Appendix 4D
Half-Year Report

Incitec Pivot Limited

ABN 42 004 080 264

Financial half-year ended (current period)	**Previous financial half-year ended** (previous corresponding period)
31 March 2018	31 March 2017

Results for announcement to the market

Extracts of the Incitec Pivot Limited results for the financial half-year ended 31 March 2018				**$A mill**
Revenues from ordinary activities	up	$Amill 147.5 (9.6%)	to	1,683.2
Net profit for the period attributable to members of Incitec Pivot Limited	down	$Amill 144.5 (95.0%)	to	7.6
Profit after tax excluding individually material items attributable to members of Incitec Pivot Limited	down	$Amill 5.0 (3.3%)	to	147.1

Dividends	**Amount per security cents**	**Franked amount per security cents**
Current period		
Interim dividend	4.50	nil
Previous corresponding period		
Interim dividend	4.50	nil
Year end dividend – 2017		
Final dividend	4.90	nil
Record date for determining entitlements to the interim dividend:	23 May 2018	
Payment date of interim dividend:	2 July 2018	

The Dividend Reinvestment Plan (DRP) has been suspended until further notice. The DRP will not be available for the 2018 interim dividend.

	Current period	**Previous corresponding period**
Net tangible asset backing per ordinary security	$1.02	$0.92

For the profit commentary and any other significant information needed by an investor to make an informed assessment of Incitec Pivot Limited's results please refer to the accompanying Incitec Pivot Limited Profit Report.

Additional Appendix 4D disclosure requirements can be found in the notes to Incitec Pivot Limited's half-year financial report and the half-year Directors' report.

The information should be read in conjunction with Incitec Pivot Limited's 30 September 2017 Annual Financial Report.

Conduit foreign income component:

Current period		*Previous corresponding period*	
Interim dividend		Interim dividend	
Ordinary	4.50 cents	Ordinary	4.50 cents
		Final dividend	
		Ordinary	4.90 cents

Half-Year Financial Report

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Directors’ Report

The Directors of Incitec Pivot Limited present their report together with the financial report for the half-year ended 31 March 2018 and the auditor’s review report thereon.

Directors

The Directors of the Company during the financial half-year and up to the date of this report are:

Name, qualification and special responsibilities	Period of directorship
Non-executive directors	
P Brasher BEc(Hons), FCA Chairman Chairman of the Nominations Committee Member of the Audit and Risk Management Committee	Appointed as a director on 29 September 2010 and appointed Chairman on 30 June 2012
J Breunig BS(Chemical Engineering), MBA Member of the Health, Safety, Environment and Community Committee	Appointed as a director on 5 June 2017
K Fagg FTSE, BE(Hons), MCom(Hons), Hon.DBus(UNSW), Hon.DChemEng(UQ) Chairman of the Remuneration Committee Member of the Health, Safety, Environment and Community Committee	Appointed as a director on 15 April 2014
B Kruger BEc Chairman of the Audit and Risk Management Committee Member of the Remuneration Committee	Appointed as a director on 5 June 2017
R McGrath BTP(Hons), MASc, FAICD Chairman of the Health, Safety, Environment and Community Committee Member of the Audit and Risk Management Committee Member of the Nominations Committee	Appointed as a director on 15 September 2011
G Smorgon AM B.Juris, LLB Member of the Nominations Committee Member of the Remuneration Committee	Appointed as a director on 19 December 2008
Executive directors	
J Johns B.S. Chemical Engineering, *magna cum laude* Managing Director & Chief Executive Officer Member of the Health, Safety, Environment and Community Committee	Appointment as Managing Director & CEO commenced on 15 November 2017
Former directors	
J Fazzino BEc(Hons), Adjunct Professor, La Trobe Business School	Appointed as a director on 18 July 2005 and as a Managing Director & CEO on 29 July 2009. Ceased as Managing Director & CEO on 14 November 2017
G Hayes MAppFin, GradDipACC, BA, ACA	Appointed as a director on 1 October 2014 and retired as a director on 21 December 2017

Review of operations

A review of the operations of Incitec Pivot Limited and its controlled entities (collectively the “Group”) during the half-year ended 31 March 2018 is contained in the accompanying Incitec Pivot Limited Profit Report.

Events subsequent to reporting date

Since the end of the half-year, in May 2018 the directors determined to pay an interim dividend for the Company of 4.5 cents per share on 2 July 2018. The dividend is unfranked (refer to note 8 in the half-year financial report).

Other than the matters reported above, as at the date of this report, the directors are not aware of any significant matter or circumstance that has arisen since 31 March 2018 that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Lead Auditor’s Independence Declaration

The lead auditor’s independence declaration is set out on page 4 and forms part of the Directors’ report for the half-year ended 31 March 2018.

Rounding

The Group is of a kind referred to in ASIC Legislative Instrument, ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission dated 24 March 2016 and, in accordance with that Legislative Instrument, the amounts shown in this report and in the accompanying half-year financial report have been rounded off, except where otherwise stated, to the nearest one hundred thousand dollars.

This report is made in accordance with a resolution of Directors.

Signed on behalf of the Board.

Paul V Brasher,
Chairman

Dated at Melbourne
this 9th day of May 2018

Deloitte.

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The Board of Directors
Incitec Pivot Limited
Level 8, 28 Freshwater Place
Southbank Victoria 3006

9 May 2018

Dear Board Members

Auditors Independence Declaration to Incitec Pivot Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Incitec Pivot Limited.

