103-105 Pipe Road
LAVERTON NORTH VIC 3026

Nufarm

Nufarm Finance (NZ) Limited
ARBN 099 125 783

26 October 2009

Nufarm Finance ASX Announcement

We attach a copy of documents released to ASX by Nufarm Limited today.

Rodney Heath
Nufarm Finance (NZ) Ltd

Nufarm Limited ACN 091 323 312
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26 October 2009

ASX

We are giving to the ASX the following documents:

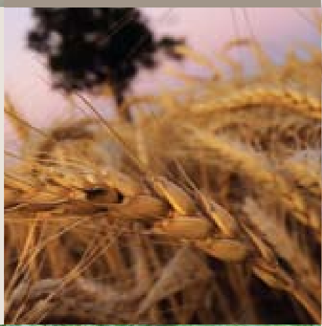
- Nufarm 2009 Annual Report
- Notice of Annual General Meeting
- Proxy Form
- Chairman's Letter to Shareholders
- Lost Shareholder Letter

The Annual Report includes the Full Year Financial Report and Statements. The documents lodged also serve to provide ASX with a copy of documents to be sent to shareholders as provided by Listing Rule 3.17.

Yours faithfully,

RODNEY HEATH
Company Secretary





NUFARM LIMITED ANNUAL REPORT

2009

Nufarm

CONTENTS

KEY EVENTS

– Global glyphosate market issues make significant impact on profit result

– Conservative approach to risk management in Brazil

– Growth in sales revenues and new product introductions

– European businesses generate strong sales and margin growth

– Expansion of seeds business

FACTS IN BRIEF

	12 months ended 31 July 2009 $000	12 months ended 31 July 2008 $000
Trading results		
Profit attributable to shareholders	79,877	137,915
Material items gain/(loss)	(79,755)	(25,961)
Operating profit after tax	159,632	163,876
Sales revenue	2,677,083	2,492,458
Total equity	1,631,939	1,305,218
Total assets	3,251,597	3,213,880
Ratios		
Earnings per ordinary share	33.5¢	69.7¢
Net debt to equity	57%	69%
Net tangible assets per ordinary share	$3.59	$2.60
Distribution to shareholders		
Annual dividend per ordinary share	27¢	35¢
People		
Staff employed	3,155	3,112

MANAGING DIRECTOR'S REVIEW

Doug Rathbone AM
Managing director and chief executive

THE 2009 FINANCIAL YEAR HAS PRODUCED A DISAPPOINTING PROFIT RESULT FOR THE COMPANY. THE RESULT REFLECTS A VERY CHALLENGING SECOND HALF, PARTICULARLY WITH RESPECT TO OUR GLYPHOSATE BUSINESS. GLYPHOSATE SUFFERED A SHARP DECLINE IN PROFITABILITY DUE TO A RANGE OF ISSUES THAT HAD A NEGATIVE IMPACT ON ALL OF THE WORLD'S LEADING GLYPHOSATE SUPPLIERS IN THE FINAL QUARTER. THESE IMPACTS ARE DISCUSSED IN MORE DETAIL LATER IN THIS REPORT.

Net profit after tax for the year ended 31 July 2009 was $79.9 million. The reported profit includes the impact of material items totalling $79.8 million.

Group revenues increased seven per cent to $2.68 billion and operating earnings before interest and tax (EBIT) was down 44 per cent to $151 million.

Earnings per share were 33.5 cents, compared with last year's 69.7 cents.

Material items

The company recorded a $79.8 million after tax loss associated with material items.

The significant material items related to adjustments associated with the company's glyphosate business. The company booked a $40.8 million after tax write-down on the value of glyphosate inventory largely held in the US as at 31 July 2009. The adjusted value of that inventory places the company in a position to generate profits in the 2010 year while selling glyphosate at market competitive prices.

The dramatic fall in glyphosate prices in the final six weeks of the financial year meant that the book value of inventory could not be recovered through sales made in the period. Losses of $22.7 million after tax have been classified as an inventory adjustment material item.

The balance of $16.0 million in material items mainly relates to charges associated with restructuring of manufacturing activities in Europe and costs relating to regulatory enquiries dealing with competition impacts of the AH Marks acquisition.

There was also a small net non-cash foreign exchange loss of $0.3 million at 31 July relating to the company's Step-up Securities (NSS). The foreign exchange exposure on the funding utilisation from the NSS has been hedged over the term of the securities and will guarantee a cash gain of $19.6 million on maturity in the 2012 financial year.

Final dividend

Directors declared a final unfranked dividend of 15 cents per share, resulting in a full year dividend of 27 cents. The final dividend (which will be classified as 100 per cent conduit foreign income) will be paid on 13 November 2009 to the holders of all fully paid shares in the company as at the close of business on 16 October 2009.

The Dividend Reinvestment Plan will not operate with respect to this dividend.

Treasury

Net debt to equity improved from 69 per cent in 2008 to 57 per cent at July 2009, despite net debt marginally increasing by $38 million to $938 million.

The increase in working capital – driven by a decrease in payables at year-end – utilised the cash raised from the new equity issue undertaken in May. The reduction in payables reflected a decrease in purchasing activity in the last two months of the year as it became apparent that sales would be below earlier expectations. A significant decrease in working capital is expected in 2010 in response to more normal patterns of sales and purchasing.

The group recorded a foreign exchange loss of $27.5 million, primarily in Brazil. Approximately half of this loss is a non-cash mark-to-market adjustment on a US dollar banking facility due to be renewed in the 2011 financial year.

Cash from operations has marginally improved to $76 million, constrained by the working capital increase. Net operating cash outflow was $53 million, a $74 million improvement on the prior year.

Subsequent events

Acquisition of Richardson Seeds and MMR Genetics

On 5 August 2009, Nufarm acquired Texas based Richardson Seeds Ltd and MMR Genetics Ltd.

Richardson Seeds is a major producer and marketer of sorghum seed hybrids, with a leading market share in the US and expanding market positions in Mexico, South America, Europe, Japan and the Middle East. The company was founded over 50 years ago and has processing capabilities of 10,000 bags of sorghum seeds per day.

MMR Genetics – previously 47 per cent owned by Richardson Seeds – is a global leader in the development of elite sorghum germ plasm, used by many of the world's top seed companies.

The additional scale and reach resulting from the acquisitions will deliver significant growth to Nufarm's seeds business and will be complementary to the company's existing sorghum operations that were secured via last year's acquisition of Queensland based Lefroy seeds.

AH Marks

On 10 September 2009, the UK Competition Commission notified Nufarm that the company had fulfilled its obligations in relation to remedies associated with the AH Marks acquisition (completed March 2008).

The resolution of this matter allows the company to proceed with the full integration of the AH Marks business.

Belvedere closure

UK-based manufacturing activities are to be consolidated at the company's Wyke facility. The Belvedere plant will cease production in October 2009. The closure of the Belvedere site is not expected to result in any significant net gains or losses.

Outlook

While market conditions remain challenging in certain areas of the company's business, management expects to see growth in group profitability in the 2010 financial year, with an improved operating environment in Brazil; a more competitive position in glyphosate; and continued revenue and margin expansion across other product positions being the major contributors to that growth.

Seasonal conditions in key markets such as Australia and the US saw reduced demand for crop protection products in the 2009 period. If seasonal influences return to more average conditions in 2010, grower demand is expected to improve. Similarly, credit pressures impacted the buying patterns of distribution customers in 2009, with many of those customers not prepared, or not able, to purchase and carry average levels of inventory. An improvement in the credit environment is likely to result in a re-stocking of distribution channels as the major selling seasons approach.

Credit restrictions in Brazil have eased and the company expects to generate higher sales and stronger margins in this market over the 12 month period. While risk management will continue to be given close attention, the business is forecast to generate a positive operating result.

The company has taken measures to ensure its glyphosate business will be competitive and profitable in 2010.

Inventory levels at the manufacturing level (total industry) are estimated to be high, especially in the US market, and this will result in aggressive competition and relatively low prices.

With an adjusted cost base and strong market access, Nufarm is well placed to capture an appropriate share of glyphosate sales across its regional businesses.

The company is forecasting a return to acceptable profitability in its glyphosate business in 2010.

New, higher margin product introductions and increased sales in higher value segments (insecticides, fungicides, seed treatment, seeds) together with expanded market penetration in a number of regional locations will also generate higher earnings in the current financial year.

The 2010 year will also see the beginning of integration-related benefits associated with the AH Marks acquisition and improved manufacturing efficiencies resulting from the rationalization of some production activities in Europe.

While the 2009 year saw a substantial reduction in group profitability, the company was able to generate strong sales revenues and maintain or grow market share positions on both a geographic and product basis.

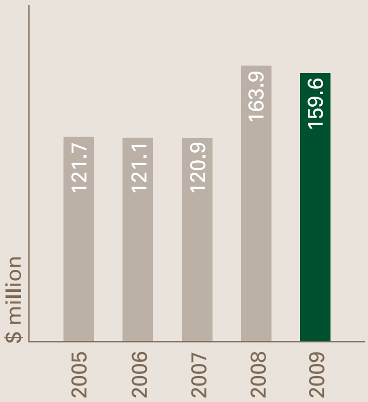
With the expected improvements in earnings in a number of areas of the business – and more favourable market conditions – there is confidence that Nufarm's 2010 financial year will generate much improved results.

In summary, the directors are confident that the 2010 year will see an improvement in the quality of earnings and believe the company is well positioned to resume its strong profit growth.

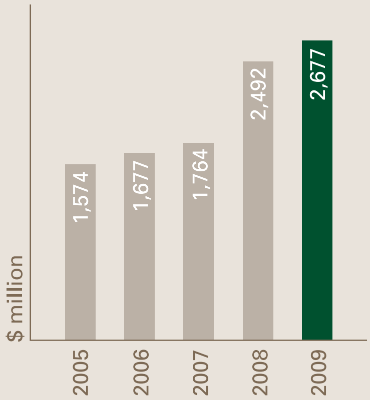
Doug Rathbone AM
Managing Director

28 September 2009

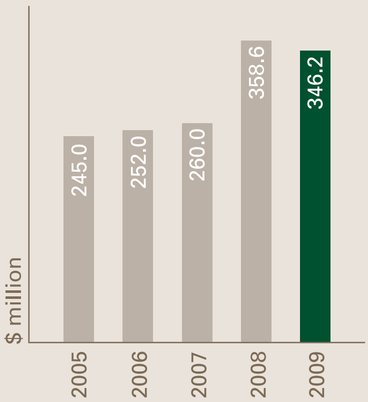
Operating profit



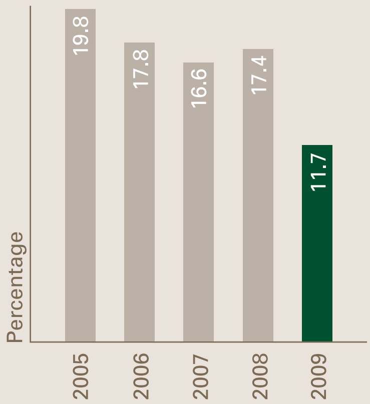
Group sales



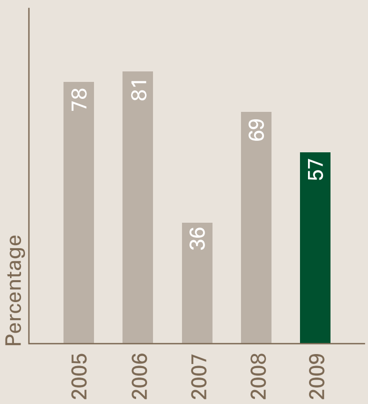
EBITDA



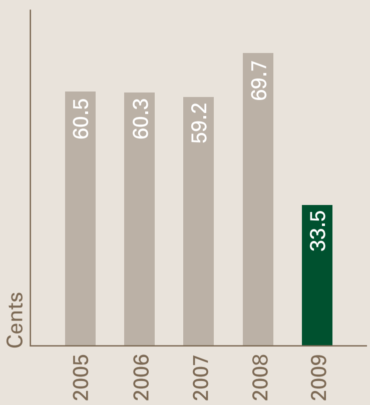
Return on funds employed



Net debt to equity



Earnings per share



BUSINESS REVIEW

AFTER A BUOYANT 2008 IN WHICH AGRICULTURAL INDUSTRIES WERE CHARACTERISED BY STRONG DEMAND, EXPANDED PRODUCTION AND RISING PRICES, BUSINESS CONDITIONS FOR THE CROP PROTECTION INDUSTRY WERE VERY CHALLENGING IN 2009.

