

# Appendix 4B

## Half yearly/preliminary final report

Introduced 30/6/2002.

Name of entity

**NUFARM LIMITED**

ABN or equivalent company reference	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
37 091 323 312	<input type="checkbox"/>	<input checked="" type="checkbox"/>	31 July 2002

### For announcement to the market

*Extracts from this report for announcement to the market (see note 1).*  
\$A'000

Revenues from ordinary activities ( <i>item 1.1</i> )	up	4.0%	to	1,444,279
Profit (loss) from ordinary activities after tax attributable to members ( <i>item 1.22</i> )	up	108%*	to	56,834
Profit (loss) from extraordinary items after tax attributable to members ( <i>item 2.5(d)</i> )				Nil
Net profit (loss) for the period attributable to members ( <i>item 1.11</i> )	up	108%*	to	56,834
<b>Dividends (distributions)</b>		Amount per security		Franked amount per security
Final dividend ( <i>Preliminary final report only - item 15.4</i> )		11.0¢		11.0¢
Interim dividend ( <i>Half yearly report only - item 15.6</i> )				
Previous corresponding period ( <i>Preliminary final report - item 15.5; half yearly report - item 15.7</i> )		11.0¢		11.0¢
<sup>+</sup> Record date for determining entitlements to the dividend, (in the case of a trust, distribution) ( <i>see item 15.2</i> )		25 October 2002		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
* <b>A loss of \$4.526M was reported in 2001. After excluding non-operating items, the operating profit was \$51.138M. The 2002 result is an 11.1% increase over the previous corresponding period's operating profit.</b>				

+ See chapter 19 for defined terms

**Condensed consolidated statement of financial performance**

		Current period	Previous corresponding period
		\$A'000	\$A'000
1.1	Revenues from ordinary activities ( <i>see items 1.23 -1.25</i> )	1,444,279	1,388,111
1.2	Expenses from ordinary activities ( <i>see items 1.26 &amp; 1.27</i> )	(1,323,298)	(1,322,852)
1.3	Borrowing costs	(42,450)	(37,000)
1.4	Share of net profits (losses) of associates and joint venture entities ( <i>see item 16.7</i> )	3,651	3,447
<b>1.5</b>	<b>Profit from ordinary activities before tax</b>	<b>82,182</b>	<b>31,706</b>
1.6	Income tax on ordinary activities ( <i>see note 4</i> )	24,405	35,657
<b>1.7</b>	<b>Profit (loss) from ordinary activities after tax</b>	<b>57,777</b>	<b>(3,951)</b>
1.8	Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )	-	-
<b>1.9</b>	<b>Net profit (loss)</b>	<b>57,777</b>	<b>(3,951)</b>
1.10	Net profit (loss) attributable to outside <sup>+</sup> equity interests	943	575
<b>1.11</b>	<b>Net profit (loss) for the period attributable to members</b>	<b>56,834</b>	<b>(4,526)</b>
<b>Non-owner transaction changes in equity</b>			
1.12	Increase (decrease) in revaluation reserves		
1.13	Net exchange differences recognised in equity	2,381	(4,524)
1.14	Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15	Initial adjustments from UIG transitional provisions	-	-
1.16	Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	2,381	(4,524)
1.17	Total changes in equity not resulting from transactions with owners as owners	59,215	(9,050)

		Current period	Previous corresponding period
<b>Earnings per security (EPS)</b>			
1.18	Basic EPS	36.7¢	(2.9) ¢
1.19	Diluted EPS	36.4¢	(2.9) ¢

+ See chapter 19 for defined terms

**Notes to the condensed consolidated statement of financial performance**

**Profit (loss) from ordinary activities attributable to members**

	Current period \$A'000	Previous corresponding period \$A'000
1.20 Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	57,777	(3,951)
1.21 Less (plus) outside <sup>+</sup> equity interests	943	575
<b>1.22 Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>56,834</b>	<b>(4,526)</b>

**Revenue and expenses from ordinary activities**

(*see note 15*)

	Current period \$A'000	Previous corresponding period \$A'000
1.23 Revenue from sales or services	1,429,275	1,323,232
1.24 Interest revenue	1,011	2,655
1.25 Other relevant revenue		
Sundry revenue	3,577	1,679
Gross proceeds from sale of non-current assets	10,416	60,545
1.26 Details of relevant expenses		
Cost of goods sold	(824,323)	(772,005)
Staff expenses	(201,582)	(182,546)
Occupancy costs	(26,858)	(25,260)
Other plant related expenses	(60,485)	(60,145)
Sales and distribution expenses	(56,470)	(47,167)
Research and development	(9,328)	(11,447)
Travel	(21,467)	(20,118)
Other operating expenses	(68,778)	(72,834)
Carrying cost of non-current assets disposed of	(10,667)	(52,871)
1.27 Depreciation and amortisation excluding amortisation of intangibles ( <i>see item 2.3</i> )	(43,340)	(78,459)
<b>Capitalised outlays</b>		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an <sup>+</sup> acquisition of a business)	2,223	-