As lead audit partner for the review of the half year financial report of Incitec Pivot Limited for the half year ended 31 March 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tom Imbesi

Tom Imbesi
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 March 2018

	Notes	**March 2018 $mill**	March 2017 $mill
Revenue	(5)	**1,683.2**	1,535.7
Financial and other income	(5)	**22.7**	67.4
Share of profit on equity accounted investments		**14.9**	19.2
Operating expenses			
Changes in inventories of finished goods and work in progress		**183.5**	98.2
Raw materials and consumables used and finished goods purchased for resale		**(857.7)**	(739.3)
Employee expenses		**(310.0)**	(291.6)
Depreciation and amortisation		**(143.7)**	(130.5)
Financial expenses		**(62.6)**	(52.3)
Purchased services		**(90.7)**	(74.6)
Repairs and maintenance		**(71.8)**	(66.9)
Outgoing freight		**(130.0)**	(124.6)
Lease payments – operating leases		**(33.3)**	(30.6)
Asset impairment write-downs, clean-up and environmental provisions		**(246.0)**	(4.3)
Other expenses		**(13.9)**	(12.9)
(Loss)/profit before income tax		**(55.4)**	192.9
Income tax benefit/(expense)		**65.1**	(39.7)
Profit for the half-year		**9.7**	153.2
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined benefit plans		**2.5**	26.5
Gross fair value gain/(loss) on assets at fair value through other comprehensive income		**0.4**	(0.2)
Income tax relating to items that will not be reclassified subsequently to profit or loss		**(2.5)**	(10.3)
		0.4	16.0
Items that may be reclassified subsequently to profit or loss			
Fair value gain on cash flow hedges		**51.9**	49.3
Cash flow hedge gains transferred to profit or loss		**(16.0)**	(13.3)
Exchange differences on translating foreign operations		**79.9**	(9.6)
Net (loss)/gain on hedge of net investment		**(32.6)**	8.2
Income tax relating to items that may be reclassified subsequently to profit or loss		**(16.9)**	(9.8)
		66.3	24.8
Other comprehensive income for the half-year, net of income tax		**66.7**	40.8
Total comprehensive income for the half- year		**76.4**	194.0
Profit attributable to:			
Members of Incitec Pivot Limited		**7.6**	152.1
Non-controlling interest		**2.1**	1.1
Profit for the half-year		**9.7**	153.2
Total comprehensive income attributable to:			
Members of Incitec Pivot Limited		**74.3**	192.9
Non-controlling interest		**2.1**	1.1
Total comprehensive income for the half-year		**76.4**	194.0
Earnings per share			
Basic (cents per share)	(7)	**0.5**	9.0
Diluted (cents per share)	(7)	**0.5**	9.0

Consolidated Statement of Financial Position

As at 31 March 2018

	Notes	March 2018 $mill	September 2017 $mill
Current assets			
Cash and cash equivalents	(11)	**188.1**	627.9
Trade and other receivables		**386.9**	337.7
Inventories		**577.3**	388.6
Other assets		**65.2**	76.2
Other financial assets	(12)	**25.4**	22.6
Total current assets		**1,242.9**	1,453.0
Non-current assets			
Trade and other receivables		**1.4**	5.1
Other assets		**19.7**	30.7
Other financial assets	(12)	**24.1**	18.6
Equity accounted investments		**326.2**	316.9
Property, plant and equipment		**3,878.9**	3,854.8
Intangible assets		**2,950.8**	3,121.0
Deferred tax assets		**22.8**	21.6
Total non-current assets		**7,223.9**	7,368.7
Total assets		**8,466.8**	8,821.7
Current liabilities			
Trade and other payables		**812.4**	1,043.7
Interest bearing liabilities	(11)	**697.3**	12.1
Other financial liabilities	(12)	**25.5**	19.4
Provisions		**81.0**	78.0
Current tax liabilities		**17.5**	11.8
Total current liabilities		**1,633.7**	1,165.0
Non-current liabilities			
Trade and other payables		**13.1**	14.9
Interest bearing liabilities	(11)	**1,567.4**	2,212.0
Other financial liabilities	(12)	**13.0**	28.3
Provisions		**95.0**	95.1
Deferred tax liabilities		**456.3**	509.1
Retirement benefit obligation		**37.4**	38.2
Total non-current liabilities		**2,182.2**	2,897.6
Total liabilities		**3,815.9**	4,062.6
Net assets		**4,650.9**	4,759.1
Equity			
Issued capital		**3,341.4**	3,436.8
Reserves		**(135.4)**	(197.9)
Retained earnings		**1,439.2**	1,514.2
Non-controlling interest		**5.7**	6.0
Total equity		**4,650.9**	4,759.1

Consolidated Statement of Cash Flows

For the half-year ended 31 March 2018

	Notes	March 2018 $mill Inflows/ (Outflows)	March 2017 $mill Inflows/ (Outflows)
Cash flows from operating activities			
Profit after tax for the half-year		**9.7**	153.2
Adjusted for non-cash items			
Net finance cost		**59.7**	49.9
Depreciation and amortisation		**143.7**	130.5
Impairment of property, plant and equipment		**0.6**	0.4
Impairment of goodwill		**236.0**	–
Share of profit of equity accounted investments		**(14.9)**	(19.2)
Net gain on sale of property, plant and equipment		**(1.1)**	(1.5)
Non-cash share-based payment transactions		**1.0**	2.3
Deferred tax (benefit)/expense		**(75.9)**	37.2
Current income tax expense		**10.8**	2.5
Changes in assets and liabilities			
Increase in receivables and other operating assets		**(31.1)**	(75.8)
Increase in inventories		**(189.4)**	(94.0)
Decrease in payables, provisions and other operating liabilities		**(241.2)**	(250.5)
		(92.1)	(65.0)
Adjusted for cash items			
Dividends received		**13.2**	19.0
Interest received		**2.9**	1.5
Interest paid		**(57.3)**	(45.3)
Income tax paid		**(5.1)**	(11.2)
Net cash flows from operating activities		**(138.4)**	(101.0)
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		**(138.0)**	(173.0)
Proceeds from sale of property, plant and equipment and intangibles		**3.4**	2.1
Payments for acquisition of subsidiaries		**(5.8)**	–
Repayment of loans to equity accounted investees		**6.5**	0.7
Receipts from settlement of net investment hedge derivatives		**15.7**	5.0
Net cash flows from investing activities		**(118.2)**	(165.2)
Cash flows from financing activities			
Repayments of borrowings	(11)	**(1.3)**	–
Proceeds from borrowings		**–**	6.5
Dividends paid to members of Incitec Pivot Limited		**(82.7)**	(77.6)
Dividends paid to non-controlling interest holder		**(2.4)**	–
Purchased shares for IPL employees		**(5.1)**	–
Payment for buy-back of shares		**(95.4)**	–
Net cash flows from financing activities		**(186.9)**	(71.1)
Net decrease in cash and cash equivalents held		**(443.5)**	(337.3)
Cash and cash equivalents at the beginning of the half-year		**627.9**	427.1
Effect of exchange rate fluctuation on cash and cash equivalents held		**3.7**	0.3
Cash and cash equivalents at the end of the half-year	(11)	**188.1**	90.1

