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 2008	31 March 2007

Results for announcement to the market

Extracts of the Incitec Pivot Limited results for the half-year ended 31 March 2008 **$Amill**

Revenues from ordinary activities	up	38%	to	749.3
Profit for the financial half-year	up	197%	to	169.8
Net profit for the financial half-year	up	197%	to	169.8

Dividends	Amount per security cents	Franked amount per security cents
Current Period		
Interim dividend	204	204
Previous corresponding period		
Interim dividend	69	69
Year end dividend - 2007		
Final dividend		
- normal dividend	191	191
- special dividend	40	40

Record date for determining entitlements to the interim dividend:	**14 May 2008**
Payment date of interim dividend:	**2 July 2008**

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$7.61	$3.91

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 profit report on pages 2 to 6.

The information should be read in conjunction with the most recent annual financial report.

Contents

The profit report and the half-year financial report provide information on material factors affecting the earnings and operations of the economic entity during the financial half-year ended 31 March 2008.

For further information, please contact:

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INCITEC PIVOT LIMITED
A STEP CHANGE

BUSINESS PERFORMANCE – Results for the six months ended 31 March 2008

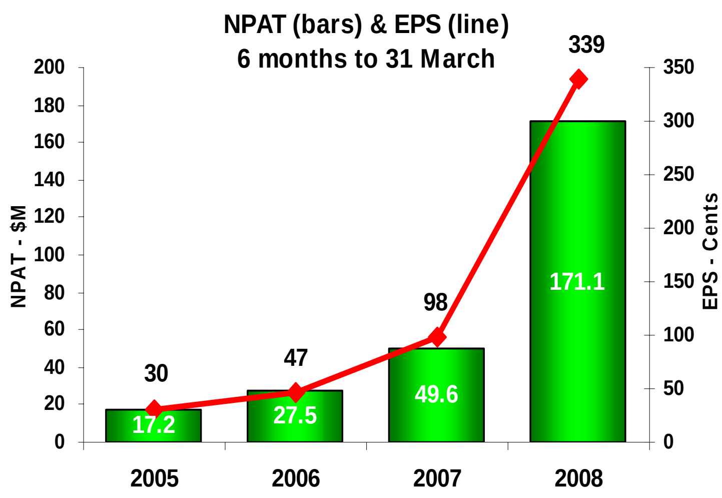
Incitec Pivot Limited (IPL) has delivered a 197% or $112.6M increase in Net Profit After Tax (NPAT) including individually material items to $169.8M, compared with $57.2M for the previous corresponding period (pcp).

The result reflects a step change in profitability driven by the ongoing successful implementation of the company's business strategy.

Financial Summary A$M	6 Months Ended 31 March 2008	 2007	 Change
Sales Revenue	749.3	543.6	38%
EBITDA (1)	269.0	102.1	163%
EBIT (2)	250.0	83.9	198%
NPAT - excl. individually material items	171.1	49.6	245%
NPAT - Incl. individually material items	169.8	57.2	197%
Returns excluding individually material items:			
Earnings per share (cents)	339	98	245%
Dividend per share (cents)	204	69	196%
Share price at 31 March ($)	141.15	49.50	185%
Financial Items			
Net debt	529.1	400.1	(32%)
Underlying Net Debt/EBITDA(3)	0.5x	1.9x	73%
Underlying interest cover (4)	20.1x	6.0x	234%

KEY FINANCIALS

- NPAT (excluding individually material items) up 245% or $121.5M to $171.1M (pcp: $49.6M).
- EBIT(2) up 198% or $166.1M to $250M (pcp: $83.9M).
- Financial discipline has been maintained. Trade working capital to rolling sales was 16% (pcp: 20%). Underlying Net Debt to EBITDA(3) was 0.5 times (pcp: 1.9 times).



SHAREHOLDER RETURNS

- Earnings per share (excluding individually material items) up 245% to 339 cents per share (cps).
- Interim dividend up 196% to 204cps fully franked (2007: 69cps).
- Share price up 185% to $141.15 at 31 March 2008 (pcp: $49.50).

BUSINESS HIGHLIGHTS

- Consistent with the strategy of "owning the product", manufacturing accounted more than 80% of earnings. The focus on manufacturing over the last two years enabled IPL to benefit from a step-change in global fertiliser prices driven by the soft commodity boom.
- Step-change in the inherent value of IPL's installed manufacturing capacity.
- Partial recovery in the Australian domestic fertiliser distribution business.
- Strong profit growth from IPL's fertiliser trading business, Southern Cross International (SCI).
- Acquisition of Dyno Nobel scheduled for completion in June 2008, subject to approval by Dyno Nobel shareholders and the court.

OUTLOOK – SECOND HALF

- Continued strength in global fertiliser prices underpinning manufacturing profitability, partially offset by a stronger Australian dollar.
- Uncertain domestic trading conditions with the winter break yet to occur. Record commodity prices will support plantings should normal rainfall occur across broadacre markets.

Definitions and Notes

(1) EBITDA: EBIT + depreciation + amortisation
(2) EBIT: Earnings before interest and tax, and excluding individually material items
(3) Underlying Net Debt / EBITDA: based on a rolling 12 months EBITDA and excludes debt used to fund shareholding in Dyno Nobel
(4) Underlying interest cover: EBIT/Underlying interest paid (excluding interest on debt used to fund shareholding in Dyno Nobel)

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SALES

External Volumes

Sales volume for the six months to March 2008 was up 5% to 1,373kt (pcp: 1,308kt), with stronger domestic fertiliser and industrial sales partly offset by lower trade sales.

