



Directors' report

The board of directors of Nufarm Limited (Nufarm) has pleasure in submitting its report in respect of the financial year ended 31 July 2001.

Names of directors

The names of the directors of the company in office during the period are:

KM Hoggard (Chairman)
 DJ Rathbone (Managing Director)
 GDW Curlewis
 Dr WB Goodfellow
 GW McGregor AO
 Sir Dryden Spring
 Dr JW Stocker AO
 JD Storey (retired 7 May 2001)
 RFE Warburton

Unless otherwise indicated, all directors held their position as a director throughout the entire period and up to the date of this report.

HM Titter CMG and W Wilson, former directors of the company, continued to act as advisors to the board during calendar year 2000.

Directors' interests

Relevant interests of the directors in the shares or capital notes of the company and related bodies corporate are:

	Nufarm Limited	Fernz Corporation (NZ) Limited
	Ordinary shares	Capital notes
KM Hoggard ¹	5,848,181	
DJ Rathbone ^{1,2,3}	31,367,748	
GDW Curlewis	3,000	
Dr WB Goodfellow	45,500	
GW McGregor AO	20,000	
Sir Dryden Spring	9,676	5,000
Dr JW Stocker AO	10,000	
RFE Warburton	28,300	

¹ KM Hoggard and DJ Rathbone have a non-beneficial interest in 787,550 shares as trustees of Nufarm Limited executive and staff share plans.

² The shareholding of DJ Rathbone includes his relevant interests in Falls Creek No 2 Pty Ltd. Refer substantial shareholder information on page 77 of this report.

³ Falls Creek No 2 Pty Ltd has pre-emptive rights over 5,503,750 shares held by Lawrence Holdings, an entity controlled by KM Hoggard.

Directors' meetings held during the financial year

Director	Board				Committees			
			Audit		Remuneration		Scientific Review	
	A	B	A	B	A	B	A	B
Continuing								
KM Hoggard	13	13	4	4	6	6	2	1
DJ Rathbone	13	13	4	4	6	6	2	1
GDW Curlewis ¹	13	11	2	2	6	6		
Dr WB Goodfellow	13	13						
GW McGregor AO	13	12	4	4				
Sir Dryden Spring	13	12						
Dr JW Stocker AO	13	10					2	2
RFE Warburton ¹	13	9			6	6		
Former								
JD Storey	10	9						
HM Titter CMG ²	3	3	2	2				
W Wilson ²	3	3	2	2	4	4		

Column A indicates the number of meetings held during the period the director was a member of the board and/or committee.

Column B indicates the number of meetings attended during the period the director was a member of the board and/or committee.

¹ GDW Curlewis and RFE Warburton did not attend the directors' meetings held on 15 November and 21 November 2000 as the sole subject matter of those meetings was to review the company's investment in IAMA Ltd, a company of which Messrs Curlewis and Warburton were then directors.

² HM Titter CMG and W Wilson continued to act as advisors to the board during calendar year 2000.

Directors' report

Directors' meetings

The number of directors' meetings and meetings of committees of directors held in the period when each director held office during the financial year and the number of meetings attended by each director are shown in the table of directors' meetings on page 34.

Other meetings of committees of directors are convened as required to discuss specific issues or projects.

All directors are entitled to attend any meetings of committees of directors.

At the date of this report, the company had an audit committee of the board of directors, which met four times during the period. The details of the functions and membership of the committees of the board are presented in the statement of corporate governance on pages 10 to 12.

Principal activities and changes

Nufarm Limited is an Australian-based company with core capabilities in chemical synthesis, marketing and sales. Through a global network of manufacturing and formulation facilities, the company operates in two key areas of business activity:

- crop protection; and
- industrial, performance and fine chemicals.

Nufarm employs more than 2,200 people at its various locations in Australia, New Zealand, Asia, Africa, Europe and North America.

Products manufactured and supplied by the company are used to help farmers protect crops from damage caused by weeds, insects and disease, as well as in a variety of other industries such as manufacturing, pharmaceuticals and consumer products.

Nufarm is listed on the Australian Stock Exchange (ASX), (symbol NUF). Its head office is located at Laverton in Melbourne.

Results

The net loss attributable to members of the consolidated entity for the 12 months to 31 July 2001 is \$4.526 million. The comparable profit figure for the 14 months to 31 July 2000 was \$52.834 million.

Dividends

The following dividends have been paid, declared or recommended since the end of the preceding financial period.

	\$000
The final dividend for 1999/2000 of 11 cents paid 3 November 2000	16,979
The interim dividend for 2000/2001 of 7 cents paid 27 April 2001	10,826
The final dividend for 2000/2001 of 11 cents as declared and recommended by the directors is payable 9 November 2001	17,000

Review of operations

The review of the operations during the financial year and the results of those operations, are set out in the managing director's review on pages 5 to 7 and the business review on pages 16 to 31.

State of affairs

The state of the company's affairs are set out in the managing director's review on pages 5 to 7 and the business review on pages 16 to 31.

Events after end of financial year

Recently the company has appointed lead managers to bring a new issue of capital notes to the market in late 2001 (refer Note 35 on page 68).

On 12 October 2001, the company will close the buy-back shares announced on 29 March 2001. Only a small number of shares were purchased under the buy-back.

Future developments and results

There are no further developments in relation to the company's operations and the expected results of those operations that are not covered in the managing director's review on pages 5 to 7 and the business review on pages 16 to 31.

Environmental performance

Details of Nufarm's performance in relation to environmental regulations are set out on pages 28 to 31.

Directors' report

Options and shares under option

A United Kingdom saving-related share options scheme (1997) enables the issue of ordinary share options to eligible staff in the United Kingdom who had completed two years of service with the company. The scheme has two parts. Firstly, it is an agreement between the employee and a savings institution to save a fixed amount every month for five (5) years. At the end of the period, the savings institution adds a tax-free interest bonus to the employee's savings. Secondly, the scheme provides the employee with an option to buy Nufarm's shares from the proceeds of the amount with the savings institution. The share options are issued at a 10 per cent discount on market price at the date of the offer. Share options do not rank for dividends or carry voting rights. Two offers have been made under the scheme.

As at 31 July 2001, pursuant to the first offer, 121,717 share options had been issued,

allowing 37 participants to exercise each option into one fully paid ordinary share on 1 November 2002 at an exercise price of \$3.55 per ordinary share.

As at 31 July 2001, pursuant to the second offer, 135,881 share options have been issued, allowing 34 participants to exercise each option into one fully paid ordinary share on 1 March 2005 at an exercise price of \$3.08 per ordinary share.

There will be no further participants to the scheme which has been replaced by a global employee share plan.

Directors' and executives' emoluments

Details of the nature and amount of each element of the emoluments of each director of Nufarm and each of the five officers of the company and the consolidated entity receiving the highest emoluments are set out in the following tables.

Non-executive directors of Nufarm Limited

Name	Base fee \$	Committee fees \$	Superannuation \$	Total \$
KM Hoggard	150,000	–	12,000	162,000
GDW Curlewis	50,000	2,917	4,233	57,150
Dr WB Goodfellow	50,000	208	4,017	54,225
GW McGregor AO	50,000	10,000	4,800	64,800
Sir Dryden Spring	50,000	208	4,017	54,225
Dr JW Stocker AO	50,000	10,000	4,800	64,800
JD Storey ¹	159,107	–	3,075	162,182
RFE Warburton	50,000	10,000	4,800	64,800
HM Titter CMG ²	16,667	833	1,400	18,900
W Wilson ²	16,667	1,667	1,466	19,800

¹ JD Storey retired from the board on 7 May 2001. The amount shown in the table comprises directors' fees (\$38,440) and retiring allowance (\$120,667).

² HM Titter CMG and W Wilson, former non-executive directors, acted as advisors to the board during calendar year 2000. The amount shown in the table comprises advisors' fees for calendar year 2000.

Directors' report

Executives of Nufarm Limited and the consolidated entity

Name	Base salary and benefits ¹	Bonus	LTVR ²	Total
	\$	\$	\$	\$
Managing director				
DJ Rathbone	650,134	215,800 ⁵	435,114	1,301,048
Other executives				
DA Pullan ³	351,816	112,400	125,821 ⁵	590,037
JA Allen ³	339,927	112,400	125,821 ⁵	578,148
RF Ooms ³	335,557	100,710	118,994 ⁵	555,261
KP Martin ³	331,882	82,050	112,651 ⁵	526,583
M-C D'Hotel ⁴	494,674	–	–	494,674

¹ Benefits include, where applicable, superannuation contributions, motor vehicle costs, allowances and fringe benefits tax (FBT).

² The company provides for long term variable reward (LTVR) via its executive share plan (ESP), which was introduced in 2000. Annual offers of shares will be made under the ESP. Any shares offered are at no cost to the executive and are subject to a performance-based condition linked to company financial targets at the end of a performance period. The performance condition is based on return on funds employed (ROFE). The board assesses company performance against the performance condition to determine the percentage of any offer to be granted to an executive. Any offer under the ESP to the managing director is, in accordance with ASX listing rules, subject to the approval of shareholders. At the company's 2000 annual general meeting, shareholders approved the issue of 144,824 shares to DJ Rathbone.

³ Executive of Nufarm Limited

⁴ Executive of consolidated entity only. M-C D'Hotel resigned as an employee effective 31 July 2001.

⁵ These amounts will not be payable to executives until certain performance criteria are achieved during the 2001/2002 financial year.

Indemnities and insurance for directors and officers

The company has entered into insurance contracts, which indemnify directors and officers of the company and its controlled entities against liabilities. Under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

An indemnity agreement has been entered into between the company and each of the directors named earlier in this report. Under the agreement, the company has agreed to indemnify the directors against any claim or for any expenses or costs, which may arise as a result of the performance of their duties as directors. There are no monetary limits to the extent of this indemnity.

Rounding of amounts

The parent entity is a company of the kind specified in Australian Securities and Investments Commission class order 98/0100. In accordance with that class order, amounts in the financial statements and the directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of directors.



KM Hoggard
Director



DJ Rathbone
Director
Melbourne
11 October 2001

Statement of financial performance

	Note	Consolidated		Parent	
		12 months ended	14 months ended	12 months ended	14 months ended
		31.7.2001 \$000	31.7.2000 \$000	31.7.2001 \$000	31.7.2000 \$000
Sales revenue		1,323,232	1,369,974	81,744	53,043
Cost of sales		(772,005)	(777,653)	(54,864)	(38,395)
Consolidated earnings from trading		551,227	592,321	26,880	14,648
Interest income	2	2,655	3,101	39	5,325
Other revenue	2	62,224	54,551	35,433	131,018
Expenses					
Depreciation and amortisation	2	(90,284)	(53,690)	(363)	(516)
Borrowing costs	2	(37,000)	(42,348)	(2,204)	(11,360)
Operating expenses	2	(460,563)	(479,682)	(15,601)	(37,437)
Total expenses		(587,847)	(575,720)	(18,168)	(49,313)
		28,259	74,253	44,184	101,678
Share of net profits of associates	7	3,447	2,003	–	–
Profit from ordinary activities before income tax expense		31,706	76,256	44,184	101,678
Income tax expense relating to ordinary activities	8	35,657	22,192	3,392	(5,679)
Profit (loss) from ordinary activities after income tax expense		(3,951)	54,064	40,792	107,357
Loss from extraordinary items after related income tax expense	3	–	(869)	–	(869)
Net profit (loss)		(3,951)	53,195	40,792	106,488
Net profit attributable to outside equity interests		575	361	–	–
Net profit (loss) attributable to members of the parent entity		(4,526)	52,834	40,792	106,488
Foreign currency translation on opening net investment in foreign operations net of related hedges	21(a)	(4,524)	(9,672)	–	–
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity		(4,524)	(9,672)	–	–
Total changes in equity other than those resulting from transactions with owners as owners		(9,050)	43,162	40,792	106,488
Basic earnings per share (cents per share)	6	(2.6)	35.8		

The accompanying notes form an integral part of these financial statements.

