# 2015 Full Year Results

September, 2015

Nufarm Grow a better tomorrow.

# Disclaimer

## Forward looking statements

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## Non-IFRS information

Nufarm Limited results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This presentation also includes certain non-IFRS measures including Underlying net profit after tax and Gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review. Refer to “Supplementary information” for the definition and calculation of non-IFRS information.

# FY 2015 results – Overview

**Greg Hunt**
**Managing Director / CEO**

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# Group FY15 headline results

## Strong Underlying EBIT growth and early benefits from performance improvement program

- **Strong recovery in earnings from Australian business**
- **North America posts improved performance**
- **Europe on strong growth trajectory**
- **Margin expansion in Brazil and further market share gains**
- **A challenging year for the seeds business**
- **Cost savings and performance improvement initiatives have immediate impact**

| | 12 months ended 31 July | | |
|---|---|---|---|
| (A$ millions) | 2015 | 2014 | Change |
| Revenue | 2,737 | 2,623 | ▲4% |
| Underlying EBIT | 237 | 201 | ▲18% |
| Underlying NPAT | 117 | 86 | ▲35% |
| Average NWC/ sales at 31 July | 41.9% | 47.7% | ▼ |
| Net debt at 31 July | 547 | 513 | ▲7% |
| Full Year dividend | 10 cents unfranked | 8 cents partially franked | |

**Core crop protection business drives earnings growth**

# Key messages

- **Core crop protection business has helped drive strong earnings growth**
  - Focus on higher margin sales
  - New product introductions help strengthen portfolio
- **Cost savings and performance improvement program delivers early benefits**
  - Internal commitment to positive change
  - Strong discipline around execution of restructuring initiatives
  - High level of confidence in three year targets
- **Earnings recovery in Australia is sustainable**
  - Improved performance driven by things we can control
- **Confidence maintained in underlying value of seeds business**
  - FY15 results are a reflection of tougher market conditions
  - New product pipeline will drive future growth
- **Efficiency gains in working capital management**
  - Excellent progress towards FY16 target (40% average net working capital to sales)
  - Investment required to deliver on further improvements

# FY 2015 results – Financials

**Paul Binfield**
**Chief Financial Officer**

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# 2015 full year results

## Strong results from the crop protection business, despite challenging trading conditions, demonstrates benefits of geographic diversity

- Solid top line growth – Revenue growth of 4.4%
- Stronger profitability – Underlying EBIT growth of 18.1%
  - Improved gross margin driven by strong focus on operational efficiency, higher value products, disciplined selling and restructuring initiatives
  - Benefits of cost reduction program already evident
  - Solid growth in crop protection across all major regions more than offsets weakness in Seeds
- Strong ROFE uplift reflects improved profitability and more efficient use of capital; on-track to meet 16% target by FY18
- Increased dividend reflects confidence in continued growth prospects and capital discipline

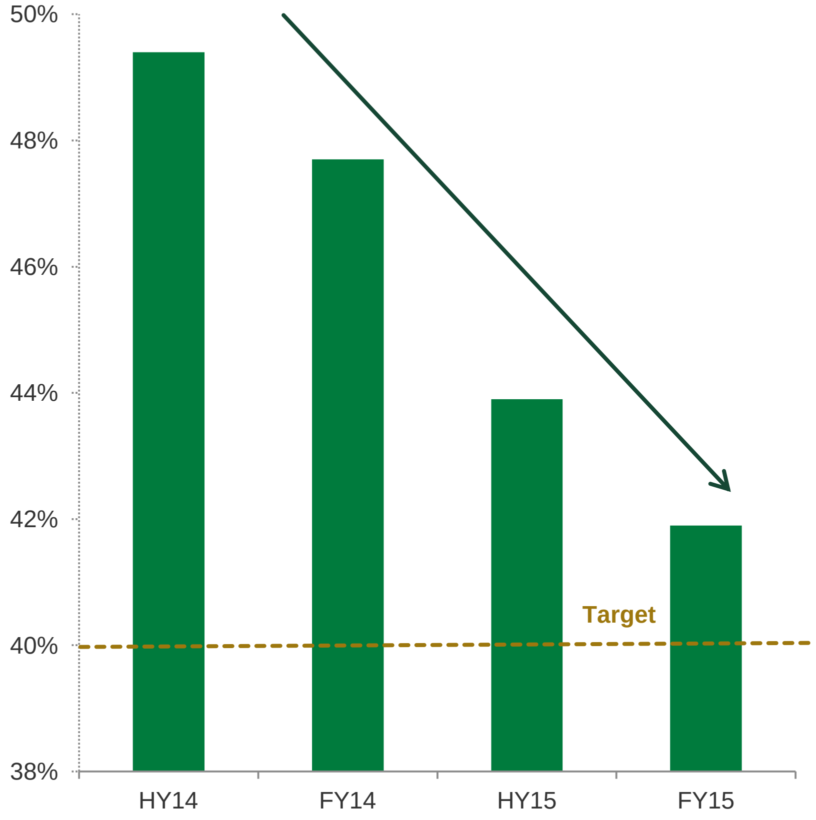
| | Year ended 31 July | | | |
|---|---|---|---|---|
| (A$ millions) | 2015 | 2014 | Change | |
| Revenue | 2,737 | 2,623 | 4.4% | ▲ |
| Underlying gross profit[(1)] | 765 | 701 | 9.2% | ▲ |
| *Gross profit margin* | *28.0%* | *26.7%* | *123 bps* | ▲ |
| Underlying EBITDA[(1)] | 317 | 281 | 12.7% | ▲ |
| *EBITDA margin* | *11.6%* | *10.7%* | *85 bps* | ▲ |
| Underlying EBIT[(1)] | 237 | 201 | 18.1% | ▲ |
| *EBIT margin* | *8.7%* | *7.6%* | *101 bps* | ▲ |
| Underlying NPAT[(1)] | 117 | 86 | 35.5% | ▲ |
| Return on funds employed (ROFE) [(2)] | *11.0%* | *9.1%* | *192 bps* | ▲ |
| Dividend (cents per share) | 10.0¢ | 8.0¢ | 25.0% | ▲ |

