Incitec Pivot Limited

STRATEGY ON TRACK AND DELIVERING

Results for the financial year ended 30 September 2011

BUSINESS PERFORMANCE

Incitec Pivot Limited (IPL) has delivered Net Profit after Tax (NPAT) of $463.2m, up $52.7m from prior year of $410.5m.

KEY FINANCIALS

- NPAT excluding individually material items ("NPAT ex IMIs") increased by 20% or $87.3m to $530.1m (2010: $442.8m).
- EBIT excluding individually material items ("EBIT ex IMIs") increased by 19% or $123.8m to $772.1m (2010: $648.3m), with double digit earnings growth in all business units.
- Operating cash flows increased by $190.2m or 36% to $719.1m (2010: $528.9m) as a result of improved operating performance and working capital management.
- Net Debt increased by $91.7m to $1.2Bn (2010: $1.1Bn), as the business funded $347.1m of capital expenditure on the construction of the 330kT Moranbah ammonium nitrate ("AN") plant.
- Strong credit metrics maintained: Net Debt/EBITDA 1.3 times (2010: 1.4 times) and interest cover 10.8 times (2010: 12.2 times).

SHAREHOLDER RETURNS

- Earnings per share up 12% to 28.4 cents per share ("cps") (2010: 25.3 cps).
- Earnings per share excluding individually material items ("EPS ex IMIs") up 19% to 32.5 cps (2010: 27.3 cps).
- Dividends increased 47% to 11.5 cps (2010: 7.8 cps).

BUSINESS HIGHLIGHTS

- Group EBIT, measured on a constant currency basis (Dyno Nobel Americas ("DNA") EBIT measured at the prior year's exchange rate) grew by 23%.
- The Explosives business EBIT grew 8% (15% on a constant currency basis) to $368.8m. DNA and DNAP ("Dyno Nobel Asia Pacific") posted record EBIT results, reflecting the benefit of the Velocity program.
- The Fertiliser business EBIT grew 34% to $449.0m. The business realised higher ammonium phosphate and urea prices via strong sales distribution volume growth in Australia and maximising the value of exported product via the Quantum Fertiliser Marketing business.

	Year Ended 30 September		
A$M	**2011**	**2010**	**Change**
Sales Revenue	3,906.3	2,931.7	33%
EBITDA[1]	920.3	787.3	17%
EBIT[2]	772.1	648.3	19%
NPAT - ex. IMIs[3]	530.1	442.8	20%
Individually Material Items	(66.9)	(32.3)	(107%)
NPAT	463.2	410.5	13%
Shareholder Returns			
Earnings per share (cents) ex. IMIs	32.5	27.3	19%
Earnings per share (cents) inc. IMIs	28.4	25.3	12%
Dividend per share (cents)	11.5	7.8	47%
Share price at 30 September ($)	3.27	3.59	(9%)
Financing KPIs			
Operating cash flows	719.1	528.9	36%
Net Debt	(1,188.8)	(1,097.1)	(8%)
Interest cover (times)[4]	10.8	12.2	
Net Debt/EBITDA (times)	1.29	1.39	

- The hedging program delivered a benefit of $95m, with an effective A$/US$ hedged rate of $0.91 (including premium costs) for US dollar priced fertiliser sales versus an average spot rate of $1.03 for the 2011 year.
- The construction of the Moranbah AN plant continues to progress and is 86% complete at the date of this report, and remains on budget with beneficial operation (commercial production of AN) expected in Q3 2012.
- The business started the journey to a new business system ("BEx"). BEx will transform the way IPL does business and drive long term productivity improvement in the Group.

2012 OUTLOOK – A TRANSITION YEAR

Explosives

- DNAP is expected to deliver modest growth via recovery of sales volumes lost in 2011 floods (assuming "normal" weather conditions) and underlying growth in sales to customers in the Pilbara, Bowen Basin and Indonesia. 2012 is a transition year for the business, with the start up of the Moranbah AN plant in Q3 2012 and the first full year of production in 2013.
- The Moranbah AN plant is on track to commence beneficial operation in Q3 2012. It is expected that EBIT contribution from production will be minimal in 2012.
- DNA will continue to be impacted by the challenging economic conditions in the United States of America ("USA").
- The Velocity program is expected to deliver approximately $30m in incremental EBIT as the benefit of completed projects is realised in the 2012 result, subject to no "double-dip" recession occurring in the USA economy.

Fertilisers

- IPL has a positive view of the long term outlook for global fertilisers. Global food demand will continue to rise, driven by the urbanisation and industrialisation of the developing world (especially China and India). In the shorter term, fertiliser prices will vary as a result of demand and supply factors, which are not easily predictable.
- Subject to seasonal weather conditions and unexpected production issues, production at Phosphate Hill is expected to be around 920kT in 2012 (2011: 932kT), as the impact of the planned catalyst screen at Mt Isa Sulphuric Acid plant will reduce production by approximately 30kT.
- Growth in domestic fertiliser volumes is expected to continue on the east coast of Australia, with a recovery of pasture market volumes expected and moderate growth in the winter and summer crops. This is subject to no adverse impact from seasonal weather conditions.

Corporate Costs

- In 2012, the Group will incur $35m of costs associated with BEx as it is implemented throughout the business, representing a transition to lean business processes. These costs will be booked to the corporate centre.

Full Year EBIT Sensitivities	
IPF: Urea - Middle East Granular Urea (FOB)[(1)]	+/- US$10/t = +/- A$4.1M
SCI: DAP - Di-Ammonium Phosphate Tampa (FOB)[(2)]	+/- US$10/t = +/- A$9.7M
Forex - transactional (DAP & Urea)[(3)]	+/- 1 cent = A$7.8M
DNA: Urea (FOB)[(4)]	+/- US$10/t = +/- US$1.8M
DNA: Forex - translation of Explosives earnings[(5)]	+/- 1 cent = A$1.4M

Assumptions:

(1) 405kT (Gibson Island name plate capacity) urea equivalent sales at 2011 realised price of US$397 and a 2012 hedged exchange rate of A$/US$ 0.98

(2) 950kT (Phosphate Hill name plate capacity) DAP sales at 2011 realised price of US$617 and hedged exchange rate of A$/US$ 0.98

(3) DAP & Urea based on assumptions 1 and 2

(4) 180kT (St Helens name plate capacity - short tonnes) urea equivalent sales at 2011 realised price of $453/t

(5) For each US$150M EBIT

SENSITIVITIES

The sensitivities have been calculated based on the 2011 achieved di-ammonium phosphate ("DAP") and urea prices, at an A$/US$ exchange rate of 0.98c (representing the 2012 cover level), and nameplate urea and DAP production.

The A$/US$ rate has a significant impact on the profitability of the business. The business has put in place hedging to cover 2012 US dollar denominated fertiliser sales, which at 2011 average fertiliser prices guarantees a realised rate of no worse than A$/US$ 0.96 with full participation to 0.93 for the first six months and 0.88 for the second six months. A limited amount of participation exists below these levels.

