



Incitec Pivot Limited 2007 Half Year Results



*Deliver on
our Promises*

7 May 2007



Getting things done.

JULIAN SEGAL
Managing Director and CEO



2007 1H: Delivering on Our Promises

An outstanding result driven by strategy and delivered by our people:

Strategy:

- ✓ Tardis 2 Business efficiency delivered (Lowest cost base)
- ✓ Southern Cross integrated (Own the product)

People:

- ✓ Gibson Island 'Reset 07' completed on budget and efficiencies delivered
- ✓ Financial discipline maintained
- ✓ Cultural transition well progressed

Market:

- ✓ Strong global fertiliser prices
- ✗ Adverse domestic market conditions in 1H

Positioned for competitive shareholder returns



1H Results Summary Key financials

6 Months Ended 31 March

A\$M	<u>2007</u>	<u>2006</u>	<u>Change</u>
Sales revenue	543.6	395.5	37%
EBIT*	83.9	40.7	106%
EBIT Margin*	15.4%	10.3%	
NPAT*	49.6	27.5	80%
NPAT incl. individually material items	57.2	10.1	466%

* excluding individually material items

Delivering on our promises



1H Results Summary Shareholder returns

6 Months Ended 31 March

A\$M	<u>2007</u>	<u>2006</u>	<u>Change</u>
Shareholder returns:			
EPS* (cps)	98	47	109%
Dividend (cps)	69	22	214%
Share price (31 March)	49.50	19.10	159%
Capital Management:			
Net Debt	400.1	137.9	(190%)
Gearing	50.5%	20.6%	
Interest cover** (times)	6.0	10.6	(42%)

* excluding individually material items

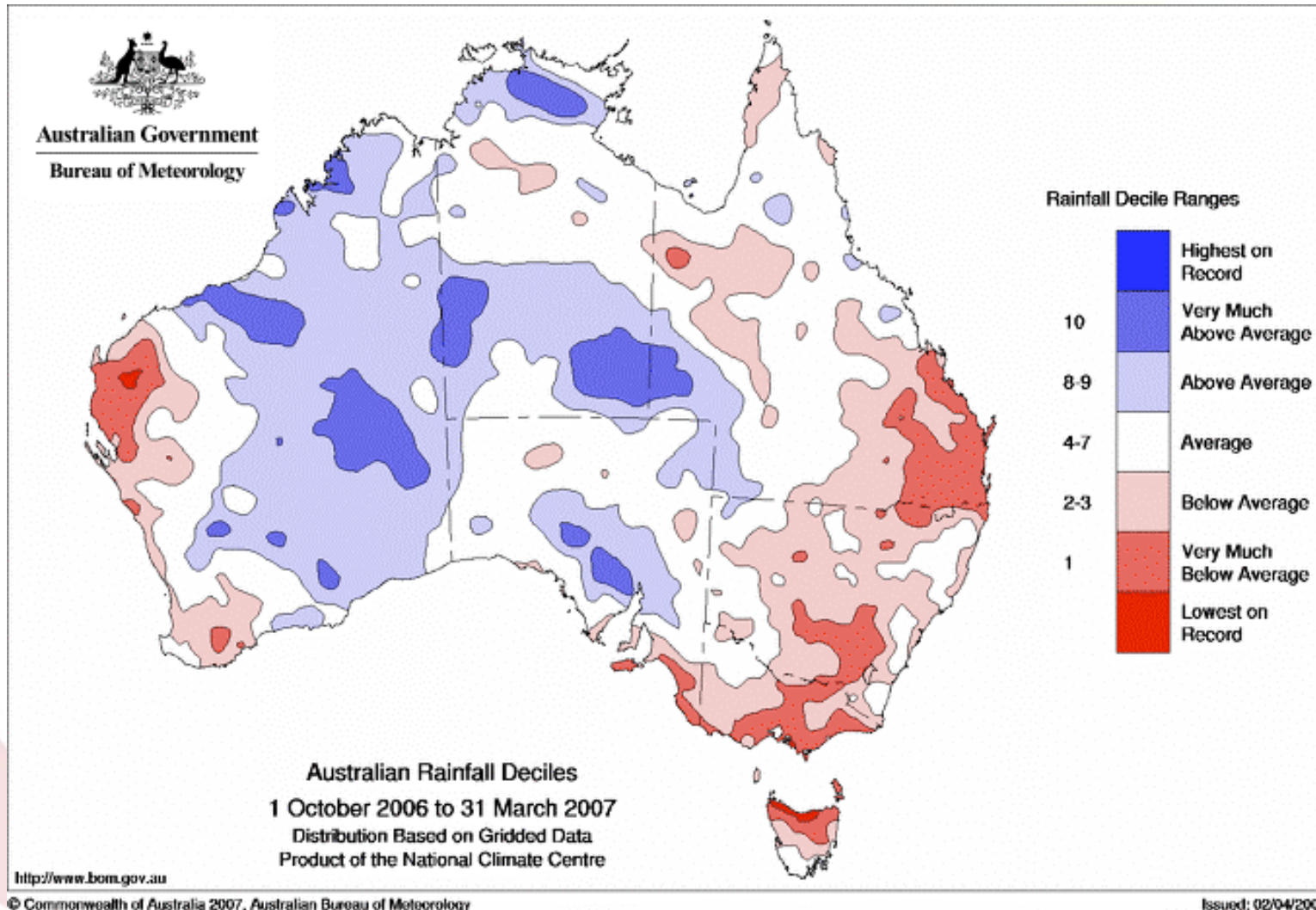
** based on interest expense excluding unwinding of discounts