Consolidated Statement of Changes in Equity

For the half-year ended 31 March 2018

	Notes	Issued capital $mill	Cash flow hedging reserve $mill	Share -based payments reserve $mill	Foreign currency translation reserve $mill	Fair value reserve $mill	Retained earnings $mill	Total $mill	Non-controlling interest $mill	Total equity $mill
Balance at 1 October 2016		3,436.8	(33.6)	22.3	(164.7)	(11.3)	1,330.7	4,580.2	4.3	4,584.5
Profit for the half-year		–	–	–	–	–	152.1	152.1	1.1	153.2
Total other comprehensive income for the half-year		–	25.4	–	(0.6)	(0.2)	16.2	40.8	–	40.8
Dividends paid	(8)	–	–	–	–	–	(77.6)	(77.6)	–	(77.6)
Share-based payment transactions		–	–	2.3	–	–	–	2.3	–	2.3
Balance at 31 March 2017		3,436.8	(8.2)	24.6	(165.3)	(11.5)	1,421.4	4,697.8	5.4	4,703.2
Balance at 1 October 2017		**3,436.8**	**(20.1)**	**26.9**	**(192.9)**	**(11.8)**	**1,514.2**	**4,753.1**	**6.0**	**4,759.1**
Profit for the half-year		**–**	**–**	**–**	**–**	**–**	**7.6**	**7.6**	**2.1**	**9.7**
Total other comprehensive income for the half-year		**–**	**25.3**	**–**	**41.0**	**0.3**	**0.1**	**66.7**	**–**	**66.7**
Dividends paid	(8)	**–**	**–**	**–**	**–**	**–**	**(82.7)**	**(82.7)**	**(2.4)**	**(85.1)**
Share buy-back	(9)	**(95.4)**	**–**	**–**	**–**	**–**	**–**	**(95.4)**	**–**	**(95.4)**
Purchased shares for IPL employees		**–**	**–**	**(5.1)**	**–**	**–**	**–**	**(5.1)**	**–**	**(5.1)**
Share-based payment transactions		**–**	**–**	**1.0**	**–**	**–**	**–**	**1.0**	**–**	**1.0**
Balance at 31 March 2018		**3,341.4**	**5.2**	**22.8**	**(151.9)**	**(11.5)**	**1,439.2**	**4,645.2**	**5.7**	**4,650.9**

Cash flow hedging reserve

This reserve comprises the cumulative net change in the fair value of the effective portion of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share-based payments reserve

This reserve comprises the fair value of rights recognised as an employee expense under the terms of the 2015/18, 2016/19 and 2017/20 Long Term Incentive Plans.

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled operations are taken to the foreign currency translation reserve. The relevant portion of the reserve is recognised in the profit or loss when the foreign operation is disposed of.

The foreign currency translation reserve is also used to record gains and losses on hedges of net investments in foreign operations.

Fair value reserve

This reserve represents the cumulative net change in the fair value of equity instruments. The annual net change in the fair value of investments in equity securities (including both realised and unrealised gains and losses) is recognised in other comprehensive income.

Non-controlling interest

Represents a 35 percent outside equity interest in Quantum Fertilisers Limited, a Hong Kong based fertiliser marketing company.

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2018

1. Basis of preparation

Incitec Pivot Limited (the '**Company**', or '**IPL**') is a company incorporated and domiciled in Australia. This half-year Consolidated Financial Report includes the financial statements of the Company and its subsidiaries and the Group's interest in joint ventures and associates (collectively the '**Group**') as at, and for, the half-year ended 31 March 2018.

The half-year Consolidated Financial Report is a general purpose Financial Report which has been prepared in accordance with the requirements of the Australian *Corporations Act 2001* and Accounting standards applicable in Australia, including AASB 134: *Interim Financial Reporting*.

This half-year Consolidated Financial Report does not include all the notes of the type normally included in the Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 30 September 2017 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure obligations set out in the ASX listing rules.

The Annual Financial Report of the Group for the year ended 30 September 2017 is available on Incitec Pivot Limited's website, www.incitecpivot.com.au, or upon request from the Company's registered office at Level 8, 28 Freshwater Place, Southbank Victoria 3006, Australia.

This half-year Consolidated Financial Report was approved by the Board of Directors on 9 May 2018.

The Group is of a kind referred to in ASIC Legislative Instrument, ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission dated 24 March 2016 and, in accordance with that Legislative Instrument, the amounts shown in this report have been rounded off, except where otherwise stated, to the nearest one hundred thousand dollars.

Deficiency in net current assets

As at 31 March 2018, the Group's current liabilities exceeded its current assets by $390.8m. This is due to the Group's Australian Bank facility (of which $484.9m has been drawn) and the $200m fixed interest rate bond, maturing October 2018 and February 2019 respectively. As at 31 March 2018, the Group has undrawn financing facilities of $653.3m that expire in October 2021 and cash balances of $188.1m. In addition, the Group's forecast cash flow for the next twelve months indicates that it will be able to meet current liabilities as and when they fall due. Accordingly, the consolidated financial statements have been prepared on a going concern basis. The Group constantly assesses the adequacy of its financing arrangements and will establish new funding facilities as and when required, to ensure they appropriately support its investment grade credit profile and liquidity requirements.

