

Incitec Pivot Limited

Office of the Company Secretary

ABN 42 004 080 264

Registered Office:
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11 November 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 Releases 2014 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 – 11 November 2014

IPL RELEASES 2014 FULL YEAR RESULTS

2014 Highlights:

- **21% NPAT growth excluding individually material items (“IMIs”)**
- **\$A earnings growth in all businesses**
- **Moranbah delivers earnings of \$115m**
- **Louisiana Ammonia project on track, more than 50% complete**

Incitec Pivot Limited (ASX: **IPL**) today announced a Net Profit After Tax (NPAT) of \$247.1 million for the year ended 30 September 2014 (2013: \$367.1 million). The result includes negative \$109.2m of individually material items (2013: positive \$73.6m).

Excluding Individually Material Items (IMIs):

- NPAT increased by 21% or \$62.8 million to \$356.3 million;
- EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) increased by 15% or \$97.5 million to \$742.7 million;
- EBIT (Earnings Before Interest and Tax) increased by 13% or \$57.9 million to \$519.4 million; and
- Total dividends increased 17% to 10.8 cents per share.

IPL's Managing Director & CEO, James Fazzino, said the result reflected IPL's ability to deliver in the face of challenging markets by executing on strategy.

“Australian dollar earnings were up in all business units, a great result in these challenging markets. The highlight was DNAP's earnings growth of 25% driven by the Moranbah ammonium nitrate plant, confirming the quality of the investment. Our focus was on factors that are controllable and delivering on Business Excellence (“BEx”) continuous improvements, disciplined capital management and cost efficiency,” Mr Fazzino said.

“Successful execution on strategy continued to be demonstrated through the operation of Moranbah. In 2014, Moranbah delivered \$115 million EBIT and is expected to generate about \$140 million EBIT in 2015 reflecting the benefits of full production.

“The strategy is also being executed through the development of the world-scale ammonia plant in Louisiana, USA, where we continued to build the strategic platform for the future. Louisiana remains on track for production in the 3rd Quarter of the 2016 calendar year.”

Mr Fazzino said that his most important measure of performance during the year was the Company's achievement in 'Zero Harm' which was an outcome of the safety strategy and was delivered through BEx. "In 2014, our TRIFR was 0.97 – ahead of our 2016 target and a world class result. While satisfied with the progress, the business will continue to target zero", he said.

"BEx, IPL's continuous improvement system, drives productivity and efficiency globally. BEx delivered \$27 million of net benefits in 2014. Financial discipline continues to be a strength with Net Debt/EBITDA unchanged at 2 times and interest cover strong at 9 times.

"Manufacturing reliability is a key focus area for IPL. Major maintenance turnarounds were completed at two key plants, Moranbah and Phosphate Hill, with both producing at nameplate capacity in the last quarter of the 2014 financial year."

In looking to 2015, Mr Fazzino said the businesses would face challenging market conditions in the resources and agricultural sectors. However, the Company's performance would benefit from improved manufacturing performance and productivity from BEx.

DYNO NOBEL

Dyno Nobel Asia Pacific (DNAP) EBIT increased by 25% through \$59 million earnings growth from Moranbah, partially offset by volume reductions in some market segments. Dyno Nobel Americas (DNA) explosives \$US EBIT grew by 10% as a result of margin improvements and BEx, partially offset by lower earnings from coal.

INCITEC PIVOT FERTILISERS

Incitec Pivot Fertilisers (IPF) EBIT increased by 9%. The domestic distribution business produced a solid result despite lower global fertiliser prices and drought in northern Australia. The business benefitted from a weaker \$A and BEx gains.

SOUTHERN CROSS INTERNATIONAL (SCI)

SCI's EBIT increased by 13% to \$79.6 million. This included an \$11.3 million increase in Phosphate Hill EBIT to \$36.6 million. Positive contributions came from BEx and a lower average \$A, offset by lower global fertiliser prices.

BUSINESS EFFICIENCY (BEx)

BEx delivered \$27 million of net benefits in 2014 comprising mainly manufacturing and supply chain efficiencies in the fertilisers and explosives businesses.

OVERHEAD REDUCTION

The \$20 million overhead reduction program, announced in November last year, was successfully completed in 2014, a year ahead of schedule. The program delivered \$21 million in savings in the 2014 financial year while incurring \$12 million of one-off implementation costs.

BALANCE SHEET

IPL's balance sheet as at 30 September 2014 reflects ongoing financial discipline throughout the business. Net Debt is \$1.5 billion and sound credit metrics were maintained whilst investing in the Louisiana ammonia project. Net Debt/EBITDA is unchanged at 2 times and interest cover is strong at 9 times.

DIVIDEND

The full year dividend is 10.8 cents per share, reflecting a pay-out ratio of 50% of NPAT, excluding IMIs, and represents an increase of 17% on the 2013 full year dividend. The 2014 final dividend of 7.3 cents per share is franked to 10% and will be paid on 16 December 2014 to those shareholders on the share register on the record date of 24 November 2014. The conduit foreign income component of the final dividend is 4.27 cents per share.

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 25 November 2014. 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%.

INDIVIDUALLY MATERIAL ITEMS

IMIs relate to the impairment and restructure of Nitromak, a Turkish explosives business acquired as part of the Dyno Nobel acquisition in 2008 (\$56.5m); impairment of the investment in Fabchem China Limited (\$26.0m); and impairment of the Donora ammonium nitrate manufacturing plant in the US reflecting the loss of customer volumes (\$26.7m).

Daniella Pereira
Company Secretary

Further Information:

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About Incitec Pivot

Incitec Pivot (ASX: **IPL**), a S&P/ASX company, 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 5,500 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.