REVENUE

Sales revenues increased by $974m to $3,906m (2010: $2,932m). Significant movements included:

- Higher fertiliser prices for DAP & urea ($254m), offset by the higher Australian dollar ($64m).
- Higher sales volumes in the Incitec Pivot Fertilisers ("IPF") business, which increased from 1,728kT in 2010 to 1,892kT in 2011.
- The recognition of revenue from the Quantum business on open sales, leading to a $425m increase in revenues to $434m (2010: $9m).
- The pass through impact of higher nitrogen prices in the Explosives businesses.

Revenues	Year Ended 30 September		
A$M	2011	2010	Change
Revenues			
- SCI	1,238.6	647.1	91%
- IPF	1,185.5	885.9	34%
- Elimination	(193.8)	(145.4)	(33%)
Fertilisers	***2,230.3***	***1,387.6***	***61%***
- DNAP	533.1	499.8	7%
- DNA	1,172.5	1,092.5	7%
- Elimination	(27.5)	(48.2)	43%
Explosives	***1,678.1***	***1,544.1***	***9%***
Elimination of Expl to Ferts	***(2.1)***	***0.0***	
Total Revenues	**3,906.3**	**2,931.7**	**33%**

EBIT ex IMIs

EBIT ex IMIs grew by 19% or $124m to $772m (2010: $648m), primarily due to:

- $176m: Higher global commodity prices ($254m) partially offset by higher production costs ($68m) and the lag in passing ammonia price increases through to customers in the DNA business ($10m).
- $34m: Cost savings and operating and plant efficiencies delivered by the Velocity program.
- $20m: Reduction in loss realised on cost to serve AN to Moranbah foundation customers.
- $10m: Further recovery of sales volumes in the IPF distribution business.
- $9m: Higher contribution from the Quantum business.

This was partially offset by the following:

- ($64m): The cost of the higher A$/US$ exchange rate realised on United States dollar denominated fertiliser prices (the impact of the movement from 84.6c hedged rate in 2010 to 91.0c hedged rate in 2011) ($40m) and the impact of the higher A$/US$ rate on the translation of US dollar earnings from the DNA business ($24m).
- ($22m): The impact of net lower production in the Australian fertiliser plants.
- ($19m): Increased corporate costs of $18.8m with $10m invested in the BEx program, a $4m higher non cash accounting cost associated with Long Term Incentives issued in 2011 and $5m of costs incurred investing in the evaluation of growth projects.
- ($11m): The impact of the adverse weather conditions across Australia in the first half.
- ($10m): Other items included bad debt write downs of $5m.

Earnings Summary	Year Ended 30 September		
A$M	2011	2010	Change
EBIT			
- SCI	323.9	222.6	46%
- IPF	128.8	112.4	15%
- Elimination	(3.7)	(0.6)	(517%)
Fertilisers	***449.0***	***334.4***	***34%***
- DNAP	195.4	176.0	11%
- DNA	173.8	163.2	6%
- Elimination	(0.4)	1.5	(127%)
Explosives	***368.8***	***340.7***	***8%***
Corporate	***(45.7)***	***(26.8)***	***(71%)***
Total EBIT	**772.1**	**648.3**	**19%**
Borrowing costs	(58.2)	(53.0)	(10%)
Tax expense	(179.7)	(150.8)	(19%)
NPAT - exc. IMIs	534.2	444.5	20%
Minority interests	(4.1)	(1.7)	(141%)
NPAT attributable to shareholders - exc. IMIs	**530.1**	**442.8**	**20%**
Individually material items after tax	(66.9)	(32.3)	(107%)
NPAT attributable to shareholders - inc. individually material items	**463.2**	**410.5**	**13%**

BORROWINGS AND INTEREST

- Net Debt increased by $92m to $1,189m (2010: $1,097m), reflecting the funding of the Moranbah AN plant construction, which represented a cash outflow of $347m during the year.
- Net interest expense pre accounting adjustments increased by $20.7m to $85.1m (2010: $64.4m), reflecting an average achieved interest rate in 2011 of 5.7% (inclusive of upfront costs and commitment fees) (2010: 4.7%). The higher interest rate is consistent with the strategy of increasing the tenor of IPL's debt.
- Net borrowing costs are inclusive of an increase in a non-cash accounting expense for unwinding of discount applied to longer term liabilities of $25.2m (2010: 13.8m). In 2011, $16.0m of this expense related to the unfavourable contract liability for Moranbah foundation customers, the balance represents discount charged as a result of lower rates used to remeasure long term liabilities as required by accounting standards.

TAX

- Tax expense (excluding tax on individually material items) increased to $179.7m (2010: $150.8m). This represents a slight reduction in the effective tax rate to 25.2% (2010: 25.3%).

RETURN TO SHAREHOLDERS

- The Directors have determined to pay an unfranked dividend of 8.2 cps, which will be paid on 16 December 2011. This takes the total dividend in 2011 to 11.5 cps, a 47% increase from 2010.
- The dividend represents a payout of 35% of NPAT ex IMIs.
- The 2011 dividend remains unfranked due to a current lack of available franking credits. However, it is expected that in 2012 the Company will be able to resume franking up to 50%, which should increase further from 2013 after the commencement of earnings from the Moranbah AN plant.

Borrowing Costs/Credit Metrics	**Year Ended 30 September**		
A$M	**2011**	**2010**	**Change**
Net interest expense pre accounting adjustments	(85.1)	(64.4)	(32%)
Non-cash unwinding of liabilities	(25.2)	(13.8)	(83%)
Total borrowing costs	**(110.3)**	**(78.2)**	**(41%)**
Less Capitalised Interest (Moranbah)	52.1	25.2	107%
Net Borrowing Costs	**(58.2)**	**(53.0)**	(10%)
Interest cover (times)(4)	10.8	12.2	
Net Debt/EBITDA (times)	1.29	1.39	

Return to Shareholders	**Year Ended 30 September**		
Cents per share (cps)	**2011**	**2010**	**Change**
Final Dividend	8.2	6.0	37%
Franking (%)	0%	0%	
Total Dividend	11.5	7.8	47%
Franking (%)	0%	0%	
Record date: 23 November 2011			
Dividend paid: 16 December 2011			

Individually material items	**Year Ended 30 September**		
A$M	**Gross**	**Tax**	**Net**
Velocity integration & restructuring	(54.2)	19.4	(34.8)
Manufacturing & Distribution restructuring	(16.3)	4.7	(11.6)
Profit on sale of land	19.1	0.0	19.1
Cash IMIs	**(51.4)**	**24.1**	**(27.3)**
Loss on sale and impairment of US drilling businesses	(41.1)	1.5	(39.6)
Total IMIs	**(92.5)**	**25.6**	**(66.9)**

INDIVIDUALLY MATERIAL ITEMS

Individually material items (net of tax) in 2011 were a cost of $66.9m (2010: $32.3m), which included:

- Velocity integration and manufacturing and distribution restructuring costs of $46.4m, representing costs incurred in the final year of the Velocity program ($19.0m of redundancy costs, $15.8m of project costs, $11.6m of plant closure costs). This brings the life to date costs incurred on Velocity projects to pre-tax US$186.5m. 2011 represents the final year of the program and no further project costs will be incurred. The earnings from projects closed in 2011 are expected to increase the total benefit of the Velocity program to US$204.0m per annum by the end of the 2012 year.
- Profit on sale of land ($19.1m).
- Loss on sale of Castonguay drilling business and impairment of other drilling businesses operated by DNA following a strategic review of these operations ($39.6m).