Statement of financial position

	Note	Consolidated		Parent	
		31.7.2001 \$000	31.7.2000 \$000	31.7.2001 \$000	31.7.2000 \$000
Current assets					
Cash and bank		23,615	43,946	109	570
Receivables	9	282,568	258,325	57,637	43,854
Inventories	10	309,339	256,958	13,869	13,897
Tax assets	8(b)	2,657	941	–	–
Total current assets		618,179	560,170	71,615	58,321
Non-current assets					
Property, plant and equipment	11	368,603	367,962	430	1,072
Equity accounted investments	12	23,431	20,766	–	–
Other financial assets	13	16,368	44,624	245,212	257,117
Intangible assets	14	132,382	108,095	–	39
Deferred tax assets	8(b)	32,918	37,319	14,209	15,699
Total non-current assets		573,702	578,766	259,851	273,927
TOTAL ASSETS		1,191,881	1,138,936	331,466	332,248
Current liabilities					
Payables	15	226,168	179,162	26,806	36,085
Interest bearing liabilities	17	320,082	188,232	7,699	12,687
Income tax liabilities		11,496	18,994	–	–
Provisions	16(a)	35,011	33,700	17,375	17,383
Total current liabilities		592,757	420,088	51,880	66,155
Non-current liabilities					
Interest bearing liabilities	17	220,222	306,401	–	–
Deferred tax liabilities	8(c)	18,382	17,346	–	–
Provisions	16(b)	7,719	6,589	–	18
Total non-current liabilities		246,323	330,336	–	18
TOTAL LIABILITIES		839,080	750,424	51,880	66,173
NET ASSETS		352,801	388,512	279,586	266,075
Equity					
Contributed equity	20	145,593	145,066	145,593	145,066
Reserves	21	22,437	27,108	40,074	40,074
Retained profits	22	183,721	215,908	93,919	80,935
Equity attributable to members of the parent entity		351,751	388,082	279,586	266,075
Outside equity interest	23	1,050	430	–	–
TOTAL EQUITY	24	352,801	388,512	279,586	266,075

The accompanying notes form an integral part of these financial statements.

Statement of cash flows

	Note	Consolidated		Parent	
		12 months ended	14 months ended	12 months ended	14 months ended
Inflows/(outflows)		31.7.2001	31.7.2000	31.7.2001	31.7.2000
		\$000	\$000	\$000	\$000
Cash flows from operating activities					
Receipts from customers		1,297,551	1,419,773	82,545	56,728
Dividends received		2,667	1,672	28,504	120,512
Interest received		2,655	3,103	39	–
Payments to suppliers and employees		(1,154,401)	(1,280,272)	(77,503)	(63,387)
Interest paid		(35,656)	(38,558)	(177)	(6,640)
GST paid		(19,298)	(398)	1,377	215
Income tax paid		(28,322)	(25,290)	(91)	(286)
		65,196	80,030	34,694	107,142
Other – migration costs		–	(4,049)	–	(4,049)
Net operating cash flows	25(b)	65,196	75,981	34,694	103,093
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		2,646	12,113	89	439
Proceeds from sale of investments		40,878	2,941	11,905	164
Proceeds from business sale	25(d)	41,380	13,238	10,047	–
Payments for plant and equipment		(62,453)	(68,454)	(99)	(100)
Payments for investments		(6,024)	(16,768)	–	–
Major project development expenditure		–	(3,233)	–	–
Foreign currency investments hedges		(38,366)	(29,118)	–	(4,548)
Purchase of businesses, net of cash acquired	25(c)	(58,065)	(12,814)	–	(27,397)
Net investing cash flows		(80,004)	(102,095)	21,942	(31,442)
Cash flows from financing activities					
Proceeds from issue of shares		–	14,300	–	14,300
Proceeds from call on partly paid shares		644	285	644	285
Proceeds of short term debt (net)		22,281	29,385	–	–
Proceeds from borrowings		11,318	56,420	–	–
Share buy-back		(115)	–	(115)	–
Advances to controlled entities		–	–	(24,337)	(79,913)
Repayment of borrowings		(48,382)	(39,693)	–	–
Foreign currency loans hedges		(4,242)	(6,031)	–	–
Dividends paid		(27,787)	(22,164)	(27,787)	(22,164)
Net financing cash flows		(46,283)	32,502	(51,595)	(87,492)
Net increase (decrease) in cash held		(61,091)	6,388	5,041	(15,841)
Cash at the beginning of the period		28,255	21,142	(12,117)	3,927
Exchange rate fluctuations on foreign cash balances		1,674	725	(514)	(203)
Cash at the end of the period	25(a)	(31,162)	28,255	(7,590)	(12,117)

The accompanying notes form an integral part of these financial statements.

1 Statement of significant accounting policies

Basis of accounting

The financial statements have been prepared as a general purpose financial report which complies with the requirements of the Corporations Act 2001, Australian Accounting Standards and Urgent Issues Group Consensus Views and other authoritative pronouncements. The accounting policies used are consistent with those adopted in the previous period. The financial statements also have been prepared on an historical cost basis except for certain land and buildings, which are stated at deemed cost (Note 11).

Principles of consolidation

The consolidated financial statements include the financial statements of the parent entity, Nufarm Limited, and its controlled entities, referred to collectively throughout these financial statements as the consolidated entity.

All inter-entity balances and transactions have been eliminated. Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

Financial statements of foreign controlled entities presented in accordance with overseas accounting principles are, for consolidation purposes, adjusted to comply with group policy and generally accepted accounting principles in Australia.

Foreign currency transactions

Foreign currency items are translated to Australian currency on the following bases:

- transactions are converted at exchange rates approximating those in effect at the date of each transaction;
- amounts payable and receivable are translated at the exchange rates at the close of business at balance date. Revaluation gains and losses are brought to account as they occur; and
- the financial statements of all foreign operations are translated using the current rate method as they are considered self-sustaining.

Exchange differences relating to monetary items are included in the statement of financial performance, as exchange gains or losses, in the period when the exchange rates change, except where:

- the exchange difference relates to hedging part of the net investment in a self-sustaining foreign operation, in which case the exchange difference is transferred to the foreign currency translation reserve on consolidation; or
- the exchange difference relates to a transaction intended to hedge the purchase or sale of goods or services, in which case the exchange difference is included in the measurement of the purchase or sale.

Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of major projects under construction where they are capitalised up to the date of commissioning.

Income tax

The financial statements apply the principles of tax-effect accounting. The income tax expense in the statement of financial performance represents the tax on the pre-tax accounting profit adjusted for income and expenses, which will never be assessed or allowed for taxation purposes.

Deferred tax liabilities and deferred tax assets include the tax effect of differences between income and expense items recognised in different accounting periods for book and tax purposes, calculated at the tax rates expected to apply when the differences reverse.

The benefit arising from estimated carry forward tax losses is recorded as a deferred tax asset where realisation of such benefit is considered to be virtually certain.

Inventories

Inventories are valued at the lower of cost and net realisable value. Raw materials cost is direct acquisition cost and is assigned on a first-in, first-out basis. For manufactured inventories, full absorption costing is used, taking into account raw material costs, direct manufacturing costs and all factory overheads, including depreciation.

Due allowance is also provided for obsolete and slow moving inventories.

Recoverable amounts of non-current assets

The book values of all non-current assets are reviewed at least annually and, to the extent that they exceed the recoverable amounts, are written off to the statement of financial performance.

Notes

Notes to the financial statements continued

1 Statement of significant accounting policies continued

Equity accounted investments

Interests in associated entities are included in non-current equity investments and brought to account using the equity method. Under this method, the investment in associates is initially recognised at its cost of acquisition and its carrying value is subsequently adjusted for increases or decreases in the investor's share of post-acquisition results and reserves of the associate. The investment in associated entities is decreased by the amount of dividends received or receivable.

Joint ventures

Interests in joint venture operations are brought to account by including in the respective financial statement categories:

- the consolidated entity's share in each of the individual assets employed in the joint venture;
- liabilities incurred by the consolidated entity in relation to the joint venture including the consolidated entity's share of any liabilities for which the consolidated entity is jointly and/or severally liable; and
- the consolidated entity's share of revenues and expenses of the joint venture.

Other financial assets

Interests in non-subsidiary, non-associated corporations are included in other financial assets at the lower of cost or recoverable amount. Dividend income is brought to account when declared.

Leased assets

Assets acquired under finance leases are capitalised and amortised over the life of the relevant lease or, where ownership is likely to be obtained on expiration of the lease, over the expected useful life of the asset. Lease payments are allocated between interest expense and reduction in the lease liability.

Operating lease assets are not capitalised. Rental payments are charged against profit in the period in which they are incurred.

Property, plant and equipment

Land and buildings are carried at cost or deemed cost. Deemed cost relates to land and buildings that were revalued prior to 1992.

Property, plant and equipment, excluding freehold land, are depreciated over their useful economic lives using the straight line methods as follows:

	Life
buildings	15-20 years
leasehold improvements	5 years
owned plant and equipment	3-20 years
leased plant and equipment	term of the lease

Goodwill on acquisition

On acquisition of a controlled entity, the difference between the purchase consideration plus related expenses and the fair value of identifiable net assets acquired is initially brought to account as goodwill on acquisition.

Acquired goodwill is amortised on a straight line basis over the period, in which the benefits are expected to arise, of up to 20 years. The unamortised balance of goodwill is reviewed at each balance date and charged against profit to the extent that applicable future benefits are no longer probable.

Patents and trademarks

Costs associated with patents and trademarks which provide a benefit for more than one financial year are deferred and amortised over the period of expected benefits. The unamortised balance is reviewed each balance date and charged against profit to the extent that future benefits are no longer probable.

Research and development costs

Research and development costs are charged against profit as incurred, except where they relate to the development of major new products. Such research and development costs are deferred to future periods to the extent that future benefits are expected, beyond any reasonable doubt, to equal or exceed those costs and any future costs necessary to give rise to the benefits.

Such deferred costs are amortised over future accounting periods not exceeding five years in order to match the costs with related benefits on the basis of expected future sales, commencing with the commercial production of the product.

The unamortised deferred research and development costs are reviewed annually at each balance date and to the extent that they exceed the recoverable amount are written off to the statement of financial performance.

Notes

Notes to the financial statements continued

1 Statement of significant accounting policies continued

Provision for employee entitlements

Provision has been made in the financial statements for benefits accruing to employees in relation to annual leave and long service leave. No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will never be paid.

All on-costs are included in the determination of provisions. Vested sick leave, annual leave and the current portion of long service leave and workers' compensation provisions are measured at their nominal amounts.

The non-current portions of long service leave provisions are measured at the present value of estimated future cash flows.

Employee share and option ownership schemes

All employees are entitled to participate in share and option ownership schemes after a qualifying period. The remuneration costs associated with new share plans (refer Note 33) will be expensed as incurred.

Financial instruments

- Included in equity – ordinary share capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.
- Included in liabilities – capital notes are recorded at their issue price. Interest on borrowings (including capital notes) is recognised in the period in which it is incurred.
- Included in assets – trade debtors are initially recorded at the amount of contracted sale proceeds.

Provision for doubtful debts is recognised to the extent that recovery of the outstanding receivable balance is considered unlikely, based on a review of all outstanding amounts at balance date.

The company uses financial instruments with 'off balance sheet' risks to reduce exposure to fluctuations in foreign exchange and interest rates.

Forward foreign exchange contracts, foreign currency swaps and option contracts are arranged to hedge major foreign currency sales and purchases, foreign currency loans and the translation of foreign currency earnings and investments.

Interest rate swap agreements, options and forward rate agreements (FRAs) are arranged to hedge against adverse movements in interest rates on both long term and short term loans.

Financial instruments are used to hedge specific underlying positions only and are accounted for using the same basis as the underlying position.

Counterparties to financial instruments are several major international financial institutions with high credit ratings. The company does not request security to support financial instruments entered into. Possible losses arising from non-performance by these counterparties are adequately provided.

For interest rate swap agreements entered into in connection with the management of interest rate exposure, the differential to be paid or received quarterly is accrued as interest rate changes and is recognised as a component of interest income or expense over the pricing period. Premiums paid for interest rate options and net settlement on maturity of forward rate agreements, futures and options are amortised over the period of the underlying liability hedged by the instrument.

Comparatives

Effective 27 January 2000, Nufarm Limited migrated from New Zealand to Australia and transferred its primary listing to the Australian Stock Exchange. The company also changed its balance date from 31 May 2000 to 31 July 2000.

Consequently, the comparative financial statements are for the 14 months ended 31 July 2000 in respect of the statement of financial performance and as at 31 July 2000 for the statement of financial position.

Early adoption of accounting standards

These financial statements have been prepared in accordance with AASB 1041: Revaluation of non-current assets. The early adoption of this new accounting standard has been made in accordance with an election under sub-section 334(5) of the Corporations Act.

Changes in accounting policies

There were no changes in accounting policies during the period.

