

September 26, 2007

Preliminary announcement**Full year results for the period ending July 31, 2007**

Financial highlights	
Reported net profit -	\$148.8 million
Group revenues -	\$1.76 billion
Tax paid operating profit - (exc. non operating items)	\$120.9 million
Earnings per share - (exc. discontinued operations)	59.2 cents
Full year dividend -	32 cents
Gearing (net debt to equity) -	36%
EBIT – Interest cover -	4.1 times

The directors of Nufarm Limited announced today a net profit of \$148.8 million for the year ended July 31, 2007. This included \$27.9 million in non operating items, resulting in a tax paid operating profit of \$120.9 million. The operating result is slightly below last year's net operating profit of \$121.1 million and some 7% below the company's previous guidance.

This result is satisfactory given the significant impact of the severe drought conditions that prevailed in Australia during most of the company's financial year. It had been expected to recover the position in Australia during the second half, but – while climatic conditions improved in some areas of the country – this improvement was not sufficient to deliver on previous guidance.

Seasonal conditions – and registration issues in the UK - also adversely impacted the profitability of the European businesses.

Nufarm's North American operations again performed very strongly and the company's continued expansion into the growing markets of Central and Eastern Europe has shown excellent early progress.

Total group sales were \$1.76 billion, an increase of 5% on last year's revenues of \$1.68 billion. This included some \$60 million in sales recorded by Agripec in Brazil in June and July, after Nufarm assumed 100% control of that business.

Australasia generated \$685 million in sales (39% of total sales) and remains the company's largest region for both revenues and profit contribution. The Americas recorded \$640 million in sales (36% of total); and Europe \$440 million (25%).

Earnings per share (on an operating basis, excluding discontinued operations) were 59.2 cents, compared with last year's 60.3 cents.

Non operating items

The company's total net profit of \$148.8 million, included \$27.9 million associated with non operating items.

The previously announced sale of Nufarm's 80% interest in the Nufarm Coogee chlor alkali plants in Western Australia was completed on July 31 and resulted in an after tax gain of \$32.6 million.

A small profit was also booked on the closure and sale of a warehouse facility in Spain.

The non operating profit was offset by some restructuring costs and one-off legal expenses. Upon Nufarm's move to 100% ownership of Agripec, a detailed review was undertaken of previous years' debtors. Following this review, it was determined that additional provisions would be made, consistent with Nufarm's more conservative policy relating to the treatment of doubtful debts.

Final Dividend

Directors declared a fully franked final dividend of 21 cents per share, resulting in a full year dividend of 32 cents. This is 7%, or 2 cents, higher than the dividend paid in the previous year.

The final dividend will be paid on November 9, 2007 to the holders of all fully paid shares in the company as at the close of business on October 10, 2007.

Business review

The company's 12 month reporting period was characterised by a number of adverse weather effects, particularly in Australia. Some European markets also experienced seasonal conditions that negatively impacted sales, with warm and dry conditions reducing fungicide applications.

The second half of the year saw demand drivers strengthen in global agriculture and increases in many soft commodity prices. This provided a positive environment for crop protection sales, particularly in North America.

The farm economy strengthened in Brazil, with adverse currency impacts offset by higher commodity prices and a good harvest. Nufarm acquired the balance of Agripec and fully consolidated the final two months (June, July) of results from the Agripec business.

The newly acquired business in Italy also made an initial contribution this year.

Australasia

The Australasian business generated \$685 million in sales and a segment profit of \$103.7 million in the 2007 financial year.

Widespread and severe drought conditions severely impacted the business in Australia during the first eight months of the year, and this was only partly recovered in the latter months of the period. While good and early season opening rains were experienced in South Australia, Victoria and parts of New South Wales, important cropping regions in Queensland, Northern New South Wales and Western Australia remained dry throughout autumn and the early winter.

Water allocations for irrigators were very restricted, resulting in markedly lower sales in higher value market segments such as horticulture, as well as cotton and rice.

Stronger global demand for glyphosate saw raw material costs increase dramatically and, while a number of price increases were implemented in Australia during the 2007 year, the difficult climatic conditions restricted the company's ability to maintain margins on glyphosate sales. Glyphosate is Nufarm's largest selling product in Australia, and on a global basis.