Domestic Fertiliser Distribution

A general easing of severe drought conditions on the east coast of Australia had a positive impact on sales in the domestic fertiliser distribution business, with volumes up 17% or 133kt to 933kt (pcp: 800kt):

- Pre-season winter crop sales were up 23kt or 5% on pcp reflecting optimism ahead of the planting season.
- Sales into the Pasture segment increased 55%, or 140kt largely reflecting increased demand and a pull forward of fertiliser purchases by farmers.
- Sales volumes into the sugar segment decreased by 15% or 38kt in response to a lower global sugar price exacerbated by a stronger Australian dollar.
- Volumes into the summer crop segment were up 5kt consistent with the increase in area planted and higher commodity prices.

Trade

Southern Cross International trade sales of 303kt were 26% lower (pcp: 409kt) due to production interruptions at Southern Cross Operations (SCO). External sales from SCO totalled 156kt (pcp: 265kt).

Industrial

Industrial tonnes increased 40% or 39kt to 137kt (pcp: 98kt) with increased ammonia sales to industrial customers.

Southern Cross Volumes

Total sales volumes from SCO (including inter-company) were down 117kt to 385kt (pcp: 502kt). As reported to the market in March 2008, first half production was impacted by railway line outages due to floods, an interruption to metgas feedstock supply at the Mt Isa sulphuric acid plant and scheduled maintenance shutdowns.

Sales Summary	6 Months Ended 31 March		
Tonnes '000's	**2008**	**2007**	**Change**
Domestic Fertiliser Distribution	933	800	17%
Trade	303	410	(26%)
Industrial	137	98	40%
Total tonnes	**1,373**	**1,308**	**5%**
Sales Revenue A$M			
Domestic Fertiliser Distribution	518.1	373.2	39%
Trade	177.8	140.6	27%
Industrial	53.4	29.8	79%
Total sales revenue	**749.3**	**543.6**	**38%**
Average price per tonne	546	416	31%
Average fertiliser price per tonne	555	466	19%
Middle East Granular Urea (USD/t)(1)	314	228	38%

Southern Cross Operations	6 Months Ended 31 March		
Tonnes '000's	**2008**	**2007**	**Change**
Production	392	492	(20%)
Total sales **(including inter-company)**	385	502	(23%)
External sales **(excl. inter-company)**	156	265	(41%)
Total sales revenue - A$m	326.7	218.2	50%
DAP Tampa (USD/t)(2)	658	293	125%
Average exchange rate - cents (A$/US$)	89.7	78.1	(15%)

Revenue

Total sales revenue increased by $205.7M or 38% to $749.3M (pcp: $543.6M). Revenue increased by 7% on sales volume and 31% as a result of an increase in prices in line with increases in import parity.

Average delivered fertiliser prices increased by 19% to A$555/t reflecting higher global fertiliser prices, net of the impact of the strengthening A$.

Global commodity pricing

Farmers' terms of trade have improved significantly due to a boom in prices for key soft commodities arising from accelerating demand for the production of food, fibre, feed and fuel. In response to this change, global fertiliser prices climbed to record highs in the first half.

Southern Cross Operations

SCO revenue (including intercompany sales) increased by 50% to $326.7M (pcp: $218.2M).

The average DAP price achieved was US$658/t, a 125% on pcp of US$293/t. Spot DAP prices increased from US$433/t on 1 October 2007 to US$1,195/t at 31 March 2008.

Definitions and Notes

(1) Middle East Granular Urea is the weighted average of the international price lagged by 3 months

(2) DAP Tampa based on the weighted achieved DAP price for external DAP sales for the period

EBITDA

Total IPL EBITDA increased 163% to $269.0M (pcp: $102.1M).

Southern Cross Operations
EBITDA was up 176% to $192.5M (pcp: $69.7M). The main reconciling items were:

- +$179.7M: US$365/t increase in realised DAP price to US$658/t (pcp US$293/t).
- -$48.4M: Impact of higher A$ - up 11.6c to 89.7c (pcp 78.1c).
- -$3.9M: Increased sulphuric acid costs.
- -$31.9M: Lower sales volumes due to production issues.
- +$17.7M: Expanded freight differentials.
- +$6.3M: Full year Tardis efficiency program benefits.

Base Business
EBITDA increased by 156% to $136.0M (pcp: $53.1M). The main reconciling items were:

- +$30.2M: Expansion in nitrogen and SSP manufacturing margins consistent with higher global fertiliser pricing.
- +$6.6M: Partial recovery of volumes in the base business partly offset by adverse sales mix.
- +$21.9M: Tardis program efficiencies.
- +$27.0M: Profit growth from fertiliser trading.
- -$5.0M: Costs incurred in pursuing IPL business growth.

EBIT increased by 198% to $250M (pcp: $83.9M). The EBIT margin more than doubled to 33.4% (pcp: 15.4%) reflecting a step change in manufacturing margins.