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1H Rainfall – Poor conditions



Poor 1H rainfall



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Volumes: 1H07: 1,308kt, 1H06: 1,020kt

Sales volume up 28% or 288kt:

Southern Cross: External volumes of 282kt

Trade: Up 53% to 84kt - increased exports

Industrial: Down 3% - CO2 sales impacted by GI Reset

Sugar: Up 11% - stronger global sugar price

Summer Crop: Down 60% - poor in-season rainfall

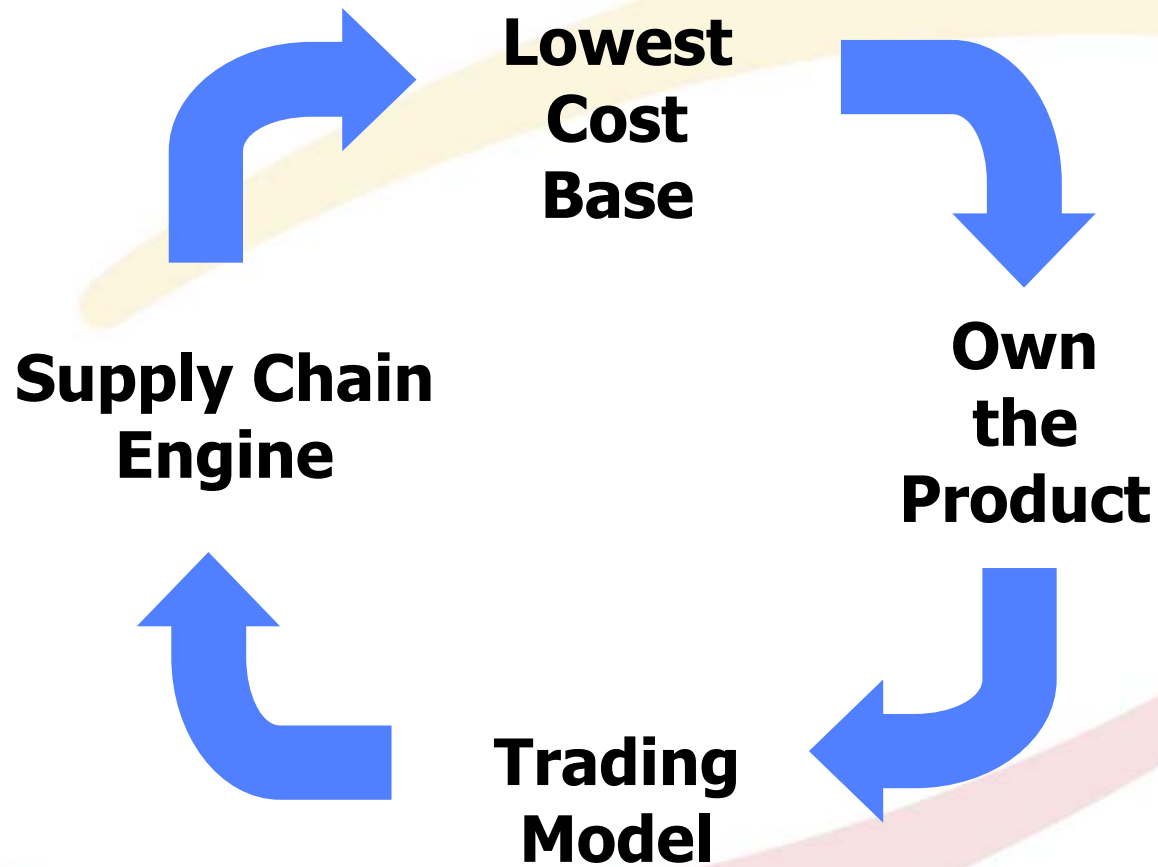
Pasture: Down 24% - significant de-stocking