+ See chapter 19 for defined terms

### Consolidated retained profits

	Current period \$A'000	Previous corresponding period \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	183,721	215,908
1.31 Net profit (loss) attributable to members ( <i>item 1.11</i> )	56,834	(4,526)
1.32 Net transfers from (to) reserves ( <i>details if material</i> )	67	147
1.33 Net effect of changes in accounting policies		-
1.34 Dividends and other equity distributions paid or payable	(27,952)	(27,808)
<b>1.35 Retained profits (accumulated losses) at end of financial period</b>	<b>212,670</b>	<b>183,721</b>

### Intangible and extraordinary items

	<i>Consolidated - current period</i>			
	Before tax \$A'000  (a)	Related tax \$A'000  (b)	Related outside + equity interests \$A'000(c)	Amount (after tax) attributable to members \$A'000 (d)
2.1 Amortisation of goodwill	12,508	2,790		9,718
2.2 Amortisation of other intangibles	871	144		727
<b>2.3 Total amortisation of intangibles</b>	<b>13,379</b>	<b>2,934</b>		<b>10,445</b>
2.4 Extraordinary items (details)	-	-	-	-
<b>2.5 Total extraordinary items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Comparison of half year profits

*(Preliminary final report only)*

	Current year \$A'000	Previous year \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (item 1.22 in the half yearly report)	5,558	12,620
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the <i>2nd</i> half year	51,276	(17,146)

+ See chapter 19 for defined terms

<b>Condensed consolidated statement of financial position</b>	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
<b>Current assets</b>			
4.1 Cash	15,780	23,615	22,383
4.2 Receivables	354,034	282,568	326,085
4.3 Investments	-	-	-
4.4 Inventories	333,406	309,339	384,517
4.5 Tax assets	7,756	2,657	9,796
4.6 Other (provide details if material)	-	-	-
<b>4.7 Total current assets</b>	<b>710,976</b>	<b>618,179</b>	<b>742,781</b>
<b>Non-current assets</b>			
4.8 Receivables	3,013	-	-
4.9 Investments (equity accounted)	28,005	23,431	33,503
4.10 Other investments	8,053	10,991	22,942
4.11 Inventories	-	-	-
4.12 Exploration and evaluation expenditure capitalised	-	-	-
4.13 Development properties	-	-	-
4.14 Other property, plant and equipment (net)	385,692	368,603	370,364
4.15 Intangibles (net)	146,647	132,382	129,661
4.16 Tax assets	25,324	32,918	31,339
4.17 Other (provide details if material)	18,512	5,377	-
<b>4.18 Total non-current assets</b>	<b>615,246</b>	<b>573,702</b>	<b>587,809</b>
<b>4.19 Total assets</b>	<b>1,326,222</b>	<b>1,191,881</b>	<b>1,330,590</b>
<b>Current liabilities</b>			
4.20 Payables	241,598	226,168	252,062
4.21 Interest bearing liabilities	297,790	320,082	336,475
4.22 Tax liabilities	14,296	11,496	5,166
4.23 Provisions exc. tax liabilities	36,366	35,011	20,896
4.24 Other (provide details if material)	-	-	-
<b>4.25 Total current liabilities</b>	<b>590,050</b>	<b>592,757</b>	<b>614,599</b>
<b>Non-current liabilities</b>			
4.26 Payables	-	-	-
4.27 Interest bearing liabilities	313,590	220,222	337,070
4.28 Tax liabilities	22,904	18,382	19,478
4.29 Provisions exc. tax liabilities	8,639	7,719	7,916
4.30 Other (provide details if material)	-	-	-
<b>4.31 Total non-current liabilities</b>	<b>345,133</b>	<b>246,323</b>	<b>364,464</b>
<b>4.32 Total liabilities</b>	<b>935,183</b>	<b>839,080</b>	<b>979,063</b>
<b>4.33 Net assets</b>	<b>391,039</b>	<b>352,801</b>	<b>351,527</b>

+ See chapter 19 for defined terms

**Condensed consolidated statement of financial position continued**

	<b>Equity</b>			
4.34	Capital/contributed equity	147,333	145,593	147,105
4.35	Reserves	24,751	22,437	24,653
4.36	Retained profits	212,670	183,721	178,600
<b>4.37</b>	<b>Equity attributable to members of the parent entity</b>	<b>384,754</b>	<b>351,751</b>	<b>350,358</b>
4.38	Outside <sup>+</sup> equity interests in controlled entities	6,285	1,050	1,169
<b>4.39</b>	<b>Total equity</b>	<b>391,039</b>	<b>352,801</b>	<b>351,527</b>
4.40	Preference capital included as part of 4.37	-	-	-