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
2 Financial performance disclosures				
Profit from ordinary activities after charging the following revenues				
Interest income				
Wholly owned controlled entities	–	–	–	5,321
Associated entities	419	–	–	–
Other	2,236	3,101	39	4
Total interest income	2,655	3,101	39	5,325
Other revenue				
Dividends from				
Wholly owned controlled entities	–	–	28,033	120,512
Other	98	1,061	471	–
Total dividends	98	1,061	28,504	120,512
Management fees from controlled entities	–	–	6,833	10,191
Sundry income	1,581	3,136	8	32
Gross proceeds from sale of non-current assets	60,545	50,354	88	283
Total other revenue	62,224	54,551	35,433	131,018
Profit from ordinary activities after charging the following expenses				
Depreciation and amortisation				
Amortisation of				
Goodwill	10,639	11,147	41	182
Technology rights and trademarks	211	369	–	–
Accelerated amortisation of Sulfer Works intellectual property	975	–	–	–
Plant and equipment under lease	285	215	–	–
Deferred expenditure	660	–	–	–
Depreciation of				
Buildings and improvements	5,105	5,761	–	–
Plant and equipment	36,088	36,198	322	334
Accelerated depreciation of Sulfer Works plant and equipment	36,321	–	–	–
Total depreciation and amortisation	90,284	53,690	363	516
Borrowing costs				
Interest paid or payable to				
Other unrelated parties	36,793	42,103	2,204	11,360
Finance lease charges	207	245	–	–
	37,000	42,348	2,204	11,360
Operating expenses include				
Auditors' remuneration				
Auditor of the parent entity				
Audit of the financial statements	(584)	(779)	(76)	(169)
Other services	(464)	(282)	(10)	(73)
Review of the interim financial statements	(51)	(50)	–	–
Auditor other than auditor of parent entity or its affiliate	(153)	(269)	–	–
Net foreign exchange gains (losses) from				
Hedges on foreign currency earnings for year	(4,088)	(1,476)	–	–
Unhedged receivables and payables	1,077	5,600	(1,386)	–

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
2 Financial performance disclosures continued				
Operating expenses include				
Bad debts written off	(1,184)	(743)	(136)	(20)
Net charge to provision for doubtful debts	(1,176)	(1,361)	(91)	(11)
Donations	(64)	(96)	–	–
Carrying cost of non-current assets disposed of	(52,871)	(32,232)	(464)	(304)
Operating lease rentals	(6,507)	(4,598)	(1,127)	(360)
Research and development costs	(11,447)	(9,509)	(602)	–
Staff expenses	(182,546)	(197,648)	(6,010)	(6,473)
Occupancy expenses	(25,260)	(30,778)	(3,461)	(2,624)
Other plant related expenses	(60,145)	(75,330)	(2,946)	(1,797)
Other disclosures				
Gain (loss) on disposal of plant and equipment	(238)	1,592	(376)	(90)
Gain on sale of investment	421	–	–	–
Gain on sale of businesses (refer Note 4)				
3 Extraordinary items				
Migration costs	–	(1,061)	–	(1,061)
Tax benefit thereon	–	192	–	192
Extraordinary items net of tax	–	(869)	–	(869)
4 Non-operating income and expenses				
Gain on sale of businesses	4,963	15,863	–	–
Write off of plant and equipment	–	(4,733)	–	–
Write off of equity accounted investment	–	(3,020)	–	–
Write down of Sulfer Works business	(48,952)	–	–	–
Write off of major project development expenditure	–	(8,327)	–	–
Other non-operating expenses	(3,150)	(1,043)	(851)	–
Non-operating items before tax	(47,139)	(1,260)	(851)	–
Tax benefit (expense) thereon	(8,525)	6,335	281	–
Non-operating items after tax	(55,664)	5,075	(570)	–

During the current period a number of non-operating items have occurred which are included in the statement of financial performance as part of profit from ordinary activities. These are as follows:

Sale of Timber Protection Chemicals business – the Australian and New Zealand business was sold to the Osmose Group on 31 January 2001 for \$20.25 million. A profit of \$5.0 million has been recognised in the financial statements.

Write down of Sulfer Works business – the sulfur fertiliser operation has been closed. Asset carrying values have been written down to the estimated realisable values. Sale negotiations are continuing with interested parties for the remaining assets. All redundancy and expected other closure costs have been provided for in the financial statements.

\$000

The asset write downs and closure costs are as follows

Accelerated depreciation of plant and equipment	36,321
Accelerated amortisation of intellectual property	975
Inventory write downs and disposal of off-spec inventory	5,243
Redundancies	1,607
Closure and other costs	4,806

Tax assets written off

48,952
10,264
<u>59,216</u>

Notes

Notes to the financial statements continued

	Consolidated	
	12 months	14 months
	2001	2000
	\$000	\$000
5 Industry segments		
Crop protection		
Sales revenue	919,825	849,985
Less inter-segment sales	(582)	(2,241)
Sales to outside customers	919,243	847,744
Interest and other revenue	3,350	625
Total revenue	922,593	848,369
Operating profit	51,997	50,647
Non-operating loss	(1,969)	(3,233)
Profit from ordinary activities before taxation	50,028	47,414
Value of assets employed	846,524	685,500
Industrial chemicals		
Sales revenue	404,245	522,468
Less inter-segment sales	(963)	(359)
Sales to outside customers	403,282	522,109
Interest and other revenue	19,546	37,616
Total revenue	422,828	559,725
Operating profit (loss)	33,159	26,249
Non-operating loss	(43,990)	14,918
Profit (loss) from ordinary activities before taxation	(10,831)	41,167
Value of assets employed	304,356	379,425
Corporate and other investments		
Sales to outside customers	707	121
Interest and other revenue	41,983	19,411
Total revenue	42,690	19,532
Operating profit (loss)	(6,311)	620
Non-operating loss	(1,180)	(12,945)
Loss from ordinary activities before taxation	(7,491)	(12,325)
Value of assets employed	41,001	74,011
Group		
Sales to outside customers	1,323,232	1,369,974
Interest and other revenue	64,879	57,652
Total revenue	1,388,111	1,427,626
Operating profit	78,845	77,516
Non-operating loss	(47,139)	(1,260)
Profit from ordinary activities before taxation	31,706	76,256
Income tax expense	35,657	22,192
Profit from ordinary activities after taxation	(3,951)	54,064
Value of assets employed	1,191,881	1,138,936

All inter-segment sales are at market prices.

Notes

Notes to the financial statements continued

	Consolidated	
	12 months	14 months
	2001	2000
	\$000	\$000
Geographic segments		
Australasia		
Sales to outside customers	612,739	763,680
Interest and other revenue	60,513	57,652
Total revenue	673,252	821,332
Operating profit	35,583	54,274
Non-operating profit	2,696	1,973
Profit from ordinary activities before taxation	38,279	56,247
Value of assets employed	443,868	516,971
Europe		
Sales to outside customers	344,697	342,798
Interest and other revenue	3,433	–
Total revenue	348,130	342,798
Operating profit	20,821	9,590
Non-operating loss	(880)	–
Profit from ordinary activities before taxation	19,941	9,590
Value of assets employed	433,363	363,903
North America		
Sales to outside customers	365,796	263,496
Interest and other revenue	933	–
Total revenue	366,729	263,496
Operating profit	22,441	13,652
Non-operating loss	(48,955)	(3,233)
Profit (loss) from ordinary activities before taxation	(26,514)	10,419
Value of assets employed	314,650	258,062
Group		
Sales to outside customers	1,323,232	1,369,974
Interest and other revenue	64,879	57,652
Total revenue	1,388,111	1,427,626
Operating profit	78,845	77,516
Non-operating loss	(47,139)	(1,260)
Profit from ordinary activities before taxation	31,706	76,256
Income tax expense	35,657	22,192
Profit from ordinary activities after taxation	(3,951)	54,064
Value of assets employed	1,191,881	1,138,936

The geographic sales and net profit before taxation figures reflect the domicile of the company's customers.

The company sells products in more than 100 countries around the world and therefore there is significant export business from most of the plants. Australasia comprises Australia, New Zealand and Asia.

Notes

Notes to the financial statements continued

	Consolidated	
	2001	2000
6 Earnings per share		
Basic earnings per share (cents per share)	(2.6)	35.8
Diluted earnings per share are not materially different from basic earnings per share		
Weighted average number of ordinary shares used in calculation of basic earnings per share	154,414,425	150,865,517
Basic earnings per share (cents per share) excluding non-operating and extraordinary items	33.1	32.2
Diluted earnings per share are not materially different from basic earnings per share		

	Consolidated	
	2001	2000
	\$000	\$000
7 Share of associates profit		
Operating profits before income tax	5,791	2,728
Income tax expense	(2,344)	(725)
Share of net profit of associates	3,447	2,003
(Refer Notes 12 and 27 for other disclosures of associated companies)		

	Consolidated		Parent	
	2001	2000	2001	2000
	\$000	\$000	\$000	\$000

8 Taxation**a) Income tax expense**

Reconciliation to income tax expense provided in the financial statements

Profit from ordinary activities	31,706	76,256	44,184	101,678
Prima facie tax thereon at 34% (2000 at 36%)	10,780	27,452	15,023	36,604
Tax effect of permanent and other differences				
Depreciation and amortisation not deductible	14,433	1,355	13	–
Research and development allowances	–	(280)	–	–
Other items not deductible	5,441	4,969	86	2,336
Exempt dividends received	(37)	(1,672)	(9,686)	(43,384)
Other non-assessable income	(3,325)	(7,294)	(2,394)	(1,910)
Share of results of associates (net of tax)	(1,172)	(720)	–	–
Amounts (over)/under provided in prior years	453	(305)	522	78
Write off of tax assets – Sulfer Works	10,264	–	–	–
Restatement of deferred tax balances due to income tax rate changes	(397)	(6)	(49)	597
Effect of different rates of tax on overseas income	(783)	(1,307)	(123)	–
Income tax expense relating to ordinary activities	35,657	22,192	3,392	(5,679)

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
8 Taxation continued				
b) Tax assets				
Attributable to carry forward tax losses that have accumulated in several tax jurisdictions. These losses will be utilised against future profits in those jurisdictions.				
Tax losses offset against current tax liabilities and deferred tax liabilities	32,116	42,053	14,051	15,414
	(11,419)	(12,212)	(371)	(3)
	20,697	29,841	13,680	15,411
Attributable to timing differences				
Depreciation	130	544	14	–
Provision for employee entitlements	3,626	3,776	124	139
Provision for doubtful debts	314	284	89	68
Provision for stock obsolescence	1,104	176	302	81
Other	7,763	3,467	–	–
Tax instalments paid	1,941	172	–	–
	35,575	38,260	14,209	15,699
Current portion	2,657	941	–	–
Non-current portion	32,918	37,319	14,209	15,699
c) Deferred tax				
Attributable to timing differences				
Depreciation	22,552	12,416	–	–
Prepayments	318	574	–	–
Other	3,524	9,684	371	3
Tax asset offset	(8,012)	(5,328)	(371)	(3)
Total deferred tax	18,382	17,346	–	–
9 Receivables				
Trade debtors	254,205	219,236	12,262	12,890
Provision for doubtful debts	(4,130)	(3,973)	(269)	(178)
	250,075	215,263	11,993	12,712
Amounts owing by				
Wholly owned controlled entities	–	–	42,678	25,097
Partly owned controlled entities	–	–	2	18
Associated entities	2,880	605	–	61
Other	22,451	15,752	2,747	5,670
Prepayments	6,086	5,955	217	296
Proceeds receivable from sale of investments	1,076	20,750	–	–
Total receivables	282,568	258,325	57,637	43,854
10 Inventories				
Raw materials	112,607	113,553	2,206	2,584
Work in progress	4,098	3,224	144	320
Finished goods	197,012	143,285	12,221	11,258
	313,717	260,062	14,571	14,162
Provision for stock obsolescence	(4,378)	(3,104)	(702)	(265)
Total inventories	309,339	256,958	13,869	13,897

Notes

Notes to the financial statements continued

	Consolidated					Total \$000
	Freehold land and improvements \$000	Buildings \$000	Plant and machinery \$000	Leased plant and machinery \$000	Capital work in progress \$000	
11 Property, plant and equipment						
Cost						
At cost	27,989	104,472	485,107	4,714	14,544	636,826
At deemed cost	2,680	8,250	–	–	–	10,930
Balance at the beginning of the period	30,669	112,722	485,107	4,714	14,544	647,756
Exchange adjustment	2,186	8,449	34,383	372	1,217	46,607
Additions	350	4,591	14,547	–	43,588	63,076
Disposals	(1,179)	(4,780)	(22,132)	(109)	(12)	(28,212)
Transfers	(1,729)	1,823	24,297	(84)	(24,307)	–
Balance at the end of the period	30,297	122,805	536,202	4,893	35,030	729,227
Accumulated depreciation						
Balance at the beginning of the period	(134)	(45,565)	(232,611)	(1,484)	–	(279,794)
Exchange adjustment	(13)	(4,893)	(16,897)	(105)	–	(21,908)
Depreciated during the period	(4)	(5,101)	(72,409)	(285)	–	(77,799)
Disposals	–	2,610	16,179	88	–	18,877
Balance at the end of the period	(151)	(52,949)	(305,738)	(1,786)	–	(360,624)
Total property, plant and equipment, net	30,146	69,856	230,464	3,107	35,030	368,603

	Parent					
Cost						
Balance at the beginning of the period	–	–	3,867	–	64	3,931
Exchange adjustment	–	–	164	–	3	167
Additions	–	–	99	–	–	99
Disposals	–	–	(2,162)	–	–	(2,162)
Balance at the end of the period	–	–	1,968	–	67	2,035
Accumulated depreciation						
Balance at the beginning of the period	–	–	(2,859)	–	–	(2,859)
Exchange adjustment	–	–	(121)	–	–	(121)
Depreciated during the period	–	–	(322)	–	–	(322)
Disposals	–	–	1,697	–	–	1,697
Balance at the end of the period	–	–	(1,605)	–	–	(1,605)
Total property, plant and equipment, net	–	–	363	–	67	430

Jones Lang LaSalle has valued the land and buildings portfolio excluding the Sulfer Works assets in 2001 on an existing use valuation at \$96.9 million.

