

Incitec Pivot Limited

Office of the Company Secretary

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24 July 2014

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 Investor Presentation – July 2014

In accordance with the listing rules, I attach for release to the market an investor presentation.

Yours faithfully



Daniella Pereira
Company Secretary



Investor Overview

Incitec Pivot Limited

DYNO
Dyno Nobel



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INCITEC PIVOT LIMITED ABN 42 004 080 264

Incitec Pivot Limited



Introduction



Incitec Pivot at a glance

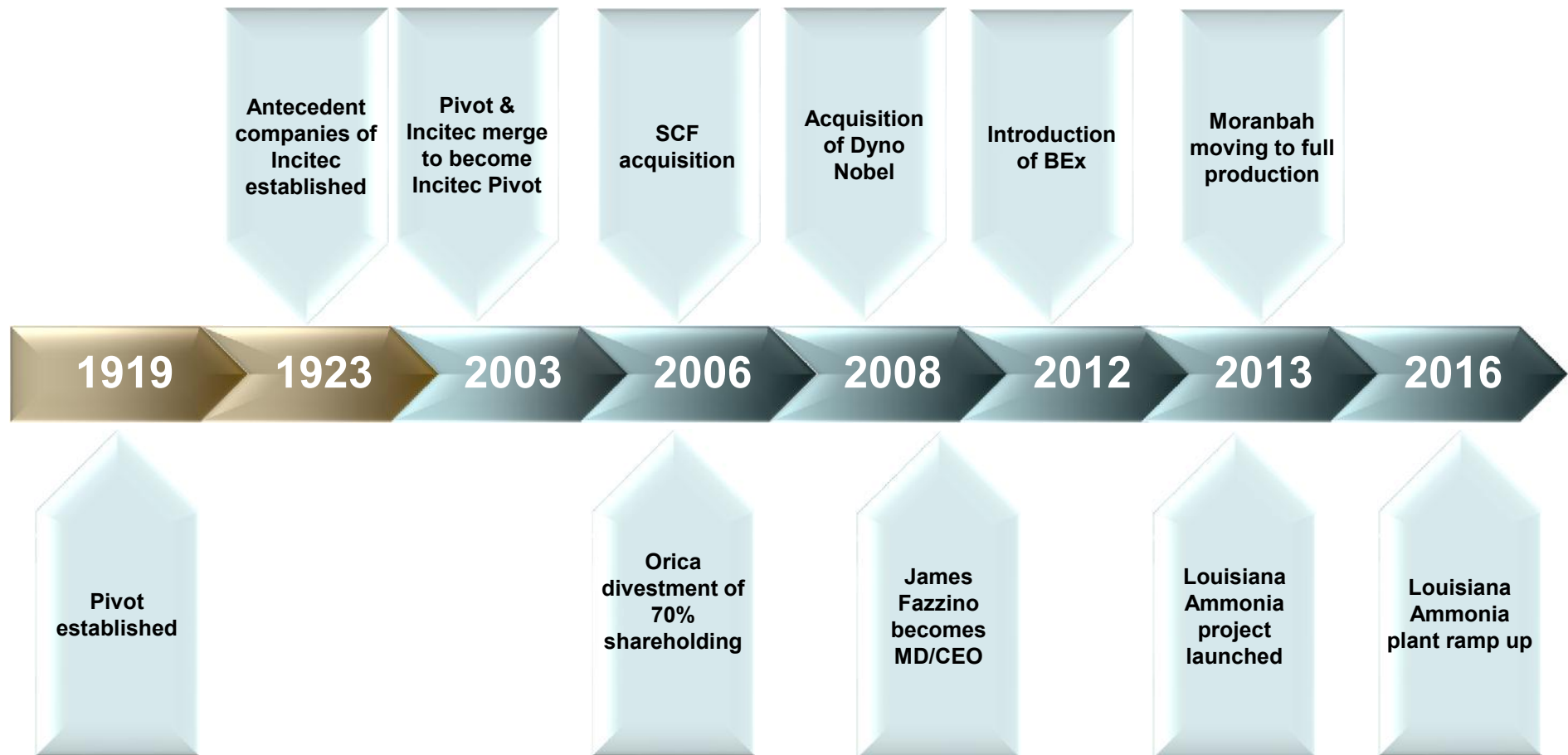
- Incitec Pivot Limited (“IPL”) is an industrial chemicals company with market leading positions in:
 - **Industrial Explosives:** #1 manufacturer (by tonnes) in the US and #2 distributor and manufacturer (by tonnes) in Australia
 - **Fertilisers:** #1 manufacturer in Australia (by volume and by revenue) and #1 distributor in eastern Australia (by volume and by revenue)
- S&P/ASX listed company, with a market capitalisation of approx. A\$5 billion⁽¹⁾
- Leveraged to:
 - the industrialisation and urbanisation of developing economies, linking to demand for hard and soft commodities
 - the re-industrialisation of the U.S., driven by the shale gas revolution in the U.S.
 - the recovery of the U.S. economy

With defensive contractual positions in the Australian mining markets
- Strong financial discipline with conservative management of financial risk
- Experienced management team with an average of 15 years experience in the industrial explosives and fertilizer industries

(1) As at 22 July 2014

IPL history & evolution

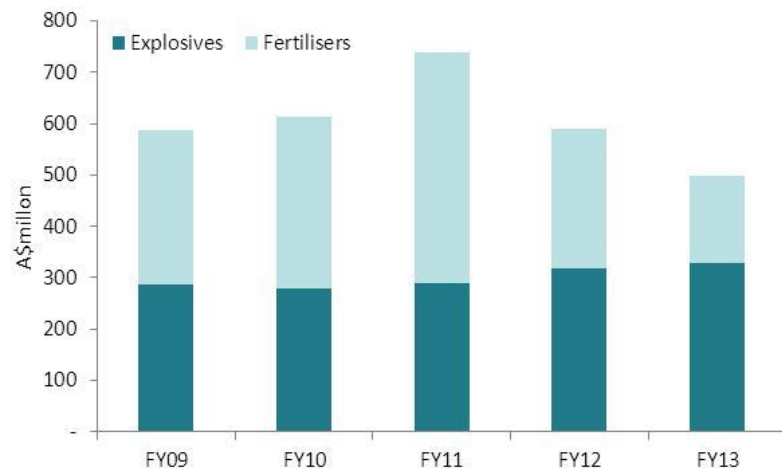
Corporate History



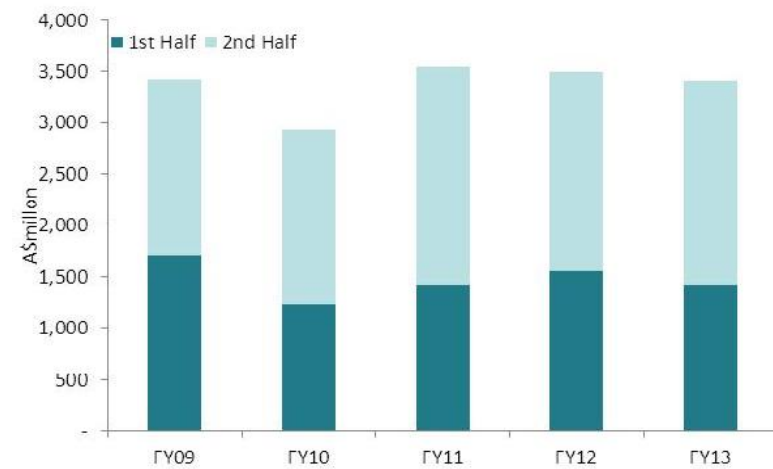
Transition of business

Business earnings profile

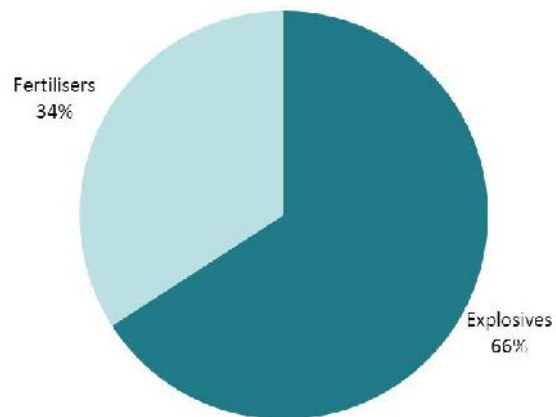
EBIT by Business (1)(2)



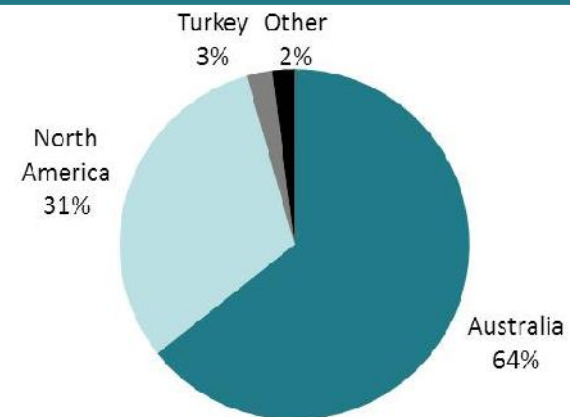
Revenue by Half



EBIT by Business – FY13(1)(2)



Revenue by Geographic Segment – FY13(3)



(1) Includes intercompany eliminations & adjusted for the Moranbah unfavourable liability release

(2) Fertiliser Businesses comprise: Incitec Pivot Fertilisers and Southern Cross International. Explosives businesses include: Dyno Nobel Americas and Dyno Nobel Asia Pacific

(3) Geographical segment revenue is based on geographical location of the entity making the sale



Strategy Overview

DYNO
Dyno Nobel



Urbanisation and industrialisation drive commodity demand

Hard Commodities

- Demand growth is strongest as countries move from US\$2,000-3,000 GDP per capita to US\$10,000-15,000
- Urbanisation drives rapid growth of infrastructure which is highly resource intensive (steel, copper, energy)
- 5-6 billion people live in economies making the transition to industrial economies

Soft Commodities

- Total calorie consumption increases as income levels rise
- Nature of the calorie intake also changes dramatically, towards foods which are more water and land intensive
- Global population continues to grow

