

Incitec Pivot Limited

Office of the Company Secretary

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10 November 2015

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

Dear Sir or Madam

Electronic Lodgement

IPL Releases 2015 Full Year Results

In accordance with the listing rules, I attach a copy of the following announcement for release to the market.

Yours faithfully



Daniella Pereira
Company Secretary

Attach.

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MEDIA RELEASE – 10 November 2015

IPL RELEASES 2015 FULL YEAR RESULTS

Strategy and Execution drive 12% profit increase¹ in challenging conditions

2015 Full Year Highlights

- **12% NPAT growth¹ to \$398.6 million**
- **41% increase in Operating Cash Flow to \$756.2 million and lower gearing**
- **\$A earnings growth in both the explosives and fertilisers businesses**
- **BEx generating year-on-year productivity benefits and manufacturing reliability**
- **Phosphate Hill produced a record 1.043 million tonnes of ammonium phosphates**
- **Earnings growth from Moranbah ammonium nitrate plant**
- **Louisiana ammonia project is now 90% complete and on track for first production in the third quarter of Calendar 2016**

Incitec Pivot Limited (**ASX: IPL**) today reported a Net Profit After Tax (NPAT) of \$398.6 million for the year ended 30 September 2015. This was an increase of \$42.3 million or 12% against the 2014 NPAT (excluding individually material items “IMIs”).

Earnings Before Interest & Tax (EBIT) excluding IMIs increased by 11% or \$57.1 million to \$576.5 million. Earnings per share (EPS) excluding IMIs rose 10% to 23.8 cents per share (cps).

Total dividends increased by 9% to 11.8 cps reflecting a payout ratio of 50% of NPAT.

IPL Managing Director & CEO, James Fazzino, said that Incitec Pivot’s number one priority was Safety and tragically in 2015, a work colleague was fatally injured. “While our overall safety statistics improved in 2015, we will never be satisfied with a result that doesn’t involve Zero Harm to our people,” he said.

Mr Fazzino described the increase in profit as a “good result at a time when our customers in the resources and agricultural industries have been severely challenged by cyclical downturns and external influences”. Fertilisers EBIT was up 22% while Explosives EBIT grew by 1%.

“To have produced double-digit profit growth¹ in this environment is a result of our successful strategy and our commitment to risk management, and is a tribute to our people having delivered on the strategy through our Business Excellence (BEx) program,” Mr Fazzino said.

¹ Movement from 2014 NPAT excluding IMIs

“Strategy is about defining and making choices for the long-term – the right choices at the right time with the right approach to balancing risks and returns. For example, we developed the Moranbah ammonium nitrate plant to come on stream at the height of the resources boom but also took the decision to enter into long term contracts with customers for the output, which is serving us well in these challenging times.

“Another choice was the Louisiana ammonia plant, timed to achieve a first mover advantage capitalising on the shale gas boom in the USA. The lump sum turn-key construction contract and entry into mutually beneficial off-take agreements are key to delivering strong returns from this project.

“Scheduled to come on stream next year, I believe that our Louisiana development is one of the most attractive chemical manufacturing projects in the world.”

Mr Fazzino pointed to the “outstanding performance” of the Phosphate Hill ammonium phosphate plant and the associated Mt Isa acid plant. “Driven by our employees using BEx principles and tools, Phosphate Hill produced more than a million tonnes this year - the first time in the plant’s history.

“This is an excellent example of delivery on strategy with all employees in the Ammonium Phosphate Value Chain contributing through manufacturing at Phosphate Hill and Mt Isa, transporting, distributing and selling the product,” he said.

Mr Fazzino also pointed to the strong balance sheet with Net Debt at \$1.3 billion. “To have Net Debt/EBITDA decrease to 1.6 times while we are investing in the Louisiana project is an outstanding result,” he said.

In looking to 2016, Mr Fazzino said that he expected that the challenging market conditions for the resources and agricultural industries would persist. “However, I expect this to be balanced through the continued contribution of our people through BEx with sustainable improvement in productivity and manufacturing reliability,” he said. “Beyond 2016, we have production from the Louisiana ammonia plant which will transform our DNA business.”

SAFETY

The Group's Total Recordable Injury Frequency Rate (TRIFR) for the rolling twelve months to 30 September 2015, decreased to 0.67 (pcp: 0.97). However, despite the TRIFR improvement, tragically, in May 2015, a fatality occurred in the Dyno Nobel Asia Pacific business.

DYNO NOBEL

Dyno Nobel Americas (DNA) \$A EBIT grew by 10%, aided by a lower \$A. DNA's \$US explosives earnings were 3% down impacted by challenging coal and metals markets.

Although Dyno Nobel Asia Pacific (DNAP) experienced \$16 million earnings growth from the Moranbah plant, DNAP EBIT fell by 5% due to difficult mining markets in Australia, Indonesia and Turkey.

INCITEC PIVOT FERTILISERS

Fertilisers EBIT was up 22% driven by the strong manufacturing performance at Phosphate Hill producing 1.043 million tonnes of ammonium phosphates. The Fertilisers result benefitted from the lower \$A and a higher average global DAP price. Fertilisers' distribution earnings fell due to seasonal impacts, including drought, and a very competitive market. Reduced production at Gibson Island also negatively impacted earnings.

BEX

Full year net EBIT benefits were \$41 million, bringing sustainable productivity gains to more than \$100 million since the program began some four years ago.

BALANCE SHEET

Operating Cash Flow increased by 41% or \$221.0 million to \$756.2 million. Net Debt decreased by 13% or \$190.7 million to \$1.3 billion. Net debt/EBITDA decreased to 1.6 times. Trade Working Capital decreased by \$53 million to \$8 million. Net borrowing costs decreased by \$8.1 million due to lower underlying average debt levels driven by strong operating cash flow.

DIVIDEND

The 2015 final dividend is 7.4 cents per share franked to 60%, reflecting a payout ratio of 50% of NPAT. This brings the full year dividend to 11.8 cents per share, and represents an increase of 9% on the 2014 full year dividend.

The final dividend will be paid on 14 December 2015 to those shareholders on the share register on the record date of 23 November 2015. The conduit foreign income component of the final dividend is 2.96 cents per share.

The Dividend Reinvestment Plan (**DRP**) will continue to operate. No discount will be applied in determining the DRP offer price. The last date to elect to participate in the DRP is 24 November 2015. In accordance with the DRP Rules, the offer price will be calculated as the arithmetic average of the daily volume weighted average market price of the Company's shares during the 10 trading days commencing on the second trading day after the record date.

Further Information:

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About Incitec Pivot

Incitec Pivot (ASX: IPL), a S&P/ASX company, is a leading global company which manufactures, markets and distributes a range of industrial explosives, fertilisers, related products and services to customers around the world. A leader in its chosen markets, the Company holds a portfolio of recognised and trusted brands and is the No. 1 supplier of fertilisers in Australia and the No 1 supplier of industrial explosives, related products and services in North America. Employing approximately 5,500 people, IPL owns and operates manufacturing plants in Australia, USA, Canada, Turkey, Mexico, Chile and Indonesia and has joint venture operations, including in South Africa, Malaysia and China.