Following a solid first six months – in which the company achieved its budgeted profit performance – pressures in the second half relating to the global credit crisis and climate-related declines in demand for various products had a negative impact on Nufarm's financial year. However, the principal negative impact on the company's 2009 profitability involved a range of issues that led to significant deterioration in the volume and profitability of glyphosate sales.

These impacts were especially obvious in the company's South American, US and Australian businesses. Nufarm's European business – which accounts for relatively low sales of glyphosate – performed very strongly during the period.

Nufarm generated sales of $2.68 billion in the 12 months to 31July, representing a seven per cent increase on the previous year's total revenues. Australasia generated $850 million in sales (32 per cent of total sales); North America recorded $775 million in sales (29 per cent of total); South America generated total sales of $415 million (15 per cent); and Europe $637 million (24 per cent).

Total glyphosate sales were $833 million – representing about 31 per cent of group revenues – and generating a 14.9 per cent gross margin (before the impact of adjustments included in material items). This compares with glyphosate sales in the previous year of $909 million (36 per cent of total sales) and a gross margin contribution of 31 per cent.

BUSINESS REVIEW CONTINUED

Nufarm commenced the 2009 financial year with higher than average glyphosate inventory as it transitioned to new supply arrangements. Much of that inventory had been purchased at a high point in the pricing cycle for the key raw material (glyphosate 'technical').

After a period of strong demand and pricing in 2008, substantial additional capacity of glyphosate 'technical' was brought into production in China towards the end of the 2008 period. This surplus of product and low seasonal demand saw prices decline in 2009, with severe price discounting in the final two months of Nufarm's financial year, particularly in the US.

The company's non-glyphosate revenues increased by 16 per cent to $1.84 billion.

Total herbicide sales were down on the previous year, but when glyphosate is excluded from that calculation there was an increase in other herbicide sales of almost 14 per cent to $1.08 billion.

Phenoxy herbicide sales, in which Nufarm is a global leader, were $554 million and similar to the previous year.

The company generated increased sales of insecticides (up 21 per cent) and fungicides (up 10 per cent) in 2009, reflecting product development and portfolio expansion activity focused on those segments.

A number of new seed treatment products were introduced in 2009, providing a strong platform for future growth in this high value segment.

Australasia

	2009 $ million	2008 $ million
Revenue	850	875
Segment profit	118	148

The Australasian business generated $850 million in sales and a segment profit (segment earnings before interest and tax) of $118 million in the 2009 financial year. This represents a drop in revenue of about three per cent on the previous year and a 20 per cent decline in segment profit. Glyphosate represented approximately 31 per cent of total sales in this region.

Despite average crop plantings and reasonable climatic conditions following the planting activity in most parts of Australia, demand for crop protection products was unusually low with Nufarm's major distribution customers looking to de-stock and growers only purchasing minimum requirements. Crops in many regions were planted in relatively dry conditions reducing the need for herbicide applications, particularly glyphosate. Volume sales of glyphosate in Australia were substantially down on the previous year and – combined with weaker pricing and lower margins – were the major contributor to a poorer profit performance from the Australian business.

Seasonal conditions improved in many regions after crops were sown and this generated strong sales of a number of products other than glyphosate, with phenoxy herbicide sales and sales into segments such as horticulture generating an improved return on the previous year.

Nufarm's Croplands division (manufacturer and supplier of spray equipment) increased sales to $46.6 million, an improvement of more than 30 per cent on the previous year.

New Zealand crop protection sales were down by some 16 per cent, with a depressed dairy sector and lower margin glyphosate sales having an impact.

Nufarm's Asian sales grew strongly in 2009, with the company's businesses in Malaysia, Indonesia and Japan all posting higher revenues driven by additional product registrations and improved access to local distribution. The company's first full year of 'Roundup' brand distribution rights in Indonesia also boosted sales.

North America

	2009 $ million	2008 $ million
Revenue	775	631
Segment profit	8	84

North American sales increased by almost 23 per cent on the previous year ($775 million versus $631 million). Segment profit ($8.4 million) was substantially down, with a significant decline in US glyphosate earnings being the major contributor. Glyphosate represented 42 per cent of sales in the North American region.

US sales were up in Australian dollars but were similar to the previous year's sales when reported in local currency. This is despite US glyphosate sales being 20 per cent down. Excluding the glyphosate business, US sales increased by more than 17 per cent.

The gross profit generated by US glyphosate sales dropped by $77 million from the previous year, with 2009 sales recording a loss of $22 million. Excess supply, additional competition and lower seasonal demand for glyphosate saw prices soften throughout the year, with a very sharp deterioration in pricing towards the end of the season. Nufarm's cost position and high starting inventory resulted in glyphosate sales generating losses as the business sought to retain market share positions. These impacts were also felt by other major suppliers of glyphosate in the US market.

In other areas of the business, Nufarm was able to grow revenues by some 17 per cent and gross margins by 32 per cent (both calculated in local currency).

Non-glyphosate sales into the crop segment grew approximately six per cent, despite a relatively poor season for phenoxy herbicides. Insecticides, fungicides and seed treatment products were all stronger.

Nufarm's position in the US turf and ornamental segment and the industrial vegetative management segment improved on both a revenue and gross margin basis, helped in part by the contribution of the Etigra business, which was acquired in May 2008. Additional product registrations and new product introductions in these segments helped strengthen the company's distribution relationships.

In Canada, Nufarm benefited from a broader product portfolio to record a 30 per cent increase in sales. Colombia (also reported as part of the North American segment) saw a small increase in sales but margins were down on the previous year.

South America

	2009 $ million	2008 $ million
Revenue	414	431
Segment profit	(41)	59

South American sales in 2009 were $414 million, down four per cent on the previous year's $431 million. The region recorded a loss of $41 million as a segment operating result.

The global credit crisis had a dramatic impact on business in Brazil with many growers unable to source credit or provide acceptable security to cover purchases of crop inputs. Competition between suppliers for lower risk business was intense with margins dramatically impacted.

Nufarm took a conservative position in response to these pressures and did not fill sales orders considered to involve an unacceptable credit risk. Discounts were also offered to secure earlier collections.

Nufarm's sales revenues in Brazil were down by 13 per cent on the previous year when reported in local currency. While glyphosate sales were similar to the previous year, margins generated from those sales were substantially lower. Glyphosate represented approximately 42 per cent of total sales in South America in 2009. In other product segments, the Brazil business performed strongly on a revenue basis with new offerings in pasture and sugar cane strengthening Nufarm's position in those important markets.

On an operating basis Brazil generated a small EBIT loss for the full year, with second half overheads and relatively low sales eroding the $25 million EBIT posted at 31 January. This was consistent with expectations and guidance provided at the half year. Argentina sales were slightly higher in 2009 but credit related pressures and lower glyphosate margins made an impact on the profitability of the business. Drought conditions also persisted throughout the year, with cereal plantings down by some 40 per cent.

In Chile, where Nufarm has a more balanced portfolio not dominated by glyphosate, the business generated an above budget profit result.

Europe

	2009 $ million	2008 $ million
Revenue	637	555
Segment profit	101	56

European sales were up by 15 per cent year on year to $637 million, with a substantial improvement in segment profit ($100.6 million versus $56.2 million in 2008). Glyphosate represented 14 per cent of total European sales in the period. Nufarm's UK branded business improved margins on sales which were in line with the previous year, despite poor autumn weather and a sharp decline in demand for glyphosate. Again, new product introductions helped offset lower sales of some existing products.

The AH Marks business – acquired in March of the previous year – performed strongly and delivered an earnings contribution ahead of assumptions made at the time of the acquisition. This business was operated on an independent basis to the local Nufarm business due to ongoing enquiries by the UK regulatory authority. This meant that anticipated synergies could not be realised in the 2009 period.

Sales in France were up five per cent on the previous year. While seasonal conditions were generally not favourable, the company generated excellent results from its corn herbicide campaign and made important gains in the amenities (non-crop applications) market. A rationalisation of production activity in France was also instigated during the year and this will result in improved efficiencies in future years.

The German business was slightly down on the previous year with sales into the spring market for wheat herbicides down by some 20 per cent due to seasonal conditions. This was offset, however, by the successful introduction of several new products.

Nufarm's businesses in Italy, Spain, Portugal and the relatively new operations in Romania and Hungary all generated very strong results. When reported in local currencies, these results were even stronger. A new subsidiary was also established in Greece with important product registrations already secured in a number of market segments.

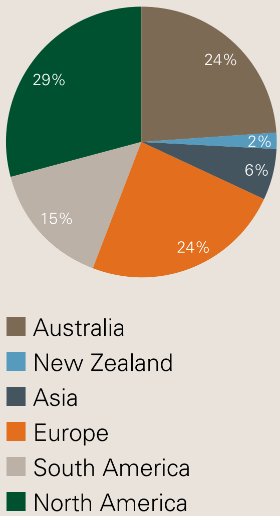
Seeds

Nufarm made substantial strides in the expansion of the seed and traits business within the past year. The business finished ahead of budget with a small operating profit despite challenging environmental conditions prior to the canola season in Australia.

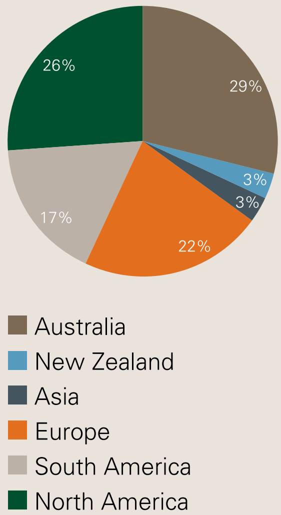
The Nufarm seed business, branded as Nuseed, has expanded its product range to offer sunflower and sorghum hybrids to both the Australian and global markets. This expansion has been facilitated by the acquisition of Queensland based Lefroy Seeds in September of 2008. Lefroy Seeds specialises in hybrid breeding, production and commercialisation activities in sunflower and sorghum. The acquisition delivered established registrations, sales and commercial partnerships in Australia, Argentina, South Africa, China, Pakistan, Thailand, and various countries in Europe.

