



**Chairman's Address
to the Annual General Meeting of Shareholders - Melbourne
Wednesday, December 5, 2007 at 10.00 am**

K M Hoggard

Ladies and Gentlemen

The Company generated a net profit of \$148.8 million for the 12 months ended 31 July 2007. This included an amount of \$27.9 million in non-operating profit, resulting in an operating profit which was flat when compared to the previous 12 months, and some 7% lower than had been forecast.

The major factor in this shortfall is the severe drought which continues to prevail in most of the Australian market. Whilst the company's geographical expansion has been important in mitigating climatic risks in any one geography, shareholders will be aware that Australia still accounts for some 35% of our revenue and slightly more than that in operating profitability. Whilst most other regions performed well, the shortfall in Australia could not be recovered elsewhere.

Mr Rathbone will provide a detailed review of operations and future prospects in his address.

Based on a closing share price of \$13.10 at the end of July 2007 the average total shareholder return over the last 5 years has been 35% per annum. This has been a very satisfactory performance.

As announced on November 5, the Company has received a non-binding, conditional proposal from a consortium comprising China National Chemical Corporation, the Blackstone Group and Fox Paine Management. The consortium's proposal is to acquire Nufarm by way of a scheme of arrangement for \$17.25 cash per share. Additionally, Nufarm would pay a dividend of up to \$0.30 per share based on the Company's earnings and cashflow prior to the acquisition.

Just to provide some historical background, in 1987 the Company received a hostile takeover bid which was rejected by the Board and ultimately withdrawn. Since that time there have been a number of approaches to management with indicative merger, equity investment or takeover propositions. None of these have been solicited, and, until the consortium's proposal, none were at a price level that prompted any positive Board response.

Nufarm agreed to provide the consortium due diligence under exclusivity arrangements for a period of four weeks ending on December 10. The consortium has not yet completed its due diligence and discussions with the consortium are ongoing. Accordingly, it is not possible to provide shareholders with any further update at this time.

As noted, the consortium's proposal is non-binding and is subject to a number of significant conditions including due diligence, the finalisation of the consortium's financing arrangements and various regulatory approvals. There is no certainty that a formal offer will be made to Nufarm shareholders.

In dealing with this proposal, your Board has been – and will continue to be – mindful that any recommendation to shareholders will be based on the Board's desire to achieve fair value for Nufarm shareholders.

Nufarm is aware that there is a high level of interest in relation to the consortium's proposal, and will continue to keep shareholders informed as appropriate. In particular, we expect to provide an update to shareholders in relation to the consortium's proposal on 10 December.

I also wish to comment on the recent Australian Government Regulations which changed the default option for receiving a company annual report to be via a website.

We believe that the Annual Report is an important communication from the company to its shareholders and intend to write to all shareholders early in 2008 providing an election form to be completed by all shareholders who wish to continue to receive a hard copy of the annual report.

Today marks the retirement, in accordance with company policy, of Mr Richard Warburton as a Director of the Company. Dick joined the Board in 1993 and was the first Australian resident non-executive Director appointed to the Board when the Company was still domiciled in New Zealand. He brought to the Board a wealth of international chemical business experience and sound product knowledge. He also has a large circle of valuable Australian business contacts who have been useful to the Company over the years. I want to thank Dick for his contribution to the success of the Company.

The Board has resolved not to seek a replacement director whilst the acquisition proposal remains under consideration.

I will now ask Doug Rathbone to address the Meeting.