2. Summary of accounting policies

Except as described below, the accounting policies applied by the Group in the half-year Consolidated Financial Report are the same as those applied by the Group in its Annual Financial Report as at, and for, the year ended 30 September 2017.

The Group adopted all amendments to Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that are relevant to its operations and effective for the current half-year. The adoption of these revised Standards and Interpretations did not have a material impact on the Group's results.

3. Critical accounting estimates and judgements

Impairment

The Group performs annual impairment testing as at 30 September for intangible assets with indefinite useful lives. More frequent reviews are performed for indicators of impairment of all the Group's assets, including operating assets. The identification of impairment indicators involves management judgement. When an indicator of impairment is identified, a formal impairment assessment is performed. Impairment testing involves comparing an asset's recoverable amount to its carrying amount. The recoverable amount of an asset is determined as the higher of its Fair Value Less Costs of Disposal (**FVLCD**) and its Value-in-use (**VIU**). An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit (**CGU**) exceeds its recoverable amount.

Dyno Nobel Asia Pacific (DNAP)

IPL announced during the period that it will cease to be the contracted supplier of explosive products to key customers in Western Australia when the current contracts expire in 2018 and 2019. These events have been identified as indicators of impairment for the DNAP CGU, resulting in a formal assessment of the recoverable amount of the DNAP CGU assets.

The recoverable amount of the DNAP CGU has been determined on a FVLCD basis, which represents a change from VIU at 30 September 2017 in line with the requirement for recoverable amount to be determined as the higher of FVLCD and VIU. The FVLCD was determined as the present value of the estimated future cash flows expected to arise from the continued use of the assets, including the cash flow effects of growth capital expenditure to enhance production and reduce cost, less costs of disposal. Future cash flow information is based upon the Group's latest budgets and project plans incorporating inputs that are not based on observable market data (defined in Note 12 as a level 3 valuation model).

Management adjusted the cash flow forecast used in the recoverable amount testing of the DNAP CGU to reflect the following:

- The change in DNAP's contract positions as outlined above;
- The general decline in product and services margins observed in Australia during the current period of supply imbalance; and
- Updated long term gas production cost forecast. DNAP's Moranbah plant uses natural gas as a raw material in the manufacturing process of ammonium nitrate. DNAP currently has a long term gas supply agreement in place which expires in May 2026.

These changes in assumptions resulted in the recoverable amount of the DNAP CGU being lower than its carrying amount. Consequently, a non-cash impairment charge of $236.0m was recognised against goodwill relating to the DNAP CGU, reducing the carrying value of goodwill from $1,144.5m at 30 September 2017 to $908.5m at 31 March 2018.

Key assumptions and sensitivity

Estimating future cash flows requires management to make significant assumptions and judgements. Details of the key assumptions used in the FVLCD calculation for the DNAP CGU and the sensitivities of changes in these assumptions are set out in the following table:

Key assumptions	31 March 2018	30 September 2017
Terminal value growth rate	2.50%	2.50%
Short to medium term average growth rate	-3.4%	+1.2%
Post-tax discount rate	8.50%	8.50%
Natural gas price in AUD (Terminal value)	$6.70 per gigajoule	$5.30 per gigajoule

A post-tax discount rate of 8.5% was applied to post-tax cash flows. The discount rate has remained unchanged from the prior year as the long-term outlook of expected market returns remains stable. The terminal value growth rate is expected to remain at 2.5% based on long-term views of explosives supply and demand in Australia and long-term growth outlook for the business.

Sensitivity

Included in the table below is a sensitivity analysis of the recoverable amounts and the additional impairment charge considering reasonable change scenarios relating to key assumptions at 31 March 2018:

	Short to medium term average growth rate	Terminal value growth rate	Post-tax discount rate	Natural gas price in AUD
	-1.0%	-1.0%	+0.5%	+$1 per gigajoule
	$mill	$mill	$mill	$mill
Additional impairment charge	(115.7)	(277.5)	(181.7)	(47.9)

Each of the sensitivities above is after considering the current period impairment charge and assumes that the specific assumption moves in isolation, while the other assumptions are held constant. A change in one of the aforementioned assumptions could be accompanied by a change in another assumption, which may increase or decrease the net impact.

Other CGUs

As at 31 March 2016, the Group recognised a non-cash impairment charge of $150.8m against the Gibson Island assets largely due to the impact of lower forecast fertilisers prices and higher cost of natural gas delivered to the Australian East Coast.

On 1 March 2018, the Group announced that it had entered into negotiations for the development of acreage in Queensland that could deliver economic gas to the Gibson Island manufacturing facility. Any potential reversal of the previous impairment will be dependent on the outcome of the drilling activities and other economic factors at the time.

In the event that Gibson Island's manufacturing operations were to cease, the latest estimate of closure costs is approximately $70m. Proceeds from the sale of excess land at Gibson Island, that could be available for sale in the event of a plant closure, are estimated at approximately $60m depending on the ongoing operational requirements at the site. It is noted that the timing of cash flows from closing costs and proceeds from the sale of land may differ depending on market conditions.

The recoverable amounts of IPL's remaining CGUs, being IPF, SCI and DNA exceeded their carrying amounts at 30 September 2017 and the economic performance of these CGUs for the six months ended 31 March 2018 continued to support their carrying values. Sensitivity analyses of the recoverable amounts of the Group's CGUs, considering reasonable change scenarios relating to key assumptions, are included in the Annual Financial Report for the year ended 30 September 2017 and remain relevant at 31 March 2018.

4. Segment report

The Group operates a number of strategic divisions that offer different products and services and operate in different markets. For reporting purposes, these divisions are known as reportable segments. The results of each segment are reviewed monthly by the Group's chief operating decision-makers to assess performance and make decisions about the allocation of resources.

