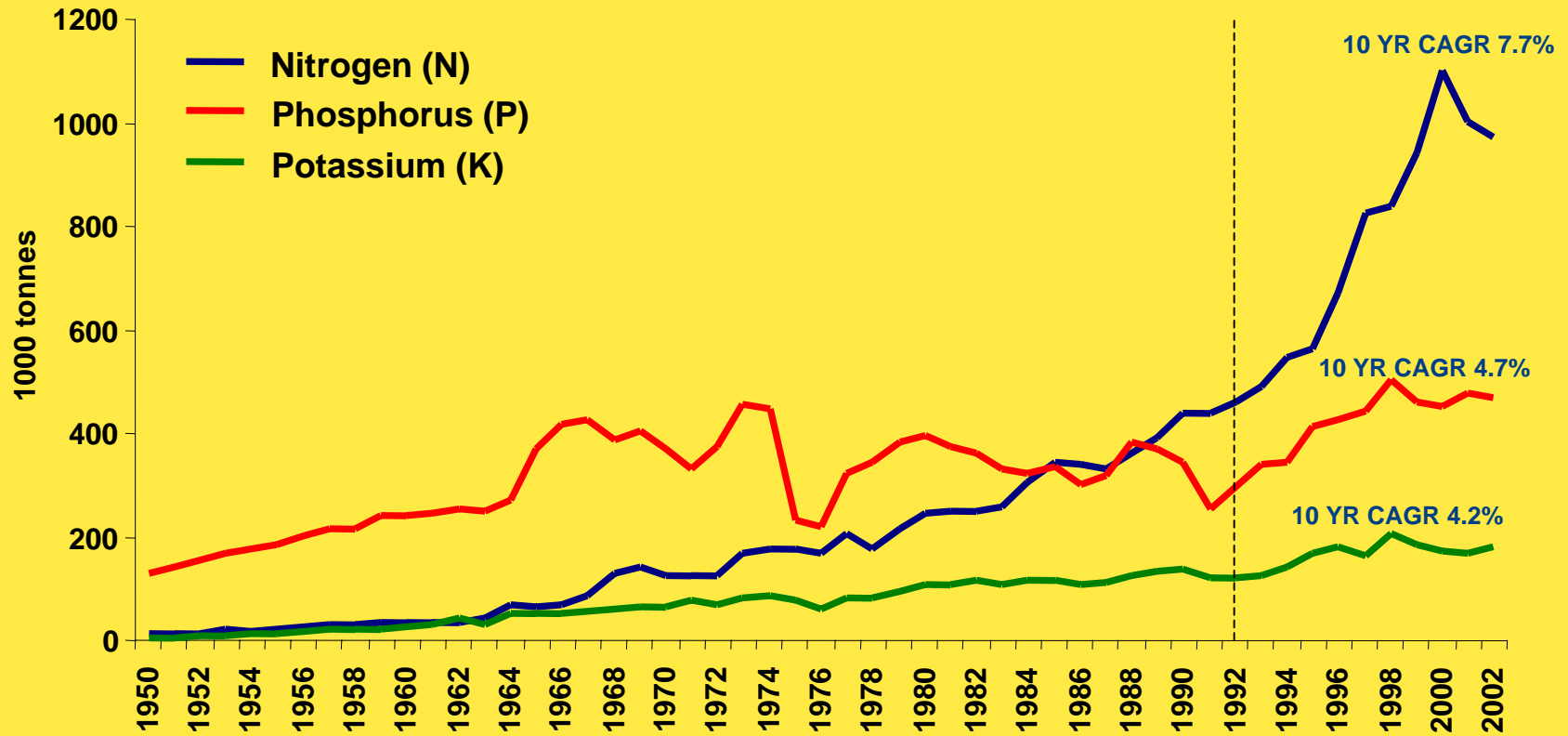


The image features a background of green citrus leaves and a large green lime. A white rectangular box is centered over the lime, containing the text "Incitec Pivot" in a bold, black, sans-serif font. Above the text is a yellow curved line, and below it is a red curved line, both resembling stylized arcs or parts of a smile.

