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

Managing Director & CEO's Address to Shareholders at 2010 AGM

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

Yours faithfully

Kerry Gleeson
Company Secretary

Attach.

Incitec Pivot Limited

INCITEC PIVOT LIMITED – ANNUAL GENERAL MEETING
21 DECEMBER 2010

SPEECH BY THE MANAGING DIRECTOR & CEO, JAMES FAZZINO

Thank you, Chairman.

Ladies and Gentlemen.

The Financial Result for the 2010 Year is well known to you all. Today, in my presentation, I want to take you through the substance behind this great Result. I feel certain that this approach will engender your confidence in the strength of your Company and in our future direction.

The 2010 Financial Result was – in simple terms - driven by our strategy and delivered by our people. The Chairman has spoken to you about our strategy and I will talk to you about our people. I will also talk about my two other priorities: Customers and Efficiency.

Let me start with some of my highlights of the Result. Net Profit After Tax, pre individually material items, increased by 27% notwithstanding challenging external conditions in two of our four businesses.

- In our Americas explosives business, the Dyno Nobel team increased EBIT in the face of continued softness in the US economy. In fact demand for explosives reached its cyclical bottom in the first half of the 2010 financial year.

- The Dyno Nobel Asia Pacific explosives team achieved a 60% increase in EBIT ensuring that we maximise the benefits of being aligned to Australian mining.

- In our Australian domestic fertiliser distribution business – Incitec Pivot Fertilisers, the team had to deal with the combination of variable farmer demand, volatile global fertiliser prices and a strengthening Australian dollar. The team focused on the basics and delivered a 20% increase in EBIT in the year. If you compare this result with some of its peers, you can appreciate the performance of the Incitec Pivot Fertilisers team.

- Finally, our Trading business, comprising Southern Cross International and Quantum, increased its profit by 21%. In fact, 37% of our fertiliser sales were made offshore, primarily to Asian customers in the year.

These results were not achieved without the quality products provided by our Manufacturing team. In 2010, we maintained our focus on risk and reliability, highlighted by successful maintenance turnarounds at the two largest plants in the IPL Group. These are the Phosphate Hill ammonium phosphate fertiliser plant in Queensland and our ammonium nitrate explosives plant in Cheyenne, Wyoming. Both turnarounds were achieved with a strong emphasis on Zero Harm which is the fundamental element of my People Priority.

Zero Harm was an area where our performance was unacceptable during 2010. Despite a Recordable Case Rate which was trending down, we had the worst possible outcome – the tragic death of a colleague working at a quarry in Canada. Immediately following this incident, we held “Safety Stand Downs” at all of the sites in the Group as a way of reinforcing the paramount importance of safety.

I know that Zero Harm can be achieved and it is not an unattainable goal. Why? Because more than 80% of our sites were, in fact, injury free in 2010. They are Zero Harm sites. I have designated myself as not just CEO but also CSO which stands for Chief Safety Officer. I won’t rest until we are 100% injury-free at all of our sites globally and maintain Zero Harm year-after-year.

I strongly believe that it is the people in the IPL Group who give us a sustainable advantage that cannot be copied or replicated. Our focus on people was elevated in 2010 through programs targeted at developing strong leadership throughout the IPL Group. This program, which I call “raising the bar”, is also aimed at fostering a positive organisational climate.

Research over many years has shown outstanding companies are those with a fully engaged workforce; that is, employees who put in discretionary effort. A fully engaged workforce comes as a result of clear leadership creating a positive organisational climate. In addition to this research, we conducted a survey of our own employees to better understand the organisational climate in the Group. As a result, we embarked upon a program of leadership development. By the time the current program is completed next year, more than 800 leaders in the Group will have participated in the program. Success will be measured through the performance of the Group and the ability of our team to produce improved results, year on year, in any market conditions.

A key element of Group performance is reward and recognition. Our remuneration program will, for the first time, reference the “how” - how financial and operational results are delivered as well as the “what”, the results themselves. The “how” is built around the Group’s seven Values, which are the key driver of our Group culture and are critical to linking the organisation globally. Created substantially by the employees themselves, the Values also link with cultural and gender diversity which is important in our approach to People and leadership. We have existing and future programs to address these opportunities.

There is another side to my People Priority. That is the people in the communities in which we operate. It is significant to note that our communities are almost exclusively in regional and rural areas in different countries and cultures. These communities live in mining towns in the Pilbara in Western Australia or the Powder River Basin in Wyoming. They run businesses in farming communities in Western New South Wales and depend upon our fertilisers for a crop or for pasture. They supply engineering services to our manufacturing plants in outback Queensland or in rural Mexico. Their children are in the sporting clubs which receive grants from our businesses and they benefit from our donations in times of trouble.

