



**Chairman's Address
to the Annual General Meeting of Shareholders - Melbourne
Thursday, December 4, 2008 at 10.00 am**

K M Hoggard

Ladies and Gentlemen

At this time last year we were uncertain whether or not a 2008 Shareholders meeting would be conducted. Well here we are, and in spite of the distractions caused by potential take-over activity, it is pleasing to acknowledge a record operating tax paid profit of \$163.9 million for the twelve months ended 31 July 2008.

The trading environment for agricultural products was buoyant over this period and climatic conditions were generally more normal than the drought conditions which had prevailed, especially in Australia, over the previous two years.

Mr Rathbone will shortly provide a detailed review of operations and describe the factors which give confidence in the short to medium term future for the Company.

From a Board perspective, what was particularly pleasing was the growth of the business in all of our trading geographies and the positive earnings trends.

Growth in international demand for crop protection chemicals during our 2008 year resulted in very tight supply and rapidly increasing costs of raw materials particularly for glyphosate intermediates. It was a considerable challenge for the Company to satisfy customer requirements, especially in the second half of 2008. The company's investments and contractual arrangements – particularly relating to glyphosate supply - significantly strengthen the Company's position in these critical areas.

The Company has, for the past twenty years, measured its operating performance using "economic value added" and sought to achieve a satisfactory return above the weighted average cost of capital, where that capital is based on shareholders' funds plus total debt.

It is our belief that - over time - consistent returns above the cost of capital will be reflected in share price and total shareholder return.

It is very pleasing to note from the table included as part of the remuneration report, that over the last five years and based on Goldman Sachs data to the more usual June 30 year end, that the Company has averaged 34% TSR per year and in the current year that is a top 20% performance within the ASX200.

Over the last three months share prices have declined significantly as the international credit crisis has worsened. As you will be very aware, our price has not been immune from this, even though the business fundamentals for the Company have not significantly changed.

The full ramifications of the international financial crisis are still to play out. But it is important that we reassure shareholders that Nufarm is in a sound financial position. Mr Rathbone will update you shortly on very important and positive progress relating to the refinancing of part of our debt facilities. We do have a significant part of our insurance programme with AIG, which has been supported by the US Government, and we have continued with that programme.

While we have seen some reduction in the very high agricultural commodity prices experienced in the 2008 financial year, they remain at good return levels for our farming clients.

Population growth, increased urbanisation, and increasing wealth in the developing countries, are all indicators of future positive opportunities in agriculture and the industries which service it.

As part of a capital management programme and to strengthen the company's balance sheet, the Company decided to introduce an underwritten Dividend Reinvestment Plan with respect to the dividend payable in November 2008.

It became clear however, that underwriting of the Plan might result in additional pressure being placed on the company's share price. As a result the Directors withdrew the underwritten component of this scheme before payment date. Decisions relating to future dividends and the activation of the reinvestment plan will be made at those times, given the market conditions that apply as the Board considers those options.

From the perspective of a long serving Board member and a past CEO of the company, I am firmly convinced that Nufarm's greatest strength is its people. The executive team is stable, vastly experienced, and extremely committed to the business. And Nufarm employees show great loyalty to the company and are considered to be among the very best in the international crop protection industry.

On behalf of the Board – and on your behalf – I acknowledge their efforts and thank them for their considerable contribution to the company's success.

I would also like to acknowledge the support and counsel of my fellow Board members. I can assure you that your Directors show a genuine and close interest in this business and are very engaged in relevant strategic, policy and governance matters.

I will now ask Doug Rathbone to address you.