

Incitec Pivot Limited

Office of the Company Secretary

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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

Managing Director & CEO's Address to Shareholders at 2017 AGM

In accordance with the Listing Rules, I attach a copy of the Managing Director & CEO's Address to Shareholders for release to the market.

Yours faithfully



Daniella Pereira
Company Secretary

Attach.

ANNUAL GENERAL MEETING – 21 DECEMBER 2017

SPEECH BY THE MANAGING DIRECTOR & CEO, JEANNE JOHNS

Good afternoon to those joining us here in Melbourne today and welcome to those on our webcast.

I too, wish to begin by acknowledging the traditional owners of the land on which we meet. I also pay our respects to their Elders both past and present.

Introduction

This is my first address to you as IPL's Managing Director & CEO and I am delighted to be part of this strong business with its proud legacy and exciting future.

When I was approached about this role, what struck me immediately was how much it appealed not just to my experience, but to my values and what energises me. I have a chemical engineering background, and I have held executive leadership roles in industries such as chemicals, refining and oil and gas. I am passionate about working in companies with a manufacturing base that make and sell things that people need to make their lives better. I also enjoy the challenge of working in cyclical industries, industries that have the duality of needing to remain cost-competitive while also innovating and building value.

The Chairman outlined IPL's commitment to safety earlier. Safety is in my DNA and Zero Harm is a key IPL value for each of our employees. I firmly believe that safety and continuous business improvement are two things which make companies successful.

I have managed large organisations with a global footprint – in fact, I have spent over a third of my career outside the U.S., mostly in Europe running global operations with BP. I've also spent a considerable amount of time in Asia. As a result, I understand the economic challenges and the social nuances of operating across geographies.

Leading and developing high performing teams to deliver on a company's strategy is something I am particularly passionate about. Over the past couple of months as I have transitioned into the role, I have spent time getting to know our people, to understand the challenges they face and the goals they are working to, and to share with them a little of myself.

I have enjoyed visiting our sites in the U.S. and Australia and I've been pleased to see great examples of manufacturing excellence, and smart products, as well as strong customer focus, and commercial mindset.

Over the last three weeks, Frank Micallef and I have been meeting with our institutional shareholders to update them on the Company's performance over the last year. What I heard is that they are supportive of the Company's direction and believe IPL is in good financial shape. I am looking forward to meeting some of our retail shareholders today and I welcome your views on our Company.

I am also committed to meeting as many of our customers as possible, because I believe it is vital to fully understand and appreciate what our customers want and need so we can work together to increase value, and further strengthen both of our businesses.

Priorities

Having given you a better sense of myself and my experience, I would now like to spend a few minutes talking about my key priorities.

As you can appreciate, it's still early days for me in the role, and I intend to take some time to hone my views on strategy, starting from the broadest possible perspective. However, I am very clear on a few high-level priorities that will continue to drive value and growth, and will be enduring throughout any strategy we subsequently choose.

First and foremost, we must effectively manage Zero Harm and Operating Risk. Safety will remain our number one priority, and will continue to be at the forefront of how we work. We must stay vigilant and uncompromising in meeting the high safety standards we have set for ourselves and drive to get better and safer every day.

Excellent execution is another enduring priority. Throughout my career, I've had a long-standing focus on continuous business improvement and improving the productivity of manufacturing facilities. And as I have been meeting our people over these past couple of months, I know this is a real strength of IPL, with strong business improvement results in this past financial year. Our priority will be to remain disciplined on costs whilst achieving excellence in manufacturing and engineering.

However, we cannot just win on costs. Our customers are looking for us to use technology and drive practical innovation in products and services that will help them do things smarter, not just cheaper.

I have observed a number of examples of real excellence and innovation at work in my travels around our business.

If you look at the work that's been done on Delta E - differential energy in blasting - and our electronic detonators, these are truly world-class products. The technology and innovation behind our detonators is being recognized by our customers, and we saw an 85% growth in sales in Asia Pacific in the last 12 months.

We have a product suite of industrial explosives that is recognised by our customers as providing the best blast outcome possible.

In Fertilisers, our people have been targeting formulations that deliver specific outcomes for specific crops in specific regions. ENTEC is one of those products, reducing nitrogen runoff to keep nitrogen where the crops and the farmers need it.

Innovations like these, developed in collaboration with our customers build real value for them, and for us, and will be a key priority moving forward.

So how will we do this? Well, our team and our culture is central to our ability to deliver, and to deliver more. I want to build on the Company's foundations and lead a high - performance culture based on the values of respect, trust and collaboration.

Outlook

I would now like to share with you a high-level view of the key markets and our business activities for the coming year.

You have heard our results for FY17 and while I won't go into those in detail, I want to say that I think the team has delivered a very good result in a tough environment. Of course, we cannot predict what is going to happen in the year ahead, but a lot of hard work has gone into getting the business in good shape so that it is robust and fit for purpose in a tough commodity cycle.

In Western Australia, the start up of the Burrup facility by another party, has led to excess ammonium nitrate supply in this market.

As we reported earlier this month, our supply of ammonium nitrate prill to BHP Iron Ore will cease at the end of November 2019.

The NPAT impacts of this will only be evident in FY20 and FY21 and may be able to be mitigated to some extent by other commercial arrangements in Western Australia.

And of course, it goes without saying that securing affordable gas for Gibson Island continues to be a major focus for the management team.

In relation to the Americas, which contributed more than half of our earnings in 2017, the economic recovery is continuing in the right direction. As I recently relocated from the U.S., I saw first-hand that the construction activity was continuing at pace, and this bodes well for our Explosives and our Quarry & Construction business.

In Industrials Chemicals, a sector well known to me, future earnings will be dependent upon global ammonia and Henry Hub natural gas pricing and the operation of the plant. I enjoyed returning to New Orleans recently to visit our new Waggaman plant and meet the management team who are running the plant and working hard on improving reliability. They are already achieving great things, operating at an average of 105 percent of name plate from the start of the 2018 financial year.

In Fertilisers, the Australian agricultural sector is well placed, having had good seasonal weather conditions over the last year in many parts of the East Coast. Our Phosphate Hill plant's 6-week turnaround starting in mid-March 2018 and running through late April is a key deliverable. I was up there last month, and the team is very focused on safely achieving this commitment.

Conclusion

In summary, our focus in this financial year is on looking for organic growth opportunities that play to our strengths and core competencies.

I'm excited about leading the team to drive more value through our world class technology to create customer value, while making sure we stay disciplined on cost, on capital and on delivering strong and sustainable returns to our shareholders.

Thank you, and I will now hand back to our Chairman to continue with the formal business of the meeting.