Incitec Pivot Limited

Office of the Company Secretary

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18 December 2012

ASX Market Announcements Office

Dear Sir or Madam

Electronic Lodgement

Chairman's Address to Shareholders at 2012 AGM

In accordance with the listing rules, I attach a copy of the Chairman'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
18 DECEMBER 2012

SPEECH BY THE CHAIRMAN, PAUL BRASHER

Introduction

First of all, Ladies and Gentlemen, let me say how delighted I am to be here with you today, making my debut as Chairman at the Incitec Pivot Annual General Meeting. I am looking forward very much to hearing any questions or comments that you would like to make, whether it be through discussion during the course of the meeting or when we have the opportunity to meet outside after the meeting concludes.

Performance in 2012

When James speaks to you shortly, he will touch upon our Company's performance and the environment in which we are operating as we go forward into 2013. I would like to first make a few remarks from the viewpoint of shareholder interests and some governance issues which are high on the agenda of your Board.

Firstly, as I reflect on the 2012 year, I would have to say that it has been a particularly tough environment. Some parts of our business have performed extremely well and others have had a difficult year. Overall, the results have been disappointing, which has resulted from a combination of external factors, such as exchange rates and commodity prices, which to a large extent are beyond our control, and a few areas in which we could have done better. The good news is that we have not deviated from our strategy despite the difficult times and we have taken steps to remedy those areas where things could have been improved and this has been reflected in improved performance in the second half of the year.

Dividend Policy

This strong finish to the year was particularly so in terms of cash generation. That, and the overall strength of our balance sheet, allowed us to review our dividend policy and increase our payout to shareholders. The Board resolved to increase the payout ratio to within a range of 30-60% of net profit after tax, excluding Individually Material Items, compared to 20-40% adopted in previous years. Our final dividend for 2012 was 9.1 cents per share, bringing the full year dividend to 12.4 cents per share, an increase of 8% on the 2011 full year dividend. We have also increased franking credits to 75% for the final dividend, compared with 50% for the interim dividend, and will be looking to distribute franking credits when they are available going forward.

Remuneration

Another area which I know is dear to the hearts of shareholders is the extent to which the interests of shareholders and management are aligned in our remuneration structures. Later in the meeting we will come to the Company's Remuneration Report, upon which you will have the opportunity to ask questions and to vote. At this stage, let me just say that the remuneration of our senior management is driven by two fundamental objectives. Firstly, to incentivise and reward people to pursue our strategy and secondly to make sure that the interests of management are aligned to the maximum extent possible with the interests of shareholders. In relation to the second of these objectives, you will have seen from the Remuneration Report that our failure to meet our profit targets resulted in no short term or long term incentives being paid to Management in relation to the 2012 year. This is obviously not something that we like to see happen. In fact, I hope that this time next year I am standing here reporting that Management have received the maximum short and long term incentive payouts in 2013, because by definition that would mean the Company has had a good year and they are entitled to share in that. However, we need to be clear on our targets and link our remuneration outcomes to those targets. That is what has happened in the 2012 year.

We will continue to assess whether our remuneration practices are appropriate and in our Remuneration Report we have flagged several changes which will take effect from 2013.

In particular, in our Short Term Incentive Plan for our Executive Team, we have introduced a specific safety measure and also a measure of cash generation by our businesses. For our Long Term Incentive Plan, we have taken external advice to help us to redefine what represents top quartile performance in Earnings Per Share growth post the Global Financial Crisis. From 2013, management will not be eligible for any of the EPS component of their Long Term Incentive until we achieve sustained annual Earnings Per Share growth of 6%; at that level they will be entitled to half of their rights attached to this EPS measure, increasing proportionally to 100% at 12.5% Earnings Per Share growth. This is a small reduction from previous years, but one we consider reasonable as we go forward in the current environment. Importantly, we consider these targets are very challenging, and will stretch management without encouraging unacceptable risk taking.

