



Incitec Pivot Limited
ABN 42 004 080 264
70 Southbank Boulevard
Southbank Victoria 3006
GPO Box 1322
Melbourne Victoria 3001
Tel: (61 3) 8695 4400
Fax: (61 3) 8695 4419
www.incitecpivot.com.au

ASX ANNOUNCEMENT – 13 MARCH 2008

Incitec Pivot and Dyno Nobel Merger – Clarification

As disclosed in the announcement of Incitec Pivot Limited's (IPL) proposed acquisition of Dyno Nobel Limited (**Dyno Nobel**) by Scheme of Arrangement on Tuesday 11 March, IPL is offering \$0.70 in cash and 0.01406 IPL shares for each Dyno Nobel share. The number of IPL shares, 0.01406, known as the "Original Exchange Ratio" and which was determined by reference to the IPL 10 day VWAP to Wednesday 5 March 2008, is subject to adjustment where IPL pays or announces a dividend as follows.

1 Dividend adjustment

The Original Exchange Ratio is adjusted if both:

- IPL declares or pays a dividend or other like distribution after the date of the Scheme Implementation Agreement (being Tuesday, 11 March 2008) and before the second court date for approval of the scheme, **and**
- Dyno Nobel shareholders would **not** be entitled to that dividend / distribution (i.e. because the record date for the dividend / distribution falls before the date on which they become registered as IPL shareholders in respect of the IPL shares they receive under the scheme).

If this occurs, the Original Exchange Ratio is adjusted as follows:

- Where the scheme threshold (\$138.16) is **not** triggered,¹ the Exchange Ratio is as follows:

$$\frac{\$2.10}{\$149.36 - D}$$

where:

- \$2.10 is the base share component of the scheme consideration;
- \$149.36 is the IPL 10 day VWAP to Wednesday, 5 March 2008, which was used to set the Original Exchange Ratio; and
- D is the amount of the dividend / distribution per IPL share.

¹ i.e. the IPL 10 day VWAP immediately prior to the second court date is equal to or greater than A\$138.16.

- Where the scheme threshold (\$138.16) is triggered, the Exchange Ratio is as follows:

$$\frac{\$1.9425}{\text{Incitec Pivot VWAP as at the second court date}}$$

where \$1.9425 is the portion of the scheme consideration attributable to the IPL shares after applying a 7.5% discount.

To the extent the IPL 10 day VWAP immediately prior to the second court date includes trades where IPL shares were trading cum-dividend, the IPL 10 day VWAP will be adjusted to remove the impact of the dividend / distribution.

2 IPL termination right

Under the SIA, IPL has a right to terminate the scheme prior to the second court date if the IPL 10 day VWAP immediately prior to the second court date is less than the scheme floor of \$126.96.

Kerry Gleeson
Company Secretary

Investor contact:
Simon Atkinson
Telephone: 03 8695 4555
Mobile: 0405 513 768

Media contact:
Stewart Murrihy
Telephone: 03 8695 4582
Mobile: 0418 121 064