Winter Crop: Up 91% - increased confidence.

A solid result



Business Strategy Update



Underpinned by a performance culture and strong financial discipline

Business Strategy Update

Lowest Cost Base

What we promised:

What we have delivered:

Outcome

Tardis 1 – 2007 Balance

- \$8M additional benefits (total year)

- \$2M already delivered in 1H 2007
- Nauru rock deliveries commenced in Q3



Tardis 2 – 2007 Program

- 2007 full year EBIT: \$15 - \$20M

- Full year target delivered in 6 months: \$19.7M



Mitigating weather volatility



Business Strategy Update

Own the product

What we promised:

What we have delivered:

Outcome

Gibson Island Reset'07

- \$43M capex (+/- 10%)
- \$13M benefits ('08 Exit)

Completed on budget & efficiencies delivered

- \$46M capex
- \$14.2M benefits ('07 exit)



SCF Integration & reliability

Integrated & operating reliably

- H1 Production 492kt
- Full year ~ 970kt (acq. proforma 907kt)



“An extraordinary result in a mining boom”



Business Strategy Update

Trading Model

What we promised:

Develop a regional trading model

What we have delivered:

- 366kt (28% of total sales) traded in 1H.
- 120kt in SSP exports booked for 2H (first SSP exports since mid 1990's).

Outcome



Reduced volatility through scale



Supply Chain Engine

Business Strategy Update

What we promised:

The Supply Chain Value Engine

What we have delivered:

- \$46M reduction in Trade Working capital
- \$2.2M in supply chain efficiencies delivered in Tardis 2 (2007 Exit rate: \$9.1M)

