Incitec Pivot Entitlement Offer

12 November 2008

Incitec Pivot

Disclaimer

This presentation has been prepared by Incitec Pivot Limited (the "Company") for professional and sophisticated investors. The information contained in this presentation is for information purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. Nothing in this presentation should be considered as a solicitation, offer or invitation in any place where, or to any person to whom, it would not be lawful to make such a solicitation, offer or invitation. No action has been taken to register the Entitlement Offer in any jurisdiction outside of Australia. The distribution of this presentation outside Australia may be restricted by law. Any recipient of this document outside Australia must seek advice on and observe any such restrictions. The information contained in this presentation is not investment or financial product advice and is not intended to be used as the basis for making an investment decision. The presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person.

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, none of the Company, its directors, employees or agents, nor any other person accepts any liability, including, without limitation, any liability arising out of fault or negligence, for any loss arising from the use of the information contained in this presentation. In particular, no representation or warranty, express or implied is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in this presentation nor is any obligation assumed to update such information. Such forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies.

Before making an investment decision, you should consider, with or without the assistance of a financial adviser, whether an investment is appropriate in light of your particular investment needs, objectives and financial circumstances. Past performance is no guarantee of future performance. None of Credit Suisse, UBS AG Australia Branch and their affiliates or associates accept any responsibility for the contents of this presentation nor anything contained in it. In addition, the Company reserves the right to cancel, or vary the timetable of, the Entitlement Offer.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended ("Securities Act")). The securities referred to in this presentation have not been and will not be registered under the Securities Act or under the securities laws of any state in the United States. Securities may not be offered or sold in the United States or to, or for the account or benefit of, any U.S. person, unless the securities have been registered under the Securities Act or an exemption from registration is available.

All dollar values in this presentation are in Australian dollars (A$) and financial data is presented with a financial year end of 30 September unless otherwise stated. The pro forma financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

INCITEC PIVOT LIMITED ABN 42 004 080 264

Forward-looking statements

This presentation 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 the Company 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. The Company assumes no obligation to update such information.

1. Why we are raising equity

✓	**Credit markets currently closed**	■ Credit market dislocation has prevented the planned raising of US$500m (A$750m) in the US debt capital markets ■ When markets re-open, terms and conditions may be unfavourable for some time (close to the cost of equity with significant restrictions on corporate flexibility)
✓	**Provides certainty of funding**	■ Prudent financial management - IPL is not prepared to “punt” on an orderly re-opening of the market by May 2009 (the maturity date of the Dyno Nobel Bridge Facility) ■ The Entitlement Offer, together with the recently announced A$1.68bn syndicated bank facility, is expected to give access to sufficient funds to repay the Dyno Nobel Bridge Facility when it matures in May 2009 ■ The Entitlement Offer is expected to provide IPL with the flexibility to pursue its planned growth projects while maintaining financial discipline and its credit profile
✓	**Strengthens balance sheet**	■ Enhances credit metrics ■ Underwritten Institutional offer sized to provide (together with the syndicated bank facility) access to sufficient funds to repay the Dyno Nobel Bridge Facility when it matures in May 2009

Prudent financial management

2. What is the offer

5 for 13 Non-Renounceable Entitlement Offer

- Total headline offer size of up to $1.2bn
  - 23% of Incitec Pivot's existing market capitalisation as at 10 November 2008
  - $819m from fully underwritten Institutional Entitlement Offer
  - Up to $351m from non-underwritten Retail Entitlement Offer
- $2.50 Offer Price
  - 36.6% discount to Incitec Pivot share price at last close[1]
  - 29.5% discount to theoretical ex-entitlements price[(1)]
- All eligible shareholders will have an equal opportunity to participate

(1) Adjusting for the 19.5 cents per share final dividend

3. Why the institutional offering is sized at A$0.8bn

	US$bn	A$bn
Dyno Nobel Bridge Facility – at acquisition		
US dollars	US$1.6bn	1.7[1]
Australian dollars[2]		0.3
Total drawn		2.0[3]
Undrawn Australian dollars[4]		0.4
Total facility		**2.4**
Refinancing completed to date		
US dollars – syndicated bank facility[5]	US$1.1bn	1.7[6]
Australian dollars – finance lease		0.3
sub-total		2.0
Refinancing remaining	US$0.5bn[7]	
Underwritten Institutional offering	A$0.8bn[8]	

Notes:

1 At the time of initial draw down on the Dyno Nobel Bridge Facility, US$1.6bn was equivalent to A$1.7bn when translated at the prevailing A$/US$ exchange rate of approximately 0.94.