Description of reportable segments

Asia Pacific
Fertilisers is made up of the following reportable segments:

- Incitec Pivot Fertilisers (**IPF**): manufactures and distributes fertilisers in Eastern Australia. The products that IPF manufactures include urea, ammonia and single super phosphate. IPF also imports products from overseas suppliers and purchases ammonium phosphates from Southern Cross International for resale.
- Southern Cross International (**SCI**): manufactures ammonium phosphates and is a distributor of its manufactured fertiliser product to wholesalers in Australia (including IPF) and the export market. SCI operates the Industrial Chemicals business and also includes the Group's 65 percent share of the Hong Kong marketing company, Quantum Fertilisers Limited.

Fertilisers Elimination (**Fertilisers Elim**): represents the elimination of profit in stock arising from the sale of SCI manufactured products to IPF at an import parity price.

Dyno Nobel Asia Pacific (**DNAP**): manufactures and sells industrial explosives and related products and services to the mining industry in the Asia Pacific region and Turkey.

Asia Pacific Eliminations (**APAC Elim**): represents the elimination of profit in stock arising from IPF and SCI sales to DNAP at an arm's length transfer price.

Americas
Dyno Nobel Americas (**DNA**): manufactures and sells industrial explosives and related products and services to the mining, quarrying and construction industries in the Americas (USA, Canada, Mexico and Chile). It also manufactures and sells industrial chemicals to the agriculture and specialist industries.

Corporate
Corporate costs include all head office expenses that cannot be directly attributed to the operation of any of the Group's businesses.

Group Eliminations (**Group Elim**): represents elimination of profit in stock arising from intersegment sales at an arm's length transfer price.

Reportable segments – financial information

	Asia Pacific							Americas			
31 March 2018	IPF **$mill**	SCI **$mill**	Fertilisers Elim **$mill**	Total Fertilisers **$mill**	DNAP **$mill**	APAC Elim **$mill**	Total **$mill**	DNA **$mill**	Group Elim **$mill**	Corporate[i] **$mill**	Consolidated Group **$mill**
Revenue from external customers	**440.7**	**295.9**	**(179.5)**	**557.1**	**479.1**	**(6.7)**	**1,029.5**	**677.8**	**(24.1)**	**–**	**1,683.2**
Share of profits of equity accounted investments	**–**	**–**	**–**	**–**	**5.6**	**–**	**5.6**	**9.3**	**–**	**–**	**14.9**
EBITDA[ii]	**18.2**	**64.6**	**(22.9)**	**59.9**	**143.0**	**–**	**202.9**	**194.4**	**0.1**	**(13.4)**	**384.0**
Depreciation and amortisation	**(14.8)**	**(21.8)**	**–**	**(36.6)**	**(42.9)**	**–**	**(79.5)**	**(63.5)**	**–**	**(0.7)**	**(143.7)**
EBIT[iii]	**3.4**	**42.8**	**(22.9)**	**23.3**	**100.1**	**–**	**123.4**	**130.9**	**0.1**	**(14.1)**	**240.3**
Net interest expense											**(59.7)**
Income tax expense											**(31.4)**
Profit after tax[iv]											**149.2**
Non-controlling interest											**(2.1)**
Individually material items (net of tax)											**(139.5)**
Profit attributable to members of IPL											**7.6**
Segment assets	**849.8**	**550.7**	**–**	**1,400.5**	**2,601.3**	**–**	**4,001.8**	**4,096.8**	**–**	**345.4**	**8,444.0**
Segment liabilities	**(449.9)**	**(99.5)**	**–**	**(549.4)**	**(185.1)**	**–**	**(734.5)**	**(439.1)**	**–**	**(2,186.0)**	**(3,359.6)**
Net segment assets[v]	**399.9**	**451.2**	**–**	**851.1**	**2,416.2**	**–**	**3,267.3**	**3,657.7**	**–**	**(1,840.6)**	**5,084.4**
Deferred tax balances											**(433.5)**
Net assets											**4,650.9**

(i) Corporate assets and liabilities include the Group's interest bearing liabilities and derivative assets and liabilities.
(ii) Earnings Before Interest, related income Tax expense, Depreciation, Amortisation and individually material items.
(iii) Earnings Before Interest and related income Tax expense and individually material items.
(iv) Profit after tax (excluding individually material items).
(v) Net segment assets exclude deferred tax balances.

4. Segment report (continued)

Reportable segments – financial information (continued)

	Asia Pacific							Americas			
31 March 2017	IPF **$mill**	SCI **$mill**	Fertilisers Elim **$mill**	Total Fertilisers **$mill**	DNAP **$mill**	APAC Elim **$mill**	Total **$mill**	DNA **$mill**	Group Elim **$mill**	Corporate **$mill**	Consolidated Group **$mill**
Revenue from external customers	406.6	243.7	(120.9)	529.4	444.9	(7.6)	966.7	591.0	(22.0)	–	1,535.7
Share of profits of equity accounted investments	–	–	–	–	7.6	–	7.6	11.6	–	–	19.2
EBITDA	29.1	30.6	(0.8)	58.9	131.9	–	190.8	191.1	(0.6)	(8.0)	373.3
Depreciation and amortisation	(13.5)	(19.0)	–	(32.5)	(40.3)	–	(72.8)	(57.1)	–	(0.6)	(130.5)
EBIT	15.6	11.6	(0.8)	26.4	91.6	–	118.0	134.0	(0.6)	(8.6)	242.8
Net interest expense											(49.9)
Income tax expense											(39.7)
Profit after tax											153.2
Non-controlling interest											(1.1)
Profit attributable to members of IPL											152.1
30 September 2017											
Segment assets	696.8	503.5	–	1,200.3	2,870.0	–	4,070.3	4,021.8	–	708.0	8,800.1
Segment liabilities	(495.0)	(123.7)	–	(618.7)	(250.6)	–	(869.3)	(484.2)	–	(2,200.0)	(3,553.5)
Net segment assets	201.8	379.8	–	581.6	2,619.4	–	3,201.0	3,537.6	–	(1,492.0)	5,246.6
Deferred tax balances											(487.5)
Net assets											4,759.1

Geographical information – secondary reporting segments

The Group operates in four principal countries being Australia (country of domicile), USA, Canada and Turkey.

