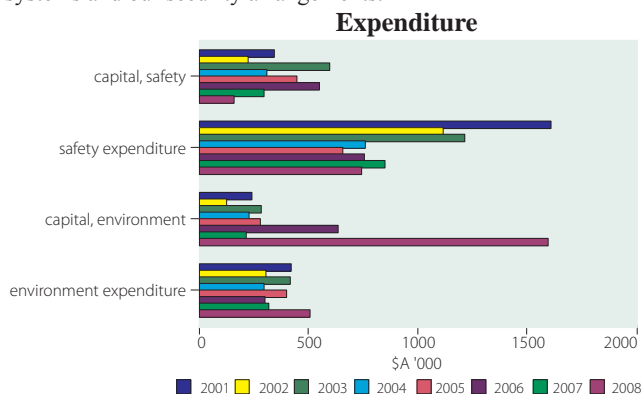


Expenditure

Expenditure on safety matters continues at about the same rate as for previous years. Capital expenditure on environment matters increased, largely on reducing discharge of some materials to our effluent, as detailed below.

We have upgraded our phenolics decanter, increasing its efficiency and moving it into a production building to reduce the potential for fugitive emissions. In our glyphosate formulation building, containment has been improved. We have replaced and improved some hot boxes which are used to warm raw materials before use. We have carried out some early engineering works to investigate a solvent extraction system to further improve recovery of materials from our effluent stream.

In addition, we have invested in some upgrading of our electricity systems and our security arrangements.



Sustainability Leadership program

The Sustainability Leadership Framework was prepared by industry group PACIA to assist organisations wanting to integrate sustainability practices throughout their core business. Its focus includes environmental, social and financial aspects of workplace operations and market and supply chain activities.

Nufarm signed up to this framework in July 2008, and has resolved to adopt and implement it across the organisation with a broad commitment from executive management.

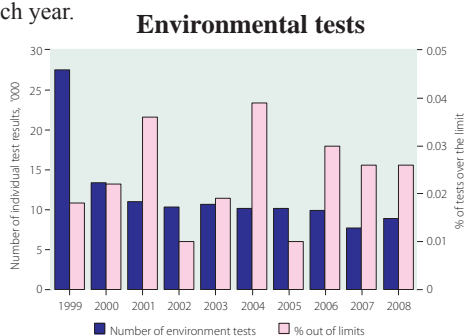
Although Nufarm already ranks highly in sustainability performance, the implementation of a sustainability policy will consolidate these practices and allow Nufarm to continue its activities with a strong leadership.

A dedicated team was formed to provide input and lead the way in the sustainability strategy and a workshop was conducted to objectively evaluate Nufarm's sustainability performance and identify areas in which development is required. An action plan is under development for implementation as a core business strategy.

Testing

To control our operations, we carry out a large number of environmental tests. Over the years, because we have been able to demonstrate that we have excellent control over the operations, the number of tests has reduced - they still amount to more than 7,000 individual results each year.

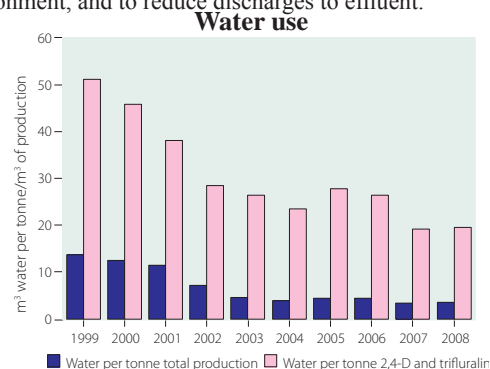
Of these, very few are found to be outside the limits set (<0.03%, or three test results in 10,000 samples). Generally such results are marginally over the limit and not of any significant concern.



Water

2008 saw the redirection of the water warriors group due to constraints on our discharge volumes due to license conditions. The focus is now on maintaining our current practices and not losing focus on our precious resource, water. There is also a renewed push on cleaner production to ensure that our practices do not have a negative impact on the environment, and to reduce discharges to effluent.

As can be seen on the attached graph our vigilance on water usage remains prominent. Furthermore, our continued excellent performance on trade waste management has been recognised by the Victorian EPA.

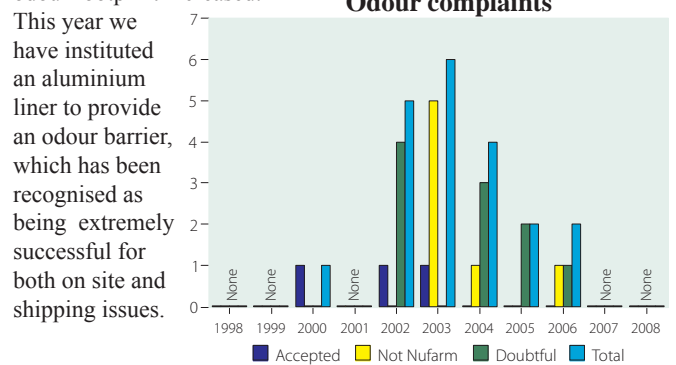


Major hazard facility

Activities in 2008 focused on consolidating and improving our Safety Management Systems and developing new audit programs to identify and correct any deficiencies in our systems and practices. This has included the implementation of a new Management of Change database, major structural improvements to the management of critical maintenance in the MEX system, and re-defining the roles of the key committees that oversee site safety and MHF compliance. The first of the annual reports required under the terms of our MHF Licence was submitted to WorkSafe Victoria in February, and was followed up by an Annual Inspection of selected control measures and systems in April. The WorkSafe findings were very encouraging and recognised the significant improvements that have been made across most Safety Management System elements in the year since granting the Licence.

Odour

Throughout 2008, two significant items were introduced that decrease our odour footprint. Our phenolics recovery plant was moved inside our 2,4D facility. The plant was subject to a very high level of maintenance activity and was located outside thus creating a number of point source issues. With the plant now being contained within the building and a number of the reliability concerns addressed this no longer has the significant impact as it once had on our site. The other focus was on the odour from our 2,4-D bags that we store on site before being exported. Through our Operation Clean Nose it was recognised that when we were holding large numbers of bags our odour footprint increased.



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