Incitec Pivot Limited

Office of the Company Secretary

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20 December 2011

The Manager
Company Announcements Office
Australian Securities Exchange
Level 45, South Tower
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525 Collins Street
MELBOURNE VIC 3000

Dear Sir or Madam

Electronic Lodgement

Managing Director & CEO's Address to Shareholders at 2011 AGM

In accordance with the listing rules, I attach a copy of the Managing Director & CEO's Address to Shareholders for release to the market.

Yours faithfully

Kerry Gleeson
Company Secretary

Attach.

Incitec Pivot Limited

INCITEC PIVOT LIMITED – ANNUAL GENERAL MEETING
20 DECEMBER 2011

SPEECH BY THE MANAGING DIRECTOR & CEO, JAMES FAZZINO

Thank you, Chairman.

Ladies and Gentlemen.

Consistent with the presentation by the Chairman, I want to address some highlights of the 2011 Result and take you through our strategic journey over the past couple of years and to outline our directions for the future. In essence, I want to put some further detail around the strategic vision for Incitec Pivot.

First I will start with our core value of 'Zero harm for everyone, everywhere'. Safety is our first priority and the key metric in IPL.

Our goal is zero injuries and while our Total Recordable Injury Frequency Rate is trending down, there were still 93 injuries in 2011 and clearly this is not where we want to be.

We know what zero harm looks like. More than 80 percent of our sites were free of recordable injuries during the year. A highlight was the Moranbah construction project which has achieved more than two and a half million hours free of Lost Time Injuries – an outstanding performance for the construction industry in Australia and the standard we need to achieve everywhere.

Moving to the financial and operational highlights, I concur with the Chairman's comment that our performance in 2011 was a good result. A feature was our continued financial discipline producing a strong balance sheet with $1.3 billion of committed long term debt facilities undrawn at 30 September. Another important metric is cash flow which was up 35 percent to around $720 million.

All businesses delivered double digit earnings growth which is an outstanding result in the economic environment and a credit to our people. As the Chairman mentioned, Dyno Nobel produced a record profit while Incitec Pivot Fertilisers delivered EBIT growth of 34 percent. I was also pleased with the continuing progress of our Trading businesses, Quantum and Southern Cross International, which are making substantial contributions. In manufacturing, we continued our focus on risk and reliability which is critical to customer satisfaction through the timely delivery of quality products.

Notwithstanding our solid performance, when I review the result, I know we can do better. We have, what I call, a 'gap to perfect'. I am confident that we can close that gap with the right strategy and great people.

Let me spend some time on the strategic journey taken by Incitec Pivot since I was appointed CEO in 2009. I will reflect on where we have been and where we are going. 'Where we have been' has been about 'strengthening the base business' and 'sharpening the strategic focus'. Where we are going is focused on 'core strategy-driven growth.

Looking first at where we have been. When I took over as CEO, the world was in the middle of the Global Financial Crisis. My prime responsibility and my first priority was to strengthen and secure the base business. The initial action was to increase our focus and commitment to Zero Harm across the business and to make a step change in the leadership capability of managers and supervisors throughout the business. I have a firm belief that strong leadership drives both safety performance and employee engagement. They are the foundations of any good business.

Next we strengthened the balance sheet by increasing the diversity and tenor of our debt book. We recognised the continuing volatility in global markets and so we acted to take refinancing risk off the table which was a critical step.

When I became CEO, we had recently acquired the Dyno Nobel business. So it was important to deliver on the acquisition-promise to our shareholders. As mentioned earlier, in 2011, Dyno Nobel reported a record profit. This result was underpinned by the Velocity program which is delivering annualised benefits of US$204 million, as promised. Velocity is a further example of the benefits to the business of a program driven by strong leadership and delivered by quality people.

The acquisition of Dyno Nobel also provided the critical mass for our nitrogen manufacturing portfolio and highlighted the opportunity for improvement in our manufacturing performance. Accordingly, we embarked on a reliability journey across all of our manufacturing plants. Improvements are being delivered over a number of years as we progress through shut down cycles. The first step of this journey was to centralise the reliability and shut down teams which has seen improved performance across our plants.