**Notes to the condensed consolidated statement of financial position**

**Exploration and evaluation expenditure capitalised**

*(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)*

	Current period \$A'000	Previous corresponding period \$A'000
5.1	Opening balance	
5.2	Expenditure incurred during current period	
5.3	Expenditure written off during current period	
5.4	Acquisitions, disposals, revaluations etc.	
5.5	Expenditure transferred to Development Props.	
<b>5.6</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>N/A</b>

**Development properties** *(To be completed only by entities with mining interests if amounts are material)*

6.1	Opening balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluations, etc.		
6.6	Expenditure transferred to mine properties		
<b>6.7</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.13)</b>	<b>N/A</b>	<b>N/A</b>

+ See chapter 19 for defined terms

**Condensed consolidated statement of cash flows**

		Current period	Previous corresponding period
		\$A'000	\$A'000
<b>Cash flows related to operating activities</b>			
7.1	Receipts from customers	1,455,526	1,297,551
7.2	Payments to suppliers and employees	(1,324,471)	(1,154,401)
7.3	Dividends received from associates	2,924	2,235
7.4	Other dividends received	-	432
7.5	Interest and other items of similar nature received	1,879	2,655
7.6	Interest and other costs of finance paid	(42,747)	(35,656)
7.7	Income taxes paid	(25,089)	(28,322)
7.8	Other – GST paid	(17,313)	(19,298)
<b>7.9</b>	<b>Net operating cash flows</b>	<b>50,709</b>	<b>65,196</b>
<b>Cash flows related to investing activities</b>			
7.10	Payment for purchases of property, plant and equipment	(48,667)	(62,453)
7.11	Proceeds from sale of property, plant and equipment	2,935	2,646
7.12	Payment for purchases of equity investments	(9,350)	(6,024)
7.13	Proceeds from sale of equity investments	-	46
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other		
	Proceeds from sales of other investments	1,889	40,832
	Major project development expenditure	(2,223)	-
	Proceeds from business sales	686	41,380
	SulferWorks closure costs net of disposal proceeds	(3,998)	-
	Purchase of businesses	(22,412)	(58,065)
	Foreign currency investment hedges	12,467	(38,366)
<b>7.17</b>	<b>Net investing cash flows</b>	<b>(68,673)</b>	<b>(80,004)</b>
<b>Cash flows related to financing activities</b>			
7.18	Proceeds from issues of <sup>+</sup> securities	2,176	529
7.19	Proceeds from borrowings	167,797	33,599
7.20	Repayment of borrowings	(127,499)	(48,382)
7.21	Dividends paid	(27,870)	(27,787)
7.22	Foreign currency loans hedges	(3,241)	(4,242)
<b>7.23</b>	<b>Net financing cash flows</b>	<b>11,363</b>	<b>(46,283)</b>
7.24	<b>Net increase (decrease) in cash held</b>	<b>(6,601)</b>	<b>(61,091)</b>
7.25	Cash at beginning of period <i>(see Reconciliation of cash)</i>	(31,162)	28,255
7.26	Exchange rate adjustments to item 7.25.	(2,465)	1,674
<b>7.27</b>	<b>Cash at end of period</b> <i>(see Reconciliation of cash)</i>	<b>(40,228)</b>	<b>(31,162)</b>

+ See chapter 19 for defined terms

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

NIL
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## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding Period \$A'000
8.1 Cash on hand and at bank	15,780	23,615
8.2 Deposits at call	-	-
8.3 Bank overdraft	(56,008)	(54,777)
8.4 Other (provide details)		
<b>8.5 Total cash at end of period (item 7.27)</b>	<b>(40,228)</b>	<b>(31,162)</b>

## Other notes to the condensed financial statements

<b>Ratios</b>	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
9.1 Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	5.7%	2.3%
<b>Profit after tax / + equity interests</b>		
9.2 Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	14.8%	(1.3)%

## Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

<b>Number of Shares</b>	<b>Consolidated</b>	
	<b>2002 \$000</b>	<b>2001 \$000</b>
Weighted average number of ordinary shares used in calculation of basic earnings per share	155,054,565	154,414,425
Weighted average number of share options used in calculation of diluted earnings per share	1,280,453	257,598
Weighted average number of ordinary shares used in calculation of diluted earnings per share	156,335,018	154,672,023

+ See chapter 19 for defined terms

**NTA backing**

(see note 7)

11.1 Net tangible asset backing per <sup>+</sup>ordinary security

Current period	Previous corresponding period
\$1.57 ¢	\$1.42 ¢

**Discontinuing Operations**

*(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)*

12.1 Discontinuing Operations

On 23 September 2002, the Group announced the sale of its specialty chemical business in Australia and New Zealand and its process chemicals business in New Zealand to Orica for \$60 million. The effective date of the transaction is expected to be 31 October 2002.