(1) Excludes material items
(2) ROFE is underlying EBIT divided by the average of opening and closing funds employed (total equity + net debt)

# Continued improvement in average net working capital

## On-track to meet target of ANWC/Sales of 40% by end FY16

### ANWC / Sales(2)




- Average NWC lower by $105m driven by focus on capital discipline
- Average NWC lower in all major crop protection businesses
- Achieving results through continued focus on NWC across all regions
- Average inventory for FY15 lower than prior year

### ANWC(1) metrics

| | Year ended 31 July | | |
|---|---|---|---|
| (A$ millions) | 2015 | 2014 | Change |
| ANWC | 1,147 | 1,252 | ▼ |
| ANWC/sales(2) | 41.9% | 47.7% | ▼ |

(1) ANWC is the average net working capital (NWC) balance calculated over each of the 12 months
(2) ANWC/sales is ANWC divided by the last 12 months sales revenue

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# Net working capital initiatives

## Reduction in year end NWC position with improvement in key working capital metrics

### Net working capital (NWC)

| (A$ millions) | Year ended 31 July 2015 | Year ended 31 July 2014 | Change | |
|---|---|---|---|---|
| Receivables | 732 | 725 | 8 | ▲ |
| Inventories | 754 | 633 | 121 | ▲ |
| Payables | (672) | (516) | (156) | ▲ |
| Net working capital | 815 | 842 | (27) | ▼ |

### Key working capital metrics

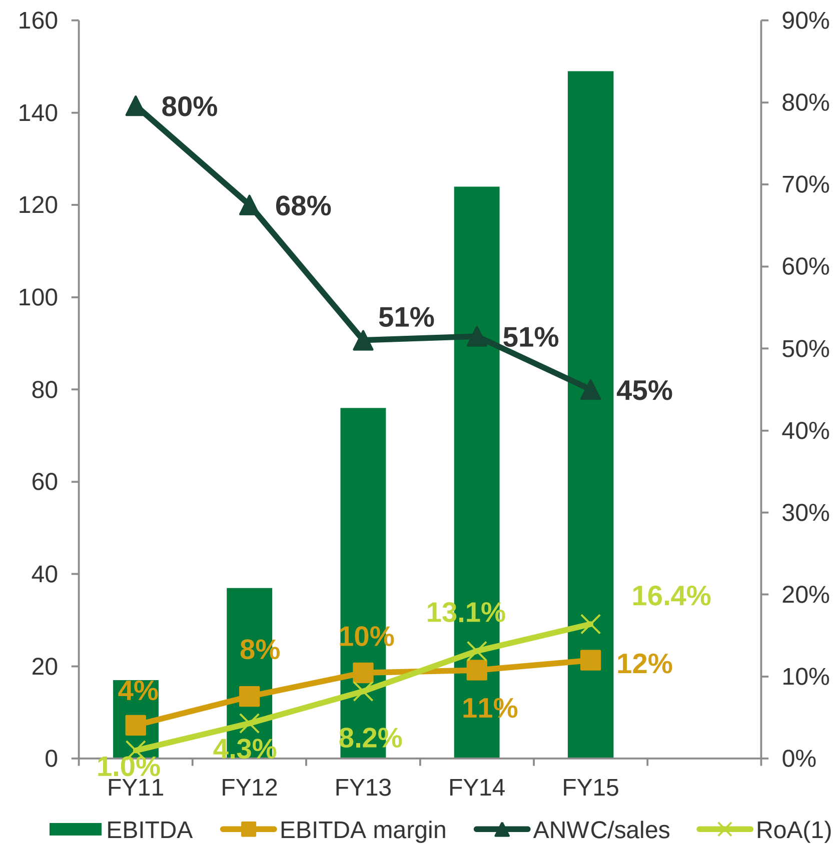
| | As at 31 July 2015 | As at 31 July 2014 | |
|---|---|---|---|
| Days sales outstanding (days) | 76 | 85 | ▼ |
| Stock cover (days) | 155 | 115 | ▲ |
| Creditors days | 89 | 78 | ▲ |

- Key initiatives to reduce NWC have included:
  - Continued focus on Integrated Business Planning process
  - Further roll-out of supplier financing program
  - Use of debt securitisation, where economic, such as in Brazil
  - Use of cash pooling in Europe
- Depreciating AUD had an adverse impact on year end NWC balance
- Year end inventory position reflects temporary stock builds in Australia and Europe
  - Impact of restructuring program as plants are closed and production transferred
- Seeds inventory elevated due to poor selling season

