

Appendix 4E Preliminary final report

Name of entity:	Incitec Pivot Limited
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ABN or equivalent company reference: 42 004 080 264
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	Financial year ended (‘current period’)	Financial year ended (‘previous corresponding period’)
1.0	30 September 2003	30 September 2002

2.0 Results for announcement to the market

\$A000

2.1	Revenues from ordinary activities	up	14.1%	to	696,567
2.2	Profit (loss) from ordinary activities after tax attributable to members	down	>100%	to	(18,623)
			Amount per security		Franked amount per security at 30% tax
2.4	Dividends (distributions)				
	Final dividend - Ordinary	Cents	-		-
	Special dividend - Ordinary	Cents	140		140
Previous corresponding period					
	Final dividend - Ordinary	Cents	-		-
	- Investor	Cents	-		-
	Interim dividend - Ordinary	Cents	-		-
	- Investor	Cents	-		-

2.5 Record date for determining entitlements to the dividend: **N.A.**

2.6 Brief explanation of any of the figures reported above:
 Please refer to the accompanying Incitec Pivot Limited Profit Report.

3.0 Statements of Financial Performance
For the year ended 30 September 2003

	Notes	2003 \$000	2002 \$000
Revenue from ordinary activities	(I)	696,567	610,286
Operating expenses			
Changes in inventories of finished goods and work in progress		(61,751)	(458)
Raw materials and consumables used and finished goods purchased for resale		(349,830)	(401,670)
Employee expenses (including significant items)		(66,403)	(41,733)
Depreciation and amortisation expense		(24,353)	(15,267)
Borrowing costs		(8,289)	(15,115)
Purchased services (including significant items)		(44,667)	(28,762)
Repairs and maintenance		(13,062)	(14,022)
Property, plant & equipment retired/disposed (excluding significant items)		(3,043)	(159)
Outgoing freight		(23,692)	(23,467)
Lease payments - operating leases		(7,914)	(7,837)
Net assets disposed from sale of business (significant items)	(II)	(3,867)	(90)
Asset write-downs, clean-up and environmental provisions (significant items)	(II)	(37,837)	-
Other expenses from ordinary activities including significant items		(64,093)	(37,778)
		(708,801)	(586,358)
(Loss)/profit from ordinary activities before income tax expense		(12,234)	23,928
Income tax expense attributable to (loss)/profit from ordinary activities		(6,389)	(5,402)
(Loss)/profit from ordinary activities after income tax expense		(18,623)	18,526
Non-owner transactions in equity		-	-
Net increase in general and other reserves		1,499	-
Net decrease in forfeited shares reserve		(8)	-
Net decrease in capital profits reserve		(1,491)	-
Net reduction in equity due to initial adoption of AASB 1028 Employee Benefits		(328)	-
Total revenues, expenses and valuation adjustments relating to members of the parent entity recognised directly in equity		(328)	-
Total changes in equity other than those resulting from transactions with owners as owners		(18,951)	18,526
		cents	cents
Earnings per share			
Basic earnings per share:			
Ordinary shares		(60)	106

Refer to the financial report for notes to statements of financial performance.

Notes

	2003 \$000	2002 \$000
I. Revenue from ordinary activities		
External sales	686,307	604,214
Other revenue from operating activities		
Royalty income	10	17
Interest income:		
external parties – banks	1,473	1,452
Rental income	433	312
Other income	1,292	3,351
From outside operating activities		
Sale of business	4,393	400
Sale of property, plant and equipment	2,659	540
Total other revenue	10,260	6,072
Total revenue	696,567	610,286