Earnings Summary	**6 Months Ended 31 March**		
A$M	**2008**	**2007**	**Change**
EBITDA			
Southern Cross	192.5	69.7	176%
Inter-company elimination	(59.5)	(20.7)	(187%)
Southern Cross (net of elim)	**133.0**	**49.0**	**171%**
Base Business	**136.0**	**53.1**	**156%**
EBITDA - Total	**269.0**	**102.1**	**163%**
Depreciation & amortisation	(19.0)	(18.2)	(4%)
EBIT	**250.0**	**83.9**	**198%**
Borrowing costs	(16.7)	(16.4)	(2%)
Tax expense	(62.2)	(17.9)	(247%)
NPAT - excl. individually material items	**171.1**	**49.6**	245%
Individually material items after tax	(1.3)	7.6	(117%)
NPAT - incl. individually material items	**169.8**	**57.2**	**197%**
EBIT/sales	33.4%	15.4%	

Borrowing Costs	**6 Months Ended 31 March**		
A$M	**2008**	**2007**	**Change**
Underlying net interest	(12.4)	(13.9)	11%
Interest - Dyno Nobel shareholding	(10.1)	0.0	
Total	**(22.5)**	**(13.9)**	(62%)
Non-cash unwinding of discounts	5.8	(2.5)	n/a
Total borrowing costs	**(16.7)**	**(16.4)**	(2%)
Underlying interest cover(1)	20.1x	6.0x	234%

BORROWING COSTS

Total borrowing costs of $16.7M were $0.3M higher than pcp of $16.4M:

- Underlying business interest of $12.4M was 11% down on pcp of $13.9M reflecting improved trading cash flow.
- Interest expense attributable to the investment in Dyno Nobel was $10.1M (pcp: nil).
  A non-cash benefit of $5.8M (pcp: $2.5M expense) was realised reflecting the favourable impact of the change in discount rates applied to non-current provisions following increases in interest rates.

TAX

Tax expense (excluding individually material items) of $62.2M was 247% up on pcp in line with improved earnings (pcp: $17.9M). The effective tax rate was 27% (pcp: 27%).

INDIVIDUALLY MATERIAL ITEMS

Individually material items were a net loss after tax of $1.3M relating to business restructuring. Consistent with intentions reported in the 2007 full year profit report, in the second half of 2008 further IPL restructuring costs of $4M after tax are expected.

Definitions and Notes
(1) EBIT/Underlying interest paid (excluding interest debt used to fund shareholding in Dyno Nobel)

RETURNS TO SHAREHOLDERS

Directors have declared a fully franked interim dividend of 204 cents per share (pcp: 69 cps, fully franked).

The interim dividend represents:

- a 196% increase on pcp,
- a payout of 60% of the NPAT before individually material items, and
- distribution of 100% of the available franking credits.

The interim dividend is consistent with the Board's dividend policy of targeting a normal payout ratio of between 55% and 65% of NPAT through the cycle and distributing all available franking credits.

Interim Dividend	**6 Months Ended 31 March**		
Cents per share (cps)	**2008**	**2007**	**Change**
Normal dividend	204.0	69.0	196%
Franking (%)	100%	100%	0%
Record date: 14 May 2008			
Dividend paid: 2 July 2008			

ACQUISITION OF DYNO NOBEL

On 11 March 2008, IPL announced that it had entered into a Scheme Implementation Agreement with Dyno Nobel under which IPL proposed to acquire all of the shares in Dyno Nobel which it did not already own.

The proposed transaction valued Dyno Nobel at A$3.3 billion(1) based on an implied offer price of A$2.80(2) per share.

The combination of IPL and Dyno Nobel will create a leading global chemicals company favourably positioned to benefit from the commodity super cycle.

The Scheme of Arrangement is subject to Dyno Nobel shareholder approval on 22 May 2008 and a Court hearing on 30 May 2008. If approved, the scheme will be effective on 2 June 2008 and completed by 18 June 2008.

Definitions and Notes

(1) Enterprise value

(2) Based on the 10 day volume weighted average price (VWAP) to 5 March 2008 of A$149.36

BALANCE SHEET

Incitec Pivot has maintained strong financial discipline and consequentially had a strong balance sheet position at 31 March 2008.

Trade Working Capital of $255M was slightly above pcp of $252M. This was achieved notwithstanding a negative impact of $180M from higher fertiliser prices on inventory balances.

Underlying net debt was $272M, down 32% from pcp of $400M. Debt is at its peak at half-year reflecting inventory build leading into the winter cropping season.

March 2008 net debt includes $257M used to finance the 13.2% investment in Dyno Nobel made in August 2007. This investment was marked to market at balance date resulting in a carrying value of $276M.

Gearing, as measured by Underlying Net Debt / EBITDA(1), of 0.5 times (pcp:1.9 times) was well below IPL's long-term range of 3.0 to 4.0 times.

Balance Sheet A$M	**31-Mar 2008**	**31-Mar 2007**	**30-Sep 2007**
Trade working capital	255	251	121
Net property plant and equipment	508	505	502
Intangibles	190	195	194
Investment in Dyno Nobel	276	0	291
Environmental & restructuring	(62)	(82)	(74)
Tax (liabilities)/assets	(22)	12	(7)
Net other liabilities	(42)	(88)	(81)
NET ASSETS	**1,103**	**793**	**947**
Net Debt			
- Underlying	272	400	155
- Investment in Dyno Nobel	257	0	257
Total	**529**	**400**	**412**
Equity	574	393	535
Total Capitalisation	**1,103**	**793**	**947**
Underlying Nebt Debt/EBITDA(1)	**0.5x**	**1.9x**	**0.5x**

CASH FLOW

Strong earnings performance is reflected in cash flow.

