



Chairman's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 7, 2006 at 10.00 am

GDW Curlewis

Ladies and Gentlemen

In the 2006 financial year the company's operating performance was good in all geographical areas with the exception of the investment in Brazil. The factors which influenced performance are fully detailed in the Annual Report and the reasons for the significant downturn in Brazil have been disclosed in some detail. Putting that into context, a \$25 million reduction in profit contribution from Brazil was essentially made up in the remaining operations, with a full year operating profit after tax of \$121.1 million compared to \$121.7 million in the previous year. This was a very sound performance in the circumstances.

These are the first annual accounts and comparisons using Australian Equivalent of the International Financial Reporting Standards and it is pleasing to advise shareholders that there were no unexpected or adverse implications of adopting these new standards.

The company's average Total Shareholder Returns have exceeded 33% per annum over the last five years and it is disappointing that this measure showed a negative return of 2.3% in 2006. This was a result of the share price falling quite significantly near balance date as the market anticipated a fall in profitability because of the drought conditions prevailing in Australia, together with speculation relating to the impact of the downturn being experienced in Brazil.

The company has negotiated the sale of its 80% interest in the two West Australian chlor alkali plants with settlement at 31 July, 2007. This, together with the sale of the New Zealand based toll manufacturing animal health facilities, means that Nufarm is now focused on the international crop protection industry.

In recent months the company has made three new acquisitions as part of the consolidation of its move into the seeds business in Australia. These operations are now managed as a separate division and the future in this area looks encouraging. Mr Rathbone will discuss these opportunities in more detail in his address.

The company's real strengths lie in the strategic location of its operating units around the world, the increasing recognition of the Nufarm brand, the strong relationships with customers and suppliers and the quality of its people.

The business is, and will remain, very competitive and performance can be impacted by climatic conditions which management cannot control. The company has, through geographical diversity, mitigated these seasonal climatic adversities to some degree but severe drought conditions such as those currently being experienced in an important market such as Australia will have an adverse profit impact.

Finally, on behalf of the Board, I would like to express our appreciation of the outstanding leadership of Doug Rathbone and strong support of his senior management team.

I will now ask Mr Rathbone to provide a more detailed business review.