2 The Australian dollar drawdown at acquisition has been repaid using the proceeds of the finance lease. As at 30 September 2008 $0.2bn was drawn for purposes.

3 As at 30 September 2008 the A$/US$ exchange rate was approximately 0.80 and the balance drawn was A$ 2.1bn.

4 The undrawn amount on the Dyno Nobel Bridge Facility is no longer available for drawdown.

5 A portion of the syndicated bank facility was drawn to repay part of the Dyno Nobel Bridge Facility on 15 October 2008, and the remainder of the facility is expected to be drawn on 25 November 2008.

6 The A$1.7bn syndicated bank facility has been substantially hedged via cross currency swaps at an A$/US$ exchange rate of approximately 0.68.

7 Of the approximately US$0.5bn refinancing remaining, all but approximately US$150m of the A$/US$ exchange rate exposure has been hedged via cross currency swaps at an A$/US$ exchange rate of approximately 0.68.

8 Approximately A$750m after transaction costs.

4. Credit metrics

Strong credit metrics

A$m (except for ratios)	Pro forma FY2008 (IPL & Dyno Nobel)	Adjusted for Entitlement Offer excl. Retail Entitlement Offer	Adjusted for Entitlement Offer
EBITDA[1,2]	1,237	1,237	1,237
Net debt[3,4,5]	2,030	1,245	903
Net debt / EBITDA	1.6x	1.0x	0.7x
EBITDA interest cover[6,7,8]	8.3x	13.5x	18.6x

Notes:

1 EBITDA includes profit received from equity accounted investments and excludes individually material items. EBITDA is not a measure of or defined term of financial performance, liquidity or value under A-IFRS or US GAAP. EBITDA and related data may not be comparable to similarly titled measures for other companies.

2 Pro forma FY2008 EBITDA assumes a full–year contribution from Dyno Nobel as though IPL acquired Dyno Nobel on 1 October 2007.

3 Net debt reflects interest bearing liabilities less cash and cash equivalents.

4 Pro forma FY2008 Net debt reflects interest bearing liabilities of $2,510 million as at 30 September 2008, offset by cash and cash equivalents of $480 million as at 30 September 2008.

5 Pro forma FY2008 Net debt (assuming the Retail Entitlement Offer has been fully subscribed) has been adjusted to reflect the application of estimated gross proceeds of approximately $1,170 million, offset by estimated transaction costs of $43 million. Pro forma FY2008 Net debt (assuming no subscription received under the Retail Entitlement Offer) has been adjusted to reflect the application of estimated gross proceeds of approximately $819 million from the Institutional Offer offset by estimated transaction costs of approximately $34 million.

6 Pro forma FY2008 EBITDA interest cover ratio assumes a pro forma full–year interest cost of approximately $150 million, which includes the impact of the Dyno Nobel acquisition as though it had taken place on 1 October 2007 and excludes the unwinding of discount on provisions and other payables incurred in FY2008.

7 Pro forma FY2008 EBITDA interest cover ratio (assuming the Retail Entitlement Offer has been fully subscribed) assumes that the entire estimated net proceeds of approximately $1,127 million have been used to repay the Bridge Facility (as at 30 September 2008) with an interest saving at the rate of 7.38% per annum, which represents IPL's effective interest rate for FY2008.

8 Pro forma FY2008 EBITDA interest cover ratio (assuming no subscription received under the Retail Entitlement Offer) assumes that the entire estimated net proceeds of approximately $786 million have been used to repay the Bridge Facility (as at 30 September 2008) with an interest saving at the rate of 7.38% per annum, which represents IPL's effective interest rate for FY2008.