BALANCE SHEET

IPL's Balance sheet remains strong, reflecting ongoing financial discipline throughout the business. The key movements in the balance sheet since 30 September 2010 include:

- Trade working capital ("TWC") ended the year slightly lower, however, average TWC to sales for the year finished higher than in 2010, with higher inventories held in the Fertiliser business throughout much of the season. Explosives average TWC to sales continued to improve in 2011, reflecting in particular improved management of receivables and inventories.
- Net property plant and equipment increased by $437m to $2,290m, mainly as a result of capital expenditure of $612m (of which $406m was incurred on the Moranbah AN plant – cash spend was $347m and capitalised interest was $52m), disposals of $35m and depreciation of $125m.
- Tax balances increased by $203m during the year, primarily reflecting tax payable on the 2011 result.
- Net Other Liabilities / Assets reduced by $27m, due in part to a decrease in the Moranbah unfavourable foundation contract liability of $68m, partially offset by a decrease in the value of listed shares held (Carbon Energy $20m).

Balance Sheet	Year Ended 30 September		
A$M	2011	2010	Change
Trade Working Capital - Fertilisers	71	85	(14)
Trade Working Capital - Explosives	208	207	1
Net property plant and equipment	2,290	1,853	437
Intangible assets	2,942	3,010	(68)
Environmental, restructuring & ARO	(116)	(118)	2
Tax (liabilities)/assets	(244)	(41)	(203)
Net other (liabilities)/assets	(255)	(288)	33
Net Debt	(1,189)	(1,097)	(92)
Net Assets	**3,707**	**3,611**	**96**
Equity	**3,707**	**3,611**	**96**
Net Debt/EBITDA (times)	1.29	1.39	
Fertilisers - Average TWC % Rev(5)	12.2%	10.4%	
Explosives - Average TWC % Rev(5)	15.3%	16.2%	
Group - Average TWC % Rev(5)	13.5%	12.9%	

NET DEBT

During the year, the Company completed the re-financing of its debt book, which completed IPL's strategy to increase the diversity, spread and tenor of its debt to protect the business against temporary debt market dislocations.

The current year refinancing included:

- The completion of a US$500m five year 144A / Regulation S bond deal.
- The negotiation of an AU$900m three year Bank Facility Agreement.

The average tenor of drawn debt is now over six years with no major debt facilities maturing until April 2014.

At 30 September 2011, IPL's net debt was $1,189m (2010: $1,097m), with committed headroom available of $1,280m (2010: $1,077m), representing the $900m undrawn three year Bank Facility and cash on hand at year end.

HEDGING PROGRAM

Recent movements in the AU$/US$ exchange rate have demonstrated the importance of the hedging strategy employed by IPL. The foundations of the strategy are:

- To fund the business with US dollar debt. The US dollar debt strategy provides a natural hedge of some of the Group's exposure arising from the need to translate earnings from the America's explosives business. The USD dollar debt strategy also provides a partial hedge against movements in the A$/US$ exchange rate on the translation of the Group's USD net assets. In addition, the USD debt strategy enables IPL to target tenor and diversity in its debt profile, thus assisting in reducing refinancing risk.

  Important enablers of the USD debt strategy are the investment grade credit ratings from Standard and Poors, Moody's and Fitch ratings, which enable the group to target a number of USD debt markets and maintain a focus on retaining a strong balance sheet and on remaining financially disciplined.
- An active, "insurance based" approach to hedging transactional exposures resulting from a rising Australian dollar ("AUD") versus the USD. The basis of this approach is to attempt to cost effectively cover a significant portion of the risk of an appreciating AUD, while maintaining meaningful participation levels if the AUD depreciates.

CASH FLOW

Net operating cash inflows increased by $190.2m to $719.1m (2010: $528.9m), the second highest on record for IPL, primarily due to:

- A 17% improvement in EBITDA with improvement across all business units.
- Lower interest and tax payments as a result of timing of cash flows between periods.
- Improved cash flows from trade working capital balances, as a result of lower year end balances in the Fertiliser businesses.

Partially offset by:

- Higher spending on environmental costs, including asbestos removal work and spend on longer term environmental restoration projects.

Net investing cash outflows increased by $206.8m to $607.8m (2010: $401.0m), primarily due to:

- Moranbah AN plant expenditure of $347.1m (2010: $73.9m) and associated capitalised interest $52.1m (2010: $25.2m). Total project expenditure life to date is now $748.7m and life to date capitalised interest is $92.5m.
- Growth capital of $43.0m (2010: $18.5m), which included spending on new emulsion plants and mobile production units in the Explosives business.
- Spending on sustenance capital of $204.4m (2010: $198.7m). This included $59m on the Gibson Island plant turnaround, $12m on upgrading utility services in North American plants and $8m on a new ammonia tank at the Cheyenne plant, United States of America. Spending on sustenance is consistent with IPL's risk and reliability strategy.

Partially offset by:

- Proceeds from sale of surplus assets and investments $37.9m (2010: $19.0m).

Net financing cash flows were an outflow of $203.0m in 2011 compared to an inflow of $238.5m in 2010. Major financing cash flows included:

- Payment of a cash dividend of $151.4m (2010: 18.3m). This was significantly higher in 2011 as a result of the Company suspending its underwritten dividend reinvestment plan.
- Non Cash movement in Net Debt $63.9m (2010: +$7.5m), which represents the mark-to-market movement in long term interest rate swap derivatives.
- Reduced gain on the translation of US debt and unrealised movements in interest rate derivatives.

Cash Flow Items	Year Ended 30 September		
A$M	2011	2010	Change
Net operating cash flows			
Group EBITDA	920.3	787.3	17%
Net interest paid	(17.9)	(38.7)	54%
Net income tax (paid) / received	(4.5)	(10.3)	56%
TWC movement (excluding FX impact)	11.1	(34.3)	
Moranbah Provision release	(84.0)	(85.4)	2%
Dyno Nobel profit from associates	(24.2)	(30.5)	21%
Integration & restructuring costs	(53.4)	(52.0)	(3%)
Environmental and site clean up	(20.2)	(5.0)	(304%)
Other NTWC	(8.1)	(2.2)	(268%)
Operating cash flows	***719.1***	***528.9***	***36%***
Net investing cash flows			
Growth - Moranbah	(347.1)	(73.9)	(370%)
Growth - Moranbah capitalised interest	(52.1)	(25.2)	(107%)
Growth - Other	(43.0)	(18.5)	(132%)
Proceeds from asset sales	37.9	19.0	99%
Sustenance	(204.4)	(198.7)	(3%)
Investments	(0.2)	(103.7)	100%
Other	1.1	0.0	100%
Investing cash flows	***(607.8)***	***(401.0)***	***(52%)***
Net financing cash flows			
Dividends paid	(151.4)	(18.3)	(727%)
Gain on translation of US$ Debt	12.3	48.0	(74%)
Realised market value gains on derivatives	0.0	201.3	(100%)
Non-cash movement in Net Debt	(63.9)	7.5	(952%)
Financing cash flows	***(203.0)***	***238.5***	***(185%)***
Decrease/(increase) in net debt	**(91.7)**	**366.4**	

2012 Capital Projects

During the year the business made a commitment to the following projects:

- $40m: Pilbara Emulsion plant.
- $50m: Phosphate Hill 3rd filter. The investment will increase reliability of the phosphoric acid plant and over the long term allow the processing of a wider range of phosphate rock.

