

# Interim Results

6 months to January 31, 2008

March, 2008



# Doug Rathbone

Managing Director



# Interim results to January 31, 2008



- ➔ **Substantial increase in sales and profit**
- ➔ **Strong global demand for crop protection**
- ➔ **Australia poised for a significant 'rebound'**
  - but 'break' still to come
- ➔ **Brazil shows recovery from farm credit crisis**
  - Strong result from Agripec
- ➔ **Outlook for full year is very positive**

# Interim results 2008



	1H 2008 \$m	1H 2007 \$m
<b>Group Sales</b>	<b>990</b>	<b>580</b>
<b>Operating EBIT</b>	<b>82.3</b>	<b>28.4</b>
<b>Operating NPAT</b>	<b>35.4</b>	<b>12.0</b>
<b>Non operating items</b>	<b>(30.8)</b>	<b>3.9</b>
<b>Reported result</b>	<b>4.6</b>	<b>15.9</b>
<b>Interim dividend</b>	<b>12.0 cents</b>	<b>11.0 cents</b>

# Kevin Martin

Chief Financial Officer



# Preview - 6 months to Jan 31, 2008



A\$m	1 <sup>ST</sup> Half 2008	1 <sup>st</sup> Half 2007	% change	Proforma <sup>1</sup> 1 <sup>ST</sup> Half 2007 inc. Agripec	% change
<b>Group sales</b>	<b>989.8</b>	<b>580.2</b>	<b>70%</b>	<b>753.2</b>	<b>31%</b>
<b>Operating EBITDA</b>	<b>106.4</b>	<b>46.1</b>	<b>130%</b>	<b>71.6</b>	<b>49%</b>
<b>Operating EBIT</b>	<b>83.3</b>	<b>24.9</b>	<b>234%</b>	<b>49.4</b>	<b>69%</b>
<b>Operating NPBT</b>	<b>43.4</b>	<b>1.2</b>	<b>3,517%</b>	<b>26.4</b>	<b>64%</b>
<b>Operating NPAT</b>	<b>35.4</b>	<b>7.5</b>	<b>372%</b>	<b>21.3</b>	<b>66%</b>
<b>Less:</b>					
- Due diligence costs/profit on sale of manufacturing plant	(0.6)	2.8	-	2.8	
- Restructuring costs	-	(0.8)		(0.8)	
- Brazil barter trading loss	(22.6)	-	-	-	
- NSS hedging impact (non cash)	(7.6)	1.9	-	1.9	
<b>Reported NPAT</b>	<b>4.6</b>	<b>11.4</b>	<b>&lt;60&gt;%</b>	<b>25.2</b>	<b>(82%)</b>

*1 Includes Agripec on a fully consolidated basis for the six months to January 2007*

# Interim results 2008 - non operating items



2008 (A\$m)	Operating result	Brazil soy beans	NSS MTM	Profit on plant sale	Due diligence costs	Total
<b>Operating profit before interest</b>	<b>83.3</b>	<b>(34.3)</b>	<b>(10.9)</b>	<b>0.5</b>	<b>(1.5)</b>	<b>37.1</b>
<b>Net interest costs</b>	<b>(39.9)</b>					<b>(39.9)</b>
<b>Profit before tax</b>	<b>43.4</b>	<b>(34.3)</b>	<b>(10.9)</b>	<b>0.5</b>	<b>(1.5)</b>	<b>(2.8)</b>
<b>Income tax</b>	<b>(8.0)</b>	<b>11.7</b>	<b>3.3</b>		<b>0.5</b>	<b>7.4</b>
<b>Profit after tax</b>	<b>35.4</b>	<b>(22.6)</b>	<b>(7.6)</b>	<b>0.5</b>	<b>(1.1)</b>	<b>4.6</b>

2007 (A\$m)	Operating result	Brazil soy beans	NSS MTM	Profit on plant sale	Restructuring costs	Total
<b>Operating profit before interest</b>	<b>24.9</b>		<b>2.8</b>	<b>4.3</b>	<b>(0.8)</b>	<b>31.2</b>
<b>Net interest costs</b>	<b>(23.7)</b>					<b>(23.7)</b>
<b>Profit before tax</b>	<b>1.2</b>	<b>0.0</b>	<b>2.8</b>	<b>4.3</b>	<b>(0.8)</b>	<b>7.5</b>
<b>Income tax</b>	<b>6.2</b>		<b>(0.9)</b>	<b>(1.5)</b>	<b>-</b>	<b>3.9</b>
<b>Profit after tax</b>	<b>7.5</b>	<b>0.0</b>	<b>1.9</b>	<b>2.8</b>	<b>(0.8)</b>	<b>11.4</b>

