**Incitec Pivot Limited**

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7 July 2017

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, North Tower
Rialto
525 Collins Street
MELBOURNE VIC 3000

Dear Sir or Madam

**Electronic Lodgement**

**IPL Company Overview**

In accordance with the Listing Rules, I attach for release to the market a Company Overview.

This document summarises the operations of the Group. It is based on previously published materials and is intended to provide an overview of the Group and its operations for investors and other stakeholders.

Yours faithfully

**Daniella Pereira**
**Company Secretary**

Attach.


# Company Overview
July 2017

Incitec Pivot Limited
GLOBAL DIVERSIFIED INDUSTRIAL CHEMICALS

ASX: IPL
US ADR: INCZY

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Incitec Pivot Limited ABN 42 004 080 264

***Note:*** *All figures in Australian Dollars (A$) unless otherwise noted*

# Zero Harm

## Zero Harm for Everyone, Everywhere is IPL's number one priority

## Long term target to reduce TRIFR to less than 1.0 set in 2012[1]

- 12-month rolling TRIFR as of 31 March 2017: 0.89[2]
- 36% reduction since setting target
- 93% reduction in Employee Lost Day Severity Rate over the same period[3]

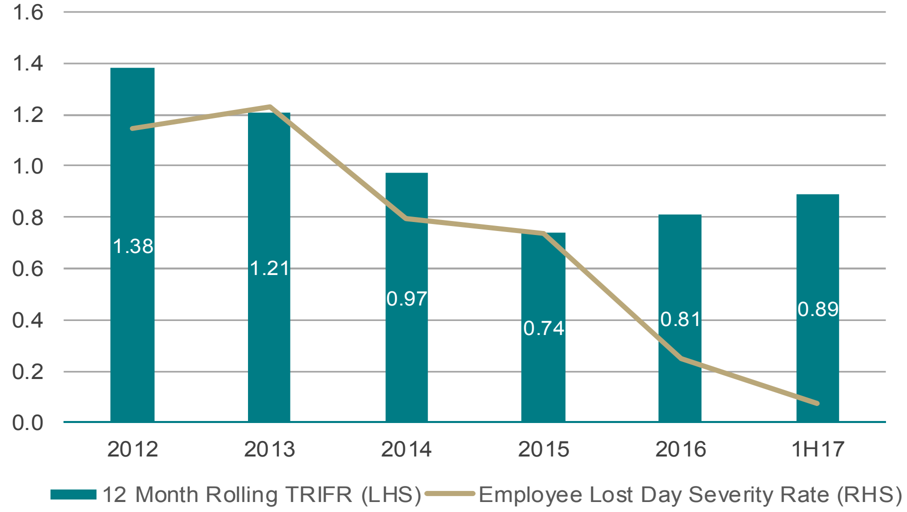
## Process Safety

- 64% reduction in process safety incidents in the 12-months ended 31 March 2017[4]

## Notwithstanding progress, focus remains on further improving performance

**TRIFR and Employee Lost Day Severity Rate**

12-month rolling




1. TRIFR calculated as the number of recordable injuries per 200,000 hours worked; includes contractors
2. Subject to finalisation of the classification of any pending incidents
3. Employee Lost Day Severity Rate calculated as the number of employee lost work days per 200,000 hours worked represented in days; does not include contractors
4. Tier 1 and Tier 2 process safety events as defined by the Center for Chemical Process Safety. 12-month statistics shown, as dataset for longer periods is not available

Incitec Pivot Limited
GLOBAL DIVERSIFIED INDUSTRIAL CHEMICALS

# Corporate Overview

July 2017

# IPL – At a Glance

## IPL is a global diversified industrial chemicals company

**Safety**

**Zero Harm for Everyone, Everywhere is IPL's number one priority**
- 36% reduction in TRIFR since 2012
- 93% reduction in Employee Lost Day Severity Rate over the same period

**Global**

**Global operations via Dyno Nobel and Incitec Pivot Fertilisers**
- Primary operations in North America and Asia Pacific
- ~4,400 employees worldwide

**Diversified**

**Balanced end market earnings exposure[1]**
- ~64% Explosives driven by global mining and US Quarry & Construction
- ~30% Industrial Chemicals driven by US industrial demand
- ~6% Fertilisers driven by global population growth

**Industrial Chemicals**

**Explosives** — DYNO Dyno Nobel

**#2 provider by volume in North America**
**#2 provider by volume in Australia**

**Industrial Chemicals** — DYNO Dyno Nobel / Incitec Pivot Fertilisers

**Major North America ammonia producer**
- Expected to contribute ~3.4% of 2017 consumption[2]

**Fertilisers** — Incitec Pivot Fertilisers

**#1 manufacturer and distributor in Australia by volume[3]**
**50+% east coast market share[3]**

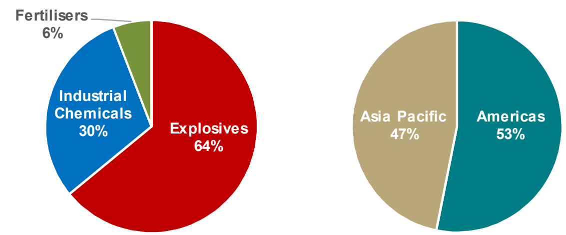
**Manufacturing**

**Operates 7 major nitrogen and 7 initiating systems plants**
- World scale Waggaman ammonia plant completed on time and under budget
- BEx has delivered $226m in net productivity benefits to date[4]

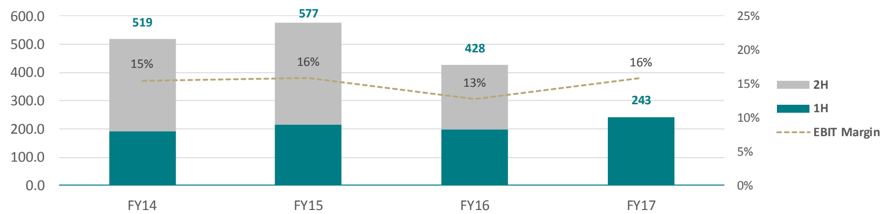
**Financial**

**Strong balance sheet and cash flow profile**
- 1H17 revenue of $1.5Bn; NPAT of $152.1m
- Investment grade credit rating from S&P and Moody's
- Major capex related to Waggaman construction completed in FY16

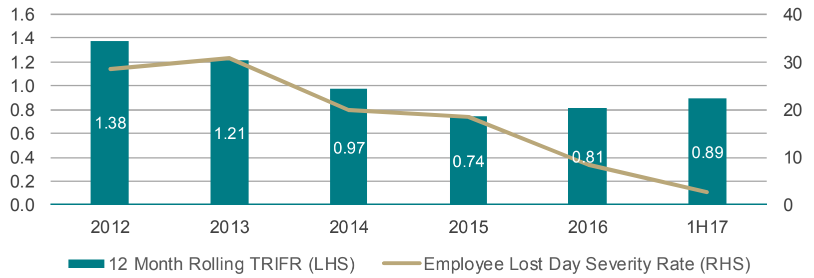
### 1H17 EBIT by End Market and Region[1]




### EBIT and EBIT Margin (A$m)




### Zero Harm[5]




1. Refer slide 11
2. Source: CRU as of December 2016; North America comprises US and Canada
3. Source: IBIS World Industry Report - Fertiliser Manufacturing in Australia (July 2015)
4. Refer slide 15
5. Refer slide 3

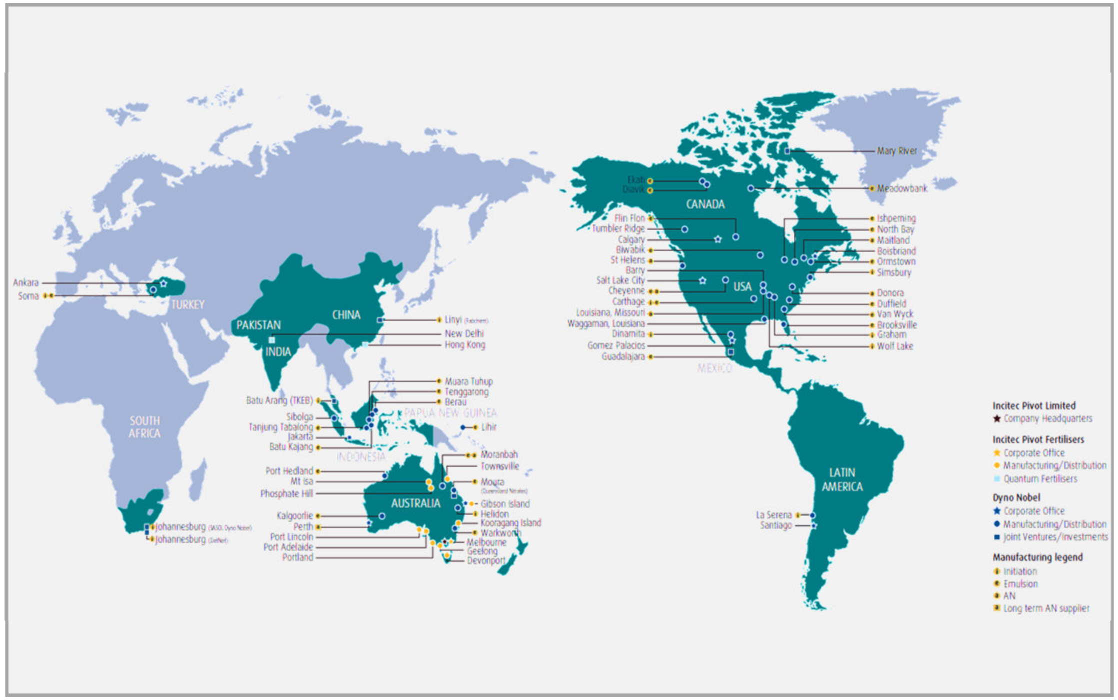
# Incitec Pivot Limited

**IPL is a global diversified industrial chemicals company**

- Founded as an Australian Fertilisers Cooperative in 1919
- Traces explosives history to Alfred Nobel's invention of dynamite in 1867

**Reported 1H17 revenue of $1.5Bn**

- ~4,400 employees globally




Note: Refer slide 98

# Commercial Businesses

**IPL's businesses comprise two international brands**

- **Dyno Nobel:** Dyno Nobel Americas, Dyno Nobel Asia Pacific
- **Incitec Pivot Fertilisers**

**Both hold a leading position in their primary geography**

- **Dyno Nobel:** #2 position in North America and Australia by volume
- **Incitec Pivot Fertilisers:** #1 position in Australia by volume

DYNO Dyno Nobel

Incitec Pivot Fertilisers

**Dyno Nobel Americas**

**US[1], Canada, Mexico, Chile, South Africa**

- Explosives
- Industrial Chemicals
- Fertilisers

**Dyno Nobel Asia Pacific**

**Australia[1], Indonesia, PNG, Turkey**

- Explosives

**Incitec Pivot Fertilisers**

**Australia[1], Southeast Asia, India, Pakistan, Brazil**

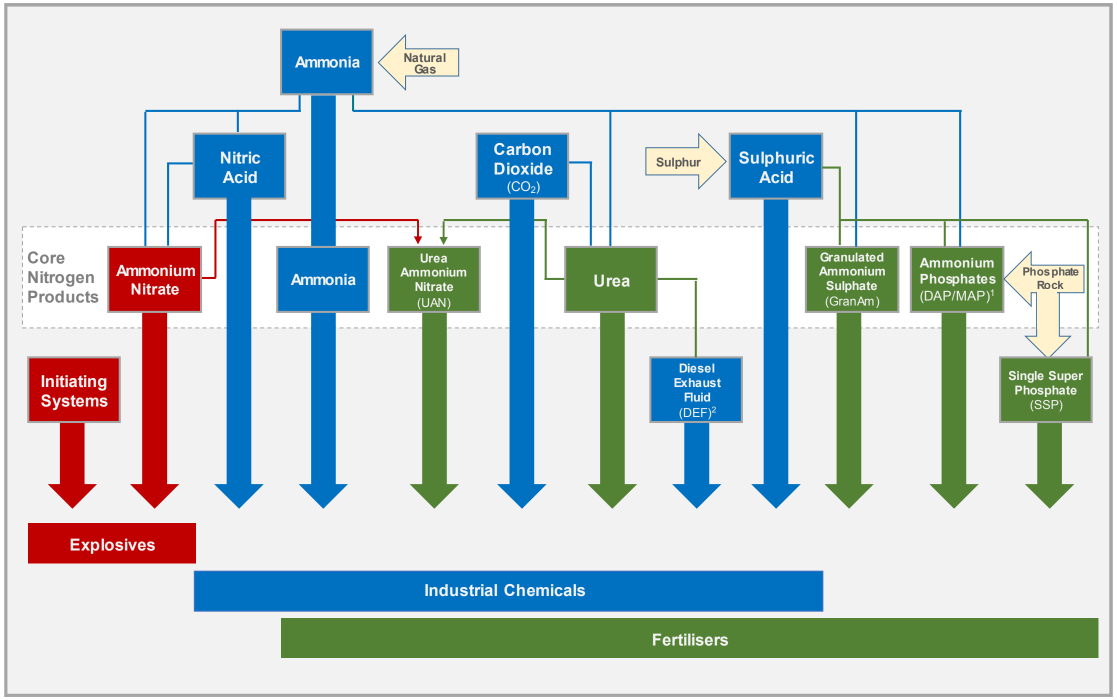
- Fertilisers
- Industrial Chemicals

1. Primary geography

# Nitrogen Chemistry

**These businesses primarily supply nitrogen based products**

- **Explosives:** Ammonium nitrate based explosives
- **Industrial Chemicals:** Nitrogen related industrial and specialty chemicals
- **Fertilisers:** Nitrogen and phosphorus fertilisers

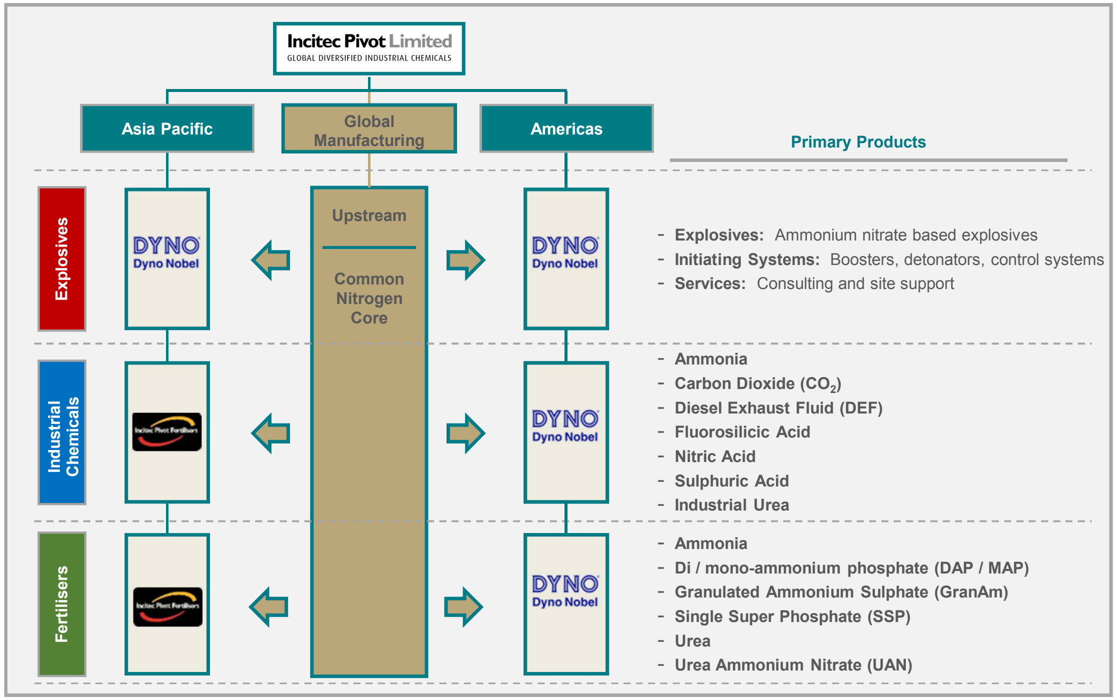



1. Ammonium phosphates include diammonium phosphate (DAP) and monoammonium phosphate (MAP)
2. DEF: Diesel Exhaust Fluid. DEF is an aqueous urea solution made with urea and deionized water. It is used as a consumable in selective catalytic reduction (SCR) in order to lower NOx concentration in exhaust emissions from diesel engines

# Operating Model

**IPL's products are manufactured via a common nitrogen core**

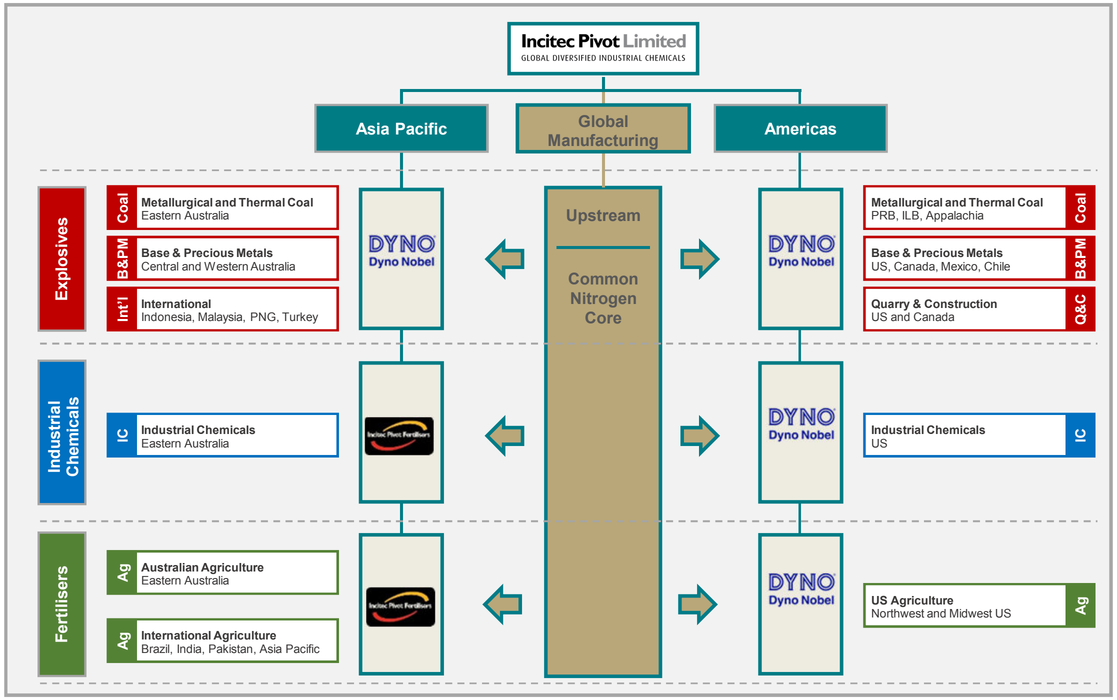
- Forms the basis of IPL's upstream / downstream operating model



# End Markets

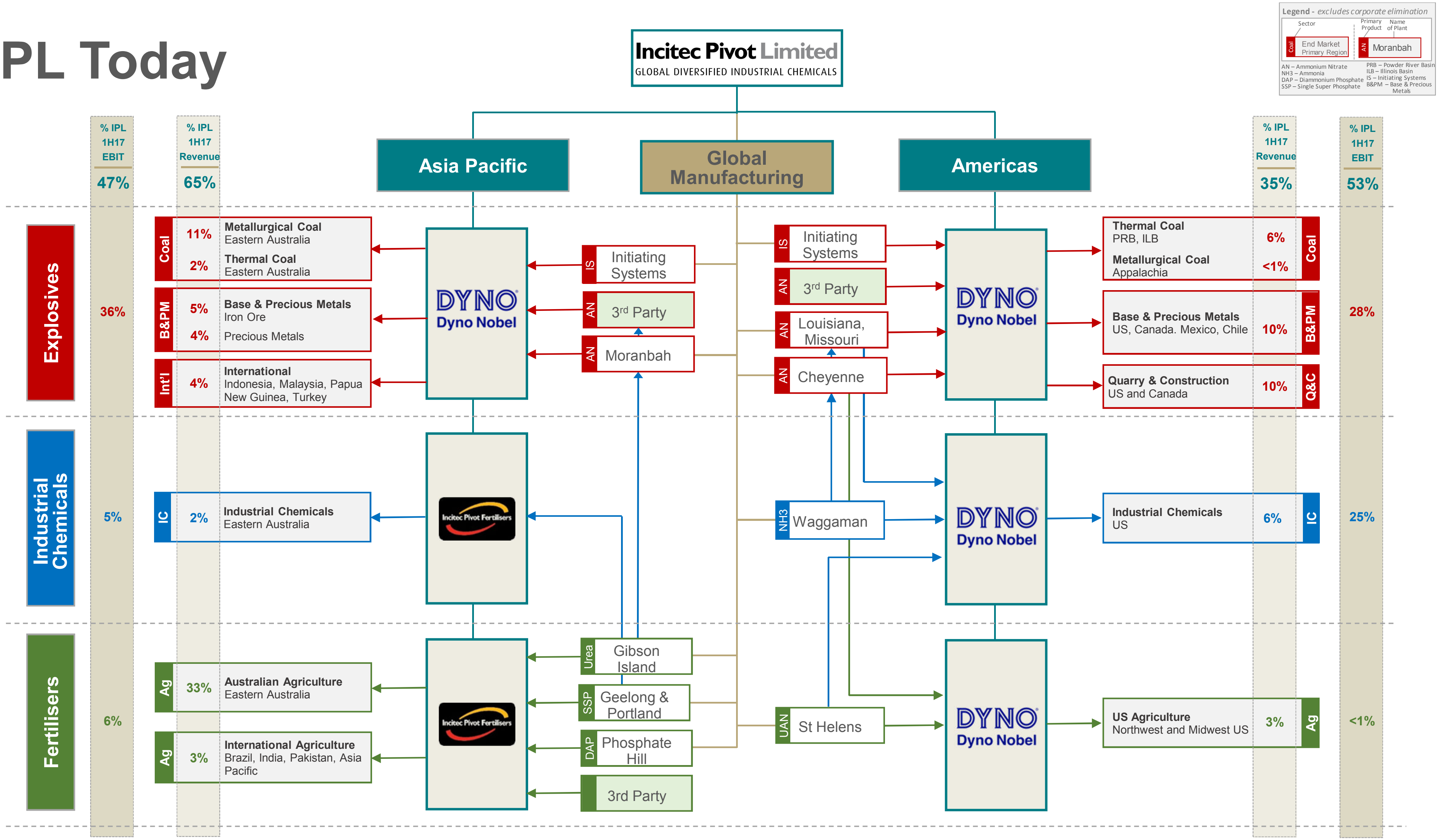
**These products are supplied to a broad range of end markets**

- **Explosives:** Coal, Base & Precious Metals, Quarry & Construction
- **Industrial Chemicals:** Industrial and specialty chemicals
- **Fertilisers:** Agriculture