**Incitec Pivot**

# Australian Fertiliser Consumption by Nutrient

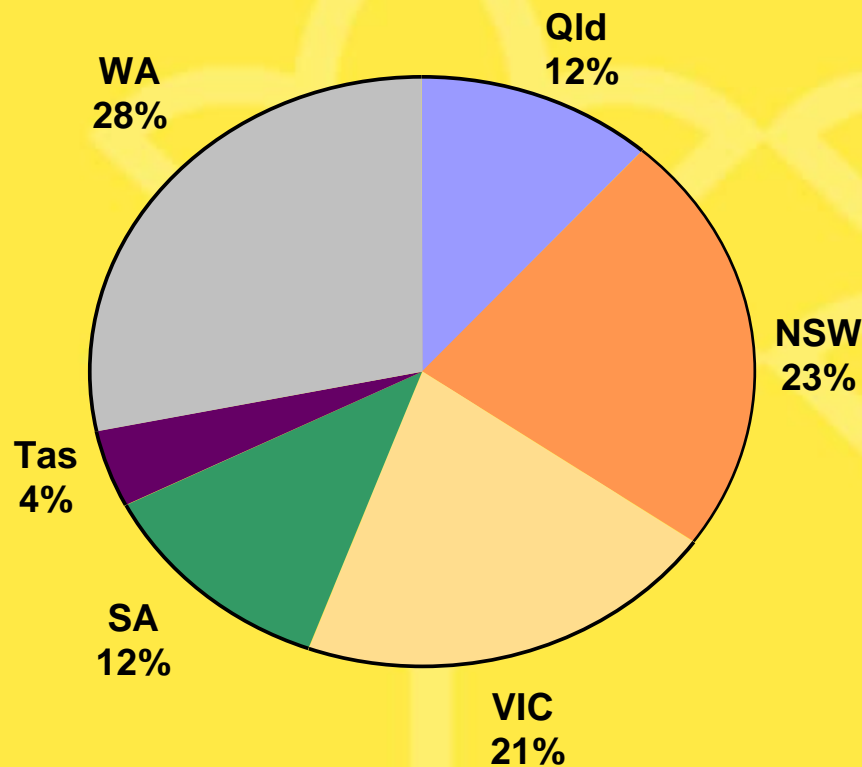
## Long Term Trend 1950 - 2002



*move from pasture