DYNO NOBEL AMERICAS (DNA)

BUSINESS PEFORMANCE

DNA's USD EBIT increased by $31.5m or 21% to $179.4m (2010: $147.9m). This represents a record result for the business, driven by higher Nitrogen pricing on Agricultural products and EBIT generated by the Velocity program. AN volumes sold by the explosives business in North America were flat (excluding exports, volumes sold into the North American market were up approximately 5%). Significant drivers of North America's result include:

- $20m: The impact of higher urea and urea ammonium nitrate ("UAN") prices generated $30m of incremental margin in the Agriculture business on tonnes produced at the St Helens and Cheyenne plants. This was partially offset by the lag in passing ammonia price increases through to customers ($10m).
- $24m: The Velocity program, which generated $23.8m in EBIT, including $9.4m from higher initiating systems margins, $4.1m from the de-sulphurisation project at the St Helens plant, $3.5m of global strategic procurement savings and $2.0m from site and logistics optimisation.
- ($12m): Increased business costs as a result of higher healthcare costs, higher fuel costs and one-off legal expenses.

DNA	Year Ended 30 September 2011	2010	Change
US$			
Revenues	1,205.2	983.5	23%
EBIT	179.4	147.9	21%
A$			
Revenues	1,172.5	1,092.5	7%
EBIT	173.8	163.2	6%
Translation exch. rate (Rev)- A$/US$	1.028	0.900	(14%)
Translation exch. rate (EBIT) - A$/US$	1.032	0.906	(14%)

Velocity	Delivered US$m	Target US$m	IMI Cost US$m
2008	9.0	9.0	26.6
2009	62.0	62.0	50.0
2010	69.2	60.0	39.4
2011	34.1	33.8	70.5
Project to date - total	**174.3**	**164.8**	**186.5**
2012 target	29.7	39.2	-
Total program	**204.0**	**204.0**	**186.5**

MARKET SUMMARY

The DNA explosives business sells product into the following major markets:

Coal

The Coal segment currently accounts for 63% of the AN volumes sold by the DNA business. In 2011, sales volumes to coal customers were up 5%. In the second half of 2011, coal volumes were impacted by spring flooding that closed transport links for thermal coal and resulted in a temporary switching of marginal power generation from coal to hydro power.

Quarry & Construction

The Quarry and Construction segment accounts for 17% of the AN volumes sold by the DNA business. In 2011 sales volumes grew by 3%; volumes in the first half were higher as a result of one off pipeline projects. Second half volumes were flat compared to the prior year as 2010 volumes included the benefit of industry restocking associated with the restart of the Florida stone market.

Metals & Mining

The Metals and Mining segment accounts for 20% of the AN volumes sold by the DNA business. In 2011 sales volumes were up 5%, reflecting the improved activity levels of customers in this segment as a result of higher world commodity prices.

No AN volumes were exported in 2011 (2010: 60kt), as tonnes were diverted predominantly into the local Coal segment. Excluding export volumes sold in 2010, the US AN market volumes grew by 5% in 2011.

The DNA ***Agriculture*** business experienced strong EBIT growth in 2011 as a result an increase in Urea prices and higher production volumes. The average achieved rate for Urea equivalent volumes sold from the St Helens plant was up $115 per short tonne to US$453/t (2010: $338/t).

DYNO NOBEL ASIA PACIFIC (DNAP)

BUSINESS PERFORMANCE

DNAP's EBIT increased by $19.4m or 11% to $195.4m (2010: $176.0m). Underlying earnings, excluding the Moranbah unfavourable contract liability release, increased by 23% or $20.9m to $111.5m (2010: $90.6m), which is a new record for the DNAP business. The result was achieved despite the significant impact of adverse weather conditions in Australia in the first half. Significant drivers of DNAP's result include:

- $20m: Reduction in costs to service Moranbah foundation customer contracts, which increased EBIT by $20.0m. This was a result of a lower average AN costs and a more cost efficient distribution operation. Volumes sold to Moranbah foundation customers increased slightly to 63kT (2010: 54kT).
- $10m: Benefit delivered by Velocity program projects including global strategic procurement savings and site and logistics optimisation.
- ($11m): The impact of adverse weather conditions, which had an impact of $16.0m in the first half of 2011 and was partially mitigated in the second half as a result of a better product mix, resulting in a full year negative impact of $10.6m.

DNAP	Year Ended 30 September		
	2011	2010	Change
A$			
Revenues	533.1	499.8	7%
EBIT	195.4	176.0	11%
Impact of the Moranbah Unfavourable Contract Liability			
Moranbah Unfavourable Contract Liability release	83.9	85.4	(2%)
Losses incurred on Moranbah contracts	(4.0)	(24.0)	83%
Provision discount unwind (classified as interest)	(16.0)	(9.7)	(65%)
Tax effect	(19.2)	(15.5)	(24%)
NPAT impact	**44.7**	**36.2**	**24%**

MARKET SUMMARY

The DNAP explosives business sells product into the following major markets:

Australian East Coast Coal

Sales of AN to Australian east coast coal customers accounts for 40% of total AN sold by the DNAP business. In 2011, volumes were negatively impacted by the severe weather conditions on the east coast, which was partially mitigated by higher emulsion sales in the second half.

Western Australia

WA sales account for 33% of the AN volumes sold by the DNAP business. In 2011 sales volumes increased by 9%, which was in line with market growth for the region.

Hard Rock and Underground

Hard Rock and Underground sales account for 7% of the AN volumes sold by the DNAP business. Volumes were negatively impacted by extreme weather conditions in the first half of 2011.

Indonesia and PNG

This market accounts for 20% of the AN volumes sold by the DNAP business. In 2011, volumes increased on the back of investments made in on-site emulsion plants in Indonesia to support customer growth.

MORANBAH AN PROJECT

Safety

The Moranbah AN plant construction project has achieved 2.4 million construction hours worked without lost time injury.

Construction Update

Initial construction milestones including utility systems of the Moranbah AN plant have been delivered to plan and progress overall is 86% complete at the date of this report. The project remains on budget with beneficial operation (commercial production of AN) expected in Q3 2012. The external construction environment remains challenging.