	2003			2002		
	Gross \$000	Tax \$000	Net \$000	Gross \$000	Tax \$000	Net \$000
II. Individually significant items						
(Loss)/profit from ordinary activities includes the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the entity:						
<u>Merger implementation costs</u>						
Employee redundancies and allowances	(10,108)	3,032	(7,076)	(4,435)	1,331	(3,104)
Environmental	(7,300)	2,190	(5,110)	-	-	-
Site-clean up and rationalisation	(7,883)	1,231	(6,652)	-	-	-
Asset write-downs	(22,654)	3,927	(18,727)	-	-	-
Transaction and implementation costs	(12,666)	2,354	(10,312)	-	-	-
Accounting policy adjustments	(2,881)	864	(2,017)	-	-	-
Total merger implementation costs (i)	(63,492)	13,598	(49,894)	(4,435)	1,331	(3,104)
<u>Other</u>						
Profit from business divested (ii)	526	(158)	368	310	(93)	217
Profit from sale of property, plant and equipment	224	(67)	157	-	-	-
Write-down of carrying value of inventory (iii)	(1,826)	548	(1,278)	-	-	-
Losses associated with wind-down of business segment (iii)	-	-	-	(3,890)	1,167	(2,723)
Over (under) provision of income tax in previous years (iv)	-	(3,009)	(3,009)	-	2,959	2,959
Total other	(1,076)	(2,686)	(3,762)	(3,580)	4,033	453
Individually significant items	(64,568)	10,912	(53,656)	(8,015)	5,364	(2,651)

- (i) Merger implementation costs in 2003 relate to the restructuring and reorganisation activities following the acquisition of Incitec Fertilizers Limited.
- (ii) On 20th February 2003 Pivot Nutrition Pty Ltd, a wholly owned subsidiary of the Company, divested the operating assets and business of the Carrick Stockfeed Mill for \$4.4m.
- (iii) Inventory written down and prior year losses relate to the grain business which has now been completely wound down and is no longer trading.
- (iv) Adjustment to income tax expense to reconcile to income tax returns as lodged.

4.0. Statements of Financial Position
As at 30 September 2003

	2003	2002
	\$000	\$000
Current assets		
Cash assets	21,269	39,283
Receivables	108,988	48,966
Inventories	205,643	111,859
Other	14,699	906
Total current assets	350,599	201,014
Non-current assets		
Receivables	1,924	335
Property, plant and equipment	296,615	116,518
Deferred tax assets	19,101	18,637
Intangible assets	185,354	-
Other	13,553	-
Total non-current assets	516,547	135,490
Total assets	867,146	336,504
Current liabilities		
Payables	130,899	48,442
Interest bearing liabilities	40,663	60,631
Current tax liabilities	6,312	-
Provisions	37,133	16,505
Total current liabilities	215,007	125,578
Non-current liabilities		
Interest bearing liabilities	55,000	60,000
Deferred tax liabilities	14,268	-
Provisions	9,489	741
Total non-current liabilities	78,757	60,741
Total liabilities	293,764	186,319
Net assets	573,382	150,185
Equity		
Parent entity interest		
Contributed equity	532,445	65,819
Reserves	35,922	35,922
Retained profits	5,015	48,444
Total equity	573,382	150,185

Refer to the financial report for notes to statements of financial position.

5.0. Statements of Cash Flows
For the year ended 30 September 2003

	2003	2002
	\$000	\$000
	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities		
Receipts from customers	812,715	636,360
Payments to suppliers and employees	(714,836)	(552,094)
Interest received	1,472	1,452
Borrowing costs	(7,966)	(15,115)
Royalties and other trading revenue received	1,734	3,368
Net income taxes received/(paid)	3,113	453
Net cash flows from operating activities	96,232	74,424
Cash flows from investing activities		
Payments for property, plant and equipment	(15,578)	(4,133)
Proceeds from sale of property, plant and equipment	2,659	540
Proceeds from sale of business	4,393	400
Net cash flows used in investing activities	(8,526)	(3,193)
Cash flows from financing activities		
Net movement in short term financing	(81,545)	(33,338)
Payments for expenses relating to listing on Australian Stock Exchange	(1,274)	-
Dividends paid	(24,478)	-
Net cash flows used in financing activities	(107,297)	(33,338)
Net (decrease)/increase in cash held	(19,591)	37,893
Cash at the beginning of the financial year	39,283	1,390
Cash at the end of the financial year	19,692	39,283

Refer to the financial report for notes to statements of cash flows.