to intensive cropping*



# Australian Fertiliser Consumption by State

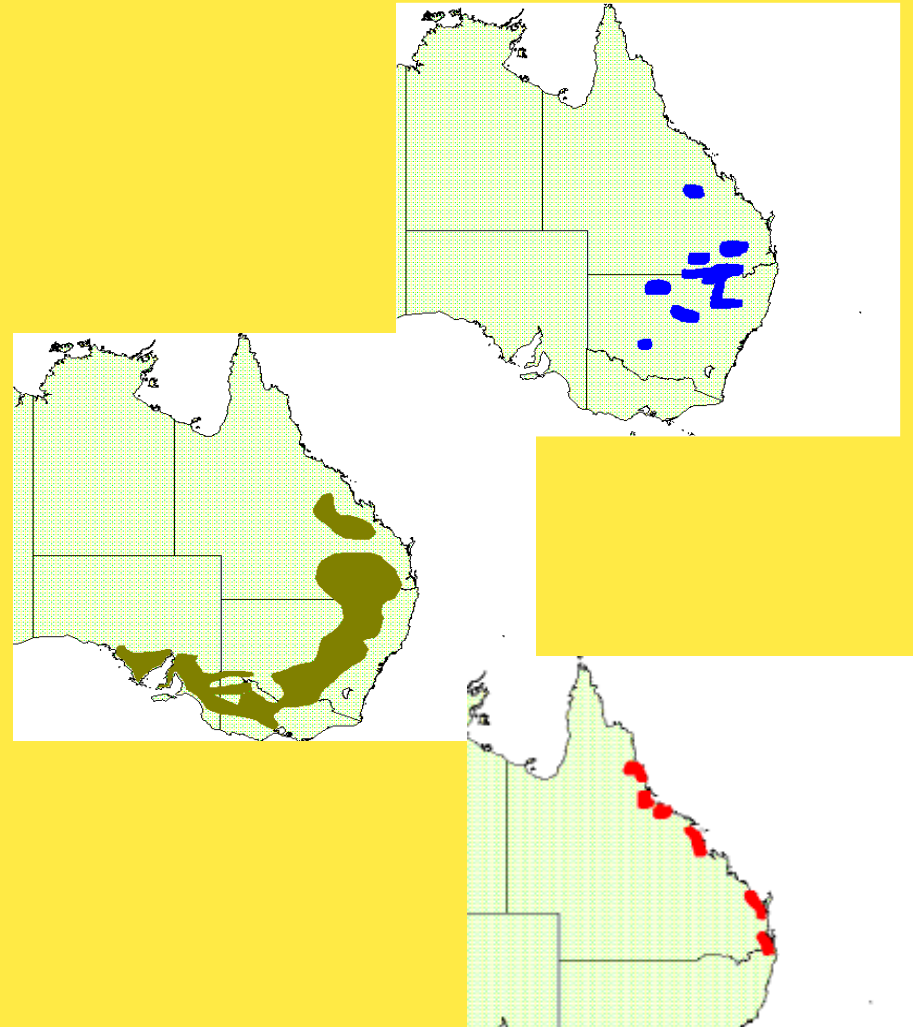
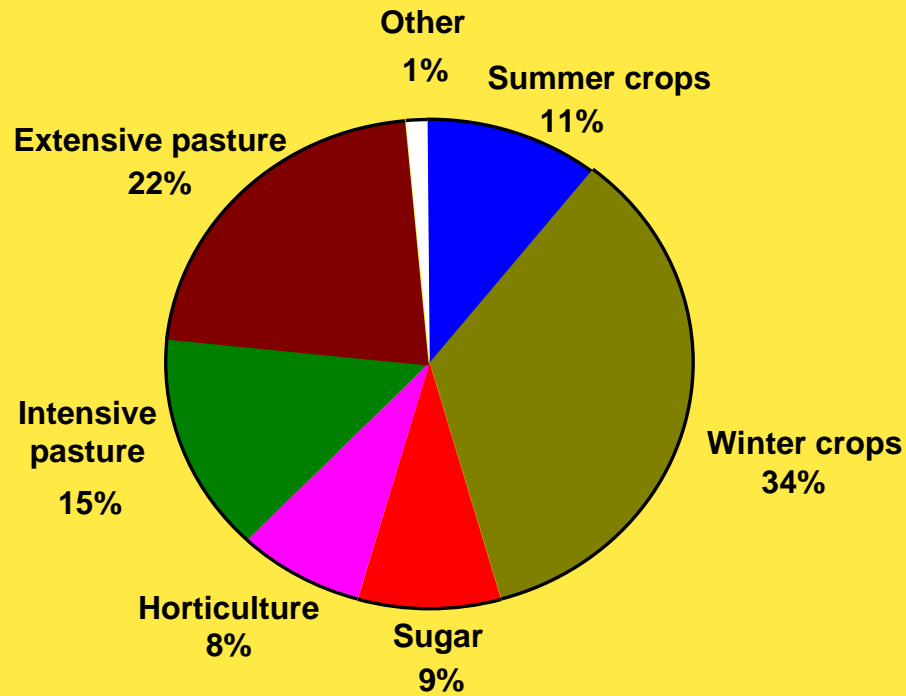