# Financial metrics continue to improve in Brazil despite challenging industry conditions

## Profitability, working capital and return metrics all improve in Brazil

**Brazil key metrics in local currency**
(BRL in millions)




- Further profitable growth in difficult trading conditions, especially in the second half
- Focus on quality of earnings saw margin expand despite challenging conditions and has led to growth in market share
- Improved profitability and reduced working capital has driven continuing improved return on assets
- In spite of business growth, ANWC reduced through efficient use of off-balance sheet receivables program and supplier financing program
- Generally credit conditions were weaker than prior year but still reasonable. Effects of fall in soft commodity prices offset by depreciating BRL.
- Conservative approach to provisioning; doubtful debt expense almost $9m higher this year
- DSO at 155 days compared with 173 days last year

(1) RoA is EBIT divided by the average of total net assets excluding net debt

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# Material items relate to the business improvement projects

## Benefits of business improvement projects already being delivered

- One-off costs total $87m (pre-tax), of which $43m is cash and $44m is non-cash
- Early successes result in EBIT benefit in FY15 of $15m
- ANZ restructure progressing to plan; timeline and quantum of savings (annualised $16m) unchanged
- Rationalisation of EU manufacturing footprint progressing in line with expectations (annualised savings of €16m)
- Organisation restructuring costs consist largely of redundancy costs and consulting costs in support of the business improvement project
- Other asset rationalisation relates to the write-off of underperforming assets (principally intangible assets associated with SKU rationalisation)
- Additional one-off costs associated with further restructuring changes will be reported within the period those initiatives are approved and the benefits validated

### Reconciliation of Underlying to Reported NPAT

| | Year ended 31 July | |
|---|---|---|
| (A$ millions) | 2015 | 2014 |
| **Underlying NPAT** | **$117** | **$86** |
| *Material items* | | |
| Manufacturing asset rationalisation | | |
| ANZ footprint review | - | 51 |
| Europe footprint review | 46 | - |
| Organisation restructuring costs | 14 | - |
| Other asset rationalisation | 26 | - |
| **Total material items, pre-tax** | **87** | **51** |
| (-) Tax | (13) | (2) |
| **Total material items after tax** | **74** | **49** |
| **Reported NPAT** | **$43** | **$38** |

# Net impact of foreign exchange relatively minor

## Further benefit of geographic diversity

### Underlying metrics at constant FX

| (A$ millions) | 2015 | 2014 Constant FX(2) | 2014 Actual |
|---|---|---|---|
| | Year ended 31 July | | |
| Revenue | 2,737 | 2,711 | 2,623 |
| Underlying EBITDA(1) | 317 | 291 | 281 |
| Underlying EBIT (1) | 237 | 208 | 201 |
| Net FX gains/(losses) incl. financing costs | (0) | | (13) |

### Impact of FX on income statement

- Weaker AUD versus USD and GBP has had beneficial impact on reported revenue and earnings largely offset by weakening BRL and EUR
- Constant currency revenue growth of 1% and EBIT growth of 14% in FY15

### Impact of FX on net financing costs

- Actively seek to hedge FX exposures on foreign currency denominated loan balances and trading balances. Negligible net FX loss for the year
- Incurred a significant FX loss ($9.6m) in a couple of developing markets where it is difficult or uneconomic to hedge (Argentina, Colombia and Ukraine). Offset by gains elsewhere principally weaker AUD vs USD.

(1) Underlying EBITDA, EBIT and NPAT exclude material items.
(2) 2014 Actual results converted at 2015 FX rates.

# Operating and tax expense

## Costs controlled and effective tax rate benefits from one-off credit

| (A$ millions) | Year ended 31 July 2015 | 2014 |
|---|---|---|
| Underlying sales, marketing & distribution expenses(1) | 343 | 315 |
| Underlying general & administrative expenses(1) | 166 | 160 |
| Total underlying SG&A | 509 | 474 |
| *SG&A / Revenue* | *18.6%* | *18.1%* |
| Corporate costs(2) | 46 | 39 |
| Underlying effective tax rate(1) | 27.7% | 23.5% |

- A major driver of the lift in SG&A expenses is a large increase in doubtful debt expense, principally in Brazil
- A driver of corporate cost increase is the higher incentive accruals reflecting overall business performance
- FY15 effective tax rate benefitted from recognition of previously unrecognised tax losses in Brazil ($4.9m)
- Expect long-term effective tax rate to be around 30%

(1) Excludes material items
(2) Included within underlying general and administrative expenses above



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# Net debt & financing costs

## Net debt adversely impacted by depreciating AUD

| (A$ millions) | Year ended 31 July 2015 | 2014 |
|---|---|---|
| Interest income | (7) | (5) |
| Interest expense | 73 | 68 |
| Lease interest expense | 2.1 | 2 |
| Net interest expense | 68 | 64 |
| Recurring debt establishment costs | 7 | 8 |
| Debt establishment costs written off | - | 3 |
| **Net financing costs excl. FX (gains)/losses** | **75** | **75** |
| Net FX(gains)/losses | 0 | 13 |
| Total net financing costs | 75 | 88 |
| **Net debt at balance date** | **$547** | **$513** |
| **Net debt in constant currency(1)** | **$420** | **$513** |
| **Average net debt for the period(2)** | **$866** | **$913** |