# Sales roll forward



1 <sup>st</sup> Half 2007 (A\$m)	580.2
<b>Add</b>	
<b>Brazil</b>	<b>206.7</b>
<b>Australasian sales increase</b>	<b>128.5</b>
<b>European sales increase</b>	<b>20.6</b>
<b>North America sales increase</b>	<b>48.9</b>
<b>South America excl Brazil</b>	<b>4.9</b>
1 <sup>st</sup> Half 2008 (A\$m)	989.8

# Segment profitability



	Australia	Europe	North America	South America	Total
Results before Associates 2007	22,048	4,080	(357)	2,071	27,842
Adjust for material items		(3,436)			(3,436)
Operating results 2007	22,048	644	(357)	2,071	24,406
Improved performance	26,114	596	6,150	(700)	28,724
Consolidated Agripec result				47,042	47,042
Operating results 2008	48,162	1,240	5,793	48,413	100,172
Adjust for material items	502	-	-	-	502
Result before Associates 2008	48,664	1,240	5,793	48,413	100,674

# Working capital



	2008	2007
Debtors	903,953	545,270
Inventory	590,685	630,797
Creditors	624,150	444,667
	870,488	731,400

Net working capital 2007	731,400
Add Agripec	217,782
Less reduction in working capital non Agripec	(78,694)
Net working capital 2008	870,488

# Doug Rathbone

Managing Director



# Interim results 2008



## Six months in review - AUSTRALIA

Australasia	2008 1H \$m	2007 1H \$m
Sales	365	237
Segment profit	49.2	22.5



2008 1H  
Sales

- Slow start - dry conditions persist until December
- Dramatic improvement in summer cropping
- Very strong/early demand for glyphosate, with flow-on impact for other products
- Product availability/supply needing close management
- Victoria and NSW give green light to Roundup Ready® canola

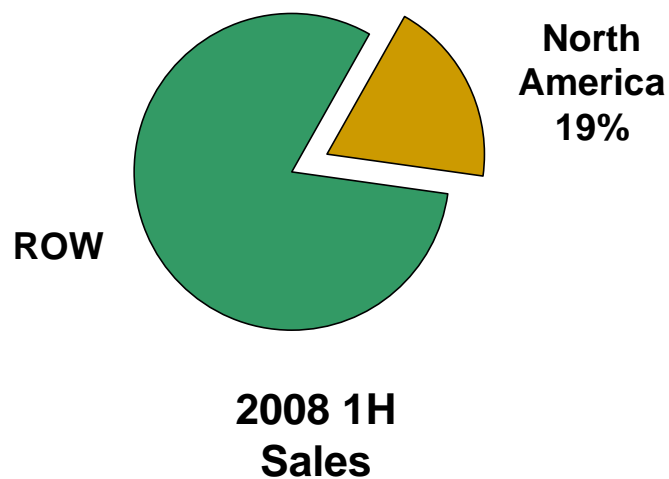
# Interim results 2008



## Six months in review - NORTH AMERICA

North America	2008 1H \$m	2007 1H \$m
Sales	190	141
Segment profit	5.8	(0.3)

- US market sees volume and value expansion
- Earlier buying patterns reflect confidence
- Co-marketing deals in Canada provide new opportunities



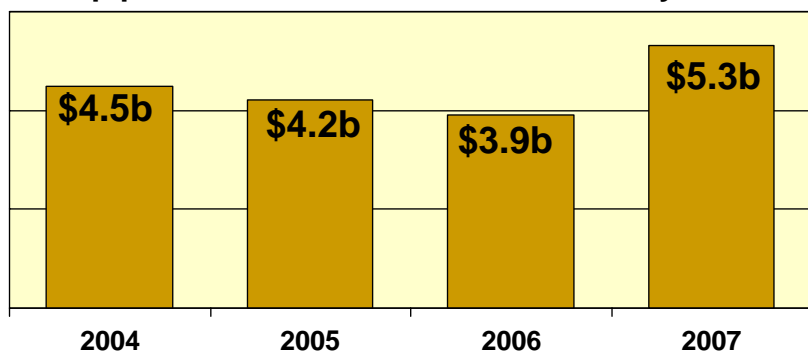
## Six months in review - SOUTH AMERICA (ex Brazil)

