

COMPANY ANNOUNCEMENT

26 July, 2012

Nufarm forecasts strong growth in underlying profit

Nufarm Limited announced today that it expects to generate underlying Earnings before Interest and Tax (EBIT) of between \$200 million and \$205 million for the current financial year, ending July 31. This compares with an underlying EBIT¹ of \$171.8 million in the previous financial year. Underlying profit after tax² is expected to be a range of \$110 million to \$116 million (2011: \$98.1 million).

Trading conditions in the last six months of the financial year have varied between the different markets in which Nufarm operates.

- Australian seasonal conditions have been positive in some cropping regions, however other areas – and in particular, Western Australia – have had relatively dry and late seasons and this has impacted on demand for crop protection inputs. Nufarm's Australian business has performed solidly in a very competitive market.
- North American cropping conditions started very positively but, in the USA, have deteriorated significantly over the June/July period. Despite this, Nufarm has grown its business in most of its key market segments .
- The company's Brazilian business has performed very strongly against a backdrop of positive market conditions and an average season.
- European conditions have been challenging, with the need to manage increased risk, coupled with unfavourable seasonal conditions and lower commodity prices affecting the business in a number of markets. Nufarm's European based manufacturing operations have performed very strongly. Those facilities manufacture products for global markets.
- Nufarm's seed technologies business is having an excellent year and will post strong revenue and EBIT growth on last year's results.

Nufarm's working capital position at year end will be impacted by later selling seasons in several regional markets, including Western Australia and continental Europe. Strong June/July sales in Brazil – driven by demand for inputs into the next soybean crop – will also contribute to a higher receivables number at July 31. Year end debt will be higher than the previous year due to the net working capital position and the consideration associated with the acquisition of the Seeds 2000 business in the first half of the financial year.

Nufarm will release its detailed results for the current financial year on September 27.

¹ Underlying EBIT is calculated as earnings before interest, tax and material items

² Underlying profit after tax is calculated as the net profit after tax for the period exclusive of material items

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