

Interim Results

6 months to January 31, 2011

29 March, 2011



Doug Rathbone

Managing Director



2011 Interim results - Summary



	1H 2011 \$m	1H 2010 \$m
Group Sales	900	887
Operating NPAT (exc material items)	22.7	(4.2)
Material items	(18.3)	(35.8)
Reported result	4.4	(40.0)

2011 Interim results – summary



- **Significant improvement on first half of FY2010**
- **Increased sales of products in higher value segments**
- **Margin expansion in most segments**
- **Standout performance from Australia; important progress in Brazil**

Brian Benson

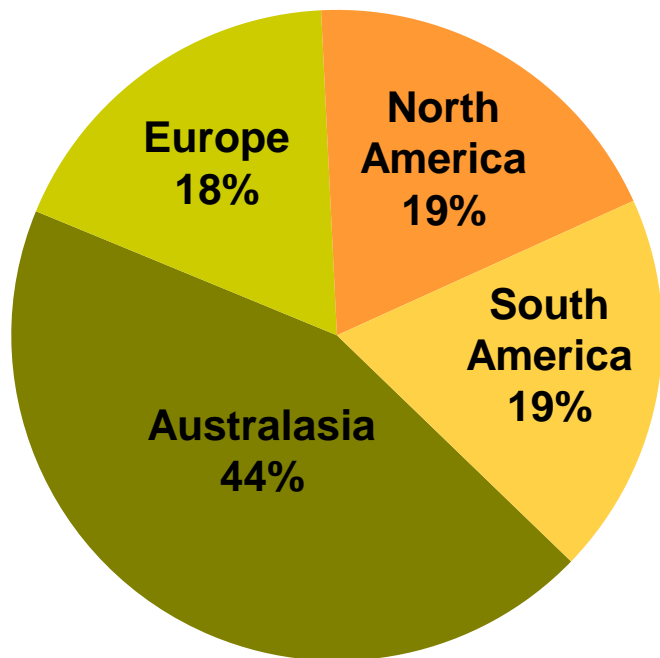
**Group General Manager
Agriculture**



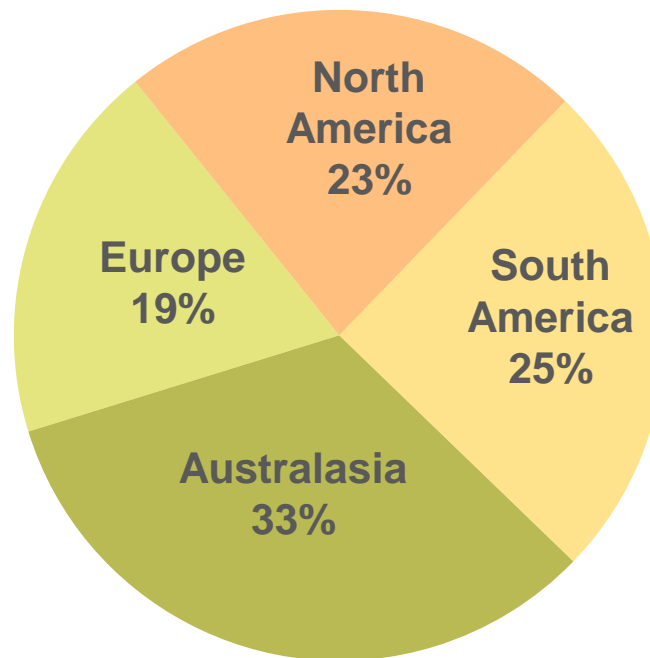
Geographic split



Group revenue



2011 1H: \$900m



2010 1H: \$887m

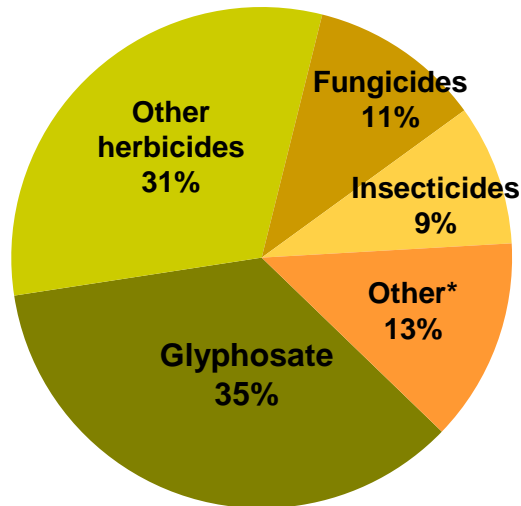
- Reweighting of glyphosate
- Excellent conditions in Australia