New South Wales and Victoria planted their second year of biotech canola (using Roundup Ready® canola) with a four-fold expansion in the sown area. The Monola® specialty canola business continued to gain momentum as consumers in Australia and overseas increased their demand for healthier foods. Monola® delivers a functional, healthy alternative to high saturated and trans-fats. Nuseed collaborates with the supply chain from breeding to final oil customer.

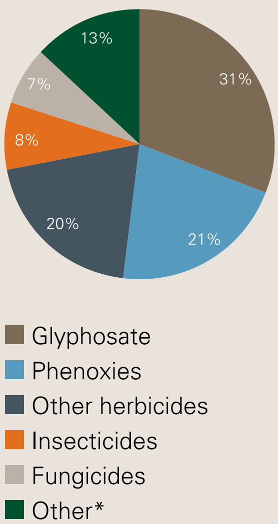
Nufarm sales by geography 2009



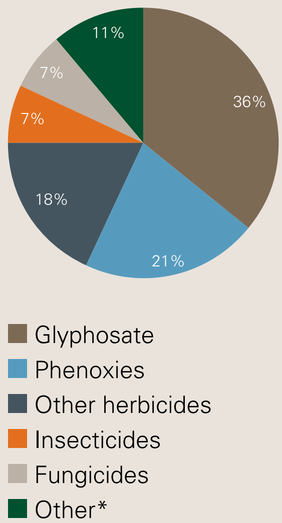
Nufarm sales by geography 2008



Nufarm sales by key products 2009



Nufarm sales by key products 2008



**Other – includes PGR's, adjuvants, seed treatments, seeds, spray machinery, industrial sales.*

HEALTH, SAFETY AND ENVIRONMENT

AGAINST A BACKDROP OF CHALLENGING MARKET CONDITIONS, NUFARM CONTINUES TO PAY CLOSE ATTENTION TO THE CRITICAL AREAS OF SAFETY AND ENVIRONMENTAL COMPLIANCE AND TO MAKE PROGRESS IN OUR EFFORTS TO ACHIEVE CONTINUOUS IMPROVEMENT ACROSS A RANGE OF HEALTH, SAFETY AND ENVIRONMENTAL MEASURES.

In 2008 we lowered our injury rates, achieved a reduction in total energy use and secured production efficiencies while further minimizing our waste.

The 10th annual health, safety and environment report covers the 2008 calendar year, during which Nufarm acquired the AH Marks phenoxy herbicide manufacturing business, located in Wyke, UK. The need to clear a number of regulatory requirements relating to that transaction deferred the full integration of the business and has delayed a number of planned improvements in occupational health, safety and environment areas. Also, the addition of the Wyke plant – and its attendant energy, water and waste profiles – has led to a number of our group measurements not showing the overall improvement that would otherwise have been evident.

For the first time in eight years, our annual global consumption of water increased and water use efficiency decreased, due largely to the inclusion of the AH Marks business. However, we are committed to resuming the downward trend so well demonstrated over the preceding nine years.

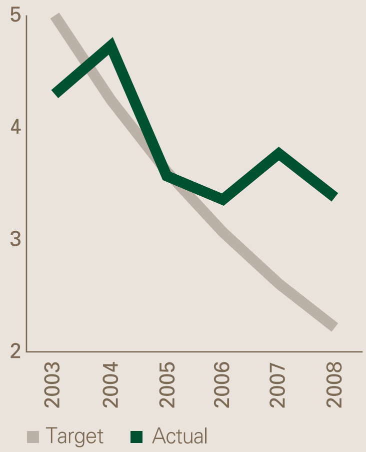
Nufarm has also signed up to the Australian Chemical Industry's 'Sustainability Leadership Program', under the banner of the PACIA Sustainability Framework. This also contains the long running industry initiative, Responsible Care. Many of the framework's . principles are already reflected in how Nufarm operates and the framework will help us to more formally integrate our improvement efforts and to embed sustainability initiatives within our business. The framework is being introduced first into the Australian business and will flow across the global operations as we progress.

A large number of Nufarm sites are investing in additional safety training. New courses are being implemented regularly, particularly in our European operations. All Nufarm employees have a responsibility to ensure that our work places are safe.

Increasing numbers of employee groups are becoming involved in site specific initiatives aimed at achieving improvements in areas such as water and waste minimisation. This reflects a culture within the company that must be encouraged.

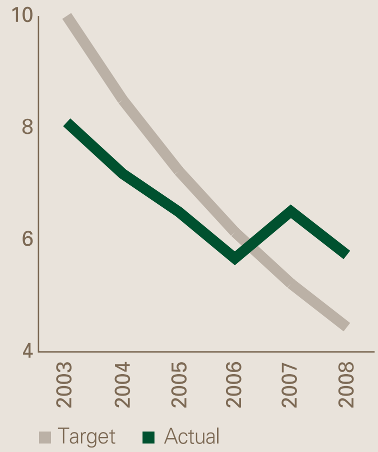
Nufarm's 10th annual health, safety and environment report may be downloaded from the corporate website, together with separate reports from manufacturing sites around the world. The report covers 2008 calendar year data collected from 16 manufacturing sites and 19 offices and regional centres. Data from the recently acquired operation of AH Marks in Wyke, UK, is included. The health and safety data includes permanent and casual employees, as well as contractors.

LTIFR 2003-2008
2009 target 1.89



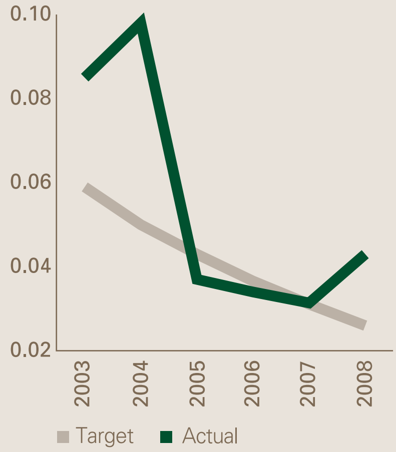
LTIFR or lost time injury frequency rate is the number of lost time injuries per million hours worked that results in one or more days of absence from work.

MTIFR 2003-2008
2009 target 3.77



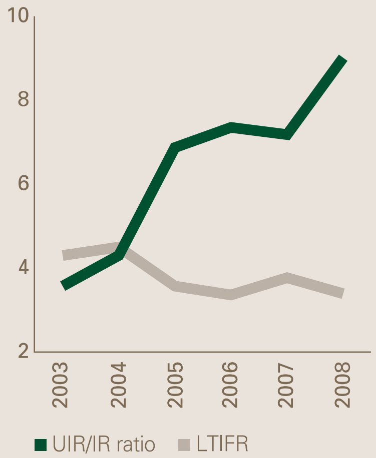
MTIFR or medical treatment injury frequency rate is the number of lost time and medical treatment injuries per million hours worked.

Severity 2003-2008
2009 target 0.022

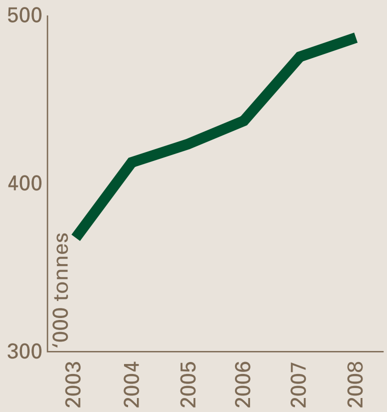


Severity is the number of days lost per thousand hours worked.

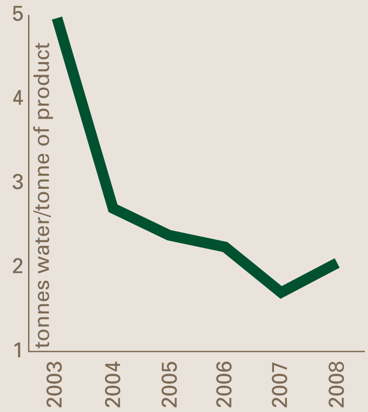
Unusual incident report/injury report vs LTIFR 2003-2008



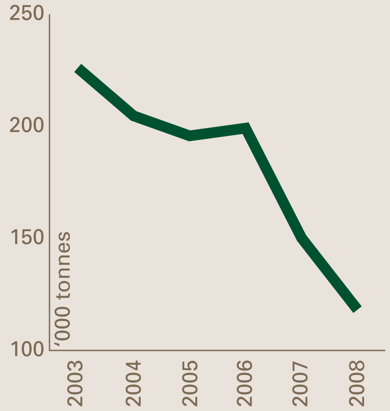
Production volume 2003-2008



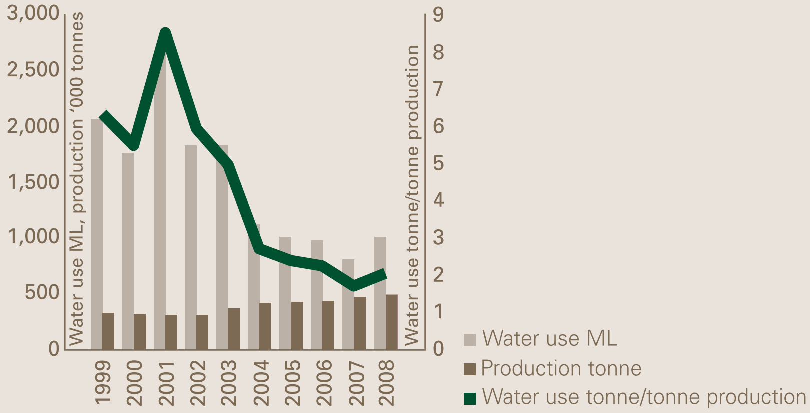
Water efficiency 2003-2008



CO_2 released from energy use and processes 2003-2008



Water use and efficiency



MANAGEMENT TEAM


Brian Benson


Rodney Heath


Doug Rathbone AM


Kevin Martin


Dale Mellody

Doug Rathbone AM

Managing director and chief executive

Doug Rathbone's background is chemical engineering and commerce and he has worked for Nufarm Australia Ltd for 36 years. Doug was appointed managing director of Nufarm Australia in 1982 and managing director of Nufarm Ltd in October 1999. He joined the board of directors in 1987. He was appointed to the board of CSIRO in 2007.

Brian Benson

Group general manager agriculture

Brian Benson joined Nufarm in 2000, bringing with him extensive experience in the crop protection industry in the areas of international marketing and strategy. He has degrees in agricultural science and business administration. Brian is responsible for Nufarm's regional sales operations and commercial strategy.

Rodney Heath

Group general manager corporate services and company secretary

Rod Heath has a bachelor of law and joined the company in 1980, initially as legal officer, later becoming assistant company secretary. In 1989, Rod moved from New Zealand to Australia to become company secretary of Nufarm Australia Ltd. In 2000, Rod was appointed company secretary of Nufarm Ltd.

