



Incitec Pivot

12 November 2008

Office of the Company Secretary

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Dear Sir or Madam

**Electronic Lodgement**

**Incitec Pivot Announces Non-Renounceable Entitlement Offer**

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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OR TO US PERSONS**

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**ASX ANNOUNCEMENT – 12 November 2008**

## **INCITEC PIVOT ANNOUNCES NON-RENOUCEABLE ENTITLEMENT OFFER**

Incitec Pivot Limited (ASX:IPL) today announced that it will raise up to approximately \$1,170 million through an accelerated non-renounceable entitlement offer (“Entitlement Offer”).

The Entitlement Offer comprises a fully underwritten Institutional Entitlement Offer (expected to raise approximately \$819 million) and a Retail Entitlement Offer (up to approximately \$351 million).

The principal purpose of the Entitlement Offer is to provide IPL with sufficient funding, in conjunction with other committed financings, to refinance the \$2.4 billion Bridge Facility entered into on 19 May 2008 to fund the cash component of the Dyno Nobel acquisition and to provide IPL with the flexibility to pursue its planned growth projects. IPL intends to repay the Bridge Facility over time, until the maturity date on 21 May 2009, in accordance with its terms, with the next payment due on 25 November 2008, using a portion of the proceeds of this Entitlement Offer and other committed financings.

At the same time today, the company announced a record profit result for the 2008 year with Net Profit After Tax (NPAT) including individually material items of \$614.3 million – an increase of \$409.0 million or 199% over the previous year.

IPL Managing Director & CEO, Mr Julian Segal, said: “This continues our strategy of prudent economic management which has delivered strong financial results like those announced today.

“The capital raising is expected to provide IPL with access to sufficient funding to repay the balance of the \$2.4 billion bridging loan used to acquire Dyno Nobel, due to expire in May, 2009.”

“Additionally, the capital raising secures our strong balance sheet and positions us for future growth in our key fertiliser and industrial explosives markets while maintaining our uncompromising financial discipline and credit metrics which we believe to be consistent with an investment grade credit profile.”

“We remain confident about the future notwithstanding the uncertainty in the global financial environment. We expect the strong long-term industry fundamentals to continue and we will enjoy the benefit of a full year of earnings from our Explosives business.”

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“We are extremely encouraged by the support shown by our major shareholders in respect to the underwriting of the Institutional Entitlement Offer. This highlights their support for the strategic direction and future growth opportunities of the company,” he said.

### **Accelerated Non-Renounceable Entitlement Offer**

Under the Entitlement Offer, eligible Shareholders are invited to subscribe for 5 new IPL shares (“New Shares”) for every 13 IPL shares owned at a price of \$2.50 per share (“Entitlement”). The Institutional Entitlement Offer will be conducted between Wednesday, 12 November and Thursday, 13 November 2008. IPL will remain in a trading halt until completion of the Institutional Entitlement Offer period. The Retail Entitlement Offer will be conducted between Monday, 17 November and Thursday, 4 December 2008.

The Record Date for the Entitlement Offer will be 7.00pm on 14 November 2008 (Melbourne time). The Entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable. Shareholders who do not take up their full Entitlement will not receive any value in respect of Entitlements they do not take up. Shareholders who are not eligible to receive Entitlements also will not receive any value in respect of Entitlements they would have received had they been eligible.

New Shares will rank equally with existing shares from allotment. However, New Shares will not qualify for the dividend of 19.5 cents per share in respect of the period to 30 September 2008 which was announced today.

Further details of the Entitlement Offer are included in Appendix A to this announcement.

The Institutional Entitlement Offer is fully underwritten by Credit Suisse (Australia) Limited and UBS AG, Australia Branch. The retail component of the Entitlement Offer is not being underwritten.

### **Shareholder enquiries**

A prospectus regarding this Entitlement Offer will be mailed to Eligible Retail Shareholders by 19 November 2008. Eligible Retail Shareholders who have any questions regarding the Entitlement Offer should contact the Incitec Pivot Entitlement Offer Information Line on 1300 305 840 (within Australia) or on +61 2 8280 7700 (from outside Australia) at any time from 8.30am to 5.00pm (Melbourne time), Monday to Friday, during the Offer Period.

Kerry Gleeson  
**Company Secretary**

For further information please contact:

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## Important Information

This announcement does not constitute an offer for subscription, invitation, recommendation or sale with respect to the purchase or sale of any shares in any jurisdiction. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any shares in the United States, or for the account or benefit of, or to any "US persons" (as defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act") ("U.S. Persons"). Neither the entitlements nor the new shares have been, nor will be, registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws. .

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This news release includes "forward-looking statements" within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "aim", "target", "guidance" or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of IPL, and its officers, employees, agents or associates, including risks associated with a loss, change or other adverse event relating to its relationships with key customers, suppliers or contractors; fluctuations in the Australian dollar against the US dollar; increased input, labour, environmental or other costs; unsuccessful execution of major projects including growth projects and business efficiency programs; inability to find financing to fund capital expenditure program; failure to fully integrate new business units already acquired or to be acquired; business interruption from industrial disputes, work stoppages, equipment breakdowns and accidents; compromised security of the Company's products during manufacture or distribution; inability to recruit and retain necessary personnel; changes in prices for the Company's products; adverse weather and climate changes; increased regulation concerning the manufacture, transport, distribution and sale of the Company's products; and global and regional economic conditions. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements, and should refer to the prospectus for further information on the proposed offering of securities, including those risk factors. IPL assumes no obligation to update such information.

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## **APPENDIX A – ENTITLEMENT OFFER DETAILS**

### **Offer Structure**

The offer is structured as an accelerated non-renounceable pro-rata entitlement offer consisting of an underwritten Institutional Entitlement Offer and a non-underwritten Retail Entitlement Offer.

