Incitec Pivot Limited

Office of the Company Secretary

ABN 42 004 080 264

Registered Office:
Level 8, 28 Freshwater Place
Southbank Victoria 3006

Tel: (61 3) 8695 4400
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www.incitecpivot.com.au

12 November 2013

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

IPL Releases 2013 Full Year Results

In accordance with the listing rules, I attach a copy of an ASX Announcement for release to the market.

Yours faithfully

Daniella Pereira
Company Secretary

Attach.

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ASX ANNOUNCEMENT – 12 November 2013

IPL RELEASES 2013 FULL YEAR RESULTS

Incitec Pivot Limited (**ASX:** IPL) today announced a Net Profit After Tax (NPAT), including Individually Material Items (IMIs), of $372 million for the financial year ended 30 September 2013.

NPAT, excluding IMIs, was $298.4 million. After adjusting the previous corresponding period for the Moranbah unfavourable contract liability release, this was a decrease of $64.3 million, or 18%.

IPL's Managing Director & CEO, James Fazzino, said the result reflected a year when IPL continued to drive the medium-term growth strategy while managing through challenges impacting profitability in 2013.

"During the year, we established our medium-term growth platform with the ramp-up of production at the Moranbah ammonium nitrate plant in Queensland's Bowen Basin and the commencement of construction of a world scale ammonia plant in Louisiana, USA.

"Our immediate focus is to continue to execute on strategy through maximising returns from our current businesses and to deliver on our core manufacturing expertise through safe and sustained operation of our production plants globally, including Moranbah."

Mr Fazzino said that the 2013 result was impacted by external factors including a high Australian dollar, low global fertiliser prices and a decline in demand for explosives sold into the resources industry.

"In the face of these external challenges, the business delivered strong operating cash flows and increases in underlying* earnings in the global explosives business of 3% and in the Australian fertiliser distribution business of 4%."

In looking to the future, Mr Fazzino said that Dyno Nobel Asia Pacific (DNAP) would continue to benefit from the ramp-up of production at Moranbah, which is anticipated to produce 300,000 tonnes of ammonium nitrate in 2014.

"In Dyno Nobel Americas (DNA), we are expecting moderate earnings growth as the Metals & Mining and Quarry & Construction sectors continue to improve over time with the strengthening US economy. In Incitec Pivot Fertilisers, we expect similar sales volumes with earnings subject to global fertiliser price movements. At Phosphate Hill, two maintenance turnarounds - a 16 day shut in October/November 2013 and a 35 day shut in May/June 2014 - will prepare the plant for sustainable production."

DYNO NOBEL

DNAP underlying* Earnings Before Interest and Tax (EBIT) grew by 15%, underpinned by earnings growth from Moranbah. DNA US dollar EBIT declined by 9% primarily due to lower urea prices impacting profit from the St Helens plant.

INCITEC PIVOT FERTILISERS

Incitec Pivot Fertilisers (IPF) EBIT increased by 4%, with the major contribution coming from distribution margins due to the introduction of a contract model which provided customers with price and supply security while mitigating margin erosion from a slump in global fertiliser prices.

BUSINESS EFFICIENCY

BEx delivered $39 million of gross benefits in 2013, as planned. A highlight was the Gibson Island plant in Brisbane which produced record annual tonnage aided by advanced implementation of BEx. In addition, an overhead reduction program is on target to provide $20 million in annual cost savings, of which $12 million in benefits will be delivered in 2014. One-off implementation costs will be approximately $10 million.

BALANCE SHEET

IPL's balance sheet as at 30 September 2013 reflects ongoing financial discipline throughout the business. In challenging market conditions, operating cash flows decreased by 1% to $614 million, with the highlight being the continued improvement in Trade Working Capital management. Sound credit metrics were maintained.

DIVIDEND

The full year dividend is 9.2 cents per share, reflecting a pay-out ratio of 50% of NPAT, excluding IMIs, and represents a decrease of 26% on the 2012 full year dividend. The 2013 final dividend of 5.8 cents per share is 75% franked and will be paid on 18 December 2013 to those shareholders on the share register on the record date of 27 November 2013.

The Company will recommence its dividend reinvestment plan (DRP), which was suspended in 2010, in connection with the 2013 final dividend. A discount of 1.5% will be applied in determining the offer price under the DRP.

*Underlying earnings: earnings before interest and tax, adjusted for the 2012 write back of the Moranbah unfavourable contracts liability provision.

Daniella Pereira
Company Secretary

<u>Further Information:</u>

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About Incitec Pivot

Incitec Pivot (ASX: IPL), is a leading global company which manufactures, markets and distributes a range of industrial explosives, fertilisers, related products and services to customers around the world. A leader in its chosen markets, the Company holds a portfolio of recognised and trusted brands and is the No. 1 supplier of fertilisers in Australia and the No. 1 supplier of industrial explosives, related products and services in North America. Employing approximately 5,000 people, IPL owns and operates manufacturing plants in Australia, USA, Canada, Turkey, Mexico, Chile and Indonesia and has joint venture operations, including in South Africa, Malaysia and China.