Whilst I have focused on management performance hurdles, I also believe strongly that we as a Board need to continue to build our capability as the Company evolves over coming years. We have similar challenges that face all public company boards, that is, getting the correct balance of our time between satisfying governance requirements versus concentrating on the strategic issues facing the business. We think we have the balance right, but we can always do better, and we are in the final stages of an independent review of the Board aimed at identifying any areas in which the Board can add even more value.

Growth Projects

Despite the slightly disappointing financial performance, we should not lose sight of the fact that there have been some tremendous achievements during 2012. The most impressive of these has been the successful completion of the Moranbah ammonium nitrate plant. The plant is in the early stage of production and we believe it will deliver significant earnings based upon the long term contracts we have in place. My congratulations go to our Project Management Team on delivering this $1 Billion project on time and pretty much on budget.

In 2012, we also completed construction of a 100,000 tonne Ammonium Nitrate emulsion plant in the Pilbara which will make an important contribution to our ability to service our major mining customers in that region.

We have considered a number of other possible growth projects, in each case applying a strict financial discipline to their assessment. In September we announced that we have deferred, for at least two years, an ammonium nitrate plant which we were considering building at Kooragang Island in New South Wales. In light of the current market uncertainty and rising construction costs in Australia, we deferred the feasibility study as, at this time, we could not be confident that this project would meet our required financial hurdles.

We are continuing to perform a rigorous feasibility study in relation to a 760,000 tonne ammonia plant in Louisiana in the United States. I have been to the site and it does offer some attractive economic and operational benefits, particularly given the current very low gas prices in the United States. However, you can be assured that when we come to make a final decision on this project in the second quarter of next year, we will proceed only if the feasibility study demonstrates that we are able to make our required rate of return.

Our People

In recent months, I have had the opportunity to visit a number of our operations in both Fertilisers and Explosives, in both Australia and the United States. The thought has struck me several times as I have done so that I wish that our shareholders had the opportunity to see for themselves some of our major operations and in particular the calibre and diversity of our employees right across the Incitec Pivot group. They are talented, they are committed to the Company and they are constantly looking for ways to do their jobs better and make a real contribution to our strategic initiatives. This mindset is a huge advantage as we continue to look for continuous improvement across the group through Business Excellence (or BEx). We believe that BEx will provide significant gains to the group as we embed this culture of continuous improvement and world class productivity - James will discuss this in more detail during his address.

Zero Harm

When we think of our people, the overriding and non-negotiable fact is that every one of them should be able to go to work and return to their families at the end of the day in complete safety. '*Zero Harm for Everyone Everywhere'* is the first item on every Management and Board agenda. Frankly, it is the issue which is most likely to keep me awake at night. Some of our operations are exceptional in this regard. A couple of examples: our Initiating Systems plant in Graham, Kentucky, has achieved more than 2000 days – that is almost 6 years - without a lost time injury. Here in Australia, construction of Moranbah has involved 4 million hours without a Lost Time Injury.

However, there are other sites which have had a disappointing rate of recordable injuries during the year. Fortunately, these have been low severity incidents – but, that is beside the point. Unless we believe that every injury, serious or slight, is preventable, and unless we take steps to ensure this is the case, then we cannot rest easy knowing that we are doing the right thing by our employees and their families. The Board and its Health, Safety, Environment and Community Committee have critical roles in overseeing and reinforcing our progress to Zero Harm. We made some organisational changes to support this and have also included specific safety objectives in the Short Term Incentive for our executives in 2013 and coming years. This will continue to be our number one priority.

Outlook

Looking forward to 2013, I am cautiously optimistic about the medium and long term outlook for the business segments and markets in which we operate. While we operate in an environment where our customers are impacted by cyclical market factors, we believe our business is well positioned, through our technical and product offerings, to partner with our customers and help them to deliver a better outcome in all market conditions.

In the longer term, we strongly believe that the industrialisation of China and India will support growth across the Company.

