mill	USA $mill	Canada $mill	Turkey $mill	Other/Elim $mill	Consolidated $mill
Revenue from external customers	**940.8**	**476.7**	**115.7**	**30.9**	**30.8**	**1,594.9**
Non-current assets other than financial instruments and deferred tax assets	**3,779.8**	**3,371.7**	**60.1**	**–**	**111.4**	**7,323.0**

31 March 2014	Australia $mill	USA $mill	Canada $mill	Turkey $mill	Other/Elim $mill	Consolidated $mill
Revenue from external customers	896.7	414.6	125.5	41.0	30.6	1,508.4

30 September 2014	Australia $mill	USA $mill	Canada $mill	Turkey $mill	Other/Elim $mill	Consolidated $mill
Non-current assets other than financial instruments and deferred tax assets	3,806.2	2,863.3	62.5	–	115.1	6,847.1

5. Revenue and other income

	March 2015 $mill	March 2014 $mill
Revenue		
External sales	**1,594.9**	1,508.4
Total revenue	**1,594.9**	1,508.4
Other income		
Interest income	**7.2**	9.1
Other income	**15.7**	14.5
From outside operating activities		
Net gain on sale of property, plant and equipment	**1.1**	7.9
Total financial and other income	**24.0**	31.5

Seasonality of operations

Earnings (and cash inflows) 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 by the wet season in Queensland, Australia and the North American winter.

The following table presents selected results for the Group for the 12 months ended 31 March 2015 and 31 March 2014.

	March 2015 $mill	March 2014 $mill
Revenue from ordinary activities		
Fertilisers	**1,338.0**	1,458.0
Explosives	**2,111.0**	2,038.2
Group Elimination	**(10.5)**	(10.8)
Total revenue from ordinary activities	**3,438.5**	3,485.4
Profit from ordinary activities before interest and related income tax		
Fertilisers	**192.6**	170.0
Explosives	**378.8**	340.7
Corporate	**(29.5)**	(23.8)
Total profit from ordinary activities before interest and related income tax	**541.9**	486.9

6. Earnings per share (EPS)

	March 2015 Cents per share	March 2014 Cents per share
Basic earnings per share	**8.8**	7.1
Diluted earnings per share	**8.8**	7.1

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

	March 2015 $mill	March 2014 $mill
Profit attributable to ordinary shareholders for basic and diluted earnings	**146.4**	115.7
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**1,666,961,969**	1,637,942,624
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**1,673,087,303**	1,641,639,852

7. Dividends

	March 2015 $mill	March 2014 $mill
Dividends paid or declared in the half-year ended 31 March were:		
Ordinary Shares		
Final dividend of 5.8 cents per share, 75 percent franked at the 30 percent corporate rate, paid 18 December 2013 (1)	**–**	94.5
Final dividend of 7.3 cents per share, 10 percent franked at the 30 percent corporate rate, paid 16 December 2014 (1)	**120.8**	–
Total ordinary share dividends paid	**120.8**	94.5

(1) The Company issued 20,623,269 (2014: 16,188,987) ordinary shares for $59.2m (2014: $39.6m) under its Dividend Reinvestment Plan.

Subsequent event

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

Ordinary shares

Interim dividend of 4.4 cents per share, unfranked, payable on 1 July 2015. The total dividend payment will be $73.7 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.

8. Issued capital

Issued capital as at 31 March 2015 amounted to $3,392.0m (1,675,621,463 ordinary shares). During the six months ended 31 March 2015 the Company issued 20,623,269 ordinary shares for $59.2m under its Dividend Reinvestment Plan.