Kevin Martin

Chief financial officer

Kevin Martin is a chartered accountant with over 26 years of experience in the professional and commercial arena. After joining Nufarm in 1994, he was responsible initially for the financial control of the crop protection business. Since 2000, Kevin has been responsible for all financial, treasury and taxation matters for the group.

Dale Mellody

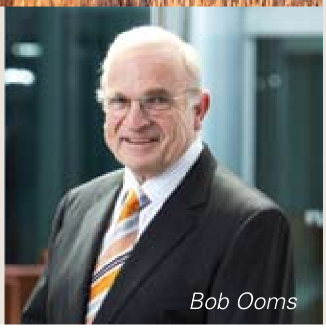
Group general manager marketing and president North America

Dale Mellody joined Nufarm as a territory manager in 1995, having completed his bachelor of agricultural science. Promoted to head office in 1997, he has had various roles in the global marketing group and has assisted with a number of company acquisitions. Dale was promoted to the senior management group in July 2005 and is responsible for Nufarm's global marketing. Now based in the US, Dale also heads Nufarm's North American regional operations.

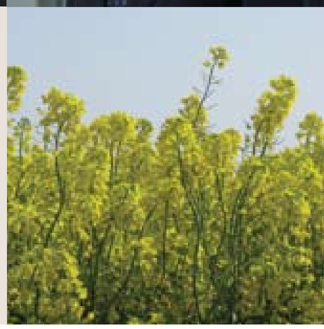
MANAGEMENT TEAM CONTINUED

Mike Pointon

David Pullan



Bob Ooms



Robert Reis

Bob Ooms

Group general manager chemicals

Bob Ooms joined the company in 1999. An industrial chemist by training, he has more than 40 years experience in the chemical industry in a variety of positions, including many years in senior management. Bob has executive management responsibility for global supply chain issues.

Mike Pointon

Group general manager innovation and development

Mike Pointon joined Nufarm in 2001 and was responsible for Nufarm's southern European business based in France. He has a degree in agricultural science and over 25 years experience in the crop protection industry. Most recently based in Melbourne with responsibility for Nufarm's global glyphosate business, Mike was appointed to the executive team in July 2008. He is responsible for the group's product development and regulatory affairs activities.

David Pullan

Group general manager operations

David Pullan joined the company in 1985. A mechanical engineer, David has extensive experience in chemical synthesis and manufacturing, having held a variety of operational and management positions in the oil and chemical industries. David is responsible for all of Nufarm's global manufacturing and production sites.

Robert Reis

Group general manager corporate strategy and external affairs

A former journalist, political adviser and lobbyist, Robert joined Nufarm in 1991. Robert is responsible for global issues management, investor relations, media, government and stakeholder relations. Robert also has executive management responsibility for corporate strategy, human resources and organisational development.

BOARD OF DIRECTORS

Pictured from left to right: Donald McGauchie AO, Bob Edgar, John Stocker AO, Kerry Hoggard (Chairman), Doug Rathbone AM (Managing director and chief executive), Doug Curlewis (Deputy chairman), Bruce Goodfellow, Garry Hounsell.

Kerry Hoggard

Chairman

Kerry Hoggard, 68, joined the board in 1987.

He has a financial background, beginning his career with the company in 1957 as office junior and rising, through a number of accounting, financial and commercial promotions to be chief executive officer in 1987. On his retirement in October 1999, he was appointed chairman of the board. Kerry is a member of the audit and remuneration committees.

Doug Curlewis

Deputy chairman

GDW (Doug) Curlewis, 68, joined the board in January 2000.

He has a master of business administration and was formerly managing director of National Consolidated Ltd. He is also a director of GUD Holdings Ltd and Sigma Pharmaceuticals Ltd. In the past three years Doug has been a director of Pacifica Group Ltd (nine years), Remunerator Australia Pty Ltd (seven years) and Graincorp Ltd (three years). Doug is deputy chairman of the board, chairman of the remuneration and nomination committees and a member of the audit committee.

Doug Rathbone AM

Managing director and chief executive

Doug Rathbone AM, 63, joined the board in 1987.

His background is chemical engineering and commerce and he has worked for Nufarm Australia Ltd for 36 years. Doug was appointed managing director of Nufarm Australia in 1982 and managing director of Nufarm Ltd in October 1999. He was appointed to the board of the CSIRO in 2007.

Bob Edgar

Dr RJ (Bob) Edgar, 63, joined the board on 1 June 2009.

He has a bachelor of economics (hons) from University of Adelaide and a PhD from Ohio State University. He recently retired from the ANZ Banking Group where he was deputy chief executive officer. In a 25 year career at ANZ, he also held the positions of chief operating officer, managing director institutional financial services and chief economist. Bob is a director of Transurban Holdings Ltd, Transurban Infrastructure Management Ltd and Asciano Ltd. He is also chairman of the Prince Henry's Institute of Medical Research.

Bruce Goodfellow

Dr WB (Bruce) Goodfellow, 57, joined the board representing the holders of the 'C' shares in 1991. Following the conversion of the 'C' shares into ordinary shares, he was elected a director in 1999.

He has a doctorate in chemical engineering and experience in the chemical trading business and financial and commercial business management experience. Bruce is chairman of Refrigeration Engineering Co Ltd and a director of Sanford Ltd, Sulkem Co Ltd, and Cambridge Clothing Co Ltd. Bruce is a member of the nomination committee.

Garry Hounsell

GA (Garry) Hounsell, 54, joined the board in October 2004.

He has a bachelor of business (accounting) and is a former senior partner with Ernst & Young and a former Australian country-managing partner with Arthur Andersen. He has extensive experience across a range of areas relating to management and corporate finance and has worked with some of Australia's leading companies in consulting and audit roles, with a particular emphasis in the manufacturing sector. Garry is chairman of Pan Aust Ltd, deputy chairman of Mitchell Communication Group Ltd and a director of Qantas Airways Ltd and Orica Ltd. Garry is chairman of the audit committee.

Donald McGauchie AO

DG (Donald) McGauchie AO, 59, joined the board in 2003.

He has wide commercial experience within the food processing, commodity trading, finance and telecommunication sectors. He also has extensive public policy experience, having previously held several high-level advisory positions to the government including the Prime Minister's Supermarket to Asia Council, the Foreign Affairs Council and the Trade Policy Advisory Council. He is currently a member of the board of the Reserve Bank of Australia and a director of James Hardie Industries NV. In the past three years Donald has been a director of Telstra Ltd (11 years). Donald is a member of both the remuneration and nomination committees.

John Stocker AO

Dr JW (John) Stocker AO, 63, joined the board in 1998.

He has a medical, scientific and management background and was formerly chief scientist of the Commonwealth of Australia and is now the chairman of CSIRO. He is a principal of Foursight Associates Pty Ltd and Chairman of Sigma Pharmaceuticals Ltd and The Australian Wine Institute Ltd. He is a director of Telstra Corporation Ltd. In the past three years John has been a director of Sigma Company Ltd (eight years), Cambridge Antibody Technology Group plc (11 years) and Circadian Technologies Ltd (12 years). John is a member of the audit committee.

CORPORATE GOVERNANCE

Introduction

Nufarm's board processes are under constant review to ensure our systems protect the interests of all stakeholders.

As part of this review, we consider the Corporate Governance Principles and Recommendations ('the ASX principles') 2nd Edition, published by the Australian Securities Exchange Limited's (ASX) Corporate Governance Council.

Copies of our corporate governance practices are publicly available in the corporate governance section of our website: www.nufarm.com

Compliance with ASX principles

The ASX Listing Rules require Nufarm to disclose in our annual report the extent to which we have adopted the 27 best practice recommendations during our reporting period and, where we do not comply, to explain why not.

Nufarm believes it complies with all the ASX principles with the following exception:

Recommendation 2.2 recommends that the chairman should be an independent director. Our chairman is elected annually at the directors' meeting immediately following the annual general meeting (AGM).

Kerry Hoggard is board chairman, and is not deemed an independent director in accordance with the tests set out in Principle 2 of the ASX principles.

This corporate governance report reaffirms the statements contained in our governance reports since 2003 that the board unanimously continues to support Kerry as chairman, believing this to be clearly in the best interest of all stakeholders.

Kerry's history with the company, including his detailed knowledge of the industry where the company operates and his extensive accounting, financial and commercial background, bring invaluable experience and unique skills to Nufarm.

Kerry continues to apply judgment independent of management in all decision making. He discharges his role with a strong commitment to considerations of governance and disclosure.

Doug Curlewis, an independent director, is deputy chairman of the board.

Management and oversight of Nufarm

The board

The governing body of the company is the board of directors. Its clear responsibility is to oversee the company's operations and ensure that Nufarm carries out its business in the best interests of all shareholders and with proper regard to the interests of all other stakeholders.

The board charter clearly defines the board's individual and collective responsibilities and describes those delegated to the managing director and senior executives.

The board has set specific limits to management's ability to incur expenditure, enter contracts or acquire or dispose of assets or businesses without full board approval.

The board's specific responsibility is to:

- ratify, monitor and review strategic plans for the company and its business units;
- approve financial and dividend policy;
- review the company's accounts;
- approve and review operating budgets;
- approve major capital expenditure, acquisitions, divestments and corporate funding;
- oversee risk management and internal compliance; and
- control codes of conduct and legal compliance.

The board is also responsible for:

- the appointment and remuneration of the managing director;
- ratifying the appointment of the chief financial officer and the company secretary; and
- reviewing remuneration policy for senior executives and Nufarm's general remuneration policy framework.

The board annually reviews its composition and terms of reference for the board, chairman, board committees and managing director.

There are seven scheduled board meetings each year. When necessary, additional meetings are convened to deal with specific issues that require attention before the next scheduled meeting. Each year the board also reviews the strategic plan and direction of the company.

At 31 July 2009, there are three board committees: audit; remuneration; and nomination. All directors are entitled to attend any committee meeting.

Details of the attendances at meetings of board and committees during the reporting period appear on page 30 of this report.

Evaluating the performance of senior executives

Nufarm's senior executive team comprises a group of long serving career Nufarm or crop protection executives. The performance of the senior executive team is reviewed by the managing director, and then the remuneration committee and the board, as part of the annual remuneration review. In the case of the managing director, the remuneration committee and the board conduct his review.

A key consideration for the board is the company's return on funds employed (ROFE) performance.

ROFE is, and has been for some 20 years, a core feature of Nufarm's culture, involving many aspects of the company's financial management. ROFE provides the senior executive with guidance as to how shareholder value can be increased by improving operating income and using capital more efficiently. We believe that if management concentrates on improving ROFE, then sustained shareholder value will result.

The board believes ROFE is the appropriate performance condition for the company's senior executive incentive program. However, the board also reviews the company's total shareholder return (TSR) performance with that of other peer group companies.

In the reporting period, a performance evaluation of the senior executive was undertaken in accordance with this process.

The company is managed according to the recommendations of ASX Principle 1.

A summary of the board charter is available in the corporate governance section of the company's website.

Board of directors

Composition

There are eight members of the board with a majority of independent non-executive directors who have an appropriate range of proficiencies, experience and skills to ensure that it discharges its responsibilities with the best possible management of the company in mind.