So, you may ask, what does this mean for our businesses?

Incitec Pivot Fertilisers remains a major player in the Australian fertiliser industry. What makes this industry a compelling investment is that technology and innovation through the supply chain is driving increased food and fibre production. This situation can be seen against the backdrop of the Federal Government's announcement of a National Food Plan, which is seeking to address how Australia can increase production not only to meet our own domestic needs, but also to help position us to meet the growing food demands of our neighbours in Asia. I am optimistic that our company is well placed to take advantage of these opportunities, particularly in light of the organisational changes we have made in our Fertiliser business during the year.

Our Asia Pacific Explosives business will continue to be underpinned by the Chinese economy, which still continues to grow at a significant rate. In addition, we believe we are very well placed to provide our customers with the technical services solutions that will become more and more important to them.

In North America, we are seeing an economy that is still very patchy and which is facing some challenges in the immediate future, particularly in relation to the so called ‘Fiscal Cliff’. However, I am hopeful they will reach a compromise to deal with their immediate issues and that the US Government will do whatever it takes to ensure the economy can return to growth. It is not likely to happen overnight, but there are a number of positive developments in energy, construction and quarrying, as well as some of the employment market indicators for the long-term.

We believe we can continue to perform well in North America and are positioned to leverage our existing position to even greater effect through our business offering, from in-country manufacturing through to mining services.

Let me now close with a few thank yous.

Firstly,

John Watson

I would like to recognise the foresight and contribution of Incitec Pivot’s foundation Chairman - John Watson, whom we farewelled earlier in the year. John’s contribution and leadership in driving the transformation of Incitec Pivot is a wonderful achievement and a great legacy. From the days of Pivot to the merger with Incitec Fertilizers, the exit from Orica and the acquisitions of Southern Cross Fertilisers and Dyno Nobel, John led from the front, particularly in those early days when the Company’s future was anything but assured.

On behalf of the staff, my fellow Directors and shareholders, I would like to record a vote of thanks to John for his leadership and stewardship in guiding Incitec Pivot to being the Company it is today.

I would like to take this opportunity to pay tribute to my fellow Directors who have diligently exercised their professional duties in guiding the Company over the past financial year. I look forward to working with each of the Directors individually and as a team to help our management navigate Incitec Pivot through a changing commercial and political environment.

Thank you also to James Fazzino, Managing Director & CEO, and his Executive Team for their leadership, commitment and perseverance in executing on our strategy.

It has been a tough year, but we have a very talented Executive Team, whose commitment to this Company has been absolutely fantastic.

Finally, a massive vote of thanks to all of our people spread across the diverse operations which make up Incitec Pivot. They make this Company what it is and should all feel proud of their efforts and achievements during 2012.

I believe we have the culture, people and expertise to continue our journey and I look forward to a rewarding future for our Company and its shareholders.

Thank You.

Paul Brasher
Chairman

Incitec Pivot Limited

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Managing Director & CEO's Address to Shareholders at 2012 AGM

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Kerry Gleeson
Company Secretary

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INCITEC PIVOT LIMITED – ANNUAL GENERAL MEETING
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SPEECH BY THE MD & CEO, JAMES FAZZINO

In my brief presentation today, given the performance for the year has been well-covered previously in our Full Year Results as released to the ASX and in our Annual Report, I will speak to this briefly before moving onto IPL's direction for the future.

Briefly looking at the financial performance during the year, Net Profit After Tax, excluding Individually Material Items, was $404.7 million. This was a decrease of 24% on the 2011 Result. There was also a decrease in Earnings Before Interest and Tax which declined by 22%. Including Individually Material Items, Net Profit After Tax was $510.7 million.

The split between Explosives and Fertilisers in Earnings Before Interest and Tax was 60% for the Dyno Nobel explosives business after an 8% earnings growth in 2012 and 40% for the Incitec Pivot Fertilisers business following a 40% earnings decline in 2012. This reflects our strategic emphasis on Explosives. Since the acquisition of Dyno Nobel in 2008, the explosives business has recorded year-on-year earnings growth.

