

Nufarm Limited 2010 Annual General Meeting

December 2, 2010



**Mr Donald McGauchie
Chairman**

Nufarm 2010 AGM



**Mr Doug Rathbone
Managing Director**

2010 financial year in review



Major impacts

- **Glyphosate**
- **Adverse climatic conditions**

The glyphosate impact

- **Excess and high cost inventory**
- **Significant write-downs**
- **Average gross margin of 12%**

- **2011 year begins with no inventory concerns**
- **Forecasting glyphosate to be approx 25% of revenues**

2010 financial year in review



- **Lower demand increased competitive pressures in other segments**
- **Market shares and margins mostly maintained**
- **New product introductions**
- **Positive gains in seed business**

Climatic impacts were widespread

- Poor summer cropping in Australia; and dry winter cropping conditions in WA
- Long, severe winters in North America and Europe; poor autumn/spring seasons
- Widespread flooding in Canada

Strategic Review

Strategic Review



- **Core chemistry positions will continue to generate value**
- **Must be supplemented with stronger presence in more defensible, higher value segments**
- **Capacity to better leverage strengths in product development and commercial partnerships**

Strategic Review



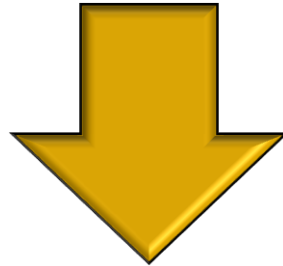
- **Entrepreneurial approach within a more disciplined framework**
- **Improve ability to measure returns and establish appropriate KPI's**
- **Retain global presence....but more selective on further geographic expansion**

- **Product portfolio to be rationalised**
 - remove 'low performing' products/SKU's
- **Increased focus in product development**
- **Cost savings and efficiencies**

- **Systems upgrades**
- **New global data warehouse will provide more integrated business planning and analysis**
- **Business Analysis Unit established**

- **Strengthen and increase depth of management**
- **Increased expertise and focus on senior management transition/succession issues**
- **Business restructuring on a regional level**
- **Recruitment of Group Treasurer**
 - Focus on cash flow management; foreign exchange exposure; working capital; debt

- Move from 'review' phase to implementation program



**Rebuild profitability and
shareholder value**

2011 First Quarter Performance

Australia

- **Increased rainfall boosts Summer cropping**
- **Tracking ahead of forecast and ahead of Q1 2010**

Brazil

- Late season and still dry in some regions
- Lower glyphosate sales
- More 'secure' earnings
- Expanded product range and new supply deals
- Behind forecast for first quarter

2011 first quarter



Asia: Strong early sales and ahead of forecast

Europe: Southern markets lagging; elsewhere performing well

USA: Ahead of Q1 2010 on both total gross margin and gross margin percentage

Canada: Increased fallow spraying after floods, but high stock levels in inventory due to lower sales last season

2011 first quarter EBIT is well ahead of 2010 first quarter EBIT

We expect improved headline and operating result for six months to January 31, compared to same period last year

**Sumitomo relationship
is adding value**

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