## 2002 Consumption

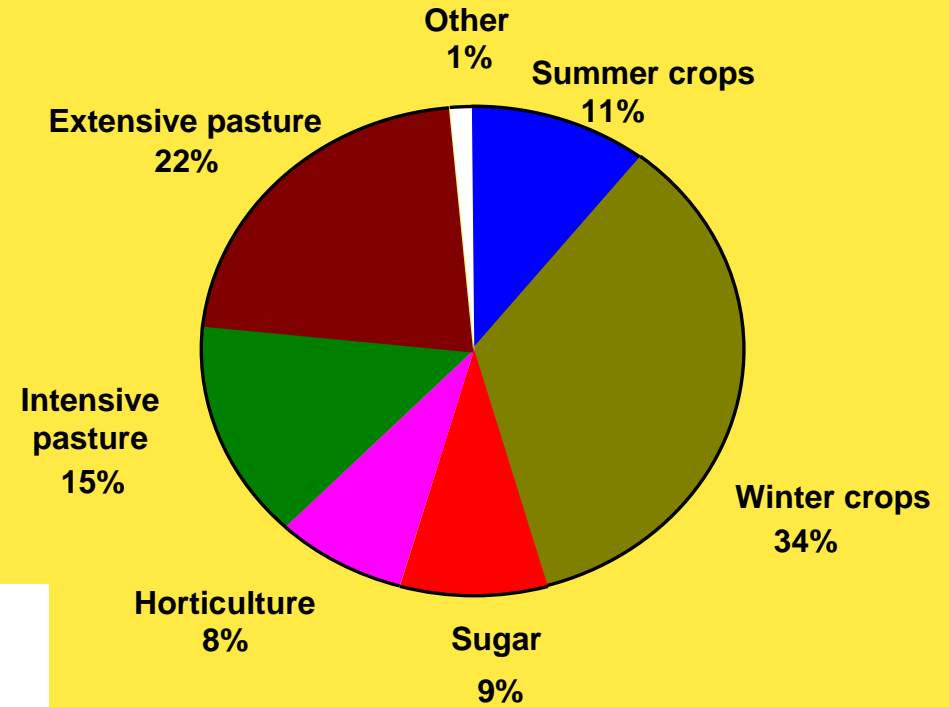
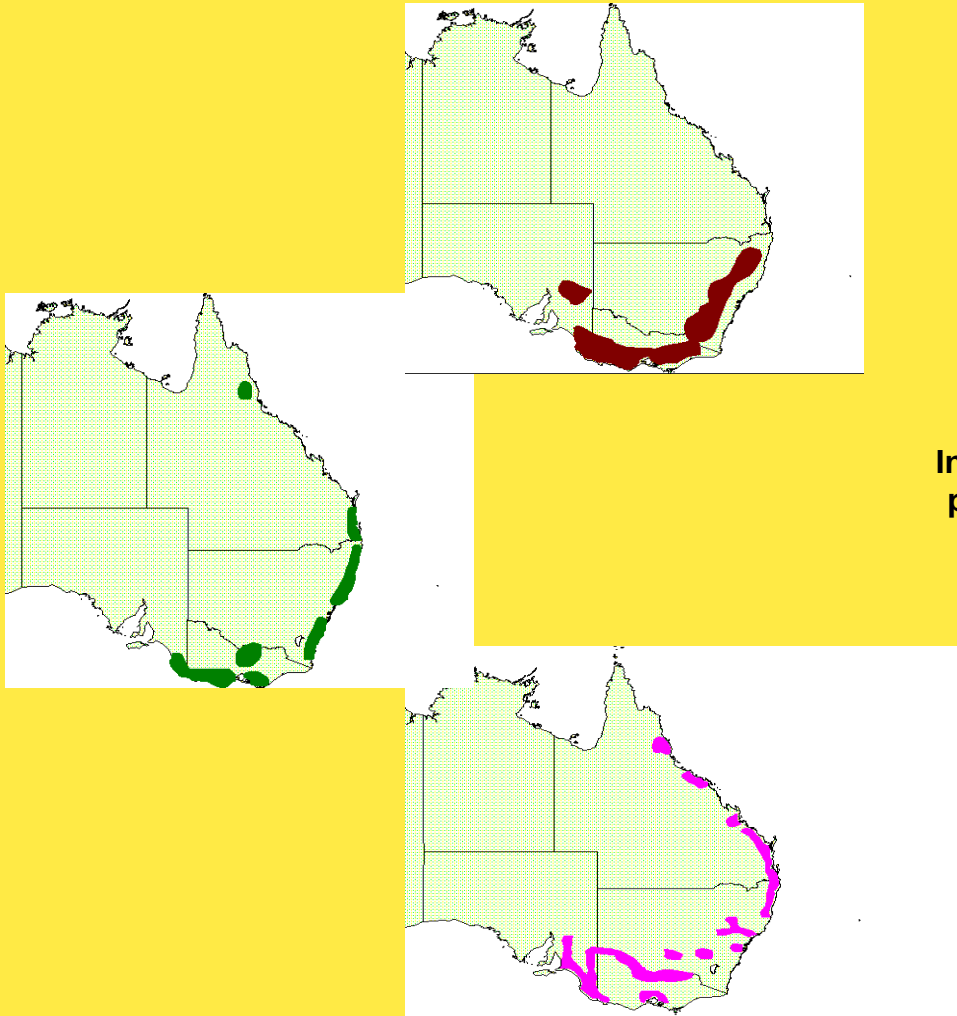
	<u>MT</u>
Eastern Australia	3.9
Western Australia	1.5
Total	<u>5.4</u>