Operations

Operational establishment at the Moranbah AN plant is significantly progressed with operators now involved in the commissioning of plant and the operation of the power station, water treatment plant and other utilities.

INCITEC PIVOT FERTILISERS (IPF)

BUSINESS PERFORMANCE

IPF's EBIT increased by $16.4m or 15% to $128.8m (2010: $112.4m). Significant drivers of IPF's result included:

- $41m: Higher global USD urea prices ($44.6m), partially offset by higher production costs ($3.6m).
- ($7m): Impact of the higher AU$/US$ rate
- ($19m): Lower urea production volumes at the Gibson Island plant as a result of the planned plant turnaround.
- $10m: Distribution volumes increased by 164kT or 9%. Volumes were varied across the major markets, a detailed analysis is provided below.
- ($5m): Lower margins were achieved on Single Super Phosphate ("SSP"), as a result of the requirement to import product due to limited stocks on hand at the start of the season before the Geelong plant had been restarted.

Fertilisers - Tonnes sold	Year Ended 30 September		
	2011	2010	Change
Tonnes '000's			
Incitec Pivot Fertilisers (IPF)	1,892	1,728	9%
Southern Cross International (SCI)	2,255	1,364	65%
Inter-company eliminations	(294)	(286)	
Tonnes - Fertilisers	**3,853**	**2,806**	**37%**

Incitec Pivot Fertilisers	Year Ended 30 September		
	2011	2010	Change
Revenue	1,185.5	885.9	34%
EBIT	128.8	112.4	15%
IPF - KPIs			
Tonnes Sold '000's	1,892	1,728	9%
Middle East Granular Urea (US$/t)	397	272	46%
Average exchange rate - cents A$/US$	91.0	84.6	(8%)
Gibson Island Production - NH3	215.9	292.3	(26%)
- NH3 sold via SCI (Industrials)	27.0	56.0	(52%)
- NH3 sold via IPF	188.9	236.3	(20%)
IPF NH3 / Urea Equivalent	324.1	405.4	(20%)

MARKET SUMMARY

The IPF business sells product into the following major markets:

Winter Crop

Good growing and seasonal conditions in most cropping districts, in conjunction with strong soft commodity prices, resulted in an increase in fertiliser usage in 2011. With above average moisture levels at planting, ammonium phosphates and associated products experienced strong sales. Conditions for the top dress were also favourable, driven by an established healthy crop and strong wheat prices. The market saw an increase in top dress fertiliser volumes from the high levels achieved in 2010. Overall volume increased by 125kT year-on-year.

Summer Crop

A predicted record cotton crop in 2011 has seen significant improvement in Big N and urea volumes sold during the second half of the year. Volumes sold into this market have increased by 72kT year-on-year. Sales into the sugar crop have been relatively consistent with the previous year.

Pasture

SSP sales volumes were 100kT lower than the prior year, due primarily to a reduction in application in 2011. The farmers who made the decision to skip fertiliser application did so on the basis of the abundance of grass due to early rains, very strong livestock prices and ongoing rainfall events over the application period.

SOUTHERN CROSS INTERNATIONAL (SCI)

BUSINESS PERFORMANCE

SCI's EBIT increased by $101.3m or 46% to $323.9m (2010: $222.6m). SCI's business is split into three segments and each is analysed below:

Phosphate Hill and SCI Trading EBIT increased by $100.6m to $271.2m (2010: 170.6m). Significant factors included:

- $160m: Higher global ammonium phosphate prices ($198m), offset by higher costs of production ($38m). Variable production costs increased ($22m) including higher sulphur costs ($9m), higher contracted gas prices ($2m), higher rail costs ($7m) associated with extending the rail contract from six day service to a seven day service (to facilitate future debottlenecking plans and provide an ability to catch up after weather events) and a renewal of the contract for transportation of sulphuric acid. Fixed production costs increased ($16m) as a result of "mining cost inflation" experienced by operating remote fly-in fly-out operations in regional Queensland. The BEx program will address this cost in future years via productivity gains.
- $10m: Increased production of ammonium phosphates to 932kT, which represents the second highest output on record. This is a significant achievement in light of first half outages associated with a change in the composition of mined rock and the closure of the plant during cyclone Yasi.

Partially offset by:

- ($33m): The impact of the higher AU$/US$ rate. The realised rate increased from 84.6 cents in 2010 to 91.0 cents.
- ($15m): An increase in depreciation costs, a result of the 2010 turn-around, which was the first under IPL's ownership.
- ($14m): Lower freight margins as a result of lower global ocean freight rates.
- ($5m): Impairment of trade receivables from HiFert Pty Ltd.

Industrials EBIT decreased by $8.4m or 18% to $37.4m (2010: $45.8m), as a result of lower volumes of manufactured ammonia and manufactured urea related products sold by the industrials business in 2011.

Quantum EBIT increased by $9.1m or 147% to $15.3m (2010: 6.2m), with the business selling 2.6mT, an increase of 1.7mT from 2010.

Southern Cross International	Year Ended 30 September		
	2011	2010	Change
SCI Tonnes '000's			
Phosphate Hill production sold	929	902	3%
SCI Trading	84	211	(60%)
Industrial	284	251	13%
Quantum - open sales	958	-	
Total	**2,255**	**1,364**	**65%**
Quantum - back to back	1,644	902	82%
Total Quantum	**2,602**	**902**	188%

Southern Cross International	Year Ended 30 September		
	2011	2010	Change
SCI Revenue $Am			
Phosphate Hill production sold	667.0	499.5	34%
SCI Trading	50.0	62.2	(20%)
Industrial	87.8	76.9	14%
Quantum	433.8	8.5	5004%
Total	**1,238.6**	**647.1**	**91%**
SCI EBIT $Am			
Phosphate Hill & SCI	271.2	170.6	59%
Industrial	37.4	45.8	(18%)
Quantum	15.3	6.2	147%
Total	**323.9**	**222.6**	**46%**
SCI KPIs			
Average DAP Tampa ($US/t)	617	423	46%
Average freight Margin ($US/t)	16	28	(44%)
Average exchange rate A$/US$	91.0	84.6	(8%)
Phosphate Hill Production Tonnes ('000's)	932	837	(11%)

HSEC

IPL remains committed to Zero Harm. The quest for Zero Harm is led by the CEO and in 2011 further investment has been made in the plants and distribution network to reduce risks, coupled with an increase in training programs across the organisation to continue to increase awareness and improve the safety culture in the business. The business also invested in a new global safety management system during the year to allow management to better track and target areas for improvement and reward and recognise those parts of the business that achieve Zero Harm.

While safety performance improved in 2011, the Group's Total Recordable Injury Frequency Rate ("TRIFR") reduced to 1.24 (2010: 1.53), this is still a long way from Zero Harm and any injury that occurs in the workplace is unacceptable.

The highlight of the Zero Harm program in 2011 was the safety performance at the Moranbah construction site. The project has now accumulated 2.4 million hours LTI free. In 2011, there were 83% of sites that were recordable case free, which supports our belief that Zero Harm for the entire organisation is possible.