Outcome



Scale extracting value



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OwnBreakoutDeliver

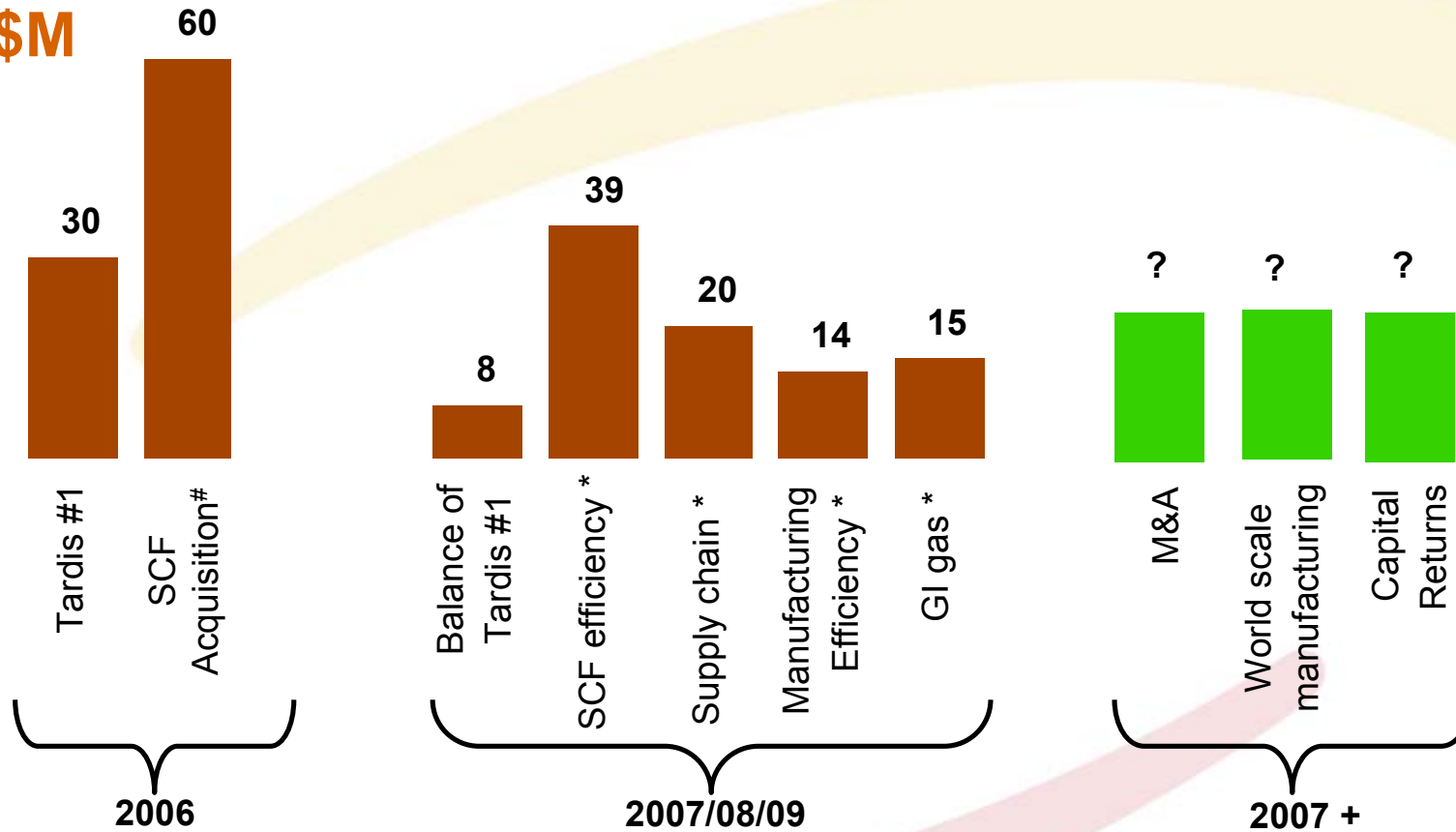


OwnBreakoutDeliver – culture program



Business Strategy Summary

A\$M



Phase 1: Gear the business for acceptable returns in a poor year

Phase 2: Drive EPS growth through internal initiatives

Phase 3: Growth/ Capital returns

Low risk, controllable EPS growth

2005 Calendar year – as disclosed in May 2006

* Tardis 2 Business Efficiency projects (\$88M)



Getting things done.

