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COMPANY ANNOUNCEMENT

24 October 2017

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Nufarm agrees to acquire European product portfolio from Adama and Syngenta

- **Cash consideration of US\$490 million¹ (equivalent to A\$627 million²), plus approximately US\$50 million (A\$64 million²) for inventory³**
- **Portfolio consists of established brands with over 50 crop protection formulations and more than 260 registrations in European markets**
- **Portfolio is expected to contribute net sales of approximately A\$250m and EBITDA of approximately A\$95-100 million in the 2019 financial year (the first full year of ownership)**
- **Acquisition is closely aligned with Nufarm's strategy and will significantly enhance Nufarm's European position**
- **Acquisition will improve group margins and cashflow conversion profile and is expected to be mid to high single digit earnings per share ("EPS") accretive (pre-amortisation) in the first full year of ownership (FY2019)⁴**
- **Funding will be through a combination of a fully underwritten, pro-rata accelerated renounceable entitlement offer with retail rights trading of approximately A\$446 million ("Entitlement Offer") and A\$272 million from existing debt facilities**

Nufarm Limited today announced that it has entered into an agreement to acquire a portfolio of crop protection products ("Century Portfolio") from Adama Agricultural Solutions Ltd ("Adama") and Syngenta Crop Protection AG and related group companies ("Syngenta") for US\$490 million. The 'Century' product portfolio includes over 50 crop protection formulations which are registered for use in European markets and is expected to generate revenues of approximately A\$250 million; an EBITDA contribution of approximately A\$95-100 million; and be mid to high single digit earnings per share accretive (pre-amortisation) in the first full year of Nufarm ownership (FY2019).

¹ Price excludes transaction costs of approximately A\$28 million and working capital

² US\$ converted to A\$ at AUDUSD exchange rate of 0.78

³ Represents Nufarm's current estimate. Inventory will be acquired separately at the closing of the transaction

⁴ EPS pre amortisation is based on NPATA which excludes the impact of the amortisation associated with identified intangibles recognised at the acquisition date. EPS accretion is calculated in accordance with AASB 133 considering a bonus factor reflecting the discount to TERP for the rights issue



Nufarm will also acquire existing product inventory (currently estimated to be US\$50 million) on completion of the transaction, which is expected to occur in early 2018. Nufarm will fund the acquisition via existing debt facilities and a fully underwritten equity raising.

The portfolio is being divested by Adama and Syngenta to meet the European Commission ("EC") requirements relating to the acquisition of Syngenta by ChemChina. Completion of the transaction is subject to approval by the EC of Nufarm as a "suitable purchaser" to acquire the Century Portfolio as well as final formal regulatory clearance by the relevant European authorities.

The portfolio includes herbicides, fungicides, insecticides, seed treatments and plant growth regulators which are sold in 29 European markets including Germany, Spain, France, Italy, Poland, Romania and Hungary. Nufarm will take ownership of some 260 registrations relating to the products and will have access to additional registrations for new products currently within the regulatory approval process. No physical assets (apart from inventory) or personnel will be transferred as part of the transaction.

Rationale for the Acquisition

Managing Director and CEO, Greg Hunt, said the acquisition strengthens Nufarm's presence in Europe, where Nufarm generates its highest crop protection margins, and is consistent with the company's strategic priorities.

"The addition of the portfolio consolidates Nufarm's position as a leading post-patent supplier in Europe and increases our relevance to the customer base by allowing us to offer a more comprehensive suite of crop protection solutions in a number of very important crop segments.

The products we are acquiring generate very attractive margins and are complementary to our existing European product range. They provide us with much broader offerings in the fungicides and insecticides segments and in our core European crops, including cereals, corn, and trees, nuts, vines and vegetables (TNVV). It also enables us to participate strongly in the important oilseed rape market."

Mr Hunt said the portfolio covers a range of important chemistries formulated as both straight active ingredients and innovative mixture products, and includes strong brands that are well supported by both distribution customers and by end users of the products.

"We will extend our reach into the European market via both a more significant position with existing distribution customers, and by accessing new customers."

Mr Hunt said Nufarm's stronger market position in Europe will also enhance the company's position as a preferred development and go-to-market partner for other crop protection companies.

Nufarm will enter into transitional arrangements with the vendors, including supply and toll manufacturing of relevant products, with longer term supply and production arrangements to be put in place over a two to three-year period. This will include transfer of production for most products to existing Nufarm manufacturing



facilities. The company will also expand its regional sales and technical marketing capability to support sales of the portfolio.

The acquisition will improve group margins and cashflow conversion and is expected to be mid to high single digit earnings per share ("EPS") accretive (pre-amortisation) in the first full year of ownership (FY2019).⁵

Further transaction being considered

Nufarm is currently also in exclusive discussions with another party to acquire a crop protection portfolio. This portfolio represents a strong strategic fit for Nufarm and is highly complementary to Nufarm's existing business and the Century Portfolio. Nufarm is currently finalising its due diligence on the portfolio and is negotiating transaction documentation. It is expected this would be finalised in the coming weeks.