6.0 Details of individual and total dividends.

	Company	
	2003 \$000	2002 \$000
Dividends		
Dividends paid or declared in respect of the year ended 30 September were:		
Ordinary		
special dividend of \$1.40 per share, fully franked at 30%, paid 16th June 2003	24,478	-
Dividends paid in cash	24,478	-

7.0 Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.

The dividend or distribution plans shown below are in operation.

There is no dividend or distribution reinvestment plan in place.

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

8.0 A statement of retained earnings showing movements.

	2003	2002
	\$000	\$000
Reserves and retained profits		
(a) Reserves		
Realisation and revaluation of assets	34,423	34,423
General and other	1,499	-
Forfeited shares	-	8
Capital profits	-	1,491
	35,922	35,922
Movement in reserves during the financial year		
Realisation and revaluation of assets		
Balance at beginning of year	34,423	34,342
Increase in revaluation reserve	-	81
Balance at end of year	34,423	34,423
General and other		
Balance at beginning of year	-	-
Transfer from capital profit reserves	1,491	-
Transfer from forfeited shares reserve	8	-
Balance at end of year	1,499	-
Forfeited shares reserve		
Balance at beginning of year	8	8
Transfer to General and other	(8)	-
Balance at end of year	-	8
Capital profits reserve		
Balance at beginning of year	1,491	1,491
Transfer to General and other	(1,491)	-
Balance at end of year	-	1,491
(b) Retained profits		
Retained profits at the beginning of the financial year	48,444	29,918
Net decrease in equity due to initial adoption of revised AASB 1028 Employee Benefits	(328)	-
Operating (loss)/profit after income tax attributable to members of Incitec Pivot	(18,623)	18,526
Dividends:		
Special dividend	(24,478)	-
Retained profits at the end of the financial year	5,015	48,444

9.0 Net tangible assets per security with the comparative figure for the previous corresponding period.

	Current period	Previous corresponding period
	Cents	Cents
Net tangible asset backing per ordinary security	666	859

10.1 Details of entities over which control has been gained during the period.

Name of entity (or group of entities)	Incitec Fertilizers Pty Ltd
The date of the gain of control	1st June 2003
Consolidated profit / (loss) from ordinary activities and extraordinary items after tax of Incitec Fertilizers Limited since the date in the current period on which control was acquired	thousands \$ (2,607)
Profit from ordinary activities and extraordinary items after tax of the entity (or group of entities) for the whole of the previous corresponding period Incitec Fertilizers Limited commenced trading 1st March 2003.	N/A

10.2 Loss of control of entities having material effect.

Name of entity (or group of entities)	none
The date of the loss of control	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) since the date in the current period to the date of loss of control	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity (or group of entities) while controlled during for the whole of the previous corresponding period	N/A

11.0 Details of associates and joint venture.

The economic entity has an interest (that is material to it) in the following entities:

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	Current period	Previous corresponding period	Current period \$A'M	Previous corresponding period \$A'M
Equity accounted associates and joint venture entities				
None				
Total			-	-
Other material interests			-	-
Total			-	-

12.0 Any other significant informaton needed by an investor to make an informed assessment of the entity's financial performance and fianancial position.

Please refer to the accompanying Incitec Pivot Limited Profit Report.

13.0 A commentary on the results for the period.

Please refer to the accompanying Incitec Pivot Limited Profit Report.