The company's constitution specifies that the number of directors may be neither less than three, nor more than 11. At present there are seven non-executive directors and one executive director, namely the managing director, and the board has decided at this time that no other company executive will be invited to join the board.

Independence

Directors are expected to bring independent views and judgment to the board. The board applies the framework set out in ASX Principle 2 to determine the independence of directors. To decide whether a director has a material relationship with the company that may compromise independence, the board considers all relevant circumstances.

The board reviewed the ASX principles and the circumstances of individual directors and believes it is unnecessary to define any specific materiality limits, except that a substantial shareholder is defined as one who holds or is associated directly with a shareholder controlling in excess of five per cent of the company's equity.

Tenure

The board believes that the way directors discharge their responsibilities and their contribution to the success of the company determines their independence and justifies their positions.

The nomination committee reviews the performance of directors who seek to offer themselves for re-election at a company annual general meeting (AGM). That committee then recommends to the board whether or not it should continue to support the nomination of the retiring directors.

The board conducts an annual review of the independence of directors and, at the date of this report, it has determined that the status of directors is as follows.

Independent non-executive directors

GDW Curlewis
Dr RJ Edgar
GA Hounsell
DG McGauchie
Dr JW Stocker

Non-independent non-executive directors

KM Hoggard
Dr WB Goodfellow

Executive director (chief executive officer)

DJ Rathbone

Profiles of each board member, including terms in office, are on pages 18 and 19 of this report.

Access to independent advice

To help directors discharge their responsibilities, any director can appoint legal, financial or other professional consultants, at the expense of the company with the chairman's prior approval, which may not be unreasonably withheld.

The board charter provides that non-executive directors may meet without management present.

Conflicts of interest

Board members must identify any conflict of interest they may have in dealing with the company's affairs and then refrain from participating in any discussion or voting on these matters. Directors and senior executives must disclose any related party transactions in writing.

Chairman of the board

The chairman is elected annually at the directors' meeting immediately following the company's annual general meeting.

According to the tests set out in ASX Principle 2, Nufarm's chairman, Kerry Hoggard, is not an independent director. The reasons why we unanimously support Kerry's appointment are set out on page 21 of this report. Doug Curlewis, an independent director, is deputy chairman.

The Nufarm board has stipulated that the role of the chairman and chief executive officer may not be filled by the same person.

With the exception of the independence of the chairman, the board structure is consistent with ASX Principle 2.

The nomination committee

Doug Curlewis is chairman of the nomination committee and Donald McGauchie and Bruce Goodfellow are members, with a majority of independent directors.

The committee is chaired by an independent director.

The formal charter setting out the committee's membership requirements includes the responsibilities to:

- assess competencies of board members;
- review board succession plans;
- evaluate board performance; and
- recommend the appointment of new directors when appropriate.

The performance of the board, its committees and individual directors is reviewed annually and the board has utilised a variety of review processes, including a review by external consultants and a review by the chairman.

For the last three reporting periods, the board has completed a purpose-designed questionnaire, the results of which were discussed with the chairman and the chairman of the nomination committee and then by the board as a team.

The board ensures that new directors are introduced to the company appropriately, including relevant industry knowledge, visits to specific company operations and briefings by key executives.

All directors may obtain independent professional advice and have direct access to the company secretary, who is appointed by, and accountable to, the board on all governance matters.

Save for the fact that the chairman is not independent, the operation of the board is in accordance with the recommendations of ASX Principle 2.

A copy of the nomination committee charter and a summary of the policy and procedure for appointment of directors is available in the corporate governance section of the company's website.

Ethical and responsible decision-making

Ethical standards

Nufarm operates in many countries and does so in accordance with the social and cultural beliefs of each country.

It is politically impartial except where the board believes it is necessary to comment due to any perceived major impact on the company, its business or any of its stakeholders.

We require directors, senior executives and all employees to adopt standards of business conduct that are ethical and in compliance with all legislation. Where there are no legislative requirements, the company develops policy statements relating to the business stakeholders to ensure appropriate standards and carefully selects and promotes employees.

The board endorses the principles of the Code of Conduct for Directors, issued by the Australian Institute of Company Directors.

Our formal code of conduct is available in the corporate governance section of the company's website.

Purchase and sale of company shares

The Nufarm board has longstanding policies about the purchase and sale of company shares by directors and key executives.

The current share trading policy prohibits directors and management from dealing in the company's shares at any time the directors or employees are aware of unpublished, price-sensitive information.

Subject to this prohibition, directors and senior executives may buy or sell shares at any time except during the following periods:

- six weeks before the release of the company's half year results to the ASX, ending 24 hours after the release;
- six weeks before the release of the company's year end results to the ASX, ending 24 hours after the release; and
- two weeks before the company's AGM, ending 24 hours after the AGM.

Before any trading activity in company shares, directors and senior executives must complete an application form, which contains a declaration confirming they have no relevant knowledge pertaining to the company that is not available to the public. On receipt of the application form the company secretary will discuss the application with the chairman to obtain approval to trade. No trading can be undertaken before the application receives the approval of the company secretary.

A copy of the trading policy is available in the corporate governance section of the company's website.

The company's code of conduct and share trading policy is consistent with ASX Principle 3.

Safeguard integrity in financial reporting

Financial reports

The company has put in place a structure of review and authorisation to independently verify and safeguard the integrity of financial reporting.

The audit committee reviews the company's financial statements and the independence of the external auditors.

Audit committee

Garry Hounsell is chairman of the board audit committee with Doug Curlewis, John Stocker and Kerry Hoggard as members. The committee has a majority of independent non-executive directors and is chaired by an independent director.

Details of attendances at meetings of the audit committee are set out on page 30.

Garry Hounsell has a bachelor of business (accounting) and is a former senior partner with Ernst & Young and a former Australian country managing partner with Arthur Andersen. He has extensive experience across a range of areas relating to management and corporate finance and has worked with some of Australia's leading companies in consulting and audit roles, with a particular emphasis in the manufacturing sector. He is chairman of PanAust Ltd, deputy chairman of Mitchell Communication Group Ltd and a director of Qantas Airways Ltd and Orica Ltd. Garry is also chairman of the audit committee at Qantas.

Doug Curlewis has an MBA and is a former managing director of National Consolidated Ltd, chief executive (Europe) of ICI Paints and managing director of Dulux Australia. Doug is currently a director of GUD Holdings Ltd and Sigma Pharmaceuticals Ltd.

John Stocker has a medical, scientific and management background and was formerly chief scientist of the Commonwealth of Australia and is now the chairman of CSIRO. He is a principal of Foursight Associates Pty Ltd and chairman of Sigma Pharmaceuticals Ltd and The Australian Wine Institute Ltd. He is a director of Telstra Corporation Ltd.

Kerry Hoggard has extensive accounting and financial experience. Kerry began his career with the company in 1957 and, after a number of accounting, financial and commercial promotions, was chief executive officer from 1987 to 1999.

The committee reviews its charter annually.

The charter sets out membership requirements for the committee, its responsibilities and provides that the committee shall annually assess the external auditor's actual or perceived independence by reviewing the services provided by the auditor.

The charter also identifies those services that:

- the external auditor may and may not provide; and
- require specific audit committee approval.

The committee has recommended that any former lead engagement partner of the firm involved in the company's external audit should not be invited to fill a vacancy on the board and the lead engagement audit partners will be required to rotate off the audit after a maximum five years involvement and it will be at least two years before that partner can again be involved in the company's audit.

A copy of the audit committee charter and its duties is available in the corporate governance section of the company's website.

The financial reporting system of the company is consistent with ASX Principle 4.

Disclosure

The company has a detailed written policy and procedure to ensure compliance with both the ASX Listing Rules and Corporations Act. This policy is reviewed regularly with the company's legal advisers, in line with best practice.

The company secretary prepares a schedule of compliance and disclosure matters for directors to consider at each board meeting.

A summary of the disclosure policy is available in the corporate governance section of the company's website.

The company's disclosure policy is consistent with ASX Principle 5.

Rights of shareholders

Communication

We are committed to timely, open and effective communication with our shareholders and the general investment community.

Our communication policy aims to:

- ensure that shareholders and the financial markets are provided with full and timely information about our activities;
- comply with our continuous disclosure obligations;
- ensure equality of access to briefings, presentations and meetings for shareholders, analysts and media; and
- encourage attendance and voting at shareholder meetings.

Postal and electronic communication with shareholders includes:

- half year and annual reports;
- proxy voting;
- notice of AGM;
- relevant market announcements and related information; and
- copies of webcasts and teleconferences.

Our formal communications policy is available in the corporate governance section of the company's website.

The company's policy in relation to the rights of shareholders is consistent with ASX Principle 6.

Identifying and managing risk

The board is committed to identifying, assessing, monitoring and managing its material business risks.

Nufarm's policies and procedures relating to the management and oversight of risk provide effective management of material risks at a level appropriate to Nufarm's global business.

The board annually, at its strategy review meeting, comprehensively reviews the material risks faced by the company. In so doing, it considers the interests of all relevant stakeholders. In addition, at each board meeting, management report on specific issues of risk and compliance, including legal compliance, health safety and environmental compliance and financial reporting.

The board has retained responsibility for the oversight of the company's risk management system. The board ensures that appropriate policies are in place to ensure compliance with risk management controls and requires management to monitor, manage and report on business risks.

The board has delegated the oversight of financial and treasury risk, including credit, liquidity and market risks, to the audit committee which will refer any relevant matters to the full board. The year end exposure to these risks is described in Note 31 of the financial statements.

The audit committee has approved a global risk management charter that specifies the responsibilities of the general manager global risk management (which includes the internal audit function). The charter provides authority to conduct internal audits, risk reviews and system-based analyses of the internal controls in major business systems.

The general manager, global risk management reports directly to the managing director and provides a written report of his activities at each meeting of the audit committee. In so doing he has continual access to the chairman and members of the audit committee. The internal audit function is independent of the external auditor.

All board committees report to the board on risk management issues within their areas of responsibility.

The company recognises a number of operational risks related to its crop protection business including:

- climate conditions and seasonality;
- regulatory, freedom to operate, product registration, product use and sustainability;
- relationships with key suppliers and customers; and
- licences and operating permits for manufacturing facilities.

The managing director and the company's senior management (group general managers [GGMs] who report directly to the managing director) are responsible for the management of material risks in their respective areas of responsibility.

The managing director's and GGMs' regular reports, submitted for review to each board meeting, will include relevant commentary on any material risk. The board also requires the managing director and GGMs to provide the board, for its annual strategy meeting, with a report and assurance that all material risks are being effectively managed. Such a report was received in the current reporting period.

Local and regional financial controllers complete half yearly certificates, which are reviewed by the chief financial officer and the audit committee as part of the company's half year reporting to the market and to achieve compliance with section 295A of the Corporations Act. In accordance with Section 295A, the board procedures to safeguard the integrity of the company's financial reporting require the chief executive officer and the chief financial officer to state in writing to the board that:

- the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards; and
- the statement is founded on a sound system of risk management and internal compliance and control, which is operating effectively in all material respects in relation to financial reporting risks.

The board received in the current reporting period an assurance from the chief executive officer and chief financial officer that the declaration relating to the company's financial reports has been made with due regard to appropriate risk management controls.