Australian sales were more than 7% down on the previous year. Limited demand, lower sales of higher value products, and pricing pressure negatively impacted margins, and – combined with higher costs in some areas – there was a larger impact on profitability.

New Zealand crop protection sales were slightly up on the previous year, but increased competition adversely impacted margins resulting in a slightly lower profit contribution.

Sales in Asia were also higher than in the previous year, with the company's Indonesian business performing strongly. Less competition from Chinese sourced glyphosate products and several new product registrations provided additional selling opportunities for Nufarm in a number of Asian markets.

Americas

The Americas region recorded \$640 million in total sales – a 20% increase on the previous year – and a segment profit of \$80 million, up more than 65% on 2006. Excluding the impact of Agripec in Brazil, regional profit increased by 39%

Seasonal conditions in both North America and South America were generally favourable.

In the USA, agricultural producers saw relatively high moisture levels maintained for most of the season. Unseasonably cool and wet conditions – and a late freeze in April – impacted the turf segment, while dry conditions in parts of the Southeast were not conducive to strong sales in forestry.

New mandated production targets for crop based biofuels drove very strong corn plantings and contributed to a generally buoyant agriculture sector.

While sales and pricing competition remained strong, Nufarm's US business grew revenues in local currency by some 20%. An improved product mix, and the introduction of new higher margin products such as 'Nuprid' (imidacloprid) helped generate an excellent profit performance.

In Canada, sales increased by approximately 18% (local currency), with gross margins also improving. Early and dry spring conditions resulted in a higher than average use of pre-plant herbicides, but a subsequent reduction in in-crop treatments.

Argentina experienced an excellent year with sales increasing some 22% (local currency) and gross margins also up on the previous period. Nufarm introduced a number of new higher value formulations and strong corn and soybean prices encouraged increased use of crop protection products.

Chile also generated an improved performance. Despite some ongoing delays in the local regulatory system, several new products were launched, contributing to good growth in sales.

Agripec - Brazil

An agreement to acquire the outstanding 50.1% of Agripec was announced in May, 2007, with Nufarm moving to 100% control on June 1. Nufarm's 2007 results include 10 months of Agripec earnings calculated on an equity accounted basis (49.9% owned subsidiary) and two months of consolidated results (June and July).

Business conditions in Brazil improved during the course of the year as a more stable currency and higher commodity prices helped ease the credit related issues that negatively impacted the previous year. The full benefit of these improved conditions will not be seen until the 2008 year.

Agripec generated a total profit contribution – prior to financing costs and including the impact of additional provisioning for doubtful debts - of \$17.2 million (\$8.5 million in 2006). This comprised a \$7.8 million equity accounted profit for the ten months to the end of May and a \$9.4 million profit for the final two months of the financial year, fully consolidated.

Agripec implemented a more restricted credit policy over the past year and increased its use of barter trading as part of its risk management policy. Collections relating to the most recent selling season have met target, however a number of outstanding payments remain from the 2006 and 2005 years.

The introduction of new products helped the business increase its penetration in the horticulture, cotton and corn segments and a strong sales campaign for Agripec's insecticides portfolio was a major contributor to the high overall sales outcome. For the full year, Agripec net sales were R\$459 million, compared to R\$383 million in the previous period, an increase of 20%.

Europe

Total European sales were \$440 million (2006 - \$393 million). Excluding the impact of non operating items, the profit generated in Europe in 2007 was \$34.4 million, some \$9 million lower than in the previous year.

Nufarm's European businesses achieved target results in most markets despite mixed seasonal and business conditions throughout the region.

A generally mild winter and early spring provided good early planting conditions across the continent. In the northern European markets, unseasonably warm and dry weather led to lower fungicide applications in the early cereal growing period, with later rains also impacting cereal herbicide sales.

Southern Europe experienced a return to colder weather patterns and this led to crop damage and lower yields in a number of markets.

Nufarm's German business generated a 15% increase in revenues, but reduced sales opportunities for the company's proprietary spring herbicides impacted gross margins.

Both France and Spain also increased sales and profit, however the UK business suffered from the withdrawal of a product registration and delays in the introduction of planned new products. These impacts occurred very late in the financial year and had a substantial negative impact on the UK results.