So we successfully delivered the initial priority – securing the business, post GFC.

Next, I conducted a review of our corporate strategy to test if it was still valid for 'the times' – recognising that the world economy had been shaken by the GFC. Also, we considered that a corporate strategy needs to evolve over time based on ever-changing market dynamics. Following the review, we resolved to sharpen the strategic focus of the business.

At the highest level, the review reinforced that we had the right strategy in aligning ourselves to the industrialisation and urbanisation of Asia, particularly China, through hard and soft commodities. The review also identified what needed to change and this was our strategic approach. We now think of Incitec Pivot in terms of a portfolio of businesses and a portfolio of business models.

In this context, we restarted the Moranbah project last year. This project alone will transform our Asia Pacific explosives business. I'm happy to say the project is approaching 90 percent complete.

Next we focussed on aligning ourselves with those customers who are the leaders within their industries, who operate at the bottom of the cost curve. Their sustainability through the commodity cycle underpins the volumes and viability of our business. As an example, we have signed long term contracts with global mining companies in the US and Australia.

Finally, we took a number of steps to optimise our North America business based on an outlook of the fundamentals for that economy and the implications for our operations. This resulted in idling two ammonium nitrate plants based on the supply and demand balance. In addition, we assessed our channels to market and are currently restructuring the business to align cost to serve with value delivered.

We have successfully delivered on 'sharpening the strategic focus' – notwithstanding that, of necessity, strategic focus is under constant review.

The next phase of the strategy is to pursue growth opportunities which align with our core strategy and leverage all elements of the business model.

We're focused on driving sustainable earnings-per-share growth for shareholders at returns aligned to our strict financial hurdles and not on simply making the company bigger.

The most compelling source of value in any business is driving earnings from the assets you already own. This will always be our first focus. This is our journey of Business Excellence – or BEx. I will talk a little more about that shortly.

Another priority is to stay focused on execution in the Americas business. Our business in North America provides critical scale, because it is still the largest explosives market in the world. We can then leverage into other markets. In the medium term, we will also benefit from any upturn in the US economy because of the actions we have taken to optimise this business. Benefits will come from margin expansion as demand increases and through improved customer responsiveness. We have seen this in agricultural markets over recent years but not, so far, in explosives markets. Additionally, we will look for further opportunities to participate in the nitrogen value chain.

Following this, we will pursue debottlenecking and minor expansion opportunities in our existing plants with the obvious examples being at Moranbah and Phosphate Hill. At Moranbah, the first milestone is to get the plant commissioned and then to ramp up production to the 330 thousand tonne-per-year nameplate level. With respect to Phosphate Hill, we are putting in place the building blocks to underpin production at the current 950 thousand tonne-per-year nameplate level. We will then expand beyond this level.

We have a compelling range of options to grow shareholder value – not just to grow the company. We run our business based on financial discipline. This means that if we cannot find projects which meet our investment metrics we will return cash to shareholders.

Let me tell you a little more about BEx. It is not a program with a finite timeframe. It is moving our people to a new way of doing business based upon the principles of the well-established Lean system and also on research into socio-technical systems. As the Chairman said, BEx will transform Incitec Pivot and create a long-term, year on year productivity lever in the business – something that many Australian companies are struggling with.

As I noted earlier, my review of our 2011 result identified a 'gap to perfect' – be it in manufacturing, in the supply chain, in our customer facing processes or in our support functions. This gap has been confirmed by the assessments we've completed under BEx.

BEx puts the simple test to every action: Would the customer pay for that? So while BEx applies across the whole organisation, it will essentially turn our company 'on its head'. By this I mean that if we identify that value is created on the shop floor, on mine bench or in the farm field, the role of leadership changes from managing to instead providing support to those who add the value.

I am confident that our pathway of 'core strategy-driven growth' is building the platform for solid results into the future which will provide shareholder value year-on-year.

In looking to the future for our businesses, we have a positive outlook for global agriculture. Food demand is driven by changing diets as peoples' income improves and more significantly, by population growth. The global population exceeded 7 billion on 31 October. On the supply side, the world is simply not growing enough food. In 2011, grain consumption is projected to exceed production. This is the eighth time this has occurred in the last twelve years.