A summary of the company's policies on risk oversight and management of material business risks is available in the corporate governance section of the company's website. Nufarm's management of risk is consistent with ASX Principle 7.

Remuneration

The board has procedures to ensure that the level and structure of remuneration for executives and directors is appropriate.

Remuneration committee

Doug Curlewis is chairman of the remuneration committee and Kerry Hoggard and Donald McGauchie are members, with a majority of independent directors. The committee is chaired by an independent director.

The committee's formal charter includes responsibility to:

- review and recommend to the board the remuneration packages and policies applicable to key executives and directors; and
- ensure remuneration packages and policies attract, retain and motivate high calibre executives.

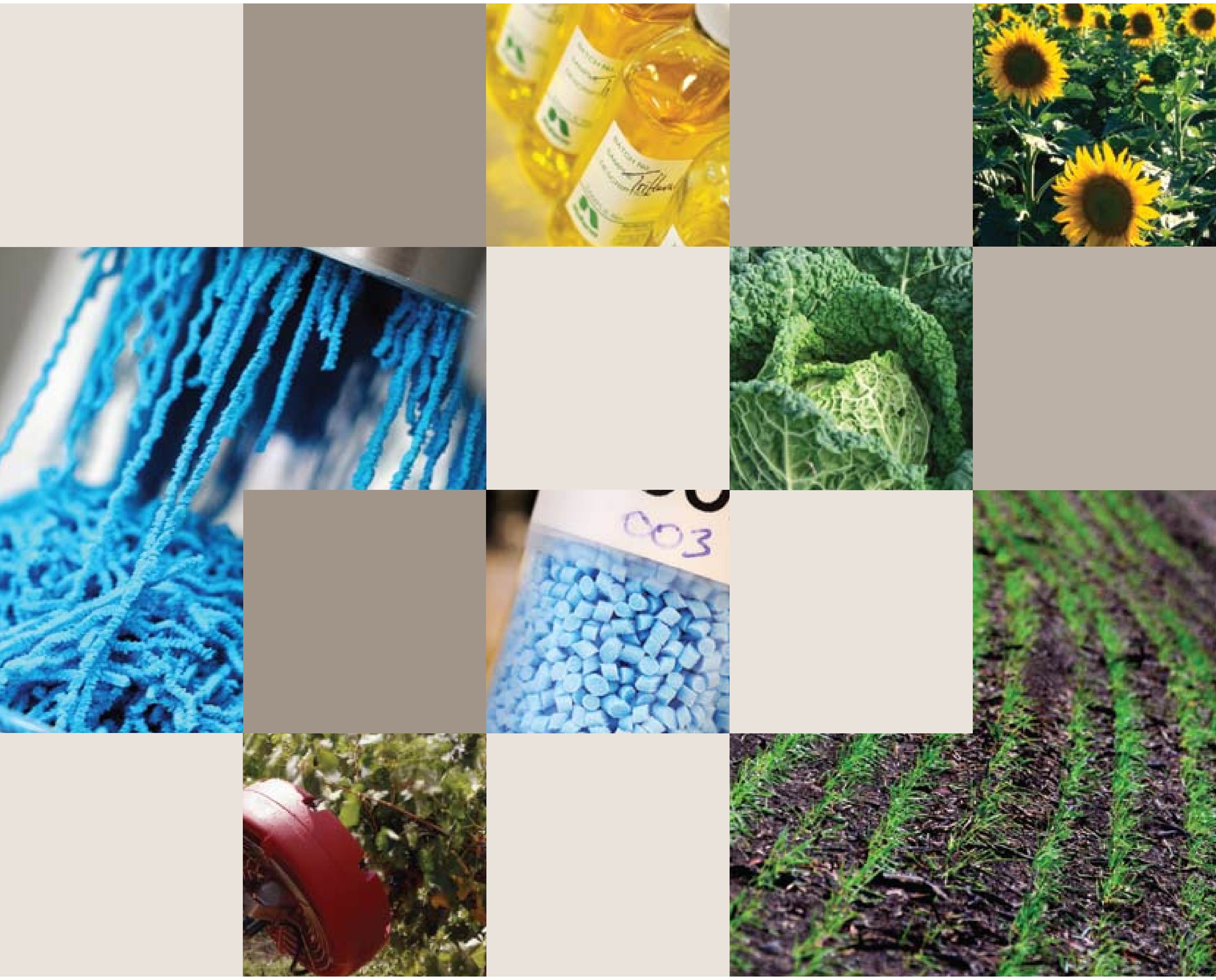
The committee reports to the board on all matters and the board makes all decisions, except when power to act is delegated expressly to the committee.

Remuneration of non-executive directors

The board's policy with regard to non-executive directors remuneration is set out in the remuneration report on pages 32 to 38.

A copy of the remuneration committee charter and the company policy on prohibiting senior executives from hedging any shares offered under the executive share plan are available in the corporate governance section of the company's website. Nufarm's remuneration policies are consistent with ASX Principle 8.

FINANCIAL STATEMENTS



DIRECTORS' REPORT

The directors present their report together with the financial report of Nufarm Limited ('the company') and of the group, being the company and its subsidiaries and the group's interests in associates and jointly controlled entities, for the financial year ended 31 July 2009 and the auditor's report thereon.

Directors

The directors of the company at any time during or since the end of the financial year are:

KM Hoggard (Chairman)
GDW Curlewis (Deputy Chairman)
DJ Rathbone AM (Managing Director)
Dr RJ Edgar (appointed 1 July 2009)
Dr WB Goodfellow
GA Hounsell
DG McGauchie AO
Dr JW Stocker AO

Unless otherwise indicated, all directors held their position as a director throughout the entire period and up to the date of this report. Details of the qualifications, experience and responsibilities and other directorships of the directors are set out on pages 18 and 19.

Company secretary

The company secretary is R Heath.

Details of the qualifications and experience of the company secretary are set out on page 16.

Directors' interests in shares and Step-up Securities

Relevant interests of the directors in the shares and Step-up Securities issued by the company and related bodies corporate are, at the date of this report, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, as follows:

	Nufarm Ltd ordinary shares	Nufarm Finance (NZ) Ltd Step-up Securities
KM Hoggard[1]	2,383,614	–
GDW Curlewis[1]	48,280	–
DJ Rathbone	24,162,610	–
Dr RJ Edgar	–	–
Dr WB Goodfellow[1, 2]	708,018	47,723
GA Hounsell[1]	46,720	–
DG McGauchie[1]	20,038	–
Dr JW Stocker[1]	43,780	–

1 The shareholdings of KM Hoggard, GDW Curlewis, Dr WB Goodfellow, GA Hounsell, DG McGauchie and Dr JW Stocker include shares issued under the company's non-executive director share plan and held by Pacific Custodians Pty Ltd as trustee of the plan.

2 The holding of Dr WB Goodfellow includes his relevant interest in:

(i) St Kentigern Trust Board (430,186 shares and 19,727 Step-up Securities) – Dr Goodfellow is chairman of the Trust Board. Dr Goodfellow does not have a beneficial interest in these shares or Step-up Securities.

(ii) Sulkem Company Limited (117,628 shares).

(iii) Auckland Medical Research Foundation (26,558 Step-up Securities). Dr Goodfellow does not have a beneficial interest in these Step-up Securities.

(iv) Trustees of the Goodfellow Foundation (35,698 shares and 1,338 Step-up Securities). Dr Goodfellow is chairman of the Trust Board and does not have a beneficial interest in these shares or Step-up Securities.

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the company during the financial year are:

			Committees					
Director	Board		Audit		Remuneration		Nomination	
	A	B	A	B	A	B	A	B
KM Hoggard[1]	8	8	3	3	4	4	–	3
GDW Curlewis	8	8	3	3	4	4	3	3
DJ Rathbone[1]	8	8	–	3	–	4	–	3
Dr RJ Edgar[2]	1	1	–	–	–	–	–	–
Dr WB Goodfellow[1]	8	8	–	–	–	2	3	3
GA Hounsell[1]	8	8	3	3	–	2	–	1
DG McGauchie	8	8	–	–	4	4	3	3
Dr JW Stocker[1]	8	8	3	3	–	1	–	1

Column A: indicates the number of meetings held during the period the director was a member of the board and/or committee.

Column B: indicates the number of meetings attended during the period the director was a member of the board and/or committee.

Other meetings of committees of directors are convened as required to discuss specific issues or projects.

1 Attended meeting although not a member of the committee. All directors are entitled to attend any committee meetings.
2 Dr RJ Edgar was appointed a director on 1 July 2009.

Principal activities and changes

Nufarm manufactures and supplies a range of agricultural chemicals used by farmers to protect crops from damage caused by weeds, pests and disease. The company has production and marketing operations throughout the world and sells products in more than 100 countries. Nufarm's crop protection products enjoy a reputation for high quality and reliability and are supported by strong brands, a commitment to innovation and a focus on close customer relationships.

Nufarm employs 3,155 people at its various locations in Australasia, Africa, the Americas and Europe.

The company is listed on the Australian Securities Exchange (symbol NUF). Its head office is located at Laverton in Melbourne.

Results

The net profit attributable to members of the consolidated entity for the 12 months to 31 July 2009 is $79.9 million. The comparable figure for the 12 months to 31 July 2008 was $137.9 million.

Dividends

The following dividends have been paid, declared or recommended since the end of the preceding financial year:

	$000
The final dividend for 2007–08 of 23 cents paid 17 November 2008	42,828
The interim dividend for 2008–09 of 12 cents paid 8 May 2009	22,469
The final dividend for 2008–09 of 15 cents as declared and recommended by the directors is payable 13 November 2009	32,709

Nufarm Step-up Securities distribution payment

The following Nufarm Step-up Securities distribution payments have been paid since the end of the preceding financial year:

	$000
Distribution payment for the period 15 April 2008 – 15 October 2008 at the rate of 9.97 per cent per annum paid 15 October 2008	12,547
Distribution payment for the period 16 October 2008 – 15 April 2009 at the rate of 7.48 per cent per annum paid 15 April 2009	9,361

Review of operations

The review of the operations during the financial year and the results of those operations are set out in the managing director's review on pages 3 to 6 and the business review on pages 8 to 12.

State of affairs

The state of the company's affairs are set out in the managing director's review on pages 3 to 6 and the business review on pages 8 to 12.

Operations, financial position, business strategies and prospects

The directors believe that information on the company, which enables an informed assessment of its operations, financial position, strategies and prospects, is contained in the financial accounts, managing director's review and the business review.

Events subsequent to reporting date

On 28 September 2009, the directors declared a final unfranked dividend of 15 cents per share, payable 13 November 2009.

With the UK Competition Commission inquiry now finalised, plans are advancing for the consolidation of the business activities in the UK at the Wyke location. The plant at Belvedere will cease production in October 2009. No material gain or loss is expected from the closure of the site.

On 5 August 2009, Nufarm acquired two US based sorghum companies, Richardson Seeds Ltd and MMR Genetics Ltd. Richardson Seeds is a leading producer and marketer of sorghum seed hybrids, with a leading market share in the US and expanding positions internationally. MMR Genetics is a global leader in the development of elite sorghum germplasm, used by many of the world's top seed companies. Combined sales of Richardson Seeds and MMR in 2008 totaled approximately US$22 million.