Strategy on a page

**Industrialisation
of China**



**Shale gas
revolution**

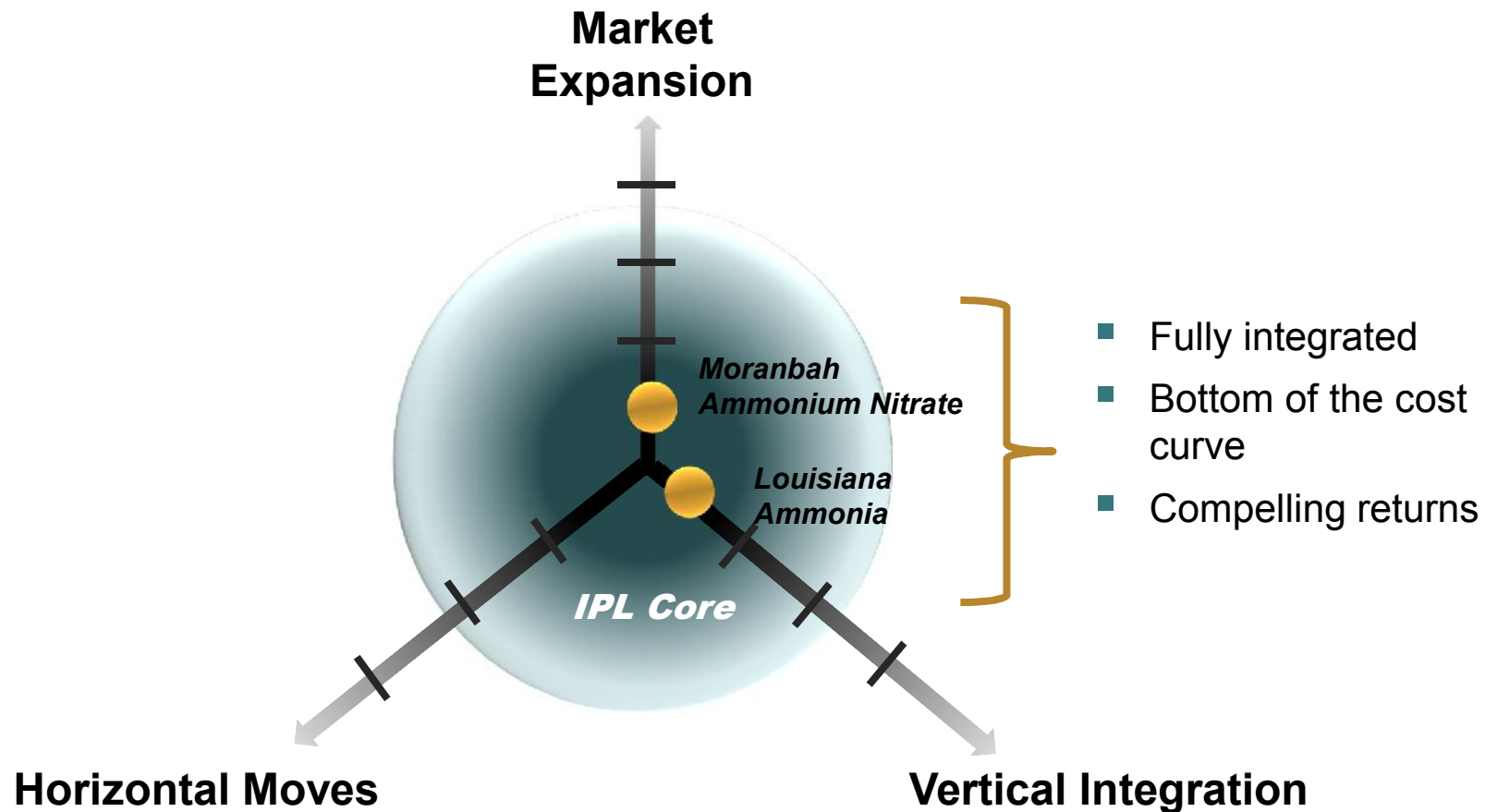
**Core nitrogen
manufacturing**

**Input side of value
chain**

**Customer aligned
downstream
businesses**



Low risk growth projects close to the core



Focus is on execution

Medium term growth and value drivers

❑ IPL's growth is linked to two global economic engines:

➤ **Asia: The Industrialisation of Asia, in particular China:**

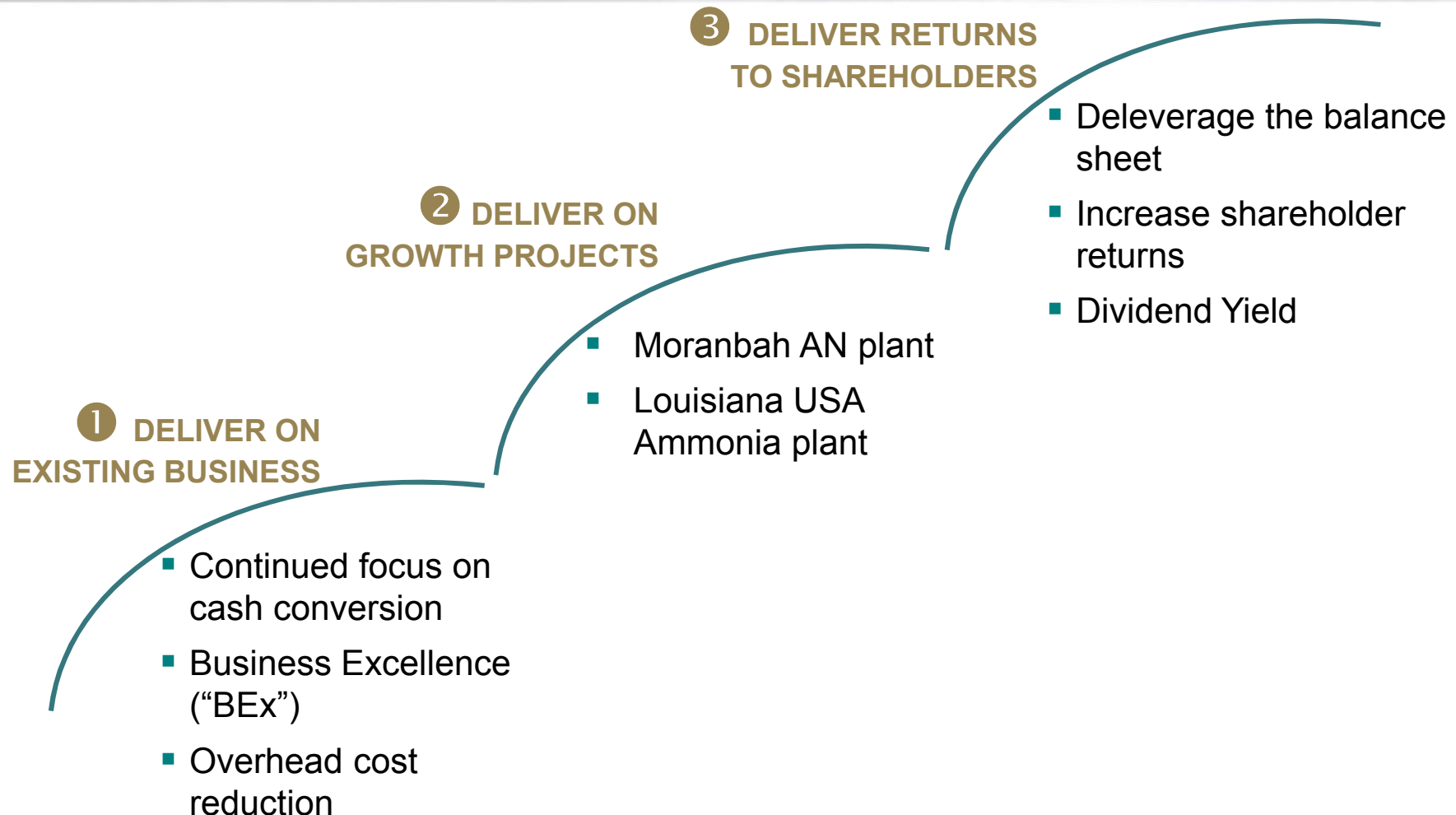
- Moranbah Ammonium Nitrate plant is producing explosives for the metallurgical coal mines which feed the blast furnaces in China's and other parts of Asia

➤ **USA: the recovery and re-industrialisation of the United States:**

- The Louisiana ammonia investment is capitalising on the shale gas revolution in the US which is revitalising the North American economy
- Leveraged to the US economic recovery through the Dyno Nobel Americas (DNA) business
- Leveraged to the depreciation of the AUD against the USD through the fertiliser and DNA businesses

❑ **Whilst maintaining a defensive contractual position in the Australian mining markets**

Strategy execution



Focus on execution and delivery

Moranbah AN plant

Background

- ✓ 330ktpa capacity AN plant
- ✓ Advantaged location in the North Bowen Basin
- ✓ Metallurgic coal used in steel production in Asia
- ✓ Strong customer base
- ✓ Long term competitive gas supply

Ramp Up Guidance

- **2014**
 - Plant running at nameplate capacity post March/April shut
 - Guidance: Volume 300kt
- **2015 and beyond**
 - Guidance: Volume 330kt, EBIT \$140m*

* Post \$10m negative impact due to Carbon Tax repeal (largely offset by carbon cost reduction in the fertiliser business).

Louisiana investment overview

- **Construction of a world scale ammonia plant (800kt p.a.) for a capital cost of US\$850m**
 - Fully funded by debt and internally generated cash flow
- **Investment thesis**
 - Gas market dislocation
 - Access to US ammonia market
 - Capital advantage
- **KBR is Engineering Procurement and Construction contractor under a Lump Sum Turn Key arrangement**
- **Plant sold out**
 - Dyno Nobel = 300kt per annum
 - Cornerstone Chemicals = 200kt per annum
 - Transammonia = 300kt per annum
- **Financial returns at sanction**
 - 15% IRR
 - Simple payback ~ 5 years

Louisiana ammonia plant update

■ As at 30 June 2014

- Project is on budget and schedule
- Safety = No recordable injuries to date
- Total construction cost = \$US850m
- First production = Third Quarter 2016

■ Construction

- On time and on budget
- Demolition, excavation, piling and many foundations are complete
- Steel construction work is underway
- First gas compressors arrive in Sept 14

■ Other

- Gas: 32 mmbtu per metric tonne
- Cash cost (excl gas): US\$45/tonne
- Average capex per annum US\$10m

■ Outlook

- Fundamentals under-pinning project remain positive



Demineralised water tank and plant control room



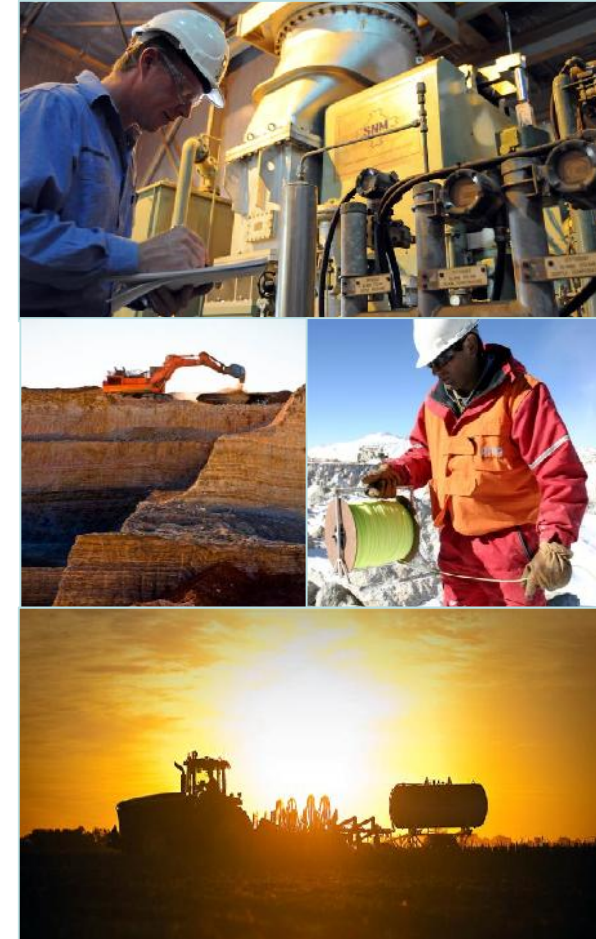
Compressor deck foundations and steel erection