2011 Interim results – Segment review



Six months in review - AUSTRALASIA

Australasia	2011 1H \$m	2010 1H \$m
Sales	395	292
Segment profit	49.7	12.3



Regional revenues by major product segment

* Other includes seeds; industrial sales; adjuvants; and machinery

Australia

- Season good in Eastern & Southern States. WA dry
- Flood impacts
- Sugar, rice, cotton all strong
- Strong early demand for phenoxy herbicides
- Excellent performance in fungicides and insecticides
- Glyphosate remains competitive

New Zealand

- New insecticide/fungicide plant start up

Asia

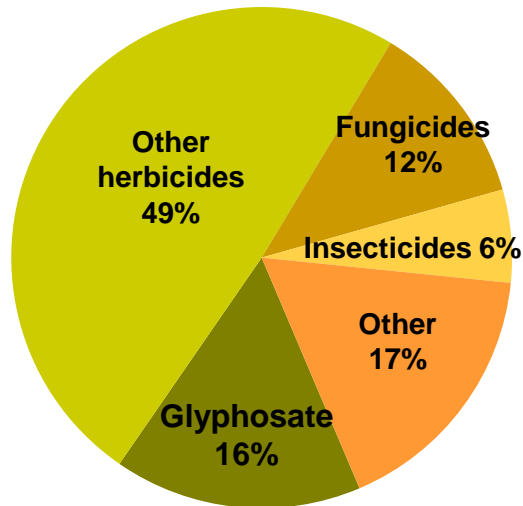
- Strong season in Indonesia, Malaysia
- Sales restart in Sri Lanka, Pakistan
- Sumitomo sales Indonesia

2011 Interim results – Segment review



Six months in review – NORTH AMERICA

North America	2011 1H \$m	2010 1H \$m
Sales	175	204
Segment profit	5.0	3.1



Regional revenues by major product segment

United States

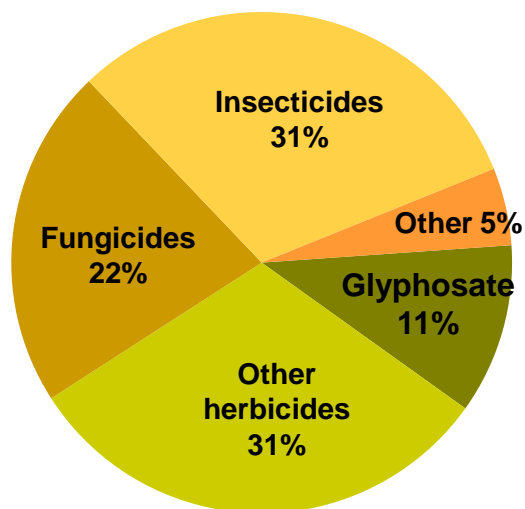
- Fall season was dry limiting some turf and ornamental sales. Spring/Autumn has started early in south → strong phenoxy demand
- Cotton plantings up strongly → strong demand
- Glyphosate resistance awareness → increased sales of resistance management herbicides
- Glyphosate remains competitive
- Restructuring initiatives

Canada

- Good fall pulse desiccation season and summer fallow spraying after very wet 2010 season
- Channel inventories remain high

Six months in review – SOUTH AMERICA

South America	2011 1H \$m	2010 1H \$m
Sales	173	220
Segment profit	7.5	0.2



Regional revenues by major product segment

Brazil

- Late, dry season – La Nina
- Continue to balance segment focus
- New sales structure in place with broader coverage
- Low risk glyphosate policy → sales down
- Improved balance in channel to market
- Sumitomo sales success
- Key co-marketing deals finalised

Argentina

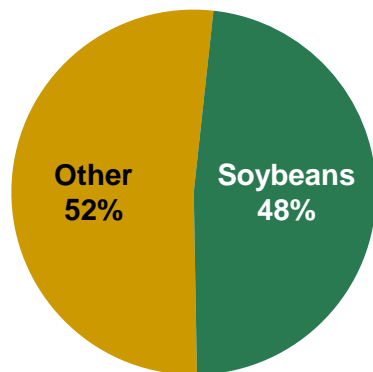
- Druetto seeds integration
- Portfolio balance improvement
- Supply interruption due to fire at toll manufacturer