Likely developments

The directors believe that likely developments in the company's operations and the expected results of those operations are contained in the managing director's review and the business review.

Environmental performance

Details of Nufarm's performance in relation to environmental regulations are set out on pages 14 to 15. The company incurred the following prosecutions or fines in the financial period relating to environmental performance, namely the Chicago Heights facility was fined US$450 for three small violations of the permit limits for discharge of trade waste to sewer. The company publishes annually a health, safety and environment report. This report can be viewed on the company's website or a copy will be made available upon request to the company secretary.

Non-audit services

During the year KPMG, the company's auditor, has performed certain other services in addition to their statutory duties. Details of the audit fee and non-audit services are set out in note 41 of the financial report.

The board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the reason that all non-audit services were subject to the corporate governance procedures adopted by the company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor.

Remuneration report – audited

Remuneration committee

The remuneration committee reviews and makes recommendations to the board on remuneration policies and packages applicable to key management personnel and directors and ensures that remuneration policies and packages retain and motivate high calibre executives and that remuneration policies demonstrate a clear relationship between executive remuneration and company performance.

In light of the company's performance for the financial year ended 31 July 2009, the board has resolved:

- at the 31 January 2009 half year, performance conditions for applicable cash incentive payments had been met. Notwithstanding, only half of the entitlement was paid at that time;
- the company did not achieve the performance condition for the share component of the incentive program and therefore no shares will be delivered to executives for the period ended 31 July 2009; and
- there will be no increases in directors' fees for the period ending 31 July 2010.

Key management personnel include the five most highly remunerated executives in accordance with S300A of the Corporations Act.

The remuneration levels of the managing director and key management personnel are recommended by the remuneration committee and approved by the board, having taken advice from independent external advisors.

Principles of compensation

Executives

The Nufarm remuneration policy has been developed to ensure the company attracts and retains the highly skilled people required to successfully manage and create shareholder value from a large diversified company with extensive international operations.

The company has adopted a remuneration policy based on total target reward (TTR), which comprises two components:

- fixed reward (TEC) – cash and benefits that reflect local market conditions and individual contribution. The reward level is set relative to pertinent and prevailing executive employment market conditions for high calibre talent in the geographies where Nufarm operates. The company's policy position for TEC for Australian executives, is benchmarked with reference to the 62nd percentile of similar sized companies within Mercer's executive remuneration database; and

- an incentive program – upon achievement of the performance condition over six monthly periods, 50 per cent of the incentive will be paid in cash. Upon achievement of the performance condition for the full year, 50 per cent of the incentive will be delivered by way of shares, which, for the key management personnel, ensures a longer-term focus to achieve benefits consistent with the delivery of sustained growth of shareholder value. The exception is the current managing director who is paid in cash because of the very substantial shareholding he currently controls in the company.

Management personnel are not permitted to hedge any shares issued to them under the incentive program whilst they remain held in trust.

If the company's financial objectives are achieved and the incentive program is paid at 100 per cent, the TTR will meet the company's TTR policy position of the upper quartile of similar sized companies within Mercer's executive remuneration database. Set out below are details of the maximum payment for the incentive program where there has been above target achievement of the incentive program performance condition.

The performance condition for the incentive program is based on return on funds employed (ROFE) in the business. Return is calculated on the group's earnings before interest and taxation and adjusted for any non-operating items. Funds employed are represented by shareholders' funds plus total interest bearing debt.

The company believes ROFE is an appropriate performance condition for the following reasons:

- for many years the board has measured the company's performance using an 'economic value added' methodology. It is believed that if the company can consistently add economic value (a satisfactory margin above the cost of capital), then this will be recognized in share value; and
- ROFE ensures management is focused on the efficient use of capital and the measure remains effective regardless of the mix of equity and debt, which may change from time to time.

The remuneration committee and the board review the level of the performance condition on an annual basis.

Whilst it believes ROFE is an appropriate performance condition for the company's incentive program, the board also reviews the company's total shareholder return (TSR) with relevant comparator groups.

Each year, the board reviews and establishes the performance hurdle for the incentive program. The hurdle reflects targets for specific objectives and increasing company value, consistent with the company's business and investment strategies.

The current target ROFE hurdle for the incentive program is 17.25 per cent.

At the end of each half year and financial year the board assesses company performance against target ROFE to determine the percentage of any offer to be made under the cash component of the incentive program.

At the end of each financial year, the board:

- assesses company performance against the target ROFE hurdle to determine the percentage of any offer to be made under the share component of the incentive program; and
- reviews target ROFE for the incentive program for the following financial period.

For the incentive program, 25 per cent of the incentive will be payable on achievement of 90 per cent of target ROFE with a linear progression to 100 per cent of the incentive on achievement of target ROFE and a maximum of 175 per cent of the incentive on achievement of 110 per cent of target ROFE.

If less than 90 per cent of target ROFE is achieved, no incentive will be paid.

The following table shows the proportion of incentive as a percentage of TTR.

	Percentage (%) target ROFE achieved			
	<90	90	100	110
Managing director	0	20	50	64
Key management personnel other than non-executive directors	0	14	40	54

Consequences of performance on shareholders' wealth

The executive remuneration policy is designed to align remuneration with the creation of shareholder wealth. The incentive program links executive reward with company performance.

In light of the company's performance for the financial year ended 31 July 2009, target ROFE for the incentive program was not achieved for the year ended 31 July 2009. Therefore, as set out in total B in the table of key management personnel remuneration on page 37 of this report, for the period ended 31 July 2009, executives will receive 25 per cent of the cash component of the incentive program (referable to the half year ended 31 January 2009) and no shares under the share component of the incentive program.

Set out below is a table which summarises the company's performance and shareholder wealth statistics over the last five years.

In considering the consolidated entity's performance and benefits for shareholders' wealth, the remuneration committee and the board have regard to the following indices in respect of the current financial year and the previous four financial years.

	Operating EBIT	ROFE achieved	EPS	Dividend rate	Dividends paid	*Change in share price	Share price 31 July	**Total shareholder return
	$m	%	cents per share		$000	$	$	%
2005	196.6	19.8	60.5	26	40,548	4.08	10.15	63
2006	211.2	17.8	60.3	27	45,879	(1.37)	8.80	(2.3)
2007	217.8	16.6	59.2	31	53,145	4.31	13.10	40
2008	311.2	17.2	69.7	33	58,332	4.05	16.85	17
2009	280.3	11.7	33.5	35	65,297	(5.86)	10.84	(41)

* This column reflects the change in share price from 1 August to 31 July in the relevant financial year.

** Source: Goldman Sachs JBWere – total shareholder return as at 30 June.

Service contracts

The company has employment contracts with the managing director and the key management personnel. These contracts formalise the terms and conditions of employment. The contracts are for an indefinite term.

The company may terminate the contracts upon, in the case of the managing director, 12 months, and in the case of key management personnel, six months notice, in which case a termination payment equivalent to, in the case of the managing director, 24 months, and in the case of key management personnel, 12 months, total employment cost (base salary plus value of benefits such as motor vehicle and superannuation and any fringe benefits tax in relation to those benefits,) will be paid. The company may terminate the employment contracts immediately for serious misconduct.

Non-executive directors (NED)

The board's policy with regard to NED remuneration is to position board remuneration at the market median with comparable sized listed entities.

The board determines the fees payable to non-executive directors within the aggregate amount approved from time to time by shareholders. At the company's 2006 AGM, shareholders approved an aggregate of $1,200,000 per year (including superannuation costs).

Set out below are details of the annual fees payable at 31 July 2009 (excluding superannuation costs).

	$
Chairman[1]	290,000
Deputy chairman[1]	170,000
Director board fees	115,000
Chairman audit committee	25,000
Chairman other board committees	10,000
Member audit committee	5,000
Member other board committees[2]	2,500

The board has resolved that there will be no increases in these fees for the period ending 31 July 2010.

1 The chairman, KM Hoggard and the deputy chairman, GDW Curlewis, receive no fees as members of any committee.
2 There is some common membership on the remuneration committee and nomination committee. Only one fee is paid where a director is a member of both committees.

The board has created a non-executive share plan (NED plan) whereby a director can elect to commit a proportion of director fees to acquire company shares. The number of shares available in the plan will be calculated quarterly, using the weighted average of the price at which shares were traded on the ASX in the five days up to and including the day when shares are allocated to a director. Shares in the plan will not vest until the earlier of three years or retirement. Other than in this respect, non-executive director remuneration is paid in cash. No element of remuneration is performance related, i.e., linked to short term or long term incentives.

The NED plan has been suspended pending resolution of the changes to taxation of share plans introduced by the Federal Government.

On 31 October 2003, directors unanimously resolved to discontinue the directors' retirement benefit plan and benefits accrued under the plan were calculated and, at the option of the relevant director, converted into shares or paid to the director's superannuation fund.

Remuneration of directors and executives

Details of the nature and amount of each major element of remuneration in respect of key management personnel, which includes each director of the company and each of the five most highly remunerated executives and relevant group executives who receive the highest remuneration are:

		Short term		
In AUD		Salary and fees $	Cash bonus (vested[3]) $	Non-monetary benefits $
Directors non-executive				
KM Hoggard (Chairperson)	2009	290,000	–	–
	2008	228,000	–	–
GDW Curlewis (Deputy chairman)	2009	116,500	–	–
	2008	112,000	–	–
Dr RJ Edgar[5]	2009	–	–	–
	2008	–	–	–
Dr WB Goodfellow	2009	100,250	–	–
	2008	86,750	–	–
GA Hounsell	2009	122,750	–	–
	2008	110,500	–	–
DG McGauchie	2009	117,500	–	–
	2008	92,750	–	–
Dr JW Stocker	2009	102,750	–	–
	2008	89,750	–	–
RFE Warburton[6]	2009	–	–	–
	2008	57,911	–	–
Executive director				
DJ Rathbone (Managing director)	2009	1,251,350	923,000	64,029
	2008	1,124,760	1,525,244	37,587
Executive officers				
DA Pullan (Group general manager operations)	2009	539,456	57,500	25,890
	2008	476,138	535,051	43,010
KP Martin (Chief financial officer)	2009	508,708	55,000	27,063
	2008	447,447	502,077	25,713
B Benson (Group general manager marketing)	2009	511,820	55,000	29,859
	2008	462,264	498,387	36,191
RF Ooms (Group general manager chemicals)	2009	470,017	49,583	13,595
	2008	443,781	500,386	10,423
RG Reis (Group general manager corporate strategy and external affairs)	2009	452,278	45,833,	39,401
	2008	387,152	377,168	36,049
DA Mellody (Group general manager global marketing)	2009	482,846	38,922	–
	2008	324,688	330,815	23,919
MJ Pointon (Group general manager innovation and development)	2009	246,643	53,534	28,761
	2008	200,031	61,648	26,046
R Heath (Company secretary)	2009	228,780	25,417	26,630
	2008	219,309	257,650	32,519

1 Total A represents total remuneration paid in the financial year.

2 Total B represents total remuneration referable to the financial period ended 31 July. The difference between Total A and Total B reflects the timing of incentive payments being accrued and settled.

