

Incitec Pivot Limited

INNOVATION ON THE GROUND

ASX RELEASE

Strategic Review of Incitec Pivot Fertilisers

2 September 2019

Incitec Pivot Limited (**ASX:IPL**) today announced that it is commencing a strategic review of its Fertilisers Asia Pacific business segment (Incitec Pivot Fertilisers). Incitec Pivot Fertilisers is the pre-eminent distributor of fertilisers in Australia, as well as the sole manufacturer of phosphate fertilisers and the only producer of nitrogen fertilisers on the East Coast of Australia.

Incitec Pivot Fertilisers has made good progress on a number of strategic milestones and operational issues during FY19, including:

- The negotiation of various gas supply and other arrangements to allow the continuation of manufacturing operations at Gibson Island;
- The rationalisation of Single Super Phosphates (SSP) manufacturing operations at Geelong; and
- The return to reliable production at Phosphate Hill in Queensland.

There are attractive growth opportunities available to Incitec Pivot Fertilisers, and IPL believes that this is a logical time to assess the future of the business and the optimal path for it to realise its potential.

The strategic review will assess various options including a potential sale of the business, a demerger or retaining the business and continuing to invest for growth. The objective of the strategic review is to maximise shareholder value whilst also having regard to the interests of other stakeholders including employees, customers and suppliers.

IPL has appointed UBS to provide advice in relation to the strategic review. The strategic review is expected to progress over the course of FY20.

Commenting on the announcement, IPL Managing Director and CEO Jeanne Johns said:

“Incitec Pivot Fertilisers has a long proud history, a unique market position in Australian agriculture and is well placed to benefit from an improvement in the commodity cycle.”

“Under the new leadership of Stephan Titze, the fertiliser business has made good progress in advancing a number of important strategic priorities and growth opportunities. Now is a logical time to initiate a strategic review, with the business well positioned to benefit from the emergence of ag tech and to leverage its strong platform in the Australian market.”

Brian Kruger, IPL Board Chairman said:

“I am pleased with the progress management has made in a challenging year, enabling the start of the Fertilisers strategic review. This process will assist the Board in making decisions that will best position IPL’s portfolio to deliver long term shareholder value.”

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About Incitec Pivot Fertilisers

In 2018, Incitec Pivot Fertilisers dispatched 2.2 million metric tonnes of fertilisers to the domestic market for application in Australia's grain, cotton, pasture, dairy, sugar, sorghum and horticulture industries across Queensland, New South Wales, Victoria, South Australia and Tasmania through a network of more than 200 dealers and agents.