2011 Interim results – Segment review

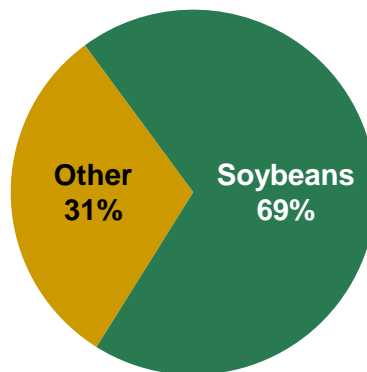


Diversifying the business in Brazil

Sales by crop



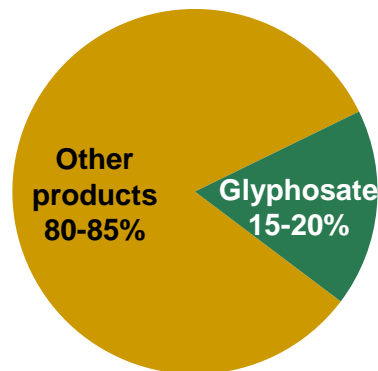
2011 (forecast)



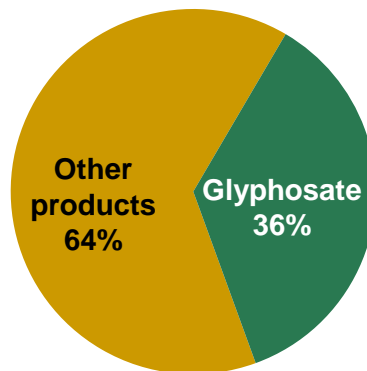
2006

- Growth in corn, cotton and sugarcane
- Successful entry to pasture market
- Positions in citrus, vegetables, coffee

Sales by major products



2011 (forecast)



2006

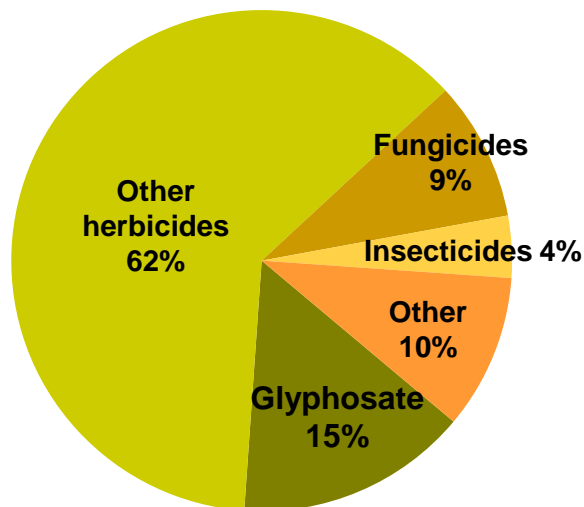
- Balanced portfolio: I & F now \geq 50% portfolio
- Move from older chemistry to newer molecules
- Accelerated launch of new products
- Partnering opportunities are increasing

2011 Interim results – Segment review



Six months in review – EUROPE

Europe	2011 1H \$m	2010 1H \$m
Sales	158	171
Segment profit	4.3	19.2



Regional revenues by major product segment

- Dry autumn and early winter
- Product mix: tech vs branded
- Pricing environment very competitive
- French market down 15%
- Wholesalers moving to 'just-in-time'
- Vineyard applications reduced in SWE

2011 Interim results – Major products



Glyphosate

First six months:	2011	2010
Group sales	\$205m	\$285m
GM contribution	\$30.7m	\$17.7m
Average GM	15%	6%

- As expected, pricing remains very competitive
- Other parties 'liquidated' some high cost inventory in Brazil
- Imports of Chinese formulated product in Australia higher than expected
- Strong focus on differentiated offerings and higher value segments
- Brand management still very important – Indonesia a good story



2011 Interim results – Major products



Other herbicides

First six months:	2011	2010
Group sales	\$367m	\$316m
GM contribution	\$110.6m	\$105.1m
Average GM	30%	33%

- 2,4-D volumes up – prices firming
- Excellent first half program on trifluralin
- Glyphosate resistance driving sales of phenoxies and dicamba
- Strong pre-emergent sales in Australia
- New mixture products launched
- Pasture sales growth in Brazil



