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COMPANY ANNOUNCEMENT

23 March, 2016

Nufarm delivers solid underlying EBIT growth

Nufarm Limited today announced underlying earnings before interest and tax (EBIT), for the half year, of $71.2 million, up by 12% over the prior half year.

Nufarm CEO Greg Hunt, said that margin expansion, reduced net working capital and the benefits resulting from the company's performance improvement program contributed to the strong result.

"We have seen good local currency EBIT growth across all of our different business segments and a strong improvement in gross profit margin, which is a key indicator for seeing the benefits of changes we are making in the business."

Underlying profit after tax of $11.9 million is lower than the prior period, largely as a consequence of net foreign exchange losses.

One-off restructuring costs of $102.9 million were booked for the half year, resulting in a reported net loss after tax of $91 million.

"Our continued focus on working capital efficiencies has meant the average net working capital to sales ratio has decreased to 40.8% from 43.9% in the corresponding half year, and we are making good progress towards our full year target of 40%."

Nufarm's results for the first six months are typically dominated by contributions from Australia and Brazil. Nufarm posted a 30% increase in EBIT contribution from its Australia/New Zealand segment and secured market share gains in Latin America, with 22% local currency sales growth, despite the tougher economic conditions.

"We have had good progress with our performance improvement program and are committed to deliver an EBIT benefit of at least $20 million by the end of the full year. This keeps us on track to deliver $116 million in benefits from the program by FY 2018," said Mr. Hunt.

Nufarm Directors have declared an unfranked interim dividend of 4 cents per share.

Mr. Hunt said, we are focused on a clear strategy of generating growth across core markets and crops; making improvements to our supply chain; and delivering industry-leading customer service, and believe we can deliver a solid improvement in underlying EBIT.

The second half is likely to face further head-winds due to currency volatility and tough industry conditions, particularly in Latin America. Higher net financing expenses in the second half will impact underlying net profit after tax.

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