Net operating cash flows increased by $74.2M to $21.0M (pcp: outflow $53.2M). Major factors were:

- EBITDA up $166.9M to $269.0M (pcp: $102.1M).
- Interest payments increased by $8.9M to $21.8M (pcp: $12.9M), reflecting funding of the 13.2% investment in Dyno Nobel.
- Tax paid was $41.5M (pcp: $21.1M) due to earnings improvements in 2007 and 2008.
- Trade working capital increased by $133.7M from 30 September 2007 consistent with the normal working capital build ahead of the winter cropping period.

Net investing cash outflows were down $8.7M to $21.9M (pcp: $30.6M) primarily comprising capital expenditure of $24.2M:

- $9.0M: Mt Isa Sulphuric Acid plant shutdown,
- $2.0M: Port Lincoln PDC consolidation, and
- $13.2M: Normal sustenance capex.

Net financing cash flows were an inflow of $0.9M (pcp $83.8M) reflecting:

- $116.5M: 2007 final dividend paid (pcp:$40.8M), and
- $117.4M: increase in net debt (pcp: $124.6M).

Cash Flow Items	**6 Months Ended 31 March**		
A$M	**2008**	**2007**	**Change**
Net operating cash flows			
EBITDA	269.0	102.1	166.9
Net interest paid	(21.8)	(12.9)	(8.9)
Net income tax paid	(41.5)	(21.1)	(20.4)
Trade working capital movement	(133.7)	(105.0)	(28.7)
Other	(51.0)	(16.3)	(34.7)
Operating cash flows	**21.0**	**(53.2)**	**74.2**
Net investing cash flows			
Proceeds from surplus asset sales	2.3	22.5	(20.2)
Capital spending	(24.2)	(53.1)	28.9
Investing cash flows	**(21.9)**	**(30.6)**	**8.7**
Net financing cash flows			
Increase in net debt	117.4	124.6	(7.2)
Dividends paid	(116.5)	(40.8)	(75.7)
Financing cash flows	**0.9**	**83.8**	**(82.9)**

Definitions and Notes

(1) EBITDA is based on a rolling 12 months to 31 March 2008

Half-year Financial Report

Contents

Directors' Report

The directors of Incitec Pivot Limited present their report together with the financial report for the half-year ended 31 March 2008 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	
J C Watson AM, MAICD Chairman	Appointed as a director on 15 December 1997 and was appointed Chairman in 1998.
B Healey FAICD, FAIM Deputy Chairman	Appointed as a director on 1 June 2003.
A D McCallum Dip. Ag Science, FAICD	Appointed as a director on 15 December 1997.
A C Larkin FCPA, FAICD	Appointed as a director on 1 June 2003.
J Marlay BSc, FAICD	Appointed as a director on 20 December 2006.
Executive directors	
J Segal BSc, MBA Managing Director and Chief Executive Officer	Appointed as Managing Director & CEO on 3 June 2005.
J E Fazzino BEc(Hons), CPA Finance Director and Chief Financial Officer	Appointed as a director on 18 July 2005.

Review of operations

A review of the operations of the consolidated entity during the half-year and of the results of those operations is contained in the accompanying Profit Report on pages 2 to 6.

Earnings are biased to the second half of the financial year and are significantly influenced by the winter planting season which is dependent upon autumn and early winter rainfall.

During the period the Company has entered into a Scheme Implementation Agreement with Dyno Nobel Limited, under which the Company proposes to acquire all of the shares in Dyno Nobel which it does not already own. For further information please refer to the Scheme booklet and any ASX announcements made during the period.

Events subsequent to balance date

Since the end of the half-year, the directors have declared an interim dividend of 204 cents per share. This dividend is fully franked at the 30% corporate tax rate and is payable on 2 July 2008.

The directors have not become aware of any other significant matter or circumstance that has arisen since 31 March 2008, that has affected or may affect the operations of the consolidated entity, the result of those operations, or the state of affairs of the consolidated entity in subsequent years, which has not been covered in this report.

Directors' Report (continued)

Lead Auditor's Independence Declaration

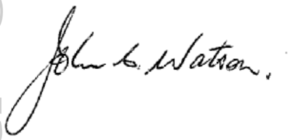
The lead auditor's independence declaration is set out on page 10 and forms part of the directors' report for the half-year ended 31 March 2008.

Rounding

The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with that Class Order, 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



John C Watson, AM
Chairman
Dated at Melbourne this 2nd day of May 2008

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Incitec Pivot Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 March 2008 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

S E Bell

Suzanne Bell
Partner

Melbourne

2 May 2008

Income Statement
For the half-year ended 31 March 2008

	Notes	**March 2008 $mill**	March 2007 $mill
Revenue	(4)	**749.3**	543.6
Other income	(4)	**13.5**	19.7
Operating expenses			
Changes in inventories of finished goods and work in progress		**220.7**	(18.8)
Raw materials and consumables used and finished goods purchased for resale		**(498.8)**	(234.2)
Employee expenses		**(60.9)**	(60.9)
Depreciation and amortisation expense		**(19.0)**	(18.2)
Borrowing and finance costs		**(25.1)**	(18.9)
Purchased services (incl. Individually material items)		**(47.6)**	(41.3)
Repairs and maintenance		**(25.3)**	(20.1)
Outgoing freight		**(54.2)**	(51.5)
Lease payments - operating leases		**(14.8)**	(13.7)
Asset write-downs, clean-up and environmental provisions		**(1.3)**	(2.7)
Other expenses		**(5.1)**	(4.7)
		(531.4)	(485.0)
Profit before income tax		**231.4**	78.3
Income tax expense		**(61.6)**	(21.1)
Profit for the half-year		**169.8**	57.2

	Notes	**cents**	cents
Earnings per share			
Basic earnings per share from continuing operations	(6)	**336.7**	113.3
Diluted earnings per share from continuing operations	(6)	**336.7**	113.3

The income statement should be read in conjunction with the notes to the half-year financial report set out on pages 16 to 24.