2011 Interim results – Major products



Fungicides

First six months:	2011	2010
Group sales	\$115m	\$91m
GM contribution	\$37.0m	\$25.4m
Average GM	32%	28%

- Cotton products very strong in Australia, USA and Brazil
- Strong disease pressure in Australia – multiple applications
- Seed treatment fungicides show good growth in Australia and USA
- Azoxystrobin strategy – independent + partnering
- Sumitomo fungicides outperform in Brazil



2011 Interim results – Major products



Insecticides

First six months:	2011	2010
Group sales	\$105m	\$91m
GM contribution	\$39.1m	\$29.4m
Average GM	37%	32%

- **Imidacloprid:**
 - Seasonal factors limited sales opportunities in European markets
 - excellent sales performance in southern hemisphere
 - growing in foliar and seed treatment
- **Big locust season in Australia**
- **Phase-out of older chemistry – replacement products are ready**
- **Fipronil deal in Brazil**

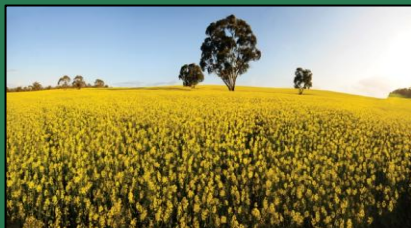


2011 Interim results – Major products



Seeds and seed treatment

Our core crops



Canola



Sunflower



Sorghum

- High cotton/corn prices soften demand for standard grain sorghum in Americas
- Strong demand for specialty sorghum hybrids
 - BMR trait and food grade milling trait
- Chinese demand for elite confection sunflower continues to expand
- Increased demand for high oleic sunflowers in Australia
- Seed treatment positions considerably strengthened
 - New products and organisational changes
- Agreements completed with major customers

First six months:	2011	2010
Group sales	\$41m	\$22m
GM contribution	\$20.8m	\$11.3m
Average GM	51%	50%

Kevin Martin

Chief Financial Officer



2011 Interim results



Profit reconciliation

\$'000s	2011			2010		
	PBT	Tax	NPAT	PBT	Tax	NPAT
Headline result	1,800	2,581	4,381	(59,299)	19,324	(39,975)
Material items	23,611	(5,352)	18,259	51,837	(16,091)	35,746
Operating result	25,411	(2,771)	22,640	(7,462)	3,233	(4,229)
Profit before tax improvement	32,873					

2011 Interim results



Material items

\$'000s	
Debt restructuring costs	10,933
Restructuring costs	5,064
NSS related F/X	5,954
Other	1,660
	<hr/>
	23,611

2011 Interim results



Profit before tax improvement

\$'000s	
Gross profit	55,180
Higher expenses	(26,466)
EBITDA improvement	28,714
D&A	590
EBIT improvement	29,304
Interest	3,569
	32,873

2011 Interim results



Summary of Working Capital

\$m	2011	2010	2009
Receivables	848	899	1,045
Inventory	646	726	1,318
Payables	(483)	(505)	(805)
Net Working Capital	1,011	1,120	1,558

2011 Interim results



Net debt

\$m	2011	2010	2009
Receivables	848	899	1,045
Inventory	646	726	1,318
Payables	(483)	(505)	(805)
Net Working Capital	1,011	1,120	1,558
Net Debt	648	1,030	1,571