Note: Refer to legend on slide 11

# IPL Today



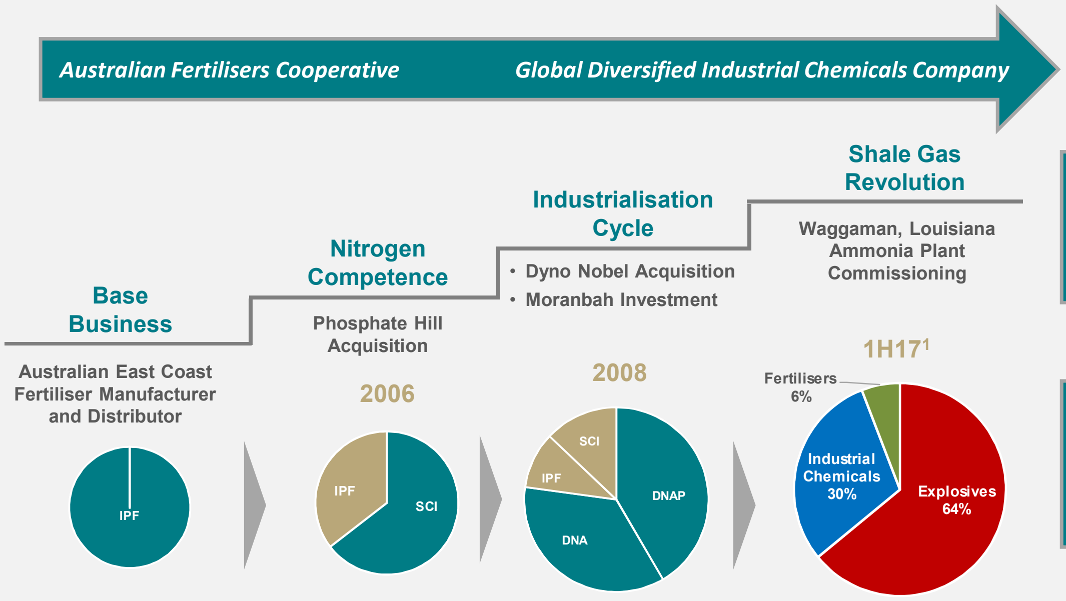

Note: Excludes corporate elimination

# Strategy and Transformation

**IPL's transformation to a global diversified industrial chemicals company was underpinned by measured execution of its strategy:**

***Align common nitrogen core to address major market dislocations***

**2016 commissioning of the world scale Waggaman, Louisiana ammonia plant is an example of the strategy's successful execution**




**1H17**

**Geographic and economic exposure**

**Balanced economic exposure to the world's two largest economies**

- ~53% earnings driven by US economy
- ~47% earnings driven by Chinese/Asian economies

**End market exposure**

**Balanced 1H17 end market exposure**

- 64% Explosives driven by global mining and US Quarry & Construction
- 30% Industrial Chemicals driven by agriculture and industrial demand
- 6% Fertilisers driven by global population growth

1. Refer Slide 11

# Key Strengths

**Diversification**

### Balanced economic and end market exposure

- Broad geographic and economic exposure to the world's two largest economies, the United States (directly) and China (indirectly)
- Diversified end market exposure
  - **Explosives:** Driven by global mining and US Quarry & Construction
  - **Industrial Chemicals**: Driven by agriculture and industrial demand
  - **Fertilisers:** Driven by global population growth
- Limited customer concentration, with no customer accounting for more than 5% of Group revenue in FY16[1]

**Core nitrogen manufacturing capability**

### Scale and operational competency in core nitrogen manufacturing operations

- Cost-competitive positions from proximity to end markets and access to economic feedstock at sites such as Waggaman, Louisiana; Cheyenne, Wyoming and Moranbah, Queensland
- Plants managed centrally through Global Manufacturing unlocking synergies

**Strong market positions**

### Strong market positions in Explosives, Industrial Chemicals and Fertilisers

- Incitec Pivot Fertilisers is the largest manufacturer and supplier of fertilisers in Australia by volume
- Dyno Nobel is the second largest industrial explosives distributor in North America and Australia by volume

1. Refer Slide 28

# Key Strengths (cont’d)

**Disciplined Capital Management**

### Track record of prudent capital management and financial discipline

- Investment grade credit rating from S&P and Moody's
- Major capex related to Waggaman construction completed in FY16 safely, on time and under budget

**BEx**

### Strong focus on business transformation and operational efficiency improvements through BEx

- IPL’s Business Excellence (“BEx”) program has delivered net productivity benefits of $226m since its launch in 2012[1]
- Drives sustainable and ongoing business efficiency and productivity through an empowered and engaged workforce

**Experienced board and management**

### Experienced leadership

- IPL’s Board of Directors possess experience across a diverse range of industries and geographies
- The members of the management team have considerable experience in the industrial explosives and fertiliser industries

1. As at 31 March 2017. After cost inflation of ~A$45m per annum; refer slide 15

# BEx - Business Excellence

### Continuous improvement and capital discipline are tenets of IPL's strategy

- Both are core competencies underpinned by IPL's culture

### BEx is IPL's business efficiency system

- Launched in 2012
- Embedded throughout organisation
- Historically expected to deliver ~$25m of net productivity benefits annually

### Based on Toyota Production Systems (TPS) principles

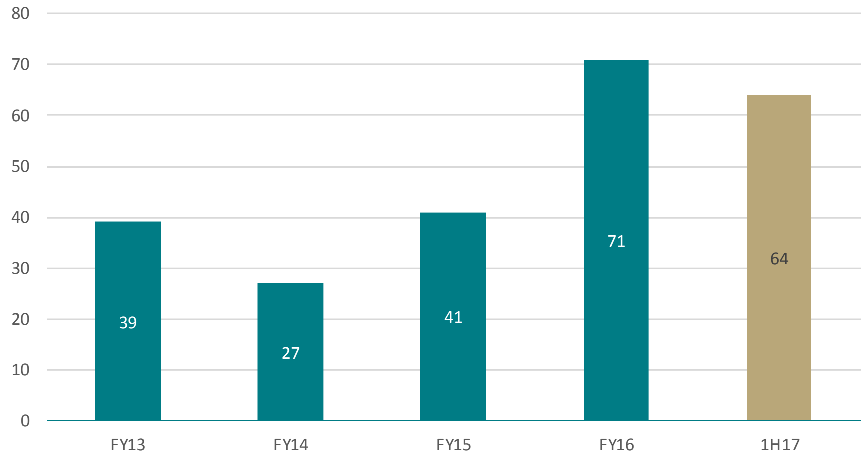
- Designed to optimise asset base

### $226m of net productivity benefits delivered to date

- After annual cost inflation of ~$45m per annum

### Net BEx Productivity Benefits

A$m



# ESG & Diversity

## ESG is a key management focus[1]

- 12% improvement in DJSI rating between 2015 and 2016
- 20% above Chemicals Sector average in 2016

## Gender diversity is also a key focus

- Executive Team 33% women from 13% in 2012
- Senior Management 27% women from 16% in 2012[2]
- Management 22% women from 14% in 2012[3]
- Global Workforce 16% women from 14% in 2012

## IPL is a member of a number of leading ESG indices, including:

- DJSI, FTSE4Good, ECPI

## IPL is also rated by a host of industry participants, including:

- ACSI, CAER, CGI Glass Lewis, EcoVadis, MSCI, Sustainalytics, Vigeo EIRIS

## Dow Jones Sustainability Index (DJSI)

Score out of 100; calendar year

| IPL Group | | | | | | |
|---|---|---|---|---|---|---|
| **Dimension** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Economic | 61 | 59 | 70 | 65 | 67 | 74 |
| Environmental | 50 | 51 | 59 | 60 | 51 | 60 |
| Social | 45 | 63 | 68 | 67 | 63 | 65 |
| **IPL** | **51** | **58** | **66** | **64** | **60** | **67** |
| **Chemicals Sector Average** | **57** | **55** | **52** | **55** | **58** | **56** |

1. ESG: Environmental, Social and Governance
2. Executive Team +1
3. Executive Team +1,2,3

Incitec Pivot Limited
GLOBAL DIVERSIFIED INDUSTRIAL CHEMICALS

# Financial Overview
## July 2017

# Financial Summary

## IPL delivered revenue of $1.5Bn and EBIT of $242.8m in 1H17

### Americas contributed 53% of Group EBIT during the period[1]

- Up from 35% in FY16, in part due to initial Waggaman earnings

### Explosives comprised 64% of Group EBIT[1]

- Industrial Chemicals comprised 30% of Group EBIT
- Fertilisers contributed 6% of Group EBIT

## Summary Financials[2]

| IPL Group | Half Year Ended 31 March | | |
|---|---|---|---|
| | 1H17 | 1H16 | % Change |
| **A$m** | | | |
| Revenue | 1,535.7 | 1,524.0 | 0.8 % |
| EBITDA ex IMIs | 373.3 | 322.6 | 15.7 % |
| **EBIT ex IMIs** | **242.8** | **197.3** | **23.1 %** |
| **NPAT ex IMIs** | **152.1** | **137.1** | **10.9 %** |
| IMIs after tax | - | (105.6) | |
| **NPAT** | **152.1** | **31.5** | **382.9 %** |
| **Business EBIT ex IMIs** | | | |
| Americas | 134.0 | 64.2 | 108.7 % |
| Asia Pacific | 118.0 | 142.5 | (17.2)% |
| Elimination and Corporate | (9.2) | (9.4) | 2.1 % |
| **Sector EBIT ex IMIs** | | | |
| Explosives | 161.5 | 146.6 | 10.2 % |
| Industrial Chemicals | 75.8 | 15.8 | 379.7 % |
| Fertilisers | 14.8 | 44.4 | (66.7)% |
| Elimination and Corporate | (9.2) | (9.4) | 2.1 % |
| **Shareholder Returns** | | | |
| **Cents Per Share** | | | |
| EPS ex IMIs | 9.0 | 8.1 | 11.1 % |
| Total Dividends | 4.5 | 4.1 | 9.8 % |
| **Credit Metrics** | | | |
| **A$m** | | | |
| Net Debt[3] | (1,737.6) | (1,739.5) | 0.1 % |
| Interest Cover[4] | 7.9x | 9.5x | |
| Net debt / LTM EBITDA ex IMIs | 2.4x | 2.1x | |

1. Refer slide 11; excludes elimination
2. ex IMIs: Excluding Individually Material Items
3. Net Debt aggregates interest bearing liabilities plus the fair value of derivative instruments in place economically to hedge the Group's interest bearing liabilities, less available cash and cash equivalents
4. Interest cover calculated as average LTM EBITDA / net interest expense before accounting adjustments

# EBIT Profile

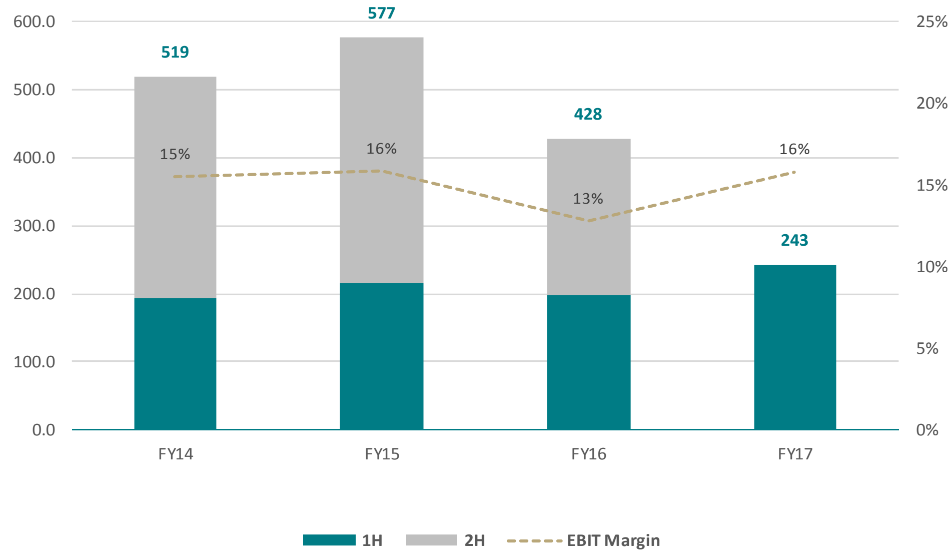
**IPL's EBIT is historically skewed in favour of the second half**

- Timing primarily driven by Fertilisers and Quarry & Construction earnings

**EBIT margins are also historically skewed in favour of the second half**

## EBIT and EBIT Margin ex IMIs

A$m



# EBIT Sensitivities

## IPL’s earnings are sensitive to external influences

- Global fertiliser prices and foreign exchange are key factors
- Natural gas and ammonia prices are also important factors

## EBIT Sensitivities

| FY16 EBIT Sensitivities | |
|---|---|
| **Americas** | |
| Urea (FOB NOLA)[1] | +/- US$10/mt = +/- US$1.7m |
| Americas ex-Waggaman FX earnings translation[2] | +/- A$/US$ 0.01 = +/- A$2.2m |
| Waggaman FX earnings translation | EBIT is US$-denominated and subject to translation movements |
| Ammonia (CFR Tampa)[3] | +/- US$10/mt = +/- US$6.1m |
| Henry Hub Natural Gas[3] | +/- US$0.10/mmbtu = -/+ US$2.0m |
| **Asia Pacific** | |
| Urea (FOB Middle East)[4] | +/- US$10/mt = +/- A4.7m |
| DAP (FOB Tampa)[5] | +/- US$10/mt = +/- A$13.8m |
| FX transactional (DAP / urea)[6] | +/- A$/US$ 0.01 = +/- A$8.0m |

1. Based on 165,000mt of urea equivalent sales (St Helens nameplate)
2. Based on actual FY16 Americas EBIT of US$118.2m and an average realised exchange rate of A$/US$ 0.7359
3. Based on 640,000 mt of ammonia sales (80% Waggaman nameplate capacity)
4. Based on 347,000 mt of urea equivalent sales (Gibson Island actual FY16 sales) at FY16 average realised exchange rate of A$/US$ 0.7393
5. Based on 1,017,300 mt of ammonium phosphate sales (Fertilisers actual FY16 sales) and FY16 average realised exchange rate of A$/US$ 0.7393
6. Based on ammonium phosphate and urea volumes and prices noted in footnotes 4 and 5, excluding impact of hedging

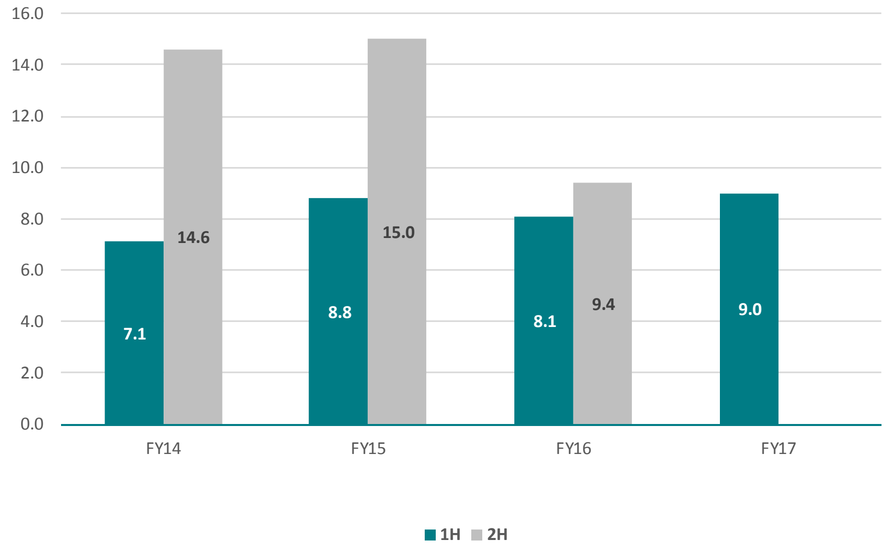
# Earnings Per Share

**IPL's EPS ex IMIs has ranged from 18 to 24 cents per share since 2014**

- Movement largely in tandem with EBIT

**EPS ex IMIs**

A$ cents per share



# Dividends Per Share

**IPL has a dividend payout ratio policy of 30% to 60% of net profit**

- 50% payout ratio over the past four years

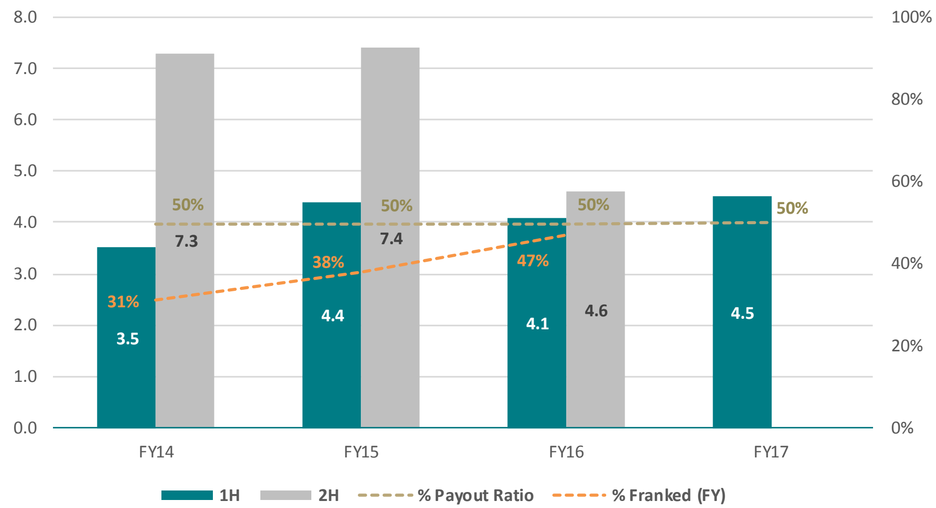
**IPL generally applies all available franking credits to dividends**

**Dividends are historically skewed in favour of the second half**

- Consistent with EBIT and EPS

**Dividend Metrics**

A$ cents per share



# Capital Expenditure

## IPL's capex program is disciplined

- Requests >$500k presented to panel chaired by CFO and President, Global Manufacturing

## Investment in the Waggaman plant has been a driver over the past four years

## Sustenance capex largely comprises major turnaround activity

- Turnarounds are described in detail on the following slide

## Total capex target for FY17 is ~$200m

- 2018 target is ~$180m - $200m

## Capex Profile

| Capital Expenditure | Half Year Ended 31 March | | |
|---|---|---|---|
| | 1H17 | 1H16 | % Change |
| A$m | | | |
| **Major growth capital** | **(74.0)** | **(151.8)** | **51.3 %** |
| Asia Pacific | (0.8) | (5.9) | 86.4 % |
| Americas | (4.9) | (4.4) | (11.4)% |
| **Minor growth capital** | **(5.7)** | **(10.3)** | **44.7 %** |
| Asia Pacific | (63.0) | (87.8) | 28.2 % |
| Americas | (30.3) | (51.1) | 40.7 % |
| **Sustenance** | **(93.3)** | **(138.5)** | **32.6 %** |
| **Total** | **(173.0)** | **(300.6)** | **42.4 %** |

| Waggaman Investment | Capex | Capitalised Interest | Total |
|---|---|---|---|
| A$m | | | |
| FY12 | (6.0) | - | **(6.0)** |
| FY13 | (107.3) | (2.0) | **(109.3)** |
| FY14 | (370.7) | (17.7) | **(388.4)** |
| FY15 | (218.7) | (37.7) | **(256.4)** |
| FY16 | (167.2) | (48.0) | **(215.2)** |
| 1H17 | (69.7) | (4.3) | **(74.0)** |
| **Total** | **(939.6)** | **(109.7)** | **(1,049.3)** |

# Turnarounds

**A turnaround is a scheduled, multi-week downtime period during which a plant undergoes comprehensive inspection, maintenance and enhancements**

- Sometimes referred to as a ‘shutdown’ or ‘shut’

**Turnarounds help to preserve the useful life and productivity of longterm assets**

- Major turnarounds can range from up to $50m+ and may have associated loss in production depending on duration
- The period between a turnaround is the plant’s ‘operating campaign’ and varies from 3 to 5 years

**Major turnarounds are scheduled to minimize customer impact and phased where possible to prevent overlap**

- Scheduled for low demand periods where possible

**Cheyenne will undergo a turnaround commencing in the second half of 2017**

- Plant is expected to be offline for 4 to 6 weeks during its turnaround

## Preliminary Schedule of Major Turnarounds

Subject to change

**Preliminary Major Turnaround Schedule**

| 2017 | | 2018 | | 2019 | |
|---|---|---|---|---|---|
| 1H | 2H | 1H | 2H | 1H | 2H |
| Moranbah | | | | | |
| | Cheyenne | | | | |
| | | | Phos Hill | | |
| | | | | Waggaman | |
| | | | | | St Helens |

# Balance Sheet

### Strong balance sheet maintained through Waggaman spend and cyclical lows

- Net debt flat in 1H17 versus 1H16
- $804m of undrawn facilities[1]

### Credit metrics inside target ranges[1]

- Net Debt / LTM EBITDA: 2.4x[1,2]
- Interest Cover: 7.9x[1,3]

### Metrics underpin investment grade credit ratings; outlook upgraded since FY16

- **S&P rating:** BBB revised upward to stable outlook on 6 December 2016
- **Moody's rating:** Baa3 revised upward to positive outlook on 19 January 2017

### Free cash flow profile positioning IPL for de-levering and increased returns to shareholders

- Underpinned by Waggaman earnings potential
- Cash flow historically second half biased

### Credit Metrics

As at 31 March 2017

| IPL Group<br>A$m | Maturity (CY) | Facility Amount | Drawn Amount | Undrawn Amount |
|---|---|---|---|---|
| Syndicated Term Loan A | 2018 | 568.0 | 427.8 | 140.2 |
| Syndicated Term Loan B | 2018 | 592.7 | 583.6 | 9.1 |
| Medium Term Notes | 2019 | 200.0 | 200.0 | 0.0 |
| 144A/Regulation S Notes | 2019 | 1,046.6 | 1,046.6 | 0.0 |
| Syndicated Revolver | 2021 | 654.2 | 0.0 | 654.2 |
| **Total Debt** | | **3,061.5** | **2,258.0** | **803.5** |
| Fair Value and Other Adjustments | | | 5.2 | |
| Loans to JVs, Associates / Other Trade Loans | | | 17.7 | |
| Cash and Cash Equivalents | | | (90.1) | |
| Fair Value of Hedges | | | (453.2) | |
| **Net Debt[1]** | | | **1,737.6** | |
| LTM EBITDA ex IMIs[2] | | | 723.3 | |
| **Net Debt / LTM EBITDA ex IMIs** | | | **2.4x** | |

1. As at 31 March 2017
2. Net Debt aggregates interest bearing liabilities plus the fair value of derivative instruments in place economically to hedge the Group's interest bearing liabilities, less available cash and cash equivalents
3. Interest cover calculated as average LTM EBITDA / net interest expense before accounting adjustments

# Hedding

**IPL’s hedging program generally follows an ‘insurance’ based approach**

- Biased towards limiting downside risk while preserving participation in favourable market movements

**Governed by IPL’s Board-approved Treasury Policy, IPL undertakes and manages hedging activities to:**

- Provide increased stability of financial performance from which IPL is able to undertake effective business planning; this includes managing FX risk relating to the Australian fertiliser business, gas price risk relating to the explosive business and interest rate risk relating to the Company’s operations
- Protect credit metrics, in particular gearing ratio and interest cover through hedging balance sheet exposures including the value of foreign assets and loans
- Protect capital cost of projects