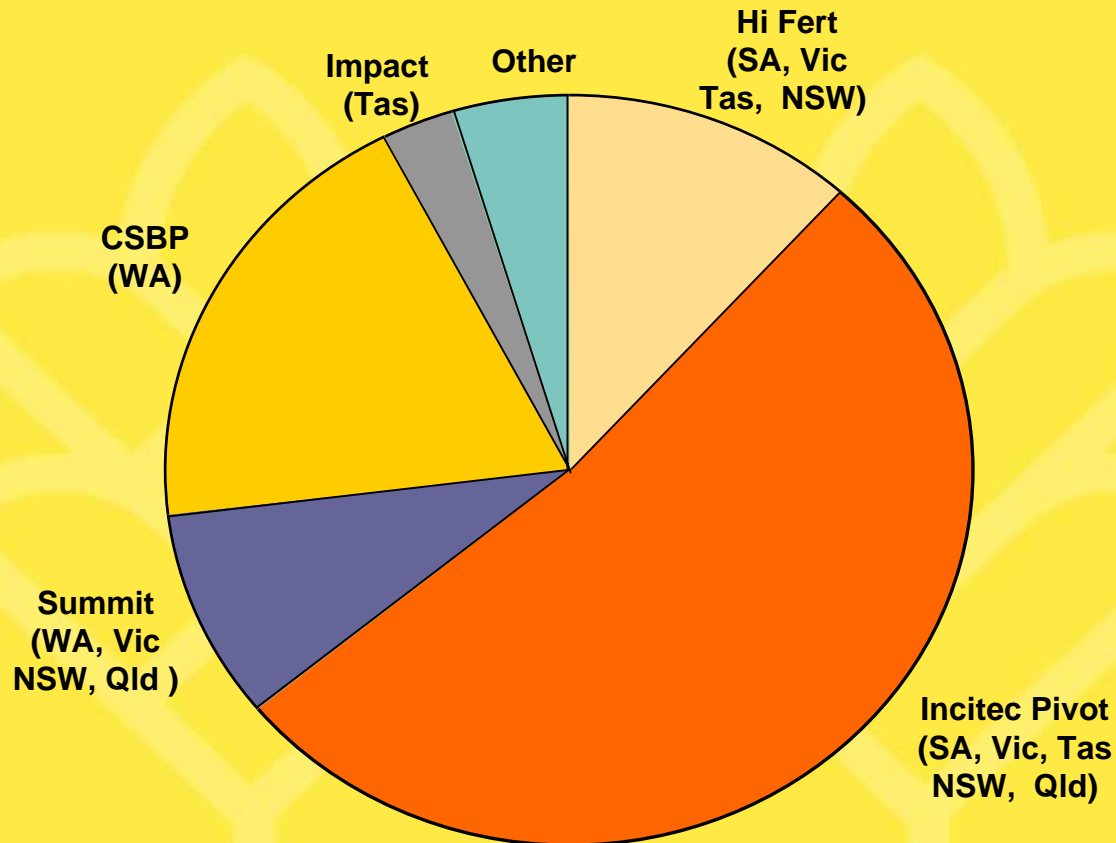
# East Coast Fertiliser Usage by Crop



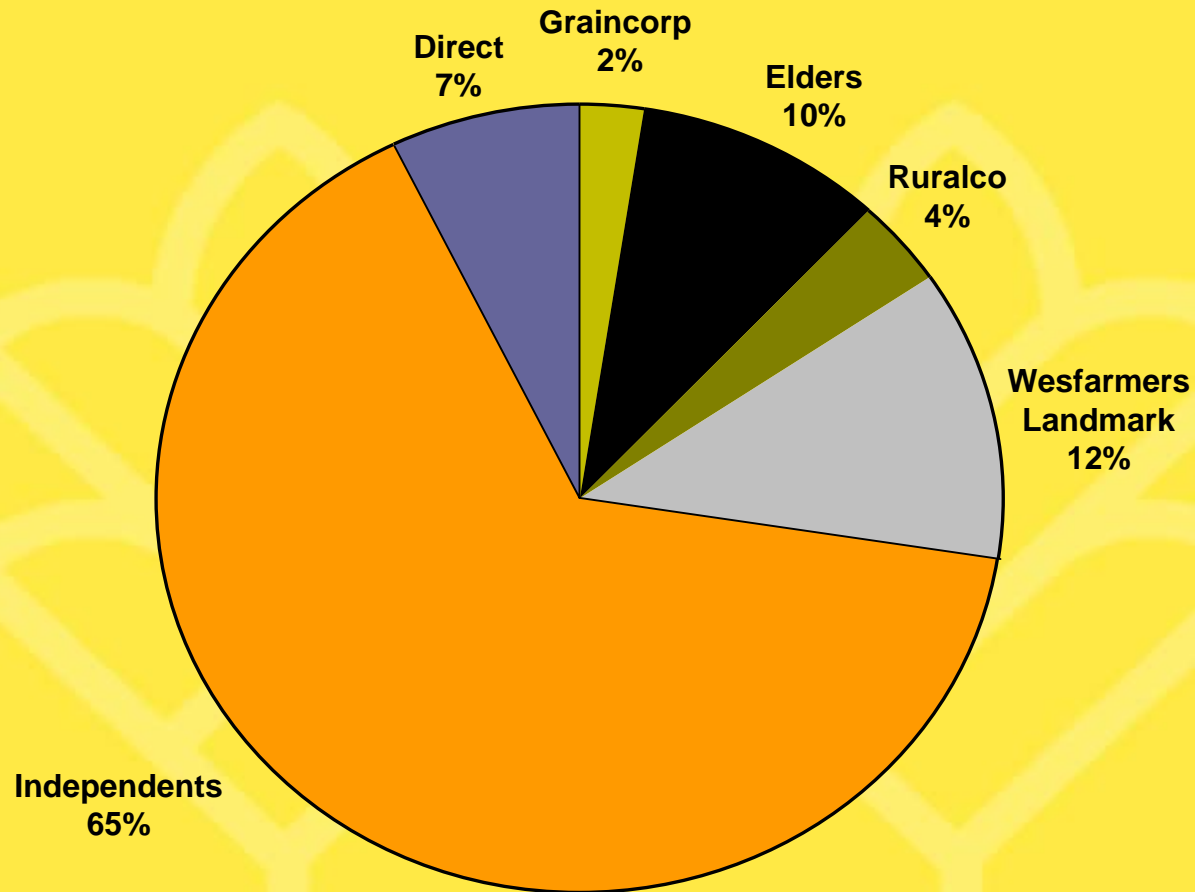
# East Coast Fertiliser Usage by Crop



# Australian Industry Participants



# Eastern Australia Channels to Market



# Incitec Pivot Limited - Formed 1 June 2003

The merger of Incitec Fertilizers and Pivot creates geographic, nutrient and crop diversity