Financing Update

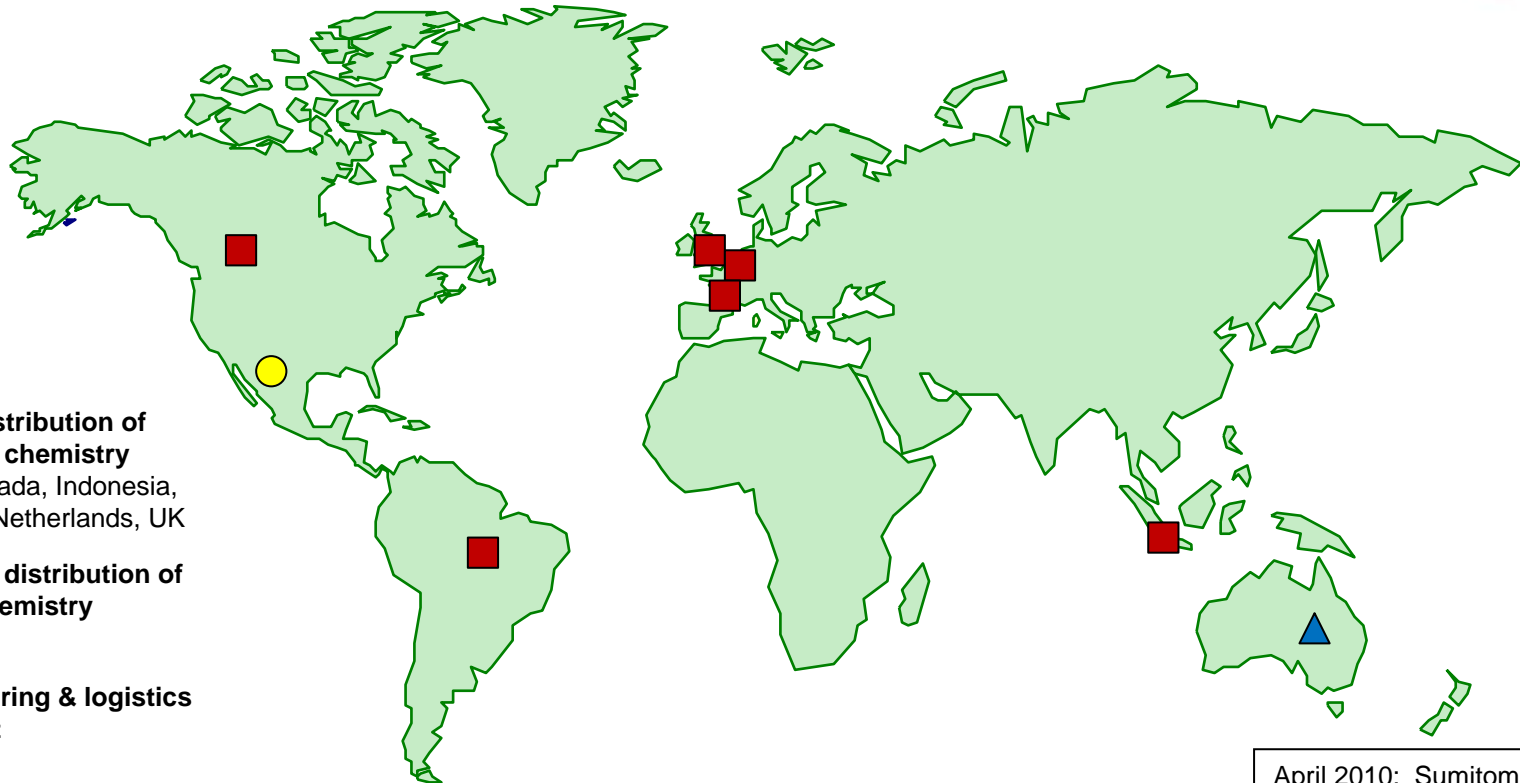
- **Syndicated loan facility of \$900 million to be renewed by December 2011**
- **Rabo mandated to organise a \$300 million multi jurisdiction receivable securitisation facility**

Doug Rathbone

Managing Director



Nufarm/Sumitomo Chemical strategic alliance



■ Nufarm distribution of Sumitomo chemistry
Brazil, Canada, Indonesia, Germany, Netherlands, UK

● Sumitomo distribution of Nufarm chemistry
Mexico

▲ Manufacturing & logistics agreement
Australia

& Global R&D and development agreements

April 2010: Sumitomo Chemical acquires 20% strategic stake in Nufarm

Adding short and long term value for both companies

Outlook for balance of FY 2011

- **First half performance important stepping stone to profit recovery**
 - No more impact from high cost glyphosate inventories
 - Higher sales in other product segments
 - Margin expansion
 - Business improvement initiatives

- **Majority of full year earnings forecast for second half**
 - Dependent on climatic conditions and pricing environment
 - Positive ag industry conditions are helpful
 - Australian plantings should be strong....WA is a 'watch-out'
 - Brazil is forecast to remain EBIT positive for full year