9. Investments accounted for using the equity method

Name of Entity	Principal Activity	Ownership Interest March 2015	Ownership Interest September 2014	Country of incorporation
Jointly controlled entities				
Alpha Dyno Nobel Inc.(6)	Delivery of explosives and related products	50%	50%	USA
Boren Explosives Co., Inc.(6)	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.(6)	Delivery of explosives and related products	50%	50%	USA
Wampum Hardware Co.(6)	Delivery of explosives and related products	50%	50%	USA
Midland Powder Company(6)	Delivery of explosives and related products	50%	50%	USA
Mine Equipment & Mill Supply Company(6)	Delivery of explosives and related products	50%	50%	USA
Controlled Explosives Inc.(6)	Delivery of explosives and related products	50%	50%	USA
Western Explosives Systems Company(6)	Delivery of explosives and related products	50%	50%	USA
Newfoundland Hard-Rok Inc.(6)	Delivery of explosives and related products	50%	50%	Canada
Dyno Nobel Labrador Inc.(6)	Delivery of explosives and related products	50%	50%	Canada
Quantum Explosives Inc.(6)	Inactive	50%	50%	Canada
Dene Dyno Nobel Inc.(6)	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(6)	Distribution of electronic detonators	50%	50%	Ireland
DetNet South Africa (Pty) Ltd(6)	Development, manufacture and supply of electronic detonators	50%	50%	South Africa
DNEX Mexico, S. De R.L. de C.V.(6)	Mexican investment holding company	49%	49%	Mexico
Explosivos De La Region Lagunera, S.A. de C.V.(6)	Distribution of explosives and related products	49%	49%	Mexico
Explosivos De La Region, Central, S.A. de C.V.(6)	Distribution of explosives and related products	49%	49%	Mexico
Nitro Explosivos de Ciudad Guzman, S.A. de C.V.(6)	Distribution of explosives and related products	49%	49%	Mexico
Explosivos Y Servicios Para La Construccion, S.A. de C.V.(6)	Distribution of explosives and related products	49%	49%	Mexico
Tenaga Kimia Ensign-Bickford Sdn Bhd(6)	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(6)	Delivery of explosives and related products	25%	25%	Canada
Fabchem China Ltd(5)	Manufacture of commercial explosives	30%	30%	Singapore
Valley Hydraulics Inc.(6)	Hydraulic equipment repair	25%	25%	Canada
Apex Construction Specialities Inc.(6)	Industrial and commercial construction materials	25%	25%	Canada
Innu Namesu Ltd(6)	Delivery of explosives and related products	25%	25%	Canada
Warex Corporation(6)	Delivery of explosives and related products	25%	25%	USA
Warex LLC(6)	Delivery of explosives and related products	25%	25%	USA
Maine Drilling and Blasting Group(6)	Drilling and blasting	49%	49%	USA
Independent Explosives(6)	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 joint ventures 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 2015 has been used.
(5) Fabchem China Ltd has a 31 March financial year end. For the purpose of applying the equity method of accounting, the unaudited financial information through to 31 March 2015 has been used.
(6) These joint ventures have a 31 December financial year end. For the purpose of applying the equity method of accounting, the unaudited financial information through to 31 March 2015 has been used.

10. Interest bearing liabilities

	March 2015 $mill	September 2014 $mill
Current		
Unsecured		
bank loans	–	24.2
fixed interest rate bonds	**658.8**	–
other loans		
jointly controlled entities and associates	**11.1**	9.7
	669.9	33.9
Non-current		
Unsecured		
bank facilities	**337.0**	–
fixed interest rate bonds	**1,262.1**	1,709.0
	1,599.1	1,709.0

The following current and non-current interest bearing liabilities were issued and repaid during the six months ended 31 March 2015:

	Fixed interest rate bonds $mill	Bank facility $mill	Other loans – joint ventures & associates $mill	Bank loans $mill	Total $mill
Balance at 1 October 2014	**1,709.0**	**–**	**9.7**	**24.2**	**1,742.9**
Proceeds from borrowings	–	297.5	–	–	297.5
Repayments of borrowings	–	–	–	(24.2)	(24.2)
Foreign exchange movement	206.9	38.7	1.4	–	247.0
Fair value adjustment	3.2	–	–	–	3.2
Funding costs	1.8	0.8	–	–	2.6
Balance at 31 March 2015	**1,920.9**	**337.0**	**11.1**	**–**	**2,269.0**

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 has on issue the following fixed interest rate bonds in the Australian debt capital market:

- AU$200.0m 5.5 year bond denominated in AUD, with a fixed rate semi-annual coupon of 5.75 percent, maturing in February 2019.