Notes

Notes to the financial statements continued

	Retained earnings \$000	Cost \$000	Carrying value \$000
2001			
Aggregate carrying amount of associates			
Balance at the beginning of the period	5,997	14,769	20,766
Exchange adjustment	628	1,545	2,173
Share of net result	4,190	–	4,190
Investments sold	(737)	(140)	(877)
Investments written off	(6)	200	194
Dividends received	–	(3,015)	(3,015)
Balance at the end of the period	10,072	13,359	23,431
2000			
Balance at the beginning of the period	4,141	12,980	17,121
Exchange adjustment	(147)	305	158
Share of net result	2,003	–	2,003
Investments acquired	–	4,666	4,666
Investments sold	–	(75)	(75)
Entities consolidated during the period	–	(302)	(302)
Investments written off	–	(1,800)	(1,800)
Dividends received	–	(1,005)	(1,005)
Balance at the end of the period	5,997	14,769	20,766

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
13 Other financial assets				
a) Investments				
Investment in controlled entities				
Balance at the beginning of the period	–	–	257,115	256,037
Buy-back of shares in controlled entity	–	–	(11,905)	–
Shares in controlled entity issued	–	–	–	1,078
Balance at the end of the period	–	–	245,210	257,115
Investment in other companies (at cost)				
Balance at the beginning of the period	32,872	18,678	–	–
Exchange adjustment	273	–	–	–
New investments during the period	5,907	15,285	–	–
Investments disposed of during the period	(38,655)	(1,091)	–	–
Balance at the end of the period	397	32,872	–	–
Other loans including advances to the staff share purchase schemes (refer Note 33)				
Balance at the beginning of the period	11,752	12,809	2	2
Exchange adjustment	143	(135)	–	–
Loans repaid during the period	(1,301)	(922)	–	–
Balance at the end of the period	10,594	11,752	2	2
b) Deferred expenditure				
Balance at the beginning of the period	–	–	–	–
Expenditure capitalised during the period	6,037	–	–	–
Amortised during the period	(660)	–	–	–
Balance at the end of the period	5,377	–	–	–
Total other financial assets	16,368	44,624	245,212	257,117

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
14 Intangible assets				
a) Goodwill				
Balance at the beginning of the period	105,161	102,011	39	–
Exchange adjustment	11,417	5,851	2	–
Acquisition of businesses	27,120	9,167	–	–
Transfer from subsidiary company	–	–	–	221
Attached to investments disposed of	(2,095)	(927)	–	–
Written off during the period	(473)	–	–	–
Amortised during the period	(10,639)	(10,941)	(41)	(182)
Balance at the end of the period	130,491	105,161	–	39
b) Trademarks and technology rights				
Balance at the beginning of the period	1,488	1,678	–	–
Exchange adjustment	125	118	–	–
Acquired during the period	75	61	–	–
Written off during the period	(57)	–	–	–
Amortised during the period	(1,186)	(369)	–	–
Balance at the end of the period	445	1,488	–	–
c) Major projects development expenditure				
Balance at the beginning of the period	1,446	6,541	–	–
Development expenditure capitalised during period	–	3,233	–	–
Written off during the period	–	(8,328)	–	–
Balance at the end of the period	1,446	1,446	–	–
Total intangible assets	132,382	108,095	–	39
15 Accounts payable				
Trade creditors – unsecured	153,772	122,370	4,015	4,289
Amounts owing to				
Wholly owned controlled entities	–	–	17,764	25,612
Partly owned controlled entities	–	–	–	249
Other accruals	72,396	56,792	5,027	5,935
Total accounts payable	226,168	179,162	26,806	36,085
16 Provisions				
a) Current				
Dividends	17,000	16,979	17,000	16,979
Employee entitlements	15,851	11,828	349	349
Other	2,160	4,893	26	55
Total current provisions	35,011	33,700	17,375	17,383
b) Non-current				
Employee entitlements	7,719	6,589	–	18
Total non-current provisions	7,719	6,589	–	18

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
17 Interest bearing liabilities				
Capital notes (Face value NZD 170,000,000)				
Long term unsecured subordinated fixed interest debt security with an initial election date of 15 April 2002 (coupon rate 9.8%). On the election date, noteholders may elect to retain their capital notes for a further five year period on the terms and conditions which will be advised, or to convert some or all of their capital notes to ordinary shares in Nufarm Limited at 98% of the then current price of ordinary shares.	138,448	132,812	–	–
On the relevant election date, the group may at its option purchase some or all of the capital notes for cash at their principal amount plus any accrued interest.				
The company has recently appointed lead managers to bring a new issue of capital notes to the market in late 2001.				
Existing noteholders will be given a preferential exchange offer to convert their existing notes into the new issue with terms to be advised at that time.				
Bank loans – unsecured (average interest rate 6.6%)	393,696	340,161	7,699	12,687
Bank loans – secured (average interest rate 8.0%)	798	6,573	–	–
Other loans – unsecured (average interest rate 6.6%)	4,439	5,292	–	–
Other non-interest bearing loans – unsecured	–	6,571	–	–
Finance lease liabilities – secured (average interest rate 8.0%)	2,923	3,224	–	–
	540,304	494,633	7,699	12,687
Less current portion				
Capital notes – unsecured and subordinated	138,448	–	–	–
Bank loans – unsecured	178,790	180,392	7,699	12,687
– secured	798	173	–	–
Other loans – unsecured	1,588	584	–	–
Other non-interest bearing loans – unsecured	–	6,571	–	–
Finance lease liabilities – secured	458	512	–	–
Total current interest bearing liabilities	320,082	188,232	7,699	12,687
Total non-current interest bearing liabilities	220,222	306,401	–	–
Repayment of borrowings (excluding finance leases)				
Periods ending 31 July, 2002	319,624	206,581	–	–
2003	168,706	53,720	–	–
2004	26,722	35,364	–	–
2005	4,226	4,961	–	–
2006	15,251	–	–	–
No specified repayment date	2,851	3,063	–	–

The obligations with no specified repayment date are repayable upon certain contingent events, which the directors believe will not occur in the foreseeable future.

All unsecured bank borrowings are provided by banks that are parties to the Group Negative Pledge Deed. The assets of all the entities included in the Negative Pledge Deed (refer Note 26) are in excess of their related borrowings. Secured bank borrowings and finance lease liabilities are secured over certain plant of controlled entities.

Notes

Notes to the financial statements continued

Consolidated		Parent	
2001	2000	2001	2000
\$000	\$000	\$000	\$000

18 Contingent liabilities

The parent entity has entered into a Deed of Cross Guarantee in accordance with a class order issued by the Australian Securities and Investments Commission. The parent entity and all the Australian controlled entities which are a party to the deed have guaranteed the repayment of all current and future creditors in the event any of these companies are wound up.

The parent entity together with all the material wholly owned controlled entities have entered into a Negative Pledge Deed with the group's lenders whereby all group entities which are a party to the deed, have guaranteed the repayment of all liabilities in the event that any of these companies are wound up.

Guarantees for the payment of liabilities

- for the repayment of borrowings of partly owned controlled entities that are not a party to the Negative Pledge Deed
- for the repayment of borrowings of non-related entities
- other

–	–	8,235	3,066
–	1,555	–	1,555
2,036	1,875	2,036	1,875

Receivables sold to financiers for which there is either partial or full recourse to the company in the event that the debt is not collected from the customer. Receivables sold that have come due for payment since year end have been collected by the financiers (refer Note 29).

13,565	–	–	–
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During the period consequent upon the migration of the parent entity to Australia, the capital notes were assigned to a New Zealand resident controlled entity. The parent entity has guaranteed with the noteholders the issuers' obligations under the capital notes.

–	–	138,448	132,813
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Environmental claim warranty

Guarantee upon sale of a business limited to EUR 6.1 million on account of possible remediation costs for soil and groundwater contamination. This guarantee decreases from 2003 progressively to nil in 2011. The directors do not believe that costs will be incurred as a result of this guarantee

10,563	9,688	–	–
26,164	13,118	148,719	139,309

Notes

Notes to the financial statements continued

Consolidated		Parent	
2001	2000	2001	2000
\$000	\$000	\$000	\$000

19 Commitments

Capital expenditure

Estimated cost of capital work covering buildings and plant authorised by the board of directors and contracted for but not yet provided for in the financial statements, together with capital work required to meet regulatory consents. All these commitments are expected to be completed within 12 months

7,231	7,403	–	–
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Investments

In December 1999 the company acquired 40% of the Australian and Malaysian chemical formulating business of Mastra Holdings. The company has commitments to acquire the remaining shares of these businesses over the period February 2002 to December 2005. The cost of these tranches will be dependent upon the future profitability of those businesses but not less than USD 3.6 million.

7,129	6,186	–	–
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Leases

Operating leases are generally entered to access the use of shorter term assets such as motor vehicles, mobile plant and some office equipment. Rentals are fixed for the duration of these leases. There are also a small number of leases for office properties. These rentals have regular reviews based on market rentals at the time of review.

Lease commitments for non-cancellable operating leases are payable as follows

Not later than one year	5,261	6,217	–	269
Later than one year but not later than two years	4,252	5,378	–	269
Later than two years but not later than five years	9,192	9,937	–	807
Later than five years	4,975	7,239	–	1,076
	23,680	28,771	–	2,421

Finance leases are entered to fund the acquisition of minor items of plant and equipment, mainly by partly-owned entities of the group. Rentals are fixed for the duration of these leases. Lease commitments for capitalised finance leases are payable as follows

Not later than one year	427	531	–	–
Later than one year but not later than two years	452	442	–	–
Later than two years but not later than five years	1,662	1,656	–	–
Later than five years	1,333	1,652	–	–
	3,874	4,281	–	–
Less future finance charges	(951)	(1,057)	–	–
	2,923	3,224	–	–

Notes

Notes to the financial statements continued

	Number of shares	2001 \$000	2000 \$000
20 Contributed equity			
Ordinary shares issued and fully paid			
Balance at the beginning of the period	154,355,982	145,058	129,142
Issue of shares	–	–	14,300
Share buy-back	(38,500)	(115)	–
Shares issued to the trustees of the Executive Share Purchase Scheme	–	–	960
Partly paid shares fully paid up during the period	228,125	644	656
Balance at the end of the period	<u>154,545,607</u>	<u>145,587</u>	<u>145,058</u>
Ordinary shares issued and partly paid to 1.0 cent			
Balance at the beginning of the period	938,175	8	8
Shares issued to the trustees of the Staff Share Purchase Scheme No.2	–	–	2
Partly paid shares fully paid up during the period	(228,125)	(2)	(2)
Balance at the end of the period	<u>710,050</u>	<u>6</u>	<u>8</u>
Total contributed equity	<u>155,255,657</u>	<u>145,593</u>	<u>145,066</u>

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000

21 Reserves**a) Foreign currency translation**

Balance at the beginning of the period	(8,791)	881	–	(8,120)
Exchange fluctuation on opening net investment in overseas controlled entities	20,978	10,352	–	–
Hedging of net investment in overseas controlled entities	(25,502)	(20,024)	–	–
Transferred from retained profits on migration	–	–	–	8,120
Balance at the end of the period	<u>(13,315)</u>	<u>(8,791)</u>	<u>–</u>	<u>–</u>

b) Asset revaluation

Balance at the beginning of the period	2,039	4,118	–	–
Transferred to retained profits	–	(2,079)	–	–
Balance at the end of the period	<u>2,039</u>	<u>2,039</u>	<u>–</u>	<u>–</u>

c) Capital profits reserve

Balance at the beginning of the period	33,860	78,236	40,074	40,074
Transferred from retained profits	–	175	–	–
Transferred to retained profits	(147)	(44,551)	–	–
Balance at the end of the period	<u>33,713</u>	<u>33,860</u>	<u>40,074</u>	<u>40,074</u>
Total reserves	<u>22,437</u>	<u>27,108</u>	<u>40,074</u>	<u>40,074</u>