# Tax

**IPL's effective tax rate on operating profit was 20.6% in 1H17**

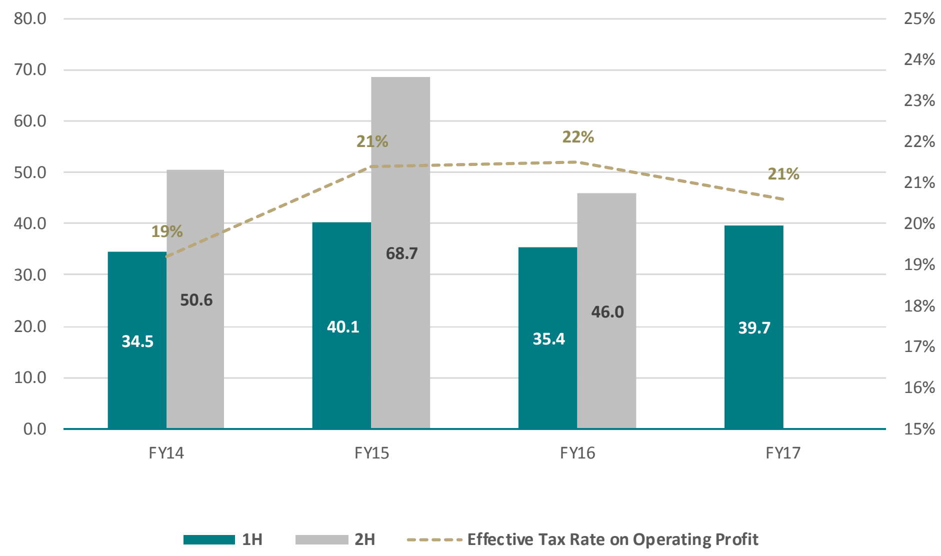
- Consistent with 20.5% in 1H16

**Will benefit from accelerated depreciation of the Waggaman plant for cash tax paid purposes**

- Described in greater detail on slide 84

**Tax Expense and Effective Tax Rate on Operating Profit**

A$m



# Customer Concentration

## IPL's customer profile is diversified across region and end market

- No customer contributed more than 5% of Group revenue in FY16
- IPL's 'top 10' customers comprised 30% of Group revenue in the same period

## IPL Customer Concentration

% of FY16 Group revenue

| Top Ten Customers | | |
|---|---|---|
| **Customer** | **Region** | **% Group Revenue** |
| Customer A | Asia Pacific | 5% |
| Customer B | Asia Pacific | 5% |
| Customer C | Americas | 3% |
| Customer D | Asia Pacific | 3% |
| Customer E | Americas | 3% |
| Customer F | Asia Pacific | 3% |
| Customer G | Asia Pacific | 2% |
| Customer H | Americas | 2% |
| Customer I | Asia Pacific | 2% |
| Customer J | Asia Pacific | 2% |
| **Total in Top 10** | | **30%** |

# Share Register

**IPL's primary equity listing is on the Australian Stock Exchange (ASX: IPL)**

**IPL also has a sponsored America Depository Receipt (OTCQX: INCZY)**

- ADR currently comprises IPL's 46th largest shareholder[1]

**42% of IPL's register is held in Australia[1]**

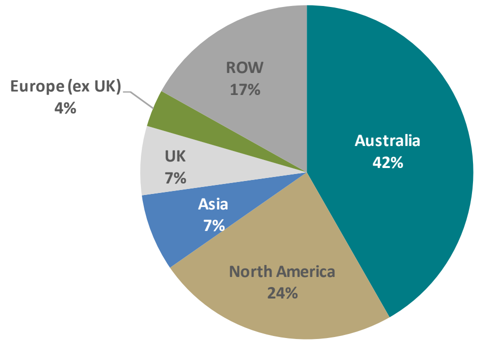
- 24% held in North America (primarily the US)

**IPL had an average daily trading volume of ~9 million shares in 2016[2]**

- Represents ~5% of IPL's 1,687 million shares on issue as of 31 January 2017

**Shareholding by Region[1]**

%




1. Source: Orient Capital as of 28 February 2017; ROW: rest of world
2. Source: Bloomberg

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Explosives

# Explosives

## July 2017

# Explosives

Explosives

**The commercial explosives industry provides blasting solutions to the mining and infrastructure markets**

- **Mining:** Coal, Base & Precious Metals
- **Infrastructure:** Quarry & Construction

## Mining

### Coal

**Metallurgical and thermal**

- Surface mining
- Underground mining

### Base & Precious Metals

**Iron ore, copper, silver, gold, nickel and other metals**

- Surface mining
- Underground mining

## Infrastructure

### Quarry

**Rock, gravel and cement**

- Surface mining
- Underground mining

### Construction

**Building and infrastructure**

- Surface
- Underground

# Dyno Nobel

## IPL addresses the explosives industry through Dyno Nobel

- **Dyno Nobel Americas:** US[1], Canada, Mexico, Chile, South Africa
- **Dyno Nobel Asia Pacific:** Australia[1], Indonesia, PNG, Turkey

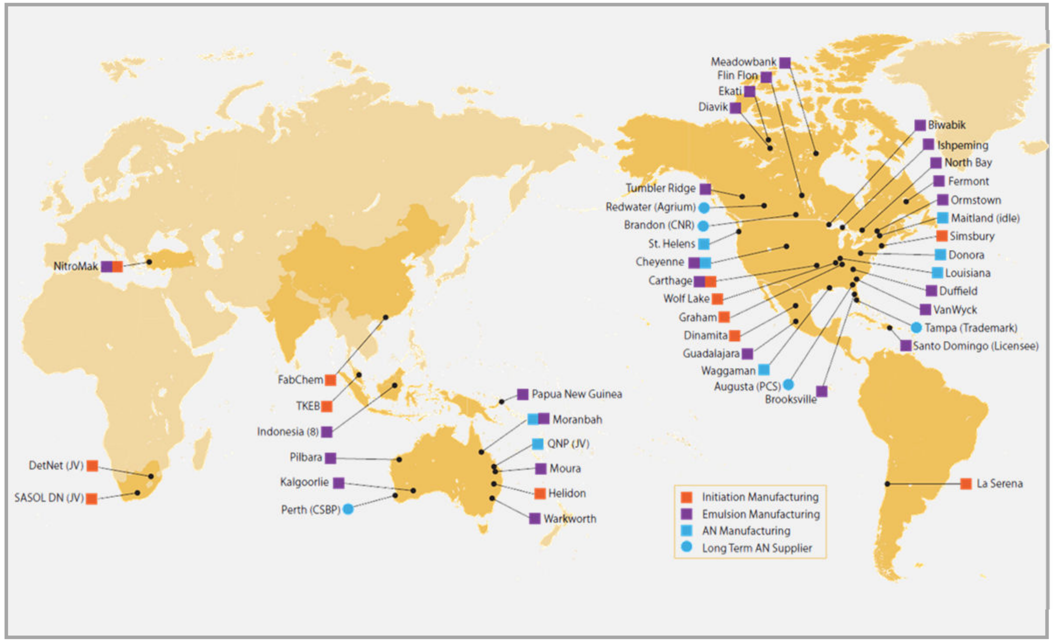
## Maintains a leading market position in its core geographies

- #2 in North America by volume; major participants include Orica and Austin Powder
- #2 in Asia Pacific by volume; Orica is other primary participant

## Operates directly and via joint ventures in North America

- It operates a direct model in Asia Pacific

## Dyno Nobel Global Operations




1. Core geography

# Value Chain

Explosives

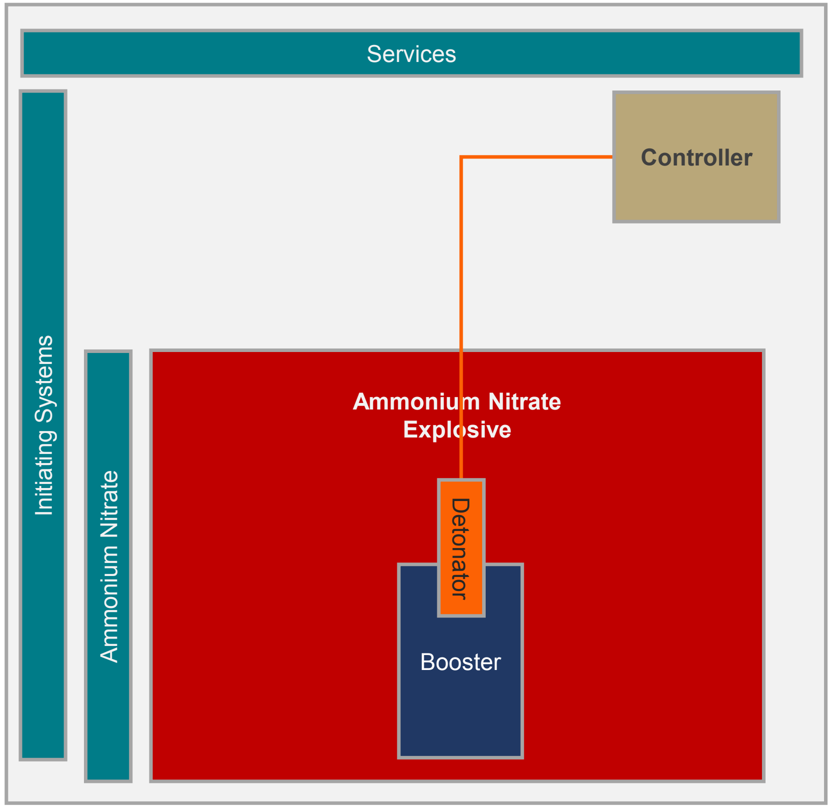
**Dyno Nobel participates in all stages of the explosives value chain**

- Ammonium Nitrate
- Initiating Systems
- Services

Dyno Nobel

- Hazardous material handling and logistics are also core competencies

**Explosives Value Chain**



# Ammonium Nitrate

**Explosives**

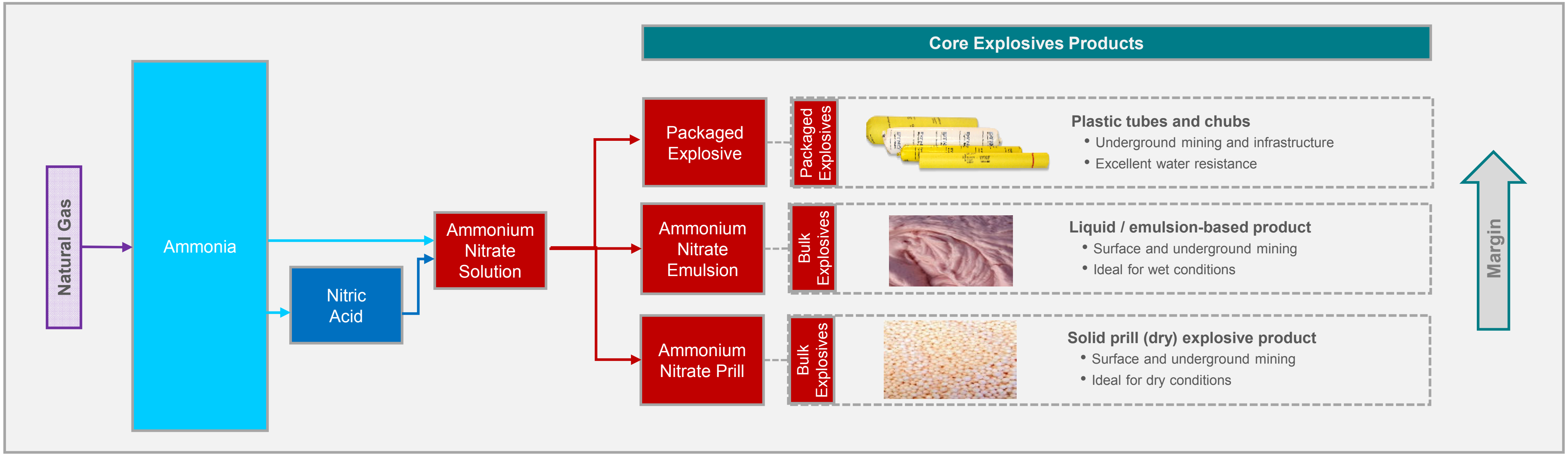
- **Ammonium Nitrate**
- Initiating Systems
- Services

DYNO Dyno Nobel

**Ammonium nitrate is the core chemical component of bulk explosive mixtures**

- Generally stable in nature; requires energy from an initiating system for detonation
- Manufacture entails the acid-base reaction of ammonia with nitric acid

**Primarily distributed in prill (dry), semi-liquid or packaged form**



# Initiating Systems

**Explosives**

- Ammonium Nitrate
- **Initiating Systems**
- Services

Dyno Nobel

### Blasts are generally triggered by an initiating system comprising detonating cord, detonators and boosters

- Initiating systems are vital to triggering and controlling the sequencing and timing of an explosion

### Detonators receive a command through either a detonating cord or shock tube, or electric signal

- Detonators in turn trigger the booster, which in turn triggers the ammonium nitrate
- The timing of an initiation is controlled by a pyrotechnic or electronic timer

Core Dyno Nobel Products

Detonator

**Electric Detonators**

**Detonation command transferred electrically**

- Original electric 'blasting cap'

Detonator

**Non Electric Detonators (Nonel)**

**Detonation command transferred through detonating cord or shock tube**

- Most widely used detonator; pyrotechnic delay embedded in detonator
- Pyrotechnic signal transfer eliminates most electric detonator hazards

Detonator

**Electronic Detonators**

**Detonation command generally transferred via wire to chip in detonator**

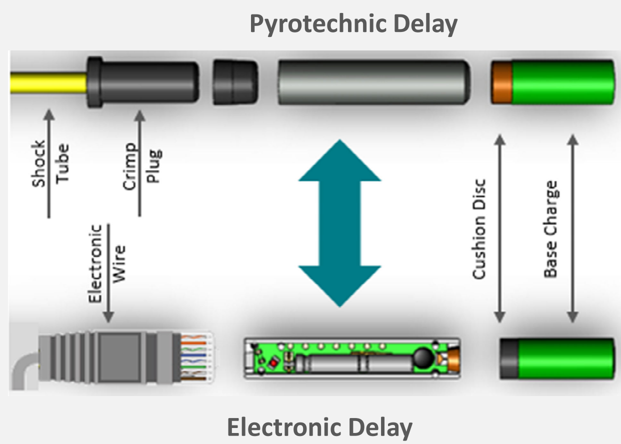
- Most accurate timing with greatest control; electronic delay embedded in detonator
- Multiple mining value improvement opportunities through accurate blast timing

Booster

**Boosters**

**Triggered by detonator**

- Amplifies detention explosion to initiate less sensitive bulk explosive product



# Services

Explosives

- Ammonium Nitrate
- Initiating Systems
- **Services**

DYNO Dyno Nobel

## Consulting and on-site services help customers design and implement controlled blasts

- **Consulting:** Blast design based on customer needs and geological environment
- **Mine Site:** Full on-site support offering including plant and loading equipment

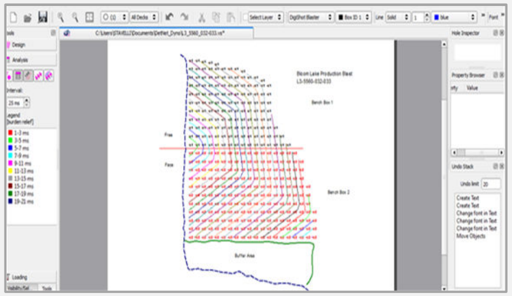
## Blasting optimisation can significantly improve costs across the mining value chain

- It is an important differentiator particularly for the Quarry & Construction end market

### DynoConsult

**Customer profitability optimised via blast patterns**

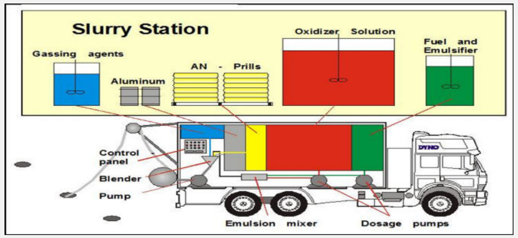
- Fragmentation analysis and control
- Cast blasting optimisation
- Vibration analysis and control
- Ore dilution control
- Final wall and over-break control
- Blasting education
- Safety training



### On-site services

**Full suite of blast site assistance**

- Blast design
- Bore hole drilling and filling
- Initiating System rigging and operations
- Plant and loading equipment



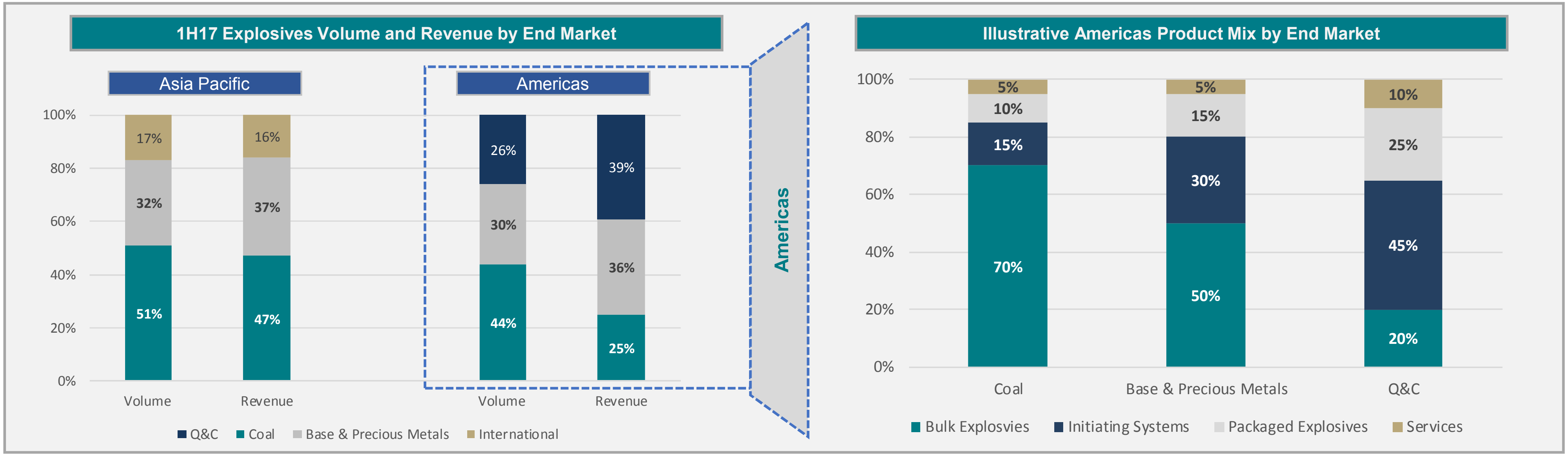

# End Markets

Explosives

**Dyno Nobel primarily supplies explosives to the Coal, Base & Precious Metals and Quarry & Construction end markets**

- Quarry & Construction activity is generally limited to North America
- In Asia Pacific, the 'International' end market primarily consists of Coal and Base & Precious Metals activity

**Quarry & Construction revenue is generally greatest on a per tonne of ammonium nitrate basis largely due to product mix**



# Americas - Coal

**Explosives**

### Dyno Nobel primarily supplies explosives to the Powder River Basin, North America's most profitable thermal coal mining region

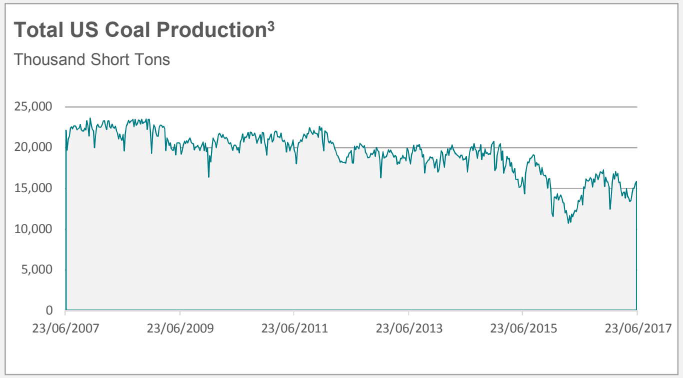
- **Cost of Production and Delivery:** Proximity and access to economic gas make Dyno Nobel's Cheyenne ammonium nitrate among the region's most cost efficient
- **Economic Coal:** Powder River Basin coal is North America's most profitable; its delivered cost is currently less than that of natural gas

### Dyno Nobel's Louisiana, Missouri plant has competitive logistics into the Illinois River Basin via river, rail and road

| | % IPL 1H17 Revenue | Estimated Delivered Cost of Coal US$/mmbtu[2] |
|---|---|---|
| Powder River Basin | 6% | ~$2.20 |
| Illinois Basin | | ~$2.70 |
| Appalachia | <1% | ~$3.50 |


Legend
- ★ Head Office
- ● Ammonium Nitrate Plant
- ● Initiating Systems Plant

| Americas | | Thousand Metric Tonnes | | | |
|---|---|---|---|---|---|
| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
| Explosives | | | | | |
| Cheyenne | Ammonium Nitrate[1] | | | | |
| Louisiana, Missouri | Ammonium Nitrate[1] | | | | |
| Total Manufactured for Sale | | | | | |




1. Americas ammonium nitrate volume not disclosed
2. Source: Wood Mackenzie
3. Source: Bloomberg

# Americas - Base & Precious Metals

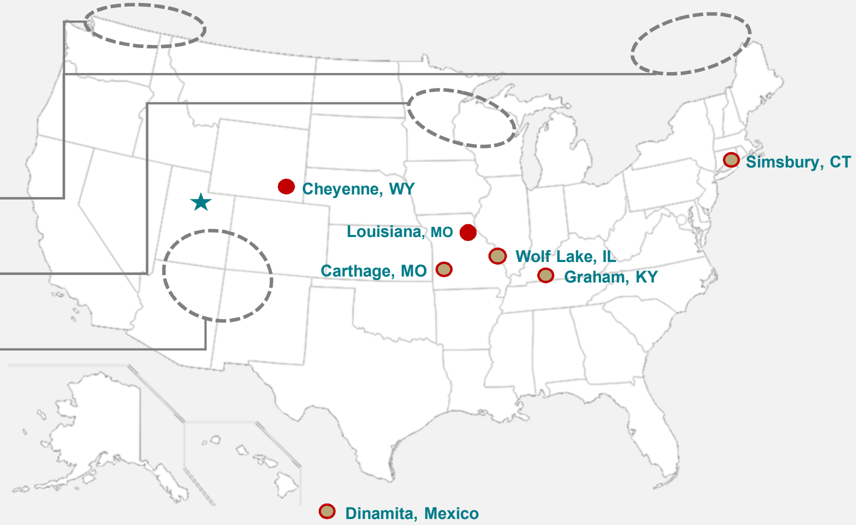
**Explosives**

## Dyno Nobel supplies explosives to iron ore, copper, gold, nickel, silver and zinc mines primarily in the US Midwest and southern Canada

- **US Midwest:** Predominantly iron ore mines in Minnesota and Michigan
- **US West:** Primarily gold, nickel, silver and copper primarily in Arizona, New Mexico, Nevada and Colorado
- **Southern Canada:** Iron ore in eastern Canada (Labrador); gold, copper and zinc in eastern Canada

## US iron ore production is expected to benefit from steel import tariffs implemented in 2016

| | % IPL 1H17 Revenue | End Market |
|---|---|---|
| Southern Canada | 10% | Iron Ore, Gold, Copper, Zinc |
| US Midwest | | Iron Ore |
| US West | | Gold, Nickel, Silver, Copper |