13.1 The earnings per security.

	2003	2002
	Cents per share	Cents per share
Earnings per share (EPS)		
Basic earnings per share		
including significant items	(60)	106
excluding significant items	113	121
	Number	Number
Weighted average number of shares used as the denominator:		
Number for basic earnings per share (i)	31,120,472	17,488,879
Average market price of ordinary shares (ii)	\$15.39	N/A
	\$000	\$000
Reconciliation of earnings used in the calculation of basic earnings per share:		
Including individually significant items		
(Loss)/profit from ordinary activities after income tax expense	(18,623)	18,526
Earnings used in calculation of EPS including individually significant items	(18,623)	18,526
Reconciliation of earnings used in the calculation of basic earnings per share:		
Excluding individually significant items		
(Loss)/profit from ordinary activities after income tax expense	(18,623)	18,526
Deduct individually significant items after income tax	(53,656)	(2,651)
Earnings used in calculation of EPS excluding individually significant items	35,033	21,177

(i) The weighted average number of shares used as the denominator is calculated over the 12 months ended 30 September 2003 and takes into account the issue of 40,796,719 shares on 1 June 2003.

(ii) The consolidated entity was not listed on the Australian Stock Exchange during 2002. Consequently an average market price of ordinary shares was not available in 2002. The average market price of ordinary shares for the year ended 30 September 2003 is calculated from 28th July 2003, the listing date of the Company on the Australian Stock Exchange.

13.2 Returns to shareholders.

	2003 \$000	2002 \$000
Contributed equity		
Share capital:		
Ordinary shares - 58,281,027 (2002 - 14,037,142)	532,445	52,122
Investor shares - nil (2002 - 3,447,388)	-	13,697
	532,445	65,819

Movements in issued and fully paid ordinary shares of the company during the past two years were as follows:

Details	Date	Number of shares	Issue price \$	\$000
Opening balance of shares issued	1 Oct 01	14,058,910		51,940
Rebate reinvestment 1999 Adjustment	0.0	-		378
Conversion from ordinary share to investor share	1 Oct 01 to 30 Sep 02	(21,162)	9.00	(189)
New employee shares issued	16 Nov 01	9,130	9.00	81
Employee share plan buy-back	1 Oct 01 to 30 Sep 02	(9,736)	9.00	(88)
Balance	30 Sep 02	14,037,142		52,122
Employee share plan buy-back	17 Oct 02	(222)	9.00	(2)
Conversion from ordinary share to investor share	1 Oct 02 to 31 Jan 03	(6,400)	9.00	(56)
Shares issued in consideration for purchase of Incitec Fertilizers Limited (i)	1 June 03	40,796,719	11.47	467,900
Conversion of balance of investor shares to ordinary shares	3 July 03	3,453,788		13,755
Transaction costs arising pursuant to the listing of Incitec Pivot Limited on the Australian Stock Exchange				(1,274)
Balance	30 Sep 03	58,281,027		532,445

(i) The issue price of \$11.47 represents the midpoint of an independent valuation prepared by Ernst and Young as at 17th March 2003 of the combined Incitec and Pivot fertiliser business.

Terms and conditions:

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

Movements in issued and fully paid investor shares of the company during the past two years were as follows:

Details	Date	Number of shares	\$000
Opening balance of shares issued	1 Oct 01	3,427,581	13,517
Conversion from ordinary share to investor share	1 Oct 01 to 30 Sep 02	21,162	189
Employee share plan buy-back	1 Oct 01 to 30 Sep 02	(1,355)	(9)
Balance	30 Sep 02	3,447,388	13,697
Conversion from ordinary share to investor share	1 Oct 02 to 31 Jan 03	6,400	58
Conversion of balance of investor shares to ordinary shares	3 July 03	(3,453,788)	(13,755)
Balance	30 Sep 03	-	-

	2003 \$000	2002 \$000
Total equity reconciliation		
Total equity at the beginning of the financial year	150,185	131,216
Total changes recognised in the statements of financial performance	(18,951)	18,526
Transactions with owners as owners	-	-
Dividends provided for or paid	(24,478)	-
Contributions of equity	467,900	443
Expenses relating to the listing on the Australian Stock Exchange	(1,274)	-
Total equity at the end of the financial year	573,382	150,185

13.3 Significant features of operating performance.

Please refer to the accompanying Incitec Pivot Limited Profit Report.