- Depreciating AUD adversely impacted year end net debt position
- Lower average net working capital drives lower average net debt despite currency headwinds
- Successful negotiation of lower margins on core revolving credit facility
- Receivables securitisation facility recently renewed on improved terms and adjusted to reflect seasonality of the business
- Benefit of lower base rates and negotiated lower credit margin offset by adverse effect of higher Brazilian base rate and credit card interest in Argentina

(1) 31 July 2015 actual converted at 31 July 2014 foreign currency rates
(2) Average net debt is the average of the month end net debt over the preceding 12 months

# FY 2015 results – Crop Protection

**Greg Hunt**
**Managing Director / CEO**

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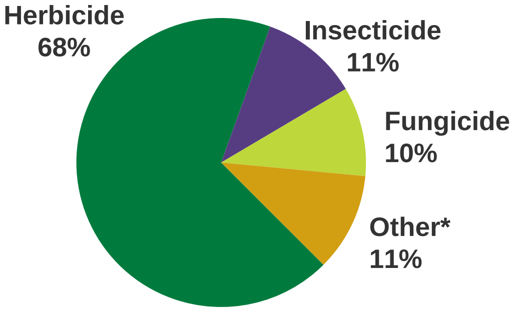
# Major product segments

## Crop protection % total segment revenues

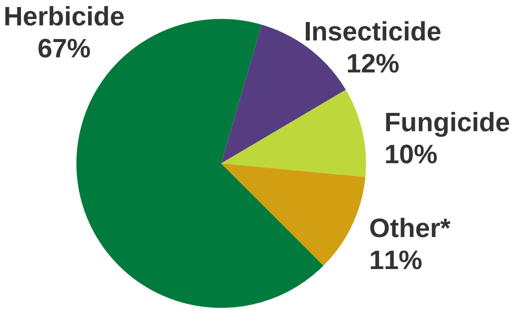
### 2015: $2,577.6m

**Average GM: 28%**




### 2014: $2,478.3m

**Average GM: 26%**




## Group sales

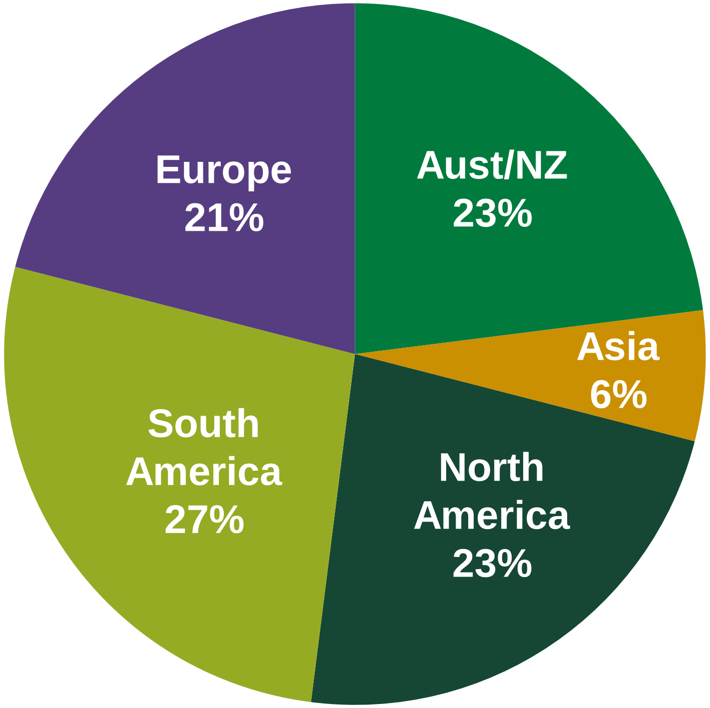
| | 2015 | 2014 | Change |
|---|---|---|---|
| Herbicides | $1.75 billion | $1.67 billion | ▲5% |
| Insecticides | $282 million | $290 million | ▼4% |
| Fungicides | $274 million | $247 million | ▲11% |
| Other | $274 million | $266 million | ▲3% |