Introduction to Business Excellence (BEx)



BEx at IPL is all about leadership, standards, discipline and rigour:

- 1) Defining what's important and ensuring alignment throughout the business
- 2) A planned, disciplined approach to each day, supported by visual management tools
- 3) Documented and standardised work plans
- 4) Rigour and compliance is achieved via a cycle of 'Plan, Do, Check, Act'
- 5) Real leadership: Significant time is invested in coaching, providing clarity and alignment to goals and driving the right culture
- 6) A culture where continuous business improvement becomes a way of life



BEx is the system we use to continuously improve the way we work and enables us to realise our shared Company Goals and Values



Explosives

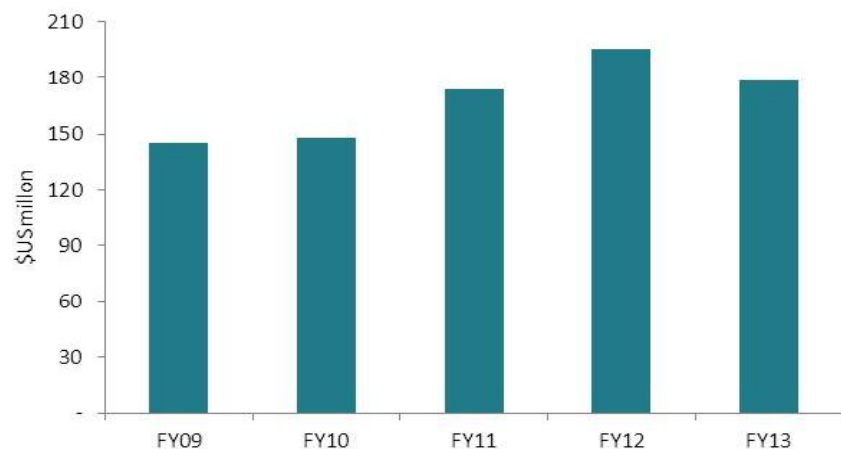
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Explosives – Dyno Nobel America

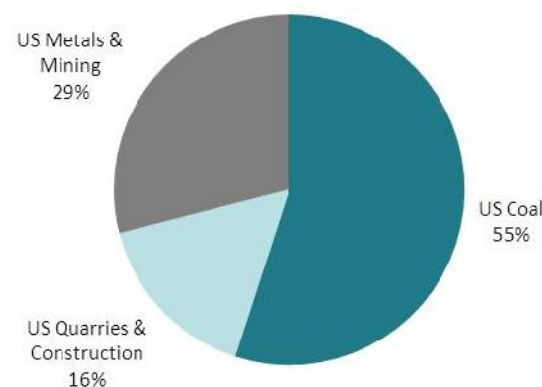


- Dyno Nobel Americas (“DNA”) is a leading supplier of industrial explosives and blasting services across the following sectors:
 - Coal
 - Quarries & Construction
 - Metals & Mining
- #1 manufacturer in the US (by tonnes) – the largest explosives market in the world

DNA EBIT (1)



DNA – AN Volumes by end-market (2)



Leveraged to the US economic recovery

(1) Excludes intercompany eliminations

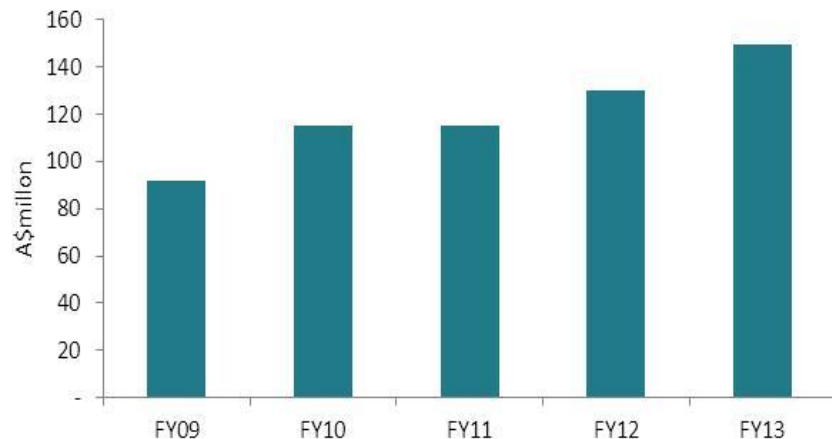
(2) Based on 2013 financial year

Explosives – Dyno Nobel Asia Pacific

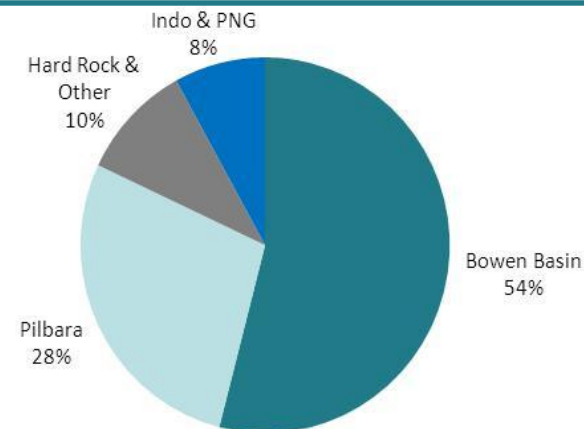


- Dyno Nobel Asia Pacific (“DNAP”) is a leading supplier of industrial explosives and blasting services to the mining industry across Australia, Indonesia and Papua New Guinea:
 - Australian Metallurgical Coal – Bowen Basin
 - Australian Iron Ore - Pilbara
 - Base Metals & Other
 - Indonesia & PNG
- #2 Explosives company in Australia (by tonnes) – the world’s third largest explosives market

DNAP EBIT ⁽¹⁾



DNAP – AN Volumes by end-market⁽²⁾



Long term contracts with large, high quality miners

(1) Excludes intercompany eliminations

(2) Based on 2013 financial year

Incitec Pivot Limited



Fertilisers



Fertilisers



- Incitec Pivot Fertilisers (“IPF”) is Australia’s largest⁽²⁾ manufacturer of fertilisers and largest⁽²⁾ distributor of fertilisers in Eastern Australia, and consists of:
 - Australian Distribution - East Coast
 - Gibson Island manufacturing – Ammonia, Urea and Sulphate of Ammonia (SOA)
 - Phosphate Hill, Mt Isa – Ammonium Phosphates (DAP/MAP)
 - Geelong & Portland – Single Superphosphate (SSP)
- IPF sells manufactured fertiliser and industrial chemicals products in Australia and sells into offshore markets such as South East Asia and Latin America, via Quantum Fertilisers

Fertilisers EBIT⁽¹⁾



(1) Excludes intercompany eliminations

(2) By volume

Fertiliser Manufacturing Plants

Facility	Products	Nameplate Capacity ⁽²⁾	Key Inputs
Phosphate Hill, Qld	MAP / DAP	950,000	Phosphate Rock; Natural gas; Sulphuric acid
Mt Isa, Qld	Sulphuric acid	900,000	Sulphur dioxide; Sulphur
Gibson Island, Qld	Urea Ammonia SOA	270,000 300,000 200,000	Natural Gas; Coal seam methane gas; Ammonia
Portland, Vic	SSP	180,000	Phosphate rock; Sulphuric acid
Geelong, Vic	SSP	350,000	Phosphate rock; Sulphuric acid

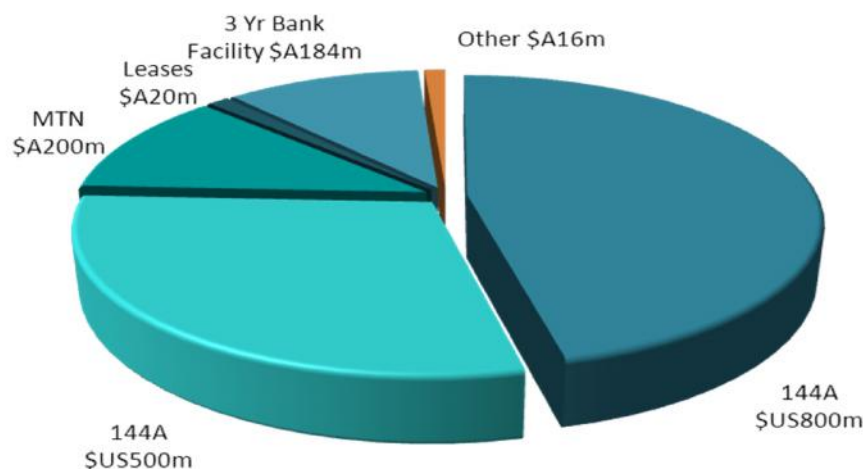
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Balance Sheet & Treasury

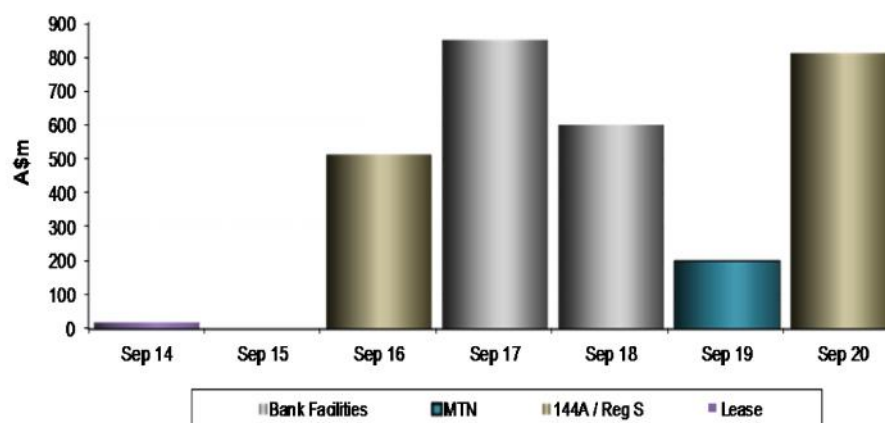
Debt structure with significant tenor

Drawn Funds (1)