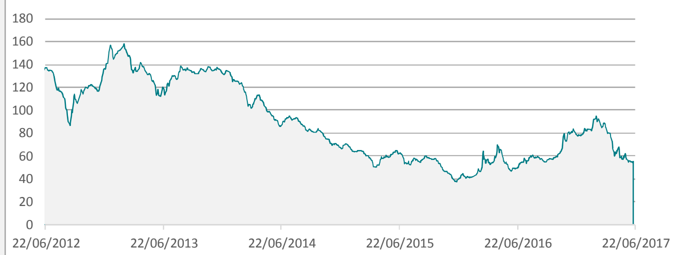

Legend
- ★ Head Office
- ● Ammonium Nitrate Plant
- ● Initiating Systems Plant

**Americas**

| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| **Explosives** | | | | | |
| Cheyenne | Ammonium Nitrate[1] | | | | |
| Louisiana, Missouri | Ammonium Nitrate[1] | | | | |
| Total Manufactured for Sale | | | | | |

**Iron Ore 62% Spot Price[2]**

US$/metric tonnes




1. Americas ammonium nitrate volume not disclosed
2. Source: Bloomberg

# Americas - Quarry & Construction (1 of 3)

**Explosives**

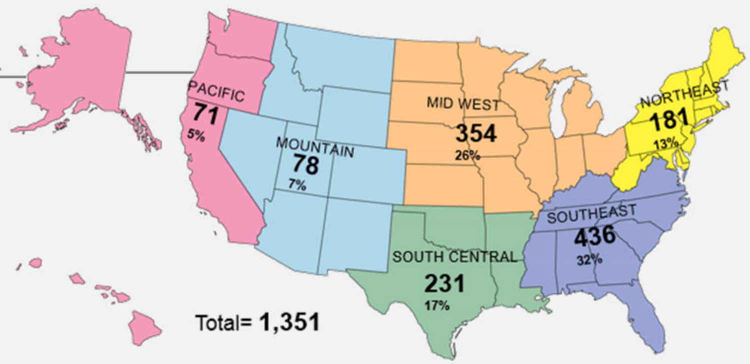
**Dyno Nobel provides specialised blasting solutions to the Quarry & Construction market in North America**

**US crushed stone production forecast by McGraw-Hill to grow at 3-5% in 2017; follows 3% growth in 2016[2]**

- **Non-Government:** ~50% of sector; growth driven by residential and non-residential construction
- **Government:** ~50% of sector; recent growth has been modest but expected to benefit from a multi-year US$305Bn highway spending bill passed in December 2015
- Dyno Nobel has a leading footprint in growing US population centres where sector activity is currently strongest (Florida, Texas and Northeast)

| | % IPL 1H17 Revenue | End Market |
|---|---|---|
| US and Canada | 10% | Infrastructure |

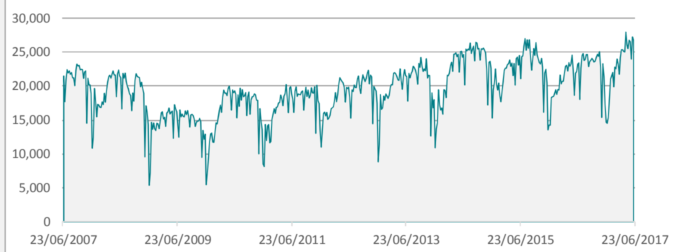
**2016 Total US Crushed Stone Production by Region[2]**




| Americas | | | | | |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
| Explosives | | | | | |
| Cheyenne | Ammonium Nitrate[1] | | | | |
| Louisiana, Missouri | Ammonium Nitrate[1] | | | | |
| Total Manufactured for Sale | | | | | |

**Total US Crushed Stone Freight Car Loads[3]**

Carloads




1. Americas ammonium nitrate volume not disclosed
2. Source: USGS as of March 2017 (in short tons)
3. Source: Bloomberg

# Americas - Quarry & Construction (2 of 3)

Explosives

**1.4Bn short tons of crushed stone was produced in the US in 2016[1]**

- Total value of US$15.2Bn[1]

**The US crushed stone production market is highly fragmented**

- ~1,430 companies operated ~3,700 quarries and ~82 underground mines in 2016[1]

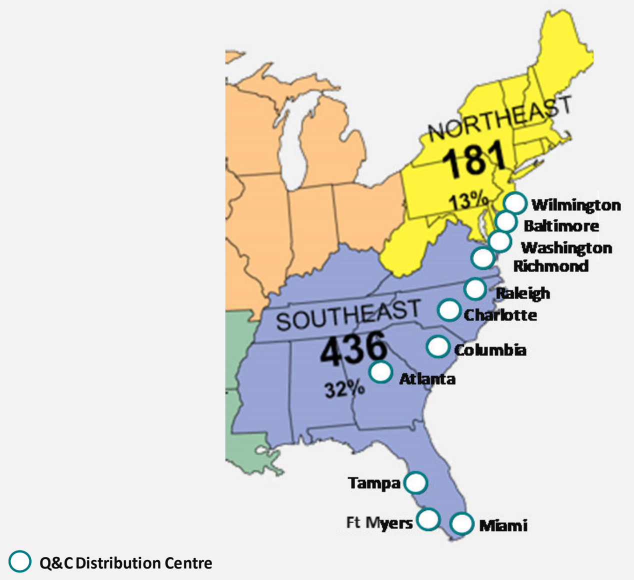
**Top 10 producers accounted for ~40% of US production**

- Top 100 producers accounted for ~80%
- Vulcan and Martin Marietta are the two largest participants

**Proximity to population centres is an industry growth driver**

- The five leading States in terms of 2016 crushed stone output in descending order were Texas, Pennsylvania, Florida, Ohio and Missouri[1]
- Dyno Nobel's US Southeast footprint is demonstrated in the adjacent exhibit

**Dyno Nobel Q&C Footprint – US Southeast[1]**



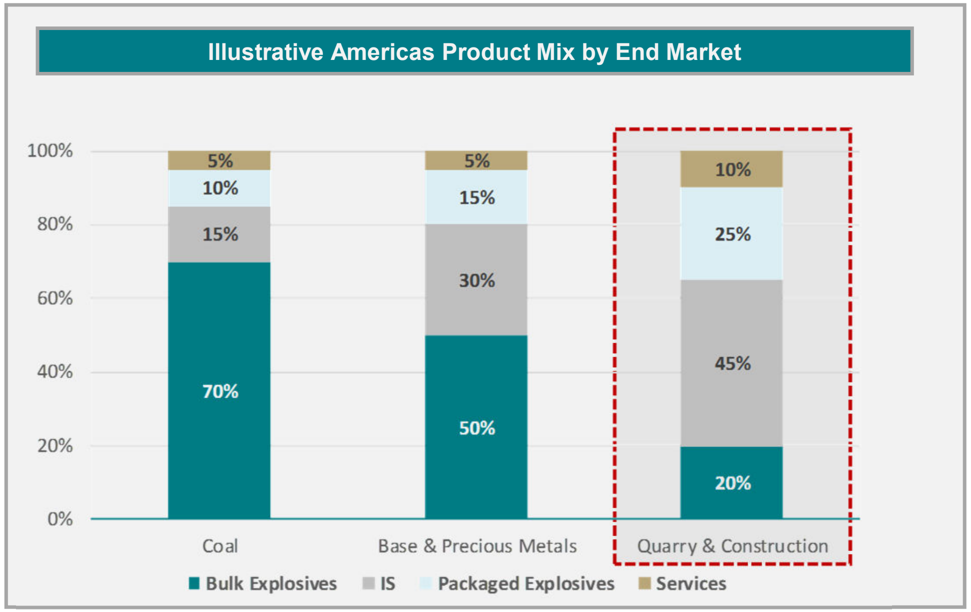

1. Source: USGS as of March 2017 (in short tons)

# Americas - Quarry & Construction (3 of 3)

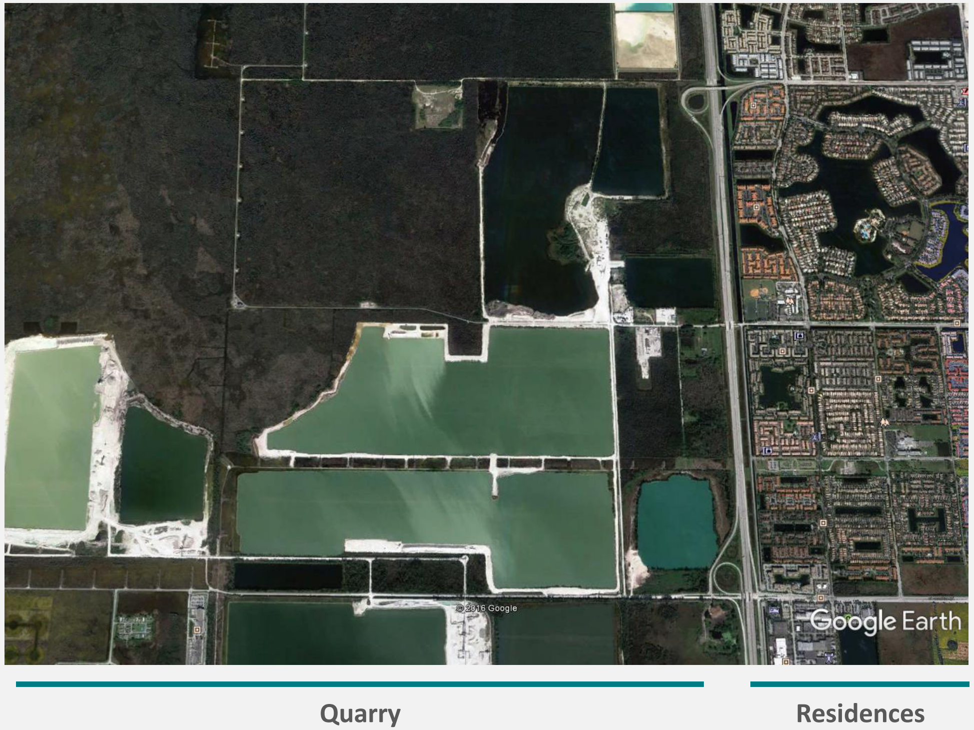
Explosives

**Proximity to population centres also drives product mix**

- Need to minimize vibration increases initiating systems intensity
- Also increases need for blast pattern analysis and on-site services




**White Rock Quarry – Near Miami, Florida (US Southeast)**



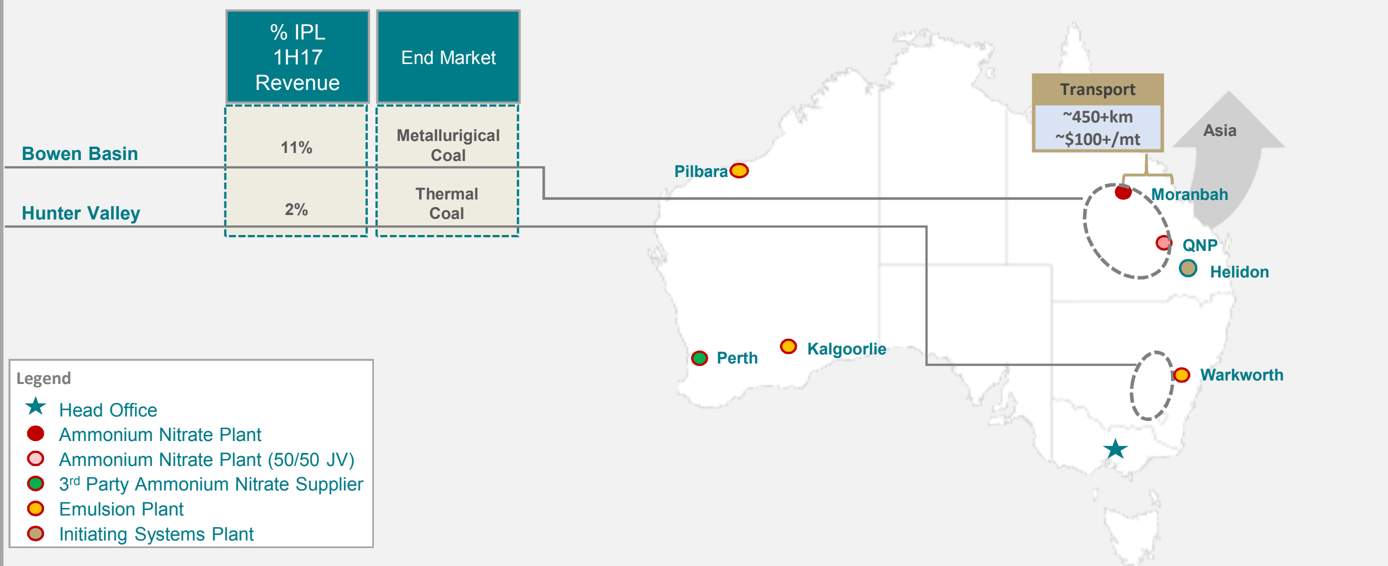
# Asia Pacific - Coal

Explosives

## Dyno Nobel’s Moranbah plant is adjacent to the Bowen Basin, the world's premier metallurgical coal mining region

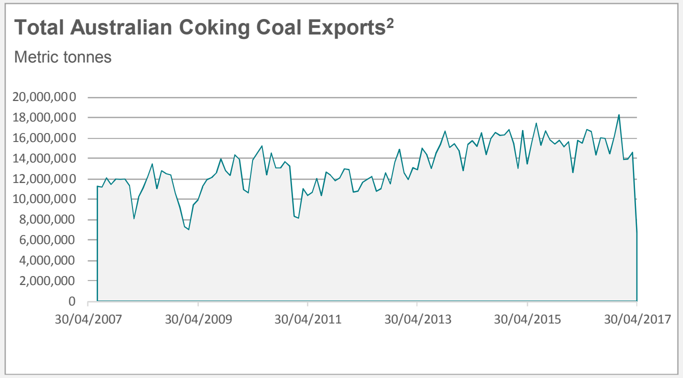
- **Cost of Production and Delivery**: Proximity to mine site and access to economic gas make Moranbah’s ammonium nitrate among the region’s most cost efficient
- **Utilisation:** The Moranbah plant was fully utilized in FY16 underpinned by long term ‘take-or-pay’ or ‘all of requirements’ contracts

## Demand for Bowen Basin metallurgical coal is driven by resilient China and Asia steel demand




Asia Pacific

| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| **Explosives** | | | | | |
| Moranbah | Ammonium Nitrate[1] | 290 | 310 | 345 | 139 |
| Total Manufactured for Sale (excluding JVs) | | 290 | 310 | 345 | 139 |




1. Ammonium nitrate equivalents expressed as 100% ammonium nitrate solution
2. Source: Bloomberg

# Asia Pacific - Base & Precious Metals

**Explosives**

### Dyno Nobel sources and delivers 3rd party ammonium nitrate in Western Australia under long term contracts with quality counterparties

- Does not have ammonium nitrate manufacturing capability in Western Australia, but does have two emulsion plants; also provides initiating systems and services[2]
- Ammonium nitrate supplied to central Australia is generally sourced from Moranbah or QNP (50/50 JV)

### Demand for Pilbara iron ore also underpinned by resilient China and Asia steel production requirements

| | % IPL 1H17 Revenue | End Market |
|---|---|---|
| Pilbara | 5% | Iron Ore |
| Central | 4% | Precious Metals |

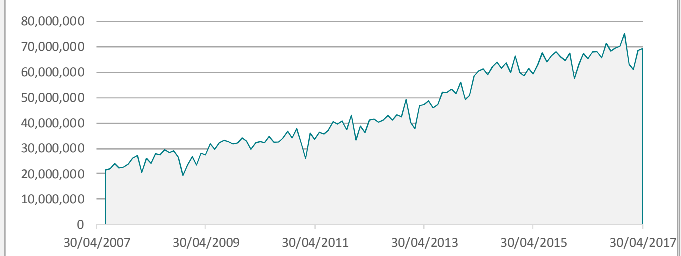

Legend
- Head Office
- Ammonium Nitrate Plant
- Ammonium Nitrate Plant (50/50 JV)
- 3rd Party Ammonium Nitrate Supplier
- Emulsion Plant
- Initiating Systems Plant

**Asia Pacific**

| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| **Explosives** | | | | | |
| Moranbah | Ammonium Nitrate[1] | 290 | 310 | 345 | 139 |
| Total Manufactured for Sale (excluding JVs) | | 290 | 310 | 345 | 139 |

**Total Australian Iron Ore Exports[3]**

Metric tonnes




1. Ammonium nitrate equivalents expressed as 100% ammonium nitrate solution
2. Emulsion plants generally transform dry bulk ammonium nitrate into an emulsified mixture (refer to slide 34); in North America, Dyno Nobel can emulsify ammonium nitrate on a customer's site
3. Source: Bloomberg

# Industry Competencies and Characteristics

Explosives

## Industry competencies include:

- Nitrogen and Initiating Systems manufacturing capability
- Nitrogen and Initiating Systems manufacturing cost competiveness
- Access to economic feedstock, particularly natural gas
- Product stewardship and regulatory compliance
- Product performance, reliability and reputation
- Mine site proximity, particularly given explosive nature of product
- Initiating Systems intellectual property
- Sustained R&D investment

## Industry Characteristics

| IBIS World Assessment[1]<br>July 2015 | |
|---|---|
| Competition | Medium |
| Concentration | High |
| Life Cycle Stage | Growth |
| Capital Intensity | Medium |
| Technology Change | Medium |
| Regulaiton & Policy | Heavy |
| Industry Assistance | Low |
| **Level & Trend** | **High and Steady** |

1. Source: IBIS World - Explosive Manufacturing in Australia (July 2015)

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Industrial Chemicals

# Industrial Chemicals

## July 2017

# Industrial Chemicals

Industrial Chemicals

**IPL participates in the North America and Asia Pacific industrial chemicals markets**

**IPL addresses the North America market through Dyno Nobel**

- The Waggaman ammonia plant is Dyno Nobel's primary Industrial Chemicals asset
- Also supplies products from the Cheyenne, St Helens and Louisiana, Missouri plants

**IPL addresses the Asia Pacific market through Incitec Pivot Fertilisers**

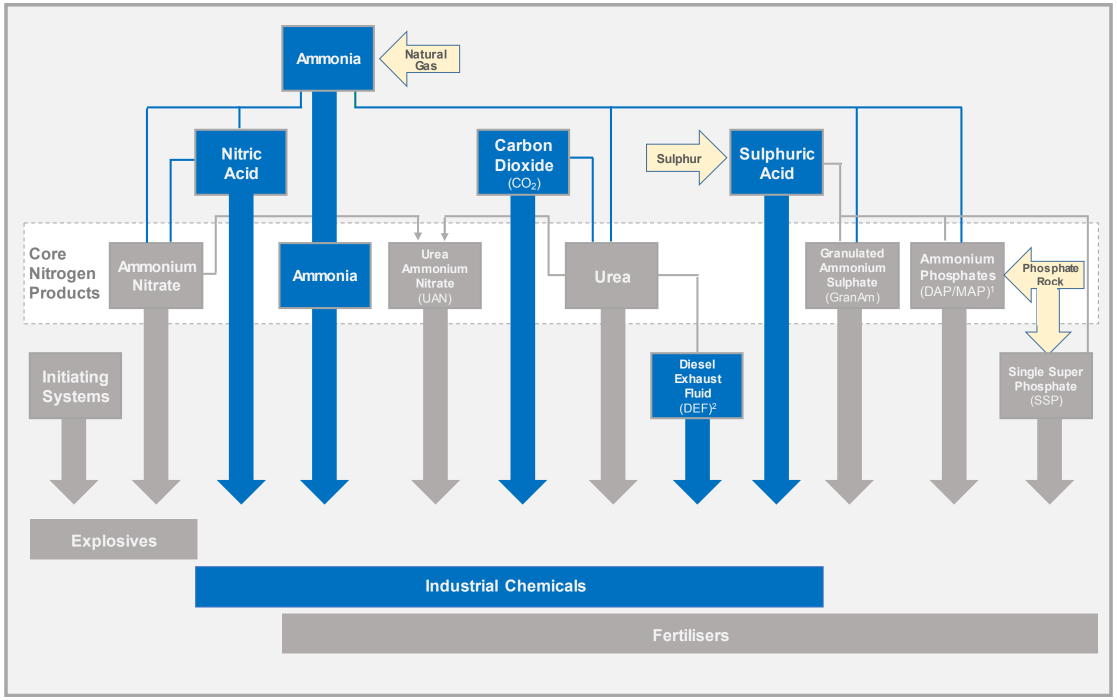
| North America | Asia Pacific |
|---|---|
| **Waggaman**<br>• Ammonia<br>**Cheyenne**<br>• Ammonium Nitrate Solution (AnSol)<br>• $CO_2$<br>• DEF<br>• Nitric Acid<br>**Louisiana, Missouri**<br>• AnSol<br>• Nitric Acid<br>**St Helens**<br>• Ammonia<br>• $CO_2$<br>• DEF<br>• Nitric Acid<br>• Urea | **Gibson Island**<br>• Ammonia<br>• $CO_2$<br>• DEF<br>• Urea<br>**Portland & Geelong**<br>• Specialty Chemicals |

# Ammonia

Industrial Chemicals

**Ammonia is at the heart of IPL's industrial chemicals universe**

- Key intermediate ingredient in nitrogen and phosphate fertiliser production
- Key intermediate ingredient in ammonium nitrate production



# Americas

Industrial Chemicals

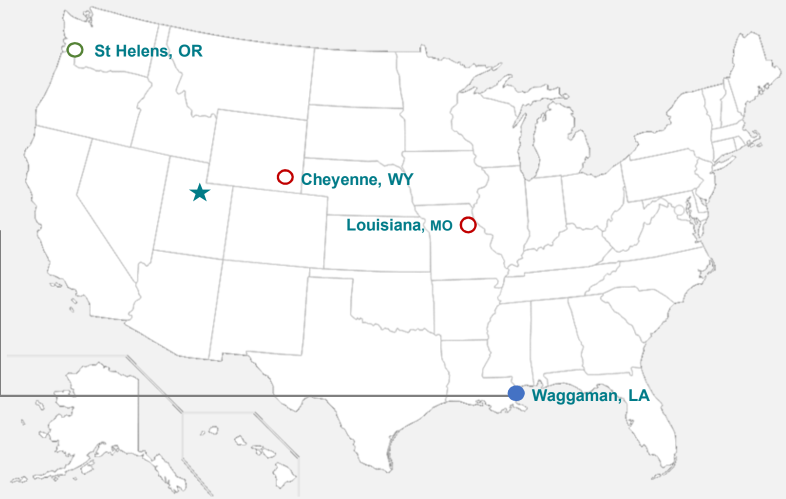
### Dyno Nobel's Waggaman ammonia plant is IPL's primary industrial chemicals asset

- Also manufactures and distributes industrial chemicals in North America from its Cheyenne; Louisiana, Missouri and St Helens plants

### Waggaman is expected to be a major contributor to IPL's earnings through the manufacture and sale of ammonia

- The plant is expected to contribute ~3.4% of total North American consumption in 2017[1]

| | Products | End Market |
|---|---|---|
| North America | Ammonia | Explosives, Agriculture, Specialty Chemicals |



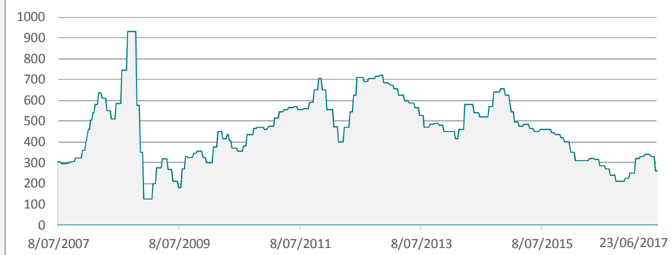

Legend
- ★ Head Office
- Industrial Chemicals Plant
- Ammonium Nitrate Plant (by product)
- Fertiliser Plant (by product)