The European results were also negatively impacted by lower MCPA sales from the company's Botlek (Holland) facility.

Nufarm's acquisition of the Agrosol business in Italy (completed in October, 2006) provided a platform for significant sales growth in that market.

The company's expansion into central and Eastern Europe also saw very positive progress, with the new business in Romania generating excellent first year sales (with eight new product registrations) and new opportunities emerging in other regional markets.

Seeds

Nufarm continued its expansion into the growing seeds segment in Australia, with the acquisition, in September 2006, of Monsanto's Roundup Ready® canola germ plasm and a licence to the Roundup Ready® canola trait.

The acquisition strengthens Nufarm's existing position in seeds and allows the company to accelerate the development and introduction of new seed technologies. Roundup Ready® is a genetic trait that allows farmers to use Roundup herbicide over the top of their crops, offering broad spectrum and efficient weed control and simplifying production of those crops.

The seed business was also negatively impacted by Australia's adverse seasonal conditions in the reporting period, with lower canola plantings and a restricted capacity to bulk up new seed varieties.

Treasury

Net debt to equity was 36%, compared with 81% at July 31, 2006. The lower gearing level largely results from the issue of a hybrid equity instrument (Nufarm Step-up Securities) in place of capital notes. The debt associated with the acquisition of the balance of Agripec is not reflected in the 2007 accounts as settlement did not take place until mid August. Had it been incurred prior to July 31, the impact of this additional debt would have resulted in a gearing level of 57%.

Net working capital, after allowing for the acquisition of Agripec, increased \$67 million over the previous year. June/July sales in 2007 (excluding Agripec) were some \$65 million higher than in 2006, leading to a substantial increase in receivables.

Inventories were some \$12 million higher, offset by increased trade payables of nearly \$40 million.

Agripec had approximately \$137 million in trade working capital, which was offset by recording the purchase price of the business (\$218 million) in August 2007 as a current liability in the July 31 accounts.

The high level of relatively late sales in the 2007 financial year had a significant impact on cash generated from operations in the period. As a consequence, the cash flow outcome was similar to that recorded in 2006.

Interest costs were up on the previous year due to the higher levels of working capital and increases in base interest rates in various markets around the world.

Nufarm Step-up Securities (NSS)

Nufarm issued \$251 million of NSS in November 2006. These securities are recorded as a component of equity and replaced the Capital Notes that had been issued over the last 10 years.

The NSS have a floating distribution rate, being 190 points above the 180 day BBSW on the 15 October and 15 April each year. The distributions, net of the applicable tax benefit, are recorded in equity, and are not included in the calculation of profit.

Outlook

Given normal climatic conditions in the major markets, the outlook for Nufarm's business in financial year 2008 is positive.

Demand drivers in global agriculture are strong and the company believes that these factors will be sustained for the medium to long term as competing uses for food crops continue to impact commodity prices, planting intentions and pressure to improve yields.

Glyphosate supply will continue to be tight on a global basis, maintaining pressure on raw material costs. The company is confident, however, of being able to pass through those cost increases in the form of higher prices in order to maintain margins in this important product. Management is actively engaged in securing access to additional glyphosate capacity.

Nufarm has established operations in the major global agricultural markets and, in the 2008 financial year, will deliver a number of important new products to those businesses.

A continued strong performance is anticipated in the USA; margin improvement is forecast in a number of European markets; and the Australian business is positioned to take full advantage of any improvement in climatic conditions.

Business conditions in Brazil are expected to continue to strengthen, with forecasts for increased soybean and corn plantings and a higher spending capacity for Brazilian farmers. New products will also be introduced in a number of key crop segments. The company's first full year of 100% ownership of Agripec is forecast to generate between \$25 million and \$30 million in operating profit.

In the 2008 financial year, Nufarm is forecasting a group operating profit of approximately \$145 million. On a comparable basis and excluding the net \$9.2 million profit from the divested chlor alkali interests, this represents profit growth of almost 30% for the company's continuing crop protection businesses.

This forecast profit growth assumes that seasonal conditions in Australia will remain difficult.

Directors remain confident in the ability of the company to take advantage of new growth opportunities.

A handwritten signature in black ink, appearing to read 'D J Rathbone'.

D J Rathbone
Managing Director