Limits & Tenor⁽¹⁾

Debt maturity profile per reporting period



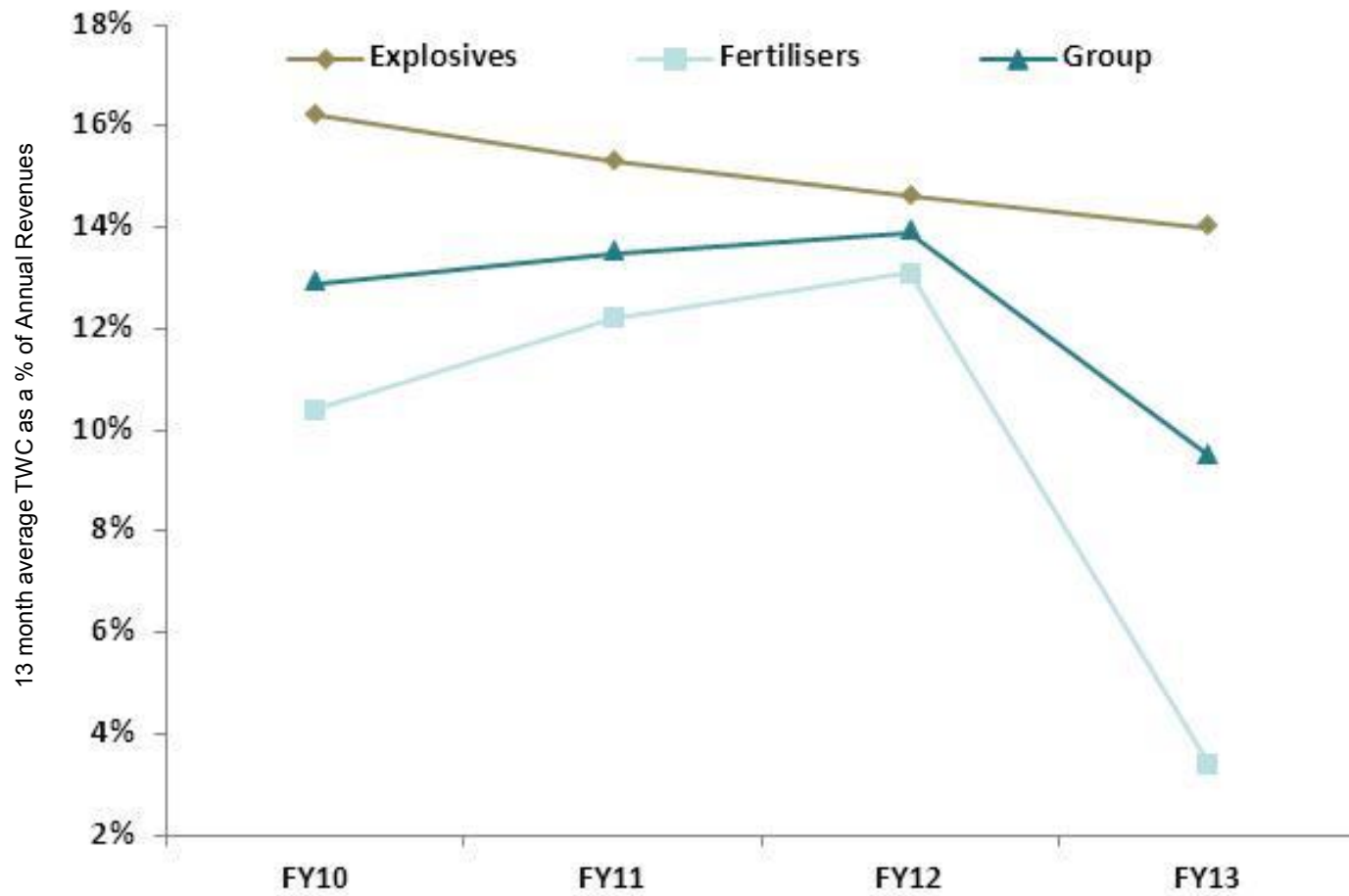
- ✓ 4.2 years average tenor of drawn funds & 1.34bn of headroom ⁽¹⁾
- ✓ Louisiana construction fully funded
- ✓ Mix of \$A and \$US debt to mirror earnings and cash flows

(1) As at 31 March 2014

Diverse sources; surplus headroom

Trade working capital focus

Trade Working Capital (TWC): Focus for continual improvement



2014 EBIT sensitivities

IPF: Urea - Middle East Granular Urea (FOB) ⁽¹⁾	+/- US\$10/t = +/- A\$4.1m
SCI: DAP - Di-Ammonium Phosphate Tampa (FOB) ⁽²⁾	+/- US\$10/t = +/- A\$9.5m
Forex - transactional (DAP & Urea) ⁽³⁾	+/- 1 cent = A\$6.2m
DNA: Urea (FOB) ⁽⁴⁾	+/- US\$10/t = +/- US\$1.8m
DNA: Forex - translation of Explosives earnings ⁽⁵⁾	+/- 1 cent = A\$2.0m

Assumptions:

- (1) 405kt (Gibson Island Fertiliser name plate production capacity) urea equivalent sales at 2013 realised price of US\$373/t and the 2013 realised exchange rate of A\$/US\$0.9957
- (2) 950kt (Phosphate Hill Fertiliser name plate production capacity) DAP sales at 2013 realised price of US\$482/t and the realised exchange rate of A\$/US\$0.9957
- (3) DAP and Urea volumes, as well as FOB price based on assumptions (1) and (2) (excludes the impact of hedging)
- (4) 180kt (St Helens Fertiliser name plate production capacity - short tonnes) urea equivalent sales at 2013 NOLA Urea average price of US\$395/t and the 2013 realised exchange rate of A\$/US\$0.9957
- (5) For each US\$200m EBIT

Appendices

DYNO
Dyno Nobel

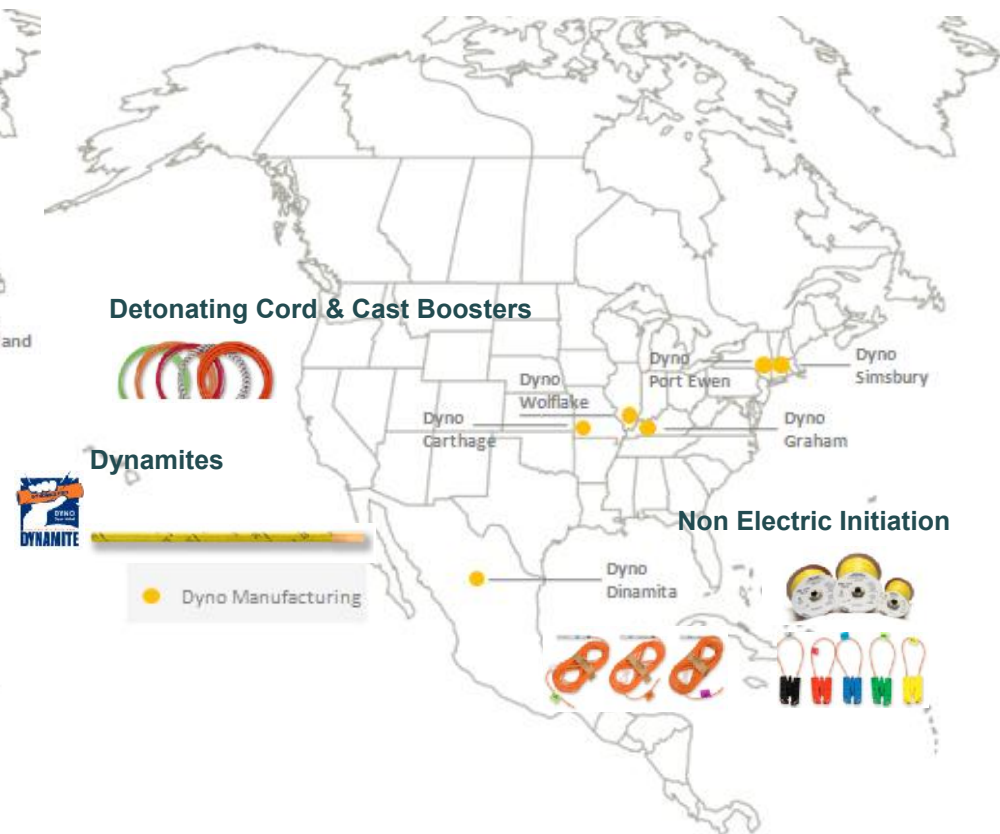


Dyno Nobel manufacturing sites in North America

Ammonium Nitrate / Nitrogen



Initiating Systems / Packaged Explosives



Baseline AN supply and demand

Dyno Nobel is the #1 Manufacturer and Distributor of AN prill in North America (by volume)

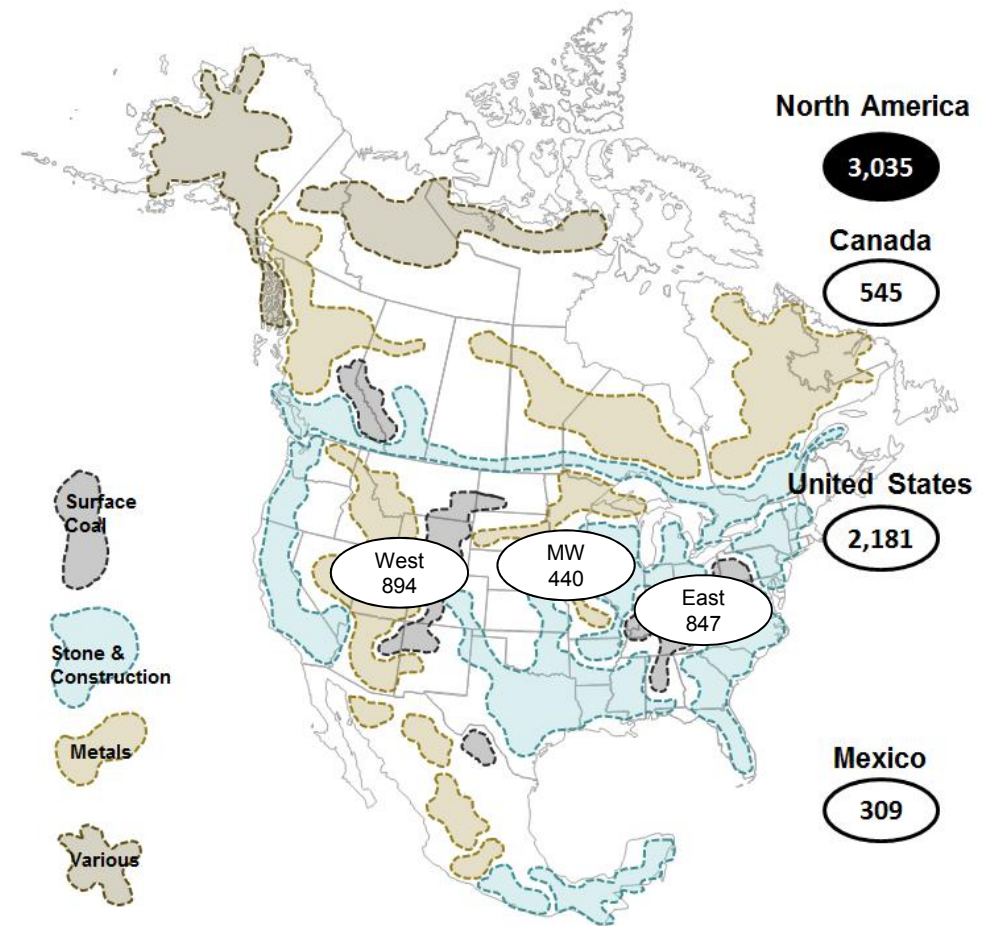
Supplier Capacity*	AN (kst)
Dyno Nobel AN manufacturing**	850
Dyno Nobel sourced from third parties	150
Total Dyno Nobel AN	1,000
Total Competitor AN	~2,465
Total AN manufacturing	~3,465