**Americas**

| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| **Industrial Chemicals** | | | | | |
| Waggaman | Ammonia | - | - | 42 | 298 |
| Total Manufactured for Sale | | - | - | 42 | 298 |

**Ammonia (CFR Tampa)[2]**

US$/metric tonnes




1. Source: CRU and IPL as of March 2017 ; North America comprises US and Canada; based on nameplate capacity
2. Source: Bloomberg

# Ammonia - Industry

Industrial Chemicals

### Ammonia is manufactured globally with China the dominant producer

- Russia, India and the US are distant secondary producers

### Generally used to create other nitrogen products onsite during production

- ~80% of ammonia produced globally in 2015 was consumed by the fertiliser market; includes anhydrous ammonia, nitrogen and phosphorus fertilisers[1]
- ~15% used in specialty chemical processes; includes melamine, cleaning products, refrigerants, antimicrobial agents, DEF, fuel
- ~5% consumed by the explosives industry

### Only 11% of the ammonia produced globally in 2015 was traded[2]

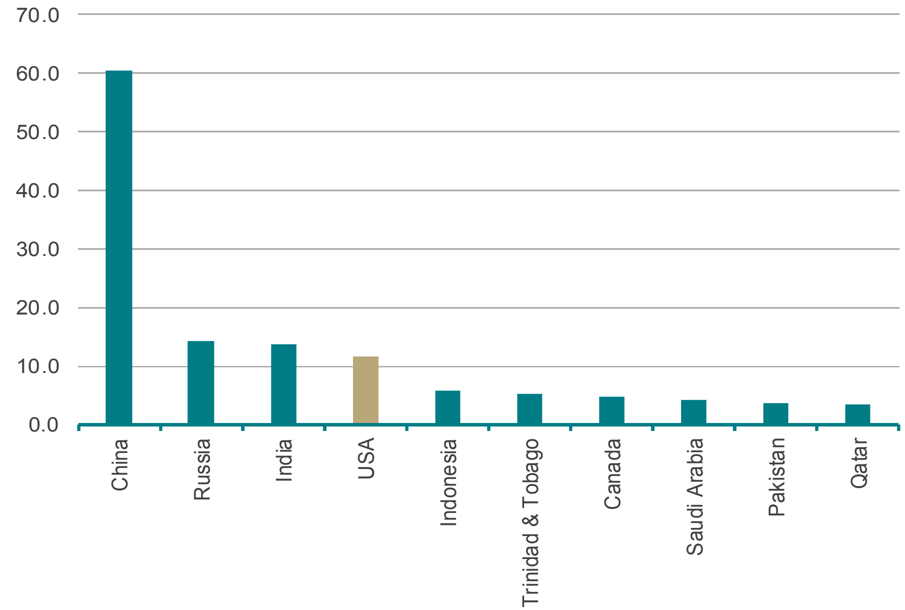
- Chinese product primarily consumed domestically (refer slide 53)

### Traded ammonia is primarily consumed locally given its gaseous state

- Can be transported via rail, road and sea, though logistics can be challenging

**2015 global ammonia production[2]**

Million metric tonnes




1. Source: International Fertilizer Association
2. Source: CRU as of June 2016 in calendar years

# Ammonia - Global Consumption

Industrial Chemicals

**Global ammonia consumption is expected to increase by 13% through 2021[1]**

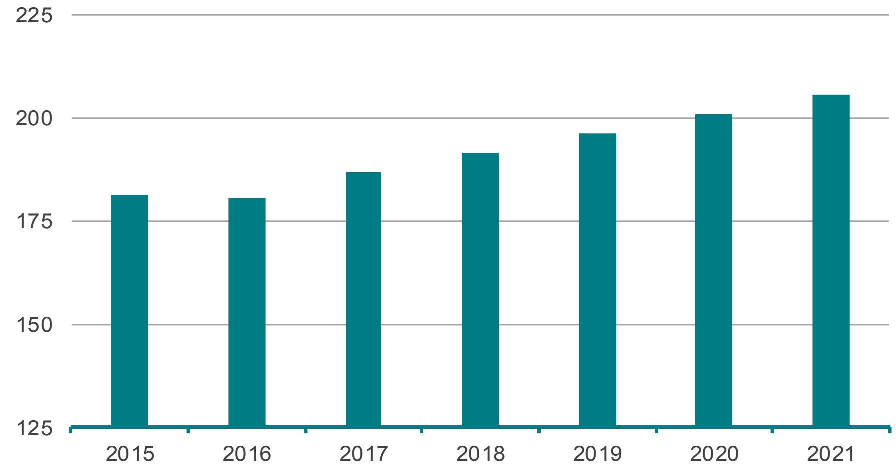
- 181 million metric tonnes consumed in 2015, increasing to 206 million metric tonnes in 2021[1]

**Macro drivers include:**

- Global food consumption growth trends (fertilisers)
- Global industrial chemicals demand growth (plastics, air conditioning)

**Global ammonia consumption[1]**

Million metric tonnes




1. Source: CRU as of March 2017 in calendar years

# Ammonia - North America

Industrial Chemicals

**North America consumption accounts for 13% of global consumption[1]**

- Primary manufacturers and distributors include Agrium, CF Industries, Koch Industries, Trammo and Yara

**Consumption is expected to grow 12% from 2016 to 2021[1]**

- 22.0m metric tonnes consumed in 2016, increasing to 24.7m metric tonnes in 2021[1]

**North America is expected to import ~3.3m metric tonnes in 2021[1]**

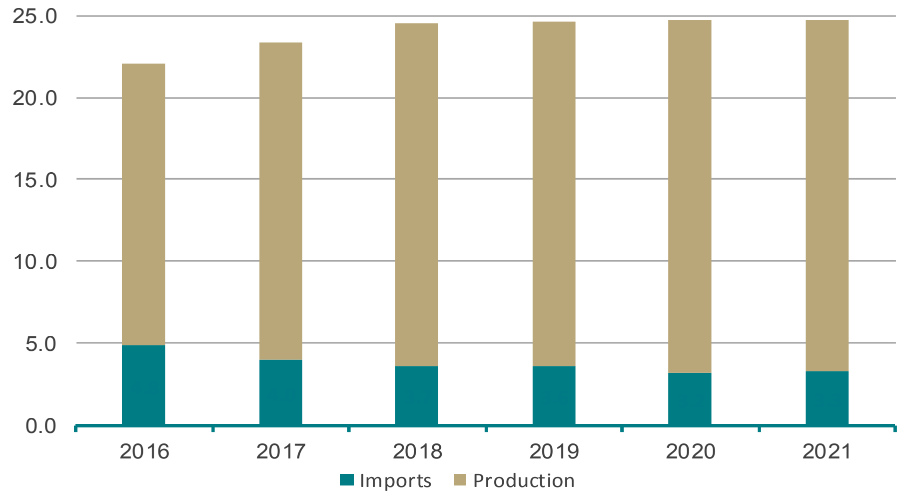
- Expected new capacity increases net production to 21.4m metric tonnes[1]

**Imported product is sourced primarily from Trinidad and Tobago[1]**

- Other major suppliers: Canada, Venezuela, Algeria, Russia[1]

**North America ammonia industry profile[1]**

Million metric tonnes




1. Source: CRU as of March 2017 in calendar years; North America comprises US and Canada

# Ammonia - Product Flow

Industrial Chemicals

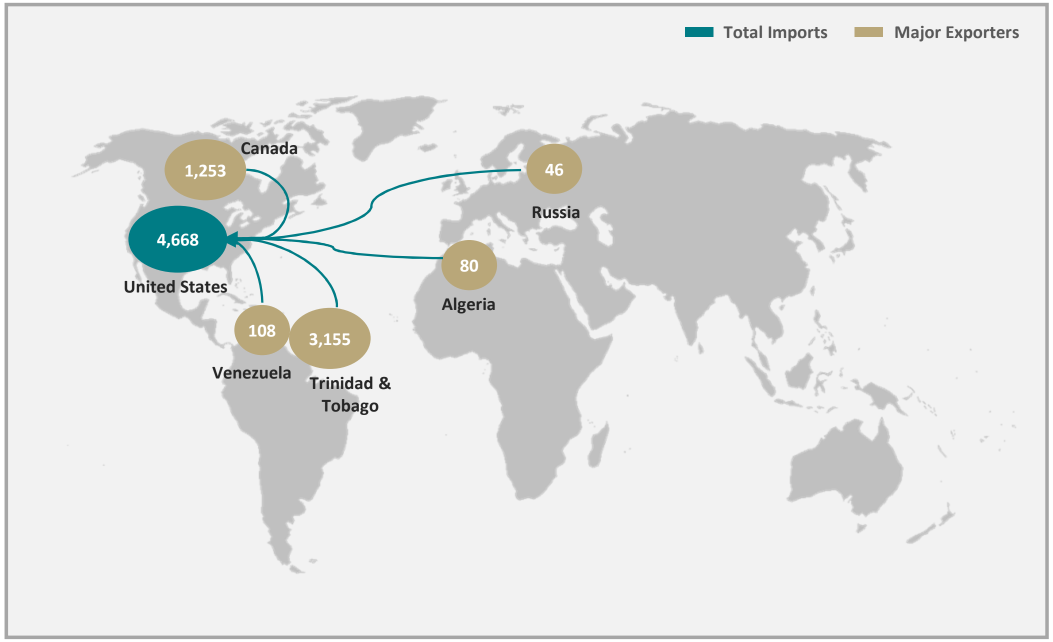
**US imported product is sourced primarily from Trinidad and Tobago[1]**

- Other major suppliers: Canada, Venezuela, Algeria, Russia

**Trinidad diversified its exports in 2016 as US requirements decreased[1]**

- This included an increase in exports to the Moroccan and the Indian markets

**US Imports: 2016[1]**




1. Source: CRU as of March 2017 in calendar years

# Asia Pacific

**Industrial Chemicals**

**In Asia Pacific, industrial chemicals are generally produced as a raw material or finished product of the Gibson Island fertiliser plant**

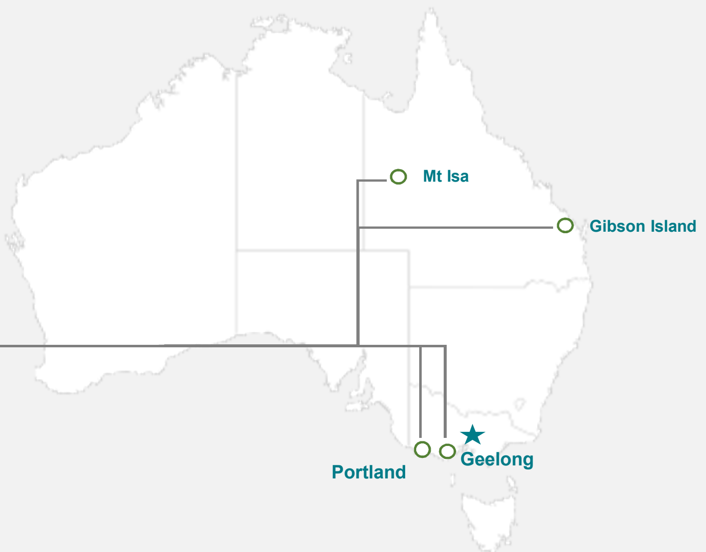
- A small amount of industrial chemicals are sold as a raw material or byproduct of the Mt Isa, Portland and Geelong plants

**Asia Pacific industrial chemicals contributed 5% of group EBIT in 1H17**

- Sold under the Incitec Pivot Fertilisers Brand

**East Cost Australia**

| Products | End Market |
|---|---|
| • Ammonia<br>• CO2<br>• DEF<br>• Sulphuric Acid<br>• Urea<br>• Specialty Chemicals | • Mining, Industrial Manufacturing<br>• Industrial Processing<br>• Water Treatment<br>• Resin Manufacturing<br>• Emissions Abatement |




Legend
★ Head Office
○ Fertiliser Plant

**Asia Pacific**

| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| **Industrial Chemicals** | | | | | |
| Gibson Island | Ammonia | 25 | 22 | 24 | 9 |
| | Urea | 39 | 41 | 42 | 23 |
| | DEF | 14 | 10 | 9 | 7 |
| **Gibson Island** | **Ammonia, urea, DEF** | **77** | **72** | **75** | **38** |
| Portland & Geelong | Specialty Chemicals | 4 | 3 | 3 | 2 |
| Total Manufactured for Sale | | 81 | 76 | 78 | 40 |

Fertilisers

Incitec Pivot Limited

GLOBAL DIVERSIFIED INDUSTRIAL CHEMICALS

# Fertilisers

## July 2017

# Fertilisers

**Fertilisers are essential plant nutrients that are applied to crops to achieve optimal yield and quality**

**There are three main plant nutrients, commonly referred to as ‘NPK’**

**N** **Nitrogen: Main constituent of proteins essential for growth and development**
- Supply of nitrogen determines a plant’s growth, vigour, colour and yield
- Wide application use particularly in broadacre crops, cotton and sugar cane

**P** **Phosphorus: Vital for adequate root development and ability to resist drought**
- Also important for plant growth and development, such as ripening of seed and fruit
- Used in broadacre crops and pasture

**K** **Potassium: Central to the translocation of photosynthesis within plants**
- Potassium helps improve crop resistance to lodging, disease and drought

**Phosphate Hill Chemistry**

Source: International Fertilizer Association, Yara Fertilizer Industry Handbook, Incitec Pivot Fertilisers

# NPK Nutrient Characteristics

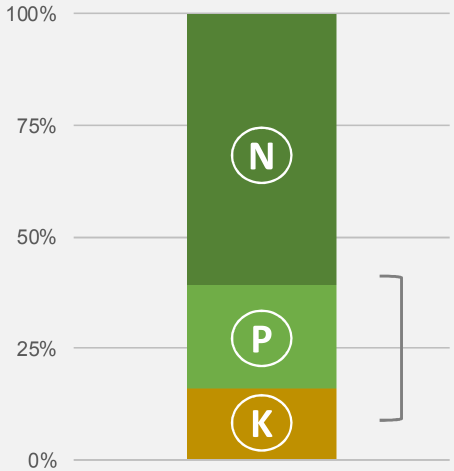
Fertilisers

**Nitrogen fertilisers are the most broadly used globally, representing more than 60% of annual application**

- Nitrogen is a plant's most important and commonly lacking nutrient
- Immediately taken up by plants

**Phosphorus fertilisers are the second most broadly used globally, representing more than 20% of annual application**

Global Application




| | Primary Benefit | Common Application | Application Regimen | Industry Structure | Price and Volume | Primary IPL Products |
|---|---|---|---|---|---|---|
| N | • Increased crop yield and size | • Summer crops grains / cotton | • Annual application critical | • Fragmented<br>• Under consolidation | • More volatile prices but stable volume | • Ammonia (anhydrous)<br>- Nitrogen: 82%<br>• Urea<br>- Nitrogen: 46%<br>• Urea Ammonium Nitrate (UAN)<br>- Nitrogen: 32%<br>• Granulated Ammonium Sulphate (GranAm)<br>- Nitrogen: 24%<br>- Sulfur: 26% |
| P | • Improved crop quality | • Grain and oilseeds; broadacre | • Annual application not required | • Fewer suppliers | • Greater product discipline | • Single Super Phosphate (SSP)<br>- Phosphate: 9%<br>- Sulfur: 11%<br>• Monoammonium Phosphate (MAP)<br>- Nitrogen: 10%<br>- Phosphate: 22%<br>• Diammonium Phosphate (DAP)<br>- Nitrogen: 18%<br>- Phosphate: 20% |

Source: International Fertilizer Association, Yara Fertilizer Industry Handbook, Incitec Pivot Fertilisers

# Australian Fertiliser Market - Application

Fertilisers

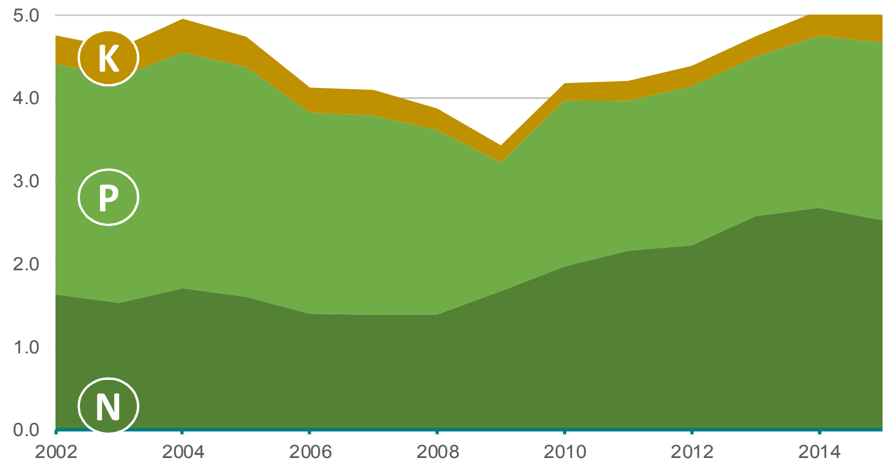
**The Australian fertiliser market primarily applies nitrogen and phosphorus**

- **Nitrogen:** 50% of 2015 sales volume
- **Phosphorus:** 43% of 2015 sales volume
- **Potassium:** 7% of 2015 sales volume

**Domestic nitrogen consumption in Australia has increased since 2002**

**Australian fertiliser sales volume[1]**

Million metric tonnes of finished product




1. Source: Fertiliser Australia in calendar years

# Australian Fertiliser Market - Supply & Demand

Fertilisers

### The Australian fertiliser market reported ~$5.0Bn of sales in 2015[1]

- 6.4% CAGR since 2009 underpinned by increased Asian demand for Australian produce[2]
- Eastern Australia comprised ~72% of all fertiliser sold by volume in 2015[1]

### ~38% of volume sold in Australia in 2015 was produced domestically[1]

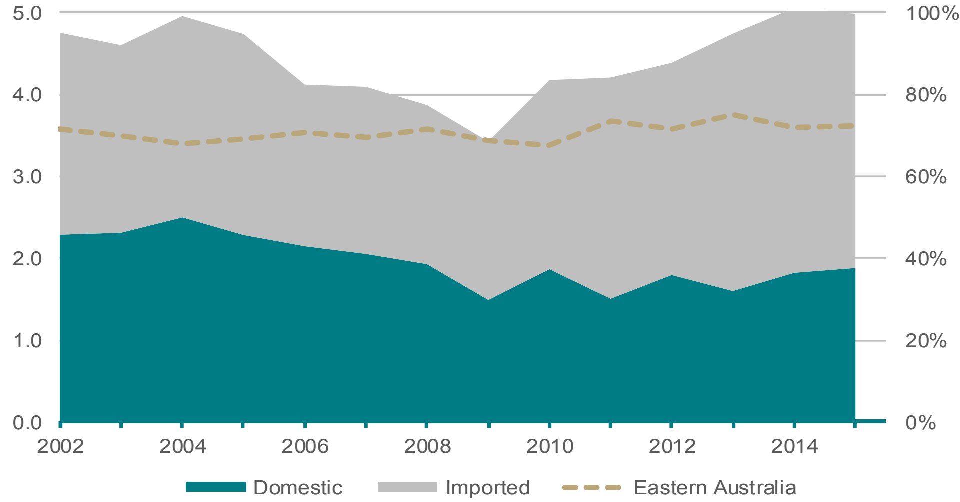
- Steady decrease in domestic market share largely due to limited sources of competitively manufactured product

### Domestic natural gas costs is a limiting factor

- **Nitrogen:** ~50-70% of manufacturing costs in Australia
- **Ammonium Phosphate:** ~15-30% of manufacturing costs in Australia

### Australian fertiliser sales volume by source and region[1]

Source in million metric tonnes (LHS); Eastern Australia as % of total (RHS)




1. Source: Fertiliser Australia in calendar years
2. CAGR: Compound annual growth rate

# Asia Pacific - IPF

Fertilisers

### IPF manufactures, distributes and trades nitrogen and phosphorus fertilisers

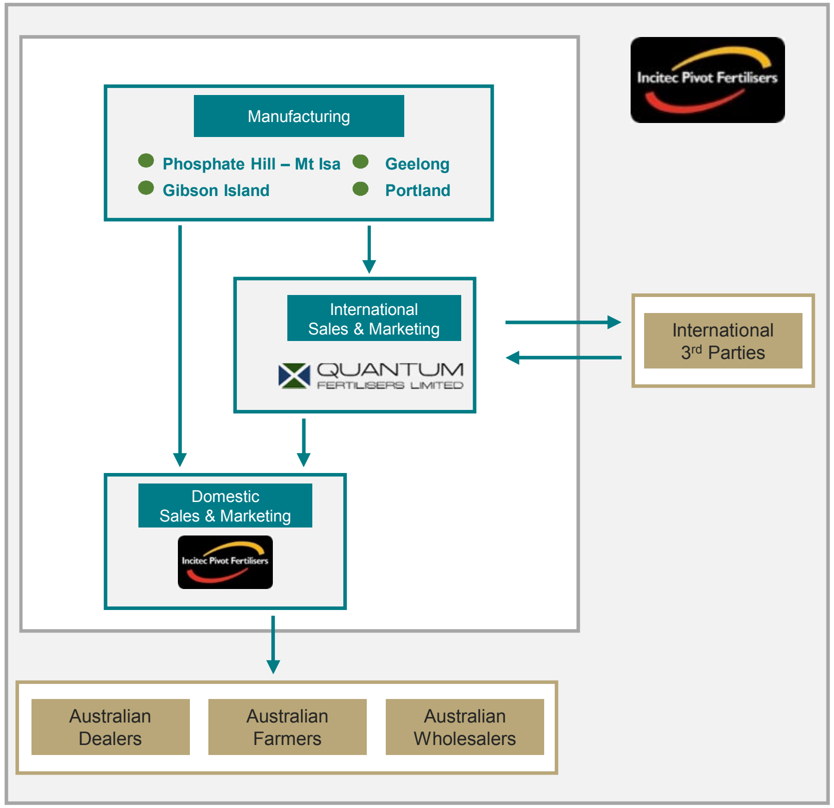
N **Nitrogen:** Ammonia, urea, GranAm

P **Phosphorus:** DAP, MAP, SSP

### IPF's business model comprises three functions:

- Manufacturing
- Domestic Sales & Marketing
- International Sales & Marketing

### Business model



# IPF- Manufacturing

**Fertilisers**

- **Manufacturing**
- Domestic Sales & Marketing
- International Sales & Marketing

## IPF is Australia's largest manufacturer of fertilisers

- Produces the vast majority of all domestically manufactured product

N **Urea:** Produced 97k metric tonnes at Gibson Island in 1H17

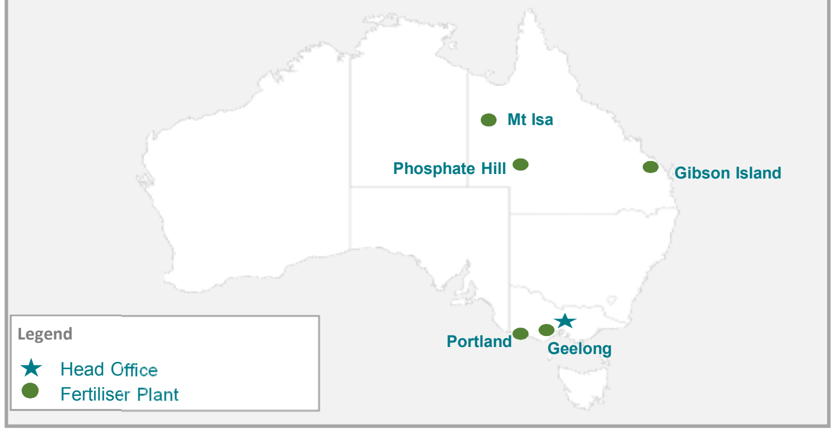
P **DAP / MAP:** Produced 442k metric tonnes at Phosphate Hill in 1H17