Similarly, for Dyno Nobel, we remain positive about continued demand from China for raw materials to support the urbanisation process. While growth in China may fluctuate from year to year, we believe the demand profile will remain positive for the long term.

In relation to 2012, for our fertilisers business, we expect a continued recovery in fertiliser demand from the drought, although global fertiliser prices will continue to be volatile. For Dyno Nobel, we see continued growth in the Asia Pacific resources industry and subsequent demand for explosives. In North America, given the economic uncertainty, we will continue to focus on executing on our strategy. For 2012, year-to-date, we are seeing continuing earnings momentum. We are on budget and, I might add, that we don't budget to stand still. Pleasingly, we've seen both volumes and prices above those in the previous corresponding period.

Finally, I want to thank John and the Board as well as my colleagues in the Executive Team and all employees at Incitec Pivot for their support and commitment during the past year. I firmly believe that it is our people who make our business what it is, through commitment to the Values, and who provide our competitive advantage, through leadership, skill and dedication. I am confident that our people delivering on our strategy and by all of us aiming to be the best in the world at everything we do, we will close that gap to perfect.

May I take this opportunity to wish everyone a safe and happy festive season and New Year.

Thank You.

James Fazzino
Managing Director & CEO

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Chairman's Address to Shareholders at 2011 AGM

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Kerry Gleeson
Company Secretary

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Incitec Pivot Limited

INCITEC PIVOT LIMITED – ANNUAL GENERAL MEETING
20 DECEMBER 2011

SPEECH BY THE CHAIRMAN, JOHN WATSON, AM

Ladies and Gentlemen.

I am pleased to report a successful year for Incitec Pivot Limited, a performance which was driven by our strategy and delivered by our people. Today I will take you through those three elements: a successful result, the right strategy and the contribution of our people at all levels in the organisation from the Board and management to the factory floor, the farm field, mine site and office.

First to the 2011 Result. Incitec Pivot achieved underlying growth in Net Profit After Tax, before individually material items, IMIs, of 20 percent to $530.1 million. Earnings Per Share, before IMIs, rose 19 percent to 32.5 cents per share. This Result – on top of our performance over recent years - demonstrates that Incitec Pivot is a company which delivers through the cycle and has built a solid foundation for growth and continuing shareholder returns. While full details of the 2011 Result are contained in the Annual Report, I feel it is important to highlight the full year dividend of 11.5 cents per share which is a 47% increase on the 2010 dividend. The higher dividend reflects the financial strength of the Company and the Board's on-going desire to reward shareholders.

The Board seeks to maintain a strong relationship with our shareholders. In that context, I'm pleased to see so many shareholders cast their votes. It was gratifying to receive shareholder endorsement through the overwhelming support for the resolutions today. Thank you.

In my opening remarks, I also want to briefly highlight the performance of Dyno Nobel. This was a mammoth acquisition for Incitec Pivot – an acquisition which more than doubled the size of the Company. It is a truism that acquisitions are not about the deal, but about the delivery. Dyno Nobel this year delivered a record profit, at a time when confronted with a challenging economic environment in the US and adverse weather conditions in Australia. By comparison, Dyno Nobel's previous record was in 2007 at the height of global economic activity.

If you have been a long-time follower of Incitec Pivot, you will know that our strategy is to leverage the industrialisation cycle in Asia, in particular, China. We do this by positioning ourselves on the input side of the value chain for both hard and soft commodities. We access hard commodities through our explosives business and soft commodities through fertilisers. We are a key supplier to Australia's two great export industries – resources and agriculture – and are deliberately on the input side because, in both the agriculture and resources industries, input side returns are typically higher and less volatile.

While we describe Incitec Pivot as a global company because we have operations (including Joint Ventures) on five continents, in reality our approach is not global but multi-regional. This approach better reflects our commitment to operations and projects which respond to customer needs and generate shareholder value. For example, in Indonesia, our Dyno Nobel Asia Pacific team has employed a nimble and customer responsive approach which is, as we describe it, capital light. We operate small explosives operations on remote mine sites leveraging our expertise to drive value. This contrasts, for example, with our approach in Australia, where we have invested in major explosives and fertiliser plants to meet customer demand. Both approaches meet our strategy.