Now turning to the content of my presentation today, I will touch on the direction that Incitec Pivot is going and the platform we established in 2012 for future success.

In my view, there are two criteria which mark a company of greatness – strategy and execution - or delivery on strategy. It sounds simple - but simple is hard.

Our strategy is well-known to you. In summary, we are leveraging the industrialisation of Asia by focusing investment in our Explosives business, where the returns are more stable and predictable. And secondly, we are building the strength of our core nitrogen manufacturing competence where we create value through our vertically integrated plants.

Aligned to this, I have a strong conviction that growth from investing in the businesses that we already own and that we already know, provides for more secure and predictable financial returns than trying to step-out into new unaligned businesses.

I am confident that we have the right strategy. It is a confidence borne of global economic forecasts and imitation by many of our business peers.

Let me focus on execution or delivery on the strategy, for the right strategy is nothing without execution. The key elements for Incitec Pivot are Zero Harm, productivity, financial discipline, customer relationships and culture.

Let me start with Zero Harm. It is our highest priority for two simple reasons. Firstly, everyone at Incitec Pivot has the basic right to return home to their families safe and sound at the end of their working day or night. Every one of our people should have total confidence in the leadership commitment to this outcome.

The second reason is that I firmly believe that no company achieves greatness without having a great safety record. The culture, work practices and systems necessary for Zero Harm are the same which drive all areas of performance.

Having said that, our safety performance in the past year was unsatisfactory. However, I believe we have established the critical elements to drive to our goal of Zero Harm. The most important is our five-year safety strategy which has the absolute commitment of the leadership and is being embedded into our operations.

Zero Harm is possible. More than 70% of our sites were injury free in 2012. We know what Zero Harm looks like.

Let me turn to productivity. This is another area where we made substantial progress in the past year. I refer, of course, to Business Excellence or BEx. During the year, we established a solid foundation for BEx with 16 sites starting to operate to BEx principles and plans are now established to roll out BEx to Supply Chain and Logistics during 2013.

BEx will create a long-term sustainable competitive advantage in Incitec Pivot by driving productivity. BEx underpins and strengthens our competitive advantage in manufacturing and extends it throughout the rest of the business. The essence of BEx is that it devolves decision-making to the part of the business which is best equipped to achieve the best outcomes. In most cases, it will be the factory floor or the mine bench or the farm field. In the words of our President for Global Manufacturing, Bernie Walsh, the “B” in BEx stands for bottom up.

The challenge for leaders in Incitec Pivot is to become coaches rather than players. That’s why it was essential that we undertook training in coaching and leadership for some 1500 of our people so we are all prepared to take on the new leadership role which BEx demands of us.

BEx is a long term culture change. It is the nature of culture change that implementation is time-consuming and it requires absolute commitment and attention to detail. Notwithstanding this, we are starting to see some early gains.

While they are comparatively modest financial contributions, they are important illustrations of the benefits of decisions made at the “coal-face” ... decisions that could not have been made by management in offices in Melbourne, Brisbane or Salt Lake City.

The cumulative effect of these individual contributions is that, in this year, BEx will pay for itself. That is, the cost of implementation will be covered by the sustainable financial improvements delivered. That is, in itself, a substantial contribution in only the second year of development.

As we move into the future - as BEx gains momentum - I’m confident that this will be a game changer for our Company and will drive world-class performance.

My next criterion is financial discipline. While this is an area in which the Incitec Pivot management and finance team has developed a strong reputation over the past decade, constant vigilance is required. Financial discipline is more than money management. It goes to the core of our strategic decision-making.

I am not a CEO who pursues growth for the sake of growth. We measure any decision on the returns to shareholders and if investment in potential growth projects does not meet our financial hurdles, we will return cash to shareholders in the form of dividends.