In presenting information on the basis of geographical information, revenue is based on the geographical location of the entity making the sale. Assets are based on the geographical location of the assets.

31 March 2018	Australia **$mill**	USA **$mill**	Canada **$mill**	Turkey **$mill**	Other/Elim **$mill**	Consolidated **$mill**
Revenue from external customers	**968.1**	**584.3**	**83.6**	**34.8**	**12.4**	**1,683.2**
Non-current assets other than financial assets and deferred tax assets	**3,278.3**	**3,690.1**	**53.9**	**1.5**	**153.2**	**7,177.0**
Trade and other receivables	**172.5**	**74.8**	**30.9**	**17.6**	**92.5**	**388.3**

31 March 2017	Australia $mill	USA $mill	Canada $mill	Turkey $mill	Other/Elim $mill	Consolidated $mill
Revenue from external customers	915.4	470.4	82.3	29.2	38.4	1,535.7

30 September 2017	Australia $mill	USA $mill	Canada $mill	Turkey $mill	Other/Elim $mill	Consolidated $mill
Non-current assets other than financial assets and deferred tax assets	3,513.5	3,634.9	55.5	1.4	123.2	7,328.5
Trade and other receivables	171.3	71.5	40.8	16.9	42.3	342.8

Notes to the half-year Consolidated Financial Report

For the half-year ended 31 March 2018

5. Revenue and other income

	March 2018 $mill	March 2017 $mill
Revenue		
External sales	**1,683.2**	1,535.7
Total revenue	**1,683.2**	1,535.7
Financial income		
Interest income	**2.9**	2.4
Other income		
Income from delay damages	–	47.2
Net gain on sale of property, plant and equipment	**1.1**	1.5
Royalty income and management fees	**12.8**	11.8
Other income from operations	**5.9**	4.5
Total financial and other income	**22.7**	67.4

Seasonality of operations

Earnings (and cash inflows) are biased to the second half of the financial year and are significantly influenced in the Fertilisers business by the Australian winter planting season which is dependent upon autumn and early winter rainfall, and in the Explosives business by the wet season in Queensland, Australia and the North American winter.

The following table presents selected results for the Group for the 12 months period ended:

Revenue from ordinary activities	**March 2018 $mill**	March 2017 $mill
Asia Pacific		
– Fertilisers	**1,377.5**	1,343.9
– Explosives	**967.4**	919.0
– Elimination	**(18.3)**	(16.2)
Total Asia Pacific	**2,326.6**	2,246.7
Americas	**1,338.2**	1,160.8
Group Elimination	**(43.9)**	(42.1)
Total revenue from ordinary activities	**3,620.9**	3,365.4

Profit from ordinary activities before interest, related income tax and individually material items	**March 2018 $mill**	March 2017 $mill
Asia Pacific		
– Fertilisers	**100.8**	76.2
– Explosives	**197.5**	189.6
Total Asia Pacific	**298.3**	265.8
Americas	**225.3**	229.4
Group Elimination/Corporate	**(24.9)**	(21.6)
Total profit from ordinary activities before interest, related income tax and individually material items	**498.7**	473.6

6. Individually material items

Profit includes the following benefits/(expenses) whose disclosure is relevant in explaining the financial performance of the Group:

	March 2018		
	Gross $mill	**Tax $mill**	**Net $mill**
Tax restatement(1)	–	96.5	96.5
Impairment of goodwill(2)	(236.0)	–	(236.0)
	(236.0)	96.5	(139.5)

(1) On 22 December 2017, the US government enacted tax reform legislation which reduced the US federal tax rate from 35% to 21%, effective 1 January 2018. As a result, the Group recognised a one-off benefit of $96.5m arising from the restatement of its US net deferred tax liabilities.

(2) Impairment of goodwill relating to the DNAP CGU as set out in note 3.

7. Earnings per share

	March 2018 Cents per share	March 2017 Cents per share
Basic earnings per share		
including individually material items	**0.5**	9.0
excluding individually material items	**8.8**	9.0
Diluted earnings per share		
including individually material items	**0.5**	9.0
excluding individually material items	**8.8**	9.0
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**1,679,487,626**	1,687,170,521
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**1,680,759,529**	1,690,434,072

Reconciliation of earnings used in the calculation of basic and diluted earnings per share

	March 2018 $mill	March 2017 $mill
Profit attributable to ordinary shareholders	**7.6**	152.1
Individually material items after income tax	**139.5**	–
Profit attributable to ordinary shareholders excluding individually material items	**147.1**	152.1

8. Dividends

Dividends paid or declared by the Company in respect of the half-year ended 31 March were:

	March 2018 $000	March 2017 $000
Ordinary shares		
Final dividend of 4.6 cents per share, unfranked, paid 13 December 2016	–	77,610
Final dividend of 4.9 cents per share, unfranked, paid 19 December 2017	**82,671**	–
Total ordinary share dividends	**82,671**	77,610

Since the end of the half-year, the directors have determined to pay an interim dividend of 4.5 cents per share, unfranked, to be paid on 2 July 2018. The total dividend payment will be $74.7 million.

The financial effect of this dividend has not been recognised in the half-year Consolidated Financial Report and will be recognised in subsequent Financial Reports.

9. Issued capital

Issued capital as at 31 March 2018 amounted to $3,341.4m (1,661,088,998 ordinary shares). On 14 November 2017, the Company announced an on-market share buy-back of up to $300.0m to be conducted over a twelve month period. During the period to 31 March 2018, the Company bought back and cancelled 26,081,523 shares at an average price per share of $3.656.

