

Incitec Pivot Limited

Results for the six months ended 31 March 2014

BUSINESS PERFORMANCE

Incitec Pivot Limited (“IPL”) reported Net Profit After Tax (“NPAT”) of \$115.7m, up \$7.9m from \$107.8m in the previous corresponding period (“pcp”).

KEY FINANCIALS

- NPAT increased by 7% or \$7.9m to \$115.7m (pcp: \$107.8m).
- Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) increased by 20% or \$50.0m to \$302.6m (pcp: \$252.6m), largely reflecting Moranbah earnings and cashflow growth.
- Earnings Before Interest and Tax (“EBIT”) increased by 14% or \$23.0m to \$193.1m (pcp: \$170.1m).
- Operating cash flows improved by \$24.7m to an outflow of \$39.9m (pcp: \$64.6m).
- Net Debt is \$1.66bn (31 March 2013: \$1.59bn) and sound credit metrics were maintained whilst investing in the Louisiana Ammonia plant: Net Debt/EBITDA 2.4 times (pcp: 2.3 times) and interest cover 7.5 times (pcp: 6.8 times).

SHAREHOLDER RETURNS

- Earnings per share (“EPS”) up 7% to 7.1cps (pcp: 6.6 cps).
- The interim dividend of 3.5cps (pcp: 3.4cps) reflects a payout ratio of 50% of NPAT and is franked to 75%.

BUSINESS SUMMARY

Explosives earnings were up 10% to \$159.8m (pcp: \$145.2m). The highlights were:

- Dyno Nobel Asia Pacific (“DNAP”) EBIT grew by 24%, driven by \$26m earnings growth from the Moranbah Ammonium Nitrate (“AN”) plant, partially offset by volume reductions in the more challenged hardrock and underground markets.
- Dyno Nobel Americas (“DNA”) explosives \$US EBIT grew by 7%, with the benefits of price improvements and efficiencies generated by the Group’s business efficiency program (“BEx”) partially offset by lower earnings from the coal segment. Overall, DNA \$US EBIT declined by 16% due to lower commodity prices impacting profit from the St Helens fertiliser plant.

Fertilisers EBIT was up marginally, at \$49.8m (pcp: \$48.9m). Key highlights were:

- The domestic distribution business delivered a solid result in the face of low average global fertiliser prices and drought in northern Australia.
- The impact of lower global fertiliser prices being mostly offset by the benefit of the weaker \$A.

\$Am	Six months ended 31 March		
	2014	2013 ⁽⁸⁾	Change
Reported earnings			
Sales Revenue	1,508.4	1,426.9	6%
EBITDA ⁽¹⁾	302.6	252.6	20%
EBIT ⁽²⁾	193.1	170.1	14%
NPAT attributable to shareholders	115.7	107.8	7%
Business EBIT			
Fertilisers	49.8	48.9	2%
Explosives	159.8	145.2	10%
Shareholder Returns			
Earnings per share (cents)	7.1	6.6	7%
Dividend per share (cents)	3.5	3.4	3%
Financing KPIs			
Operating cash flow s	(39.9)	(64.6)	38%
Net Debt ⁽⁷⁾	(1,663.5)	(1,587.2)	(5%)
Interest cover (times) ⁽⁴⁾	7.5	6.8	
Net Debt/EBITDA (times)	2.4	2.3	

RESTRUCTURE

The \$20m overhead reduction program announced in November 2013 is progressing as planned. The program is on track, delivering \$11m of savings and incurring \$8m of one-off implementation costs in the six months to 31 March 2014. The remaining restructure cost of approximately \$2m will be incurred during the remainder of the year.

BUSINESS EFFICIENCY

BEx, IPL’s continuous improvement program, delivered \$13m of benefits in the first half of 2014. The program is fully embedded in the businesses and has been primarily focussed on manufacturing and supply chain efficiencies.

STRATEGY HIGHLIGHTS

The Louisiana Ammonia Plant is progressing to plan. Safety, construction, long order lead items and costs are all on track. Total project capital expenditure is \$US850m; first production expected third quarter 2016; the plant is sold out from day one; and the key financial metrics are: 15% IRR and a 5 year payback.

2014 OUTLOOK

IPL does not provide profit guidance, due to the variability of global fertiliser prices and foreign exchange movements. A summary of the sensitivity of the Group's earnings to major global fertiliser prices and foreign exchange movements is provided on this page.

The following represents an outlook of business performance expectations for the 2014 financial year (excluding sensitivities):

DNA

- The Explosives business is expected to deliver modest growth in \$US earnings compared to the prior year. Coal production growth is expected in the Powder River and Illinois Basins following the cold winter, delivering up to 2% volume growth in coal in the second half. The Quarry and Construction ("Q&C") segment is expected to continue its modest growth, while Metals and Mining will most likely be flat. Global Initiating Systems ("IS") volumes are expected to continue to be down in the second half.
- Agriculture & Industrial Chemicals ("AG & IC") production volumes are expected to be consistent with 2013. As usual, earnings are subject to movements in global fertiliser prices and the \$A:\$US exchange rate.

DNAP

- Moranbah is expected to produce 300kt of AN, generating between \$100m and \$110m of EBIT.
- Outside of earnings growth generated from Moranbah, the earnings decline experienced in the first half of 2014 is expected to continue into the second half as customers continue their cashflow optimisation focus and strive to drive down costs through efficiency programs.

Fertilisers

The planned turnaround at Phosphate Hill and Mt Isa is underway. The impact on production will be higher than previous turnarounds as:

- Glencore Xstrata delayed its shut by 4 weeks which will limit the supply of sulphuric acid in June/July; and
- Following a detailed review of the 2010 shut, the final scope of the 2014 Phosphate Hill shut has been increased by several days.

Phosphate Hill 2014 production is now expected to be in the range of 770kt to 800kt. As with all significant maintenance events, emergent work may be identified, assessed and then completed when major plant items are inspected.

SENSITIVITIES

Full Year EBIT Sensitivities

IFF: Urea - Middle East Granular Urea (FOB) ⁽¹⁾	+/- \$US10/t = +/- \$A4.1M
SC: DAP - Di-Ammonium Phosphate Tampa (FOB) ⁽²⁾	+/- \$US10/t = +/- \$A9.5M
Forex - transactional (DAP & Urea) ⁽³⁾	+/- 1 cent = \$A6.2M
DNA: Urea (FOB) ⁽⁴⁾	+/- \$US10/t = +/- \$US1.8M
DNA: Forex - translation of Explosives earnings ⁽⁵⁾	+/- 1 cent = \$A2.0M

Assumptions:

- 405kt (Gibson Island Fertiliser name plate capacity) urea equivalent sales at 2013 realised price of \$US373 and the 2013 realised exchange rate of \$A/\$US 0.9957
- 950kt (Phosphate Hill name plate capacity) DAP sales at 2013 realised price of \$US482 and the 2013 realised exchange rate of \$A/\$US 0.9957
- DAP & Urea volumes & FOB price based on assumptions 1 & 2 (excludes impact of hedging)
- 180kt (St Helens name plate capacity - short tonnes) urea equivalent sales at 2013 NOLA Urea average price of \$US395 and the 2013 realised exchange rate of \$A/\$US 0.9957
- For each \$US200M EBIT

Overhead Restructure

The restructure will deliver \$20m of annual cost savings. One-off implementation costs of approximately \$10m will be incurred in 2014.