Statement of Comprehensive Income
For the half-year ended 31 March 2008

	Notes	**March 2008 $mill**	March 2007 $mill
Profit for the half-year		**169.8**	57.2
Other comprehensive income			
Cash flow hedging reserve			
Changes in fair value of cash-flow hedges		**1.1**	(1.5)
Losses in cash-flow hedges transferred to income statement		**-**	0.1
Income tax on movements in the cash flow hedging reserve		**(0.3)**	0.4
		0.8	(1.0)
Change in fair value of assets			
Change in fair value of assets held as available for sale		**(15.5)**	-
Income tax on change in fair value of assets		**4.6**	-
		(10.9)	-
Total other comprehensive income		**(10.1)**	(1.0)
Total comprehensive income for the half-year		**159.7**	56.2

The statement of comprehensive income should be read in conjunction with the notes to the half-year financial report set out on pages 16 to 24.

Statement of Financial Position
For the half-year ended 31 March 2008

	Notes	March 2008 $mill	September 2007 $mill
Current assets			
Cash and cash equivalents		**88.9**	218.3
Trade and other receivables		**265.4**	167.4
Other financial assets[1]		**0.5**	292.1
Inventories		**447.1**	221.7
Other assets		**16.6**	4.5
Assets classified as held for sale		**5.7**	5.0
Total current assets		**824.2**	909.0
Non-current assets			
Trade and other receivables		**0.2**	0.4
Other financial assets[1]		**279.0**	1.6
Property, plant and equipment		**502.1**	502.1
Intangible assets		**190.5**	193.7
Deferred tax assets		**24.1**	28.6
Retirement benefit surplus		**2.7**	2.7
Other assets		**1.0**	1.2
Total non-current assets		**999.6**	730.3
Total assets		**1,823.8**	1,639.3
Current liabilities			
Trade and other payables		**450.9**	281.4
Interest bearing liabilities	(7)	**28.0**	-
Other financial liabilities		**4.2**	9.1
Current tax liabilities		**46.1**	35.1
Provisions		**27.2**	31.2
Total current liabilities		**556.4**	356.8
Non-current liabilities			
Trade and other payables		**46.4**	52.8
Interest bearing liabilities	(7)	**590.0**	630.0
Provisions		**56.6**	64.7
Total non-current liabilities		**693.0**	747.5
Total liabilities		**1,249.4**	1,104.3
Net assets		**574.4**	535.0
Equity			
Issued capital		**360.8**	360.8
Reserves		**3.8**	17.7
Retained earnings		**209.8**	156.5
Total equity		**574.4**	535.0

The statement of financial position should be read in conjunction with the notes to the half-year financial report set out on pages 16 to 24.

[1] Following the announcement of the Scheme Implementation Agreement with Dyno Nobel Limited (Dyno Nobel) during the six months, Incitec Pivot's minority share holding in Dyno Nobel has been reclassified to non-current assets.

Statement of Cash Flows

For the half-year ended 31 March 2008

	March 2008 $mill Inflows/ (Outflows)	March 2007 $mill Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers	**646.3**	455.7
Payments to suppliers and employees	**(562.9)**	(476.8)
Interest received	**3.2**	2.2
Borrowing costs paid	**(25.0)**	(15.2)
Other trading revenue received	**0.9**	2.0
Income taxes paid	**(41.5)**	(21.1)
Net cash flows from operating activities	**21.0**	(53.2)
Cash flows from investing activities		
Payments for property, plant and equipment and intangibles	**(24.2)**	(53.1)
Proceeds from sale of property, plant and equipment	**2.3**	22.5
Net cash flows from investing activities	**(21.9)**	(30.6)
Cash flows from financing activities		
Repayments of borrowings	**(172.0)**	-
Proceeds from borrowings	**160.0**	-
Net Movement in short-term financing	**-**	12.2
Dividends paid	**(116.5)**	(40.8)
Net cash flows from financing activities	**(128.5)**	(28.6)
Net decrease in cash and cash equivalents held	**(129.4)**	(112.4)
Cash and cash equivalents at the beginning of the half-year	**218.3**	161.7
Cash and cash equivalents at the end of the half-year	**88.9**	49.3

The statement of cash flows should be read in conjunction with the notes to the half-year financial report set out on pages 16 to 24.

