



Nufarm Limited
ACN 091 323 312
103-105 Pipe Road
Laverton North VIC 3026
Australia
P: +61 3 9282 1000
F: +61 3 9282 1001
nufarm.com

COMPANY ANNOUNCEMENT

24 November 2015

Nufarm announces restructuring of North American manufacturing footprint

Further savings to be realised from ongoing performance improvement program

Nufarm Limited today announced its decision to close its manufacturing operations at Calgary in Canada as part of its plan to build a more responsive, flexible and cost effective structure for the North American region via its facilities in the Chicago area.

The current Canadian distribution locations that serve customers directly will remain, with increased capacity to ensure customers will be serviced with the same or better response times. All sales, marketing, and customer-facing operations in Canada remain, further emphasising the company's commitment to meeting customer needs.

Nufarm's Group Executive Operations, Elbert Prado, said, "The decision to close the Calgary manufacturing facility is part of the company's commitment to improve the performance of its operations.

"As with the manufacturing changes we are making in some of our other regions, this decision will allow us to increase flexibility, reduce complexity, and more efficiently utilise our facilities.

"We have invested to improve capacity of the overall North American manufacturing base, with a new state of the art seed treatment operation and full retooling of the herbicide facility in Chicago. These new facilities will provide greater capacity and support to ensure that we can respond quickly to the needs of our Canadian customers. This proved a more efficient approach than expansion of the Calgary site."

The General Manager for North America, Brendan Deck, said, "We are committed to continuing to support and grow our presence regionally through the delivery of quality products and services that meet the needs of local farmers. The Canadian market is important for Nufarm and we see significant potential growth opportunities. We're also confident that we can maintain or improve our level of service to our customers through increased capacity at our Chicago sites."

"We will also have an improved ability to share innovations in formulation design and other customer solutions as we operate as a more closely integrated North American team, always ensuring that we continue to develop products in Canada for Canadian farmers."



Nufarm's Managing Director and CEO, Greg Hunt, said the changes are a further step in the company's ongoing performance improvement program.

"The savings announced today are part of the performance improvement program we announced in February, in which we committed to delivering a net EBIT (earnings before interest and taxes) benefit of \$116 million by fiscal year 2018. This reflects our commitment to continually assess and review our operations globally to improve our business. We are currently reviewing every part of our business, including our procurement and supply chain.

"Our aim is to be as efficient, effective and responsive as we possibly can be in meeting shareholder and customer needs," Mr Hunt said.

The rationalisation of the company's Calgary manufacturing activities is expected to result in permanent annualised EBIT improvement of \$3.3 million. Nufarm will record one-off restructuring costs in the current financial year of \$9.5 million, of which \$3.7 million is a non-cash component.

The North American operational changes are expected to be implemented by June next year, with the savings fully realised in Nufarm's 2017 financial year. The transfer of manufacturing activities from Calgary to Chicago Heights will be implemented over the next nine months with approximately 18 full-time and 30 seasonal manufacturing employees affected by the changes.

Nufarm also took the opportunity to advise that it is progressing well against its previously announced global manufacturing efficiency programs, including the footprint rationalisation of its ANZ and Europe regions.

The Welshpool site in Western Australia is now closed and in the process of being sold, while the manufacturing facilities at Otahuhu (New Zealand), Lytton (Queensland) and Botlek (The Netherlands) are in the process of being shutdown, decommissioned and remediated in preparation for the sale or return of assets.

The company's Pipe Road Laverton plant in Australia is also in the process of finalising a reorganisation of its manufacturing workforce following an extensive review of operations as part of a site-wide manufacturing performance improvement program. The reorganisation, which will result in \$5 to 8 million in annualised savings, is aimed at ensuring its regional businesses will be more competitive, responsive and efficient.

-- end --

Further information: *Mark Keating*
 GM Investor Relations
 mark.keating@au.nufarm.com
 ☎ *(61 3) 9282 1004*

