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## **Media Statement – Monday, 1 May 2006**

### **Restructuring rewards begin to flow**

Fertiliser supplier Incitec Pivot Limited today reported improved performance in the first half of its 2006 financial year flowing from an ongoing business turnaround program.

For the six months to 31 March 2006, the company reported net profit after tax (NPAT) excluding significant items of \$27.5 million, an increase of 60 per cent over the 2005 first half.

NPAT including significant items was \$10.1 million compared with \$17.2 million in 2005.

Managing Director and CEO Julian Segal said the improved performance flowed mainly from cost savings brought about by business restructuring and improved manufacturing and trading margins.

“The restructuring benefits amounted to \$11 million before tax for the half year,” he said.

“We anticipate that the benefits from restructuring for the full 2006 year will reach \$25 million before tax. Total annual benefits from the restructuring program are now expected to be \$34 million before tax.”

Mr Segal said the restructure was focused on consolidating Incitec Pivot’s position as the lowest fixed-cost base fertiliser supplier on Australia’s east coast.

In the first half, fertiliser sales revenue was down 10 per cent to \$396 million as a result of general market factors, including mixed weather conditions and competition.

Mr Segal said that Incitec Pivot’s strong financial discipline had enabled it to hold net debt to \$137.9 million (or gearing of 20.6 per cent) on 31 March 2006.

Incitec Pivot expects earnings momentum to be maintained in the traditionally stronger second half, subject to suitable weather conditions for the winter crop and cotton plantings.

Directors have declared a fully franked interim dividend of 22 cents per share, an increase of one cent per share on the interim dividend in 2005.

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