If this additional transaction was to proceed, an acquisition of this portfolio would be for less than US\$100 million and would be fully debt funded from existing debt facilities. This acquisition would be expected to contribute revenue of approximately A\$30 million in the first full year of Nufarm's ownership (FY2019) at very attractive margins, and would provide additional EPS accretion (pre-amortisation).^{6,7}

Investors should note that there is no guarantee that Nufarm will reach final agreement with the vendor or that the transaction will proceed.

Funding

The Century Portfolio Acquisition will be funded through the proceeds of approximately A\$446 million raised from the Entitlement Offer, with the balance funded through Nufarm's existing debt facilities. The Entitlement Offer is fully underwritten by UBS AG, Australia Branch and J.P. Morgan Australia Limited ("Underwriters"). Nufarm has also put in place a US\$115 million committed bridge facility ("Bridge Facility") to provide additional liquidity.

The funding strategy for the Acquisition reflects Nufarm's commitment to maintain a strong balance sheet and to provide financial flexibility to pursue further strategic initiatives in the future, with average leverage expected to remain broadly flat post the acquisition of the Century Portfolio on a pro forma basis.

⁵ EPS pre amortisation is based on NPATA which excludes the impact of the amortisation associated with identified intangibles recognised at the acquisition date. EPS accretion is calculated in accordance with AASB 133 considering a bonus factor reflecting the discount to TERP for the rights issue

⁶ The expected impact of the transaction remains subject to satisfactory completion of due diligence and execution of transaction documents and is based on assumptions including the expected timing of certain product registrations and successful integration of the portfolio. Financial projections are inherently uncertain and investors should have regard to the "Important notice and disclaimer" and the risk factors outlined in the "Key Risks" section of this presentation

⁷ Calculated on a stand-alone basis, assuming completion of the Century Portfolio Acquisition



Entitlement Offer

Under the Entitlement Offer, eligible institutional and retail shareholders are invited to subscribe for 2 new Nufarm shares ("New Shares") for every 9 existing Nufarm shares ("Entitlement") held as at 7:00pm (AEDT) on Friday, 27 October 2017 ("Record Date").

All shares offered under the Entitlement Offer will be issued at a price of \$7.50 per New Share, which represents a:

- 14.1% discount to the last close price of \$8.73 on Monday, 23 October 2017
- 11.8% discount to the theoretical ex-rights price ("TERP")⁸ of \$8.51

Approximately 59.5 million New Shares will be issued under the Entitlement Offer. New Shares will rank equally with existing Nufarm shares from their time of issue.

Institutional Entitlement Offer

Eligible Nufarm institutional shareholders ("Eligible Institutional Shareholders") will be invited to participate in the Institutional Entitlement Offer. The Institutional Entitlement Offer will open today, 24 October 2017.

Eligible Institutional Shareholders can choose to take up their Entitlement in whole, in part or not at all.

Institutional Entitlements cannot be sold on the ASX. As the Entitlement Offer is renounceable, Entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer, and Entitlements of ineligible institutional shareholders, will be offered for sale through an institutional shortfall bookbuild opening on Wednesday, 25 October and closing on Thursday, 26 October 2017 ("Institutional Shortfall Bookbuild"). Any proceeds from the sale of institutional Entitlements under the Institutional Shortfall Bookbuild will be remitted proportionally to those institutional shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those institutional shareholders.

Nufarm shares have been placed in trading halt while the Institutional Entitlement Offer and Institutional Shortfall Bookbuild are undertaken.

Retail Entitlement Offer

Eligible Nufarm retail shareholders registered as a shareholder in Australia or New Zealand on the Record Date ("Eligible Retail Shareholders") will be entitled to participate in the Retail Entitlement Offer at the same offer

⁸ TERP is the theoretical price at which shares in Nufarm should trade immediately after the ex-date of the Entitlement Offer and reflects shares issued under the Entitlement Offer. The actual price at which Nufarm shares trade will depend on many factors and may not be equal to TERP.



price and offer ratio as the Institutional Entitlement Offer. The Retail Offer will open at 9:00am (AEDT) on Wednesday, 1 November 2017 and close at 5:00pm (AEDT) on Wednesday, 15 November 2017.

Eligible Retail Shareholders will be allotted Entitlements ("Retail Entitlements") which can be traded on ASX. If eligible retail shareholders do not wish to take up all or part of their Retail Entitlements they can seek to sell all or part of their Retail Entitlements on the ASX or by transferring them directly to another person to realise value for those Retail Entitlements ahead of the Retail Shortfall Bookbuild (referred to below). Retail Entitlements can be traded on the ASX by certain eligible shareholders from Friday, 27 October 2017 to Wednesday, 8 November 2017.