Statement of Changes in Equity
For the half-year ended 31 March 2008

	Share capital	Cash flow hedging	Share-based payments	Fair Value Reserve	Retained earnings	Total
	$mill	$mill	$mill	$mill	$mill	$mill
Balance at 1 October 2006	360.8	0.7	(6.5)	-	25.0	380.0
Total comprehensive income for the period	-	(1.0)	-	-	57.2	56.2
Dividends paid	-	-	-	-	(40.8)	(40.8)
Share based payment transactions						
Dividends received as loan repayment	-	-	0.4	-	-	0.4
Option expense	-	-	0.9	-	-	0.9
Loan repayments	-	-	1.3	-	-	1.3
Shareholder loans	-	-	(5.5)	-	-	(5.5)
Balance at 31 March 2007	360.8	(0.3)	(9.4)	-	41.4	392.5
Balance at 1 October 2007	**360.8**	**1.1**	**(8.0)**	**24.6**	**156.5**	**535.0**
Total comprehensive income for the period	**-**	**0.8**	**-**	**(10.9)**	**169.8**	**159.7**
Dividends paid	**-**	**-**	**-**	**-**	**(116.5)**	**(116.5)**
Share based payment transactions						
Dividends received as loan repayment	**-**	**-**	**1.1**	**-**	**-**	**1.1**
Option expense	**-**	**-**	**1.4**	**-**	**-**	**1.4**
Deferred tax on share based payments	**-**	**-**	**0.4**	**-**	**-**	**0.4**
Loan repayments	**-**	**-**	**0.3**	**-**	**-**	**0.3**
Shareholder loans	**-**	**-**	**(7.0)**	**-**	**-**	**(7.0)**
Balance at 31 March 2008	**360.8**	**1.9**	**(11.8)**	**13.7**	**209.8**	**574.4**

The statement of changes in equity should be read in conjunction with the notes to the half-year financial report set out on pages 16 to 24.

Share-based payments reserve: The share-based payments reserve represents the amount receivable from employees in relation to limited recourse loans for shares issued under long term incentive plans, as well as the fair value of shares treated as options recognised as an employee expense over the relevant vesting period.

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

Fair value reserve: The fair value reserve represents the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised as available-for-sale.

Notes to the Half-year Financial Report

For the half-year ended 31 March 2008

1. Basis of preparation

Incitec Pivot Limited is a Company domiciled in Australia. The half-year financial report of the Company as at and for the 6 months ended 31 March 2008 comprises the Company and its controlled entities (collectively the "consolidated entity"). The Annual Financial Report of the consolidated entity is available upon request from the Company's registered office at 70 Southbank Boulevard, Southbank Victoria 3006, Australia or at www.incitecpivot.com.au.

The half-year 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 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 2007 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

This half-year financial report was approved by the Board of directors on 2 May 2008.

The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the half-year financial report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated. The half-year financial report is presented in Australian dollars.

2. Summary of accounting policies

Except as described below, the accounting policies applied by the consolidated entity in this half-year financial report are the same as those applied by the consolidated entity in its Annual Financial Report as at and for the year ended 30 September 2007.

The principal Australian Accounting standards and interpretations that have been early adopted since 30 September 2007 are:

- AASB 101 *Presentation of Financial Statements* (September 2007);
- AASB 1048 *Interpretation and Application of Standards* (September 2007)
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share based payments: Vesting Conditions and Cancellations* (February 2008).
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* (revised September 2007).

The following standards were available for early adoption but have not been applied by the consolidated entity in the half-year financial report:

- AASB 8 *Operating Segments* (February 2007) requires disclosure of profit or loss, income and expense, assets and liabilities reported to the entity's chief operating decision maker. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009.
- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (February 2007) makes consequential amendments to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 6 *Explanation for and Evaluation of Mineral Resources*, AASB 102 *Inventories*, AASB 107 *Cash Flow Statements*, AASB 119 *Employee Benefits*, AASB 127 *Consolidated and Separate Financial* Statements, AASB 134 *Interim Financial Reporting*, AASB 136 *Impairment of Assets*, AASB 123 *General Insurance Contracts* and AASB 138 *Life Insurance contracts*, arising from the release of AASB 8. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009.
- AASB 3 *Business Combinations* (March 2008) requires an acquirer of a business to recognise the assets acquired and liabilities assumed at their acquisition-date fair values and discloses information that enables users to evaluate the nature and financial effects of the acquisition. AASB 3 is applicable for annual reporting periods beginning on or after 1 July 2009.

3. Segment report

During the half-years ended 31 March 2008 and 31 March 2007, the consolidated entity operated in one business segment in which the principal activities were the manufacture, trading and distribution of fertilisers and chemicals, and in one geographic location, Australia.

Notes to the Half-year Financial Report
For the half-year ended 31 March 2008

	March 2008 $mill	March 2007 $mill
4. Revenue and other income		
Revenue		
External sales	**749.3**	543.6
Total Revenue	**749.3**	543.6
Other income		
Interest income		
external parties	**2.6**	2.5
unwinding of discount on provisions and other payables[(1)]	**5.8**	-
Other income	**3.7**	3.1
From outside operating activities		
Net gain on sale of property, plant and equipment	**1.4**	14.1
Total other income	**13.5**	19.7
Total revenue and other income	**762.8**	563.3

Seasonality of operations

Earnings are biased to the second half of the financial year which is significantly influenced by the winter planting season.

The following table presents selected results for the consolidated entity for the 12 months ended 31 March 2008 and 31 March 2007.

Revenue from ordinary activities	**1,578.9**	1,259.4
Profit from ordinary activities before income tax	**440.8**	127.9

[(1)] This amount includes: (a) the unwinding of discount on Incitec Pivot's long term provisions and other payables for the six months ending 31 March 2008; and

(b) the adjustment to long-term provisions and other payable balances after applying the most recently calculated discount rates. This resulted in a favourable profit and loss impact as the discount rates used increased over the period in line with market conditions.