Entitlements cannot be traded on the ASX or otherwise transferred.

#### **1. Institutional Entitlement Offer**

The Institutional Entitlement Offer (“the Institutional Offer”) is being conducted from Wednesday, 12 November 2008 until 12:30pm (Melbourne time) Thursday, 13 November 2008.

Over the Institutional Offer period, Eligible Institutional Shareholders and certain Institutional Investors will be invited to participate in the Institutional Entitlement Offer at the Offer Price. Eligible Institutional Shareholders can choose to take up their Entitlement in whole, in part or not at all. Eligible Institutional Shareholders will receive not less than their Entitlement under the Institutional Entitlement Offer if they wish to take up such New Shares at the Offer Price. Eligible Institutional Shareholders who do not confirm their demand at the Offer Price by the close of the Institutional Offer will be deemed to have renounced their Entitlement and will not receive any value in respect of their Entitlement.

New Shares equal in number to those attributable to such Entitlements not taken up by Eligible Institutional Shareholders at the Offer Price, together with New Shares attributable to Entitlements which would otherwise have been offered to Ineligible Institutional Shareholders if they had been eligible to participate in the Institutional Entitlement Offer (and potentially some New Shares expected to be not taken up by Eligible Retail Shareholders), will also be offered for subscription to Eligible Institutional Shareholders and selected Institutional Investors through a volume bookbuild process at the Offer Price.

All participants under the Institutional Offer will pay the same price for their New Shares, being the Offer Price.

#### **2. Retail Entitlement Offer**

Eligible Retail Shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer under the Prospectus on the same terms as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9.00am (Melbourne time) on 17 November 2008 and close at 5.00pm (Melbourne time) on 4 December 2008.

Eligible Retail Shareholders can choose to take up their Entitlement in full, in part or not at all at the Offer Price.

Retail Shareholders who do not take up their entitlement or who are ineligible to participate in the Retail Entitlement Offer will not receive any value in respect of the Entitlement Offer. If fully subscribed, the Retail Entitlement Offer is expected to raise approximately A\$351 million.

Full details of the Retail Entitlement Offer will be set out in a prospectus which is expected to be lodged with ASIC on Wednesday, 12 November 2008 (the “Prospectus”). Eligible Retail Shareholders who wish to acquire New Shares under the Retail Offer will need to complete their personalised entitlement and acceptance form that will be mailed to them accompanying a copy of the Prospectus.

### 3. Stock Lending and other Transactions

Eligible Shareholders will be entitled to apply under the Entitlement Offer for a certain number of New Shares for each Existing Share held as at the Record Date. IPL has been granted a waiver by ASX so that, in determining Entitlements for the Institutional Entitlement Offer or the Retail Entitlement Offer, it may ignore any changes in shareholdings that occur after the announcement of the trading halt but preceding the announcement of the Offer (other than registrations of transactions that were effected through ITS before that announcement).

Accordingly, a person who is a registered IPL shareholder at the Record Date as a result of a dealing after the announcement of the trading halt but preceding the announcement of the Offer (other than the registration of a transaction effected through ITS before that announcement) may not be entitled to receive an Entitlement under the Entitlement Offer.

In the event that a Shareholder has Existing Shares out on loan at the Record Date, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold).

#### **Key Offer Dates**

Key dates for the Offer are provided below:

Record Date for Entitlements	7.00pm, Friday, 14 November 2008
<b>Institutional Offer</b>	
Institutional Offer opens:	Wednesday, 12 November 2008
Institutional Offer – first close (No new bids allowed after this time. Bid amendments only permitted):	11:00am, Thursday, 13 November 2008
Institutional Offer – final close:	12:30pm, Thursday, 13 November 2008
Settlement of the Institutional Offer (via DvP in CHES):	Friday, 21 November 2008
Issue of New Shares under the Institutional Offer and normal trading of those securities expected to commence on ASX	Monday, 24 November 2008
<b>Retail Entitlement Offer</b>	
Retail Entitlement Offer opens:	Monday, 17 November 2008
Retail Entitlement Offer closes:	Thursday, 4 December 2008
Issue of New Shares under the Retail Entitlement Offer	Tuesday, 16 December 2008
Dispatch of confirmation of allotment for New Shares issued under the Retail Entitlement Offer and normal trading of those securities expected to commence on ASX	Thursday, 18 December 2008

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These dates are indicative only and are subject to change without notice. All times and dates refer to time and date in Melbourne, Australia. Subject to the requirements of the Corporations Act 2001 (Cth) ("**Corporations Act**"), the ASX Listing Rules and any other applicable laws, IPL has the right, in consultation with the Underwriters, to amend the timetable including to extend the closing date for the Retail Entitlement Offer, to close the Retail Entitlement Offer early, to withdraw the Offer at any time prior to the allotment of New Shares under the Retail Entitlement Offer and/or to accept late applications either generally or in specific cases. If the closing date is extended, the subsequent dates may also be extended.

Full details of the Retail Entitlement Offer will be set out in the Prospectus which will be made available to Eligible Retail Shareholders when offers of new IPL ordinary Shares are made under the Retail Entitlement Offer. The Prospectus is expected to be lodged with ASIC on Wednesday, 12 November 2008, and will be sent to Eligible Retail Shareholders after lodgement and be made available to Eligible Retail Shareholders on IPL's website. Any Eligible Retail Shareholder who wishes to acquire New Shares under the Retail Entitlement Offer will need to complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will be in or will accompany the Prospectus, and should consider the Prospectus in deciding whether to subscribe for New Shares.