A good strategy is essential but of more importance is the team to deliver and execute on the strategy. I am equally satisfied that we have the leadership and the skills throughout the organisation. It is not sufficient to attract and retain good people through remuneration and reward but also to ensure that our people are achieving their highest professional and personal goals. James and I share the view that our people provide our greatest competitive advantage. It is possible for any of our competitors to match our assets on the ground but they cannot match our people. I am pleased that James has maintained his commitment to Organisational Development and the advancement of leadership skills through all levels of management and supervision in Incitec Pivot. It is clear from workplace research that there is a direct link between effective leadership and a fully-engaged workforce …. employees who go that extra yard, who put in discretionary effort. A quality workforce, fully engaged, is an outstanding organisation. That is the standard required to produce shareholder value in this challenging international economic environment.

Good management of a business requires a committed focus on the risks presented by the business and its operations. A good example is the Group's financial risk management which follows principles established under the Group's comprehensive capital management strategy. The key principle is a commitment to an investment grade credit profile, including a requirement for diversification of funding sources and a spread of debt maturities. The implementation of this strategy has resulted in an enviable outcome, including an average interest rate paid on our debt of 5.7%.

In the past year, risk mitigation has also been evidenced by the steps taken to actively manage the volatility in the unprecedented Australia/United States currency exchange rates. Incitec Pivot's hedging program delivered a benefit of $95 million. We continue to actively manage currency risk and we have significant cover in place for 2012 and a foundation level of cover for the 2013 financial year.

A challenge for us in the future, and it is one we share with companies and organisations throughout the world, is how we can continually improve productivity that is sustainable. We are embarking on a new way of doing business which we believe will be our productivity lever. The essence is to focus our energies on those parts of the business where value is created. In Incitec Pivot, that means providing focus for our people to ensure that value is created in all areas. When we become more productive, we become more competitive which underpins the future of the company. It is an exciting initiative that we call BEx, which stands for Business Excellence. In his presentation, James Fazzino, will provide more information about this drive to continuous improvement.

In line with our strategy, the past year has seen a focus on developments in Dyno Nobel Asia Pacific such as the continued progress on the Moranbah Project, the start on the development of the Port Hedland emulsion plant, the commencement of a feasibility study into an ammonium nitrate plant to service the Hunter Valley and de-bottlenecking at our biggest plant, Phosphate Hill.

The Moranbah project continues on track for production in the middle of next calendar year. The project is almost 90% complete and within forecast budget and schedule. Production has already been fully sold. The plant will produce 330,000 tonnes of ammonium nitrate a year. It is situated in the heart of the Bowen Basin coal mining province of Queensland. When Moranbah is fully operational, it will contribute a step change in the earnings of the Asia Pacific Explosives business and have a significant impact on Group results from 2012. Earlier this year, the Board visited Moranbah. It was pleasing to see the plant under construction and our involvement in the Moranbah township, where we have built over 70 houses, which means our people are part of the local community.

We have started development of an emulsion plant at Port Hedland in the North West of Western Australia to service our customers in the Pilbara iron ore region. I am pleased to advise that we were chosen as the preferred supplier for BHP Billiton Iron Ore in the Pilbara. The BHP Billiton supplier arrangement underpins production from our Port Hedland plant which is slated for commercial production this time next year.

We have also commenced a feasibility study into the development of an ammonium nitrate plant at Newcastle which would service the growing demand from the coal mines in the Hunter Valley. If we decide to proceed, the world-scale plant would produce some 300,000 tonnes a year and incorporate modern technology to ensure high environmental and safety standards as well as an efficient operation. A decision on the development will be made in about 12 months and will be based upon customer support, meeting our strict financial criteria, achieving Government regulatory approval and also the support of the community.

At our Phosphate Hill fertiliser plant, we are starting the development of a third phosphoric acid filter train, at a cost of $50 million, which will allow the processing of more varied rock feedstock and increase phosphoric acid production.