*Other includes equipment; adjuvants; PGR's; industrial

# Sales revenue by region

## Crop protection segment

**2015: $2,577.6m**
**Average GM: 28%**




**2014: $2,478.3m**
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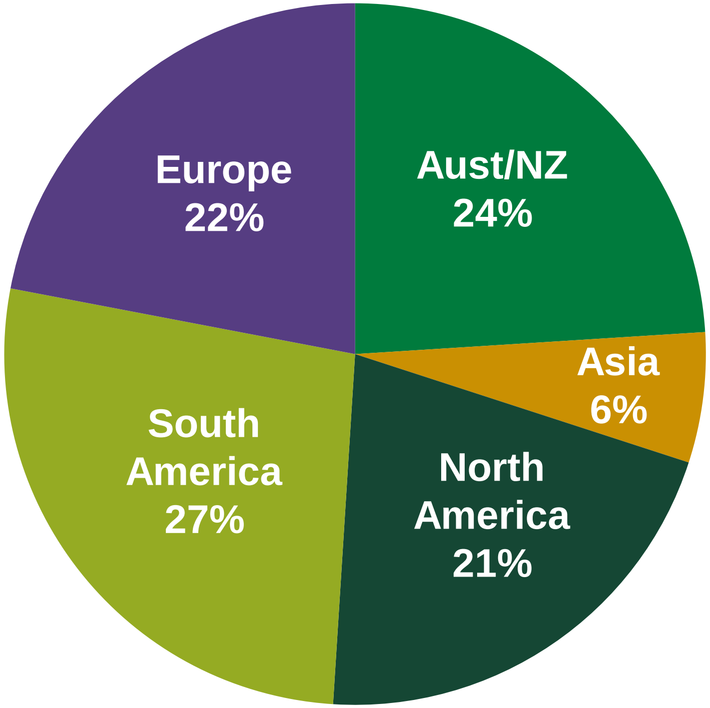
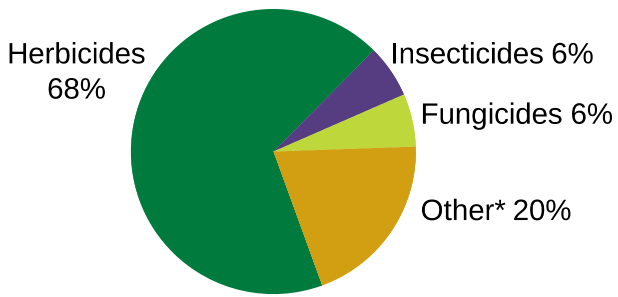



**A balanced and diversified geographic footprint**

# 2015 Results – regional review
## Australia/New Zealand

| | 2015 $m | 2014 $m |
|---|---|---|
| **Sales** | **582.4** | **605.8** |
| **Underlying EBIT** | **52.7** | **33.9** |

**Regional revenues by major product segment**




*Other = PGRs, machinery, adjuvants, industrial

### Australia

- Dry summer and autumn conditions
- Focus on higher margin sales
- Benefits of restructuring coming through

### New Zealand

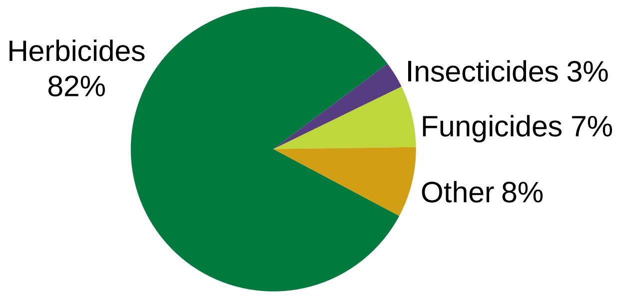
- Demand impacted by tougher conditions in dairy sector
- New product launches and higher sales into horticulture segment help drive profit growth

# 2015 Results – regional review
## Asia

| | 2015 $m | 2014 $m |
|---|---|---|
| **Sales** | **155.2** | **140.9** |
| **Underlying EBIT** | **18.1** | **19.5** |

- Local currency sales growth in major regional markets of Indonesia and Malaysia
- Continued investment in regional expansion and product portfolio

**Regional revenues by major product segment**

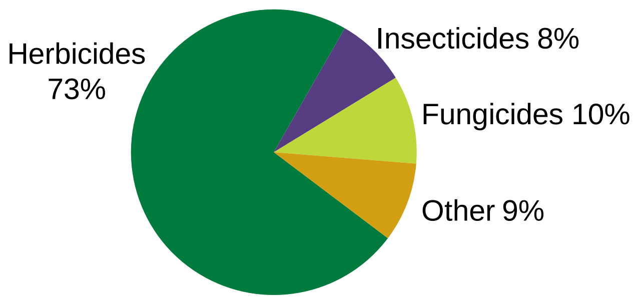


# 2015 Results – regional review

## North America

| | 2015 $m | 2014 $m |
|---|---|---|
| **Sales** | **588.7** | **513.6** |
| **Underlying EBIT** | **38.9** | **20.6** |

**Regional revenues by major product segment**




### USA

- Sales grow by 5% in local currency
- Increased sales into glyphosate resistant weeds segment
- Better spring conditions and more effective marketing drive stronger results in turf and specialty business

### Canada

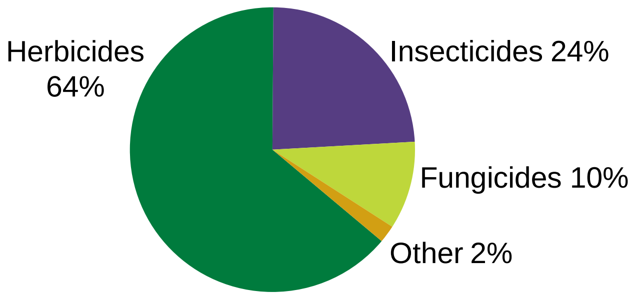
- Sales down on prior year, with dry conditions negatively impacting

# 2015 Results – regional review

## South America

| | 2015 $m | 2014 $m |
|---|---|---|
| **Sales** | **706.5** | **662.5** |
| **Underlying EBIT** | **76.7** | **71.6** |