## Sales Breakdown Incitec and Pivot



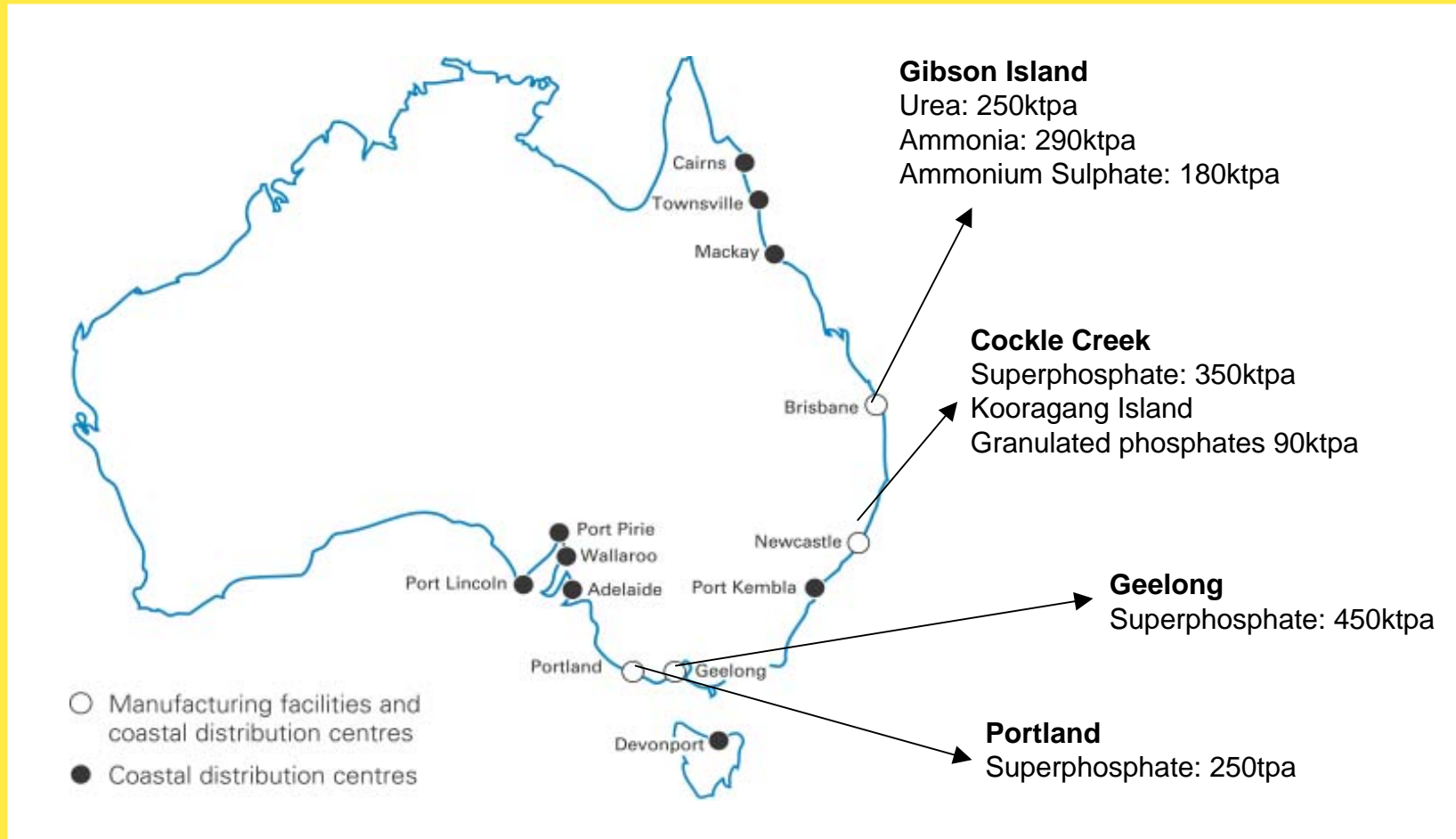
### Incitec

Sales - 1.8M tpa, \$680M  
Dominant nutrient: nitrogen  
Main customers: Qld, NSW

### Pivot

Sales - 1.4M tpa, \$500M  
Dominant nutrient: phosphorus  
Main customers: Victoria, SA, Tas

# Incitec Pivot Limited - Key Assets



# Incitec Pivot Limited - Overview



- ▶ Incitec Pivot has fertiliser sales of greater than 3 million TPA which translates into annual revenue greater than \$1 billion;
- ▶ Incitec Pivot is Australia's largest manufacturer and distributor of fertiliser;
- ▶ Incitec Pivot's operations have a wide geographic spread across Australia's east coast and a balanced nutrient exposure diversifying its earnings base;
- ▶ Incitec Pivot has a diverse customer base with a strong multi-channel position;
- ▶ Incitec Pivot has the industry's lowest delivered cost position, which is derived from the scale of its operations;
- ▶ Incitec Pivot has well located and efficient distribution assets – best able to respond to farmers' needs.





# Incitec Pivot Limited - Sustainable Competitive Advantages

- ▶ Strong branding - Pivot, Incitec Fertilizers
- ▶ Specialty products - Big N, Granulock
- ▶ Specialty agronomic support -Nutrient Advantage
- ▶ Operating scale = lowest delivered cost per tonne