Hedging Program

The Group has hedged 90% of its estimated 2014 \$US Fertiliser sales at a rate of \$0.95, with full participation in positive rate movements below this level.

Interest and Tax

2014 net borrowing costs are expected to be approximately \$100m, assuming constant interest rates. The full year effective tax rate is expected to be consistent with the half year at around 23%.

IPL GROUP RESULT OVERVIEW

REVENUE

Sales revenues increased by \$81.5m to \$1,508.4m (pcp: \$1,426.9m). Significant movements included:

- Fertiliser revenue was lower, reflecting the net negative impact of lower global fertiliser prices and drought conditions in the northern region of Australia, offset by the lower \$A.
- Explosives revenue was higher, driven primarily by sales growth to Moranbah customers and the translation benefit of the lower \$A on DNA's \$US revenues.

Revenues \$Am	Six months ended 31 March		
	2014	2013 ^(B)	Change
Revenues			
- SCI	256.9	249.4	3%
- IPF	413.0	391.2	6%
- Elimination	(142.8)	(105.9)	(35%)
Fertilisers	527.1	534.7	(1%)
- DNAP	433.7	395.3	10%
- DNA	574.1	526.3	9%
- Elimination	(20.0)	(15.4)	(30%)
Explosives	987.8	906.2	9%
Elimination	(6.5)	(14.0)	54%
Total Revenues	1,508.4	1,426.9	6%

EBIT

EBIT increased by 14% or \$23.0m to \$193.1m (pcp: \$170.1m). Significant growth items were:

- \$26m: Moranbah EBIT growth (EBITDA growth of \$44m).
- \$13m: BEx efficiencies including: manufacturing and supply chain efficiencies in the fertiliser business (\$4m) and the explosives businesses (\$6m).
- \$8m: Positive impact of increased volume in the fertiliser businesses.
- \$11m: Lower corporate and administration costs, due to the overhead restructure program (refer to page 4 for further details).

Earnings Summary \$Am	Six months ended 31 March		
	2014	2013 ^(B)	Change
EBIT⁽²⁾			
- SCI	37.9	25.2	50%
- IPF	32.3	24.8	30%
- Elimination	(20.4)	(1.1)	
Fertilisers	49.8	48.9	2%
- DNAP	90.6	73.0	24%
- DNA	68.9	72.9	(5%)
- Elimination	0.3	(0.7)	
Explosives	159.8	145.2	10%
Corporate	(16.5)	(24.0)	31%
Total EBIT	193.1	170.1	14%
Net borrowing costs	(42.9)	(26.4)	(63%)
Tax expense	(34.5)	(35.8)	4%
NPAT	115.7	107.9	7%
Minority interests	0.0	(0.1)	(100%)
NPAT attributable to shareholders	115.7	107.8	7%

This growth was partially offset by the following:

- (\$9m): Net impact of global price movements. Negative \$53m due to lower global fertiliser prices: Ammonium Phosphates (-\$29m) and Urea (-\$24m). Partially offset by the positive impact (\$44m) of the lower \$A on earnings from \$US denominated fertiliser sales and translation of DNA's \$US earnings.
- (\$9m): Lower DNA explosives volumes into the coal segment and lower volume of initiating systems into global markets.
- (\$9m): Lower explosives volumes into DNAP's hard rock, underground and Hunter Valley markets and reduced emulsion tolling income in the Bowen Basin.
- (\$8m): Corporate and administration restructure implementation costs (refer to page 4 for further details).

Fertiliser profit in Stock Elimination

IPF holds SCI's DAP stock at each half year as it prepares for the upcoming planting of the winter crop season. This stock is transferred at import parity price. The \$19.3m growth in the elimination of profit in stock to \$20.4m (pcp: \$1.1m), reflects the higher year on year DAP price in the months of February and March 2014 as compared to the same months in 2013.

BORROWINGS AND INTEREST

- Net Debt increased by 5% or \$77m year on year to \$1.66bn (pcp: \$1.59bn). Since 30 September 2013, Net Debt has increased by \$386m to \$1.66bn (2013: \$1.28bn). The increase in Net Debt reflects the investment in the Louisiana Ammonia plant of \$182.4m (pcp: \$9m) and the seasonal increase in Trade Working Capital ("TWC") of \$245m.
- Net underlying interest expense decreased by \$7.2m to \$44.6m (pcp: \$51.8m), with an average interest rate in the first half of 5.2% (pcp: 5.9%). The lower interest expense was driven by a change in the mix of drawn debt.
- Capitalised interest reduced by \$21.4m to \$5.7m (pcp: \$27.1m). Capitalisation of interest relating to the Moranbah plant ended with the commissioning of the plant in 2013 (pcp: \$27.1m). Capitalised interest of \$5.7m in the current period related to the build of the Louisiana Ammonia plant (pcp: nil).
- Net borrowing costs includes a \$4m non-cash accounting expense for the unwinding of the discount applied to long term liabilities (pcp: \$1.7m).

TAX

Tax expense decreased by \$1.3m to \$34.5m (pcp: \$35.8m). This represents an effective tax rate of 23% (pcp: 24.9%). The reduction in effective tax rate is primarily due to a higher share of earnings coming from Australia, a lower corporate tax rate jurisdiction than the USA. The effective tax rate in future years is expected to be approximately 23%.

RETURNS TO SHAREHOLDERS

- The Directors have determined to pay an interim dividend of 3.5cps, franked to 75%, which will be paid on 1 July 2014. Franking credits will be paid out when available and, as a result, franking levels may vary in the future. The dividend represents a payout ratio of 50%.
- IPL recommenced its dividend reinvestment plan ("DRP") in 2013. A discount of 1.5% will be applied in determining the offer price under the DRP. The 2014 interim dividend will not be underwritten.

Borrowing Costs / Credit Metrics \$Am	Six months ended 31 March		
	2014	2013 ^(a)	Change
Underlying interest expense	(44.6)	(51.8)	14%
Non-cash unwinding of liabilities	(4.0)	(1.7)	(133%)
Total borrowing costs	(48.6)	(53.5)	9%
Less Capitalised Interest	5.7	27.1	(79%)
Net Borrowing Costs	(42.9)	(26.4)	(63%)
Interest cover (times) ⁽⁴⁾	7.5	6.8	
Net Debt/EBITDA (times)	2.4	2.3	

Return to Shareholders Cents per share (cps)	Six months ended 31 March		
	2014	2013 ^(a)	Change
Interim Dividend	3.5	3.4	3%
Franking (%)	75%	75%	
Record date: 22 May 2014 Dividend payment date: 1 July 2014			

CORPORATE COSTS

Corporate costs movement from the pcp is as follows:

	A\$M
2013 Half Year Corporate Costs	(24.0)
Includes:	
Restructure implementation costs	(7.8)
Head Office restructure savings	7.2
Net other	0.7
BEx & other costs transferred to businesses	7.4
2014 Half Year Corporate Costs	(16.5)

The overhead restructure announced in November 2013 is progressing well and on track to achieve \$20m of benefits. The net impact of the administration restructure in the 6 month period is:

Restructure impact for the six months ended 31 March 2014	A\$M
Savings recorded in:	
Head Office	7.2
DNAP	2.0
DNA	2.0
Total Savings	11.2
Restructure implementation costs	(7.8)
Net Restructure Impact	3.4

BALANCE SHEET

IPL's Balance sheet as at 31 March 2014 reflects ongoing financial discipline throughout the business. Key movements include:

- TWC is \$99m lower than 31 March 2013 (pcp: \$381m), reflecting a continued focus on cash management.
- TWC has increased by \$245m from 30 September 2013 to \$282m, reflecting the seasonal stock build in both the fertiliser and explosives businesses. The further improvement in the average thirteen month TWC as a percentage of the Group's annual revenues reflects IPL's continuous focus on efficient cash management.
- Net property plant and equipment increased by \$202m to \$3,236m from 30 September 2013. This increase is a result of capital expenditure on the Louisiana Ammonia plant of \$182m (including capitalised interest – refer cash flow) (pcp: \$9m) and sustenance capital expenditure of \$113m (pcp: \$61m), offset by a negative foreign currency translation of non \$A denominated assets of \$3.6m, depreciation of \$95.0m and disposals of \$5.2m.
- Intangible assets decreased by \$12m from 30 September 2013, due to amortisation of intangibles of \$14.6m, offset by a positive translation of foreign currency denominated intangible assets of \$3.1m.
- Net other liabilities/assets decreased by \$41m from September 2013 to a liability position of \$74m (2013: liability position of \$115m), largely due to: favourable market value movements and maturities of derivative hedging instruments, the normal increase in prepayments at March and movement in the retirement benefit obligation.

NET DEBT

At 31 March 2014, IPL's net debt was \$1.66bn (pcp: \$1.59bn), with committed headroom available of \$1.34bn (pcp: \$937m), representing the \$1.27bn undrawn Syndicated Bank Facility and cash on hand at 31 March 2014.

Balance Sheet \$Am	31-Mar 2014	31-Mar 2013 ⁽⁸⁾	30-Sep 2013 ⁽⁸⁾
Trade Working Capital - Fertilisers	48	126	(151)
Trade Working Capital - Explosives	234	255	188
Net property plant and equipment	3,236	2,772	3,034
Intangible assets	2,949	2,845	2,961
Environmental & restructure provisions	(114)	(134)	(127)
Tax liabilities	(329)	(364)	(292)
Net other (liabilities)/assets	(74)	67	(115)
Net Debt	(1,664)	(1,587)	(1,278)
Net Assets	4,286	3,980	4,220
Equity	4,286	3,980	4,220
Net tangible assets per share (\$)	0.81	0.70	0.77
Fertilisers - Average TWC % Rev ⁽⁵⁾	1.3%	9.2%	3.4%
Explosives - Average TWC % Rev ⁽⁵⁾	12.8%	15.0%	14.0%
Group - Average TWC % Rev ⁽⁵⁾	8.0%	12.4%	9.5%

MAJOR PROJECTS UPDATE

On 17 April 2013, IPL announced an investment of \$US850m to build an 800,000 metric tonne per annum ammonia plant in Louisiana, USA. The investment thesis remains firm. From late 2016, the project will drive significant earnings growth in DNA by capturing the US ammonia manufacturing margin. Construction of the plant began in August 2013 with production estimated to commence in the third quarter of 2016.

Albeit very early in the project, construction is progressing as planned. Piling is almost completed; the Ammonia tank base has been poured and the tank is partly constructed. Underground piping is being laid and construction of the ground infrastructure for the plant has commenced. 2014 capital expenditure is expected to be \$US360m. In addition, interest will be capitalised during construction.

CASH FLOW

Net operating cash flows improved by \$24.7m to an outflow of \$39.9m (pcp: \$64.6m), primarily due to:

- A 20% increase in Group EBITDA; and
- Lower net income tax paid, consistent with 2013 earnings.

Net investing cash outflows increased by \$147.3m to \$290.4m (pcp: \$143.1m). Significant movements included:

- Major growth capital spend of \$182.4m (pcp: \$9m) on the build of the Louisiana Ammonia plant.
- Other capital of \$109.4m (pcp: \$117.6m) is being tightly controlled to allow capital funding to be channelled into the Louisiana project. Spending on sustenance capital is \$113.3m (pcp: \$60.5m): the major items being the Phosphate Hill, Mt Isa and Moranbah shuts and the new gypsum cell at Phosphate Hill.

Net financing cash flows were an outflow of \$55.7m (pcp: \$148.7m), a decrease of 63%. Major financing cash flows included:

- Payment of dividends of \$54.9m (pcp: \$148.2m).
- A positive movement of \$8.7m on the translation of US debt, reflecting the lower translation rate at 31 March 2014 (pcp: \$0.2m gain), offset by the market value gains on derivatives.
- Non cash movement in Net Debt of negative \$1.4m (pcp: -\$1.9m).

Cash Flow Items \$Am	Six months ended 31 March		
	2014	2013 ^(b)	Change
Net operating cash flows			
Group EBITDA	302.6	252.6	20%
Net interest paid	(29.6)	(22.5)	(32%)
Net income tax paid	(6.0)	(29.0)	79%
TWC movement (excluding FX impact)	(244.3)	(221.0)	(11%)
Dyno Nobel profit from associates	(15.9)	(15.1)	(5%)
Environmental and site clean up	(13.4)	(9.0)	(49%)
Other Non TWC	(33.3)	(20.6)	(62%)
Operating cash flows	(39.9)	(64.6)	38%
Net investing cash flows			
Major growth capital			
Louisiana	(176.7)	(9.0)	
Louisiana capitalised interest	(5.7)	0.0	(100%)
Moranbah	0.0	(15.0)	100%
Moranbah capitalised interest	0.0	(27.1)	100%
Total major growth capital	(182.4)	(51.1)	(257%)
Other capital			
Minor growth capital	(10.1)	(61.6)	84%
Sustenance	(113.3)	(60.5)	(87%)
Proceeds from asset sales	14.0	22.6	38%
Other	0.0	(18.1)	100%
Total other capital	(109.4)	(117.6)	7%
Repayment of JV loans	6.0	10.8	(44%)
Proceeds from derivative hedge	(4.6)	14.8	(131%)
Investing cash flows	(290.4)	(143.1)	(103%)
Net financing cash flows			
Dividends paid	(54.9)	(148.2)	63%
Gain on translation of US Net Debt	8.7	0.2	
Realised market value (losses)/gains on hedge of borrowings	(8.1)	1.2	
Non-cash movement in Net Debt	(1.4)	(1.9)	26%
Financing cash flows	(55.7)	(148.7)	63%
Decrease / (increase) in Net Debt	(386.0)	(356.4)	
Opening balance Net Debt	<u>(1,277.5)</u>	<u>(1,230.8)</u>	
Closing balance Net Debt	(1,663.5)	(1,587.2)	

DYNO NOBEL AMERICAS (DNA)

BUSINESS PERFORMANCE (\$US)

DNA's \$US EBIT decreased by \$12.4m or 16% to \$63.2m (pcp: \$75.6m). Explosives earnings are up 7% and Agriculture and Industrial ("Ag & IC") is down 48%.