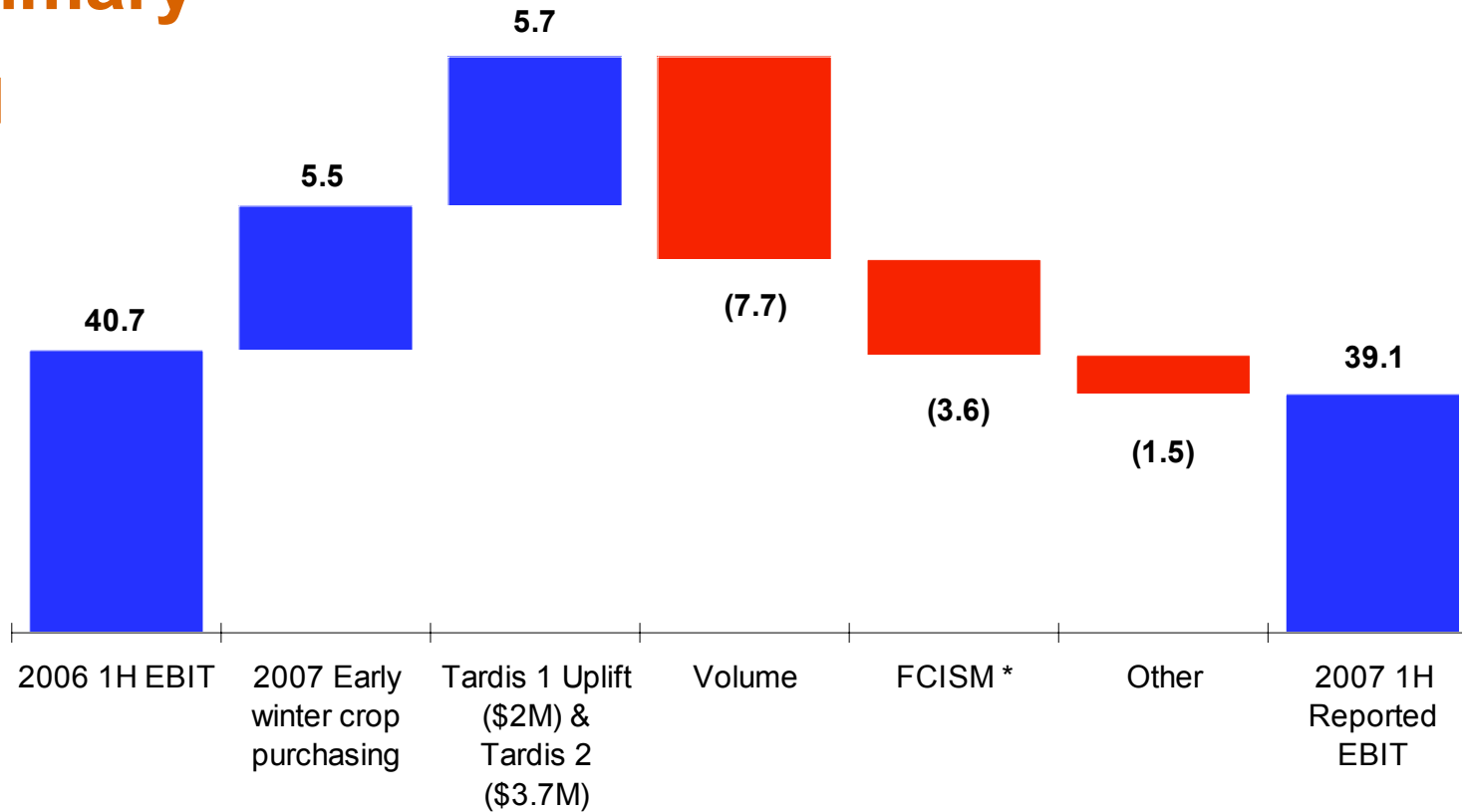
JAMES FAZZINO
Finance Director and CFO



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1H Base Business Performance (excluding Southern Cross) Summary