I frequently visit our remote sites to meet employees and, at the same time, often meet the people in our communities. I'm intensely proud of our involvement with these communities and I'm extremely grateful for their continued support. Our commitment to them is summarised in our Sustainable Communities Policy and we fully recognise that we continue to operate only with their permission.

If we don't have a business without community support, then we certainly won't if we don't have the support of our Customers. I'm delighted to say that we achieved a number of substantial customer milestones during the year. For example, our customers in Queensland's Bowen Basin strongly supported our decision to re-start the construction of our ammonium nitrate project at Moranbah. Our Dyno Nobel Asia Pacific team demonstrated first class customer relationships by achieving a virtual sell-out of the Moranbah off-take when the plant comes on stream in 2012. I visited Moranbah in October and met with customers. I'm pleased to report that the project is more than 55% complete and is on budget and on track for beneficial production from end March, 2012. Moranbah will deliver a step change in the size and profitability of our Australian explosives business - Dyno Nobel Asia Pacific - as we move from being an importer of ammonium nitrate to being a manufacturer.

Another major customer accomplishment was in our Americas explosives business where the team re-signed our explosives supply contract with Peabody Coal, our single largest customer globally. I met with Peabody management in the US and they speak highly of the Dyno Nobel Americas team. Further south in Chile, I was pleased to meet many customers at the official opening of our initiation systems plant in June. This was also a project developed with the strong support of customers. As the Chairman noted, the Latin American region holds strong potential and we are pleased to have a presence there again.

I firmly believe that to understand the business, you need to know the company from the ground up. I do this by listening to employees, customers, contractors, suppliers and community leaders. My Executive Team has the same commitment to getting out of their offices to where the business is run and the money is made. Since I've been appointed as CEO I have visited most of the major sites in the IPL Group. Last month, I went to Geelong for the re-opening of our Superphosphate plant – a strong boost for that community, and last week, I inspected the site of the proposed Perdaman Chemicals and Fertilisers project, south of Perth, in Western Australia. We recently signed a 20 year off-take agreement for two million tonnes a year of urea from the project, which is expected to come on line in 2014. Access to this off-take will provide substantial business opportunities for our trading and our fertiliser distribution businesses.

Now a brief word on the third of my priorities: Efficiency. If employees, customers and communities provide the ticket to ride, efficiency pays the fare! Fortunately, within the IPL Group, business efficiency is a way of life, described by our continuous improvement Value of "Challenging & Improving the Status Quo". It is part of our DNA and has been has been since we implemented the Tardis efficiency program in 2005 followed by the Velocity program after the acquisition of Dyno Nobel.

Velocity is on track to deliver on the four year target of US$204 million, with US$140 million delivered to date. The success of the Velocity program was based upon some 500 separate efficiency projects. We aim to complete all projects by the conclusion of our 2011 financial year.

We will then embark on a new efficiency program built upon lean principles. Starting in 2012, the lean transformation of the IPL Group will be managed by the Project Office that has successfully delivered Tardis and Velocity.

The roll-out of lean principles will empower our people to own the business improvement activity and to engage in the implementation. We will involve all of our employees to constantly examine how waste and inefficiency can be eliminated. We have an excellent model in our initiating systems business, where lean principles have been applied for a number of years. The employees there have proven how powerful and sustainable this approach can be. I'm excited about the potential for substantial improvement in business efficiency across the Group in the years ahead.

I want to briefly comment on the performance of our businesses in the first two months of the 2011 year. However, before I do, I want to recognise the impact of the floods in Eastern Australia on the farming community. From speaking to farmers, to our customers and also to our people in our fertiliser business, I know that for many in the farming community, high expectations for this season have plummeted as a result of the heavy rains. For many farmers, this is a devastating outcome.

In relation to our business, the floods have had an impact but to a much lesser extent. The heavy rain is expected to have a limited short-term effect on our Incitec Pivot Fertilisers distribution business and also, on our Dyno Nobel Asia Pacific explosives operation. For Dyno Nobel, the rain has temporarily slowed operations in some of our customers' mines.

Notwithstanding this, our businesses are performing as expected. In the Outlook statement issued at the release of the Full Year Results last month, we said we expected continued earnings momentum. I'm pleased to say that the performance of our businesses in the first two months is on track and as a Group, we are currently above budget.

Let me end where I started, with our people. I want to sincerely thank all employees throughout the IPL Group who continue to inspire me with the day-to-day skill and judgment that they bring to bear on important decisions, and their commitment and dedication to achieve results despite the hurdles. I also wish to thank the Leadership Group in IPL Group, particularly the Executive Team, who challenge me and their colleagues to achieve outstanding performance. Finally, let me express my appreciation to my fellow Board members for their strategic advice and business acumen. In particular, I want to thank you John, for your mentorship, wise counsel, support and friendship.

Thank You.

James Fazzino
Managing Director & CEO