Significant drivers of the Explosives result include:

- (\$3m): Explosives sales volumes were down 2% with lower coal production being the most significant driver. A more detailed explanation is provided below.
- (\$5m): Impact of lower global sales of Initiating Systems ("IS"), primarily into Indonesia, Chile and Australia.
- \$7m: BEx benefits delivered with focus on supply chain, process improvement and AN and IS manufacturing.
- (\$2m): BEx costs now borne in the business unit, reported in corporate in the pcp.
- \$2m: Overhead and administration cost reduction.
- \$4m: Price improvement on supply of explosives into North America.

Significant drivers of the Ag & IC result include:

- (\$10m): Lower fertiliser prices, with average achieved New Orleans, Louisiana ("NOLA") Urea down 19% from the pcp.
- (\$5m): A negative impact of the increased gas price and slightly lower production as compared to the pcp, on the unit cost of fertiliser production.

MARKET SUMMARY

AN volumes sold were down 2%. The Explosives business sells product into the following major markets:

Coal

Coal accounted for 52% of total AN volumes (on a rolling year basis). In the first half of 2014, volumes were down 11%, reflecting the carryover impact of high coal inventories through to December 2013. Due to the extreme cold conditions in the US winter just passed, coal inventories have finally fallen below long term averages. A modest increase in coal production is expected in the second half driven by the Powder River Basin.

DNA	Six months ended 31 March		
	2014	2013 ⁽⁶⁾	Change
\$USm			
Revenues			
- Explosives ⁽³⁾	440.3	462.5	(5%)
- Agriculture and Industrial	83.2	83.5	(0%)
Total Revenues	523.5	546.0	(4%)
EBIT			
- Explosives ⁽³⁾	46.3	43.4	7%
- Agriculture and Industrial	16.9	32.2	(48%)
TOTAL EBIT	63.2	75.6	(16%)
\$Am			
Revenues ⁽³⁾	574.1	526.3	9%
EBIT ⁽³⁾	68.9	72.9	(5%)
Translation exch. rate - \$A/\$US	0.91	1.04	(13%)
Average NOLA Urea price (\$US short ton)	338	415	(19%)

Quarry & Construction

Q&C accounted for 17% of total AN volumes (on a rolling year basis). Overall, sales volumes were slightly up with some localised areas achieving more significant growth. Q&C volumes are driven by public construction, non-residential construction and the residential construction industries. While US residential starts are showing positive signs, DNA's leverage to this recovery is late cycle. DNA remains well positioned for the recovery in this market.

Metals & Mining

Metals and Mining accounted for 30% of the total AN volumes (on a rolling year basis). Sales volumes were flat with the pcp, reflecting a combination of the impact from extreme cold winter conditions, miners reducing spend by cutting capital expenditure and concentrating mining operations on high grade pits. With improved weather conditions, it is expected this market segment may deliver low single digit growth on a year on year basis.

Agriculture and Industrial Chemicals

EBIT fell by 48% or \$15.3m to \$16.9m in the first half (pcp: \$32.2m), as a result of: lower global fertiliser prices in the first half (\$10m), a higher average gas price during the extremely cold US winter and slightly lower production. The average achieved NOLA Urea price per short ton dropped 23% to \$US338 (pcp: \$US415).

DYNO NOBEL ASIA PACIFIC (DNAP)

BUSINESS PERFORMANCE

Reported EBIT increased by \$17.6m or 24% to \$90.6m (pcp: \$73m). Significant drivers of DNAP's result include:

- \$26m: Increased earnings from Moranbah, with production of 134kt in the six months. Total Moranbah earnings were \$49m (pcp: \$23m). EBITDA for the period was \$69.8m (pcp: \$26m).
- \$4m: Overhead and administration restructure benefits (\$2m) and BEx supply chain and fixed cost efficiencies (\$2m).
- (\$2m): BEx costs reported in corporate in the pcp.
- (\$6m): Softness in the Hardrock, Underground and PNG markets. See Market Summary below.
- (\$3m): Lost margin and cost increases arising from alternative sourcing of AN for the Western Australia market due to an outage at a domestic supplier.
- (\$3m): Volume lost in the Hunter Valley (final impact of the 2013 customer loss) and reduced income from emulsion tolling operations in the Bowen Basin.

MARKET SUMMARY

Total AN volumes were up 20%. The business sells product into the following markets:

Coal (East Coast incl. Moranbah)

Coal region sales accounted for 57% of total AN sales in the first half, up from 32% in the pcp. With limited cyclone activity and comparably dry conditions, Bowen Basin volumes were strong in the six months but product mix was negatively impacted by the dry conditions. The final impact of the 2013 Hunter Valley customer loss was felt in this segment.

Iron Ore (Western Australia)

Iron Ore sales accounted for 27% of the AN volumes. Sales volumes increased by 20% over the pcp. Earnings in this region were adversely impacted by both margin reduction related to the four month force majeure outage at a domestic supplier and cost focused customers moving to lower cost product and services at some sites. Looking forward, this will be an increasingly challenging market with impending over capacity of regionally produced AN.

DNAP	Six months ended 31 March		
	2014	2013 ^(B)	Change
\$Am			
Revenues ^(B)	433.7	395.3	10%
EBIT			
- Moranbah	49.0	23.0	113%
- Base ^(B)	41.6	50.0	(17%)
TOTAL EBIT	90.6	73.0	24%

Hard Rock & Underground

Hard Rock and Underground sales accounted for 4% of the AN volumes in this period. In the face of lower commodity prices (particularly gold), AN volumes were 46% lower in the six months. In order to focus on cash flow optimisation, customers reduced mining costs by closing mines, moving mining operations to higher grade pits, processing stockpiles and scaling back development of underground block caving operations.

Indonesia and PNG

These markets accounted for 12% of the AN volumes on a rolling 12 month basis. In this period, volumes grew modestly in Indonesia and fell in PNG due to a customer in the gold sector reducing mining activities and processing stockpiles.

MORANBAH AN PLANT UPDATE

Notwithstanding the reliability works completed in the March/April shut, the Moranbah plant has performed well in the first six months of 2014 producing 134kt. The ramp up is now complete and the plant is fully operational.

Moranbah is expected to produce 300kt in 2014 with EBIT expected to be \$100m to \$110m and EBITDA of \$140m to \$150m.

Based on anticipated contracted volumes, in 2015, Moranbah is projected to produce 330kt, EBITDA of \$198m (initial projection \$201m) and EBIT of \$150m (initial projection \$165m). The variance from the initial projections is primarily due to additional depreciation of \$12m relating to the recent shut and other capital variations from the business case. The forecast does include a \$10m carbon tax rebate benefit that may be lost if the carbon tax were to be repealed. However, this loss would be offset by benefits elsewhere in the group (primarily in SCI).

Given the minor impact on cashflow, the Moranbah investment thesis remains intact.

INCITEC PIVOT FERTILISERS (IPF)

BUSINESS PERFORMANCE

IPF's EBIT increased by \$7.5m or 30% to \$32.3m (pcp: \$24.8m). Factors impacting the result include:

- (\$14m): Lower commodity prices. Lower global fertiliser prices, with Urea averaging US\$332/t (pcp: US\$417/t).
- \$7m: A lower average \$A:\$US exchange rate of \$0.91 (pcp: \$1.04).
- \$8m Profit on sale of Port Adelaide distribution centre.
- \$3m: The margin benefit of higher volume sold through the distribution business in the first quarter offset by the mix impact of stronger sales in the Pasture & Dairy markets (lower margin) in the southern region (see Market Summary).
- \$3m: \$4m gross BEx efficiencies generated in manufacturing and the supply chain, offset by \$1m of BEx costs reported in corporate in the pcp.

