

COMPANY ANNOUNCEMENT

18 July, 2008

GUIDANCE UPDATE

Nufarm Limited today confirmed that it expects to generate a tax paid operating profit (excluding non operating items) of between \$155m and \$160m for the financial year ending July 31, 2008. This is above earlier company guidance but broadly in line with market consensus.

The company will release its audited full year results on September 25th.

Nufarm Managing Director, Doug Rathbone, said parts of Australia have not received ideal follow-up rains following the planting of the winter crop, and recent widespread flooding in the Midwest of the USA has dampened demand for both glyphosate and phenoxy herbicides.

"Nevertheless, our businesses in these markets will see very strong earnings growth over the course of the year, complementing excellent outcomes in our other regional markets."

Mr Rathbone said business conditions leading into Nufarm's new financial year are expected to remain very positive and the company will again generate strong profit growth for that period.

Following a Board meeting and strategic review of operations yesterday, at which the 2008/09 financial year budget was reviewed and approved, the company is forecasting an after-tax operating profit for the next financial year of between \$220 million and \$230 million.

Major drivers of growth over the next 12 months will include:

- Volume growth in key existing products including glyphosate, phenoxyes and imidacloprid (strong demand + market share growth + expansion in new markets such as Eastern Europe);
- Margin expansion via increased sales of higher margin products (insecticides; fungicides) and share of manufacturing margin in restructured glyphosate positions;
- New product introductions in important new crop segments such as sugar cane, pasture, citrus and cotton in Brazil; cotton in the USA; and new cereals and corn offerings plus seed treatment in Europe; and
- Full year contributions from new acquisitions.

Further commentary on the outlook for the business will be provided when Nufarm releases its detailed results for the current financial year on September 25.

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