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## **ASX ANNOUNCEMENT – 14 November 2007**

### **Transformed IPL Delivers**

Incitec Pivot Limited (IPL) has capitalised on efficiency gains, a full year contribution from its Southern Cross Fertilisers (SCF) acquisition and strong global fertilisers prices to post a record profit.

Net Profit After Tax (NPAT), including individually material items, was \$205.3 million for the year ended 30 September 2007, up 340 per cent on 2006, which benefited from only two months contribution from SCF. NPAT excluding individually material items was \$202.5 million, an increase of 145 per cent. Sales revenue increased 24 per cent to \$1.4 billion.

IPL's performance came despite a 15 per cent downturn in domestic sales volumes as a result of continued drought conditions. Total sales volumes increased 16 per cent to 3.17 million tonnes through increased traded tonnages, including exports, and a lift in industrial sales.

By maintaining financial discipline and generating strong cash flows, IPL ended the year with significant balance sheet capacity.

"The result underscores the value derived from the business strategy IPL has embraced, including the SCF acquisition," said Julian Segal, Managing Director & CEO. "Each leg of the strategy – lowering the cost base, leveraging our manufacturing know-how or 'owning the product', expanding trading activities and improving supply chain efficiencies – has delivered significant improvements to our bottom line."

Mr Segal said the result also reflected a strong company culture built around personal responsibility, responsiveness to community issues and constantly looking to improve individual and corporate performance.

"The past year saw a major transformation of the company and I continue to be impressed by the enthusiasm of all our people to respond positively to new challenges," he said.

IPL's Earnings Per Share (EPS) excluding individually material items increased 175 per cent to 402 cents in 2007.

Directors declared a final normal dividend of 191 cents per share (CPS) fully franked and a special dividend of 40 CPS fully franked, taking the total dividend payout to 300 CPS. Combined with a 231 per cent increase in share price from 30 September 2006 to 30 September 2007, the total dividend lifted total shareholder returns to 242 per cent.

The record date for final dividends is 27 November 2007 and the payment date is 13 December 2007.

Looking to the year ahead, Mr Segal said IPL expected continued strength in fertiliser prices, but anticipated difficult trading conditions for domestic sales and continued strength in the Australian dollar.

### **Kerry Gleeson Company Secretary**

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