* Nameplate

**Excludes idled Maitland capacity

- Regionalised Market:
 - Western US and Canada – Balanced
 - Midwest US and Canada – Mixed
 - Eastern US – Oversupplied
- DNA plants at ~90% utilization

North America AN Baseline Demand 2013 (kst)



Source: IPL estimates

Market information - US Coal

US coal production

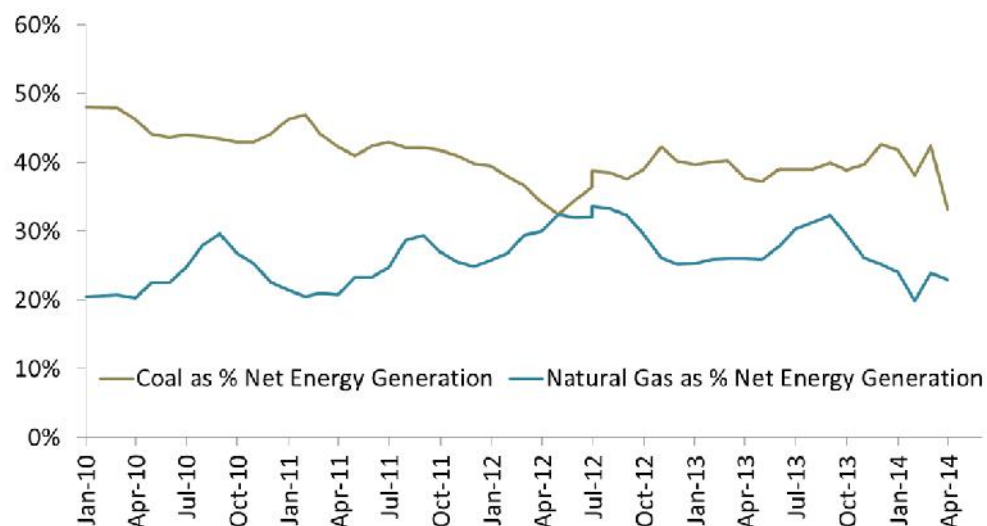
	YTD FY14	YTD % Change
Total US Coal Production (mt)	726.1	(1.2%)
Appalachia Coal Production (mt)	201.7	(7.1%)
Interior Coal Production (mt)	137.0	3.8%
Western Coal Production (mt)	387.4	0.5%
US Coal exports (mt)	79.9	(9.1%)

Average coal inventory days



Key facts	
Switching point from coal to gas	Powder River Basin: \$2.50-2.75 Illinois Basin: \$3.25-3.50 Central Appalachia: > \$4.50
DNA coal exposure:	Powder River Basin: 50% Illinois Basin: 30% Appalachia: 20%

Net energy generation by fuel source:



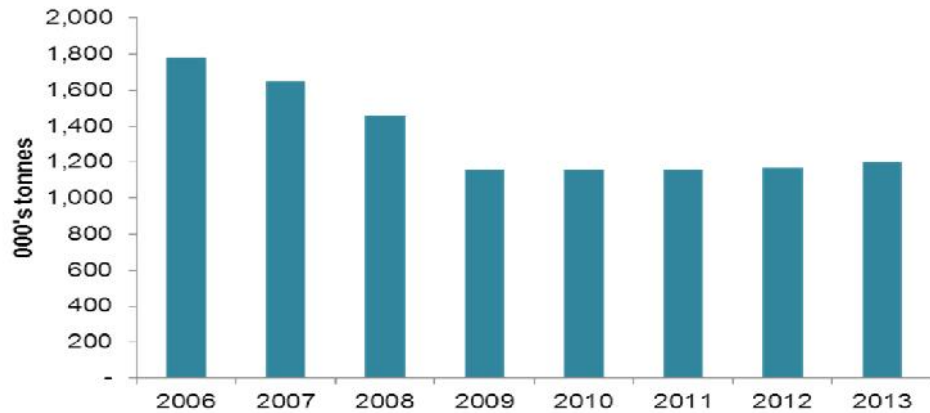
Source: EIA

Market information - US Quarry & Construction

US construction value

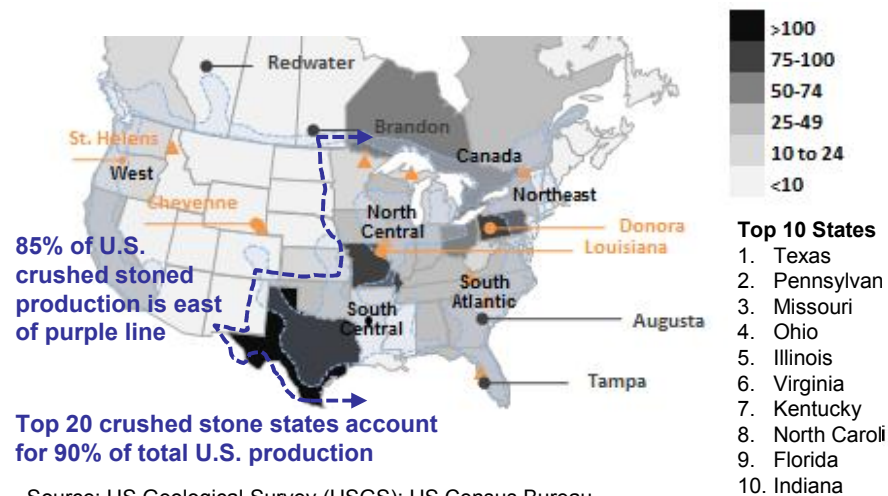
Construction Value put in place (US\$ billion)	YTD FY14	% Change to pcp
Total Construction	591	6.2%
Residential	221	11.5%
Non-residential - private	209	5.8%
Non-residential - public	160	0.1%

US annual crushed stone production:

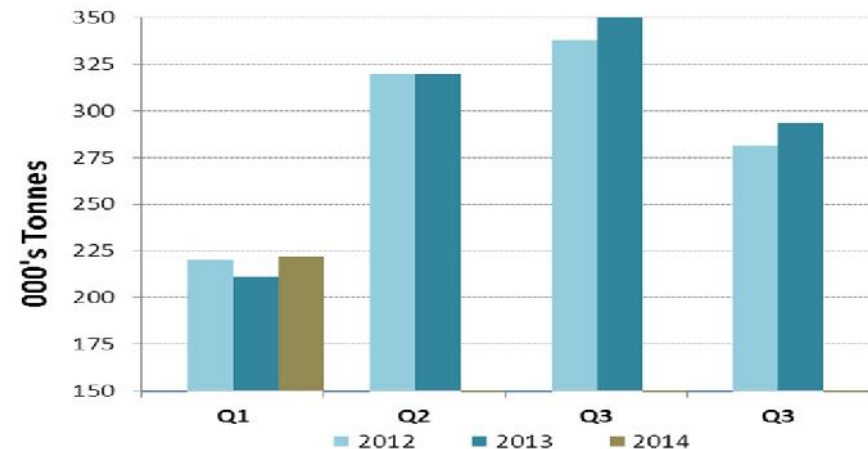


North American Crushed Stone Production

(million metric tonnes)



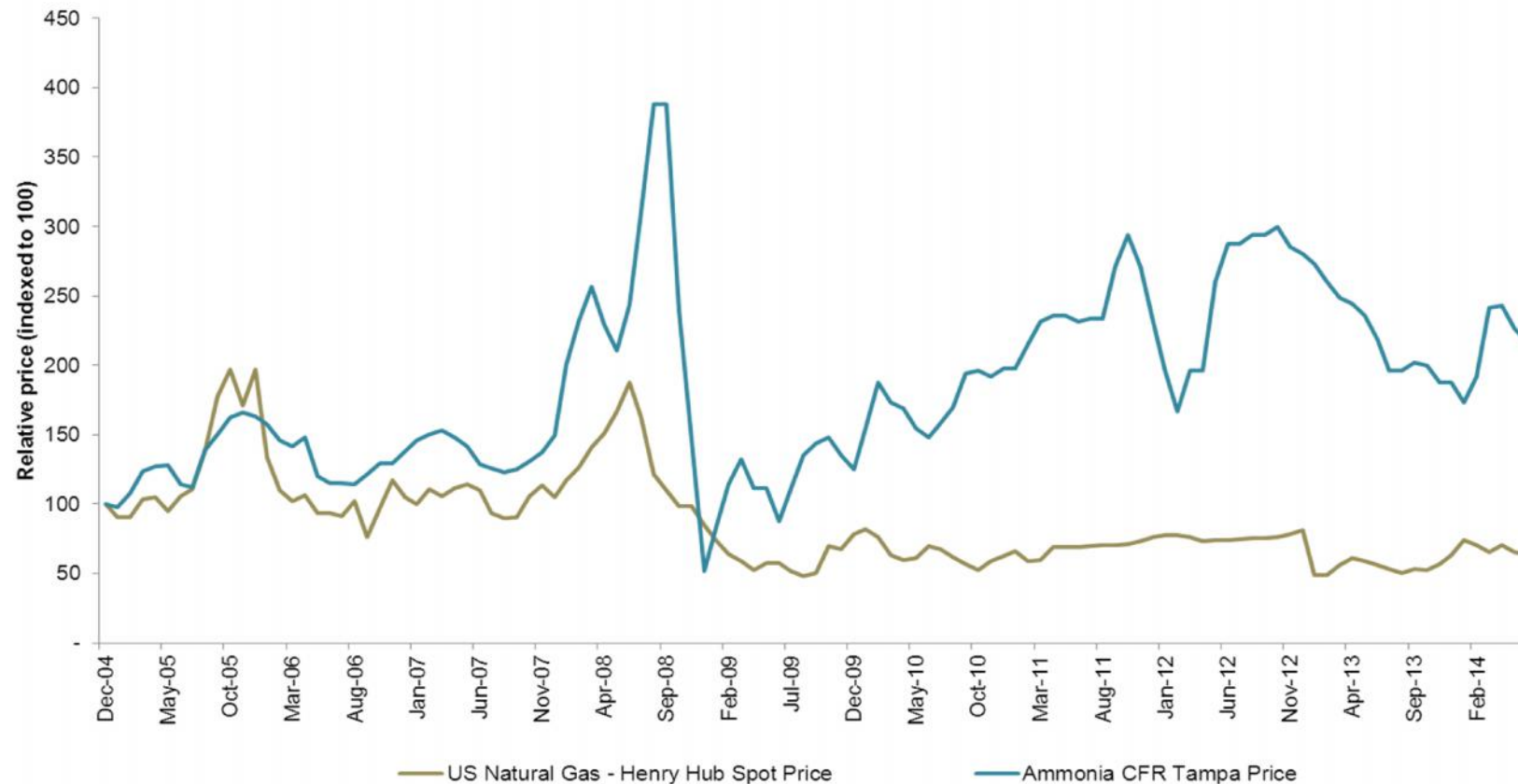
US quarterly crushed stone production:



Market information - Ammonia

- US has a deep, low-cost supply curve for gas with multiple suppliers
- Global ammonia price has historically trended closely with cash costs of marginal production, currently from European producers

Ammonia CFR Tampa vs. US gas price:



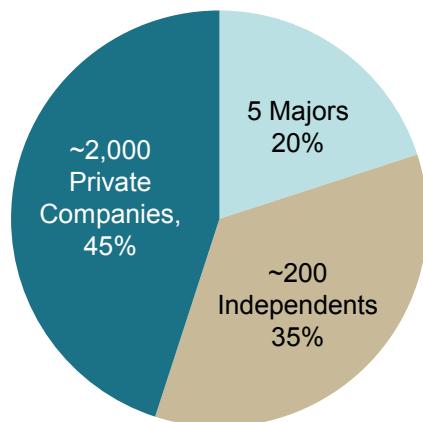
Source: Fertecon, Bloomberg

Market information - US gas supply

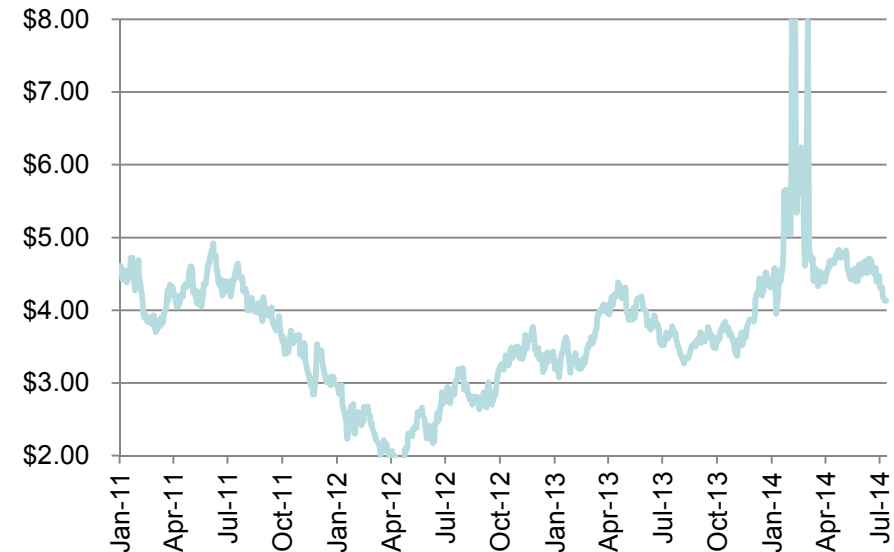
Gas market structure

- Current over capacity of gas in US
 - Expected to continue into medium-long term
- US has deep gas supplies with significant resources remaining economic at low gas prices
- Explosion in alternative gas supplies: Shale gas and Light Tight Oil
- Highly fragmented market for gas production

Fragmented US gas market:



Henry Hub Natural Gas Spot Price

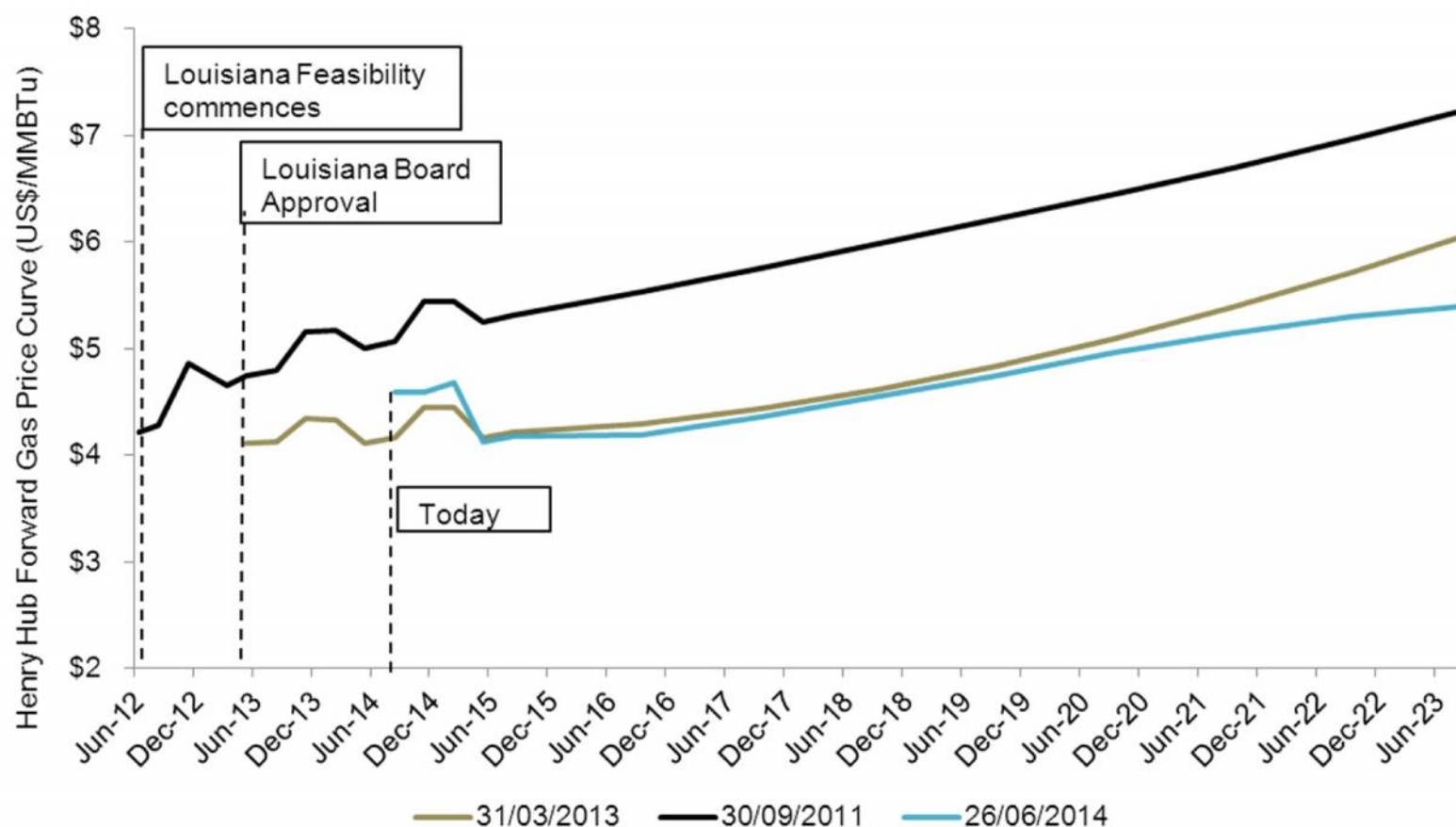


Gas prices (Henry Hub):

	US\$/MMBtu
2014 YTD Average	4.53
2013 Average	3.73
2012 Average	2.75
5 year rolling average	3.83

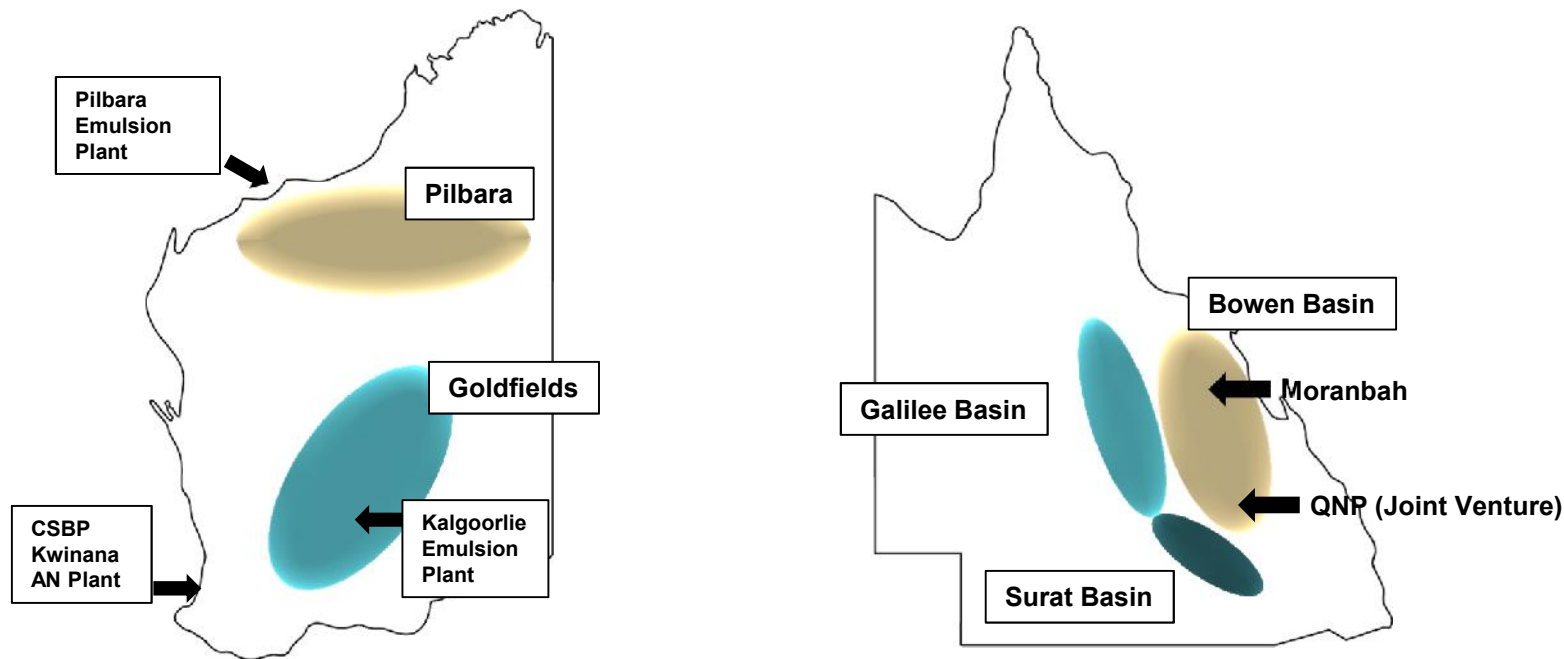
Market information – US gas

US Natural Gas Forward Curve (NYMEX):