ENVIRONMENT

IPL employees continued to demonstrate their commitment to "Care for the Community and our Environment" in 2011, particularly in response to natural disasters including the Queensland and Victorian floods in Australia and more recently the devastating Joplin tornado in the USA. Employees donated over $96,000 to disaster relief, which was matched by the Company, in addition to in-kind donations of essential goods and assistance for disaster affected communities. Employees also undertook over 5,500 hours of paid voluntary work to help clean up and repair disaster affected areas.

During the year, IPL initiated the five keystone projects that underlie its commitment to sustainability and the agenda of "Use Less, Get Close and Be Responsible". The five projects, which are due for completion in 2013, are:

- Implement reduction targets for energy and water consumption and waste generation.
- Create community spend guidelines and reporting.
- Establish a global indigenous employment program across IPL.
- Recycle customer waste oil on site for reuse in explosives products.
- Promote increased use of enhanced efficient fertilisers.

In support of our global indigenous employment program, IPL signed the Australian Employment Covenant (AEC), joining a national initiative aimed at securing sustainable jobs for Indigenous Australians and work has begun on a local program in the Pilbara region of Western Australia.

The process of setting reduction targets for energy, water and waste across its global manufacturing sites, supported with a global reporting system is underway. To help achieve targets, many initiatives are already underway across IPL sites in Australia, USA, Canada and Mexico that involve energy and water efficiency, water recycling, and waste minimisation, re-use and recycling.

For the second consecutive year, IPL was listed by the Dow Jones Sustainability Indexes (DJSI). The Company's third Sustainability Report, to be released next month, details more of its progress on Sustainability.

Carbon Regulation

The IPL Group's carbon footprint of 2.8 million tonnes of Co2 equivalent is representative of the scale and capacity of its manufacturing plants and in particular, the energy intensive manufacture of nitrogen-derived products such as ammonia, ammonium phosphate, urea and ammonium nitrate which require natural gas as a feed stock for production.

The Company's Sustainability position, incorporating carbon regulation, is to: mitigate risk and leverage opportunity. In line with this position, IPL has engaged with the Australian Government throughout the debate on the potential impact of a carbon pricing scheme on Australian manufacturers who compete in global commodity markets and have begun prudent preparations for carbon regulations.

From 1 July 2012, IPL's Australian emissions (including Moranbah) are estimated at 1.6 million tonnes of Co2. Based on currently available information, IPL anticipates receiving assistance in relation to its ammonia, ammonium nitrate and urea manufacturing activities which will reduce its final annual carbon tax liability to less than $10 million per annum during the fixed price period which ends 30 June 2015.

PEOPLE & CULTURE

IPL believes that its people provide a critical point of differentiation in the competitive markets in which it operates. In 2010, we initiated an Organisational Development Strategy, to ensure that IPL maximises the value that engaged and capable employees provide.

Over the past year we have continued to invest in our people, through embedding the required competencies into our Learning & Development programs. The focus has been on enhancing both our formal programs and performance support tools for leaders at all levels in the Company. We have also been working on our Company wide talent initiative to identify, develop, and retain high performing and high potential employees.

As part of the regular feedback process with IPL employees, a clear message was received about the desire of our people to be more directly involved in business improvement. This provides a natural link BEx, which will change the way that our employees are engaged in business improvement. Whereas in the past, Velocity was a project management exercise directed from a central project office with limited involvement of other IPL employees, BEx will engage all employees directly to work together in a methodical manner and using defined processes to improve business efficiency.

BEx

BEx will drive a new way of doing business in IPL based on lean principles. BEx will transform IPL and drive long-term productivity.

Initially the focus will be in manufacturing, where an "IPL production system" will be developed that will change the way plants are run – creating standard work, focus effort on eliminating waste and improving flow (removing bottlenecks). Importantly it will involve all 5,000 employees in the Group in systematic, controlled and sustained efficiency improvement. Supply chain will follow in 2013.

Initial set up costs for BEx were $10M in 2011, with a further $35M in 2012. A significant portion of the spend will be on employing around 170 people, around 4% of the global workforce, to focus on continuous improvement. This will be an ongoing investment in productivity.

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

1. EBITDA = Earnings before Interest, Tax, Depreciation and Amortisation, excluding individually material items
2. EBIT = Earnings before Interest and Tax, excluding individually material items
3. Attributable to shareholders of IPL, excluding minority interests
4. Interest cover = EBITDA/Net interest expense before accounting adjustment
5. Average TWC % = 13 month average trade working capital / Annual Revenues