Fixed assets and inventory are to be sold to Orica and any goodwill attached to these operations will be written off. The carrying value of these assets at 31 July 2002 was \$58.2 million.

In 2002 these operations had revenue of \$197 million, profit before tax \$4.9 million, and profit after tax of \$2.6 million, which was recorded in the Industrial Chemicals business segment and the Australasian geographic segment.

**Control gained over entities having material effect**

13.1 Name of entity (or group of entities)

**N/A**

13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was <sup>+</sup>acquired

\$

13.3 Date from which such profit has been calculated

13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

\$

<sup>+</sup> See chapter 19 for defined terms

**Loss of control of entities having material effect**

14.1 Name of entity (or group of entities)	N/A
14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
14.3 Date to which the profit (loss) in item 14.2 has been calculated	
14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

**Dividends (in the case of a trust, distributions)**

15.1 Date the dividend (distribution) is payable	8 November 2002
15.2 <sup>+</sup> Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if <sup>+</sup> securities are not <sup>+</sup> CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if <sup>+</sup> securities are <sup>+</sup> CHESS approved)	25 October 2002
15.3 If it is a final dividend, has it been declared? <i>(Preliminary final report only)</i>	Yes

**Amount per security**

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
<b>15.4</b>	<i>(Preliminary final report only)</i> <b>Final dividend:</b> Current year	11.0¢	11.0¢	-¢
15.5	Previous year	11.0¢	11.0¢	-¢
<b>15.6</b>	<i>(Half yearly and preliminary final reports)</i> <b>Interim dividend:</b> Current year	7.0¢	7.0¢	-¢
15.7	Previous year	7.0¢	7.0¢	-¢

<sup>+</sup> See chapter 19 for defined terms

**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	18.0¢	18.0¢
15.9 Preference +securities	-¢	-¢

**Half yearly report - interim dividend (distribution) on all securities or Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding Period \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>	17,082	17,000
15.11 Preference +securities <i>(each class separately)</i>		
15.12 Other equity instruments <i>(each class separately)</i>		
<b>15.13 Total</b>	<b>17,082</b>	<b>17,000</b>

The +dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices for the +dividend or distribution plans

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

**Details of aggregate share of profits (losses) of associates and joint venture entities**

<b>Group's share of associates' and joint venture entities':</b>	Current period \$A'000	Previous corresponding period A'000
16.1 Profit (loss) from ordinary activities before tax	5,471	5,791
16.2 Income tax on ordinary activities	1,820	2,344
<b>16.3 Profit (loss) from ordinary activities after tax</b>	<b>3,651</b>	<b>3,447</b>
16.4 Extraordinary items net of tax	-	-
<b>16.5 Net profit (loss)</b>	<b>3,651</b>	<b>3,447</b>
16.6 Adjustments	-	-
<b>16.7 Share of net profit (loss) of associates and joint venture entities</b>	<b>3,651</b>	<b>3,447</b>

+ See chapter 19 for defined terms

**Material interests in entities which are not controlled entities**

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

<b>Name of entity</b>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period \$A'000
<b>17.1 Equity accounted associates and joint venture entities</b>				
Aventis Nufarm Limited	25%	25%	3,564	3,083
Artferm Pty Ltd	50 %	-	427	-
Mastra Holdings Group (Consolidated in 2002)	-	40%	(340)	830
<b>17.2 Total</b>			3,651	3,913
17.3 Other material interests				
<b>17.4 Total</b>			-	-

**Issued and quoted securities at end of current period**

*(Description must include rate of interest and any redemption or conversion rights together with prices and dates)*

<b>Category of + securities</b>	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
<b>18.1 Preference + securities</b>	-	-	-	-
18.2 Changes during current period	-	-	-	-
<b>18.3 + Ordinary securities</b>				
<b>Fully paid</b>	155,290,207	155,290,207		
<b>Partly paid</b>	525,450			
	<u>155,815,657</u>			1.0c

+ See chapter 19 for defined terms

**Appendix 4B**  
**Half yearly/preliminary final report**

18.4	Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks				
<b>18.5</b>	<b>+Convertible debt securities</b>	-	-	-	-
18.6	Changes during current period	-	-	-	-
<b>18.7</b>	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date (if any)</i>
	One ordinary share each	114,903	-	3.55	1/11/2002
		116,330	-	3.08	1/03/2005
		871,249	-	2.70	26/10/2011
		<u>566,443</u>		2.70	3/12/2011
		1,668,925			
18.8	Issued during current period	1,437,692	-		
18.9	Exercised during current period	-	-		
18.10	Expired during current period	-	-		
<b>18.11</b>	<b>Debentures</b>	-	-		
18.12	Changes during current period	-	-		
<b>18.13</b>	<b>Subordinated capital notes</b>	225,000,000	225,000,000		
18.14	Changes during current period:				
	(a) Increases through issues	123,016,840			
	(b) Decreases through securities matured, converted	68,016,840			

### Segment reporting

SEE ATTACHED

### Comments by directors

SEE ATTACHED

### Basis of financial report preparation

19.1 Not Applicable]

+ See chapter 19 for defined terms

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

See attached comments by directors.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

None

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Franking credits of 140,548 are available after the payment of the final dividend. The company believes it can continue to fully frank dividends in the forthcoming year.