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
22 Retained profits				
Balance at the beginning of the period	215,908	143,437	80,935	9,385
Net profit attributable to members of the parent entity	(4,526)	52,834	40,792	106,488
Aggregate amounts transferred from reserves	147	46,630	–	–
Dividends paid and provided	(27,808)	(26,818)	(27,808)	(26,818)
Aggregate amounts transferred to reserves	–	(175)	–	(8,120)
Balance at the end of the period	183,721	215,908	93,919	80,935
Retained profits and reserves that could be distributed as dividends and franked out of existing franking credits or out of franking credits arising from income tax payable	1,139	(5,079)	1,215	–
All dividends provided for as reported in the statement of financial position will be fully franked at the tax rate of 30%				
23 Outside equity interests				
Share capital	5,342	5,835	–	–
Retained profits	(4,292)	(5,405)	–	–
	1,050	430	–	–
24 Equity				
Balance at the beginning of the period	388,512	356,102	266,075	170,489
Total changes in equity recognised in the statement of financial performance	(9,050)	43,162	40,792	106,488
Transactions with owners as owners				
Contributed equity	527	15,916	527	15,916
Dividends	(27,808)	(26,818)	(27,808)	(26,818)
Movement in outside equity interest	620	150	–	–
Balance at the end of the period	352,801	388,512	279,586	266,075
25 Statement of cash flows				
a) Reconciliation of cash				
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and deposits at call, net of outstanding overdrafts.				
The statements of cash flows are reconciled to respective items in the statement of financial position as follows				
Cash and bank	23,615	43,946	109	570
Bank overdrafts	(54,777)	(15,691)	(7,699)	(12,687)
	(31,162)	28,255	(7,590)	(12,117)

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
25 Statement of cash flows continued				
b) Reconciliation of net profit (loss) after income tax to net operating cash flows				
Net profit (loss) after income tax	(3,951)	53,195	40,792	106,488
Dividend from associated company	2,175	–	–	–
Less non-operating items net of tax	(7,756)	(15,701)	(7,254)	–
Non-cash items				
Amortisation	12,770	11,516	41	104
Depreciation	77,514	42,174	322	414
(Gains) losses on disposal of fixed assets	238	(1,592)	375	88
Foreign currency gain arising on migration translation	–	–	–	(5,306)
Unrealised foreign currency losses	–	–	34	–
Movement in provisions for				
Deferred tax	9,048	9,912	368	625
Tax assets	4,589	5,007	1,122	(977)
Deferred development expenses	(6,037)	–	–	–
Exchange rate change on foreign controlled entities provisions	2,012	(994)	699	716
	100,134	66,023	2,961	(4,336)
Movements in working capital items				
(Increase)/decrease in receivables	(45,342)	18,222	3,783	(3,298)
(Increase)/decrease in inventories	(27,447)	(12,107)	(2,765)	(1,342)
Increase/(decrease) in payables	46,403	(19,350)	(1,230)	(4,766)
Increase in income tax payable	(7,457)	(17,165)	–	–
Exchange rate change on foreign controlled entities working capital items	11,884	4,587	921	1,460
Share of profits of associates net of tax	(3,447)	(1,723)	–	–
Group tax setoff	–	–	1,112	(6,522)
Movements in intercompany balances relating to cash transactions	–	–	(3,626)	15,409
	(25,406)	(27,536)	(1,805)	941
	65,196	75,981	34,694	103,093
c) Businesses acquired				
The amounts of assets and liabilities acquired				
Investments	79	–	–	10,146
Property, plant and equipment	618	380	–	–
Intangibles	27,179	9,226	–	143
Receivables	394	21	–	10,541
Inventory	29,833	3,666	–	12,554
Tax assets	–	–	–	61
Payables	(38)	1,001	–	(6,048)
Borrowings	–	(1,644)	–	–
Outside equity interests	–	164	–	–
Total consideration paid in cash	58,065	12,814	–	27,397
d) Businesses sold				
Investments	870	–	–	–
Property, plant and equipment	6,566	10,751	–	–
Intangibles	2,094	–	–	–
Receivables	20,944	683	–	–
Inventory	4,899	5,402	2,793	–
Payables	(1,484)	(3,991)	–	–
Outside equity interests	–	(33)	–	–
Gain on disposal	7,491	–	7,254	–
Other restructuring costs	–	426	–	–
Total proceeds received in cash	41,380	13,238	10,047	–

Notes

Notes to the financial statements continued

	Note	Place of incorporation	Percentage of shares held	
			2001	2000
26 Controlled entities				
The consolidated financial statements at 31 July 2001 include the following controlled entities.				
All controlled entities have the same financial year end as the parent entity.				
Abel Lemon and Company Pty Ltd	(a)	Australia	100	100
Agrow Australia Pty Ltd	(a),(b)	Australia	100	100
Agryl Holdings Limited	(a),(b)	Australia	100	100
Allrad No1 Pty Ltd		Australia	90	90
Australis Services Pty Ltd	(a)	Australia	100	100
Bioclip NZ Pty Limited	(c)	New Zealand	100	100
Biotech Innovations Pty Ltd	(c)	Australia	90	90
BPMP Limited	(c)	New Zealand	–	87
Camper Vertriebs	(c)	Germany	100	100
Captec (NZ) Limited	(b)	New Zealand	100	100
Captec Pty Limited	(a),(b)	Australia	100	100
CFPI Australia Pty Ltd	(c)	Australia	–	100
CFPI GmbH	(c)	Germany	100	100
CFPI Italia SRL	(c)	Italy	100	100
CFPI Nufarm SA	(b),(c)	France	100	100
Chemicca Limited	(a)	Australia	100	100
Chemicca Limited	(c)	New Zealand	100	100
Chemturf Pty Limited	(a),(b)	Australia	100	100
Chloral Investment Trust		Australia	80	80
Chloral Unit Trust No1		Australia	80	80
Chloral Unit Trust No2		Australia	80	80
Compagnie D'Applications Chimiques a L'Industrie	(c)	France	100	100
CNG Holdings BV		Netherlands	100	100
Croplands Equipment Limited	(b)	New Zealand	100	100
Croplands Equipment Pty Ltd	(a),(b)	Australia	100	100
Danestoke Pty Limited	(c)	Australia	80	80
Davco New Zealand Limited	(c)	New Zealand	100	100
Eltrick Pty Ltd		Australia	90	90
Electronic Agriculture Limited	(c)	Australia	100	100
Esorblue Pty Ltd		Australia	90	90
Fernz Australia Limited	(a),(b)	Australia	100	100
Fernz Canada Limited	(b)	Canada	100	100
Fernz Chemicals (NZ) Limited	(b)	New Zealand	100	100
Fernz Construction Materials Ltd	(a),(b)	Australia	100	100
Fernz Corporation (NZ) Limited	(b)	New Zealand	100	100
Fernz Davco Construction Materials (Guangzhou) Ltd	(c)	China	–	100
Fernz Health & Science Limited	(b)	New Zealand	100	100
Fernz Holdings (NZ) Limited	(b)	New Zealand	100	100
Fernz Insurance Pte Ltd		Singapore	100	100
Fernz Singapore Pte Ltd	(b)	Singapore	100	100
Fernz Sulfer Works Inc		Canada	90	90
Fernz Timber Protection Limited	(b)	New Zealand	100	100
Fernz Timber Protection (M) Sdn Bhd	(c)	Malaysia	51	51
Fidene Limited	(c)	New Zealand	100	100
Finotech BV	(b),(c)	Netherlands	100	100
Florigene Europe BV		Netherlands	90	90
Florigene Flowers Pty Ltd		Australia	90	90
Florigene International BV		Netherlands	90	90
Florigene Investments Pty Ltd		Australia	90	90
Florigene Investments No2 Pty Ltd		Australia	90	90
Florigene Limited		Australia	90	90
Florigene Marketing Pty Ltd		Australia	90	90
Florigene Nominees Pty Ltd		Australia	90	90
Framchem SA	(c)	Egypt	100	100
Galpro SA	(c)	Belgium	100	100
Ichem Limited	(c)	New Zealand	100	100

Notes

Notes to the financial statements continued

	Note	Place of incorporation	Percentage of shares held	
			2001	2000
26 Controlled entities continued				
International Flower Developments Pty Ltd		Australia	90	90
Laboratoire Europeen de Biotechnologie	(c)	France	100	100
Lobeco Products Inc	(b)	USA	100	100
MAL Limited	(c)	New Zealand	–	87
Manaus Holdings Sdn Bhd		Malaysia	100	100
MCFI International (SA) Pty Ltd	(c)	South Africa	100	100
Medisup Securities Limited	(a),(b)	Australia	100	100
Medisup International NV	(c)	N. Antillies	100	100
Mequab Pty Ltd		Australia	90	90
Mineralolwerk Beteiligungs GmbH	(c)	Germany	–	100
Mineralolwerk GmbH & Co KG	(c)	Austria	–	100
Neuchatel Pty Ltd	(a)	Australia	100	100
New Zealand Chemicca (HK) Limited	(c)	Hongkong	100	100
Nufarm Asia Pte Ltd	(b)	Singapore	100	100
Nufarm (Thailand) Ltd	(c)	Thailand	100	100
Nufarm Agriculture Inc	(b)	Canada	100	100
Nufarm Agriculture (Pty) Ltd	(c)	South Africa	100	100
Nufarm Americas Inc	(b)	USA	100	100
Nufarm Argentina SRL	(c)	Argentina	100	100
Nufarm Australia Limited	(a),(b)	Australia	100	100
Nufarm BV	(b)	Netherlands	100	100
Nufarm Coogee Pty Ltd		Australia	80	80
Nufarm de Costa Rica	(c)	Costa Rica	100	100
Nufarm de Guatemala SA	(c)	Guatemala	100	100
Nufarm de Mexico Sa de CV	(c)	Mexico	100	100
Nufarm do Brazil	(c)	Brazil	100	100
Nufarm Energy Pty Ltd	(a)	Australia	100	100
Nufarm Espana SA (formerly Especialidades Technico Industriales)	(b),(c)	Spain	100	100
Nufarm GmbH	(b)	Germany	100	100
Nufarm GmbH	(b)	Austria	100	100
Nufarm GmbH & Co KG	(b)	Austria	100	100
Nufarm Holdings BV	(b)	Netherlands	100	100
Nufarm Inc.	(b)	USA	100	100
Nufarm KK	(c)	Japan	100	–
Nufarm Malaysia Sdn Bhd		Malaysia	100	100
Nufarm NZ Limited	(b)	New Zealand	100	100
Nufarm Panama SA	(c)	Panama	100	100
Nufarm Platte Pty Ltd	(c)	Australia	51	51
Nufarm SC	(b)	France	100	100
Nufarm Treasury Pty Ltd	(a),(b)	Australia	100	100
Nufarm UK Limited	(b)	United Kingdom	100	100
Nufarm USA Inc.	(c)	USA	100	100
Nuturf Pty Ltd	(a)	Australia	100	100
NZL Limited		New Zealand	–	87
Opti-Crop Services Pty Ltd	(b)	Australia	100	–
Pacific Raw Materials Australia Pty Ltd	(a)	Australia	100	100
Pacific Raw Materials Limited	(c)	New Zealand	100	100
Pharma Pacific Management Limited	(b)	New Zealand	100	100
Pharma Pacific Management Pty Ltd	(a)	Australia	100	100
Pharma Pacific Pty Limited	(a),(b)	Australia	100	100
PT Fernz Davco Construction Materials	(c)	Indonesia	–	100
PT Nufarm Indonesia		Indonesia	70	70
Resfun Pty Ltd		Australia	90	90
Riverdale Chemical Co	(b)	USA	100	100
Rockmere Pty Ltd	(a)	Australia	100	100
SC Inpar	(c)	France	100	100
Selchem Pty Limited	(a)	Australia	100	100
Societe d'Etudes et Applications Chimiques	(b)	France	100	100
Societe Civile Mobiliere Clama	(c)	France	100	100
Societe des Ecluses de la Garenne	(c)	France	100	100

Notes

Notes to the financial statements continued

26 Controlled entities continued

Note (a): These entities have entered into a deed of cross guarantee dated 10 July 2000 with Nufarm Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a class order issued by the Australian Securities and Investments Commission (dated 14 July 2000), these companies are relieved from the requirement to prepare financial statements.

Note (b): These entities have entered into a deed of negative pledge dated 26 October 1996 with the group lenders which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed.

Note (c): These entities have not been audited by Arthur Andersen. With the exception of CFPI Nufarm SA in France, these companies are mostly dormant or immaterial to the group.