**SSP:** Produced 159k metric tonnes at Geelong and Portland in 1H17

## Australia fertiliser production

Asia Pacific

| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| **Fertilisers** | | | | | |
| Phosphate Hill | DAP / MAP | 772 | 1,043 | 1,010 | 442 |
| Gibson Island | Ammonia | 70 | 74 | 77 | 33 |
| Gibson Island | GranAm | 163 | 164 | 187 | 105 |
| Gibson Island | Urea | 235 | 178 | 173 | 97 |
| **Gibson Island** | **Ammonia, GranAm, urea** | **469** | **415** | **437** | **235** |
| Portland & Geelong | SSP | 334 | 349 | 386 | 159 |
| Total Manufactured for Sale | | 1,575 | 1,808 | 1,832 | 837 |
| Total Sold | | 2,401 | 2,599 | 2,561 | 1,084 |



# IPF- Domestic Sales & Marketing

Fertilisers

- Manufacturing
- **Domestic Sales & Marketing**
- International Sales & Marketing

### IPF is also Australia's largest distributor of fertilisers

- ~41% domestic market share in 2015[1]
- Other participants include CSBP (~15%), Dreyfus, Koch Industries, Ameropa and Wengfu[1]

### IPF has ~50+% market share in Eastern Australia[2]

- Australia's largest and fastest growing fertiliser market
- Comprises New South Wales, Victoria, Queensland, South Australia and Tasmania

### Product sold under the Incitec Pivot Fertilisers brand

- Distributed directly to farmers and through a network of more than 200 dealers and agents

### Value-add services include:

- Agronomic analysis
- Blending
- Packaging
- Storage
- Transportation
- Application of fungicides and herbicides

### Distribution Footprint


1. Source: IBIS World - Fertiliser Manufacturing in Australia (July 2015)
2. Source: ABS, ABARES; comprises South Australia, New South Wales, Victoria and Queensland

# IPF- International Sales & Marketing

**Fertilisers**

- Manufacturing
- Domestic Sales & Marketing
- **International Sales & Marketing**

### Internationally, IPF sells to major offshore agricultural markets

- Primary markets include Asia Pacific, India, Pakistan and Brazil

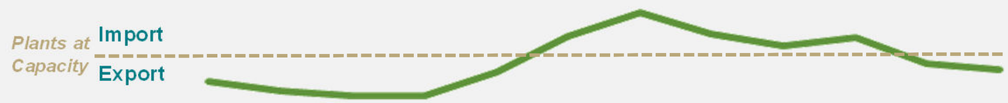
### IPF also procures from overseas to meet seasonal domestic peaks

- As demonstrated in the adjacently exhibit

### International Sales & Marketing activity is primarily conducted through Quantum Fertilisers

- Hong Kong based joint venture

### Seasonality of Australia fertiliser demand




| Market Segment | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Winter Crop Grains | | | | | | | **Pre-Plant & Plant** Ammonium Phosphates & Nitrogen Application (Wheat, Barley, Canola & Grain, Legumes) | | | | | |
| Sugar Cane | | **Sugar - Ratoon Application** Blends, Nitrogen & MOP Application | | | | | | **Early Plant - Sugar** Blends & Nitrogen Application | | | **Sugar - Ratoon Application** Blends, Nitrogen & MOP Application | |
| Pasture - Dairy - Beef - Sheep | **Spring Pasture** | | | | | **Autumn Pasture** Single Superphosphate, Blends & MOP | | | | | | **Spring Pasture** NPK & Nitrogen Blends Application |
| Summer Crop - Grains - Cotton | **Plant** Ammonium Phosphate Application | | **Top Dress** Nitrogen Application | | | | | | | **Pre-Plant** Nitrogen Application (Cotton, Rice, Sorgum, Maize) | | **Plant** |
| Horticulture | **Major Plant** NPK & Liquid Blends Application (Citrus, Bananas, Tomatoes, Potatoes, Vines, Nuts) | | | | | | | | | | | **Major Plant** NPK & Liquid Blends Application |

# Americas - Dyno Nobel

**Fertilisers**

## In North America, Dyno Nobel manufactures and distributes UAN and urea

- Product primarily sold in the Pacific Northwest and Midwest
- Manufactured at the St Helens, Oregon and Cheyenne, Wyoming plants

## Americas fertilisers represented ~1% of group EBIT in 2016

| | Products | End Market |
|---|---|---|
| Pacific Northwest | UAN, Urea | Agriculture |
| Midwest | UAN | Agriculture |

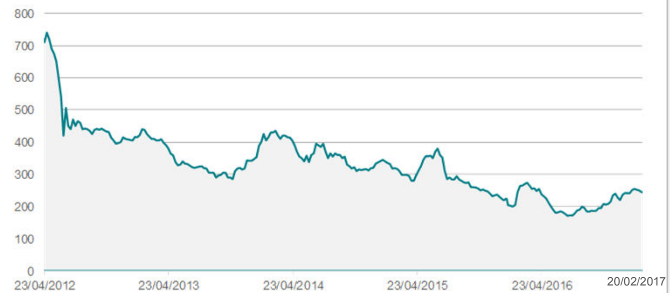

Legend
- ★ Head Office
- ● Ammonium Nitrate and Fertiliser Plant
- ● Fertiliser Plant

**Americas**

| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| **Fertilisers** | | | | | |
| Cheyenne | Urea, UAN | 241 | 181 | 224 | 102 |
| St Helens | Urea, UAN | 142 | 137 | 133 | 80 |
| Total Manufactured for Sale | | 383 | 318 | 357 | 182 |

### Urea (FOB NOLA)[1]

US$/st




1. Source: Bloomberg

# Industry Competencies and Characteristics

Fertilisers

## Industry competencies include:

- Capital requirements
- Manufacturing scale
- Trading scale
- Regulatory compliance
- Product performance, reliability and reputation

## Industry Characteristics

| IBIS World Assessment[1] July 2015 | |
|---|---|
| Competition | High |
| Concentration | Medium |
| Life Cycle Stage | Decline |
| Capital Intensity | High |
| Technology Change | Medium |
| Regulaiton & Policy | Medium |
| Industry Assistance | Low |
| **Level & Trend** | **Medium and Decreasing** |

1. Source: IBIS World- Fertiliser Manufacturing in Australia (July 2015)

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GLOBAL DIVERSIFIED INDUSTRIAL CHEMICALS

# Global Manufacturing
## July 2017

# Global Manufacturing

## IPL operates 7 major nitrogen facilities

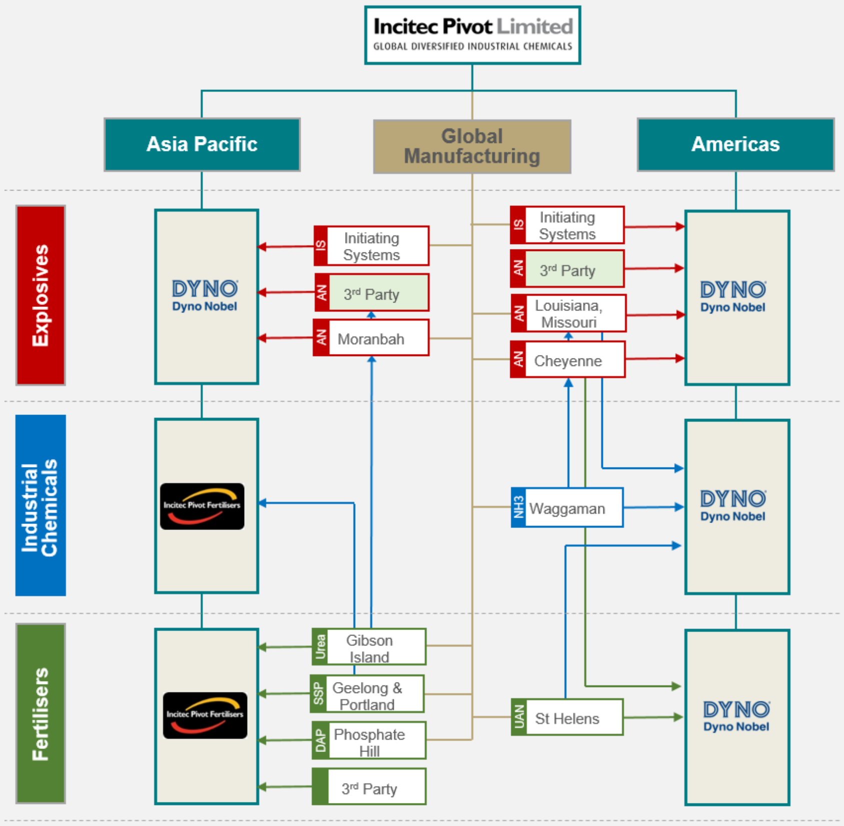
### Explosives
- Moranbah (slide 68)
- Cheyenne (slide 71)
- Louisiana, Missouri (slide 74)

### Industrial Chemicals
- Waggaman (slide 79)

### Fertilisers
- Phosphate Hill (slide 86)
- Gibson Island (slide 90)
- St Helens (slide 93)

## Operates 7 Initiating Systems plants
- Simsbury, CT, USA
- Wolf Lake, IL, USA
- Graham, KY, USA
- Carthage, MO, USA
- Helidon, Australia
- Dinamita, Mexico
- La Serena, Chile

## Plants are managed centrally through Global Manufacturing
- Global headquarters in Brisbane
- US headquarters in Salt Lake City




**Asia Pacific**

| Plant | Finished Product | Thousand Metric Tonnes FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| **Explosives** | | | | | |
| Moranbah | Ammonium Nitrate[1] | 290 | 310 | 345 | 139 |
| Total Manufactured for Sale (excluding JVs) | | 290 | 310 | 345 | 139 |
| **Industrial Chemicals** | | | | | |
| Gibson Island | Ammonia | 25 | 22 | 24 | 9 |
| | Urea | 39 | 41 | 42 | 23 |
| | DEF | 14 | 10 | 9 | 7 |
| **Gibson Island** | **Ammonia, urea, DEF** | **77** | **72** | **75** | **38** |
| Portland & Geelong | Specialty Chemicals | 4 | 3 | 3 | 2 |
| Total Manufactured for Sale | | 81 | 76 | 78 | 40 |
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| Gibson Island | Ammonia | 70 | 74 | 77 | 33 |
| Gibson Island | GranAm | 163 | 164 | 187 | 105 |
| Gibson Island | Urea | 235 | 178 | 173 | 97 |
| **Gibson Island** | **Ammonia, GranAm, urea** | **469** | **415** | **437** | **235** |
| Portland & Geelong | SSP | 334 | 349 | 386 | 159 |
| Total Manufactured for Sale | | 1,575 | 1,808 | 1,832 | 837 |
| Total Sold | | 2,401 | 2,599 | 2,561 | 1,084 |

**Americas**

| Plant | Finished Product | Thousand Metric Tonnes FY14 | FY15 | FY16 | 1H17 |
|---|---|---|---|---|---|
| **Explosives** | | | | | |
| Cheyenne | Ammonium Nitrate[1] | | | | |
| Louisiana, Missouri | Ammonium Nitrate[1] | | | | |
| Total Manufactured for Sale | | | | | |
| **Industrial Chemicals** | | | | | |
| Waggaman | Ammonia | - | - | 42 | 297 |
| Total Manufactured for Sale | | - | - | 42 | 297 |
| **Fertilisers** | | | | | |
| Cheyenne | Urea, UAN | 241 | 181 | 224 | 102 |
| St Helens | Urea, UAN | 142 | 137 | 133 | 80 |
| Total Manufactured for Sale | | 383 | 318 | 357 | 182 |

1. Ammonium nitrate equivalents expressed as 100% ammonium nitrate solution. Americas ammonium nitrate volume not disclosed

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GLOBAL DIVERSIFIED INDUSTRIAL CHEMICALS

Explosives

# Moranbah

Queensland, Australia

**Ammonium Nitrate Plant**

# Moranbah

Explosives

### Moranbah produces explosives for Australia's metallurgical coal industry

- **Explosives:** Ammonium nitrate prill, ammonium nitrate emulsion

### Adjacent to the Bowen Basin, the world's premier hard coking coal region

- Demand underpinned by resilient China and Asia steel production demand

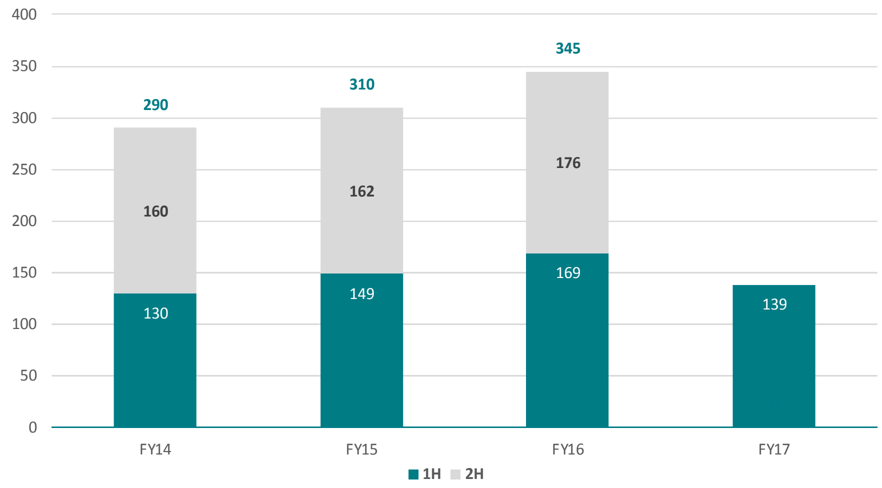
### Moranbah's ammonium nitrate is among the region's most cost efficient

- Benefits from proximity to mines and access to economic gas

### Produced 345k metric tonnes of ammonium nitrate in 2016

### Moranbah production

Ammonium nitrate in thousand metric tonnes[1]




| Asia Pacific | | | | | |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
| **Explosives** | | | | | |
| Moranbah | Ammonium Nitrate[1] | 290 | 310 | 345 | 139 |

1. Ammonium nitrate equivalents expressed as 100% ammonium nitrate solution

# Moranbah - Value Chain

**Explosives**

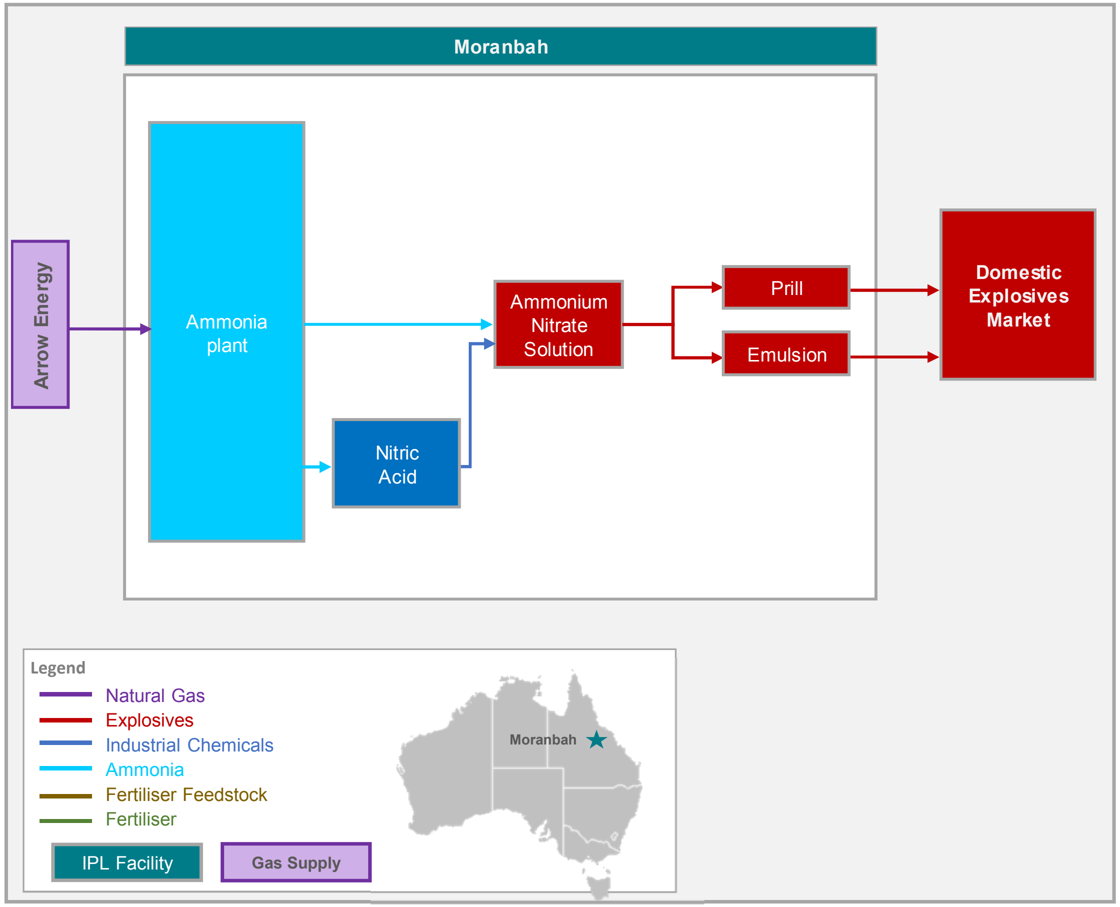
**Core ammonia production backed-to-gas**

- Gas requirement of ~34GJ per metric tonne of ammonia[1]

**Long term gas contract with Arrow Energy runs through 2025**

**Located in Moranbah, Queensland**

- ~120 employees and contractors
- Road infrastructure supports efficient freight movement
- ~200km from Mackay




1. Gas required for ammonia conversion

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Explosives

# Cheyenne

Wyoming, USA

**Ammonium Nitrate Plant**

# Cheyenne

Explosives

## The Cheyenne plant produces explosives, industrial chemicals and fertilisers

- **Explosives:** Ammonium nitrate prill, ammonium nitrate emulsion
- **Industrial Chemicals:** Ammonium nitrate solution, $CO_2$, DEF, nitric acid
- **Fertilisers:** UAN, urea

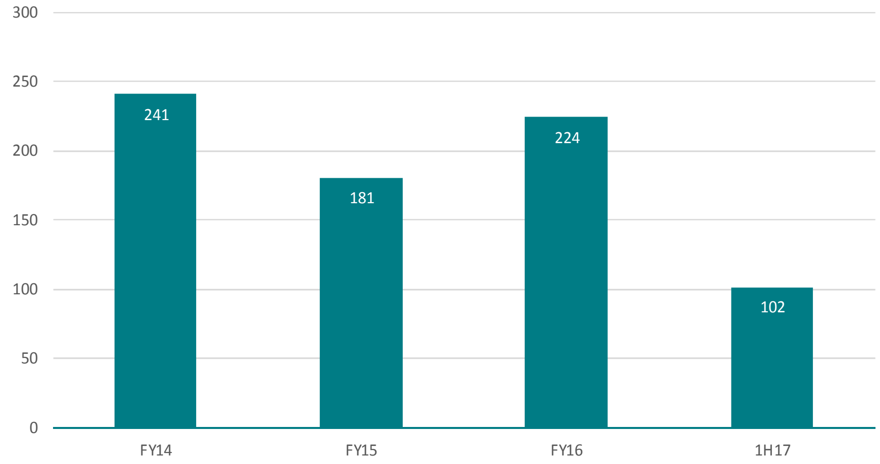
## Products primarily sold to the North American explosives market

- **Coal:** Primarily Powder River Basin
- **Metals & Mining:** Primarily Midwest and Canada
- **Quarry & Construction:** US and Canada

## Produced 224k metric tonnes of urea and UAN in FY16

## Cheyenne fertiliser production

Urea and UAN in thousand metric tonnes




| Americas | | | | | |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
| **Explosives** | | | | | |
| Cheyenne | Ammonium Nitrate[1] | | | | |
| **Fertilisers** | | | | | |
| Cheyenne | Urea, UAN | 241 | 181 | 224 | 102 |

1. Ammonium nitrate volume not disclosed

# Cheyenne - Value Chain

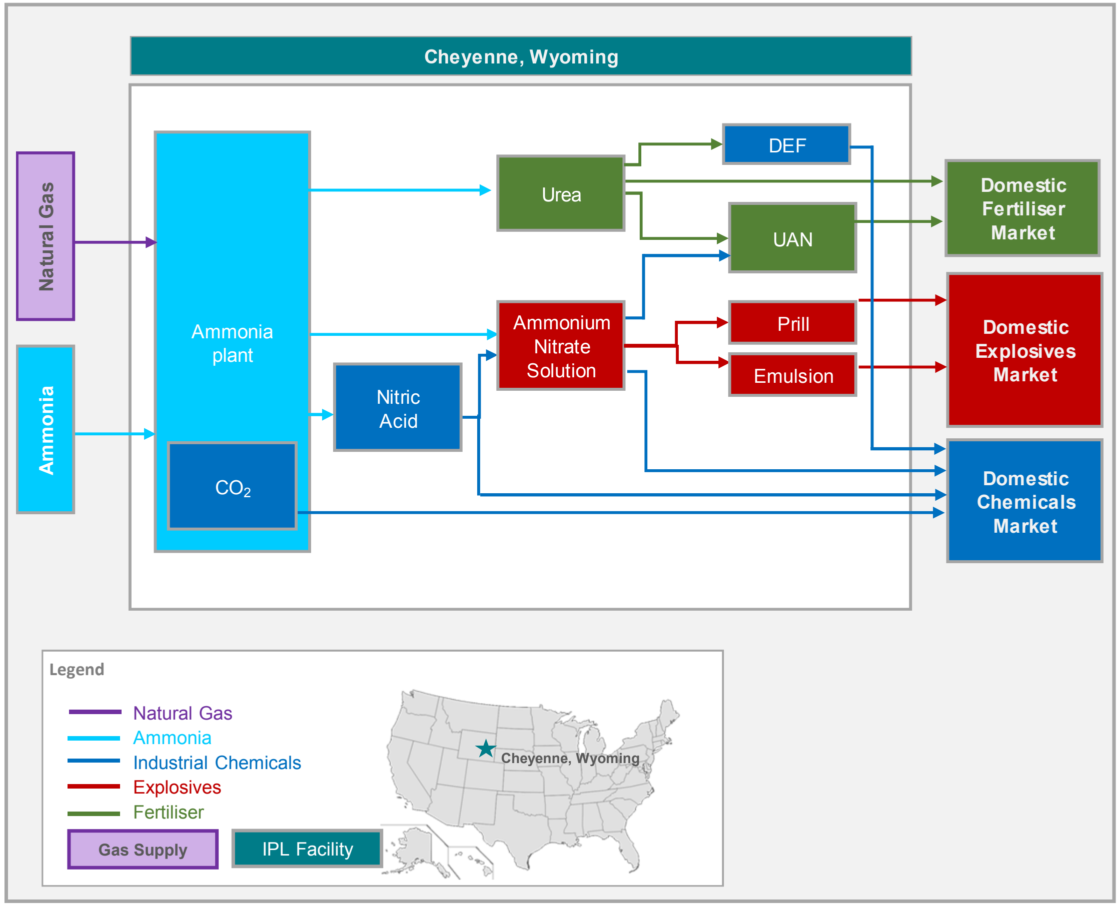
Explosives

### Core ammonia production backed-to-gas

- Majority of gas resourced locally
- Some ammonia supplied from Waggaman via 3rd party swaps