Bank facility

The Bank Facility is a A$1,450.0m three year and five year revolving facility that may be drawn in either AUD or USD with a maturity of October 2016 (for A$850.0m) and September 2018 (for A$600.0m). At 31 March 2015, $257.5m of the outstanding balance was drawn in USD.

11. Financial instruments

Fair value

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Carrying amount 2015 $mill	**Fair value 2015 $mill**	Carrying amount 2014 $mill	Fair value 2014 $mill
Cash and cash equivalents	**91.5**	**91.5**	70.5	70.5
Financial assets carried at fair value through Other Comprehensive Income				
Investments – equity instruments	**1.8**	**1.8**	4.8	4.8
Financial assets/(liabilities) carried at amortised cost through the profit or loss				
Trade and other receivables	**327.2**	**327.2**	272.6	272.6
Trade and other payables	**(725.3)**	**(725.3)**	(833.1)	(833.1)
Financial liabilities	**(2,269.0)**	**(2,402.6)**	(1,742.9)	(1,860.0)
Derivatives designated and effective as hedging instruments carried at fair value				
Cross currency interest rate swaps	**(158.0)**	**(158.0)**	(82.3)	(82.3)
Option contracts	**(0.6)**	**(0.6)**	(9.7)	(9.7)
Forward exchange contracts	**(11.0)**	**(11.0)**	1.4	1.4
Interest rate swaps	**2.2**	**2.2**	21.5	21.5
Commodity contracts	**(9.0)**	**(9.0)**	–	–
Total	**(2,750.2)**	**(2,883.8)**	(2,297.2)	(2,414.3)

Basis for determining fair value

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

Investments in equity securities

The fair value of equity instruments is based on the quoted bid price at the reporting date.

Derivative financial instruments

The fair value of forward exchange contracts, interest rate swaps, and cross currency interest rate swaps is based on discounted cash flows, reflecting the credit risk of various counterparties. Future cash flows are estimated based on contract rates and observable forward interest and exchange rates, and currency basis at the end of the reporting period.

The fair value of option contracts is calculated using the contract rates and observable market rates at the end of the reporting period, reflecting the credit risk of various counterparties. The valuation technique is consistent with the Black-Scholes methodology and utilises Monte Carlo simulations.

The fair value of commodity contracts is based on their listed market price as quoted on the NYMEX, if available, and, if a listed market price is not available, then fair value is estimated by discounting the difference between the contractual price and current observable market price at the end of the reporting period, reflecting the credit risk of various counterparties.

Trade and other receivables & trade and other payables

The fair value of trade and other receivables, and trade and other payables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Method of discounting

In calculating the fair values of financial instruments the present value of all cash flows greater than 1 year are discounted.

11. Financial instruments (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Level 1 and Level 2 in the period.

31 March 2015	Level 1 $mill	Level 2 $mill	Level 3 $mill
Listed equity securities	**1.8**	**–**	**–**
Derivative financial assets	**–**	**41.4**	**–**
Total	**1.8**	**41.4**	**–**
Derivative financial liabilities	**–**	**217.8**	**–**
Total	**–**	**217.8**	**–**

30 September 2014	Level 1 $mill	Level 2 $mill	Level 3 $mill
Listed equity securities	4.8	–	–
Derivative financial assets	–	233.9	–
Total	4.8	233.9	–
Derivative financial liabilities	–	303.0	–
Total	–	303.0	–

12. Contingencies

There have been no significant changes to other contingent liabilities disclosed at 30 September 2014.

13. Events subsequent to reporting date

Since the end of the half-year, in May 2015, the directors determined to pay an interim dividend for the Company of 4.4 cents per share on 1 July 2015. The dividend is unfranked (refer to note 7 in the half-year financial report).

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 2015 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 s.303(5) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors

Paul V Brasher
Chairman

Melbourne, 8th day of May 2015

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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 2015, 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 20.

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 2015 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.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Deloitte.

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 2015 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

DELOITTE TOUCHE TOHMATSU

Tom Imbesi

Tom Imbesi
Partner
Chartered Accountants
Melbourne, 8 May 2015

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