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures as a result of the first time application of revised Accounting Standards AASB 1005 "Segment reporting", and AASB 1027 "Earnings per share".

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N / A
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19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

	2002	2001
TOTAL CONTINGENT LIABILITIES	19,380	26,164

## Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

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20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- initial service charges
- management fees
- other fees

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## Annual meeting

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place	DUXTON HOTEL, MELBOURNE
Date	12 DECEMBER 2002
Time	10.00 AM
Approximate date the +annual report will be available	4 NOVEMBER 2002

+ See chapter 19 for defined terms

## Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on +accounts to which one of the following applies.  
(*Tick one*)
- |                                     |   |                          |   |
|-------------------------------------|---|--------------------------|---|
| <input checked="" type="checkbox"/> | The +accounts have been audited.  | <input type="checkbox"/> | The +accounts have been subject to review.                  |
| <input type="checkbox"/>            | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |
- 5 If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (*delete one*). (*Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.*)
- 6 The entity has/~~does not have~~\* (*delete one*) a formally constituted audit committee.

Sign here:  .....  
(Director/~~Company Secretary~~)

Date: 10/10/2002 .....

Print name: Doug Rathbone .....

### Notes

1. **For announcement to the market.** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.

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+ See chapter 19 for defined terms

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
  - Item 1.1 The definition of “revenue” and an explanation of “ordinary activities” are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
  - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column “Franked amount per security at % tax” for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

**Format** The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last <sup>+</sup>annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. <sup>+</sup>Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the <sup>+</sup>ordinary securities (ie, all liabilities, preference shares, outside <sup>+</sup>equity interests etc). <sup>+</sup>Mining entities are *not* required to state a net tangible asset backing per <sup>+</sup>ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the <sup>+</sup>accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.

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<sup>+</sup> See chapter 19 for defined terms

9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A'000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'000 headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the <sup>+</sup>ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the <sup>+</sup>ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their <sup>+</sup>accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

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<sup>+</sup> See chapter 19 for defined terms

**Relevant Items** *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

- 16 Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

**17. Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their +accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

**18. Format**

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

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+ See chapter 19 for defined terms

## Segments

The consolidated entity's operating companies are largely organised and managed according to the nature of the products and services they provide, with each business segment offering different products and serving different markets.

- The crop protection segment manufactures and distributes a range of herbicides, fungicides and other products that are sold into the agricultural, turf and specialty markets.
- The industrial chemicals segment manufactures and distributes a range of industrial, fine and performance chemicals which draw on Nufarm's core strengths in chemical synthesis and formulation.
- The other segment includes other minor businesses and investments which are separately managed from the above segments.

Geographically the group operates globally with operations in many countries and sales being made in over 100 countries, which are split into three segments. Australasia covers Australia, New Zealand and Asia. The Americas cover North, South and Latin America. Europe covers United Kingdom, continental Europe and Africa. The geographic sales reflect the domicile of the company's customers. All inter-segment sales are at market prices.

The operating result shown in this note is operating profit before tax, interest and corporate cost allocations.

**Segments continued**

	<b>Crop protection \$000</b>	<b>Industrial chemicals \$000</b>	<b>Other \$000</b>	<b>Eliminations \$000</b>	<b>Consolidated \$000</b>
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**Business segments**

**2002**

**Revenue**

Sales to outside customers	1,041,719	385,579	1,977	-	1,429,275
Inter segment sales	275	2,102	-	(2,377)	-
Sales revenue	1,041,994	387,681	1,977	(2,377)	1,429,275
Other revenue	4,329	6,728	2,936	-	13,993
Share of net profits of associates	3,651	-	-	-	3,651
Total segment revenue	1,049,974	394,409	4,913	(2,377)	1,446,919
Unallocated revenue					1,011
Total consolidated revenue					1,447,930

**Results**

Operating result	118,396	31,315	(3,033)	-	146,678
Segment result	118,396	31,315	(3,033)	-	146,678
Unallocated expenses					(64,496)
Profit from ordinary activities before taxation					82,182
Income tax expense					24,405
Net Profit					57,777

**Assets**

Segment assets	984,778	271,011	37,353	-	1,293,142
Unallocated assets					33,080
Total assets					1,326,222

**Liabilities**

Segment liabilities	189,029	68,998	28,576	-	286,603
Unallocated liabilities					648,580
Total liabilities					935,183