	Consolidated	
	31.7.2001	31.7.2000
	\$000	\$000
Financial information for class order closed group		
Nufarm Limited closed group		
Statement of financial position		
Current assets		
Cash and bank	8,119	16,048
Receivables	156,934	187,680
Inventories	116,200	117,310
Tax assets	–	11
Total current assets	281,253	321,049
Non-current assets		
Property, plant and equipment	96,016	95,987
Related company investments	213,255	205,498
Other financial assets	9,199	35,702
Intangible assets	8,918	12,069
Deferred tax assets	25,971	21,549
Total non-current assets	353,359	370,805
TOTAL ASSETS	634,612	691,854
Current liabilities		
Accounts payable	105,185	99,422
Interest bearing liabilities	104,371	101,790
Income tax liabilities	5,341	14,074
Provisions	22,189	21,962
Total current liabilities	237,086	237,248
Non-current liabilities		
Interest bearing liabilities	103,966	105,688
Deferred tax liabilities	4,867	2,031
Provisions	–	4,223
Total non-current liabilities	108,833	111,942
TOTAL LIABILITIES	345,919	349,190
NET ASSETS	288,693	342,664
Equity		
Contributed equity	145,593	145,066
Reserves	11,120	38,123
Retained profits	131,980	159,475
TOTAL EQUITY	288,693	342,664

Notes

Notes to the financial statements continued

Consolidated	
12 months ended	14 months ended
31.7.2001	31.7.2000
\$000	\$000

26 Controlled entities continued

Financial information for class order closed group continued

Nufarm Limited closed group
Statement of financial performance

Profit from ordinary activities before income tax expense	17,087	89,140
Income tax expense relating to ordinary activities	(16,774)	(14,619)
Profit from ordinary activities after income tax expense	313	74,521
Loss from extraordinary after related income tax expense	–	(869)
Net profit attributable to members of the closed group	313	73,652
Retained profits at the beginning of the period	159,475	82,153
Dividends paid and provided	(27,808)	(26,818)
Aggregate amounts transferred from reserves	–	30,488
Retained profits at the end of the period	131,980	159,475

27 Associated entities

Details of material interests in associated entities are as follows

	Balance date of associate	Ownership and voting interest		Carrying amount	
		2001	2000	2001 \$000	2000 \$000
Aventis Nufarm Limited UK agricultural chemical manufacturer	31.12.2000	25%	25%	16,318	14,362
Mastra Holdings Group Australian and Malaysian agricultural chemical manufacturer	30.6.2001	40%	40%	6,190	5,518

Financial summary of material associates

	Aventis Nufarm Limited		Mastra Holdings Group	
	2001 \$000	2000 \$000	2001 \$000	2000 \$000
Total assets	26,109	25,721	20,703	14,320
Total liabilities	9,800	11,576	14,590	10,325
Share of profits of associates	3,083	1,564	830	567

Associated entities have the following commitments.
Nufarm's share of capital commitments is \$181,000 and share of finance lease commitments is \$6,205,000.
Associated entities have not reported any contingent liabilities.

28 Interests in joint venture operations

The company has an 80% interest in the Nufarm-Coogee joint venture representing its two chlor alkali plants in Western Australia.

	2001 \$000	2000 \$000
Assets employed		
Cash	823	455
Receivables	1,949	6,138
Inventory	197	303
Property, plant and equipment	19,851	21,436
Total assets employed	22,820	28,332
Capital expenditure commitments	396	639

Notes

Notes to the financial statements continued

	Consolidated		Parent	
	Accessible	Drawn down	Accessible	Drawn down
	\$000	\$000	\$000	\$000
	2001			
Bank loan facilities	568,147	394,418	–	–
Other facilities	4,515	4,515	–	–
Subordinated debt facility	138,448	138,448	–	–
On-balance sheet financing facilities	711,110	537,381	–	–
Off-balance sheet receivables securitisation-type facilities	64,330	28,144	–	–
Total financing facilities	775,440	565,525	–	–
	2000			
Bank loan facilities	508,651	346,734	–	–
Other facilities	11,863	11,863	–	–
Subordinated debt facility	132,812	132,812	–	–
On-balance sheet financing facilities	653,326	491,409	–	–
Off-balance sheet receivables securitisation-type facilities	–	–	–	–
Total financing facilities	653,326	491,409	–	–
	Consolidated			
			2001	2000
			\$000	\$000

30 Foreign currency exposures

a) Current assets

Amounts receivable in foreign currency which are not effectively hedged

US dollars	29,258	15,671
Euros	4,217	13,980
Other	3,483	3,872
	36,958	33,523

b) Current liabilities

Amounts payable in foreign currency which are not effectively hedged

US dollars	18,088	21,745
Euros	370	5,784
Other	4,477	4,725
	22,935	32,254

Non-current assets and liabilities are substantially hedged against the Australian dollar through balance sheet hedges whereby the company hedges its net investment in the foreign operations of controlled entities.

31 Financial instruments

a) Objectives for holding derivative financial instruments

The consolidated entity uses derivative financial instruments to manage specifically identified interest rate and foreign currency risks. The consolidated entity does not trade derivatives. The group is primarily exposed to the risk of movements in the value of the Australian dollar relative to certain foreign currencies, including the US dollar, the Euro and the British pound, and the movement in interest rates.

The consolidated entity hedges a portion of its anticipated sales and purchases as well as forecast foreign currency earnings of controlled entities. A comprehensive board-approved treasury policy sets limits for management to hedge such exposures.

Notes

Notes to the financial statements continued

31 Financial instruments continued

b) Foreign exchange

The following table summarises by currency the Australian dollar value of all forward foreign exchange agreements and foreign exchange options. Foreign currency amounts are translated at rates current at the reporting date.

Currency	Average exchange rate		2001		2000	
	2001	2000	Buy	Sell	Buy	Sell
			\$000	\$000	\$000	\$000
US dollars						
Less than 12 months	0.5061	0.5979	32,602	241,190	41,737	211,069
Over 12 to 24 months	0.5393	–	–	19,802	–	–
Canadian dollars						
Less than 12 months	0.7710	0.8680	–	26,504	–	72,397
Over 12 to 24 months	0.7672	0.8513	–	6,473	–	2,326
Euros						
Less than 12 months	0.5763	0.6163	15,777	210,073	7,055	53,239
Over 12 to 24 months	–	0.6095	–	–	–	116,880
British pounds						
Less than 12 months	0.3532	0.3862	4,372	117,755	2,925	103,796
Others						
Less than 12 months	–	–	1,923	1,951	1,421	2,016
			54,674	623,748	53,138	561,723

c) Interest rate risk exposures

The following table summarises interest rate risk for the consolidated entity. Interest rate swaps had an average effective interest rate of 5.6% (2000 5.9%)

	Floating interest rate \$000	2001		Non-interest bearing \$000	Total \$000
		Fixed interest maturing in			
		< 1 year \$000	1 to 5 years \$000		
Financial liabilities					
Capital notes	–	138,448	–	–	138,448
Bank loans	394,494	–	–	–	394,494
Other loans	4,439	–	–	–	4,439
Interest rate swaps	(70,000)	10,000	60,000	–	–
	328,933	148,448	60,000	–	537,381
Financial liabilities					
Capital notes	–	–	132,812	–	132,812
Bank loans	346,734	–	–	–	346,734
Other loans	5,292	–	–	6,571	11,863
Interest rate swaps	(45,000)	–	45,000	–	–
	307,026	–	177,812	6,571	491,409

Interest bearing financial assets, being cash on short term deposits or at call are all at floating interest rates.

Notes

Notes to the financial statements continued

Consolidated			
2001		2000	
Carrying amount	Net fair value	Carrying amount	Net fair value
\$000	\$000	\$000	\$000

31 Financial instruments continued

d) Net fair value of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities (including derivatives) are considered to equate to their fair values, except as disclosed in the table below. Net fair values are determined using market rates that existed at the end of the period for similar instruments with similar maturities.

Financial liabilities				
Capital notes – one to five years	138,448	137,112	132,812	130,226
Derivatives				
Forward exchange contracts				
Receivables – less than one year	50,945	50,750	101,878	105,297
Receivables – more than one year	25,060	26,695	–	–
Payables – less than one year	53,772	54,606	46,453	47,099
Foreign investments and advances – less than one year	546,076	548,357	341,591	342,931
– one to five years	–	–	123,073	122,339
Interest rate swaps				
Payable maturities – less than one year	10,000	10,010	–	–
– one to five years	60,000	60,309	45,000	44,312
Receivable maturities – less than one year	–	–	16,800	18,184

e) Hedges of anticipated future transactions

The following table summarises unrealised gains and losses on forward exchange contracts entered as hedges of future anticipated sales, purchases and foreign currency earnings of overseas controlled entities.

	Gains	Losses	Gains	Losses
Expected recognition period				
Less than one year	439	312	32	1,842
More than one year	–	1,635	–	–

f) Credit risk exposure

The consolidated entity's exposures to on-balance sheet risk are as indicated by the carrying amounts of its financial assets. It does not have a significant exposure to any individual counterparty, as transactions are undertaken with a large number of debtors in various markets.

32 Remuneration of officers

a) Income of non-executive directors of Nufarm Limited

Income includes base directors' fees, committee fees and superannuation contributions made by the company. The numbers of directors of the parent entity who were paid (excluding retirement benefits) directly or indirectly from the company as shown in the following bands, were

\$	Parent	
	2001	2000
20,000 – 30,000	–	1
30,001 – 40,000	–	1
40,001 – 50,000	1	–
50,001 – 60,000	3	6
60,001 – 70,000	3	–
80,001 – 90,000	–	1
160,001 – 170,000	1	–
670,001 – 680,000	–	1*

* KM Hoggard retired as Chief Executive Officer and was appointed Chairman during the period. The above income includes \$75,000 of directors' fees as Chairman.

The aggregate income of the directors above	\$000	\$000
	564	1,157

Notes

Notes to the financial statements continued

32 Remuneration of officers continued**b) Income of executives**

Income includes salary, bonuses, company superannuation contributions and other quantifiable fringe benefits. The numbers of executive officers domiciled in Australia, whose total income for the year falls within the following bands, were (the parent company does not pay remuneration)

\$	Consolidated	
	2001	2000
100,000 – 110,000	14	12
110,001 – 120,000	5	11
120,001 – 130,000	9	6
130,001 – 140,000	7	3
140,001 – 150,000	6	10
150,001 – 160,000	6	5
160,001 – 170,000	4	4
170,001 – 180,000	1	2
180,001 – 190,000	6	2
190,001 – 200,000	1	1
200,001 – 210,000	1	–
210,001 – 220,000	1	1
220,001 – 230,000	2	–
230,001 – 240,000	–	1
240,001 – 250,000	–	1
250,001 – 260,000	–	1
260,001 – 270,000	–	1
270,001 – 280,000	–	2
300,001 – 310,000	1	–
310,001 – 320,000	–	1
320,001 – 330,000	1	–
340,001 – 350,000	–	1
370,001 – 380,000	1	–
430,001 – 440,000	–	1
440,001 – 450,000	–	1
520,001 – 530,000	1	–
550,001 – 560,000	1	–
570,001 – 580,000	1	–
590,001 – 600,000	1	–
810,001 – 820,000	–	1
1,300,001 – 1,310,000	1	–
	\$000	\$000
The aggregate income of the executives above	13,649	11,403

Retirement benefits

No prescribed benefits were paid in connection with the retirement of officers domiciled in Australia during the period

c) Number of full-time equivalent staff employed by the consolidated entity at the end of the period

2,203	2,215
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Notes

Notes to the financial statements continued

33 Employee Share Purchase Schemes

The Nufarm Limited Staff Share Purchase Scheme No.2 (1990) enabled the issue of partly paid ordinary shares to all staff who had completed two years service with the company, issued at a 10 per cent discount on market price at the date of the offer. The shares have been issued partly paid with one cent per share paid on acceptance and the balance payable over four calls which are made at the end of the second, third, fourth and fifth years. Once the call is paid to the company, one quarter of the total shares allocated will vest directly to the employee as fully paid shares. Partly paid shares do not rank for dividends until fully paid and voting rights are exercised by the trustees in proportion to the amount paid up on the shares, while the shares remain partly paid. At 31 July 2001, the trustees of the Staff Share Purchase Scheme No.2 held 710,050 (2000 938,175) ordinary shares paid to one cent per share, with \$2,630,000 (2000 \$3,485,300) remaining uncalled.

The Nufarm Limited Executive Share Purchase Scheme (1984) enabled the issue of fully paid ordinary shares to executive directors and senior executives, issued at a price equal to 70 per cent of the market price at the date of the offer. There is an eight year restrictive period during which time the allocated shares are held by the trustees and the consideration will be paid over the restrictive period with all dividends, net of tax, being applied in reduction of the advances by the company to the trustees which total \$8,213,404 at 31 July 2001 (2000 \$9,198,341). Each executive is entitled to exercise voting rights attached to the shares allocated. At 31 July 2001 the trustees of the Executive Share Purchase Scheme held 3,241,100 (2000 3,583,600) ordinary shares, of which 112,500 (2000 115,000) were unallocated.

There are currently 188 participants in total in the above two schemes.

A UK Savings Related Share Options Scheme (1997) enabled the issue of ordinary share options to eligible staff in the UK who had completed two years' service with the company. Share options were issued at a 10 per cent discount on market price at the date of the offer. Share options do not rank for dividends or carry voting rights. At 31 July 2001 and at 11 October 2001 257,598 (2000 286,135) share options were outstanding allowing 37 participants to exercise each option into one fully paid ordinary share. 121,717 options mature on 1 November 2002 at an exercise price of \$3.55, and 135,881 options mature on 1 March 2005 at an exercise price of \$3.08. During the year 28,537 of the above options expired upon the resignation of the related employees.

The above plans have been replaced during the year by the plans below.