MARKET SUMMARY

The IPF business sells product into the following major markets:

Summer Crop

Volumes sold into the summer crop were up 8% against the pcp. The improved early season weather conditions in the southern region of Australia and low fertiliser prices in the first quarter helped deliver the strong volume growth in the six months. However, dry conditions turning to drought in the northern region of Australia negatively impacted cotton and sorghum planting. Northern region volumes were 8% down in the first half as a result of ongoing drought conditions.

Pasture & Dairy

Pasture and Dairy volumes were strong in the first half, 31% up on the pcp. Improved early season weather conditions, stronger commodity prices and early sales of SSP helped deliver this strong growth. SSP sales volumes were up by 50kt on the pcp (especially in the first quarter), due to stronger milk prices and early season rainfall. Assuming normal weather conditions, second half volume is expected to be flat with the pcp.

Incitec Pivot Fertilisers	Six months ended 31 March		
	2014	2013 ⁽⁶⁾	Change
\$Am			
Revenue	413.0	391.2	6%
EBIT	32.3	24.8	30%
IPF - KPIs			
Tonnes Sold '000's	826	693	19%
Middle East Granular Urea (\$US/t)	332	417	(20%)
Average exchange rate - \$A/\$US	0.91	1.04	13%
Urea equivalent production sold via IPF	157	150	5%

Winter Crop

Early season sales made in the first half of the financial year were stronger than the pcp. In the southern region, the combination of very low fertiliser prices and good weather conditions lead to strong sales in the first quarter. This has had the effect of bringing some volume forward into the first half of the year.

Rain in late March and April, especially in the southern region, helped restore moisture to farming land and considerably improved the outlook for the second half winter crop. At this early stage of the season, demand looks to be consistent with an average second half.

SOUTHERN CROSS INTERNATIONAL (SCI)

BUSINESS PERFORMANCE

SCI's EBIT increased by \$12.7m or 50% to \$37.9m (pcp: \$25.2m). The highlights of SCI's result include:

Phosphate Hill EBIT increased by \$13.1m to \$18.3m (pcp: \$5.2m). Significant factors included:

- (\$29m): Lower DAP prices which averaged \$US434/t (pcp: \$US506/t).
- \$27m: A lower average \$A:\$US of 0.91 (pcp: 1.04) resulted in higher revenues.
- \$7m: Net impact of higher global freight rates and BEx initiatives to lower logistics costs.
- \$5m: Lower cost per tonne due to the additional volume in the current period and other cost reduction initiatives.
- (\$2m): BEx costs reported in corporate in the pcp.
- \$4m: Lower sulphur and sulphuric acid prices and higher metgas capture compared to the pcp.

Industrial & Trading EBIT remained constant at \$19.5m with the benefit of higher fertiliser prices in the second quarter offset by lower volume over the half.

Southern Cross International	Six months ended 31 March		
	2014	2013 ^(B)	Change
SCI Tonnes '000's			
Phosphate Hill production sold	371	330	12%
Industrial & Trading	161	197	(18%)
SCI Revenue \$Am			
Phosphate Hill production sold	203.1	176.8	15%
Industrial & Trading	52.0	70.4	(26%)
Quantum	1.8	2.2	(18%)
Total	256.9	249.4	3%
SCI EBIT \$Am			
Phosphate Hill plant	18.3	5.2	252%
Industrial & Trading	19.5	19.5	0%
Quantum	0.1	0.5	(80%)
Total	37.9	25.2	50%
SCI KPIs			
Average DAP Tampa (\$US/t)	434	506	(14%)
Freight margin net of distribution (\$A/t) ^(B)	29.5	11.2	163%
Average exchange rate \$A/\$US	0.91	1.04	(13%)
Phosphate Hill Production Tonnes ('000's)	396	363	9%

Quantum EBIT decreased by \$0.4 to \$0.1m (pcp: \$0.5m). The value of the Quantum business to IPL continues to be generated from factors outside of its EBIT result: achieving higher prices on exported DAP; reducing pricing and margin risk; better procurement of key imports such as sulphuric acid; reducing TWC by providing alternate channels to market when domestic demand falls short of forecast; and shorter lead times on additional imports when domestic demand exceeds forecast.

Workplace Health and Safety

In line with IPL's core Value "Zero Harm for Everyone, Everywhere", IPL has an objective of Zero Injuries. The Group's Total Recordable Injury Frequency Rate for the rolling twelve months ("TRIFR") to 31 March 2014 fell to 1.15 (pcp: 1.29).

IPL continues to implement its five year health and safety strategy to deliver on its commitment to achieving a workplace where all injuries and environmental incidents can be prevented.

IPL has recently introduced the Safety Partners training program and commenced rollout across the Manufacturing, Fertilisers and Explosives divisions. Safety Partners is an innovative group-wide program that incorporates a unique blend of best practice processes aimed at creating a deeper relationship between employees, leaders and safety.

Sustainability & Environment

IPL remains committed to creating long term economic value while caring for its people, communities and the environment. The Group's Sustainability Report, published in December 2013 and prepared in accordance with the Global Reporting Initiative, details achievements to date, including the implementation of IPL's Community Investment Framework and Indigenous Engagement Strategy and the realisation of Australian energy and waste reduction targets, ahead of schedule.

A key focus in the current regulatory climate is continuing to meet the Company's current commitments under the Carbon Pricing Mechanism and working with the Australian Federal Government to ensure an equitable outcome on future energy and carbon policy. IPL has participated in discussions with Government in relation to the Direct Action Plan, Energy Policy and the Carbon Farming Initiative. IPL invests in both operating and capital expenditure to reduce carbon emissions from its Australian manufacturing plants. These costs are not incurred by IPL's import competitors.

In the USA, the new Louisiana Ammonia plant will be among the cleanest globally and the Group continues to investigate opportunities to capture residual carbon emissions for sale into industrial markets.

The IPL Group's current global carbon footprint of 2.8 million tonnes of carbon dioxide equivalent is representative of the scale and capacity of its manufacturing plants and, in particular the energy intensive nature of the nitrogen derived products manufactured by IPL which use natural gas as the feedstock.

Further Information:

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

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

NOTE & DEFINITIONS: Numbers in this report are subject to rounding.

Page 11

1. EBITDA = Earnings before Interest, Tax, Depreciation and Amortisation, excluding individually material items ("IMIs")
2. EBIT = Earnings before Interest and Tax, excluding IMIs
3. As a part of the Group's restructure in the first six months, the Turkey explosives business ("Nitromak") now forms part of the DNAP reporting segment, previously formed part of the DNA reporting segment. The comparative financial information in the DNA and DNAP sections of this report has been updated to reflect this change. The impact is \$A5.5m of EBIT was reclassification from DNA to DNAP.
4. Interest cover = Average 12 month rolling EBITDA/Net interest expense before accounting adjustments
5. Average TWC % Rev = 13 month average trade working capital / Annual Revenues
6. Freight margin net of distribution costs = The average freight margin on product sold into domestic and export markets, less the costs of the Townsville distribution site.
7. In the financial year 2013, the definition of "Net Debt" was broadened to aggregate 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.
8. Comparative information has been restated as a result of adopting the revised Australian Accounting Standard, AASB 119 "Employee Benefits" that became effective for the Group during the six months ended 31 March 2014.