INCITEC PIVOT LIMITED FINANCIAL PERFORMANCE	September 2011 FY $mill	September 2011 HY $mill	March 2011 HY $mill	September 2010 FY $mill	September 2010 HY $mill	March 2010 HY $mill	September 2009 FY $mill	September 2009 HY $mill	March 2009 HY $mill
VOLUMES ('000's tonnes)									
Incitec Pivot Fertilisers	1,892.0	1,184.7	707.3	1,728.0	940.0	788.0	1,423.0	920.0	503.0
Southern Cross International									
Manufactured AP's	929.0	575.2	353.8	902.0	470.0	432.0	824.0	508.0	316.0
Traded & Non-AP's	84.0	13.6	70.4	211.0	126.0	85.0	351.0	163.0	188.0
Industrial Chemicals	284.0	154.5	129.5	251.0	119.0	132.0	275.0	129.0	146.0
Quantum - open sales	958.0	958.0	-	-	-	-	-	-	-
Intercompany Eliminations	(294.0)	(127.5)	(166.5)	(286.0)	(58.0)	(228.0)	(235.0)	(93.0)	(142.0)
Total Volumes - Fertilisers	***3,853.0***	***2,758.5***	***1,094.5***	***2,806.0***	***1,597.0***	***1,209.0***	***2,638.0***	***1,627.0***	***1,011.0***
BUSINESS SEG SALES									
Incitec Pivot Fertilisers	1,185.5	762.1	423.4	885.9	506.8	379.1	950.2	565.7	384.5
Southern Cross International	1,238.6	898.2	340.4	647.1	367.2	279.9	777.5	377.5	400.0
Fertilisers Eliminations	(193.8)	(82.9)	(110.9)	(145.4)	(34.3)	(111.1)	(136.4)	(49.0)	(87.4)
Fertilisers	2,230.3	1,577.4	652.9	1,387.6	839.7	547.9	1,591.3	894.2	697.1
Dyno Nobel Americas	1,172.5	622.4	550.1	1,092.5	618.9	473.6	1,388.4	594.8	793.6
Dyno Nobel Asia Pacific	533.1	299.0	234.1	499.8	261.7	238.1	505.7	254.5	251.2
Explosives Eliminations	(27.5)	(14.8)	(12.7)	(48.2)	(25.0)	(23.2)	(66.5)	(32.6)	(33.9)
Explosives	1,678.1	906.6	771.5	1,544.1	855.6	688.5	1,827.6	816.7	1,010.9
Group Elimination	(2.1)	(2.1)	-	-	-	-	-	-	-
Total Sales - IPL Group	***3,906.3***	***2,481.9***	***1,424.4***	***2,931.7***	***1,695.3***	***1,236.4***	***3,418.9***	***1,710.9***	***1,708.0***
BUSINESS SEG EBITDA									
Incitec Pivot Fertilisers	156.0	93.8	62.2	141.6	75.2	66.4	121.1	65.4	55.7
Southern Cross International	353.3	229.4	123.9	236.9	158.2	78.7	195.8	94.3	101.5
Fertilisers Eliminations	(3.7)	15.8	(19.5)	(0.6)	17.8	(18.4)	24.3	6.2	18.1
Fertilisers	505.6	339.0	166.6	377.9	251.2	126.7	341.2	165.9	175.3
Dyno Nobel Americas	244.3	141.0	103.3	236.5	144.7	91.8	297.4	150.0	147.4
Dyno Nobel Asia Pacific	215.3	125.7	89.6	196.0	111.0	85.0	135.6	73.9	61.7
Explosives Eliminations	(0.4)	(0.4)	-	1.5	1.0	0.5	(3.8)	8.4	(12.2)
Explosives	459.2	266.3	192.9	434.0	256.7	177.3	429.2	232.3	196.9
Corporate	(44.5)	(33.5)	(11.0)	(24.6)	(17.2)	(7.4)	(27.4)	(15.5)	(11.9)
Total EBITDA - IPL Group	***920.3***	***571.8***	***348.5***	***787.3***	***490.7***	***296.6***	***743.0***	***382.7***	***360.3***
BUSINESS SEG Depreciation and Amortisation									
Incitec Pivot Fertilisers	27.2	13.7	13.5	29.2	14.3	14.9	27.1	14.2	12.9
Southern Cross International	29.4	14.9	14.5	14.3	9.4	4.9	12.5	6.5	6.0
Fertilisers	56.6	28.6	28.0	43.5	23.7	19.8	39.6	20.7	18.9
Dyno Nobel Americas	70.5	34.3	36.2	73.3	37.5	35.8	99.7	46.9	52.8
Dyno Nobel Asia Pacific	19.9	10.1	9.8	20.0	10.2	9.8	25.8	10.6	15.2
Explosives	90.4	44.4	46.0	93.3	47.7	45.6	125.5	57.5	68.0
Corporate	1.2	0.5	0.7	2.2	1.1	1.1	2.2	1.0	1.2
Total Depreciation and Amortisation - IPL Group	***148.2***	***73.5***	***74.7***	***139.0***	***72.5***	***66.5***	***167.3***	***79.2***	***88.1***
BUSINESS SEG EBIT									
Incitec Pivot Fertilisers	128.8	80.1	48.7	112.4	60.9	51.5	94.0	51.3	42.7
Southern Cross International	323.9	214.5	109.4	222.6	148.8	73.8	183.3	87.8	95.5
Fertilisers Eliminations	(3.7)	15.8	(19.5)	(0.6)	17.8	(18.4)	24.3	6.1	18.2
Fertilisers	449.0	310.4	138.6	334.4	227.5	106.9	301.6	145.2	156.4
Dyno Nobel Americas	173.8	106.7	67.1	163.2	107.2	56.0	197.7	103.1	94.6
Dyno Nobel Asia Pacific	195.4	115.6	79.8	176.0	100.8	75.2	109.8	63.3	46.5
Explosives Eliminations	(0.4)	(0.4)	-	1.5	1.0	0.5	(3.8)	8.4	(12.2)
Explosives	368.8	221.9	146.9	340.7	209.0	131.7	303.7	174.8	128.9
Corporate	(45.7)	(34.0)	(11.7)	(26.8)	(18.3)	(8.5)	(29.6)	(16.5)	(13.1)
Total EBIT - IPL Group	***772.1***	***498.3***	***273.8***	***648.3***	***418.2***	***230.1***	***575.7***	***303.5***	***272.2***
GEOGRAPHIC SEG SALES									
Australia	2,303.6	1,432.8	870.8	1,871.8	1,096.1	775.7	2,097.5	1,157.4	940.1
North America	1,036.0	547.9	488.1	1,006.2	565.2	441.0	1,292.7	550.4	742.3
Turkey	82.9	46.1	36.8	14.8	14.8	-	-	-	-
Other	483.8	455.1	28.7	38.9	19.2	19.7	28.7	3.1	25.6
Total - IPL Group	***3,906.3***	***2,481.9***	***1,424.4***	***2,931.7***	***1,695.3***	***1,236.4***	***3,418.9***	***1,710.9***	***1,708.0***
GEOGRAPHIC SEG NON-CURRENT ASSETS OTHER THAN FINANCIAL INSTRUMENTS AND DEFERRED TAX									
Australia	3,170.2	3,170.2	2,842.5	2,702.5	2,702.5	2,567.5	2,590.3	2,590.3	3,278.1
North America	2,129.6	2,129.6	2,042.5	2,195.4	2,195.4	2,395.4	2,431.8	2,431.8	3,352.0
Turkey	129.6	129.6	137.9	153.6	153.6	-	-	-	-
Other	97.0	97.0	84.4	76.9	76.9	126.6	85.1	85.1	124.2
Total - IPL Group	***5,526.4***	***5,526.4***	***5,107.3***	***5,128.4***	***5,128.4***	***5,089.5***	***5,107.2***	***5,107.2***	***6,754.3***
FINANCIAL PERFORMANCE									
EBIT	772.1	498.3	273.8	648.3	418.2	230.1	575.7	303.5	272.2
Net Interest	(58.2)	(28.4)	(29.8)	(53.0)	(21.8)	(31.2)	(107.6)	(48.3)	(59.3)
Operating Profit Before Tax and Minorities	713.9	469.9	244.0	595.3	396.4	198.9	468.1	255.2	212.9
Income Tax Expense	(179.7)	(115.2)	(64.5)	(150.8)	(98.1)	(52.7)	(120.3)	(77.2)	(43.1)
NPAT pre Individually Material Items	534.2	354.7	179.5	444.5	298.3	146.2	347.8	178.0	169.8
Individually Material Items Before Tax	(92.5)	(73.3)	(19.2)	(55.4)	(34.9)	(20.5)	(782.7)	(681.6)	(101.1)
Tax on Individually Material Items	25.6	19.4	6.2	23.1	16.7	6.4	213.5	182.6	30.9
NPAT & Individually Material Items	***467.3***	***300.8***	***166.5***	***412.2***	***280.1***	***132.1***	***(221.4)***	***(321.0)***	***99.6***
NPAT attributable to shareholders of IPL	463.2	297.6	165.6	410.5	278.1	132.4	(221.4)	(321.0)	99.6
NPAT attributable to minority interest	4.1	3.2	0.9	1.7	2.0	(0.3)	-	-	-