A\$M



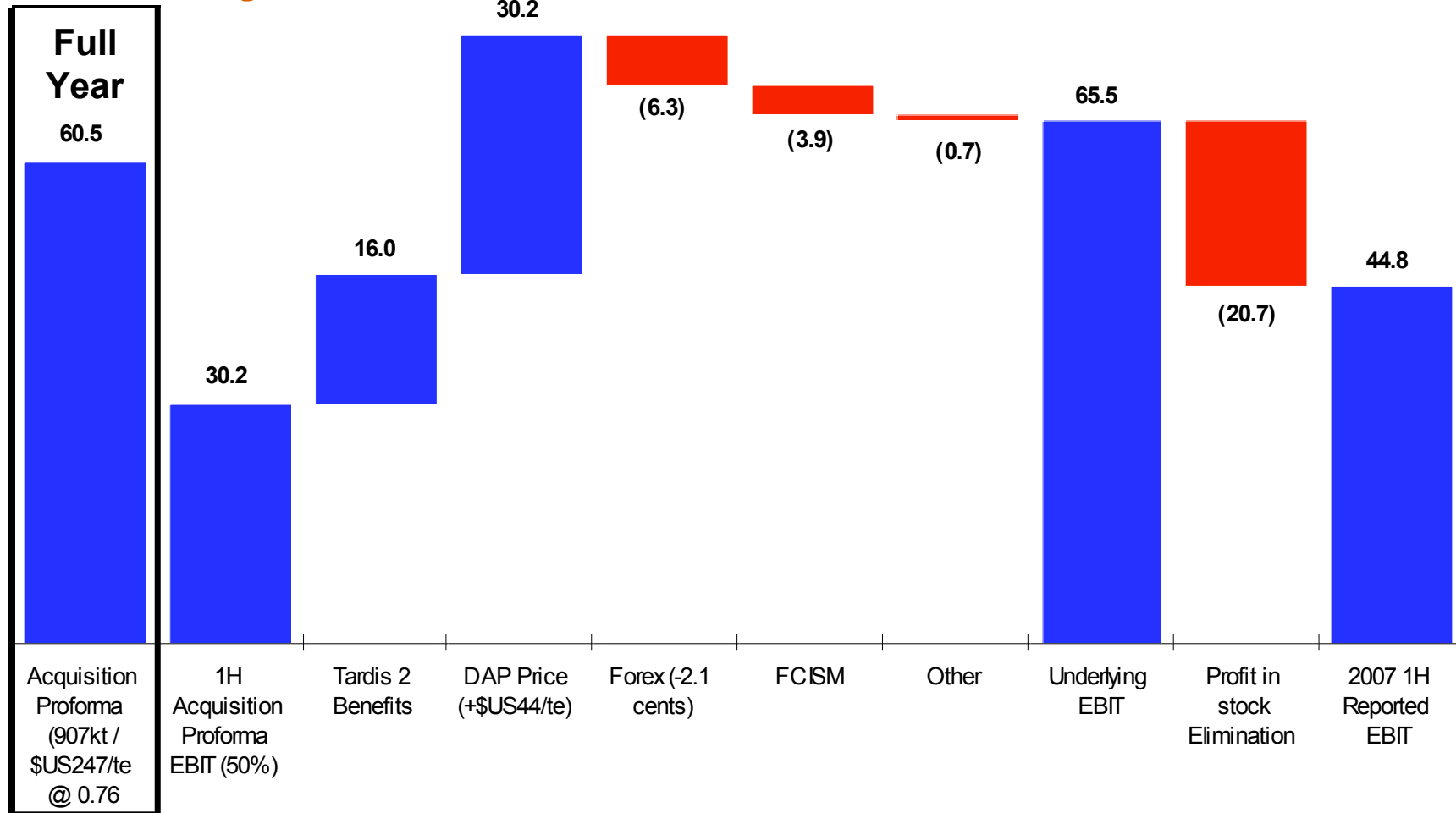
An extraordinary result in adverse conditions

* FCISM: Fixed Cost in Stock Movement



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1H Southern Cross Performance Summary A\$M



Integrated & operating efficiently



Tardis 2 – Business Efficiency Program Revised EBIT Targets

A\$M	2007 Forecast	2007 Exit rate	2008 Exit rate
Manufacturing efficiency	8.5	14.2	14.2
GI Gas	0.0	15.0	15.0
Supply chain optimisation	6.9	9.1	20.0
SCF efficiency	29.6	35.6	39.0
TOTAL	45.0	73.9	88.2
Promise	15 - 20	50.9	83.0

Accelerated delivery of business efficiencies



Individually Material Items

A\$M	Pre tax	Post tax
Sale & Leaseback*	13.7	9.6
Write-back of SCF acq. provisions	2.5	1.8
Business Efficiency Implementation	(2.4)	(1.7)
Orica Separation & SCF integration	(0.3)	(0.2)
Wallaroo clean up & pre-sale costs	(2.7)	(1.9)
Total	10.8	7.6**

* Ammonia linehaul and Big N depot to farm fleet

** A further \$5M (after tax) in business efficiency costs to be recognised in 2H

Disciplined capital management

Sustenance Capex

\$12.8M (77% of depreciation)