### Located in Cheyenne, Wyoming

- ~170 employees and contractors
- Supported by rail and road infrastructure



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Explosives

# Louisiana, Missouri

Missouri, USA

**Ammonium Nitrate Plant**

# Louisiana, Missouri

Explosives

**The Louisiana, Missouri plant produces explosives and industrial chemicals**

- **Explosives:** Ammonium nitrate prill
- **Industrial Chemicals:** Nitric acid, ammonium nitrate solution

**Products primarily sold to the North American explosives market**

- **Coal:** Primarily to Appalachia and Illinois River Basin
- **Quarry & Construction:** US southwest, particularly Texas and Florida

# Louisiana, Missouri - Value Chain

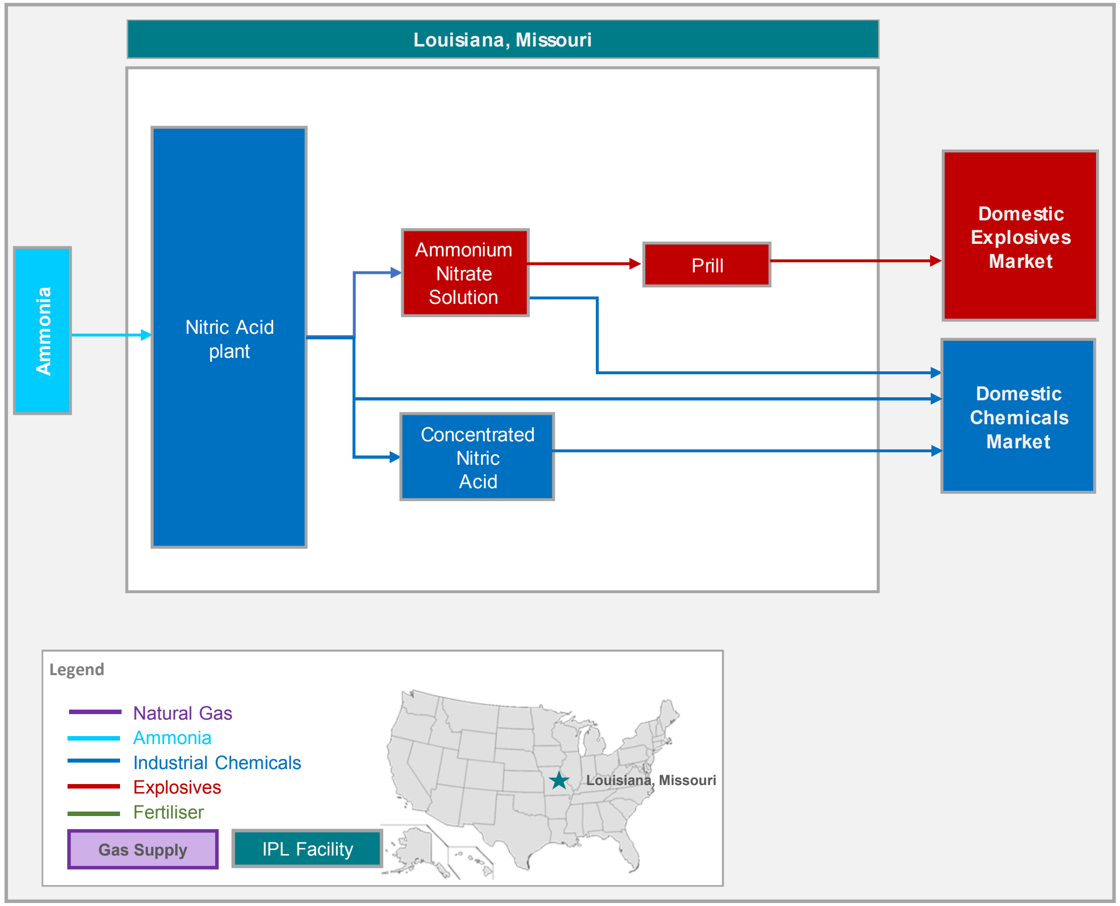
Explosives

### Ammonium nitrate production backed-to-ammonia

- Primarily supplied from Waggaman ammonia plant via pipeline

### Located in Louisiana, Missouri

- Situated adjacent to Mississippi River
- ~70 employees and contractors
- Supported by rail, barge, pipeline and road infrastructure



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Explosives

# Initiating Systems

# Initiating Systems

Explosives

**IPL operates seven Initiating Systems manufacturing plants globally**

- Plants are generally adjacent to mining regions and ammonium nitrate manufacturing facilities
- IPL also participates in two international Initiating Systems JV operations

**Facilities conduct full suite of development, manufacturing and assembly of detonators, boosters and controllers**

**Manufacturing and Assembly Sites**

| Primary Product | Location |
|---|---|
| Boosters | |
| | Dinamita, Mexico |
| | Carthage, Missouri |
| | Wolf Lake, Illinois |
| NONEL Detonators | |
| | Helidon, Queensland |
| | Simsbury, Connecticut |
| | Dinamita, Mexico |
| | Wolf Lake, Illinois |
| | La Serena, Chile |
| Electronic Detonators | |
| | Helidon, Queensland |
| | Simsbury, Connecticut |
| | La Serena, Chile |
| Detonating Cord | |
| | Dinamita, Mexico |
| | Graham, Kentucky |
| Dynamite | |
| | Carthage, Missouri |
| Packaged Products | |
| | Carthage, Missouri |


**Initiating Systems Joint Ventures**

| Name | Location | Partner | Ownership |
|---|---|---|---|
| Sasol Dyno Nobel | South Africa | Sasol | 50/50 |
| DetNet | South Africa | AEL | 50/50 |

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Industrial Chemicals

# Waggaman[1]

Louisiana, USA

**Ammonia Plant**

1. Interchangeably referred to as Waggaman and WALA

# Waggaman

Industrial Chemicals

### The Waggaman plant manufactures industrial chemicals for the US market

- **Industrial Chemicals:** Ammonia, $CO_2$

### World scale plant in an under supplied domestic market

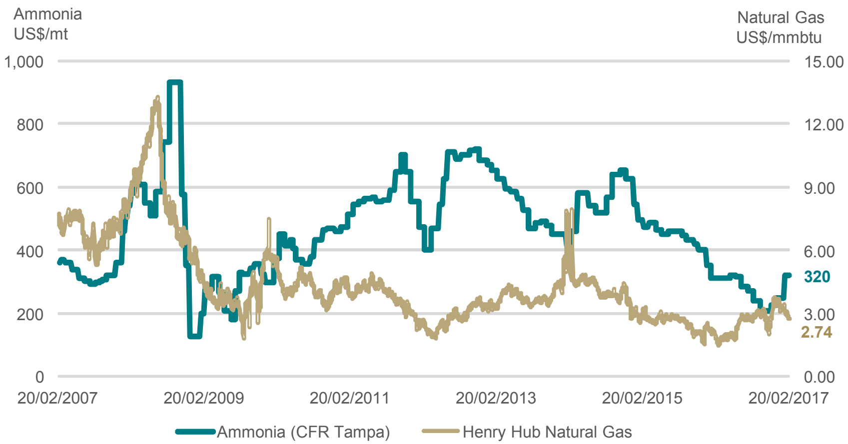
- 800,000 metric tonnes annual name plate capacity
- Expected to contribute ~3.4% of total North American consumption in 2017[1]
- North American market expected to import of 3.3m metric tonnes in 2021[1]

### Strong investment and returns profile

- 1st quartile of cost curve on US delivered basis
- Direct access to abundant supply of cheap US natural gas
- Production fully contracted or committed under long term agreements with strong counterparties

### Henry Hub Natural Gas vs. Ammonia (CFR Tampa)

Last 10 years[2]




1. Source: CRU as of March 2017; North America comprises US and Canada; based on nameplate capacity
2. Source: Bloomberg

# Waggaman - Construction

Industrial Chemicals

**Plant was commissioned in October 2016, on time and below budget**

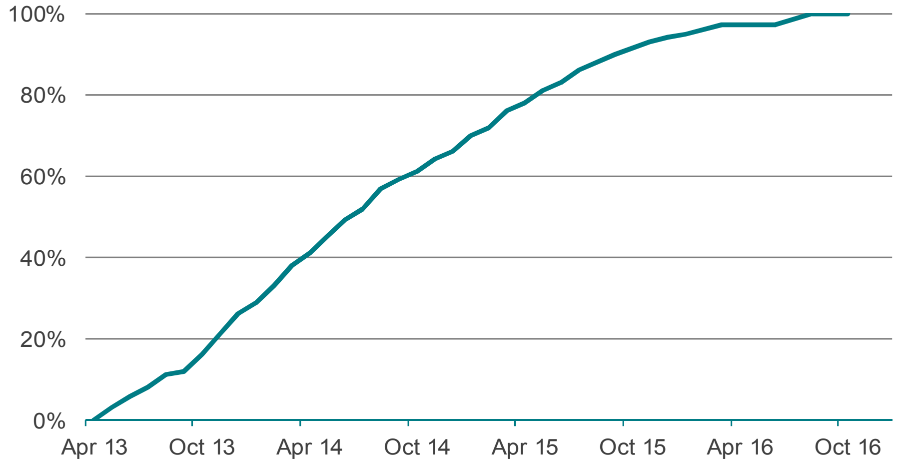
- **Benchmark Safety:** Five million hours worked over three year construction without an LTI
- **Below Budget:** Predicted final cost <US$850m

**Demonstrated ability to run at nameplate output and nameplate efficiency**

- 83% uptime achieved in 1H17

**Louisiana project progress curve**

Completion %



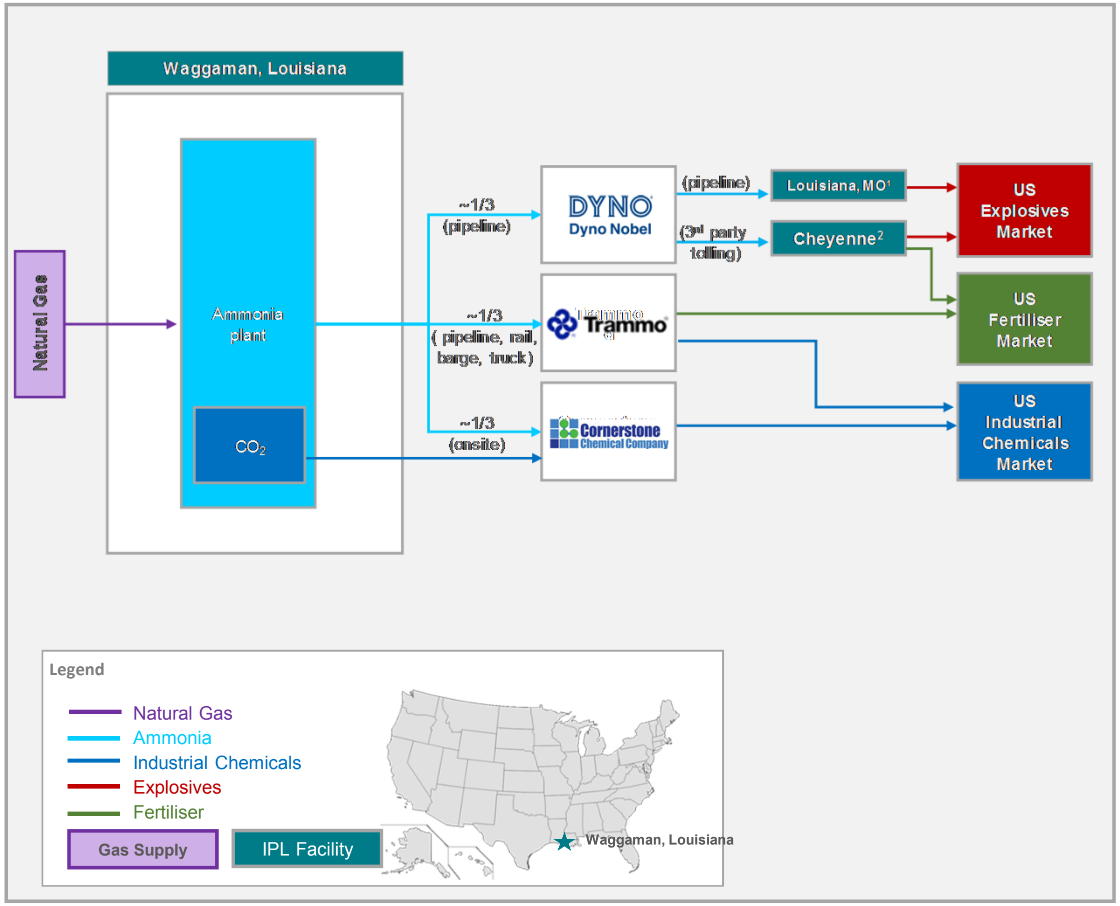
# Waggaman - Value Chain

**Located on the mouth of the Mississippi near New Orleans**

- **Supply:** Pipeline access to key inputs including natural gas
- **Offtake:** Onsite and via pipeline, barge, rail and truck

**Core ammonia production backed-to-gas**

- Natural gas requirement of ~32mmbtu per metric tonne
- Provided via pipeline under medium term contracts




1. IPL's Louisiana, Missouri ammonium nitrate plant; refer slide 74
2. Cheyenne: IPL's Cheyenne, Wyoming ammonium nitrate plant; refer slide 71

# Waggaman - Contract Profile

Industrial Chemicals

**Plant's long term production is fully contracted or committed**

- Under long term agreements with strong counterparties

## Contract Profile

**~1/3 to Trammo via pipeline, rail, truck and barge**
- ~10 year contract
- Primarily for US agriculture and industrial chemicals

**~1/3 to Cornerstone via onsite pipeline**
- ~25 year contract
- Primarily for specialty chemical applications

**~1/3 transferred internally to Dyno Nobel**
- Louisiana, Missouri plant through pipeline
- Cheyenne, Wyoming plant through 3rd party swap arrangements

**In aggregate, product sold at slight discount to Tampa**

### Trammo, Inc[1]

*Trammo trades, markets and distributes ammonia, energy products, fertilizers, raw materials, chemicals and other commodities worldwide*

**Privately held since 1965**
- Head Office: New York, NY
- 2015 revenue: US$9.4Bn
- 2015 trade volume: 63 million metric tonnes
- 470+ employees
- 35 nations

### Cornerstone Chemical Company[2]

*Cornerstone Chemicals manufactures high quality products shipped around the globe, including acrylonitrile, melamine and sulphuric acid/oleum*

**H.I.G. Capital portfolio company**
- Head Office: Waggaman, LA
- Acquired by H.I.G. Capital in 2012 from Cytec Industries
- 450+ employees

1. Source: Trammo, Inc website:http://www.trammo.com/en/about-us/mission-vision-values; refer footnotes therein
2. Source: Cornerstone Chemical Company https://www.cornerstonechemco.com/; refer footnotes therein

# Waggaman - Illustrative Metrics

Industrial Chemicals

## Illustrative production metrics are set out in the adjacent table

- Includes estimated full year accelerated tax depreciation rates
- Impacts cash flow profile by reducing Americas cash tax paid profile

## Illustrative production metrics

**Name plate production capacity:** 800,000 metric tonnes per annum

**Expected 2017 production uptime:** ~80% as plant moves to full production

**Natural gas requirement:** ~32mmbtu per metric tonne

**Natural gas pricing index:** Henry Hub

**Natural gas delivery fee:** ~US$0.15 per mmbtu

**Gas hedging:** Weighted average Floor and Cap of US$3.13 to US$4.50/mmbtu[1]:
- 2017: ~15.1%
- 2018: ~5.9%
- 2019: ~0.4%

**Fixed conversion cost:** ~US$47.00/metric tonne based on name plate production

**Offtake arrangements:**
- ~1/3 of production transferred internally to Dyno Nobel
- ~2/3 sold to counterparties
- In aggregate, product transferred at slight (~5%) discount to Tampa CFR

**Asset value:** Sum of total cash spend and capitalised interest
- Cash spend: US$804.9m spent as of 31 March 2017
- Capitalised interest: US$86.2m as of 31 March 2017

**Tax depreciation:** Accelerated depreciation over 6 years as estimated below[2]:
- 2016: ~4%
- 2017: ~29%
- 2018: ~20%
- 2019: ~16%
- 2020: ~16%
- 2021: ~14%

**Accounting depreciation:** Average asset life estimated of ~35 years

**Annual sustenance capex in first three years**: ~US$10m

1. Percent of expected natural gas requirement per financial year based on nameplate capacity
2. Estimated financial year US federal and state tax based on current asset allocation; subject to change; as at 30 September 2016

# Waggaman Production

**Industrial Chemicals**

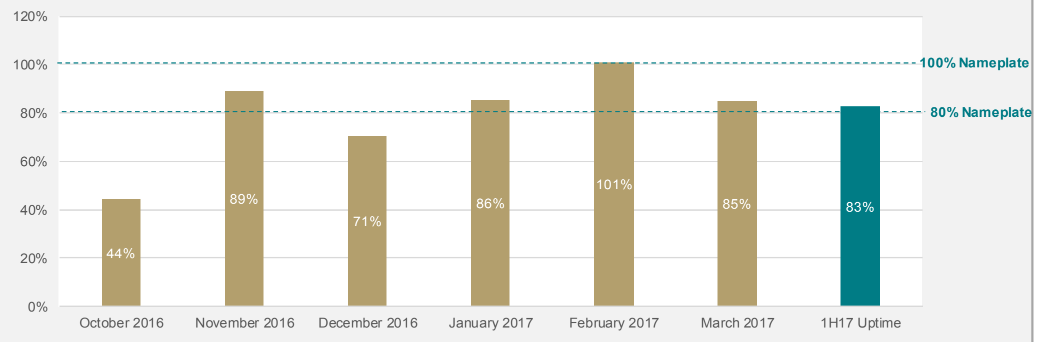
## 83% uptime achieved in 1H17[1]

- Frequency and duration of outages improving as plant matures

**WALA Production**

| Month | Production (mt) | Nameplate (mt) | Uptime (%) |
|---|---|---|---|
| October 2016 | 12,591 | 28,493 | 44.2% |
| November 2016 | 58,515 | 65,753 | 89.0% |
| December 2016 | 47,954 | 67,945 | 70.6% |
| January 2017 | 58,118 | 67,945 | 85.5% |
| February 2017 | 62,052 | 61,370 | 101.1% |
| March 2017 | 57,857 | 67,945 | 85.2% |
| **1H17 Uptime** | **297,088** | **359,452** | **82.7%** |

**Monthly Uptime[1]**




**Daily Production in Metric Tonnes**


1. Uptime calculated against an 800,000 metric tonne (mt) per annum (pa) nameplate capacity; from plant handover on 19 October 2016

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GLOBAL DIVERSIFIED INDUSTRIAL CHEMICALS

Fertilisers

# Phosphate Hill

Queensland, Australia

**Ammonium Phosphates Plant**

# Phosphate Hill

Fertilisers

**The Phosphate Hill plant produces fertilisers for the Australian and international markets**

- **Fertilisers:** DAP / MAP

**Acquired as part of Southern Cross Fertilisers in 2006 from BHP Billiton Ltd for $165m**

- Delivered EBIT of $200.9m in 2007
- First step in evolution to global diversified industrial chemicals company (refer slide 12)

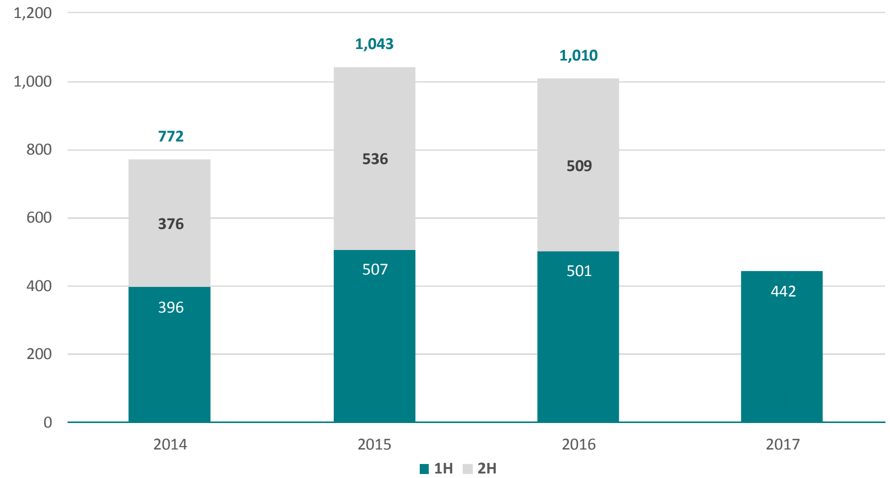
**Product sold in Australia and international markets**

- End market distribution seasonally skewed as plant generally run at full capacity year round

**Produced 442k metric tonnes of DAP / MAP in 1H17**

**Phosphate Hill production**

Ammonium phosphates (DAP/MAP) in thousand metric tonnes




| Asia Pacific | | | | | |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
| Fertilisers | | | | | |
| Phosphate Hill | DAP / MAP | 772 | 1,043 | 1,010 | 442 |

# Phosphate Hill - Value Chain

Fertilisers

### Core ammonia production backed-to-gas

- Gas requirement of ~36GJ per metric tonne of ammonia[1]

### Situated on substantial resource of phosphate rock

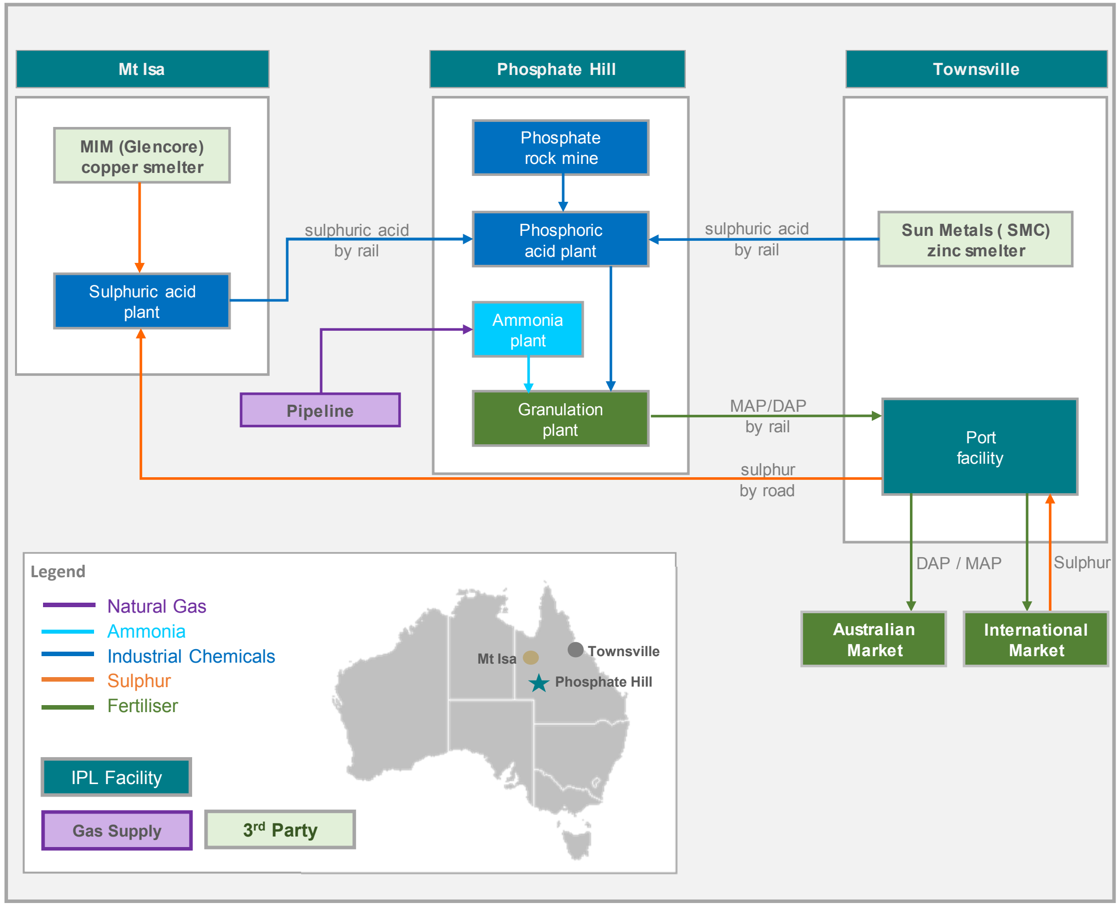
- Phosphate rock resource: >100 million tonnes
- Typical P205 content: ~23.5%