Notes to the Half-year Financial Report
For the half-year ended 31 March 2008

	March 2008 Gross $mill	March 2008 Tax $mill	March 2008 Net $mill	March 2007 Gross $mill	March 2007 Tax $mill	March 2007 Net $mill
5. Individually material items						
Profit includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the consolidated entity:						
Business restructuring costs [1]						
Employee redundancies and allowances	-	-	-	(2.2)	0.7	(1.5)
Other direct costs	**(0.5)**	**0.2**	**(0.3)**	(0.1)	-	(0.1)
Total business restructuring	**(0.5)**	**0.2**	**(0.3)**	(2.3)	0.7	(1.6)
Business restructuring costs - Separation and Integration [2]						
Other direct costs	**(1.4)**	**0.4**	**(1.0)**	(0.3)	0.1	(0.2)
Total business restructuring - Separation and Integration	**(1.4)**	**0.4**	**(1.0)**	(0.3)	0.1	(0.2)
Clean-up and closure costs [3]						
Environmental clean-up	-	-	-	(2.7)	0.8	(1.9)
Total Clean-up and closure costs	-	-	-	(2.7)	0.8	(1.9)
Other						
Gain from Sale & Leaseback of BIGN Assets [4]	-	-	-	13.7	(4.1)	9.6
Gain on write back of acquisition provisions [5]	-	-	-	2.4	(0.7)	1.7
Total Other	-	-	-	16.1	(4.8)	11.3
Individually material items attributable to members of Incitec Pivot Limited	**(1.9)**	**0.6**	**(1.3)**	10.8	(3.2)	7.6

(1) 2005 saw a significant rationalisation of the fertiliser industry, following which the Company incurred significant expenditure in reacting to the changed industry dynamics including developing and implementing a new business model and embarking on a major restructuring of the business. During the six months to 31 March 2008, additional expenditure was recognised in relation to further business efficiency projects.

(2) Additional expenditure was incurred during the half-year in relation to the separation from Orica and integration of Southern Cross Fertilisers Pty Limited including the development of a Standard Operating Environment (IT Platform).

(3) An extra provision was recognised during 2007 in relation to the costs associated with soil and groundwater remediation and demolition works at the Wallaroo site.

(4) As part of a restructuring of the Big N® fertiliser business, a sale and leaseback transaction was completed on the Big N® mobile fleet during 2007.

(5) During 2007 provisions recognised as part of the initial accounting for the Southern Cross Fertilisers Pty Limited acquisition, were written back.

Notes to the Half-year Financial Report
For the half-year ended 31 March 2008

	March 2008 Cents per share	March 2007 Cents per share
6. Earnings per share (EPS)		
Basic earnings per share		
including individually material items	**336.7**	113.3
excluding individually material items	**339.3**	98.4
Diluted earnings per share		
including individually material items	**336.7**	113.3
excluding individually material items	**339.3**	98.4

	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	**50,423,885**	50,423,885

	$mill	$mill
Earnings used in the calculation of basic and diluted earnings per share including individually material items	**169.8**	57.2

Reconciliation of earnings used in the calculation of basic and diluted earnings per share excluding individually material items		
Profit for the half-year	**169.8**	57.2
(Deduct) / Add back individually material items after income tax	**1.3**	(7.6)
Earnings used in calculation of basic and diluted EPS excluding individually material items	**171.1**	49.6

Notes to the Half-year Financial Report
For the half-year ended 31 March 2008

7. Interest bearing liabilities

The following current and non-current interest bearing liabilities were issued and repaid during the six months ended 31 March 2008:

	Currency	Face value	Carrying amount
		$mill	$mill
Balance at 1 October 2007			
External – term facility			630.0
New issues			
Bilateral Facility	AUD	60.0	60.0
Term Debt Facility	AUD	100.0	100.0
Repayments			
Bilateral Facility	AUD	32.0	(32.0)
Term Debt Facility	AUD	140.0	(140.0)
Balance at 31 March 2008			618.0

Significant terms and conditions

Interest expense is recognised progressively over the life of the facilities.

Bilateral Cash Advance Facility

The Company extended the Bilateral Cash Advance Facilities of $210m for a further 12 month period in the last six months. The facilities mature between October 2008 and February 2009 and are subject to annual extensions. These facilities are revolving whereby any repayments can be redrawn at the Company's discretion.

Term Debt Facility

Part of the term facility was repaid in November 2007 and again drawn down in December 2007. The facility matures in 2011 and is a revolving facility whereby any repayments can be redrawn at the Company's discretion.

Scheme of Arrangement - Dyno Nobel Limited

As announced to the market on 11 March 2008, the Company entered into a Scheme Implementation Agreement with Dyno Nobel Limited under which it proposes to acquire all of the ordinary shares in Dyno Nobel Limited, not held by the Company, via a Scheme of Arrangement. If the Scheme is implemented, the Company will refinance the above facilities and the amounts currently drawn under the above facilities, including those classified as non-current, which will be repaid in full.

Notes to the Half-year Financial Report
For the half-year ended 31 March 2008

8. Dividends

	March 2008 $mill	March 2007 $mill
Dividends paid or declared in the half-year ended 31 March were:		
Ordinary Shares		
Final dividend of 81 cents per share, fully franked at 30%, paid 13 December 2006	**-**	40.8
Final dividend comprising:		
- normal dividend of 191 cents per share, fully franked at 30%, paid on 13 December 2007	**96.3**	-
- special dividend of 40 cents per share, fully franked at 30%, paid on 13 December 2007	**20.2**	-
Total ordinary share dividends paid in cash	**116.5**	40.8

Subsequent event

Since the end of the half-year, the directors have declared the following dividend:

Ordinary shares

Interim dividend of 204 cents per share, fully franked at 30%, payable on 2 July 2008	**102.9**	

The financial effect of this dividend has not been recognised in the half-year financial report and will be recognised in subsequent financial reports.