**Other segment information**

Equity accounted investments included in segment assets	27,253	752	-	-	28,005
Acquisition of property, plant and equipment, intangible assets and other non-current assets	66,984	13,252	193	-	80,429
Depreciation	30,529	11,064	265	-	41,858
Amortisation	12,014	1,975	872	-	14,861
Other non-cash expenses	3,754	104	26	-	3,884

	<b>Australasia \$000</b>	<b>Europe \$000</b>	<b>Americas \$000</b>	<b>Consolidated \$000</b>
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**Geographic segments**

**Revenue**

Sales to outside customers	672,597	372,880	383,798	1,429,275
Interest and other revenue	6,915	5,950	4,779	17,644
Total segment revenue	679,512	378,830	388,577	1,446,919

**Assets**

Segment assets	504,005	525,763	296,454	1,326,222
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**Other segment information**

Acquisition of property, plant and equipment, intangible assets and other non-current assets	43,421	26,340	10,668	80,429
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**Segments continued**

	<b>Crop protection \$000</b>	<b>Industrial chemicals \$000</b>	<b>Other \$000</b>	<b>Eliminations \$000</b>	<b>Consolidated \$000</b>
<b>Business segments</b>					
<b>Revenue</b>					
Sales to outside customers	919,243	403,282	707	-	1,323,232
Inter segment sales	582	963	-	(1,545)	-
Sales revenue	919,825	404,245	707	(1,545)	1,323,232
Other revenue	2,124	1,386	717	-	4,227
Share of net profits of associates	3,907	(460)	-	-	3,447
Total segment revenue	925,856	405,171	1,424	(1,545)	1,330,906
Unallocated revenue					60,652
Total consolidated revenue					1,391,558
<b>Results</b>					
Operating result	103,120	36,098	(6,949)	-	132,269
Non - operating loss	(1,969)	(43,990)	(1,180)	-	(47,139)
Segment result	101,151	(7,892)	(8,129)	-	85,130
Unallocated expenses					(53,424)
Profit from ordinary activities before taxation					31,706
Income tax expense					35,657
Net loss					(3,951)
<b>Assets</b>					
Segment assets	830,136	302,827	23,343	-	1,156,306
Unallocated assets					35,575
Total assets					1,191,881
<b>Liabilities</b>					
Segment liabilities	166,610	71,843	30,445	-	268,898
Unallocated liabilities					570,182
Total liabilities					839,080
<b>Other segment information</b>					
Equity accounted investments included in segment assets	22,679	752	-	-	23,431
Acquisition of property, plant and equipment, intangible assets and other non-current assets	113,141	13,155	246	-	126,542
Depreciation	28,045	49,345	124	-	77,514
Amortisation	9,410	3,010	350	-	12,770
Other non-cash expenses	2,825	1,917	(16)	-	4,726

	<b>Australasia \$000</b>	<b>Europe \$000</b>	<b>Americas \$000</b>	<b>Consolidated \$000</b>
<b>Geographic segments</b>				
<b>Revenue</b>				
Sales to outside customers	612,739	344,697	365,796	1,323,232
Interest and other revenue	1,767	5,447	460	7,674
Total segment revenue	614,506	350,144	366,256	1,330,906
<b>Assets</b>				
Segment assets	443,868	433,363	314,650	1,191,881
<b>Other segment information</b>				
Acquisition of property, plant and equipment, intangible assets and other non-current assets	21,883	70,715	33,944	126,542

**October 10, 2002**

**Preliminary announcement**

**Nufarm Limited reports record 2002 full year profit**

The directors of Nufarm Limited announced today a record tax paid profit of \$56.834 million for the year ended July 31, 2002. The result represents an 11% increase on the previous year's operating profit of \$51.1 million and was achieved on group revenues of \$1.43 billion, an increase of 8% on the corresponding period last year.

The Directors consider this a good result in what continues to be a very challenging business environment.

The company last year reported an audited group loss of \$4.5 million, after accounting for non-operating items, the most significant of which was the \$59.2 million write-off associated with the Sulfer Works business in Canada. That business has since been sold.

The strong 2002 result is attributable to a combination of sales growth and margin improvements in the group's key businesses.

Earnings per share were 36.7 cents, an increase of 10.9% on last year's 33.1 cents (from operating profit adjusted for the Sulfer Works loss).

Climatic conditions during the year were variable and sales in the last two months of the financial year were some \$40 million in excess of the previous year and \$60 million above budget. Inventories associated with businesses acquired late in the financial year also contributed to closing working capital being significantly higher than forecast.

The operating cash flow of the business has improved since balance date as these higher debtor levels have been recovered.

**Final dividend**

Directors declared a fully franked final year dividend of 11 cents per share (last year 11 cents), resulting in a full year dividend of 18 cents (the same as last year).

