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ASX ANNOUNCEMENT – 5 May 2008

Strategy Delivers Strong Result

Incitec Pivot Limited (IPL) today announced Net Profit After Tax (NPAT) including individually material items of \$169.8 million for the 6 months to 31 March 2008. This is an increase of \$112.6 million, or 197%, on the same period last year.

“This is a very pleasing result which reflects a step change in our profitability driven by the ongoing successful implementation of the business strategy that we adopted in 2005,” said IPL Managing Director & CEO, Julian Segal.

“A key platform of the strategy is manufacturing which we term ‘Own The Product’. Manufacturing accounted for 80% of earnings as IPL benefited from rising global fertiliser prices driven by the soft commodities boom,” he said.

NPAT excluding individually material items rose by 245% to \$171.1 million. Earnings Before Interest and Tax (EBIT) of \$250 million was a 198% increase on the previous corresponding period.

Shareholders will benefit from an increased interim dividend of 204 cents per share, up 196% on the 2007 interim dividend of 69 cents per share. The dividend will be paid on 2 July 2008 and the record date is 14 May 2008. Earnings per share (excluding individually material items) rose by 245% to 339 cents per share.

Mr Segal said highlights of the Half Year included the announcement of the proposal to acquire international commercial explosives company, Dyno Nobel Limited, and the strong growth in profitability in IPL’s trading business, Southern Cross International.

In providing an outlook for Full Year 2008, Mr Segal expected continued strength in global fertiliser prices which would underpin manufacturing profitability, partially offset by the strong Australian currency.

“Also, we are hopeful that the forecast easing of the drought conditions will lead to an improvement for many Australian farmers,” he said.

Mr Segal said that with favourable weather conditions, the Australian agricultural industry would be well positioned to benefit from the soft commodities boom because of the proximity to India and China – in the same way as the Australian mining industry had benefited from the boom in hard commodities.

“We see this as a long-term trend similar to the cycles experienced throughout the 19th and 20th centuries when the world experienced the industrialisation of the United States, Korea and Japan.

“The only difference this time is that India and China are starting with a population of 2.4 billion, one third of the global population, whereas the United States had a population of less than 100 million at the time of its industrialisation,” he said.

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