South America (ex Brazil)	2008 1H \$m	2007 1H \$m
Sales	32.0	29.4
Operating EBIT	5.3	2.1

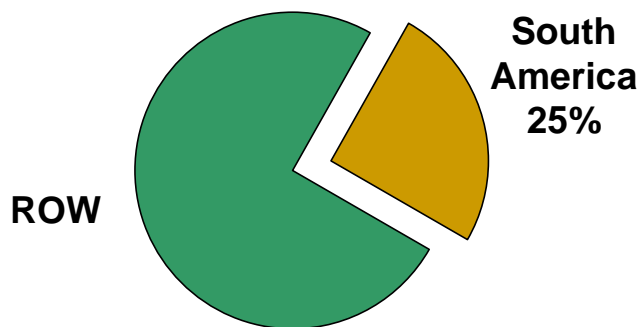
- Nufarm Argentina shows strong margin gains
- Nufarm Chile negatively impacted by seasonal and currency issues

## Six months in review - AGRIPEC / BRAZIL

Crop protection sales in Brazil: calendar years USD



Source: AENDA



2008 1H  
Sales

- Increased plantings of all major crops
- Good growing season
- Growers capitalise on high crop prices
- Agripec operating performance very strong
- One-off impact of barter trade contracts

# Interim results 2008

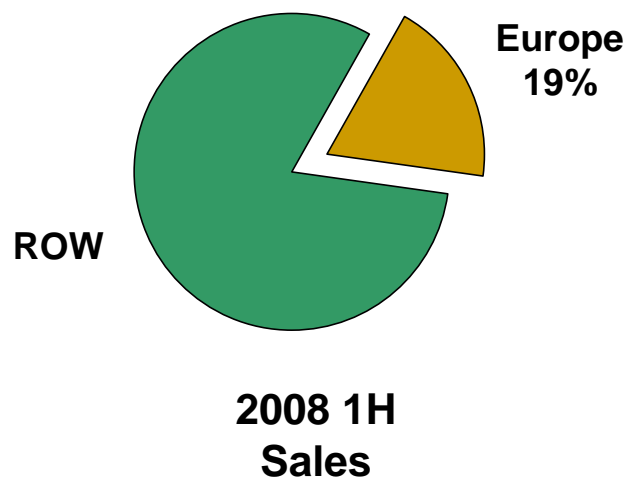


## Six months in review - EUROPE

Europe	2008 1H \$m	2007 1H \$m
Sales	184	163
Segment profit*	1.0	0.6

\*excluding abnormal gain in 2007

- Nufarm France benefits from broader product offering in cereals
- Nufarm Italy continues to perform strongly
- Sales/profit growth in Germany, Spain, UK
- Romania 'kicking goals'; Hungary presence now established