10. Equity accounted investments

Name of entity	Ownership interest
Joint ventures	
Incorporated in USA[1],[6]	
Alpha Dyno Nobel Inc.	50%
Buckley Powder Co.[2]	51%
IRECO Midwest Inc.	50%
Wampum Hardware Co.	50%
Western Explosives Systems Company	50%
Warex Corporation	50%
Warex LLC	50%
Warex Transportation LLC	50%
Vedco Holdings, Inc.	50%
Virginia Explosives & Drilling Company Inc.	50%
Austin Sales LLC	50%
Virginia Drilling Company, LLC	50%
Incorporated in Canada[1]	
Newfoundland Hard-Rok Inc.	50%
Dyno Nobel Labrador Inc.	50%
Quantum Explosives Inc.	50%
Qaaqtuq Dyno Nobel Inc.[3]	49%
Dene Dyno Nobel (DWEI) Inc.[4]	49%
Dyno Nobel Baffin Island Inc.	50%
Incorporated in Australia[5]	
Queensland Nitrates Pty Ltd	50%
Queensland Nitrates Management Pty	50%

Name of entity	Ownership interest
Joint ventures (continued)	
Incorporated in South Africa	
DetNet South Africa (Pty) Ltd[1]	50%
Sasol Dyno Nobel (Pty) Ltd[5]	50%
Incorporated in Mexico[1]	
DNEX Mexico, S. De R.L. de C.V.	49%
Explosivos De La Region Lagunera, S.A. de C.V.	49%
Explosivos De La Region, Central, S.A. de C.V.	49%
Nitro Explosivos de Ciudad Guzman, S.A. de C.V.	49%
Explosivos Y Servicios Para La Construccion, S.A. de C.V.	49%
Incorporated in Malaysia[1]	
Tenaga Kimia Ensign-Bickford Sdn Bhd	50%
Associates	
Incorporated in USA[1]	
Maine Drilling and Blasting Group	49%
Independent Explosives	49%
Incorporated in Canada[1]	
Labrador Maskuau Ashini Ltd	25%
Valley Hydraulics Inc.	25%
Innu Namesu Ltd	25%

(1) These entities have a 31 December financial year end. For the purpose of applying the equity method of accounting, the unaudited financial information through to 31 March 2018 has been used.

(2) Due to the contractual and decision making arrangement between the shareholders of the entities, despite the legal ownership exceeding 50 percent, this entity is not considered to be a subsidiary.

(3) Due to legal requirements in the Canadian Northwest Territories, the Group cannot own more than 49 percent of shares in Qaaqtuq Dyno Nobel Inc. However, under the joint venture agreement, the Group is entitled to 75 percent of the profit of Qaaqtuq Dyno Nobel Inc.

(4) Due to legal requirements in the Canadian Northwest Territories, the Group cannot own more than 49 percent of shares in Dene Dyno Nobel (DWEI) Inc. (previously Denesoline Western Explosives Inc.). However, under the joint venture agreement, the Group is entitled to 95 percent of the profit of Dene Dyno Nobel (DWEI) Inc.

(5) These entities have a 30 June financial year end. For the purpose of applying the equity method of accounting, the unaudited financial information through to 31 March 2018 has been used.

(6) The remaining 50% interest in Boren Explosives Co., Inc. was acquired on 1 March 2018.

11. Net debt

The Group's net debt comprises the net of interest bearing liabilities, cash and cash equivalents, and the fair value of derivative instruments economically hedging the foreign exchange rate and interest rate exposures of the Group's interest bearing liabilities at the reporting date. The Group's net debt at the reporting date is analysed as follows:

	Notes	**March 2018 $mill**	September 2017 $mill
Interest bearing liabilities		**2,264.7**	2,224.1
Cash and cash equivalents		**(188.1)**	(627.9)
Fair value of derivatives	(12)	**(331.9)**	(304.3)
Net debt		**1,744.7**	1,291.9

Interest bearing liabilities

The Group's interest bearing liabilities comprise of the following at the reporting date:

	March 2018 $mill	September 2017 $mill
Current		
Other loans	**1.3**	1.3
Bank facilities	**484.9**	–
Fixed interest rate bonds	**200.0**	–
Loans to joint ventures and associates	**11.1**	10.8
	697.3	12.1
Non-current		
Other loans	**4.2**	5.4
Bank facilities	**–**	472.4
Fixed interest rate bonds	**1,563.2**	1,734.2
	1,567.4	2,212.0
Total interest bearing liabilities	**2,264.7**	2,224.1

Interest bearing liabilities (continued)

Fixed Interest Rate Bonds

The Group has on issue the following Fixed Interest Rate Bonds:

- USD800m 10 year bonds on issue in the US 144A / Regulation S debt capital market. The bonds have a fixed rate semi-annual coupon of 6 percent and mature in December 2019.
- AUD200m 5.5 year bonds on issue in the Australian debt capital market. The bonds have a fixed rate semi-annual coupon of 5.75 percent and mature in February 2019.
- USD400m 10 year bonds on issue in the Regulation S debt capital market. The bonds have a fixed rate semi-annual coupon of 3.95 percent and mature in August 2027.

Bank Facilities

Bank facilities of AUD360m and USD717m were entered into in August 2015 and are split into two facilities as follows:

- 3 year facility domiciled in Australia consisting of two tranches: Tranche A has a limit of AUD360m and Tranche B has a limit of USD217m. The facility matures in October 2018; and
- 5 year facility domiciled in the USA with a limit of USD500m. The facility matures in October 2021.

As at 31 March 2018, the Group has undrawn financing facilities of $653.3m that expire in October 2021.

Tenor of interest bearing liabilities

The Group's average tenor of its interest bearing liabilities at 31 March 2018 is 3.1 years (2017: 3.6 years).