The growth in our trading businesses, Southern Cross International and Quantum, also reflects our strategy. Quantum, which is headquartered in Hong Kong, now has offices in India, North America and Europe as well as in Australia. An example of the success of this business is that we are now trading more fertiliser internationally than into and out of Australia. The Trading business provides further value by sourcing products for our manufacturing plants and for our explosives, fertilisers and chemicals businesses.

We continue to look for development opportunities in other parts of our business. We are disciplined in our approach to strategic opportunities. They must meet our financial hurdles and add to shareholder value.

A strategic focus on assets is important. But even more important is to ensure that our people are focused on what is important. Our people are the key to our safety performance which is the priority for the organisation. We see our goal of Zero Harm as, not aspirational, but achievable. We know it is achievable because the vast majority of our sites are injury-free and most have been so for many years.

I continue to lead visits of Board members to sites with the aim of reinforcing the Zero Harm commitment to our employees and to talk with communities and other stakeholders about their expectations of our operations. This year, we made visits to our sites and customer operations in Australia, the US and in Canada. We met with employees, customers and community representatives. An example of community involvement which gave us great pride this year was the efforts of our employees to assist their colleagues in times of loss and heartbreak during the floods and cyclone on the East Coast of Australia and the tornados in the United States. The work in their communities of our people at Gibson Island and Phosphate Hill; Dyno Nobel in Central Queensland and in the US; and the fertilisers' team along the Coast, was a fine example of living our Value of "Care for the Community.

I am also pleased about the initial response to the Incitec Pivot Fertilisers' Help A Mate practical support program. This program was created in response to the situation in regional Australia following the devastating floods and cyclone last year. It is our way of showing up and helping out in the communities in which we operate by providing practical support. Help A Mate currently uses our Farmer Community website to connect rural people with a trained psychologist and provides information in a user-friendly format. Although Help A Mate started only a couple of months ago, we have received a lot of feedback and thanks from those helped by the information, which is very gratifying.

Our visits over recent years to various parts of the Incitec Pivot Group have demonstrated the diversity of cultures and background of our people. As a Board, we aim to continue to foster increased diversity in gender, in culture and in ethnicity. If, as I said earlier, our people are our competitive advantage, then diversity will encourage a broader range of talent in the Incitec Pivot Group, reflecting the communities in which we operate. For example, earlier this year, Incitec Pivot became a signatory to the Australian Employment Covenant, a national incentive addressing indigenous employment opportunities, particularly relevant given our operations in Western Australia and Queensland.

Earlier in the year, I was pleased to announce that Rebecca McGrath had been appointed to the Board as a non-executive director and she joins us today at her first Annual General Meeting as a director of Incitec Pivot. You will hear from her later in relation to her re-election to the Board for which she has the strong endorsement of her fellow directors. Rebecca's appointment was made on merit following an extensive process. The process began with a review of the spread of the experience and expertise among our existing directors. We then identified those skills which we needed to complement the composition of our Board. We interviewed a number of high quality applicants and I am delighted that Rebecca accepted our invitation. Rebecca has had a long term career with BP, with experience in operational, marketing and commercial roles. Her appointment also adds to diversity because she is the first female director to sit on the Board since 2005.

I would like to take this opportunity to thank my fellow directors. The Incitec Pivot Board comprises directors with significant commercial, business, operational and financial experience across a range of industries including agriculture and explosives. They make an outstanding contribution to the Company through a strategic framework which is providing success now and, more importantly, into the future. Also, I want to pay tribute to our Managing Director & CEO, James, and the Executive Team, for their leadership and dedication, as well as our 5,000 people who each contributed this year to the success of the Group. The quality of our people is often recognised externally. Examples this year include the Corporate Treasury Team of the Year award at the 2011 CFO Dealbook Awards and the 2011 In-House Legal Team of the Year award from the Australian Corporate Lawyers Association. The Board recognises that the performance of the Company is a direct outcome of the quality of our people and their ability to execute on the strategy through their skills, dedication and commitment to our Culture and Values.

The essential ingredients of the right strategy, a skilled team and a strong Culture give me confidence that the successful performance of 2011 will be repeated year-on-year into the future and the Incitec Pivot Group will grow even stronger, more diverse and more successful.

Thank you.

John Watson, AM
Chairman