Source: Bloomberg

Dyno Nobel in the Australian market

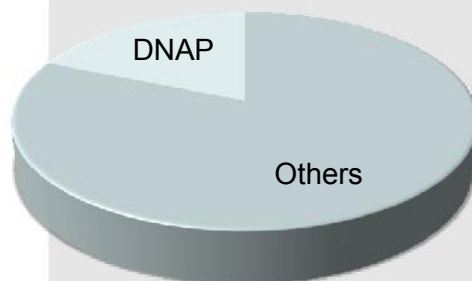


Second largest explosives business in Australia

- 3rd largest explosives market in the world
- Moranbah AN project to underpin competitive position in Australian explosives market, to 330kt of AN in 2015
- Strong demand for products and services

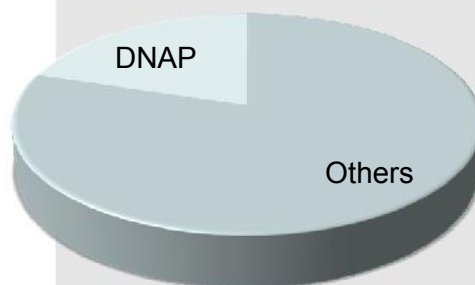
AN Market Overview – Asia Pacific

Indonesia – 2013
Est* AN mkt size: 650kt



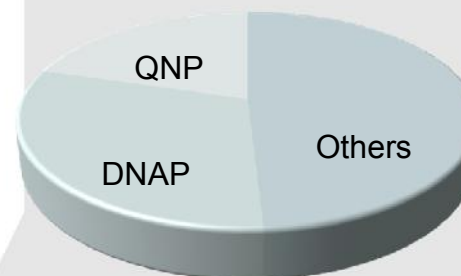
Production (Capacity):
Various 180kt; Ori Bontang 300kt

WA – 2013
Est* AN mkt size: 620kt



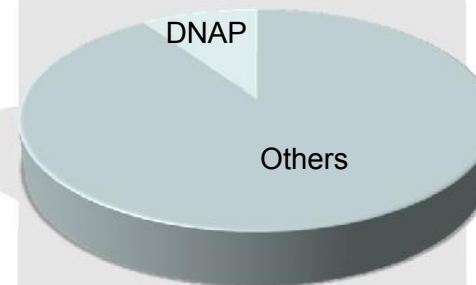
Production (Capacity):
CSBP Kwinana 520kt
New Production:
CSBP 260kt; Yara / Ori 330kt

Bowen Basin – 2013
Est* AN mkt size: 850kt



Production (Capacity):
QNP 220kt; Ori Yarwun 530kt;
DNAP Moranbah 330kt

Hunter Valley – 2013
Est* AN mkt size: 490kt

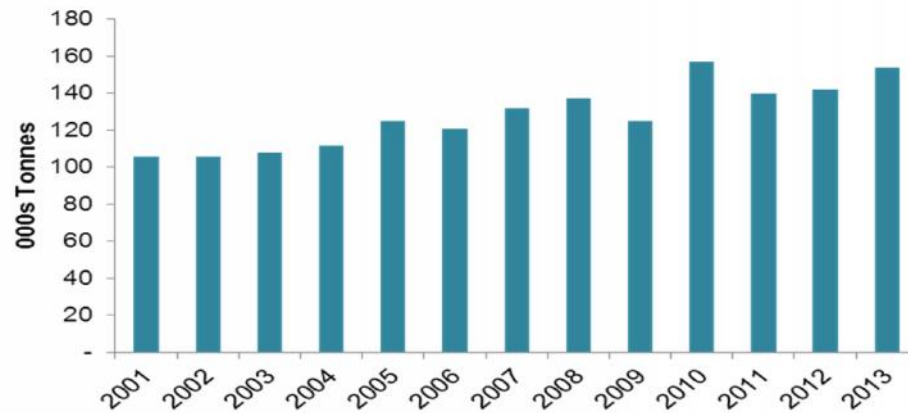


Production (Capacity):
Ori KI 430kt

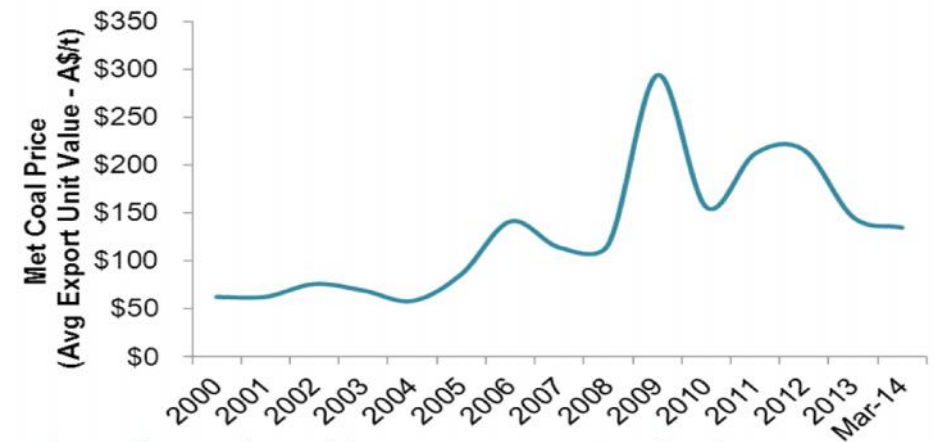
*IPL estimate of market size

Market information - Australian hard commodities

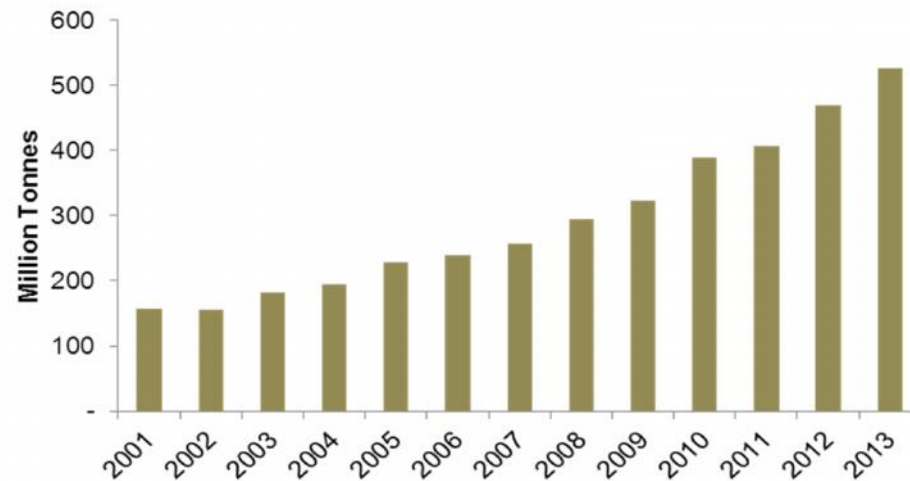
Australian metallurgical coal exports:



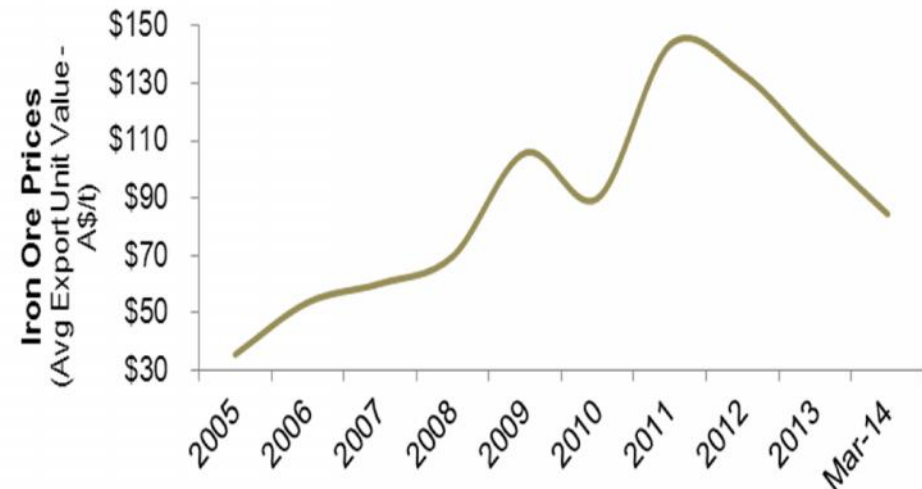
Metallurgical prices (Average export value):



Australian iron ore exports:



Iron Ore prices (Average export value):



Source: Australian Government Bureau of Resources and Energy Economics, Resources and Energy Quarterly, March 2013
Reserve Bank of Australia Bulk Commodity Price Index (bulk commodities included are thermal coal, metallurgical coal and iron ore)