9. Share Based Payments

Long Term Incentive (LTI) Performance Plans – 2006/08, 2006/09 and Retention Award – Mr Segal

The terms and conditions of the LTI Performance Plans 2006/08, 2006/09 and Retention Award – Mr Segal, is disclosed in the Annual Financial Report as at and for the year ended 30 September 2007. No loans have been forgiven during the six months and there has been one additional LTI Performance Plan established (as detailed below).

LTI Performance Plan – 2007/10

During the half-year, the Company established a further LTI Performance Plan under the LTI Plan Rules, being the 2007/10 LTI Plan. The performance period for the 2007/10 LTI Plan is based on a three year performance cycle from 1 October 2007 to 30 September 2010. The 2007/10 LTI Plan, as with the other LTI Performance Plans, operates by way of the Company providing participants with limited recourse interest bearing loans, which are used to purchase Incitec Pivot shares on market. The loans are repayable from the proceeds of sale of the shares, and are deemed satisfied by the application of the proceeds of the sale of the shares, including where there is a shortfall against the outstanding loan amount. Participants may directly repay the whole or part of their loan at any time. Interest is charged on the loans at the FBT benchmark rate. Net cash dividends after personal income tax obligations are applied to reduce the loan balance.

Awards, by way of forgiveness of loans, are granted only on the achievement of conditions relating to duration of employment and/or individual or Company performance over a rolling three year period.

The Board sets the criteria for the granting of awards under the LTI Plan at the beginning of the performance period covered by the LTI Plan (known as the LTI hurdles), and in the case of the 2007/10 LTI Plan, is based on the achievement at 30 September 2010 of a cumulative total shareholder returns (TSR) target.

Under the 2007/10 LTI Plan, any LTI award received will be used firstly to pay the interest on the loans. Of the remainder of any LTI award, part will be provided as a loan waiver amount after the Company's FBT liability has been paid. A participant will not be eligible to receive any LTI award if the TSR target is not met.

If the Company waives any loan amount, a participant has full, unrestricted ownership of the shares to the value of the loan waiver. Prior to any loan waiver being awarded, a participant is the registered holder of the shares, however, cannot deal in the shares.

The shares allocated to participants under the 2007/10 LTI Plan are treated as options for the purpose of AASB 2 *Share-Based Payments* (AASB 2). Participants were invited into the 2007/10 LTI Plan on 12 November 2007. Accordingly, the terms and conditions of the shares allocated, which are treated as options granted, during the six months ended 31 March 2008 are summarised as follows:

	Grant Date	Expiry Date	Exercise price	Number of shares, treated as options, granted
2007/10 LTI Plan	12 Nov 2007	30 Sep 2010	$88.20	81,182

Notes to the Half-year Financial Report
For the half-year ended 31 March 2008

9. Share based payments (continued)

Fair value of shares treated as options granted during the six months ended 31 March 2008

The basis of measuring fair value is consistent with that disclosed in the consolidated financial report as at and for the year ended 30 September 2007. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the share treated as an option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the share treated as an option:

The model inputs for these shares treated as options, granted during the six months ended 31 March 2008 included:

Vesting period and conditions – 2007/10 LTI Plan

Shares treated as options were granted at $88.20 per share, have a three year life, and vest after certain cumulative TSR targets are met for the period 1 October 2007 to 30 September 2010 and are treated as exercisable at the earlier of 31 December 2010 or cessation of employment.

Grant date (in accordance with AASB 2)	12 Nov 2007
Share price (at grant date)	$88.20
Exercise price	$88.20
Expected price volatility of the Company's shares	35%pa
Expiry date	31 Dec 2010
Expected dividends	2.5%
Risk-free interest rate (based on Australian Government bonds)	
with approximately 3 years to maturity (as at 12 November 2007)	6.61%pa

	2007/10 LTI Plan
Fair value at grant date	$38.81

Notes to the Half-year Financial Report

For the half-year ended 31 March 2008

10. Events subsequent to reporting date

Since the end of the half-year, the directors have declared an interim dividend of 204 cents per share. This dividend is fully franked at the 30% corporate tax rate and is payable on 2 July 2008.

The directors have not become aware of any other significant matter or circumstance that has arisen since 31 March 2008, that has affected or may affect the operations of the consolidated entity, the result of those operations, or the state of affairs of the consolidated entity in subsequent years, which has not been covered in this report.

Directors' Declaration

I, John C Watson, being a director of Incitec Pivot Limited, do hereby state in accordance with a resolution of the directors that in the opinion of the directors,

(a) the financial statements and notes set out on pages 11 to 24, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 31 March 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and

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

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

John C Watson, AM
Chairman
Dated at Melbourne this 2nd day of May 2008

KPMG

Independent auditor's review report to the members of Incitec Pivot Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Incitec Pivot Limited, which comprises the consolidated interim statement of financial position at 31 March 2008, income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the half-year ended on that date, a description of accounting policies and other explanatory notes 1 to 10 and the directors' declaration set out on pages 11 to 25 of the Consolidated Entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 2008 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As 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.

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 2008 and of its performance for the half-year ended on that date; and

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

KPMG

KPMG

JEBell

Suzanne Bell
Partner

Melbourne

2 May 2008