

# Incitec Pivot Limited

Office of the Company Secretary

ABN 42 004 080 264

Registered Office:  
Level 8, 28 Freshwater Place  
Southbank Victoria 3006

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[www.incitecpivot.com.au](http://www.incitecpivot.com.au)

14 November 2011

The Manager  
Company Announcements Office  
Australian Securities Exchange  
Level 45, South Tower  
Rialto  
525 Collins Street  
MELBOURNE VIC 3000

Dear Sir or Madam

## Electronic Lodgement

### Strategy on Track and Delivering

In accordance with the listing rules, I attach a copy of an ASX Announcement for release to the market.

Yours faithfully



**Kerry Gleeson**  
**Company Secretary**

Attach.

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## ASX ANNOUNCEMENT – 14 November 2011

### Strategy on Track and Delivering

Incitec Pivot Limited (**ASX: IPL**) today announced a Net Profit After Tax (NPAT), including Individually Material Items (IMIs), of \$463.2 million for the Full Year to 30 September 2011 (2010 Full Year NPAT of \$410.5 million including IMIs).

NPAT, excluding IMIs, was \$530.1 million, an increase of 20% or \$87.3 million on the 2010 Result. Earnings Before Interest and Tax (EBIT), excluding IMIs, improved to \$772.1 million, compared with \$648.3 million in 2010. Earnings per share (EPS) excluding IMIs increased by 19%.

IPL Managing Director & CEO, James Fazzino, said the result confirmed the success of the IPL Group's approach of generating long-term, sustainable earnings-per-share growth based upon the strategy of leveraging the urbanisation and industrialisation of Asia, in particular China.

"Over the past two years, our priorities have been to strengthen the base business in the wake of the Global Financial Crisis, to build upon a solid financial platform and to sharpen the strategic focus of each of our businesses.

"The next phase is to drive further shareholder value through long term productivity improvements in the existing businesses and to pursue growth options consistent with our strategy and our strict financial disciplines," Mr Fazzino said.

#### Financial Summary

- Financial discipline continued:
  - operating cash flows improved by \$190.2 million to \$719.1 million inflow (2010 inflow of \$528.9 million); and
  - with the \$347.1 million funding for capital expenditure on the construction of Moranbah ammonium nitrate plant, Net debt was \$1.2 billion (2010: \$1.1 billion) and the strong credit metrics were maintained:
    - the gearing ratio, of net debt/EBITDA was 1.3 times (2010:1.4 times); and
    - interest cover was 10.8 times (2010:12.2 times).
- The Full Year dividend increased by 47% to 11.5 cents per share, with the final dividend (unfranked) of 8.2 cents per share to be paid on 16 December 2011. The record date for the final dividend will be 23 November 2011. The operation of the Dividend Reinvestment Plan remains suspended.
- IMIs were \$66.9 million primarily relating to the restructuring of the North American business under Velocity.

## Business Highlights:

- each of the businesses in the IPL Group delivered double-digit earnings growth;
- Dyno Nobel achieved record earnings signifying the success of Asia Pacific's organic growth strategy and also the focus on the basics in the Americas;
- there was a 34% increase in fertilisers' EBIT with recovery in domestic fertiliser volumes and strong global fertiliser prices;
- globally-traded fertiliser volumes in the SCI business increased nearly 300% underlining the potential for this business; and
- the ammonium nitrate project at Moranbah in the Bowen Basin remained on track with construction at 86% complete and production scheduled to begin in the Third Quarter of 2012.

"This result has been delivered by our people proving the benefit of our focus on training and development over the past two years," Mr Fazzino said.

He said that while he was pleased with the result, there was "still a gap to perfect" to be addressed with the transformational change through BEx, or "Business Excellence", an approach which would harness the input of all 5000 employees in continuous improvement, driving a step change in productivity.

"Our priority on safety has resulted in an improvement in safety statistics and, while the majority of our sites are injury-free, we are still a long way from our goal of Zero Harm. We remain committed to that goal and we are now focusing on leadership training and developing tailored site-specific strategies." Mr Fazzino said.

## Kerry Gleeson Company Secretary

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## About Incitec Pivot

Incitec Pivot (ASX: IPL), a S&P/ASX Top 50 company, is a leading global company which manufactures, markets and distributes a range of industrial explosives, fertilisers, related products and services to customers around the world. A leader in its chosen markets, the Company holds a portfolio of recognised and trusted brands and is the No. 1 supplier of fertilisers in Australia and the No 1 supplier of industrial explosives, related products and services in North America. Employing more than 4,400 people, IPL owns and operates manufacturing plants in the USA, Canada and Australia, and has joint venture operations, including in Turkey, South Africa, Malaysia and China.