INCITEC PIVOT LIMITED FINANCIAL PERFORMANCE	March 2014 HY \$mill	September 2013 FY \$mill	September 2013 HY \$mill	March 2013 HY \$mill	September 2012 FY \$mill	September 2012 HY \$mill	March 2012 HY \$mill	September 2011 FY \$mill	September 2011 HY \$mill	March 2011 HY \$mill	September 2010 FY \$mill	September 2010 HY \$mill
VOLUMES ('000's tonnes)												
Incitec Pivot Fertilisers	825.5	2,005.0	1,311.9	693.1	2,002.0	1,224.0	778.0	1,892.0	1,184.7	707.3	1,728.0	940.0
Southern Cross International												
Manufactured AP's	371.0	790.0	460.0	330.0	879.0	508.0	371.0	929.0	575.2	353.8	902.0	470.0
Traded & Non-AP's	32.0	121.0	72.1	48.9	115.0	66.0	49.0	84.0	13.6	70.4	211.0	126.0
Industrial Chemicals	129.0	295.0	147.0	148.0	323.0	182.0	141.0	284.0	154.5	129.5	251.0	119.0
Quantum - open sales	473.0	1,609.0	1,180.0	429.0	2,554.0	2,449.0	105.0	2,602.0	2,551.4	50.6	-	-
Intercountry Eliminations	(253.0)	(360.0)	(162.0)	(198.0)	(264.0)	(106.0)	(158.0)	(294.0)	(127.5)	(166.5)	(286.0)	(58.0)
BUSINESS SEG SALES												
Incitec Pivot Fertilisers	413.0	1,095.4	704.3	391.2	1,159.1	717.1	442.0	1,185.5	762.1	423.4	885.9	506.8
Southern Cross International	256.9	562.9	313.5	249.4	731.9	369.6	362.3	877.6	537.2	340.4	647.1	367.2
Fertilisers Eliminations	(142.8)	(192.9)	(86.9)	(105.9)	(160.3)	(63.1)	(97.2)	(193.8)	(82.9)	(110.9)	(145.4)	(34.3)
Fertilisers	527.1	1,465.4	930.9	534.7	1,730.7	1,023.6	707.1	1,869.3	1,216.4	652.9	1,387.6	839.7
Dyno Nobel Americas	574.1	1,127.7	601.4	526.3	1,172.2	601.7	570.5	1,172.5	622.4	550.1	1,092.5	618.9
Dyno Nobel Asia Pacific	433.7	862.3	467.0	395.3	626.4	340.8	285.6	533.1	299.0	234.1	499.8	261.7
Explosives Eliminations	(20.0)	(33.4)	(18.0)	(15.4)	(28.4)	(14.7)	(13.7)	(27.5)	(14.8)	(12.7)	(48.2)	(25.0)
Explosives	987.8	1,956.6	1,050.4	906.2	1,770.2	927.8	842.4	1,678.1	908.6	771.5	1,544.1	855.6
Group Elimination	(6.5)	(18.3)	(4.3)	(14.0)	-	1.3	(1.3)	(2.1)	(2.1)	-	-	-
Total Sales - IPL Group	1,508.4	3,403.7	1,977.0	1,426.9	3,500.9	1,952.7	1,548.2	3,545.3	2,120.9	1,424.4	2,931.7	1,695.3
GEOGRAPHIC SEG SALES												
Australia	896.7	2,189.5	1,326.6	863.0	2,316.3	1,384.1	932.2	2,303.6	1,432.8	870.8	1,871.8	1,096.1
North Americas	540.1	1,064.1	571.8	492.3	1,030.8	529.2	501.6	1,036.0	547.9	488.1	1,006.2	565.2
Turkey	41.0	80.9	45.5	35.4	78.1	39.5	38.6	82.9	46.1	36.8	14.8	14.8
Other	30.6	69.2	33.1	36.2	75.7	(0.1)	75.8	122.8	94.1	28.7	38.9	19.2
Total - IPL Group	1,508.4	3,403.7	1,977.0	1,426.9	3,500.9	1,952.7	1,548.2	3,545.3	2,120.9	1,424.4	2,931.7	1,695.3
BUSINESS SEG EBITDA												
Incitec Pivot Fertilisers	47.9	129.9	88.6	41.4	124.1	106.2	17.9	156.0	93.8	62.2	141.6	75.2
Southern Cross International	49.7	97.5	59.4	38.1	203.6	125.6	78.0	353.3	229.4	123.9	236.9	158.2
Fertilisers Eliminations	(20.4)	3.0	4.1	(11.1)	3.3	7.7	(4.4)	(3.7)	15.8	(19.5)	(0.6)	17.8
Fertilisers	77.2	230.4	152.2	78.4	331.0	239.5	91.5	505.6	338.0	166.6	377.9	251.2
Dyno Nobel Americas	114.4	246.6	135.3	111.3	263.2	146.1	117.1	244.3	141.0	103.3	236.5	144.7
Dyno Nobel Asia Pacific	125.9	201.0	114.3	86.7	232.6	126.2	106.4	215.3	125.7	89.6	196.0	111.0
Explosives Eliminations	0.3	(1.1)	(0.4)	(0.7)	(2.0)	(1.0)	(1.0)	(0.4)	(0.4)	-	1.5	1.0
Explosives	240.6	446.5	249.2	197.3	493.8	271.3	222.5	459.2	266.3	192.9	434.0	256.7
Corporate	(15.2)	(29.3)	(6.2)	(23.1)	(69.9)	(46.7)	(23.2)	(44.5)	(33.5)	(11.0)	(24.6)	(17.2)
Total EBITDA - IPL Group	302.6	647.6	395.0	252.6	754.9	464.1	290.8	920.3	571.8	348.5	787.3	490.7
BUSINESS SEG Depreciation and Amortisation												
Incitec Pivot Fertilisers	(15.6)	(34.2)	(17.6)	(16.6)	31.8	16.1	15.7	27.2	13.7	13.5	29.2	14.3
Southern Cross International	(11.9)	(27.2)	(14.3)	(12.5)	28.3	13.1	14.9	29.4	14.4	14.5	14.3	9.4
Fertilisers Eliminations	(27.4)	(61.4)	(31.9)	(29.5)	60.1	29.5	30.6	56.6	29.6	28.0	43.5	23.7
Fertilisers	(45.5)	(81.7)	(43.3)	(43.3)	72.6	38.0	34.6	70.5	34.3	36.2	73.3	37.5
Dyno Nobel Americas	(35.3)	(38.7)	(25.0)	(13.7)	21.3	10.9	10.4	19.9	10.1	9.8	20.0	10.2
Dyno Nobel Asia Pacific	(80.8)	(120.4)	(68.3)	(52.1)	93.9	48.9	45.0	90.4	44.4	46.0	93.3	47.7
Corporate	(1.3)	(1.9)	(1.0)	(0.9)	1.8	1.0	0.8	1.2	0.5	0.7	2.2	1.1
Total Depreciation and Amortisation - IPL Group	(109.5)	(183.7)	(101.2)	(82.5)	155.8	79.4	76.4	148.2	73.5	74.7	139.0	72.5
BUSINESS SEG EBIT												
Incitec Pivot Fertilisers	32.3	95.8	71.0	24.8	92.3	90.1	2.2	128.8	80.1	48.7	112.4	60.9
Southern Cross International	37.9	70.3	45.1	25.2	175.3	112.2	63.1	323.9	214.5	109.4	222.6	148.8
Fertilisers Eliminations	(20.4)	3.0	4.1	(11.1)	3.3	7.7	(4.4)	(3.7)	15.8	(19.5)	(0.6)	17.8
Fertilisers	49.8	169.1	120.2	48.8	270.9	210.0	60.9	449.0	310.4	138.6	334.4	227.5
Dyno Nobel Americas	68.9	164.9	92.0	72.9	190.6	108.1	82.5	173.8	106.7	67.1	163.2	107.2
Dyno Nobel Asia Pacific	90.6	162.3	89.3	73.0	211.3	115.3	96.0	195.4	115.6	79.8	176.0	100.8
Explosives Eliminations	0.3	(1.1)	(0.4)	(0.7)	(2.0)	(1.0)	(1.0)	(0.4)	(0.4)	-	1.5	1.0
Explosives	159.8	326.1	180.9	145.2	399.9	222.4	177.5	368.8	221.9	146.9	340.7	209.0
Corporate	(16.5)	(31.3)	(7.3)	(24.0)	(71.7)	(47.7)	(24.0)	(45.7)	(34.0)	(11.7)	(26.8)	(18.3)
Total EBIT - IPL Group	193.1	463.9	293.6	170.1	599.1	384.7	214.4	772.1	496.3	273.8	648.3	418.2
GEOGRAPHIC SEG NON-CURRENT ASSETS OTHER THAN FINANCIAL INSTRUMENTS AND DEFERRED TAX ASSETS												
Australia	3,742.4	3,739.0	3,739.0	3,714.5	3,659.0	3,659.0	3,346.7	3,170.2	3,170.2	2,842.5	2,702.5	2,702.5
North Americas	2,606.2	2,420.3	2,420.3	2,039.2	2,074.9	2,074.9	2,028.3	2,129.6	2,129.6	2,042.5	2,195.4	2,195.4
Turkey	43.3	46.1	46.1	86.8	88.4	88.4	126.7	129.6	129.6	137.9	153.6	153.6
Other	106.3	102.3	102.3	92.6	99.7	99.7	92.3	97.0	97.0	84.4	76.9	76.9
Total - IPL Group	6,498.2	6,307.7	6,307.7	5,933.1	5,922.0	5,922.0	5,594.0	5,526.4	5,526.4	5,107.3	5,128.4	5,128.4
FINANCIAL PERFORMANCE												
EBIT	193.1	463.9	293.8	170.1	599.1	384.7	214.4	772.1	498.3	273.8	648.3	418.2
Net Interest	(42.9)	(69.6)	(43.2)	(26.4)	(55.5)	(28.0)	(27.5)	(58.2)	(28.4)	(29.8)	(53.0)	(21.8)
Operating Profit Before Tax and Minorities	150.2	394.3	250.6	143.7	543.6	356.7	186.9	713.9	469.9	244.0	595.3	396.4
Income Tax Expense	(34.5)	(97.6)	(61.8)	(35.8)	(141.6)	(94.5)	(47.1)	(179.7)	(115.2)	(64.5)	(150.8)	(98.1)
NPAT pre Individually Material Items	115.7	296.7	188.8	107.9	402.0	262.2	139.8	534.2	354.7	179.5	444.5	298.3
Individually Material Items Before Tax	-	(41.5)	(41.5)	-	168.1	168.1	-	(92.5)	(73.3)	(19.2)	(55.4)	(34.9)
Tax effect of Individually Material Items	-	115.1	115.1	-	(62.1)	(62.1)	-	25.6	19.4	6.2	23.1	16.7
NPAT & Individually Material Items	115.7	370.3	262.4	107.9	508.0	366.2	139.8	467.3	300.8	166.5	412.2	280.1
NPAT attributable to shareholders of IPL	115.7	369.7	261.9	107.9	510.7	367.2	143.5	465.2	297.6	165.6	410.5	278.1
NPAT attributable to minority interest	-	0.6	0.5	0.1	(2.7)	1.0	(3.7)	4.1	3.2	0.9	1.7	2.0

