

COMPANY ANNOUNCEMENT

27 March, 2012

Nufarm reports higher first half profit

Nufarm Limited today announced a net profit after tax of \$18 million for the half year ended January 31, 2012. This compares with a profit of \$4 million reported in the corresponding period of the previous year. Excluding material items, operating profit after tax was \$23.9 million, an increase of 5.3% on the 2011 first half. Operating EBIT was up 11.8% to \$37.8 million.

Nufarm Managing Director Doug Rathbone said the half year results demonstrated continued improvement in earnings and discipline around capital management.

"The momentum for positive change at Nufarm continues," Mr Rathbone said. "While a global agricultural business will always be subject to seasonal and business swings, we are building a much stronger base from which we can secure profitable growth well into the future."

Highlights for the period were the strong performance of Nufarm's operations in Australia and Brazil, where positive seasonal conditions have driven strong demand for crop protection products.

The Australian operations benefited from more consistent and widespread rainfalls during the period and from increased efficiencies, including lower input costs due to a relatively high Australian dollar. The New Zealand business also contributed a stronger sales and profit result for the period.

The business in Brazil has continued to strengthen following restructuring initiatives implemented in 2011. Nufarm has a more diversified product offering in Brazil and is capitalising on strong cropping activity and growth in a number of market segments.

Mr Rathbone said despite a poor season for fungicide sales, Nufarm generated increased revenues and a higher margin in Brazil, with market share gains in the cotton, sugar cane and pasture segments.

"Our broader product offering and exposure to additional crop segments in Brazil helps take risk out of the business and is building a durable platform for continued sales and profit growth."

Mr Rathbone said Nufarm's first half performance was in line with expectations in most of the company's regional markets, but that the European business was tracking behind budget and faced some challenges over the balance of the year.

"Seasonal conditions in Europe are very mixed and there is increased business risk associated with economic pressures in a number of European countries. We will step away from business in those markets where we judge those risks to be unacceptable.

"We believe any downside in Europe will be balanced by average or generally positive seasonal and trading conditions in most other regions over the remaining months of our financial year.

"Australia is well placed to see large winter cereal crop plantings, given the best subsoil moisture profiles we have seen across many cropping regions in a number of years.

"There are very strong planting forecasts for the USA and a relatively early spring should be helpful for our business. And, while the major season is behind us in Brazil, we are seeing continued sales activity in South America which is very encouraging."

Mr Rathbone said the half year numbers also reflect a strong ongoing focus on capital management.

"We are much more disciplined around working capital and our objective is to see net debt fall again at year's end despite our acquisition of a new seeds business in December."

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