# Current trading conditions

## Outlook to year end

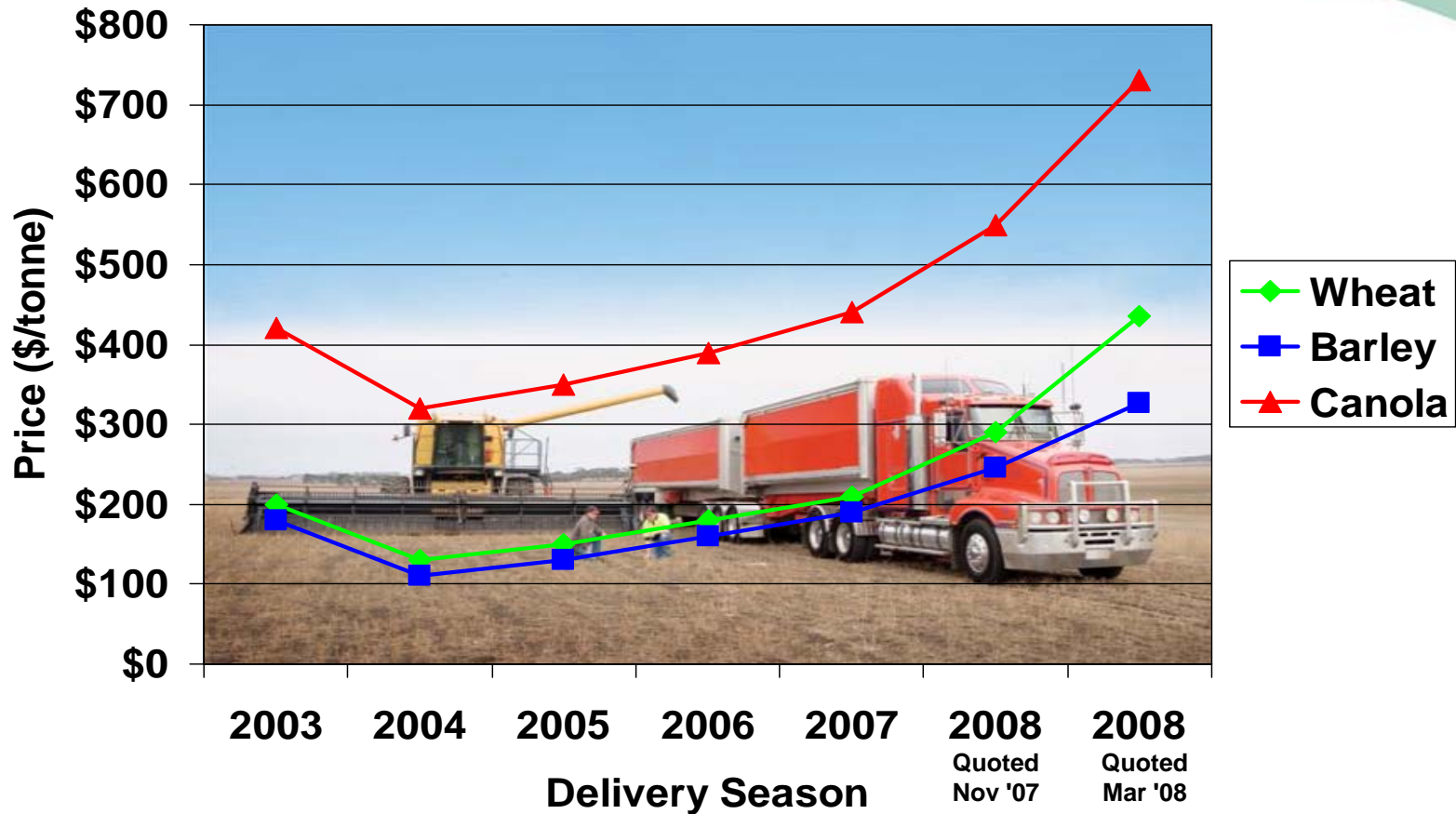


## Outlook - Full year 2008

### AUSTRALIA

- **Current forecast is for record winter plantings ... but weather dependent!**
- **Murray Darling basin recovery a longer term proposition**
- **Nufarm leadership positions in glyphosate, phenoxies (...and the full range) work strongly in our favour**
- **Supply positions will be put under pressure if we see an early break**

# National trends



Price based on forward contracts December delivery

## Outlook - Full year 2008

### AUSTRALIA: Seeds

- **Very strong demand for canola seed**
- **Nuseed varieties take leading market shares**
- **Roundup Ready® canola launched, with strong grower interest**
- **Argentina launch of Nufarm canola varieties**



## Outlook - Full year 2008

### NORTH AMERICA

- **Ag sector remains very bouyant**
- **Core products very well positioned**
- **Broader product offering will deliver substantial additional value**
- **Increasing opportunities in Canada**