The dividend will be paid on November 8, 2002 to the holders of all fully paid shares in the company as at the close of business on October 25, 2002.

## **Operations**

The increase in group sales reflects growth in the crop protection business (sales up 13% to \$1.04 billion) and a 5% reduction in sales (to \$385 million) associated with the industrial, fine and performance chemicals business. This reduction is in part due to the sale of the timber treatment business (January 2001) which recorded six months of sales in the previous year.

In the 2002 financial year, Australasia accounted for 47% of total sales, the Americas 27% and Europe 26%.

Consistent with the company's long term strategy to focus on its crop protection operations, 73% of the group's total revenues were generated in this area of the business.

Crop protection also recorded a 15% increase in pre tax operating profit (up from \$103.1m to \$118.3m). There was a reduction in pre tax profit (adjusted for Sulfer Works) for the industrial chemicals division, down from \$36.1m to \$31.3m, again partly due to the absence of any contribution from the timber treatment operations which were sold in the previous year.

## **Crop protection**

Trading conditions for the crop protection business were difficult in the 2002 reporting period. Extensive drought conditions in Australia, and unfavourable seasonal conditions in parts of the United States and Europe, prevented Nufarm from taking full advantage of its increased sales and marketing presence and expanded product range.

Despite these challenges, the crop protection operations performed very strongly, with an increase in both sales and market share in all of the key markets in which Nufarm is represented.

The Australian business recorded a 15% increase in sales for the period and a much improved level of profitability. Australia accounts for some 30% of the group's crop protection revenues.

There has been a concerted effort to lower Nufarm's Australian cost base, in response to the competitive nature of the market, and to review the product mix in order to maximise margins.

Sales in drought affected states were down on budget, but the company was able to increase sales in those regions where conditions allowed normal cropping activity.

In February, the company announced an important new arrangement with Monsanto for Nufarm to take over the Roundup business in Australia and New Zealand. Roundup is the world's biggest selling herbicide. Nufarm also acquired a range of selective herbicides from Monsanto. These

developments will have a positive impact on the profitability of the Australian business in 2003 and beyond.

The New Zealand based Health and Science business had an excellent result. Record levels of Captec controlled release capsules were manufactured, and a significantly increased level of toll manufacturing was completed for animal health business customers. New Zealand sales of crop protection products were also very strong.

Asia – where sales increased by some 60% - recorded an excellent outcome for the year, particularly in Indonesia where Nufarm has achieved strong market shares in both its core phenoxy herbicide and glyphosate products.

In North America, Nufarm achieved an increase in sales in both Canada and the United States. The USA profit contribution was impacted by a full year of costs relating to the Agtrol acquisition (May 2001) and an increased investment in resources and registrations to support long term growth. The strategy for consolidating Nufarm's presence in the world's largest crop protection market remains sound with further profit growth anticipated in coming years.

The combined European based businesses recorded increased sales and profit. France remains the largest market for Nufarm, but there was good growth in Spain and Portugal (where Nufarm acquired a small business), and an increase in branded product sales in other markets such as the UK and Germany.

Overall, Nufarm continued to expand both its geographic markets and its product portfolio and is firmly established as a leading global crop protection manufacturer and supplier.

### **Industrial, fine and performance chemicals**

This division accounted for 27% of group sales and 21% of pre tax operating profits.

The US based fine chemicals business (Lobeco Products, South Carolina) suffered a 30% reduction in sales over the period as key customers elected to run down inventory levels in a depressed market. An aggressive cost containment program minimised the profit impact of these developments, but the net result was down on the previous year.

Similarly, the European fine chemicals market was tight, but Nufarm achieved growth in sales and profit, with a very positive contribution made by the pharmaceutical intermediates business (SEAC, France).

The performance chemicals business, which includes the market leading 'Galoryl' brand, was reorganised to provide more focused management and succeeded in strengthening ties with a number of large customers. Despite

an over capacity in global fertiliser supplies (a major market for Galoryl products), the business was able to achieve a minor profit increase over the 2001 period.

Nufarm's 80% owned chlor alkali plants, which supply chlorine to titanium dioxide producers in Western Australia, performed strongly, but a reduction in world indicator prices for caustic soda – a key bi-product sold into the mining sector – minimised any increase in profit. The cyclic nature of caustic pricing will result in a reduction in profitability from these operations in 2003.

### **Corporate activity**

In August 2001, Nufarm shareholders approved a proposal to delist the company in New Zealand and focus the trading of Nufarm's stock on the Australian Stock Exchange. The resulting increased liquidity in Nufarm's shares has contributed to the return of the company to the benchmark S&P ASX top 200 index, effective from October 1, 2002.