Note i) Where applicable, balances have been adjusted to disclose them on the same basis as current period numbers.

INCITEC PIVOT LIMITED FINANCIAL POSITION	March 2014 HY \$mill	September 2013 FY \$mill	September 2013 HY \$mill	March 2013 HY \$mill	September 2012 FY \$mill	September 2012 HY \$mill	March 2012 HY \$mill	September 2011 FY \$mill	September 2011 HY \$mill	March 2011 HY \$mill	September 2010 FY \$mill	September 2010 HY \$mill
Cash	68.7	270.6	270.6	37.0	154.1	154.1	40.3	379.7	379.7	116.5	48.7	48.7
Inventories	509.7	435.6	435.6	538.0	403.7	403.7	577.8	477.9	477.9	606.0	336.2	336.2
Trade Debtors	332.1	331.3	331.3	337.7	357.1	357.1	375.6	431.5	431.5	396.1	432.3	432.3
Trade Creditors	(559.5)	(729.6)	(729.6)	(494.8)	(600.7)	(600.7)	(452.7)	(630.1)	(630.1)	(503.4)	(476.7)	(476.7)
Trade Working Capital	282.3	37.3	37.3	380.9	160.1	160.1	500.7	279.3	279.3	498.7	291.8	291.8
Net Property, Plant & Equipment	3,235.2	3,033.5	3,033.5	2,771.6	2,738.7	2,738.7	2,447.1	2,289.8	2,289.8	2,015.8	1,853.2	1,853.2
Intangibles	2,949.0	2,961.0	2,961.0	2,844.5	2,845.2	2,845.2	2,782.8	2,942.3	2,942.3	2,823.0	3,010.0	3,010.0
Net Other Assets	(408.6)	(428.5)	(428.5)	(383.4)	(425.7)	(425.7)	(428.3)	(615.9)	(615.9)	(425.6)	(446.6)	(446.6)
Net Interest Bearing Liabilities												
Current	(35.3)	(33.5)	(33.5)	(119.6)	(125.7)	(125.7)	(105.6)	(95.7)	(95.7)	(98.6)	(108.5)	(108.5)
Non-Current	(1,805.8)	(1,620.6)	(1,620.6)	(1,551.1)	(1,315.3)	(1,315.3)	(1,569.0)	(1,472.8)	(1,472.8)	(1,373.7)	(1,037.3)	(1,037.3)
Net Assets	4,285.5	4,219.8	4,219.8	3,979.9	4,031.4	4,031.4	3,668.0	3,706.7	3,706.7	3,556.1	3,611.3	3,611.3
Total Equity	4,285.5	4,219.8	4,219.8	3,979.9	4,031.4	4,031.4	3,668.0	3,706.7	3,706.7	3,556.1	3,611.3	3,611.3
Capital Expenditure (Accruals Basis)												
Total Capital Expenditure	309.3	419.7	294.4	125.3	626.2	358.2	268.0	612.2	335.2	277.0	359.3	268.3
Depreciation and amortisation	109.5	183.7	101.2	82.5	155.8	79.4	76.4	148.2	73.5	74.7	139.0	72.5
Ratios												
EPS, cents pre individually material items	7.1	18.2	11.6	6.6	24.8	16.0	8.8	32.5	21.5	11.0	27.3	18.3
EPS, cents post individually material items	7.1	22.7	16.1	6.6	31.4	22.6	8.8	28.4	18.2	10.2	25.3	17.1
DPS, cents	3.5	9.2	5.8	3.4	12.4	9.1	3.3	11.5	8.2	3.3	7.8	6.0
Franking, %	75%	75%	75%	75%	68%	75%	50%	0%	0%	0%	0%	0%
Interest Cover (times)	7.5	6.2	6.2	6.8	7.9	7.9	10.6	10.8	10.8	11.2	12.2	12.2
Gearing (net debt/net debt plus equity) ⁽ⁱⁱ⁾	28.0%	23.2%	23.2%	28.5%	24.2%	24.2%	30.8%	24.3%	24.3%	27.6%	23.3%	23.3%