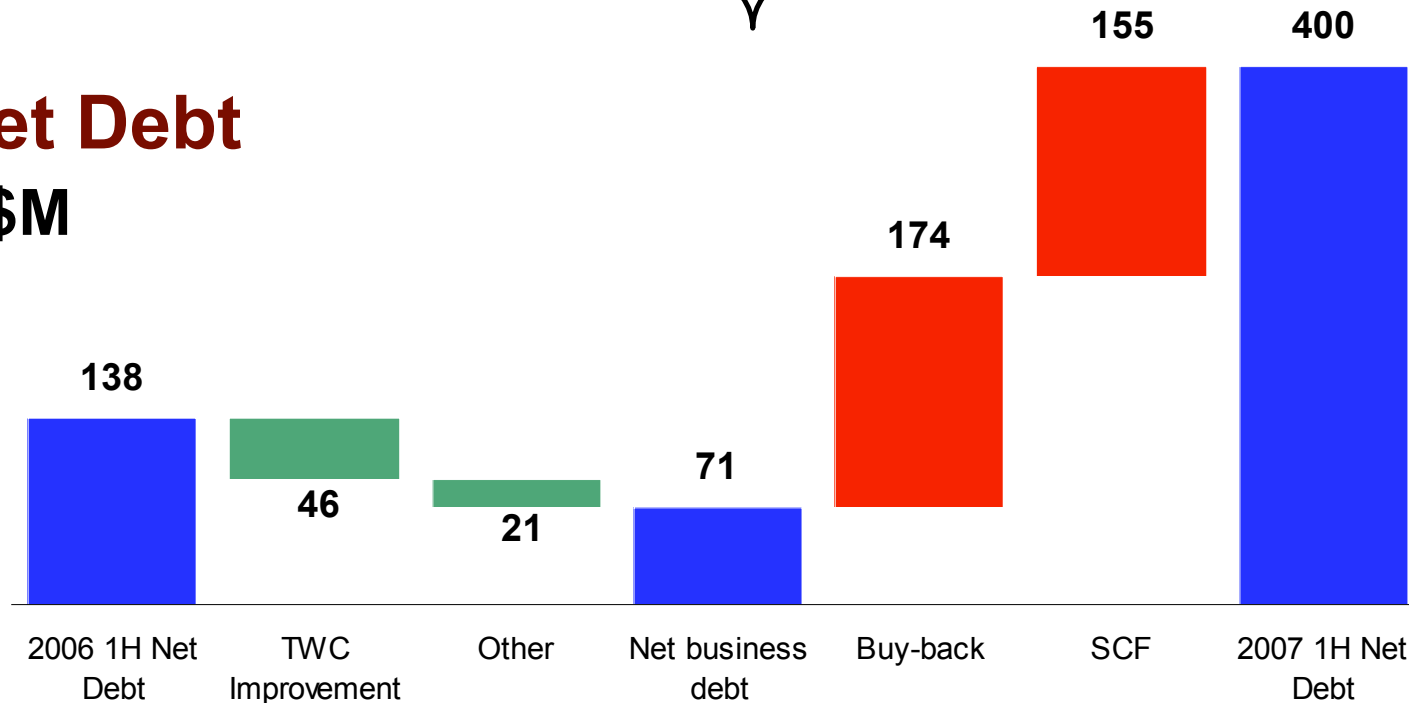
Project Capex

\$40.3M – GI Reset, Southern Cross, IT for Orica separation

Trade Working Capital

\$45.9M reduction

Net Debt A\$M



Strong cash generation through financial discipline



Disciplined capital management

- ✓ Trade working capital down \$46M
- ✓ Tight control of sustenance capital spending
- ✓ Sale and leaseback freeing up capital
- = Net business debt down \$67M, balance sheet moderately geared
- = Competitive dividend returns and reinvestment capacity to grow EPS