The Nufarm Executive Share Plan (2000) offers shares to executives at no cost, providing the predetermined return on capital employed targets are achieved over the relevant period. The shares are subject to forfeiture and dealing restrictions. The executive cannot deal in the shares for a period of between three and ten years without Board approval. An independent trustee holds the shares on behalf of the executives. At 31 July 2001 there were 55 participants in the scheme and 147,500 shares have been allocated under the plan.

The Global Share Plan commenced in 2001, and is available to all permanent employees. Participants contribute a proportion of their salary to purchase shares. The company will contribute an amount equal to 10% of the value of the ordinary shares acquired with a participant's contribution in the form of additional ordinary shares. Amounts over 10% of the participant's salary can be contributed but will not be matched. For each year the shares are held, up to a maximum of five years, the company contributes a further 10% of the value of the shares acquired with the participant's contribution. An independent trustee holds the shares on behalf of the participants. There are 630 participants at 31 July 2001.

The power of appointment and removal of the trustees for the share purchase schemes is vested in the company.

Notes

Notes to the financial statements continued

34 Related party disclosures

a) Transactions with related parties in the wholly owned group

In addition to those transactions disclosed in Note 2, the parent entity entered into the following transactions during the year with related parties in the wholly owned group

Loans were advanced and repayments received on short term intercompany accounts.

Management fees were received from several wholly owned controlled entities.

These transactions were undertaken on commercial terms and conditions.

		Consolidated	
		2001	2000
		\$000	\$000
b) Transactions with other related parties			
Aventis Nufarm Limited	sales to	10,093	13,436
	purchases from	16,308	18,114
Mastra Group	sales to	2,979	53
	purchases from	672	705
Nufarm-Whytes Agriculture Ltd	sales to	3,005	–
	interest income	419	–

Number of shares		Shareholding	
Bought	Sold	2001	2000

c) Transactions with directors

The following persons who have been directors during the period (and associated persons) bought or sold ordinary shares in which they held a beneficial interest

KM Hoggard	–	–	5,848,181	5,848,181
DJ Rathbone	–	–	31,367,748	31,367,748
GDW Curlewis	–	–	3,000	3,000
Dr WB Goodfellow	15,000	–	45,500	30,500
GW McGregor AO	–	–	20,000	20,000
Sir Dryden Spring	–	7,676	9,676	17,352
Dr JW Stocker AO	–	–	10,000	10,000
JD Storey (retired 7 May 2001)	–	–	47,946	47,946
RFE Warburton	–	–	28,300	28,300

KM Hoggard, DJ Rathbone and R Heath, as non-beneficial trustees, acquired and disposed of shares pursuant to the company's Staff Share Purchase Scheme No 2.

KM Hoggard, DJ Rathbone and RFE Warburton, as non-beneficial trustees, acquired and disposed of shares pursuant to the company's Executive Share Purchase Scheme.

d) Ultimate controlling entity

The ultimate controlling entity of the consolidated entity is Nufarm Limited (ACN 091 323 312).

35 Subsequent event

New capital notes issue

The company has recently appointed lead managers to bring a new issue of capital notes to the market in late 2001. This issue will be of a similar capital note security to that existing and will have a term of approximately five years. The coupon rate will be set at a margin over the NZ five year swap rate, at the time of the issue, which is common for this type of security. Existing noteholders will be given a preferential exchange offer to convert their existing notes into the new issue with terms to be advised at that time. For existing noteholders who elect not to convert their existing notes into the new issue being offered, the company at this time expects that their existing notes will be redeemed for cash when they mature in April 2002.

Directors' declaration

The directors declare that the financial statements and associated notes set out on pages 38 to 68

1. comply with accounting standards and the urgent issues consensus views;
2. give a true and fair view of the financial position as at 31 July 2001 and performance of the company and consolidated entity for the 12 months then ended;
3. in the directors' opinion:
 - a. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable and the company and the entities which are party to the Deed of Cross Guarantee described in Note 26 will together be able to meet any obligations or liabilities to which they are or may become subject by virtue of that deed; and
 - b. the financial statements and notes are in accordance with the Corporations Act 2001, including sections 296 and 297.

Signed in accordance with a resolution of directors.



KM Hoggard
Director



DJ Rathbone
Director
Melbourne
11 October 2001

Independent audit report



To the members of Nufarm Limited

Scope

We have audited the financial report of Nufarm Limited for the financial year ended 31 July 2001 as set out on pages 38 to 69. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, in Australia, so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of Nufarm Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 31 July 2001 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

A handwritten signature in cursive script that reads "Arthur Andersen".

Arthur Andersen
Chartered Accountants

A handwritten signature in cursive script, likely belonging to a partner in the firm.

Partner
Melbourne
11 October 2001

Trend statement

Supplementary information

	2001	2000	1999	1998	1997
	\$000	\$000	\$000	\$000	\$000

The year 2001 and 2000 figures are for the 12 month periods ended 31 July. The prior years are for the 12 month periods ended 31 May.

Operating results

Sales revenue	1,323,232	1,213,042	1,122,597	1,123,733	684,351
Operating profit after tax and minority interests	51,138	51,984	43,949	39,279	38,575
Non-operating profit (loss) and extraordinary items after tax	(55,664)	4,206	8,778	22,379	-
Profit attributable to members of the parent entity	(4,526)	56,190	52,727	61,658	38,575
Dividends	27,808	26,818	21,834	21,381	19,099
Retained profits	(32,334)	29,372	30,894	40,277	19,475

Total equity

Contributed equity	145,593	145,066	129,150	108,840	105,595
Retained profits and reserves	207,208	243,446	224,980	203,203	153,325
	352,801	388,512	354,129	312,043	258,920

Represented by

Current assets	618,179	560,170	524,825	553,451	405,200
Current liabilities	454,309	420,088	374,035	399,081	261,318
Net current assets	163,870	140,082	150,790	154,371	143,883
Non-current assets	573,702	578,766	532,540	516,658	378,839
	737,572	718,848	683,330	671,029	522,722
Non-current liabilities	245,273	197,094	188,841	216,324	123,008
Capital notes	138,448	132,812	140,080	140,080	140,080
Outside equity interests	1,050	430	280	2,582	714
	384,771	330,336	329,201	358,985	263,802
Net assets	352,801	388,512	354,129	312,043	258,920

Statistics

Operating earnings after tax to average total equity	13.8%	14.0%	13.2%	14.2%	15.7%
Dividend rate per share	18.0c	17.2c	14.8c	14.8c	13.2c
Net tangible asset backing per share	\$1.42	\$1.62	\$1.61	\$1.48	\$1.34

Statement of financial performance

Supplementary information continued

	Consolidated	
	12 months ended 31.7.2001 \$000	12 months ended 31.7.2000 \$000
Sales revenue	1,323,232	1,213,048
Cost of sales	(772,005)	(684,443)
Consolidated earnings from trading	551,227	528,605
Interest income	2,655	3,101
Other revenue	62,224	52,092
Expenditure		
Depreciation and amortisation	(90,284)	(46,159)
Borrowing costs	(37,000)	(36,811)
Operating expenses	(460,563)	(423,047)
Total expenses	(587,847)	(506,017)
	28,259	77,781
Share of net profits of associates	3,447	2,912
Profit from ordinary activities before income tax expense	31,706	80,693
Income tax expense relating to ordinary activities	35,657	23,283
Profit (loss) from ordinary activities after income tax expense	(3,951)	57,410
Loss from extraordinary items after related income tax expense	–	(869)
Net profit (loss)	(3,951)	56,541
Net profit attributable to outside equity interest	575	351
Net profit (loss) attributable to members of the parent entity	(4,526)	56,190

Note: Whilst this statement has not been audited, it has been derived from the audited financial statements shown on pages 38 to 68.

This supplementary information has been provided to enable readers to directly compare results of the company for the period to July 2001 with the equivalent preceding 12 month period to July 2000.

Statement of cash flows

Supplementary information continued

	Consolidated	
	12 months ended 31.7.2001 \$000	12 months ended 31.7.2000 \$000
Inflows/(outflows)		
Cash flows from operating activities		
Receipts from customers	1,297,551	1,231,515
Dividends received	2,667	1,672
Interest received	2,655	3,101
Payments to suppliers and employees	(1,154,401)	(1,085,312)
Interest paid	(35,656)	(33,247)
GST paid	(19,298)	(678)
Income tax paid	(28,322)	(24,312)
Other – migration costs	–	(4,049)
Net operating cash flows	65,196	88,690
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2,646	20,837
Proceeds from sale of investments	40,878	2,941
Proceeds from business sale	41,380	13,238
Payments for plant and equipment	(62,453)	(68,454)
Payments for investments	(6,024)	(15,789)
Major project development expenditure	–	(3,233)
Foreign currency investments hedges	(38,366)	(29,118)
Purchase of controlled entities, net of cash acquired	(58,065)	(9,921)
Net investing cash flows	(80,004)	(89,499)
Cash flows from financing activities		
Proceeds from issue of shares	–	14,300
Proceeds from call on partly paid shares	644	285
Proceeds of short term debt (net)	22,281	29,385
Proceeds from borrowings	11,318	56,420
Share buy-back	(115)	–
Repayment of borrowings	(48,382)	(33,822)
Foreign currency loans hedges	(4,242)	(6,031)
Dividends paid	(27,787)	(22,164)
Net financing cash flows	(46,283)	38,373
Net increase (decrease) in cash held	(61,091)	37,564
Cash at the beginning of the financial year	28,255	(10,032)
Exchange rate fluctuations on foreign cash balances	1,674	723
Cash at the end of the financial year	(31,162)	28,255

Note: Whilst this statement has not been audited, it has been derived from the audited financial statements shown on pages 38 to 68.

This supplementary information has been provided to enable readers to directly compare results of the company for the period to July 2001 with the equivalent preceding 12 month period to July 2000.

Industry segments

Supplementary information continued

	Consolidated	
	12 months	12 months
	2001	2000
	\$000	\$000
Crop protection		
Sales revenue	919,825	765,080
Less inter-segment sales	(582)	(2,241)
Sales to outside customers	919,243	762,839
Interest and other revenues	3,350	625
Total revenue	922,593	763,464
Operating profit	51,997	56,599
Non-operating loss	(1,969)	(3,233)
Profit from ordinary activities before taxation	50,028	53,366
Value of assets employed	846,524	685,500
Industrial chemicals		
Sales revenue	404,245	450,477
Less inter-segment sales	(963)	(359)
Sales to outside customers	403,282	450,118
Interest and other revenues	19,546	37,616
Total revenue	422,828	487,734
Operating profit	33,159	24,767
Non-operating profit (loss)	(43,990)	14,918
Profit (loss) from ordinary activities before taxation	(10,831)	39,685
Value of assets employed	304,356	379,425
Corporate and other investments		
Sales to outside customers	707	91
Interest and other revenues	41,983	16,953
Total revenue	42,690	17,044
Operating profit (loss)	(6,311)	587
Non-operating loss	(1,180)	(12,945)
Loss from ordinary activities before taxation	(7,491)	(12,358)
Value of assets employed	41,001	74,011
Group		
Sales to outside customers	1,323,232	1,213,048
Interest and other revenues	64,879	55,194
Total revenue	1,388,111	1,268,242
Operating profit	78,845	81,953
Non-operating loss	(47,139)	(1,260)
Profit from ordinary activities before taxation	31,706	80,693
Income tax expense	35,657	23,283
Profit (loss) from ordinary activities after taxation	(3,951)	57,410
Value of assets employed	1,191,881	1,138,936

All inter-segment sales are at market prices.

Note: Whilst this statement has not been audited, it has been derived from the audited financial statements shown on pages 38 to 68.

This supplementary information has been provided to enable readers to directly compare results of the company for the period to July 2001 with the equivalent preceding 12 month period to July 2000.

Geographic segments

Supplementary information continued

	Consolidated	
	12 months	12 months
	2001	2000
	\$000	\$000
Australasia		
Sales to outside customers	612,739	665,359
Interest and other revenues	60,513	55,194
Total revenue	673,252	720,553
Operating profit	35,583	51,637
Non-operating profit	2,696	1,973
Profit from ordinary activities before taxation	38,279	53,610
Value of assets employed	443,868	516,971
Europe		
Sales to outside customers	344,697	304,477
Interest and other revenues	3,433	–
Total revenue	348,130	304,477
Operating profit	20,821	14,378
Non-operating loss	(880)	–
Profit from ordinary activities before taxation	19,941	14,378
Value of assets employed	433,363	363,903
North America		
Sales to outside customers	365,796	243,212
Interest and other revenues	933	–
Total revenue	366,729	243,212
Operating profit	22,441	15,938
Non-operating loss	(48,955)	(3,233)
Profit (loss) from ordinary activities before taxation	(26,514)	12,705
Value of assets employed	314,650	258,062
Group		
Sales to outside customers	1,323,232	1,213,048
Interest and other revenues	64,879	55,194
Total revenue	1,388,111	1,268,242
Operating profit	78,845	81,953
Non-operating loss	(47,139)	(1,260)
Profit from ordinary activities before taxation	31,706	80,693
Income tax expense	35,657	23,283
Profit (loss) from ordinary activities before taxation	(3,951)	57,410
Value of assets employed	1,191,881	1,138,936

The geographic sales and profit from ordinary activities before taxation figures reflect the domicile of the company's customers.

