



**Chairman's Address  
to the Annual General Meeting of Shareholders - Melbourne  
Thursday, December 11, 2003 at 10.00 am**

**K M Hoggard**

The Directors believe that the operating result achieved in the 2003 financial year was very good. The continued growth in operating earnings was at the higher end of market expectations, and the strong cash flow generated enabled a significant reduction in debt, and an improvement in the Company's gearing.

These results were particularly pleasing when the severity of the drought conditions in the important Australian market in the first seven months of the year are recognised. At the end of the 2002 calendar year the Company had to face some difficult decisions as the drought continued. Management convinced the Board to maintain full manufacture in the production facilities in spite of the high inventory levels on hand and the adverse impact of those stocks on gearing and debt levels. When the drought did break the Company was in a very strong position to meet unprecedented levels of demand from the market.

This slide, which shows the impact of the changes in demand for just one product – Glyphosate – when the drought broke, was a vindication of the confidence that Management had at that time. Had production been curtailed late in the 2002 calendar year the Company could not have met the demand.

Following the preliminary announcement of the full year results for the 2003 financial year it was gratifying to see the sharemarket re-rate the stock and remove some of the significant discount the shares were trading at. It is now clear that the market is beginning to be convinced of the sustainability of earnings growth. More conservative gearing levels than the Company has traditionally traded at, will see further improvement in share price. That is an objective in the current financial year.

During the past 12 months the Company has carefully considered the best practice recommendations for good corporate governance. All of the recommendations have been reviewed and addressed by the company, and our position has been detailed in the Annual Report. In some circumstances, it has been appropriate to provide an explanation of why Nufarm does not conform with certain of the recommendations, but the Board is firmly of the view that we have adopted an approach which takes account of the company's history and structure, and is – in every respect – in the best interests of shareholders.

As some of the detailed policies are developed and refined during this financial year, they will be posted to the Company website.

I will now ask Mr Rathbone to address the operations of the Company and its prospects for the future in more detail.