Delivering on our promises

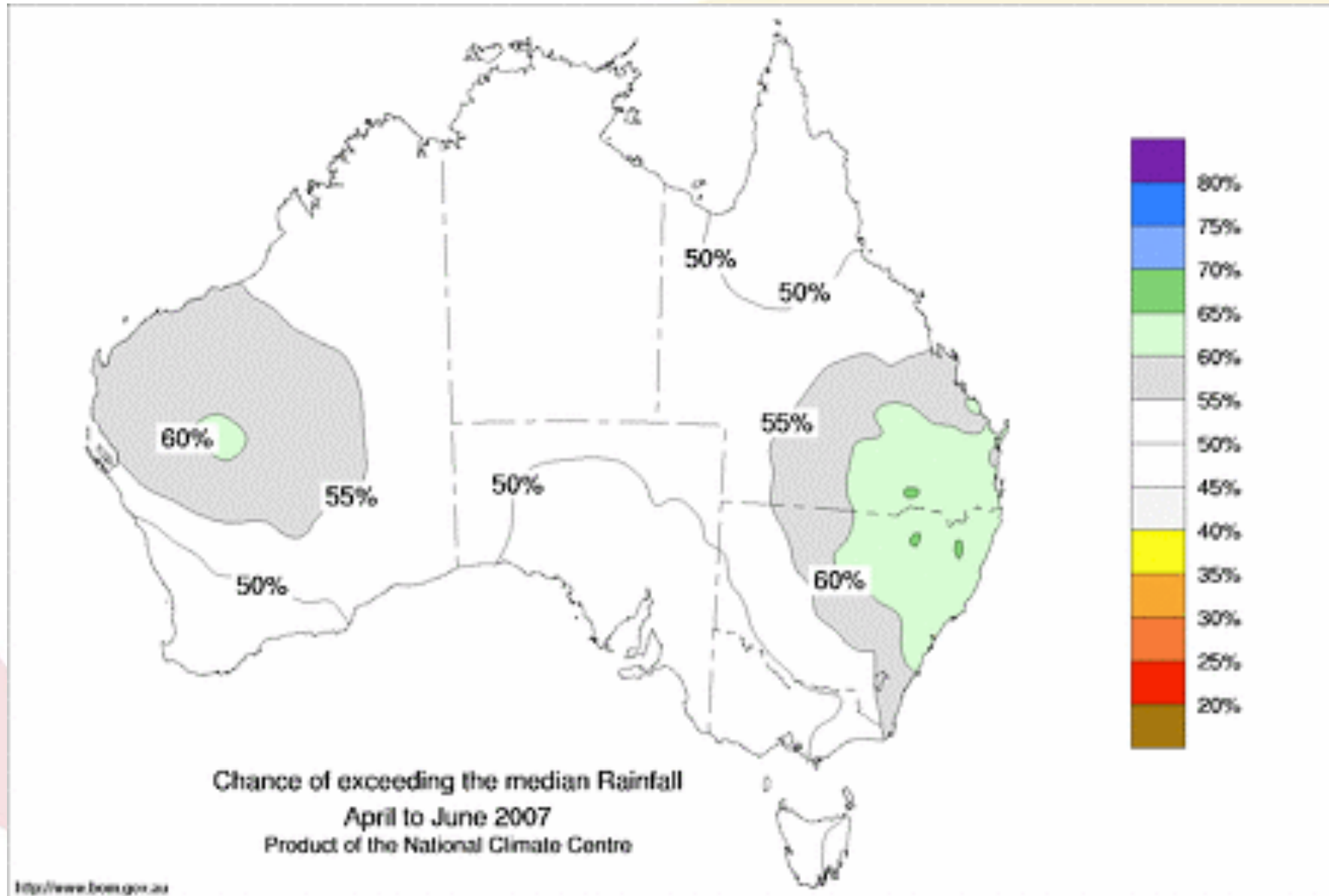


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Managing Director and CEO



Outlook - Probable Return to normal rainfall conditions: Rainfall (April to June 07)



Outlook Second Half 2007

- ✓ General easing of drought conditions.
- ✓ Normal rainfall outlook.
- ✓ Continued above trend global fertiliser prices.
- ✗ Cotton outlook extremely poor – poor/no irrigation allocation
- ✗ Strong Currency > 80 cents.
- ✗ \$10M in margin forgone due to the GI Reset

Cautious Optimism

Summary

- ✓ 1H earnings improvement driven by business efficiency and Southern Cross integration.
- ✓ Manufacturing generating > 80% of profit
- ✓ Gibson Island 'Reset 07' successfully completed.
- ✓ Continuing focus on delivery of Tardis.
- ✓ Maintenance of financial discipline – TWC & Capex – Investment capacity restored.
- ✓ Continued earnings momentum in 2H
- ✓ On track to exceed 18% RONA in 2007

Delivering on our promises





Questions?

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Appendices



2H 2007 Forecast cash inflows & outflows

Cash Outflows

Project capex

- Gypsum cell (\$2.6M)
- GI Reset (\$11.0M)
- GI Water (\$4.0M)

IT Capex (\$5.0M)

- SCF Integration, Orica separation, Supply Chain

Environmental (\$6.5M)

DB superannuation top-up (\$4.5M)

Demolition (\$4.0M)

Cash Inflows

Site Sales* (>\$20.0M)

* Q4 in 2007 or Q1 in 2008