

COMPANY ANNOUNCEMENT

12 September, 2011

Nufarm settles receivables dispute

Nufarm Limited announced today that it has executed a binding settlement agreement in relation to a long-running dispute relating to a past receivable.

Nufarm announced on June 15 that the receivable would be written down to a value of \$25 million in the company's year end accounts as at July 31, 2011. The settlement will recover \$13.5 million against the receivable's written down value, resulting in a further write down at year end.

The total write down associated with the unrecovered portion of the receivable will be treated as a material item in Nufarm's 2011 full year accounts and will have the impact of reducing Nufarm's headline net profit by \$28 million.

Nufarm's Managing Director and CEO, Doug Rathbone, said recent discussions with the other party involved in the dispute had resulted in a settlement proposal that – on balance – is acceptable to Nufarm's Board and has allowed the matter to be finalised.

"The company gave detailed consideration to a number of matters in arriving at the decision to settle the dispute, including the management time that would have been consumed by further hearings to fully and finally determine the issues between the parties; litigation risk; and the ongoing commercial relationship between the parties."

Nufarm also said today that its underlying net operating profit (exclusive of one-off material items and the impact of the receivable losses) is expected to exceed the top end of the guidance range (\$88 million – \$94 million) provided by the company on July 13. The company's full year results for the 12 months to July 31, 2011 – which are still subject to final audit – will be released on September 28.

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