13.4 A discussion of trends in performance.

Please refer to the accompanying Incitec Pivot Limited Profit Report.

13.5 Segment Report

During the year ended 30th September 2003, the consolidated entity operated in two business segments, Fertiliser and Divested Business, and in one geographic location, Australia.

During the year ended 30th September 2002 the consolidated entities operated in three business segments comprising Fertiliser, Grain, and Stockfeed in one geographic location, Australia.

The Stockfeed business was sold on 20th February 2003 and the Grain business has been progressively wound down throughout 2002 and 2003.

13.5 Segment Report (continued)

	Fertiliser	Divested Business	Consolidated		
2003	\$000	\$000	\$000		
Revenue					
External Sales	655,503	20,304			675,807
Sales to Incitec Fertilizer Limited Pre Acquisition	10,500	-			10,500
Total Sales Revenue	666,003	20,304			686,307
Other Revenue					10,260
Total of all segments	666,003	20,304			696,567
Total consolidated revenue from ordinary activities					696,567
Result					
EBIT - Segment	59,401	(251)			59,150
Net Interest					(6,816)
Profit before tax and significant items					52,334
Significant Items (refer note 5)					(64,568)
Loss from ordinary activities before tax					(12,234)
Income tax expense					(6,389)
Loss from ordinary activities after tax					(18,623)
Assets					
Segment Assets	867,047	99			867,146
Liabilities					
Segment Liabilities	293,721	43			293,764
Other Information					
Acquisition of business	467,900	-			467,900
Acquisition of property, plant and equipment	15,578	-			15,578
Depreciation and amortisation of segment assets	24,343	10			24,353
Other non cash expenses - writedowns and provisions	45,197	-			45,197
	Fertiliser	Grain	Stockfeed	Eliminations	Consolidated
2002	\$000	\$000	\$000	\$000	\$000
Revenue					
External Sales	487,249	99,999	13,204	-	600,452
Intersegment sales	-	6,782	-	(6,782)	-
Sales to Incitec Fertilizer Limited Pre Acquisition	3,762	-	-	-	3,762
Total Sales Revenue	491,011	106,781	13,204	(6,782)	604,214
Other Revenue	5,952	-	120	-	6,072
Total of all segments	496,963	106,781	13,324	(6,782)	610,286
Total consolidated revenue from ordinary activities					610,286
Result					
EBIT - Segment	45,378	(440)	668		45,606
Net Interest					(13,663)
Profit before tax					31,943
Significant Items (refer note 5)					(8,015)
Profit from ordinary activities before tax					23,928
Income tax expense					(5,402)
Profit from ordinary activities after tax					18,526
Assets					
Segment Assets	324,665	7,334	4,505		336,504
Liabilities					
Segment Liabilities	182,436	3,324	559		186,319
Other Information					
Acquisition of property, plant and equipment	4,127	-	6		4,133
Depreciation and amortisation of segment assets	15,202	-	65		15,267
Other non cash expenses - writedowns and provisions	4,435	3,890	-		8,325

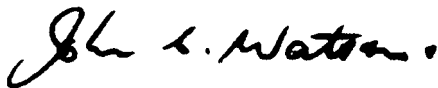
13.6 Events subsequent to reporting date

On 22 October 2003 loans were issued to 47 senior employees as part of the long term incentive program described in the Financial Report.

The directors have not become aware of any other significant matter or circumstance that has arisen since 30 September 2003, that has affected or may affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent years, which has not been covered in this report.

Compliance statement

This report is based on audited accounts.
The entity has a formally constituted audit committee.



John C Watson
Chairman

Date: 31/10/2003