**Regional revenues by major product segment**




## Brazil

- Tougher market conditions see value of total crop protection sales contract
- Further market share gains with 8% sales growth in local currency
- Stronger product portfolio helps drive margin expansion
- Lower insect pressure, but good opportunities for fungicide applications

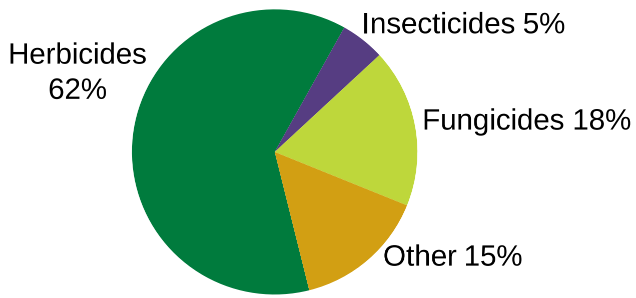
## Other markets

- Sales growth in Argentina, Colombia and Chile
- New product registrations in Uruguay

# 2015 Results – regional review
## Europe

| | 2015 $m | 2014 $m |
|---|---|---|
| **Sales** | **544.8** | **555.5** |
| **Underlying EBIT** | **64.4** | **56.4** |

**Regional revenues by major product segment**




- Mixed seasonal conditions, with dry weather impacting last quarter
- Local currency sales growth in most European country markets
- Strong performance in expansion markets of Middle East and Africa
- Manufacturing footprint rationalisation and efficiency gains

# FY 2015 results – Seed technologies

**Brent Zacharias**
**Group Executive, Nuseed**

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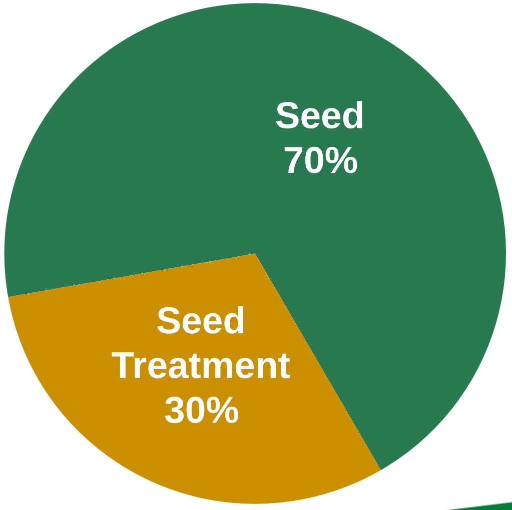
# 2015 Results – Seed technologies segment review

## Seed technologies

| | 2015 $m | 2014 $m |
|---|---|---|
| **Sales** | **159.6** | **144.4** |
| **Average GM** | **44%** | **51%** |
| **Underlying EBIT** | **31.8** | **37.2** |
| **EBIT margin** | **20%** | **25.8%** |

**Revenue breakdown**




- Tougher market conditions generally with lower commodity prices impacting decisions on seed purchases
- Lower canola plantings in Australia, with increased use of farmer saved seed
- Expanded presence in European sunflower segment
- Continued investment in seed treatment capabilities and portfolio



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# 2015 Results – Seed technologies segment review

## Maintaining a strong outlook

- **Advancement of key trait projects and hybrid pipeline in all 3 crops**
  - 8 key trait projects advancing: 5 will launch in 2016-2020
  - Hybrid pipeline: 18 new launches in 2016; 20 in 2017
- **DHA Omega 3 canola advancement**
  - IP position strengthening: Several international patents published and granted
  - Technical and regulatory pathway on track toward approvals in 2018-2020 period
- **Portfolio advancement in global seed treatment platform**
  - Key registrations achieved, expansion in 2016
- **Further optimisation and footprint synergy**
- **Expect more favourable (average) conditions in 2016**

# FY 2015 results

# Performance improvement program

**Greg Hunt**
**Managing Director / CEO**

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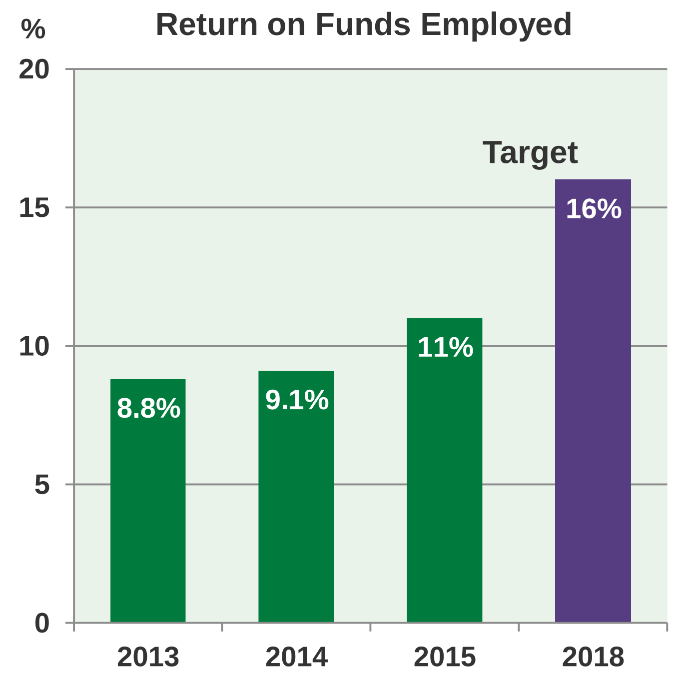
# Performance improvement program

