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
Fax: (61 3) 8695 4419

www.incitecpivot.com.au

11 May 2015

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 increased profit in Half Year to 31 March 2015

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

Yours faithfully

D Pereira

Daniella Pereira
Company Secretary

Attach.

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ASX ANNOUNCEMENT – 11 May 2015

IPL increased profit in Half Year to 31 March 2015

2015 Interim Result Highlights

- **27% NPAT growth, with $A earnings growth in the Explosives and Fertilisers businesses**
- **Interim Dividend increased 26% to 4.4 cents per share**
- **BEx driving productivity benefits and manufacturing reliability**
- **Phosphate Hill produced 507kt of ammonium phosphate fertiliser**
- **Louisiana ammonia project is now 75% complete and remains on track**

Incitec Pivot Limited (**ASX:** IPL) today reported a Net Profit After Tax (NPAT) of $146.4 million for the six months ended 31 March 2015. This was an increase of $30.7 million or 27% compared with the previous corresponding period (pcp). Australian dollar earnings increased in the Explosives and Fertilisers businesses.

Earnings Before Interest & Tax (EBIT) increased by 12% or $22.5 million to $215.6 million. Earnings per share (EPS) rose 24% to 8.8 cents per share (cps).

IPL Managing Director & CEO, James Fazzino, said the result reflected the strength of IPL's long-term strategy and the benefit of the Business Excellence (BEx) productivity program which is driving sustainable benefits to the bottom line and underpinning the performance in the Company's manufacturing plants.

"BEx continued to produce results in a period when the Company confronted challenging markets with the global mining downturn and drought in much of Eastern Australia. BEx contributed $16 million EBIT through manufacturing and supply chain efficiencies. In total, BEx has contributed some $82 million since we began four years ago," Mr Fazzino said.

"BEx is driving plant reliability which continues to be a key focus for our manufacturing teams. For example, at the Phosphate Hill ammonium phosphate fertiliser complex, more than half a million tonnes was produced during the six months."

Mr Fazzino said that as well as underpinning manufacturing reliability, successful delivery on strategy through BEx continued to drive earnings growth. The Company benefitted from the on-going strong contribution from the Moranbah ammonium nitrate plant, where earnings grew by 25%.

"For the Full Year, Moranbah is anticipated to produce 330,000 tonnes and about $140 million in EBIT. Additionally, construction of the Louisiana ammonia project is on track with the project 75% complete. Production is set to commence in the 3rd Quarter of the 2016 calendar year," he said.

He said that the result also benefitted from the depreciating $A in the Fertilisers and the US businesses, and higher global di-ammonium phosphate (DAP) prices.

"A highlight was the increase in net operating cash flows which improved by $56.4 million to an inflow of $16.5 million, driven in part by an 11% increase in Group Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) and lower Trade Working Capital outflow," he said.

DYNO NOBEL ASIA PACIFIC (DNAP)

DNAP EBIT increased by 2% driven by $12.1 million in earnings growth from the Moranbah ammonium nitrate plant. Apart from Moranbah, DNAP earnings contracted due to challenging mining markets in Australia, Indonesia and Turkey.

DYNO NOBEL AMERICAS (DNA)

The DNA $A EBIT contribution rose by 9% or $6.5 million, assisted by the weaker $A. In $US, DNA earnings were broadly in line with the pcp, a solid performance in light of headwinds in coal and metals markets.

FERTILISERS

Fertilisers EBIT in Australia grew by 18% to $59.0m, on the back of strong manufacturing performance at Phosphate Hill, the lower $A, continued momentum from BEx and higher net global fertiliser prices. Distribution margins contracted slightly and lower production from the Gibson Island fertiliser plant negatively impacted the result. A maintenance turnaround is planned for Gibson Island in 2016.

BUSINESS EFFICIENCY (BEx)

BEx delivered $16 million in first half benefits. The program is fully embedded in the businesses and has been focussed on manufacturing, supply chain and process efficiencies.

BALANCE SHEET

IPL's balance sheet as at 31 March reflects ongoing financial discipline throughout the business. Net Debt is $1.7 billion and sound credit metrics were maintained whilst investing in the Louisiana ammonia project. Net Debt/EBITDA is lower than the pcp at 2.2 times and interest cover is strong at 9.6 times.

DIVIDEND

The interim dividend of 4.4 cents per share reflects a payout ratio of 50% of NPAT excluding minority interests and represents an increase of 26% on the 2014 interim dividend. The interim dividend is unfranked and will be paid on 1 July 2015 to those shareholders on the share register on the record date of 21 May 2015. The conduit foreign income component of the interim dividend is 4.4 cents per share.

The Dividend Reinvestment Plan (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%.

Further Information:

Investors: Gerard Buckle
General Manager – Investor Relations & Finance
T: +61 3 8695 4514 M: +61 423 767 933
E: gerard.buckle@incitecpivot.com.au

Media: Stewart Murrihy

Chief Communications Officer
T: +61 3 8695 4582 M: + 61 418 121 064
E: stewart.murrihy@incitecpivot.com.au

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 5,000 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.