In November 2001, the Nufarm subsidiary Fernz Corporation (NZ) Limited completed an issue of new capital notes, raising NZ\$225 million. This represented an over subscription to the NZ\$210 million initially on offer. The proceeds from the issue were used to refinance notes which matured in April 2002 and to provide additional working capital for the group.

### **Events subsequent to balance date**

Subsequent to the reporting period, Nufarm announced in August that it would acquire Queensland based Crop Care Australasia Pty Ltd from Orica Limited and Incitec Ltd for \$75 million. The Australian Competition and Consumer Commission (ACCC) advised this week that it has approved the transaction.

This will be an important acquisition for Nufarm, facilitating growth into key sectors of the Australian crop protection market where Nufarm is currently not strongly represented. The Crop Care product range is largely complementary to Nufarm's range of products and the combination of the businesses will present opportunities for considerable cost rationalisation.

Post year end, Nufarm also announced the sale to Orica Limited of the Fernz Chemicals business in Australia and New Zealand, and the New Zealand based process chemicals business. These businesses generated some \$200 million in revenues during 2002 and contributed an EBIT of just over \$5 million. The decision to sell these businesses reflects the company's desire to concentrate on its crop protection activities and those industrial chemical businesses where it can leverage its core strengths in chemical synthesis and formulation.

## **Outlook**

Directors are confident that the company's strong performance in 2002 will continue into 2003 and beyond. Having achieved a record profit in a period of challenging trading conditions, the company is fundamentally well placed to take advantage of any improvement in those conditions.

While there remains some uncertainty as to the ongoing impact of drought conditions in Australia, the increasingly global nature of the business will lessen the impact of unfavourable seasonal conditions in any specific markets, as it did in 2002.

The crop protection operations will benefit from a full year's contribution from the Roundup business and the additional sales and synergies associated with the Crop Care acquisition. After accounting for restructuring costs associated with Crop Care, the acquisition is forecast to be earnings per share positive in the 2003 financial year.

The company anticipates a marginal improvement in demand for fine and performance chemicals over the 2003 reporting period. The sale of the Fernz chemicals distribution business will, however, lead to a reduction in overall revenues and profit from the industrial chemicals operations.

There will be a continuing focus on cost control, manufacturing efficiencies and margin improvement across all areas of the business.

At the time of preparing this report there is significant world uncertainty but the Directors are budgeting for continued revenue and profit growth in 2003 and believe the longer term outlook for the company remains very positive.

**Doug Rathbone**  
**Managing Director**

**Contact:        Robert Reis**  
**Corporate Affairs**  
**Ph: 03 9282 1177**

**MEDIA RELEASE**

10 October, 2002

**Nufarm announces record profit**

Nufarm Limited announced today that it generated a record tax paid profit of \$56.8 million for the 12 months to July 31, 2002.

Nufarm's Managing Director, Doug Rathbone, said the 2002 profit result was achieved in a period of very challenging trading conditions, including the impact of severe drought in much of Australia.

"Given the difficult business environment, this is a very satisfactory result and indicates that the business is in a strong position to take advantage of any improvement in trading conditions."

The 2002 tax paid profit was achieved on group sales of \$1.43 billion, an increase of 8% on the corresponding period last year. Earnings per share were up 10.9% to 36.7 cents.

Nufarm's audited result for 2001 – a loss of \$4.5 million - included major write downs associated with the Canadian based fertiliser business, Sulfer Works, which has since been sold. The operating profit for 2001 was \$51.1 million.

The company announced a final dividend of 11 cents per share, resulting in a full year dividend of 18 cents (unchanged from last year).

Some 53% of group sales were made in the key global markets of Europe and the Americas, with 73% of total revenues generated by Nufarm's core crop protection business, where it ranks as the 10<sup>th</sup> largest company on a global basis.

Mr Rathbone said that despite the drought, the Australian crop protection operations recorded a 15% increase in sales and benefited from margin improvement brought about by attention to costs and improved manufacturing returns.

"The Australian market remains very competitive and cropping activity in a number of key regions is significantly down due to the ongoing drought.

"But we have made good quality sales in those areas where sufficient rainfall was received and our expanded product range has broadened our reach into market sectors such as horticulture which was not impacted to the same degree as broad acre cereal farming."

Mr Rathbone said the company is confident of achieving sustainable profit growth in 2003, with forecast sales growth in North America and Europe and improved contributions from a number of the company's fine and performance chemicals operations.

"The addition of the Crop Care range of products and synergies associated with that acquisition (cleared by the ACCC this week) and a full year of benefits from the Roundup business will strengthen the Australian business. Our leadership position in the Australian market is now consolidated and we are ideally placed to take advantage of an improvement in seasonal conditions irrespective of when that improvement takes place."

He said the global nature of Nufarm's business lessens the impact of unfavourable seasonal conditions in any specific market.

-- end --

Further information: Robert Reis  
Corporate Affairs  
☎ (61 3) 9282 1177