

COMPANY ANNOUNCEMENT

29 December, 2009

Nufarm terminates discussions with Sinochem

Nufarm Limited (“Nufarm”) today announced that it has terminated discussions with Sinochem Corporation (“Sinochem”) in relation to its proposal to acquire all of the issued ordinary shares in Nufarm.

On September 27, 2009, Nufarm and Sinochem executed a Heads of Agreement in relation to a non-binding proposal for Sinochem to acquire all of the issued ordinary shares in Nufarm for a price of \$13.00 cash per share.

The Heads of Agreement provided for Nufarm to work with Sinochem on an exclusive basis to conduct due diligence and negotiate a Transaction Implementation Agreement (“TIA”) on or before December 3, 2009.

On December 1, 2009 Nufarm announced that the parties were not in a position to execute a TIA by December 3, but that it was prepared to continue working with Sinochem on a non-exclusive basis to negotiate and execute a TIA – on the terms previously agreed – by December 23, 2009.

On December 21, 2009 Nufarm announced that Sinochem advised Nufarm that it would not proceed with its previous \$13.00 cash per share offer and instead proposed a price of \$12.00 cash per share. The proposal remained subject to numerous conditions, including the negotiation of a TIA and approval by Chinese, Australian and other regulatory authorities.

The Nufarm Board has carefully considered Sinochem’s proposal and has decided that it is not in the best interests of Nufarm shareholders to pursue Sinochem’s proposal.

In forming its decision the Nufarm Board had regard to a number of factors including

- Sinochem’s revised offer price of \$12.00 cash per share undervalues Nufarm and is materially lower than the price of \$13.00 cash per share that was agreed as part of the Heads of Agreement;
- Sinochem’s proposal remains subject to numerous conditions, some of which are unacceptable.
- Sinochem’s proposal remains subject to the uncertainty of regulatory approvals, including approval by Chinese and Australian regulatory authorities;
- The Nufarm Board has confidence in Nufarm’s business and growth prospects; and
- Nufarm has progressed an attractive proposal from Sumitomo Chemical Corporation (“Sumitomo”) to acquire up to 20% of the issued ordinary shares of Nufarm from Nufarm shareholders for \$14.00 cash per share and enter into an agreement to co-operate across a number of business areas.

Nufarm's Chairman, Mr Kerry Hoggard, said "Nufarm is extremely disappointed that the lengthy process and substantial resources invested in negotiations with Sinochem, including a protracted due diligence period, have not resulted in the anticipated outcome for Nufarm shareholders."

"Sinochem's revised proposal is less attractive than the position which was agreed between the parties in September and does not provide certainty for Nufarm shareholders."

"The Nufarm Board has decided the company has invested enough senior management time in the discussions with Sinochem and it is in the best interest of shareholders that discussions with Sinochem are now terminated."

Mr Hoggard said the Nufarm Board believed that the proposal from Sumitomo Chemical Corporation would provide both greater value and certainty for Nufarm shareholders.

Details of the proposed transaction with Sumitomo are set out in a separate announcement which has been lodged with ASX today.

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