### Sulphuric acid primarily supplied from IPL's Mt Isa plant

- ~75% manufactured at IPL's Mt Isa facility, the majority of which is generated from waste metallurgical gas from Glencore's Mt Isa Mines (MIM) copper smelter
- ~25% supplied by Sun Metals zinc smelter

### Located 950km from Townsville

- Supported by rail, road and air infrastructure
- ~440 FIFO employees and contractors




1. Gas required for ammonia conversion

# Phosphate Hill - Cost Metrics

Fertilisers

**Phosphate Hill produced DAP/MAP at ~A$460 metric tonne in 1H17**

- Gas comprised ~25-30% of production costs

**Production costs to benefit from recent gas and supply contracts**

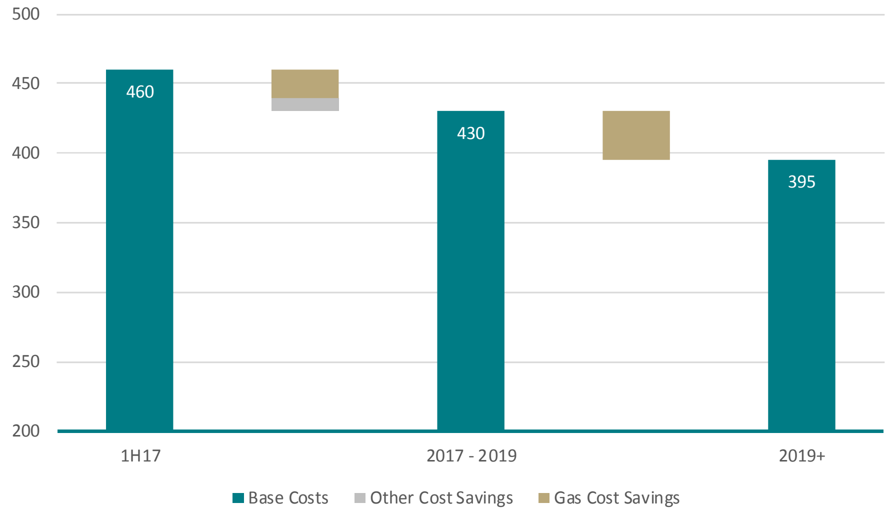
- QGC contract to reduce gas costs by ~$20m per year from 2017[1]
- PWC contract to reduce gas costs by a further ~$35m per year from 2019[1,2]
- Completed / progressing contracts to further reduce costs by ~$10m per year from 2017

**Moving towards IPL's initial A$400 per metric tonne target**

- Would position Phosphate Hill in 3rd quartile of global cost curve[3]

**Illustrative Phosphate Hill cost per tonne metrics**

A$ per metric tonne




1. Gas supply agreement with Walloons Coal Seam Gas Company Pty Ltd, a Shell-owned QGC business; as compared to costs at time of announcement
2. Gas supply agreement with Power and Water Corporation (PWC) a Northern Territory Government owned corporation; as compared to costs at time of announcement
3. Assuming an A$/US$ exchange rate of 0.70

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Fertilisers

# Gibson Island

## Queensland, Australia

## **Urea Plant**

# Gibson Island

Fertilisers

## The Gibson Island plant produces fertilisers and industrial chemicals

- **Fertilisers:** Ammonia, GranAm, urea
- **Industrial Chemicals:** Ammonia, $CO_2$, DEF, urea

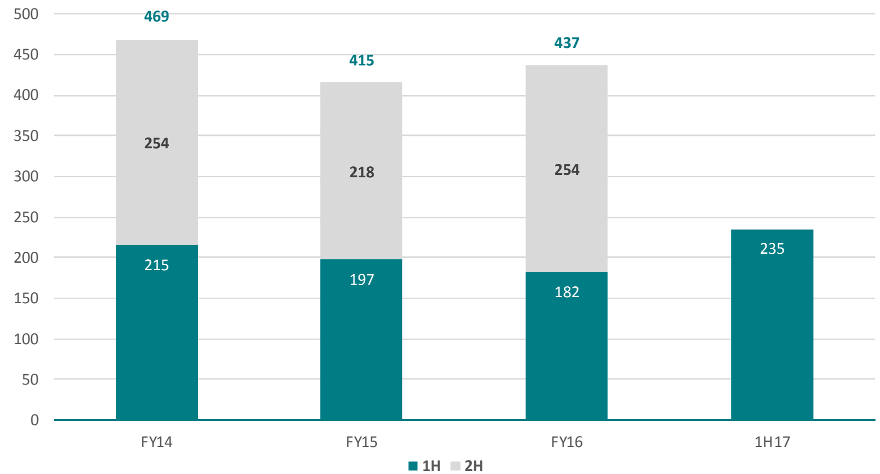
## Products sold in the Australian and international markets

- Urea and GranAm exported based on seasonal demand
- Some ammonia product supplied internally to Moranbah
- Ammonia also provided to 50/50 QNP JV

## Manufactured 512k metric tonnes of finished product in FY16

## Gibson Island fertiliser production

Urea, ammonia and GranAm in thousand metric tonnes




| Asia Pacific | | | | | |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
| **Industrial Chemicals** | | | | | |
| Gibson Island | Ammonia | 25 | 22 | 24 | 9 |
| | Urea | 39 | 41 | 42 | 23 |
| | DEF | 14 | 10 | 9 | 7 |
| **Fertilisers** | | | | | |
| Gibson Island | Ammonia | 70 | 74 | 77 | 33 |
| Gibson Island | GranAm | 163 | 164 | 187 | 105 |
| Gibson Island | Urea | 235 | 178 | 173 | 97 |

# Gibson Island - Value Chain

Fertilisers

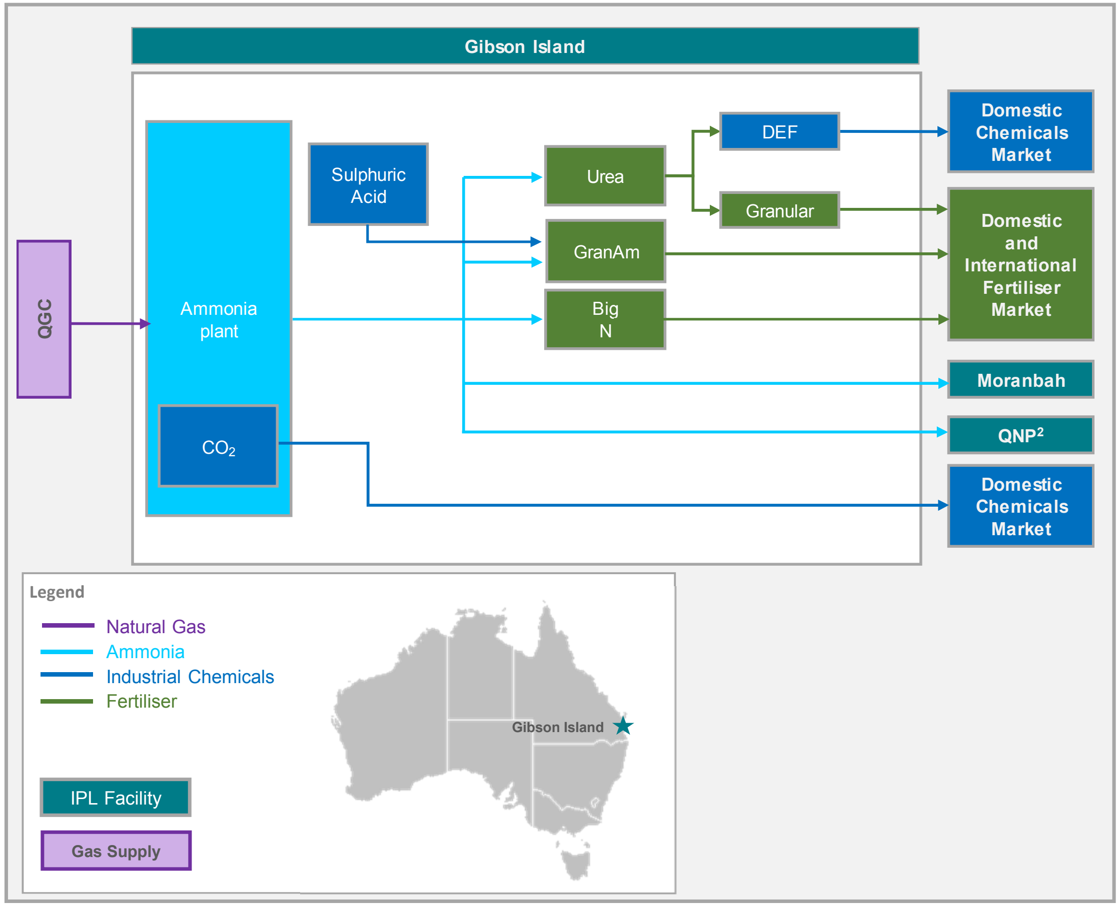
**Core ammonia production backed-to-gas**

- Gas requirement of ~40GJ per metric tonne per tonne of ammonia[1]
- Gas currently comprises ~50% of production costs

**Current gas contracts expire in 2018**

**Located in Brisbane, Queensland**

- ~450 employees and contractors
- Supported by rail, port and road infrastructure




1. Gas required for ammonia manufacture
2. QNP: Queensland Nitrate Pty Ltd; 50/50 joint venture

# St Helens

Oregon, USA

**UAN and Urea Plant**

# St Helens

**Fertilisers**

### The St Helens plant produces fertilisers and industrial chemicals

- **Fertilisers:** Urea, UAN
- **Industrial Chemicals:** Ammonia, CO2, DEF, urea, nitric acid

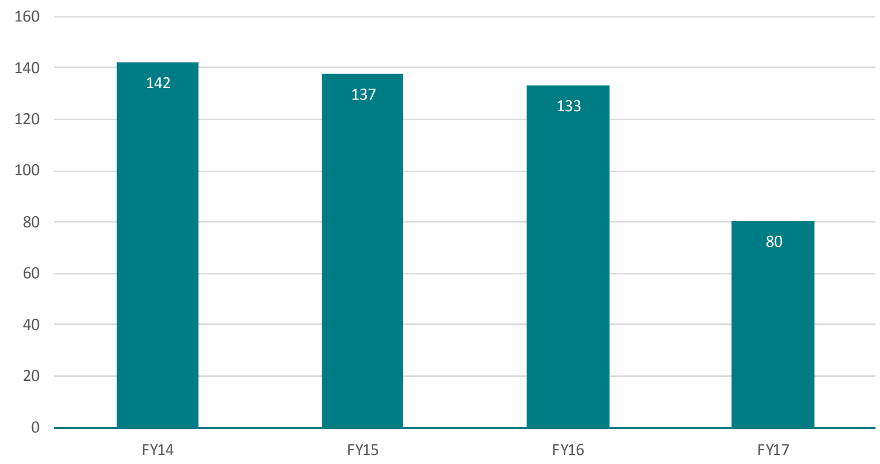
### Products primarily sold in the US Pacific Northwest region

- Some product also distributed more broadly

### Produced 133k metric tonnes of urea and UAN in FY16

### St Helens production

Urea and UAN in thousand metric tonnes




| Americas | | | | | |
|---|---|---|---|---|---|
| | | Thousand Metric Tonnes | | | |
| Plant | Finished Product | FY14 | FY15 | FY16 | 1H17 |
| Fertilisers | | | | | |
| St Helens | Urea, UAN | 142 | 137 | 133 | 80 |

# St Helens - Value Chain

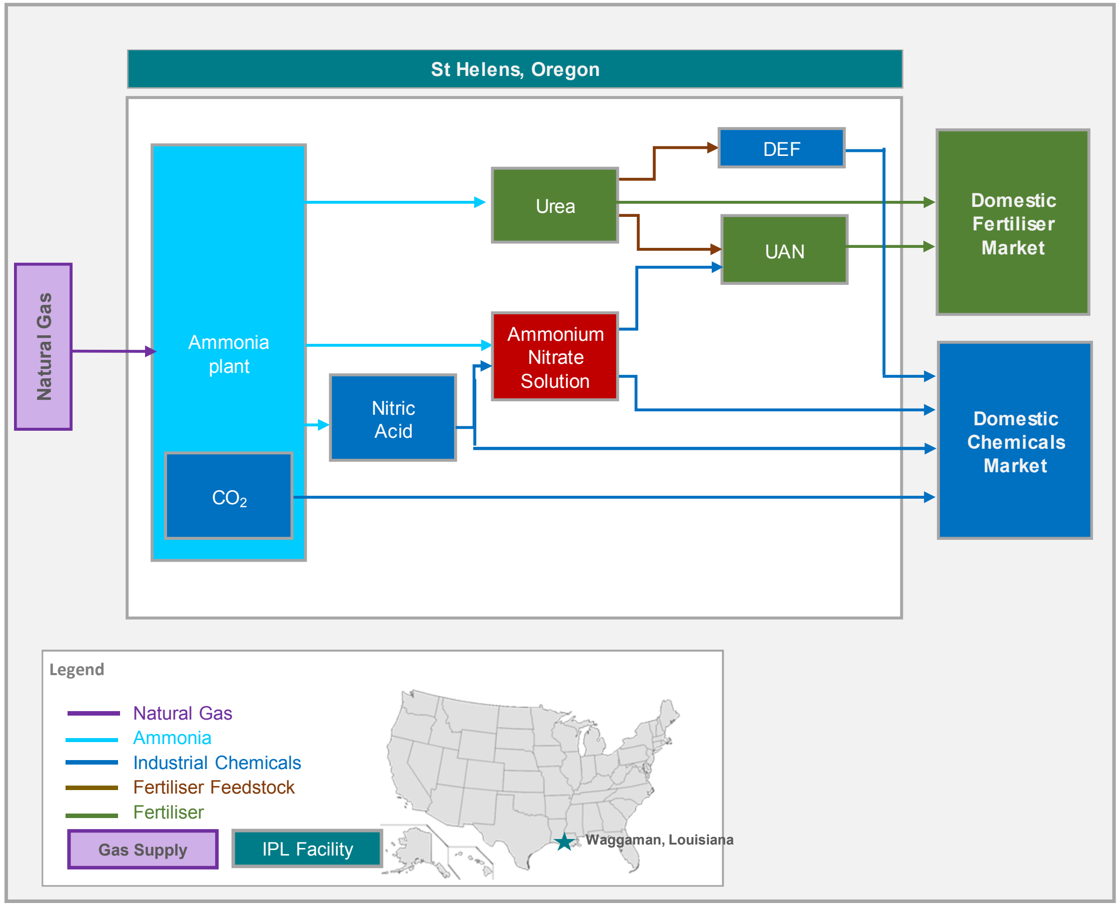
Fertilisers

**Core ammonia production backed-to-gas**

- Majority of gas resourced locally

**Located in St Helens, Oregon**

- ~75 employees and contractors
- Supported by rail, port and road infrastructure



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# Appendix

## July 2017

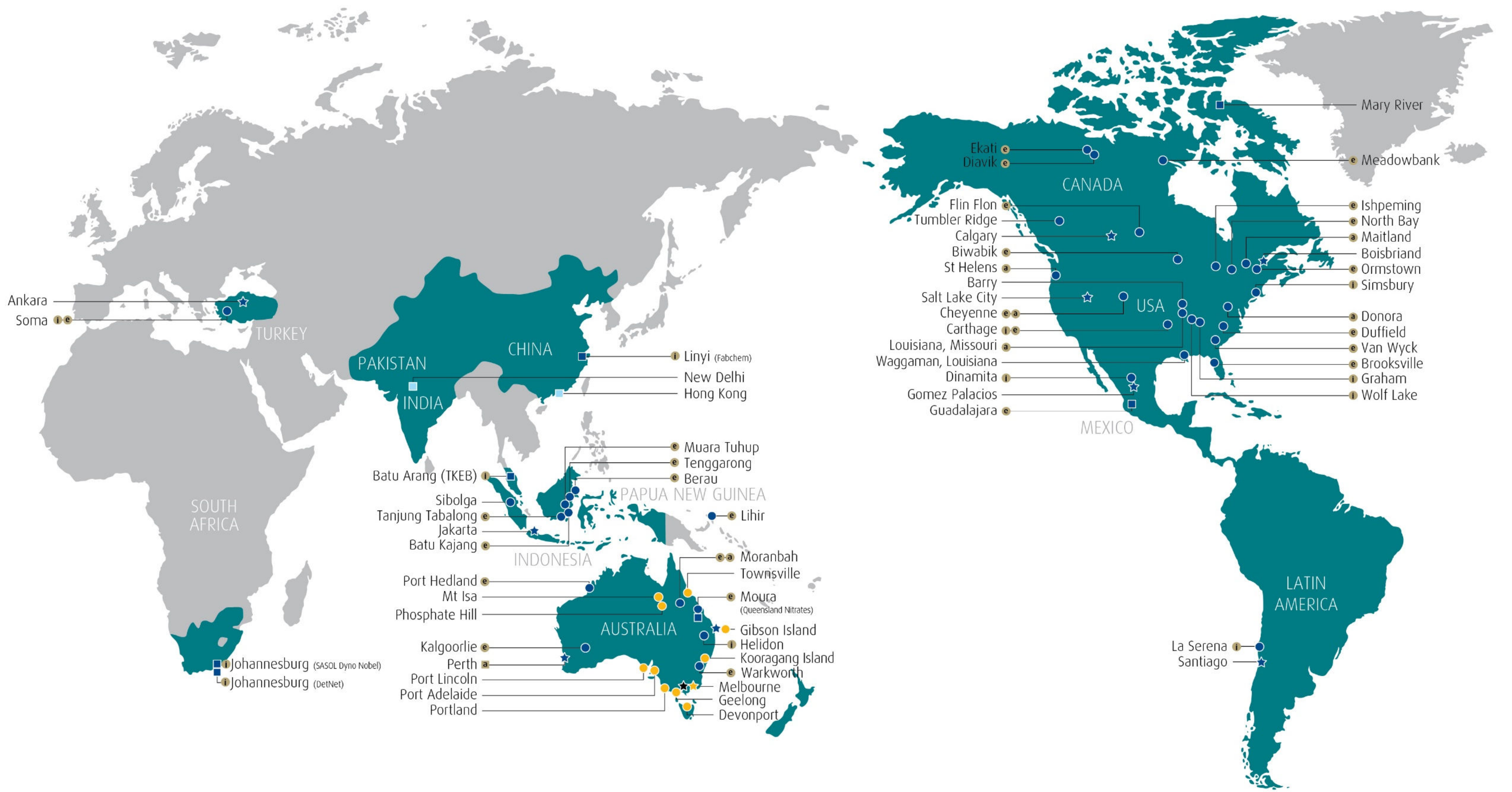
# Bloomberg

| Bloomberg | Definition | Unit | Primary Business | Bloomberg Entry |
|---|---|---|---|---|
| **Equities** | | | | |
| IPL | Incitec Pivot Limited Equity | A$/share | IPL | IPL AU Equity |
| ADR | American Depository Receipt | US$/share | IPL | INCZY US Equity |
| **Commodities Prices** | | | | |
| Ammonia | US Tampa Ammonia CFR Spot | US$/mt | Americas | GCFPAMTP Index |
| DAP | US Gulf NOLA DAP Export Spot | US$/mt | Americas | GCFPDAGE Index |
| Urea | US Gulf NOLA Urea Granular Spot | US$/st | Americas | GCFPURGB Index |
| Urea | Middle East Urea Granular Spot | US$/mt | Asia Pacific | GCFPURMG Index |
| Natural Gas | Henry Hub Natural Gas Spot | US$/mmbtu | Americas | NGUSHHUB Index |
| Natural Gas | Generis 1st Natural Gas Future | US$/mmbtu | Americas | NG1 Index |
| Oil | Brent Crude Oil Spot | US/bbl | Asia Pacific | CO1 Comdty |
| Corn | S&P GSCI Wheat Index Spot | US$/bushel | Asia Pacific | SPGSCN Index |
| Wheat | S&P GSCI Corn Index Spot | US$/bushel | Asia Pacific | SPGSWHP Index |
| Iron Ore | Iron Ore - 62% Import Fine Ore Spot | US$/mt | Asia Pacific | ISIX62IU Index |
| Australia Met Coal | Hard Coking Coal Australia Export (FOB East Coast) | US$/mt | Asia Pacific | TSIPHCAE Index |
| Australia Premium Met Coal | Preimium Hard Coking Coal Australia Export (FOB East Coast) | US$/mt | Asia Pacific | TSIPPCAE Index |
| Australia Thermal Coal | Australia Newcastle Port Thermal Coal 5500 kcal/kg FOB Spot | US$/mt | Asia Pacific | COASNE55 Index |
| **Commodities Statistics** | | | | |
| US Coal Production | US DOE Coal Production Total | st | Americas | DOEFTOTL Index |
| US Coal Inventories at Electical Generators | US End of Period Inventories Electric Power Sector | st | Americas | ST23IE |
| US Heating Degree Days | NOAA Week Ending Thursday Natural Gas Heating Degree Days | Degree Days | Americas | NOHTAUST |
| US Crushed Stone Carloads | Crushed Stone Freight Carloads | Carloads | Americas | RAILSTON Index |
| US Iron Ore Production | USGS US Iron Ore Production Total | mt | Americas | USPOPROT Index |
| Austrlian Iron Ore Exports | Australia Iron Ore Exports Volume - Total | mt | Asia Pacific | AUITIROV Index |
| Austrlian Met Coal Exports | Total Australia Coaking Coal Exports Volume - Total | mt | Asia Pacific | AUITCCV Index |

**Note: 1 short ton (st) = 0.907185 metric tonnes (mt)**

Source: Bloomberg.

# Incitec Pivot Limited




**Incitec Pivot Limited**
- Company Headquarters

**Incitec Pivot Fertilisers**
- Corporate Office
- Manufacturing/Distribution
- Quantum Fertilisers

**Dyno Nobel**
- Corporate Office
- Manufacturing/Distribution
- Joint Ventures/Investments

**Manufacturing legend**
- i Initiation
- e Emulsion
- a AN
- a Long term AN supplier

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