Note i) Where applicable, balances have been adjusted to disclose them on the same basis as current period numbers.

Note ii) Interest cover is calculated as 12 month rolling EBITDA/12 month rolling interest cost (where interest cost is calculated as interest expense less unwind on provisions plus capitalised interest).

Note iii) In the financial year 2013, the definition of "Net Debt" was revised to aggregate interest bearing liabilities plus the fair value of derivative instruments in place to hedge the Group's interest bearing liabilities less cash and cash equivalents.

INCITEC PIVOT LIMITED CASH FLOWS	March 2014 HY \$mill Inflows/ (Outflows)	September 2013 FY \$mill Inflows/ (Outflows)	September 2013 HY \$mill Inflows/ (Outflows)	March 2013 HY \$mill Inflows/ (Outflows)	September 2012 FY \$mill Inflows/ (Outflows)	September 2012 HY \$mill Inflows/ (Outflows)	March 2012 HY \$mill Inflows/ (Outflows)	September 2011 FY \$mill Inflows/ (Outflows)	September 2011 HY \$mill Inflows/ (Outflows)	March 2011 HY \$mill Inflows/ (Outflows)	September 2010 FY \$mill Inflows/ (Outflows)	September 2010 HY \$mill Inflows/ (Outflows)
Net operating cash flows												
Group EBITDA	302.6	649.9	394.9	255.0	754.9	464.1	290.8	920.3	571.8	348.5	787.3	490.7
Net interest paid	(29.6)	(70.9)	(48.4)	(22.5)	(33.9)	(21.5)	(12.4)	(17.9)	(2.5)	(15.4)	(38.7)	(17.3)
Net income tax received/(paid)	(6.0)	(67.1)	(38.1)	(29.0)	(86.3)	(31.0)	(55.3)	(4.5)	(24.5)	20.0	(10.3)	(3.4)
TWC movement (excluding FX impact)	(244.3)	140.6	361.6	(221.0)	110.6	339.7	(229.1)	11.1	226.5	(215.4)	(34.3)	65.6
Moranbah provision release	-	-	-	-	(81.1)	(40.6)	(40.5)	(84.0)	(42.0)	(42.0)	(85.4)	(42.7)
Dyno Nobel profit from associates	(15.9)	(33.5)	(18.4)	(15.1)	(27.4)	(18.9)	(8.5)	(24.2)	(13.1)	(11.1)	(30.5)	(16.2)
Integration & restructuring costs	-	-	-	-	(10.8)	(4.1)	(6.7)	(53.4)	(34.2)	(19.2)	(52.0)	(31.5)
Environmental and site clean up	(13.4)	(23.8)	(14.8)	(9.0)	(21.7)	(15.4)	(6.3)	(20.2)	(12.1)	(8.1)	(5.0)	(3.0)
Other NTWC	(33.3)	19.3	42.3	(23.0)	16.5	75.8	(59.3)	(8.1)	(36.1)	28.0	(2.2)	7.5
Operating cash flows	(39.9)	614.5	679.1	(64.6)	620.8	748.1	(127.3)	719.1	633.6	65.3	528.9	449.7
Net investing cash flows												
Growth - Moranbah	-	(15.0)	-	(15.0)	(237.6)	(114.1)	(123.5)	(347.1)	(204.0)	(143.1)	(73.9)	(69.0)
Growth - Moranbah capitalised interest	-	(40.4)	(13.3)	(27.1)	(65.6)	(31.7)	(33.9)	(52.1)	(29.9)	(22.2)	(25.2)	(14.7)
Growth - Other	(10.1)	(99.7)	(38.1)	(61.6)	(146.6)	(94.5)	(52.1)	(43.0)	(30.0)	(13.0)	(18.5)	(12.1)
Capex - Louisiana project	(178.7)	(107.3)	(107.3)	-	-	-	-	-	-	-	-	-
Capex - Louisiana project capitalised interest	(5.7)	(2.0)	(2.0)	-	-	-	-	-	-	-	-	-
Sustenance	(113.3)	(169.7)	(109.2)	(60.5)	(154.7)	(97.4)	(57.3)	(204.4)	(80.7)	(123.7)	(198.7)	(131.8)
Proceeds from asset sales	14.0	24.1	1.5	22.6	10.0	2.5	7.5	37.9	34.4	3.5	19.0	17.2
Investments	-	-	-	-	(35.1)	(1.1)	(34.0)	(0.2)	(0.2)	-	(103.7)	(99.8)
Banked Gas	-	(18.1)	-	(18.1)	(22.1)	(22.1)	-	-	-	-	-	-
Other	1.4	38.7	22.1	16.6	50.4	16.2	34.2	1.1	21.7	(20.6)	-	-
Investing cash flows	(290.4)	(389.4)	(246.3)	(143.1)	(601.3)	(342.2)	(259.1)	(607.8)	(288.7)	(319.1)	(401.0)	(310.2)
Net financing cash flows												
Dividends paid	(54.9)	(203.6)	(55.4)	(148.2)	(187.3)	(53.7)	(133.6)	(151.4)	(53.7)	(97.7)	(18.3)	(18.3)
Gain/(Loss) on translation of US\$ Debt	8.7	(94.7)	(95.4)	0.7	141.7	11.3	74.3	12.3	(61.4)	73.7	48.0	39.2
Realised market value gains/(losses) on derivatives	(8.1)	1.7	0.5	1.2	5.3	5.3	-	-	8.0	(8.0)	201.3	27.3
Non-cash movement in Net Debt	(1.4)	24.8	17.6	7.2	(21.2)	(21.4)	0.2	(63.9)	(71.0)	7.1	7.4	(8.3)
Financing cash flows	(55.7)	(271.8)	(132.7)	(139.1)	(61.5)	(58.5)	(59.1)	(203.0)	(178.1)	(24.9)	238.4	39.9
Decrease/(increase) in net debt	(386.0)	(46.7)	300.1	(346.8)	(42.0)	347.4	(445.5)	(91.7)	167.0	(258.7)	366.3	179.4

Note 1) In the financial year 2013, the definition of "Net Debt" was revised to aggregate interest bearing liabilities plus the fair value of derivative instruments in place to hedge the Group's interest bearing liabilities less cash and cash equivalents.