  - purchasing
  - shipping
  - port handling
  - distribution
- ▶ Well located and efficient supply chain assets
  - coastal
  - regional
  - Big N
- ▶ Competitive manufacturing base





# Incitec Pivot Limited

## - Key Business Drivers

- **Weather;**
- **Agricultural Commodity Prices;**
- **International Fertiliser Prices; and**
- **AUD/USD Exchange Rate.**

**Reduced business risk - improved geographic, crop and nutrient spread**





# Financial Overview

## 2002 – Proforma Profit & Loss

<u>\$M</u>	<u>Incitec</u>	<u>Pivot</u>	<u>Incitec Pivot</u>
Sales	678	497	1,175
EBIT before goodwill	61	45	106
Goodwill			-10
EBIT after goodwill			96

**Plus synergies - \$30M**

*Source: Incitec Pivot Information Memorandum*



# Financial Overview



## 31 March 2003 – Proforma Balance Sheet

\$M

Working Capital	259
Fixed Assets	308
Goodwill	198
Other	(53)
Net Assets	712
Net Debt	157
Equity	555

Source: Incitec Pivot Information Memorandum



# Incitec Pivot Limited Merger Synergies - \$30M



- Reduction of 140 FTEs;
- Reduction of overhead costs;
- Logistics and facilities optimisation;
- Purchasing and freight savings.

**Quantified and deliverable**



# Incitec Pivot Limited - Key Priorities



- ▶ One Company;
- ▶ Deliver the efficiencies - \$30m;
- ▶ Retain market share.

**Focus on Delivery**