Enhances balance sheet strength

5. Key risks

- Prices achieved for fertiliser and explosives products
- Appreciation of the Australian dollar, in particular against the US dollar
- Prices of raw materials such as phosphate rock and ammonia
- Global demand for fertiliser and explosives products
- Global and regional economic conditions
- Increased competition in fertiliser and explosive markets
- Weather conditions
- Operational risks including unplanned manufacturing plant shutdowns, health and safety issues and environmental hazards
- Execution of the Moranbah Project, Project Velocity and other major projects
- Availability and cost of financing

For a discussion of these and other key risks associated with an investment in IPL, see section 6 of the Prospectus. Before making an investment decision, you should read the entire Prospectus and carefully consider these risk factors

6. Why investors should support the Offer

- Long-term industry fundamentals remain intact, albeit recent trading conditions have been influenced by the global credit crisis
- Dyno Nobel acquisition complete and Project Velocity in progress
- Organic growth opportunities
- Prudent financial discipline and strong credit metrics
- Experienced management team - track record of delivering on our promises

An opportunity to increase your investment in IPL on attractive terms

Incitec Pivot

Questions?

Incitec Pivot

Appendix

Incitec Pivot

Strong long-term industry fundamentals

- **Continuing demand for fertilisers based on world's demand for food, fibre, feed and fuel**
  - Population growth and changes in diet in many developing economies driving demand
  - Increased planting of fertiliser intensive crops driven by demand for bio-fuels
  - Declining arable land per capita
- **Pricing of ammonium phosphate fertilisers is also supported by**
  - Cost efficiency provided by ownership of, and thereby lower-cost access to, phosphate rock
  - One significant DAP development that has been announced (the Ma'aden facility in Saudi Arabia) is not expected to be operating at run-rate before 2011, with its first full year of run-rate production expected to be 2012
- **Demand for explosives is driven largely by the volume of production of key bulk commodities**
  - Less volatile than prices for these bulk commodities

IPL provides inputs to service basic human needs

Organic growth opportunities

Project Velocity	Expected to deliver significant earnings benefits over next 3 years Proven approach for business improvement
Moranbah Project	Construction currently on track, on budget and on time 39% of designed annual capacity contracted to foundation customers Targeted full commercial operation 1Q 2011
Southern Cross debottlenecking	Expected 40,000 tonne increase in nameplate capacity Expected capital cost $25m Targeted completion during CY2010
Gibson Island debottlenecking	Expected 40,000 tonne increase in nameplate capacity Expected $20m capital cost, targeted completion during CY2010

A range of organic growth opportunities

Incitec Pivot

Offer details

Offer Size	■ 5 for 13 Non-Renounceable Entitlement Offer seeking to raise approximately $1.2 billion ■ Approximately 468 million New Ordinary Shares to be issued
Offer Price	■ $2.50 per share – 36.6% discount to Incitec Pivot closing share price on 10 November 2008[1] – 29.5% discount to theoretical ex-entitlements price[1]
Institutional Entitlement Offer	■ Institutional Entitlement Offer open until 12:30pm (Melbourne time) on 13 November 2008 ■ Entitlements not taken up (and those allocated to Ineligible Institutional Shareholders and potentially some Retail Shareholders) can be taken up by Eligible Institutional Shareholders who apply in excess of their pro-rata Entitlement, and certain institutional investors ■ Fully underwritten by the Joint Lead Managers – Credit Suisse and UBS
Retail Entitlement Offer	■ Retail Entitlement Offer open until 5:00pm (Melbourne time) 4 December 2008 ■ Eligible Retail Shareholders able to apply for lapsed entitlements (and those allocated to Ineligible Retail Shareholders) in excess of their pro-rata Entitlement ■ Not underwritten
Record Date	■ 7:00pm 14 November 2008

Note:
1 Adjusting for the 19.5 cents per share final dividend

Timetable

Key Dates	
Institutional Entitlement Offer Period	12–13 November 2008
Institutional Entitlement Bookbuild opens	Wednesday, 12 November 2008
Institutional Entitlement Bookbuild closes	Thursday, 13 November 2008 (12:30pm Melbourne time)
Record Date	Friday, 14 November 2008 (7:00pm Melbourne time)
Ordinary Shares re-commence trading	Friday, 14 November 2008
Retail Entitlement Offer period	Monday, 17 November–Thursday, 4 December 2008
Prospectus dispatched to Eligible Retail Shareholders	Wednesday, 19 November 2008
Institutional settlement date	Friday, 21 November 2008
Institutional trading date	Monday, 24 November 2008
Retail Entitlement Offer Closes	Thursday, 4 December 2008
Retail settlement date	Tuesday, 16 December 2008
Retail trading date	Friday, 19 December 2008