## We have a clear focus on improving the performance of the business, lifting returns on investment and securing our growth opportunities




- Our primary returns measure is ROFE, and we have a medium term target (FY18) of achieving 16% ROFE
- This improvement will be driven by:
  - Continued growth in our revenues
  - A strengthening of our margins
  - A continued, relentless focus on driving down working capital; and
  - A cost savings and performance improvement program that will deliver a net benefit of at least $116 million[1] by 2018

[1] $116 million benefit target is measured at an underlying EBIT level and off a 2014 financial year base

# Performance improvement program – examples of cost savings and benefits*

| | Description of Area | Specific Examples | Est. gross savings Low | Est. gross savings High |
|---|---|---|---|---|
| **Manufacturing footprint** | • Optimising plant utilisation<br>• Lowering fixed cost base<br>• Ensuring capacity to meet new growth<br>• Protecting Nufarm's unique positions (Phenoxies, Granulation) | • Consolidation of Australian manufacturing footprint (6 plants to 3) | $16M | |
| **Manufacturing footprint** | | • In Europe, closure of Botlek (The Netherlands) | $24M | |
| **Manufacturing efficiencies** | • Improving productivity<br>• Reducing waste, duplication and rework<br>• Lowering manufacturing overhead | • Review complete at Wyke (UK) | $3M | $5M |
| **Manufacturing efficiencies** | | • Review underway at Laverton (AUS) | $4M | $7M |
| **Manufacturing efficiencies** | | • Reviews at other production facilities | $10M | $15M |
| **Procurement** | • Centralising to leverage global scale<br>• Investing in better systems and increased capabilities<br>• Establishing a global procurement hub in Shanghai | • Various initiatives that will deliver a 2-4% saving on our annual raw material spend of $1.6B<br>• Indirect procurement | $32M | $64M |
| **Supply chain & logistics** | • Establishing a globally integrated supply chain which will deliver benefits in areas such as inventory management, lower logistics costs and improved supply reliability | • Consolidation of warehousing<br>• Establishment of one center-led global supply chain operating with standardised systems and processes across all inbound and outbound markets | $10M | $15M |
| **Selling, General & Administrative** | • Removing duplication and implementing an operating model that best serves the needs of a global business<br>• Ongoing vigilance on discretionary spend | • Lowering head office costs via a more streamlined management structure | $3M | $5M |
| **Selling, General & Administrative** | | • Moving to a shared service model to reduce overhead within regions | $15M | $20M |
| **Product Portfolio** | • Developing a product portfolio that better meets the needs of our customers – the farmers, and thus allows for stronger margins | • Removing low margin and slow moving products<br>• Focusing product development in countries and product and crop specialties where Nufarm has distinct competitive advantage to win share | $5M | $10M |
| | | **TOTAL:** | **$122M** | **$181M** |

* Work continues on the validation of estimated cost savings and the identification of additional cost saving opportunities

# Cost savings & performance improvement program

| Initiatives | Targeted savings by FY 2018 |
|---|---|
| Manufacturing footprint | $40m |
| Manufacturing efficiencies | $17-27m |
| Procurement | $32-64m |
| Supply Chain/Logistics | $10-15m |
| SG&A | $18-25m |
| Product rationalisation | $5-10m |
| **Estimated gross savings** | **$122-181m** |

**Reinvestment in systems, resources and capabilities that protect margins and ensure sustainable performance improvement**

- **Marketing capabilities**
- **Customer relationship management**
- **Procurement**
- **Supply Chain**

**Targeting a net benefit of at least $116 million and 16% return on funds employed by the end of FY 2018**

# FY 2015 results

# Outlook

**Greg Hunt**
**Managing Director / CEO**

# Group outlook for 2016 financial year

- Earnings growth to be driven by underlying growth across product positions, crop segments and geographies, together with the further benefits of our of cost savings and performance improvement program
- Earnings recovery to continue in Australia, driven by lower cost base and stronger margins
- El Niño weather impacts have mixed implications (eg. possible negative in Eastern Australia; possible positive in Southern Brazil) and have been factored into our expectations
- Despite market headwinds from lower crop prices and tighter farm economics, our businesses in the Americas are well positioned. We expect some growth in the US and we expect to deliver local currency and market share growth in Brazil
- Continued growth in Europe, aided by new product introductions
- Seed technologies business to generate earnings growth, with improvement in Australian canola market conditions, and important new seed treatment product launches
- Performance improvement program forecast to directly contribute an incremental EBIT benefit of at least $20 million
- Average net working capital to sales forecast at 40%

**Assuming average seasonal conditions in major markets, we expect to achieve another year of solid underlying EBIT growth in FY16**

# Strategic focus

## Next 12 months

**Improving our balance sheet**

- Continued implementation of working capital efficiency programs
- Reviewing return metrics on non current assets