## Outlook - Full year 2008

### BRAZIL

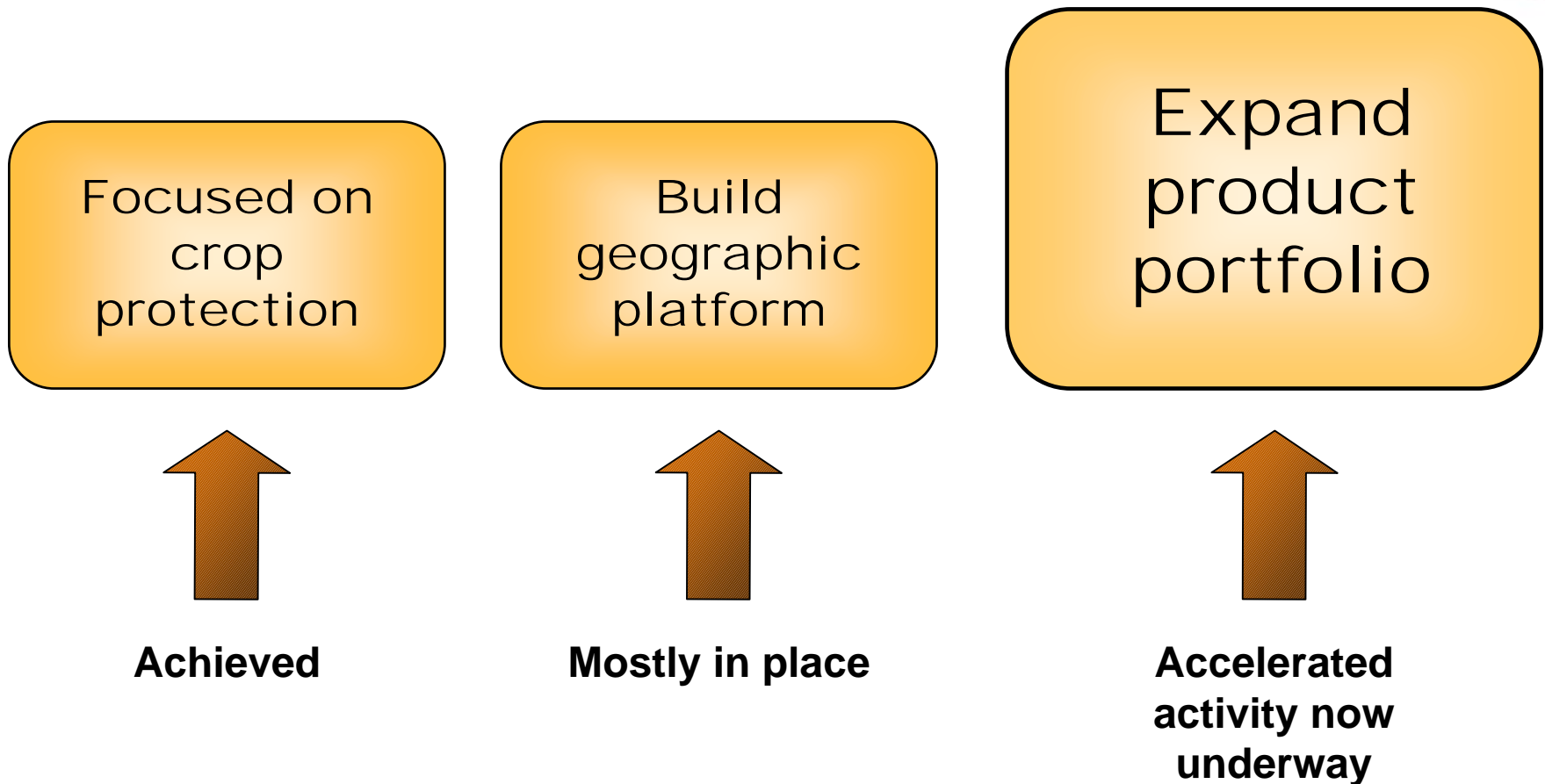
- **Large 'safrinha' crop to capitalise on corn prices**
- **Product portfolio expansion gains pace**
  - DuPont deal on sugar cane products
  - New offerings in pasture segments
- **No problems anticipated with 'collections' as profitability of growers continues to improve**

## Outlook - Full year 2008

### EUROPE

- **Expanded acreage with suspension of 'set-aside'**
- **Demand strong as season gets underway**
- **Important new product offerings**
  - **Imidacloprid in the UK (seed treatment), Spain, Portugal and Greece**
  - **'Ralon Super Powerplus' in Germany**
  - **'Nuprid Max' (imidacloprid & tebuconazole) in Poland**
  - **Tetraconazole in France**

## Outlook: Strategic objectives



## Outlook: Portfolio expansion

Period	Registrations submitted	Registrations granted	Countries
July 2007 to January 2008	202	159	26

- Includes Nuprid seed treatment products for US and Europe
- Proprietary 'suSCon' formulations
- Additional sources for glyphosate 'tech'
- New products to support portfolio expansion in Brazil
- Continued growth in insecticides and fungicides

## Outlook in summary

- **Global demand drivers are very strong**
- **With rain in the right places, Australia will see major turnaround**
- **Nufarm business in excellent shape**

## Acquisition update:

### → **AH Marks**

- Integration plan well underway
- Additional capacity to come onstream in near term
- Positive 'customer' response

### → **Etigra**

- Contract negotiations on target for March-end completion

**Guidance: Strongly reaffirmed**

**2008 Operating NPAT (pre acquisitions): approx \$145m**

**2008 Operating NPAT (post acquisitions): approx \$150m**

... a great time to  
be in the business  
of agriculture

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