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# **Presentation to investors**

## **Acquisition of BASF phenoxy herbicides business**

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January 14, 2004

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- Acquisition of BASF phenoxy herbicides business
- BASF fungicides deal
- Equity offer and timetable
- Conclusion



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# **Acquisition of BASF phenoxy herbicides business**

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- Acquisition of the global phenoxy herbicides business of BASF (Germany)
- Deal includes supply agreement with BASF
- Acquisition cost is €42 million, including inventories of approx €10 million
- Funded by mix of debt and equity



- BASF business delivers market leading brands in key country markets including Germany, France, UK and Brazil
- Nufarm has existing businesses/infrastructure in Europe; and has identified Brazil/South America as a strong regional growth market
- Deal will facilitate higher proportion of branded sales, and accompanying margin gains
- EPS and EVA positive in FY2004
- Potential synergies in registrations, production and access to distribution



- Six active ingredients (all herbicides): 2,4-D, MCPA , Mecoprop-P, Mecoprop, Dichlorprop-P and Dichlorprop
- Includes 'optical' versions of key actives (latest chemistry)
- Two market leading brands:
  - ‘Duplosan’ – leads segment in 18 countries
  - ‘U-46’ – leads segment in 25 countries

- Major country markets: Germany, Brazil, UK, France
  - Brazil component transfers in November, 2004
- Major use in cereal crops, plus pasture, turf
- Also includes supply agreement with BASF:
  - Nufarm to supply all phenoxy inputs to BASF mixture products
  - Estimated additional Euro 3 million in sales



- Total (2002) sales of more than €40 million

Western Europe	€22.5m
South America	€9.0m
Eastern Europe	€4.0m
Asia	€1.2m
Other	€4.0m

- Estimated FY2004 sales - Nufarm €28 million
- Estimated FY2005 sales (with addition of Brazil) – Nufarm €42 million
- Estimated net profit contribution FY2004 Approx \$4.5 million
- Estimated net profit contribution FY2005 Approx \$7.0 million



## Total cost - Approx A\$70 million

- Debt - Existing facilities \$25-30 million
- Equity - Institutional Placement and Share Purchase Plan \$40-45 million



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# **Acquisition of fungicides for European markets**

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- Rights to be acquired from BASF
- Deal is subject to approval by German anti-trust authorities
- Products are cereal fungicides : 'Sportak', 'Sportak Alpha', 'Flamenco FS'
- 5 year distribution rights (renewable) for Germany, Austria
- Projected FY2004 sales: €4-6 million
- Includes distribution rights, trademarks, regulatory support
- Expected to complete within 1-2 weeks



- Expansion of product portfolio
- Leverages Nufarm's position in cereal herbicides
- Provides additional product sales to existing European businesses
- Strong brands and market positions



- Products used to treat broad spectrum of fungal disease
- Predominantly used in cereal crops
- Fungicides are major crop protection category in European markets



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# Equity offer and timetable

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## Placement

- Institutional bookbuild
- Lead managed by ABN AMRO Rothschild

## Share purchase plan

- Offered to eligible shareholders in Australia and New Zealand
- Up to \$5,000 per shareholder
- Capped at \$10 million



## **Announcement and trading halt**

Wednesday, 14 January

## **Institutional placement**

- Books open
- Books close
- Placement price announced
- Settlement
- New shares list

Wednesday, 14 January, 9.00 am

Wednesday, 14 January, 5.00 pm

Thursday, 15 January by 10.00 am

Tuesday, 20 January

Wednesday, 21 January

## **Share Purchase Plan**

- Record Date

Friday, 16 January



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# Conclusion



## Earnings history

	Sales	NPAT
2001	\$1.323 billion	\$51.1 million
2002	\$1.429 billion	\$56.8 million
2003	\$1.458 billion	\$64.3 million

## Guidance:

- Average 10% compound annual NPAT growth FY2004 - FY2006
- Forecast interim loss of approx. \$4m in FY2004 due to seasonality



- Meets key strategic objectives of stronger brand positions and geographic expansion
- Strengthens position and enhances margins in our core chemistry
- Facilitates growth in key European and South American markets
- EVA and EPS positive in FY2004

- Provides additional product sales to existing European businesses
- Broadens product portfolio and reach into growth market segments
- Delivers a number of strong brands and market positions