**Strengthening the product portfolio**

- Rationalising underperforming SKUs
- Ensuring development spend delivers ‘across-the-business’ value
- Protecting and enhancing core position in phenoxy herbicides
- Supporting pipeline development in seeds business

**Getting absolute clarity on strategic growth priorities**

- Focusing on opportunities where Nufarm can be most successful
- Identifying growth priorities across geographies; crops; and products
- Generating and deploying capital to maximise investor returns

**Maintaining focus on cost savings and performance improvement program**

- Discipline around project management and accountability
- Benefits to be locked in over the long term
- Targeted investment in areas that drive sustainable improvement

# Building a better Nufarm

## Our steps to success

Cost-out and performance improvement program

Investing in sustainable improvement and in growth opportunities

A clearly defined strategy that focuses the business on where we can be most successful

A company that consistently delivers earnings growth and generates strong returns for shareholders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# Supplementary information

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# Non IFRS disclosures and definitions

| Term | Definition |
|---|---|
| Underlying NPAT | Profit / (loss) for the period attributable to the equity holders of Nufarm Limited less material items. |
| Underlying EBIT | Earnings before net finance costs, taxation and material items. |
| Underlying EBITDA | Earnings before net finance costs, taxation, depreciation and amortisation and material items. |
| Gross profit margin | Gross profit as a percentage of revenue. |
| Average gross profit | Revenue less a standardised estimate of production costs excluding material items and non-product specific rebates and other pricing adjustments. |
| Average gross margin | Average gross profit as a percentage of revenue. |
| Net debt | Total debt less cash and cash equivalents. |
| Average net debt | Net debt measured at each month end as an average. |
| Net working capital | Current trade and other receivables and inventories less current trade and other payables. |
| Average net working capital | Net working capital measured at each month end as an average. |
| ANWC/sales (%) | Average net working capital as a percentage of last twelve months revenue. |
| Net external interest expense | Comprises Interest income – external, Interest expense – external and Lease expense – finance charges as described in the Nufarm Limited financial report. |
| Gearing | Net debt / (net debt plus equity) |
| Constant currency | Comparison removing the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the Australian dollar. |
| Return on funds employed | Underlying EBIT divided by the average of opening and closing funds employed (total equity + net debt) |

# Non IFRS information reconciliation

Nufarm

| | 12 months ended 31 July 2015 | | | 12 months ended 31 July 2014 | | |
|---|---|---|---|---|---|---|
| | Underlying | Material items | Total | Underlying | Material items | Total |
| | $000 | $000 | $000 | $000 | $000 | $000 |
| **Revenue** | **2,737,163** | | **2,737,163** | **2,622,704** | | **2,622,704** |
| Cost of sales | (1,971,941) | 48,349 | (2,020,290) | (1,921,751) | 33,612 | (1,955,363) |
| **Gross profit** | **765,222** | **48,349** | **716,873** | **700,953** | **33,612** | **667,341** |
| Other income | 11,710 | | 11,710 | 10,882 | | 10,882 |
| Sales, marketing and distribution expenses | (342,978) | 5,142 | (348,120) | (314,590) | 7,322 | (321,912) |
| General and administrative expenses | (165,509) | 33,111 | (198,620) | (159,815) | 8,674 | (168,489) |
| Research and development expenses | (32,683) | 62 | (32,745) | (40,184) | | (40,184) |
| Share of net profits/(losses) of associates | 1,120 | | 1,120 | 2,208 | | 2,208 |
| **Operating profit** | **236,882** | **86,664** | **150,218** | **199,454** | **49,608** | **149,846** |
| Financial income excluding fx | 7,423 | | 7,423 | 5,050 | | 5,050 |
| Net foreign exchange gains/(losses) | (302) | | (302) | (12,609) | | (12,609) |
| Net financial income | 7,121 | - | 7,121 | (7,559) | - | (7,559) |
| Financial expenses | (82,329) | | (82,329) | (80,436) | | (80,436) |
| **Net financing costs** | **(75,208)** | **-** | **(75,208)** | **(87,995)** | **-** | **(87,995)** |
| **Profit before tax** | **161,674** | **86,664** | **75,010** | **111,459** | **49,608** | **61,851** |
| Income tax benefit/(expense) | (44,786) | (12,825) | (31,961) | (26,161) | (2,057) | (24,104) |
| **Profit for the period** | **116,888** | **73,839** | **43,049** | **85,298** | **47,551** | **37,747** |
| **Attributable to:** | | | | | | |
| Equity holders of the parent | 117,059 | 73,839 | 43,220 | 85,258 | 47,551 | 37,707 |
| Non-controlling interest | (171) | | (171) | 40 | | 40 |
| **Profit for the period** | **116,888** | **73,839** | **43,049** | **85,298** | **47,551** | **37,747** |

# Non IFRS information reconciliation

| Year ended 31 July | 2015<br>$000 | 2014<br>$000 |
|---|---|---|
| Underlying EBIT | 236,882 | 200,607 |
| Material items impacting operating profit | (86,664) | (50,761) |
| Operating profit | 150,218 | 149,846 |

| | | |
|---|---|---|
| Underlying EBIT | 236,882 | 200,607 |
| add Depreciation and amortisation excluding material items | 80,208 | 80,816 |
| Underlying EBITDA | 317,090 | 281,423 |