The table below includes detail on the movements in the Group's interest bearing liabilities for the six months ended 31 March 2018:

			Cash flow	Non-cash changes				
	Notes	1 October 2017 **$mill**	Financing activities Proceeds/ (Repayments) **$mill**	Reclassification **$mill**	Foreign exchange movement **$mill**	Fair value adjustment **$mill**	Funding costs amortisation **$mill**	31 March 2018 **$mill**
Current								
Other loans		1.3	(1.3)	1.3	–	–	–	1.3
Loans from joint ventures and associates		10.8	–	–	0.3	–	–	11.1
Bank facilities		–	–	472.4	11.9	–	0.6	484.9
Fixed interest rate bonds		–	–	200.0	–	(0.1)	0.1	200.0
Non-current								
Other loans		5.4	–	(1.3)	0.1	–	–	4.2
Bank facilities		472.4	–	(472.4)	–	–	–	–
Fixed interest rate bonds		1,734.2	–	(200.0)	38.0	(10.0)	1.0	1,563.2
Total liabilities from financing activities		**2,224.1**	**(1.3)**	**–**	**50.3**	**(10.1)**	**1.7**	**2,264.7**
Derivatives held to hedge interest bearing liabilities	(12)	(304.3)	–	–	(37.5)	9.9	-	(331.9)
Debt after hedging		**1,919.8**	**(1.3)**	**–**	**12.8**	**(0.2)**	**1.7**	**1,932.8**

12. Financial instruments

Fair value

The fair value of the Group's financial assets and liabilities is calculated using a variety of techniques depending on the type of financial instrument as follows:

- The fair value of financial assets and financial liabilities traded in active markets (such as equity securities and fixed interest rate bonds) is the quoted market price at the reporting date.
- The fair value of forward exchange contracts, interest rate swaps, and cross currency interest rate swaps is calculated using discounted cash flows, reflecting the credit risk of various counterparties. Future cash flows are calculated based on the contract rate, observable forward interest rates and foreign exchange rates.
- The fair value of option contracts is calculated using the contract rates and observable market rates at the end of the reporting period, reflecting the credit risk of various counterparties. The valuation technique is consistent with the Black-Scholes methodology and utilises Monte Carlo simulations.
- The fair value of commodity swaps and forward contracts is calculated using their quoted market price.
- The nominal value less expected credit losses of trade receivables and payables are assumed to approximate their fair values due to their short term maturity.

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 2018	**Level 1 $mill**	**Level 2 $mill**	**Level 3 $mill**
Listed equity securities	**2.7**	**–**	**–**
Derivative financial assets	**–**	**46.8**	**–**
Derivative financial liabilities	**–**	**(38.5)**	**–**

September 2017	Level 1 $mill	Level 2 $mill	Level 3 $mill
Listed equity securities	2.3	–	–
Derivative financial assets	–	38.9	–
Derivative financial liabilities	–	(47.7)	–

Fair value (continued)

Fair value of derivative financial instruments

The fair value of derivative financial instruments are as follows at the reporting date:

		31 March 2018		30 September 2017	
	Notes	**Asset $mill**	**Liability $mill**	Asset $mill	Liability $mill
Current					
Cash flow hedge		**19.2**	**(6.5)**	13.2	(5.5)
Fair value hedge	(11)	**105.3**	**–**	–	–
Net investment hedge		**3.4**	**(121.6)**	8.1	(13.9)
Held for trading[(1)]		**2.8**	**(2.7)**	1.3	–
Offsetting contracts[(2)]		**(105.3)**	**105.3**	–	–
		25.4	**(25.5)**	22.6	(19.4)
Non-current					
Cash flow hedge		**17.5**	**(10.6)**	4.6	(27.5)
Fair value hedge	(11)	**228.9**	**(2.3)**	304.3	–
Net investment hedge		**–**	**(225.1)**	–	(292.8)
Held for trading[(1)]		**–**	**–**	0.2	(0.8)
Equity instruments		**2.7**	**–**	2.3	–
Offsetting contracts[(2)]		**(225.0)**	**225.0**	(292.8)	292.8
		24.1	**(13.0)**	18.6	(28.3)
		49.5	**(38.5)**	41.2	(47.7)

(1) Derivatives which are classified as held for trading are in economic hedge relationships that do not qualify for hedge accounting. These hedges are effective economic hedges or offsetting hedges based on contractual amounts and cash flows over the life of the underlying item.

(2) Balances are included in other financial assets/liabilities in the Statement of Financial Position. Financial assets and financial liabilities that are subject to enforceable master netting arrangements are offset in the Statement of Financial Position.

Fair value of financial assets and liabilities carried at amortised cost

Cash and cash equivalents, trade and other receivables, interest bearing liabilities, and trade and other payables are carried at amortised cost which equals their fair value. The fair value of the interest bearing financial liabilities at 31 March 2018 was $2,305.9m (September 2017: $2,300.7m) and was based on the level 2 valuation methodology.

13. Contingencies

There have been no significant changes to other contingent liabilities disclosed at 30 September 2017.

14. Events subsequent to reporting date

Since the end of the half-year, in May 2018 the directors determined to pay an interim dividend for the Company of 4.5 cents per share on 2 July 2018. The dividend is unfranked (refer to note 8 in the half-year financial report).

Other than the matters reported above, as at the date of this report, the directors are not aware of any significant matter or circumstance that has arisen since 31 March 2018 that has affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years, which has not been covered in this report.

Directors' Declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Paul V Brasher
Chairman

Melbourne, 9th day of May 2018

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Independent Auditor's Review Report to the members of Incitec Pivot Limited

We have reviewed the accompanying half-year financial report of Incitec Pivot Limited, which comprises the consolidated statement of financial position as at 31 March 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 5 to 17.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 March 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Incitec Pivot Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Incitec Pivot Limited would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Incitec Pivot Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 March 2018 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tom Imbesi
Partner
Chartered Accountants
Melbourne, 9 May 2018

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