Integrated manufacturing & distribution capability

Manufacturing Assets



Distribution Network



Australian Fertiliser Market

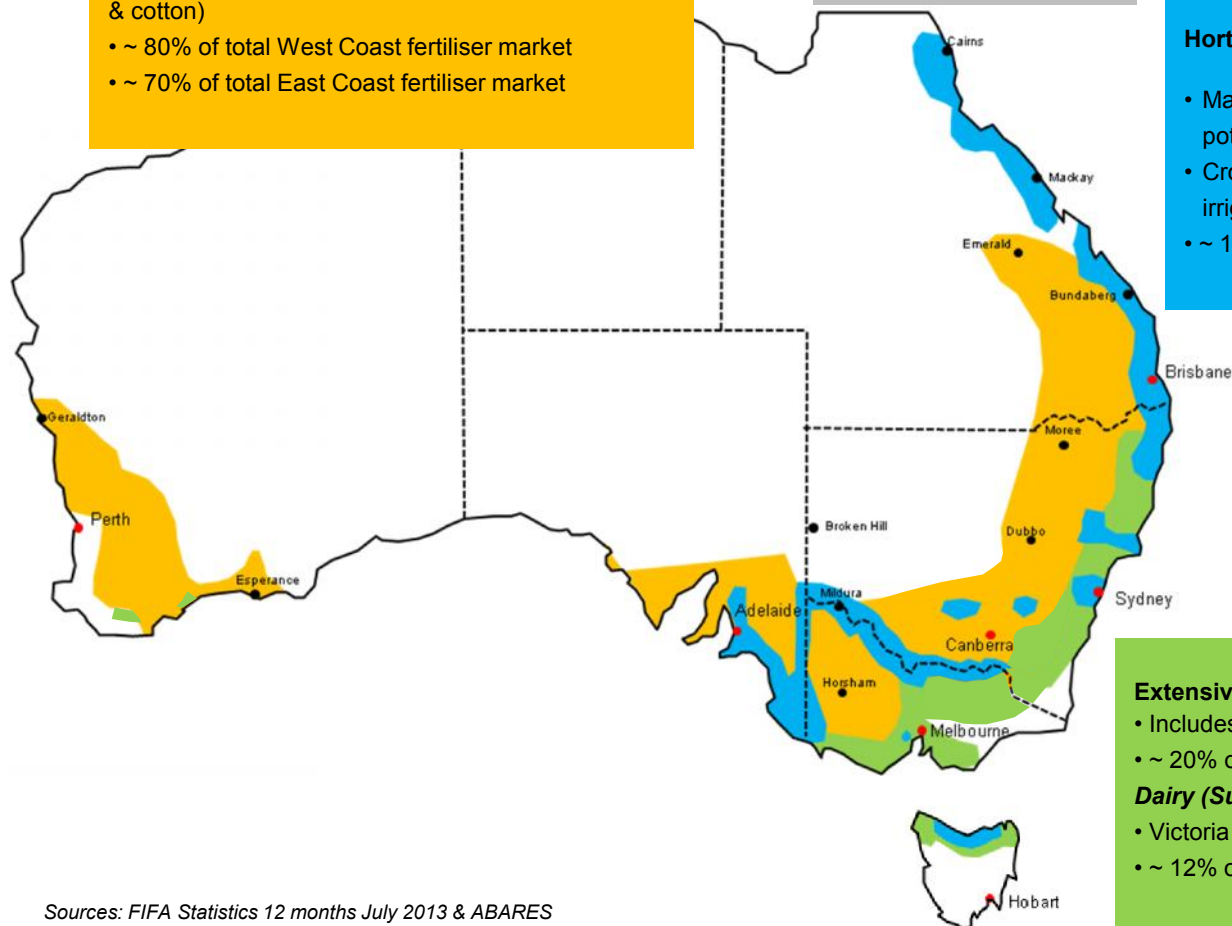
Broadacre

- Largest crop segment in all states
- Winter crops (wheat, oats, barley, canola, lupins)
- Summer crops (sorghum, sunflower, soybean, rice & cotton)
- ~ 80% of total West Coast fertiliser market
- ~ 70% of total East Coast fertiliser market

**Total Market
Approximately 4.8Mt**

Horticulture

- Major segments: citrus, bananas, tomatoes, potatoes, vines, nuts, fruit / veg, sugar cane
- Crops fertilised to optimum levels / mostly irrigated
- ~ 15% of East Coast fertiliser market



Extensive Pasture

- Includes beef, wool, sheep meat
- ~ 20% of total fertiliser market

Dairy (Subset)

- Victoria dominates the dairy market
- ~ 12% of total fertiliser market

Sources: FFA Statistics 12 months July 2013 & ABARES

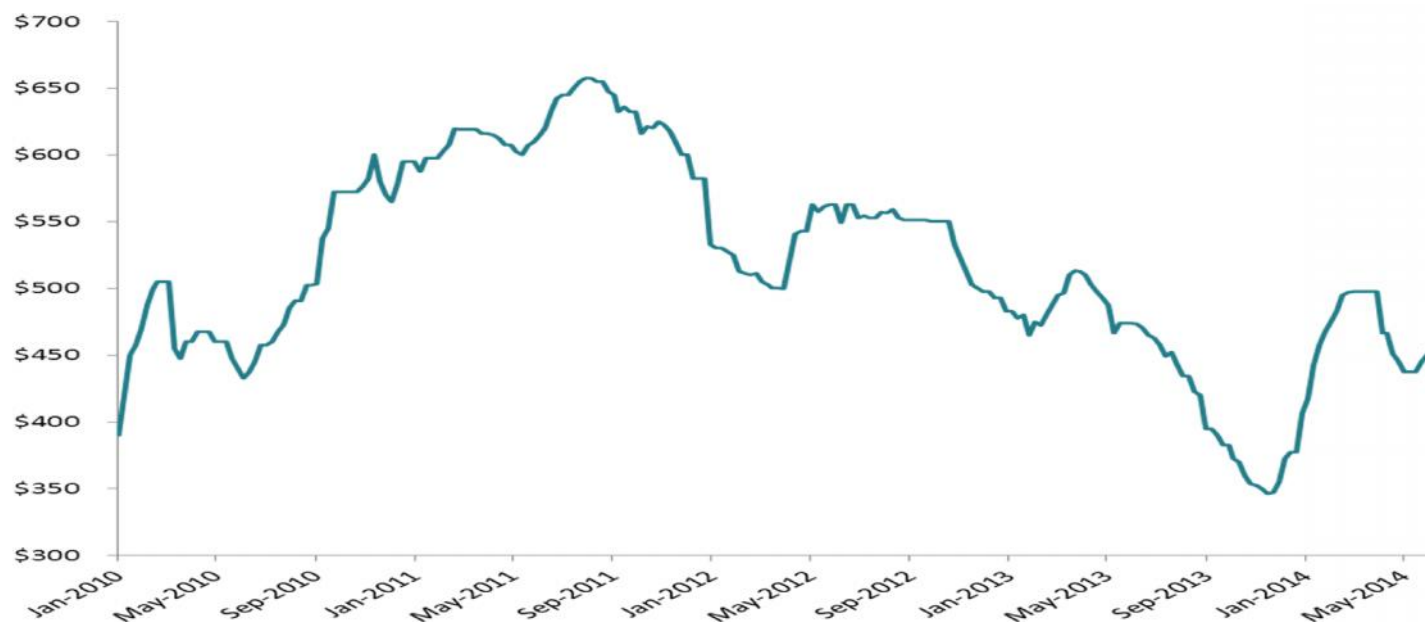
Market information - Ammonium Phosphates

Ammonium phosphates global market size: ~60mt

Million Tonnes	2008	2009	2010	2011	2012	2013	2014*
World DAP sea borne trade	10.4	14.7	16.3	14.8	14.8	12.6	13.9
India DAP Imports	5.6	6.2	7.8	6.8	5.9	3.5	5.1
China DAP Exports	0.8	2.1	4.2	4.2	4.1	3.3	3.9

*CRU Fertilizer Weekly Outlook

DAP FOB Tampa prices (USD):



Source: Fertecon

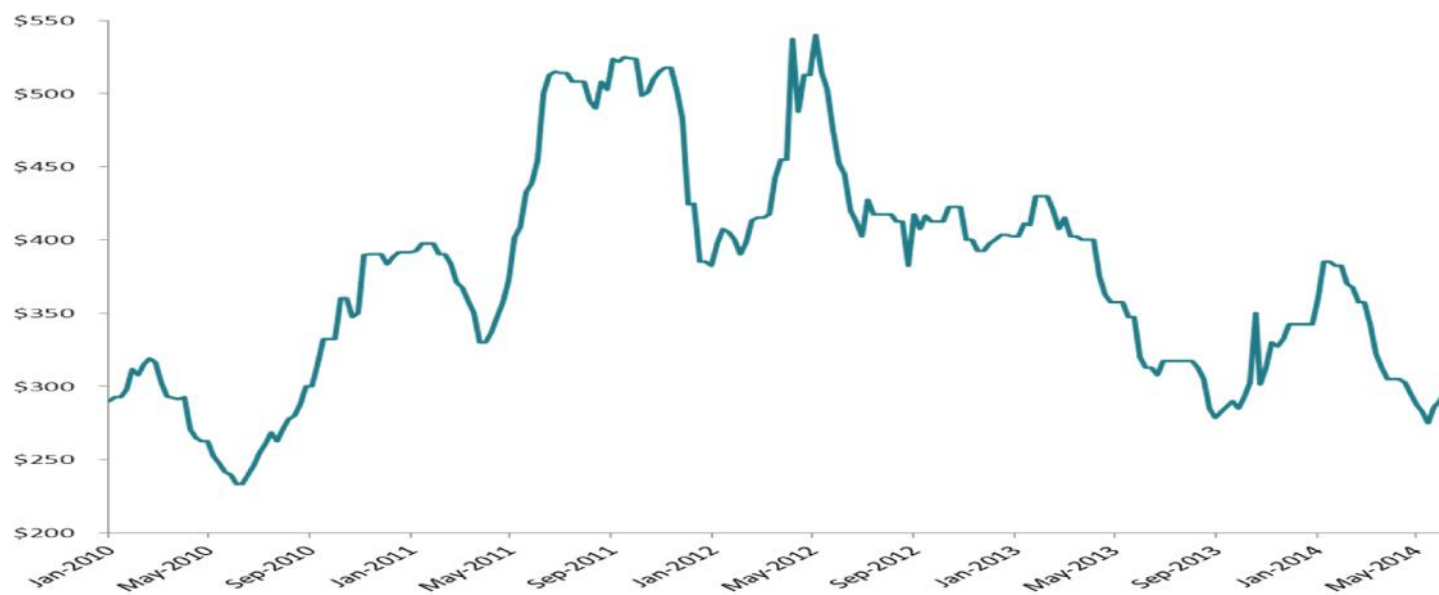
Market information - Urea

Urea global market size: ~155mt

Million Tonnes	2008	2009	2010	2011	2012	2013	2014*
World UREA sea borne trade	34	36.7	41	41	43.9	45.2	44.8
India UREA Imports	6.1	5.5	6.2	8	8	8.4	8.2
China UREA Exports	4.8	3.6	7.1	4.4	6.9	7.5	6.6

*CRU Fertilizer Weekly Outlook

Urea (Granular) FOB Middle East prices (USD):



Source: Fertecon

Key raw materials - Australia

Natural Gas:

Gas tranche	Amount (PJs/pa)	Contract Expiry
Tranche 1	10.5	31 December 2014
Tranche 2	16.8	30 September 2017 *
Tranche 3	7.0	31 March 2025
Tranche 4	8.7	31 December 2016

* Includes gas banking

Sulphuric Acid:

Sources	Sulphuric Acid (%)	Location
Metallurgical gas	45%	Mt Isa
Sulphur burn	25%	Mt Isa
Purchased & Reclaimed sulphuric acid	30%	Through Townsville & Decant
Total Sulphuric Acid	1,290kt	
Uses		
DAP Production (nameplate)	950kt	Phosphate Hill

Source: IPL

Market information – Foreign Exchange

Foreign Exchange Rate (AUD:USD):