Eligible Retail Shareholders can choose to take up their entitlements in whole, in part or not at all. Entitlements not taken up by the close of the Retail Entitlement Offer, and Entitlements of ineligible retail shareholders, will be offered for sale through a retail shortfall bookbuild to be conducted on or about 20 November 2017 ("Retail Shortfall Bookbuild"). Any proceeds from the sale of Retail Entitlements under the Retail Shortfall Bookbuild will be remitted proportionally to those retail shareholders, less any applicable withholding tax. There is no guarantee that there will be any proceeds remitted to those retail shareholders.

Eligible retail shareholders should carefully read the retail information booklet and accompanying personalised entitlement and acceptance form which are expected to be despatched on Tuesday, 31 October 2017 and which will be made available on the ASX website on that date ("Retail Offer Document"). Any Eligible Retail Shareholder who wishes to acquire New Shares under the Retail Entitlement Offer should review the Retail Offer Document and will then need to complete, or otherwise apply in accordance with, the personalised application and entitlement form that will accompany the Retail Offer Document.

Retail shareholders who have questions regarding the Retail Entitlement Offer should read the Retail Offer Document in full and if they require further information, call the Company's share registry, Computershare Investor Services Pty Limited, on 1300 652 479 (local call cost within Australia) or +61 3 9415 4360 (from outside Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday during the offer period between 1 November 2017 and 15 November 2017 or go to Nufarm's website.



Summary of Key Dates⁹

| Event | Date |
|--|------------------|
| Trading halt and announcement of Acquisition, Institutional Entitlement Offer opens | 24 October 2017 |
| Institutional Entitlement Offer ¹⁰ closes | 25 October 2017 |
| Institutional bookbuild closes | 26 October 2017 |
| Entitlement Offer record date (7pm AEDT) | 27 October 2017 |
| Nufarm shares recommence trading | 27 October 2017 |
| Retail rights commence trading (on deferred settlement basis) ¹¹ | 27 October 2017 |
| Retail Offer Booklet and Application and Entitlement Forms dispatched to Eligible Shareholders | 31 October 2017 |
| Retail Entitlement Offer opens | 1 November 2017 |
| Settlement of New Shares issued under Institutional Entitlement Offer | 3 November 2017 |
| Allotment and commencement of trading of New Shares issued under the Institutional Entitlement Offer | 6 November 2017 |
| Close of retail rights trading | 8 November 2017 |
| Retail Entitlement Offer closes (5pm AEDT) | 15 November 2017 |
| Retail shortfall bookbuild | 20 November 2017 |
| Settlement of New Shares issued under the Retail Entitlement Offer | 23 November 2017 |
| Allotment of New Shares issued under the Retail Entitlement Offer | 24 November 2017 |

⁹ These dates are indicative only and subject to change. All times and dates refer to Australian Eastern Daylight Time ("AEDT"). Nufarm reserves the right to amend the timetable, including, in consultation with the Underwriters, to extend the closing date for the Retail Entitlement Offer, to withdraw the Entitlement Offer at any time prior to the issue of New Shares and/or to accept late applications either generally or in specific cases.

¹⁰ Shareholding declaration for Australian, New Zealand and Asian institutional holders due 4pm AEDT on 24 October 2017, shareholding declarations due for other offshore institutional holders due 7am AEDT on 25 October 2017.

¹¹ Normal settlement trading from 1 November 2017



Further information

Further details of the Acquisition and the Entitlement Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

UBS AG, Australia Branch is acting as financial adviser to Nufarm and sole global co-ordinator, joint lead manager, joint bookrunner and joint underwriter to the Entitlement Offer. J.P. Morgan Australia Limited is acting as joint lead manager, joint bookrunner and joint underwriter. Arnold Bloch Leibler and Sullivan & Cromwell are serving as legal advisers to Nufarm.

If you have any questions in relation to the Entitlement Offer, please contact the Nufarm Limited Offer Information Line on 1300 652 479 (within Australia), 0800 108 603 (within New Zealand) or +61 3 9415 4360 (outside Australia and New Zealand) at any time between 8:30am and 5:30pm (AEDT) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

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Forward looking statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements can generally be identified by the use of forward looking words such as “believe”, “forecast”, “projection”, “expect”, “estimate”, “will”, “may”, “target”, “anticipate”, “likely”, “intend”, “should”, “could”, “predict”, “plan”, “propose”, “potential” and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the acquisition of products from Adama and Syngenta. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Nufarm and cannot be predicted by Nufarm and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Nufarm operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

None of Nufarm or any of its subsidiaries, advisors or affiliates (or any of their respective officers, employees or agents) makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statement or any outcomes expressed or implied in any forward looking statements. Statements about past performance are not necessarily indicative of future performance.