INCITEC PIVOT LIMITED FINANCIAL POSITION	September 2011 FY $mill	September 2011 HY $mill	March 2011 HY $mill	September 2010 FY $mill	September 2010 HY $mill	March 2010 HY $mill	September 2009 FY $mill	September 2009 HY $mill	March 2009 HY $mill
Cash	379.7	379.7	116.5	48.7	48.7	76.7	125.2	125.2	493.8
Inventories	477.9	477.9	606.0	336.2	336.2	446.7	397.1	397.1	737.5
Trade Debtors	431.5	431.5	396.1	432.3	432.3	303.8	275.3	275.3	384.3
Trade Creditors	(630.1)	(630.1)	(503.4)	(476.7)	(476.7)	(398.7)	(413.5)	(413.5)	(574.0)
Trade Working Capital	279.3	279.3	498.7	291.8	291.8	351.8	258.9	258.9	547.8
Net Property, Plant & Equipment	2,289.8	2,289.8	2,015.8	1,853.2	1,853.2	1,672.3	1,673.7	1,673.7	1,930.2
Intangibles	2,942.3	2,942.3	2,823.0	3,010.0	3,010.0	3,005.2	3,153.0	3,153.0	4,452.7
Net Other Assets	(615.9)	(615.9)	(425.6)	(446.6)	(446.6)	(316.2)	(282.6)	(282.6)	(595.3)
Net Interest Bearing Liabilities									
Current	(95.7)	(95.7)	(98.6)	(108.5)	(108.5)	(144.8)	(432.2)	(432.2)	(173.2)
Non-Current	(1,472.8)	(1,472.8)	(1,373.7)	(1,037.3)	(1,037.3)	(1,208.4)	(1,156.4)	(1,156.4)	(2,426.0)
Net Assets	***3,706.7***	***3,706.7***	***3,556.1***	***3,611.3***	***3,611.3***	***3,436.6***	***3,339.6***	***3,339.6***	***4,230.0***
Total Equity	***3,706.7***	***3,706.7***	***3,556.1***	***3,611.3***	***3,611.3***	***3,436.6***	***3,339.6***	***3,339.6***	***4,230.0***
Capital Expenditure (Accruals Basis)									
Total Capital Expenditure	*612.2*	*335.2*	*277.0*	*359.3*	*268.3*	*91.0*	*328.7*	*133.4*	*195.2*
Depreciation and amortisation	148.2	73.5	74.7	139.0	72.5	66.5	170.5	78.6	91.9
Ratios									
EPS, cents pre individually material items	32.5	21.5	11.0	27.3	18.3	9.0	22.6	11.1	11.5
EPS, cents post individually material items	28.4	18.2	10.2	25.3	17.1	8.2	(14.4)	(21.1)	6.7
DPS, cents	11.5	8.2	3.3	7.8	6.0	1.8	4.4	2.3	2.1
Franking, %	0%	0%	0%	0%	0%	0%	48%	0%	100%
Interest Cover (times)	10.8	10.8	11.2	12.2	12.2	9.5	6.4	6.4	11.5
Gearing (net debt/net debt plus equity)	24.3%	24.3%	27.6%	23.3%	23.3%	27.1%	30.5%	30.5%	33.2%

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

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)

INCITEC PIVOT LIMITED CASH FLOWS	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)	March 2010 HY $mill Inflows/ (Outflows)	September 2009 FY $mill Inflows/ (Outflows)	September 2009 HY $mill Inflows/ (Outflows)	March 2009 HY $mill Inflows/ (Outflows)
Net operating cash flows									
Group EBITDA	920.3	571.8	348.5	787.3	490.7	296.6	743.0	382.7	360.3
Net interest paid	(17.9)	(2.5)	(15.4)	(38.7)	(17.3)	(21.4)	(92.2)	(35.9)	(56.3)
Net income tax received/(paid)	(4.5)	(24.5)	20.0	(10.3)	(3.4)	(6.9)	(146.3)	(69.3)	(77.0)
TWC movement (excluding FX impact)	11.1	226.5	(215.4)	(34.3)	65.6	(99.9)	50.8	289.5	(238.7)
Moranbah provision release	(84.0)	(42.0)	(42.0)	(85.4)	(42.7)	(42.7)	(61.6)	(30.8)	(30.8)
Dyno Nobel profit from associates	(24.2)	(13.1)	(11.1)	(30.5)	(16.2)	(14.3)	(19.8)	(10.3)	(9.5)
Integration & restructuring costs	(53.4)	(34.2)	(19.2)	(52.0)	(31.5)	(20.5)	(87.4)	(57.3)	(30.1)
Environmental and site clean up	(20.2)	(12.1)	(8.1)	(5.0)	(3.0)	(2.0)	(11.5)	(6.9)	(4.6)
Other NTWC	(8.1)	(36.1)	28.0	(2.2)	7.5	(9.7)	(37.6)	(11.5)	(26.1)
Operating cash flows	***719.1***	***633.8***	***85.3***	***528.9***	***449.7***	***79.2***	***337.4***	***450.2***	***(112.8)***
Net investing cash flows									
Growth - Moranbah	(347.1)	(204.0)	(143.1)	(73.9)	(69.0)	(4.9)	(247.8)	(87.8)	(160.0)
Growth - Moranbah capitalised interest	(52.1)	(29.9)	(22.2)	(25.2)	(14.7)	(10.5)	(14.2)	(8.0)	(6.2)
Growth - Other	(43.0)	(30.0)	(13.0)	(18.5)	(12.1)	(6.4)	(26.2)	(26.2)	-
Proceeds from surplus asset sales	37.9	34.4	3.5	19.0	17.2	1.8	52.5	21.1	31.4
Sustenance	(204.4)	(80.7)	(123.7)	(198.7)	(131.8)	(66.9)	(104.8)	(30.3)	(74.5)
Investments	(0.2)	(0.2)	-	(103.7)	(99.8)	(3.9)	(2.0)	(2.0)	-
Other	1.1	21.7	(20.6)	-	-	-	-	-	-
Investing cash flows	***(607.8)***	***(288.7)***	***(319.1)***	***(401.0)***	***(310.2)***	***(90.8)***	***(342.5)***	***(133.2)***	***(209.3)***
Net financing cash flows									
Equity raising	-	-	-	-	-	-	901.7	-	901.7
Equity raising fees	-	-	-	-	-	-	(37.8)	(1.1)	(36.7)
Dividends paid	(151.4)	(53.7)	(97.7)	(18.3)	(18.3)	-	(237.4)	-	(237.4)
Gain/(Loss) on translation of US$ Debt	12.3	(61.4)	73.7	48.0	39.2	8.8	(342.7)	21.6	(364.3)
Realised market value gains/(losses) on derivatives	-	8.0	(8.0)	201.3	27.3	174.0	306.3	306.3	-
Non-cash movement in Net Debt	(63.9)	(71.0)	7.1	7.4	(8.3)	15.7	(18.3)	(2.0)	(16.3)
Financing cash flows	***(203.0)***	***(178.1)***	***(24.9)***	***238.4***	***39.9***	***198.5***	***571.8***	***324.8***	***247.0***
Decrease/(increase) in net debt	***(91.7)***	***167.0***	***(258.7)***	***366.3***	***179.4***	***186.9***	***566.7***	***641.8***	***(75.1)***