The company sells products in more than 100 countries around the world and there is therefore significant export business from most of the plants.

Australasia comprises Australia, New Zealand and Asia.

Note: Whilst this statement has not been audited, it has been derived from the audited financial statements shown on pages 38 to 68.

This supplementary information has been provided to enable readers to directly compare results of the company for the period to July 2001 with the equivalent preceding 12 month period to July 2000.

Shareholder and statutory information

Details of shareholders, shareholdings and top 20 shareholders

Listed securities – 11 October 2001	Number of holders	Number of securities	Percentage held by top 20
Fully paid ordinary shares	9,962	154,545,607	64.25%
Partly paid (unquoted)		710,050	

Twenty largest shareholders	Ordinary shares as at 11.10.01	Percentage of issued capital as at 11.10.01
Falls Creek No 2 Pty Ltd	25,680,200	16.62
Amalgamated Dairies Ltd	14,950,815	9.67
Westpac Custodian Nominees Ltd	9,223,082	5.97
Invia Custodian Pty Ltd	7,182,438	4.65
Lawrence Holdings	5,503,750	3.56
Grantali Pty Ltd	5,036,616	3.26
National Nominees Ltd	3,816,387	2.47
Trustees Nufarm Executive Share Purchase Scheme	3,206,100	2.07
Challenge Investment Company Ltd	2,982,081	1.93
Queensland Investment Corporation	2,681,127	1.73
Chase Manhattan Nominees Ltd	2,476,879	1.60
Hendry Nominees Limited	2,420,000	1.57
The Avalon Investment Trust Ltd	2,315,506	1.50
Citicorp Nominees Pty Ltd	2,042,715	1.32
ANZ Nominees Limited	2,038,300	1.32
RBC Global Services Australia Nominees Pty Ltd (RA a/c)	1,929,160	1.25
Accident Compensation Corporation	1,647,401	1.07
JP Morgan Custodial Services	1,440,548	0.93
RBC Global Services Australia Nominees Pty Ltd (PIPOOLED a/c)	1,407,564	0.91
Credit Suisse First Boston NZ	1,321,774	0.86

Distribution of shareholders	Number of holders as at 11.10.01	Ordinary shares held as at 11.10.01
Size of holding		
1 – 1,000	3,523	2,231,817
1,001 – 5,000	4,672	12,128,664
5,001 – 10,000	1,031	7,669,910
10,001 – 100,000	659	14,040,018
100,001 and over	77	118,475,198

Of these, 357 shareholders held less than a marketable parcel of shares of \$500 worth of shares (204 shares).

In accordance with the ASX listing rules, the last sale price of the company's shares on the ASX on 11 October 2001 was used to determine the number of shares in a marketable parcel.

Shareholder and statutory information

Stock exchanges on which securities are listed

Ordinary shares: Australian Stock Exchange Limited.

Substantial shareholders

In accordance with section 671B of the Corporations Act, as at 11 October 2001, the substantial shareholders set out below have notified the company of their respective relevant interest in voting shares in the company shown adjacent to their respective names as follows:

	Date of notice	Number and percentage of shares in which interest held at date of notice	
		Number	Interest %
Amalgamated Dairies Ltd	24 August 2000	14,950,815	9.69
Khyber Pass Ltd ¹	24 August 2000	14,968,110	9.70
Glade Building Ltd ²	24 August 2000	15,329,898	9.93
Hauraki Trading Ltd ³	24 August 2000	15,685,712	10.16
Oxford Trustees (Paul Gerard Keeling and Allan Cameron Rattray) ⁴	24 August 2000	15,347,193	9.94
Douglas John Rathbone ⁵	28 June 2001	37,664,048	24.05
Harris Associated L.P.	16 August 2001	8,359,675	5.41

¹ Khyber Pass Ltd has a relevant interest in Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Amalgamated Dairies Ltd.

² Glade Building Ltd has a relevant interest in Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Amalgamated Dairies Ltd.

³ Hauraki Trading Ltd has a relevant interest in Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Amalgamated Dairies Ltd.

⁴ Oxford Trustees has a relevant interest in Glade Building Ltd, Khyber Pass Ltd and Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Glade Building Ltd, Khyber Pass Ltd and Amalgamated Dairies Ltd.

⁵ The shareholding of DJ Rathbone includes his relevant interests in Falls Creek No 2 Pty Ltd (Falls Creek). Falls Creek has a relevant interest in 5,503,750 shares held by Lawrence Holdings, an entity controlled by KM Hoggard. DJ Rathbone has a non-beneficial interest in 792,550 shares as trustee of the Nufarm Limited executive and staff share plans.

Shareholder and statutory information

Voting rights

Ordinary shares

On a show of hands, every shareholder present in person or represented by a proxy or representative shall have one vote and on a poll every shareholder who is present in person or represented by a proxy or representative shall have one vote for every fully paid share held by the shareholder.

Employee share scheme Partly paid ordinary shares

These shares are held in trust by the scheme trustees and carry voting rights in proportion to the amount of the issue price paid up on each share only.

Shareholder information

Annual general meeting

The annual general meeting of Nufarm Limited will be held on Thursday 13 December 2001 at 10.00am in the Ballroom at the Duxton Hotel, 328 Flinders Street, Melbourne, Victoria.

Full details are contained in the Notice of Meeting sent to all shareholders.

Voting rights

Shareholders are encouraged to attend the annual general meeting. However, when this is not possible, they are encouraged to use the form of proxy by which they can express their views.

Every shareholder, proxy or shareholder's representative has one vote on a show of hands. In the case of a poll, each share held by every shareholder, proxy or representative is entitled to:

- (a) one vote for each fully paid share; and
- (b) voting rights in proportion to the paid up amount of the issue price for partly paid shares.

Stock exchange listings

Nufarm shares are listed under the symbol NUF on the ASX. The securities of the company are traded on the ASX under CHESS (Clearing House Electronic Sub-register System) which allows settlement of on-market transactions without having to reply on paper documentation. Shareholders seeking more information about CHESS should contact their stockbroker or the ASX.

Share register and other enquiries

If you have any questions in relation to your shareholding, share transfers or dividends, please contact our share registrar:

Computershare Investor Services Pty Ltd
Level 12
565 Bourke Street
Melbourne Victoria 3000 Australia

Please include your shareholder reference number (SRN) in all correspondence to the share registry.

For enquiries relating to the operations of the company, please contact the Nufarm Corporate Affairs Office on:
Telephone: (61) 3 9282 1177
Facsimile: (61) 3 9282 1111
email: robert.reis@au.nufarm.com

Written correspondence should be directed to:
Corporate Affairs Office
Nufarm Limited
PO Box 103
Laverton Victoria 3028 Australia

Shareholder and statutory information

Dividends

A final dividend of 11 cents per share will be paid on 9 November 2001 to shareholders registered on 26 October 2001. For Australian tax purposes, the dividend will be 100 per cent franked at the 30 per cent tax rate.

Australian shareholders can elect to have dividends paid directly into a bank account anywhere in Australia. Forms for this purpose are available on request from the share registry.

Tax file numbers

Australian taxpayers who do not provide details of their tax file number will have dividends subjected to the top marginal personal tax rate plus Medicare levy. It may be in the interests of shareholders to ensure that tax file numbers have been supplied to the share registry.

Forms are available from the share registry should you wish to notify us of your tax file number or tax exemption details.

Change of address

It is important for shareholders to notify the share registry in writing promptly of any change of address. As a security measure, the old address should also be quoted as well as your SRN.

Key dates

- 26 October 2001
Record date (books closing) for 2000/2001 final dividend
- 9 November 2001
Final dividend for 2000/2001 payable
- 2 November 2001*
Annual report sent to shareholders
- 13 December 2001
Annual general meeting
- 28 March 2002*
Announcement of profit result for half year ending 31 January 2002
- 31 July 2002
End of financial year
- 10 October 2002*
Announcement of profit result for 2001/2002

* Subject to confirmation

Nufarm Limited

ACN 091 323 312
Company Secretary
Rodney Heath

Registered Office

103-105 Pipe Road
Laverton North Victoria 3026 Australia
Telephone: 61 3 9282 1000
Facsimile: 61 3 9282 1001

Directors

KM Hoggard – Chairman
DJ Rathbone – Managing Director
GDW Curlewis
Dr WB Goodfellow
GW McGregor AO
Sir Dryden Spring
Dr JW Stocker AO
RFE Warburton

Company Secretary

R Heath

Solicitors

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Auditors

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Trustee for capital note holders

New Zealand Permanent Trustees Ltd

Share registrar

Australia

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GPO Box 2975EE
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Telephone: 61 3 9611 5711

Capital notes registrar

New Zealand

Computershare Registry Services Limited
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Registered office

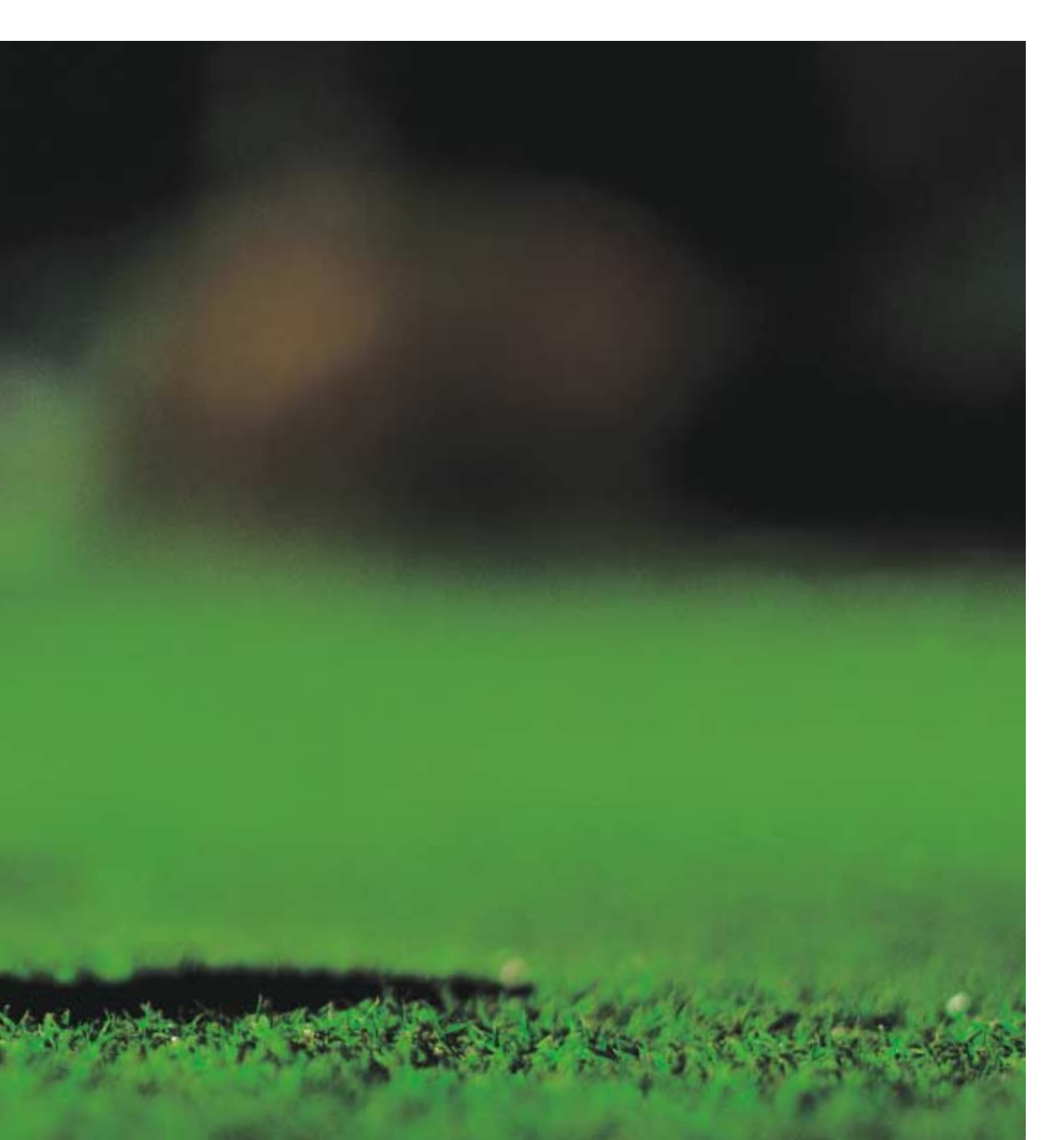
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