An example of financial discipline was the decision to defer the feasibility study into an ammonium nitrate plant in Newcastle. Even though the project met our strategic growth objectives, it did not meet our financial criteria at this time. Critical considerations included the high cost of construction in Australia and the projected outlook in demand for ammonium nitrate in Australia. We delayed the feasibility study because we believed this was the most prudent course of action. Shareholders can rest assured that the same strict financial discipline is being applied to the feasibility study into an ammonia plant in the United States.

An important consideration is that when we do make the decision to proceed with a development project, we have the management bandwidth to meet the most demanding challenges.

Moranbah is an outstanding example. Construction of our ammonium nitrate project at Moranbah was completed, essentially on-time and on-budget, during a period when cost overruns and delays were the norm for development projects throughout Australia.

In the six months since commencing production, the project has continued to meet early-production milestones. As we anticipated, there have been some challenges. However, our management team at Moranbah, using BEx principles, is dealing with each of these issues as they arise and establishing the platform for long-term reliable production. Moranbah remains on track to produce 250,000 tonnes of ammonium nitrate in this financial year, with 330,000 tonnes of ammonium nitrate expected in the 2014/15 financial year.

Through the various stages of development of the Moranbah project, we kept faith with our mining customers, further demonstrating our commitment to customers. Our approach to customers is to deliver a mutual benefit – to ensure that we are adding value to our customers' businesses while achieving a valuable outcome for Incitec Pivot.

This is true also in our Fertilisers business, where we merged fertiliser distribution with fertiliser trading to provide us with line of sight from the production or purchase of fertiliser right through to our customers and to the farm gate. This will enable us to better serve our customers in providing more confidence around supply and price and will benefit Incitec Pivot by muting the inherent volatility which exists in the global fertiliser industry.

Let me turn to culture. I have referenced culture change in talking about BEx. Embedded within BEx are our seven Incitec Pivot Values. Values define the essential characteristics of an organisation that will attract the best people and will make them proud to be employees. Our Values are listed in our Annual Report and you will see that they address our approach to our people, our customers, communities and our environment.

In these areas, we have again made substantial progress during the year. I will highlight Diversity and Sustainability. We adopted a Diversity Strategy which will lead us to be better in reflecting the diversity of the communities in which we operate and to assist us in attracting the best people. A key element has been the introduction of an Indigenous Employment Strategy to build on our investment in working in partnership with indigenous Australians. Also, we continue to progress our Sustainability Strategy and our performance has been recognised by our inclusion for the first time in the Dow Jones Asia Pacific Sustainability Index.

In looking to the future, I have a positive outlook for the business. Our balance sheet is strong and each of our businesses is in a sound position.

Let me give you a snapshot of each of our businesses, starting with Dyno Nobel Asia Pacific, where we plan to benefit from the substantial investment that we have made in this business over the past two to three years in projects such as Moranbah and the Pilbara emulsion plant. We expect strong returns from this business over the medium term.

With Dyno Nobel Americas, we believe that there will be significant medium term growth on the back of the US economic recovery which is being driven by energy self-sufficiency. Also, we expect an improvement in Quarry and

Construction, an area where we have a substantial exposure in North America.

Incitec Pivot Fertilisers is a strong cash generating business and we plan to build upon this by improving efficiency and profitability through initiatives such as BEx and through investment, where necessary, in productivity improvements in manufacturing.

In closing, I want to congratulate Paul on his appointment as Chairman and to thank him and my fellow directors for their advice and support. I would also like to thank the Executive Team and the broader leadership group. To lead such a fine group of people is indeed an honour. Finally and most importantly, I want to pay tribute to all employees throughout the Incitec Pivot Group. I travel often to sites and businesses and am continually impressed by the quality of our people and their commitment to performance and delivering on our strategy. The future of our Company is in safe hands.

Let me take this opportunity to wish to you all a safe and happy festive season.

Thank you.

James Fazzino
Managing Director & CEO