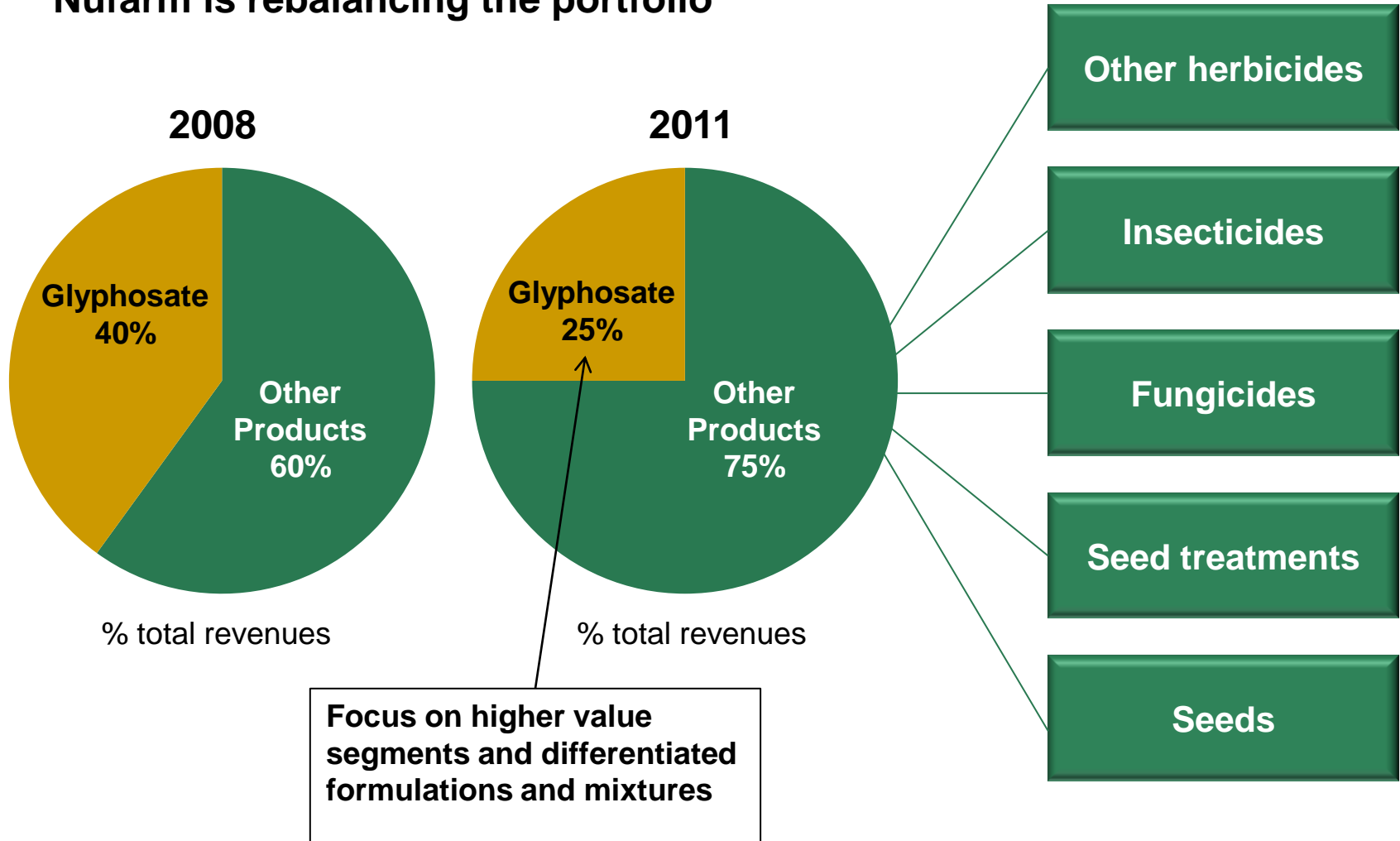
- **We are building strong bridges to profit recovery and sustainable earnings growth**

2011 Interim results



Strategic direction

Nufarm is rebalancing the portfolio



Strategic direction

- **More discipline and focus**
 - Improved systems and management reporting
 - Appropriate organisational changes
 - Close attention to costs and increased efficiencies

- **Product and market segment diversification**
 - 'Reweighting' of glyphosate
 - Higher margin growth into other segments
 - Profitable and scalable position in seeds

- **Emphasis on market-driven innovation**
 - Building value via differentiation and brand management
 - Strong internal pipeline and partnering opportunities

A solid plan for earnings recovery and sustainable profit growth