3 All cash bonuses were fully vested.

4 Other than to MJ Pointon, who was promoted to the role of group general manager innovation and development in 2008, no share based offers were made to executives for the period ended 31 July 2008 because of the ChemChina takeover offer. Payments were made in cash.

5 Dr RJ Edgar was appointed a director on 1 July 2009.

6 RFE Warburton retired as a director on 5 December 2007.

Short term	Post-employment	Share based payments	Other long term	Total A	Total B
Total $	Superannuation $	Equity settled[4] $	$	Total remuneration[1] $	Remuneration relative to year[2] $
290,000	29,000	–	–	319,000	319,000
228,000	24,000	12,000	–	264,000	264,000
116,500	45,000	25,500	–	187,000	187,000
112,000	42,000	–	–	154,000	154,000
–	–	–	–	–	–
–	–	–	–	–	–
100,250	11,750	17,250	–	129,250	129,250
86,750	9,625	9,500	–	105,875	105,875
122,750	14,000	17,250	–	154,000	154,000
110,500	12,000	9,500	–	132,000	132,000
117,500	11,750	–	–	129,250	129,250
92,750	9,750	4,750	–	107,250	107,250
102,750	12,000	17,250	–	132,000	132,000
89,750	9,875	9,500	–	109,125	109,125
–	–	–	–	–	–
57,911	6,266	4,750	–	68,927	68,927
2,238,379	18,332	–	114,567	2,371,278	1,591,278
2,687,591	15,286	–	105,538	2,808,415	2,583,171
622,846	94,104	208,333	23,943	949,226	740,893
1,054,199	93,339	–	29,892	1,177,430	1,059,046
590,771	94,006	200,000	27,007	911,784	711,784
975,237	87,171	–	32,841	1,095,249	1,018,172
596,679	94,866	200,000	19,813	911,358	711,358
996,842	83,419	–	24,085	1,104,346	1,005,959
533,195	90,010	188,333	15,865	827,403	639,070
954,590	87,901	–	15,872	1,058,363	934,644
537,512	46,897	166,667	21,282	772,358	605,691
800,369	44,692	–	47,215	892,276	848,441
521,768	47,430	150,000	15,074	734,272	584,272
679,422	42,150	–	27,999	749,571	718,756
328,938	44,853	74,866	15,409	464,066	389,200
287,725	34,015	47,045	4,471	373,256	448,122
280,827	44,983	96,667	9,408	431,885	335,218
509,478	42,653	–	11,353	563,484	499,167

Remuneration options: granted and vested during the year

During the year there were no options granted to directors or executives, nor were any options vested or exercised by the specified executives.

Shares issued as a result of the exercise of options

There were no shares issued as a result of the exercise of options during the year.

Unissued shares under option

There are no unissued shares under option.

Indemnities and insurance for directors and officers

The company has entered into insurance contracts, which indemnify directors and officers of the company, and its controlled entities against liabilities. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential. An indemnity agreement has been entered into between the company and each of the directors named earlier in this report. Under the agreement, the company has agreed to indemnify the directors against any claim or for any expenses or costs, which may arise as a result of the performance of their duties as directors. There are no monetary limits to the extent of this indemnity.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 39 and forms part of the directors' report for the financial year ended 31 July 2009.

Rounding of amounts

The company is of a kind referred to in Australian Securities and Investment Commission Class Order 98/100 dated 10 July 1998 and, in accordance with that class order, amounts in the financial statements and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report has been made in accordance with a resolution of directors.

KM Hoggard
Director

DJ Rathbone
Director

Melbourne
28 September 2009

LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: the directors of Nufarm Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 July 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul J McDonald
Partner

Melbourne
28 September 2009

KPMG, an Australian partnership and a member firm of the KPMG network of independent member films affiliated with KPMG International, a Swiss cooperative.

INCOME STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

	Note	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Continuing operations					
Revenue		2,677,083	2,492,458	48,584	57,919
Cost of sales		(2,121,446)	(1,747,965)	(36,184)	(39,910)
Gross profit		555,637	744,493	12,400	18,009
Other income	7	11,054	5,519	55,249	63,060
Sales, marketing and distribution expenses		(210,914)	(263,878)	(3,846)	(4,784)
General and administrative expenses		(162,018)	(138,378)	(5,057)	(7,076)
Research and development expenses		(45,375)	(41,585)	(860)	(515)
Share of net profits of associates	19	3,080	2,698	1,090	1,237
Operating result		151,464	308,869	58,976	69,931
Barter trade loss realised on option contracts – Brazil	6	–	(34,259)	–	–
Net non-cash revaluation profit/(loss) on proceeds from Nufarm Step-up Securities financing	6	(431)	(4,119)	–	–
Profit before net financing costs and income tax	6	151,033	270,491	58,976	69,931
Financial income	10	8,177	3,202	698	119
Financial expenses	10	(100,253)	(83,397)	(3,160)	(3,183)
Net financing costs		(92,076)	(80,195)	(2,462)	(3,064)
Profit before income tax		58,957	190,296	56,514	66,867
Income tax (expense)/benefit	11	21,585	(52,176)	(1,165)	(2,169)
Profit for the period from continuing operations	6	80,542	138,120	55,349	64,698
Attributable to:					
Equity holders of the company		79,877	137,915	55,349	64,698
Minority interest		665	205	–	–
Profit for the period		80,542	138,120	55,349	64,698
Earnings per share					
Basic earnings per share	30	33.5	69.7		
Diluted earnings per share	30	33.5	69.7		
Continuing operations					
Basic earnings per share	30	33.5	69.7		
Diluted earnings per share	30	33.5	69.7		

The income statements are to be read in conjunction with the attached notes.

BALANCE SHEETS

AS AT 31 JULY 2009

	Note	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Assets					
Cash and cash equivalents	15	84,312	59,143	1,856	3,308
Trade and other receivables	16	787,760	839,963	790,324	467,536
Inventories	17	797,383	843,544	17,734	17,318
Current tax assets	18	48,973	61,185	93	12,860
Total current assets		1,718,428	1,803,835	810,007	501,022
Non-current assets					
Receivables	16	33,125	29,041	–	–
Equity accounted investments	19	12,468	24,264	9,803	9,206
Other investments	20	7,442	354	306,331	300,769
Deferred tax assets	18	194,960	93,270	2,921	1,603
Property, plant and equipment	22	435,468	433,112	4,864	5,283
Intangible assets	23	848,739	821,500	971	49
Other financial assets	21	967	8,504	–	–
Total non-current assets		1,533,169	1,410,045	324,890	316,910
TOTAL ASSETS		3,251,597	3,213,880	1,134,897	817,932
Current liabilities					
Bank overdraft	15	35,669	20,841	–	–
Trade and other payables	24	407,421	778,060	107,397	133,671
Loans and borrowings	25	584,692	587,612	–	–
Employee benefits	26	20,671	18,222	432	342
Current tax payable	18	17,772	12,461	5,804	7,227
Provisions	28	26,091	6,184	–	–
Total current liabilities		1,092,316	1,423,380	113,633	141,240
Non-current liabilities					
Payables	24	17,695	39,842	–	–
Loans and borrowings	25	402,327	351,456	–	–
Deferred tax liabilities	18	64,215	57,239	–	74
Employee benefits	26	43,105	36,745	–	52
Total non-current liabilities		527,342	485,282	–	126
TOTAL LIABILITIES		1,619,658	1,908,662	113,633	141,366
NET ASSETS		1,631,939	1,305,218	1,021,264	676,566
Equity					
Share capital	29	812,844	456,870	812,844	456,870
Reserves	29	(13,006)	6,822	36,027	37,355
Retained earnings	29	584,348	593,558	172,393	182,341
Equity attributable to equity holders of the company		1,384,186	1,057,250	1,021,264	676,566
Nufarm Step-up Securities	29	246,932	246,932	–	–
Minority interest	29	821	1,036	–	–
TOTAL EQUITY	29	1,631,939	1,305,218	1,021,264	676,566

The balance sheets are to be read in conjunction with the attached notes.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2009

	Note	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Cash flows from operating activities					
Cash receipts from customers		2,874,917	2,580,996	53,928	65,692
Cash paid to suppliers and employees		(2,799,092)	(2,523,981)	(54,180)	(55,281)
Cash generated from operations		75,825	57,015	(252)	10,411
Interest received		8,177	3,202	698	119
Dividends received		423	373	52,700	59,817
Interest paid		(100,252)	(83,397)	(3,160)	(3,183)
Income tax paid		(37,298)	(70,336)	8,827	(10,921)
Payment for barter trade loss realised on option contracts – Brazil		–	(34,259)	–	–
Net cash from operating activities	37	(53,125)	(127,402)	58,813	56,243
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		284	8,086	–	70
Proceeds from sale of businesses and investments		12,821	3,306	–	–
Payments for plant and equipment		(54,317)	(69,509)	(191)	(1,524)
Payment for investments		(8,321)	–	–	–
Purchase of businesses, net of cash acquired		(14,454)	(374,256)	–	–
Payments for acquired intangibles and major product development expenditure		(48,257)	(61,211)	(989)	(62)
Net investing cash flows		(112,244)	(493,584)	(1,180)	(1,516)
Cash flows from financing activities					
Shares issued under private placement (net of costs)		294,764	197,755	294,764	197,755
Shares issued under share purchase plan		35,691	10,791	35,691	10,791
Proceeds from borrowings		56,022	600,774	–	–
Repayment of borrowings		(43,799)	(148,272)	–	–
Repayment of receivables securitisation program		(94,728)	–	–	–
Advances to controlled entities		–	–	(337,008)	(212,452)
Distribution to NSS holders		(21,908)	(22,036)	–	–
Dividends paid		(53,208)	(58,422)	(52,592)	(58,264)
Net financing cash flows		172,834	580,590	(59,145)	(62,170)
Net increase (decrease) in cash and cash equivalents		7,465	(40,396)	(1,512)	(7,443)
Cash at the beginning of the year		38,302	79,661	3,308	12,367
Exchange rate fluctuations on foreign cash balances		2,876	(963)	60	(1,616)
Cash and cash equivalents at 31 July	15	48,643	38,302	1,856	3,308

The statements of cash flows are to be read in conjunction with the attached notes.

STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 31 JULY 2009

		Consolidated		Company	
	Note	2009 $000	2008 $000	2009 $000	2008 $000
Items recognised directly in equity					
Foreign exchange translation differences for foreign operations	29	(19,788)	(2,491)	(1,328)	(7,871)
Actuarial gains/(losses) on defined benefit plans	29	(8,454)	(2,451)	–	–
Income tax on share issue costs recognised directly in equity	29	1,683	699	1,683	699
Income and expense recognised directly in equity		(26,559)	(4,243)	355	(7,172)
Profit for the year		80,542	138,120	55,349	64,698
Total recognised income and expense for the year		53,983	133,877	55,704	57,526
Attributable to:					
Equity holders of the parent		53,895	133,702	55,704	57,526
Minority interest		88	175	–	–
Total recognised income and expense for the year		53,983	133,877	55,704	57,526

Other movements in equity arising from transactions with owners are set out in note 29.

The amounts recognised directly in equity are disclosed net of tax – see note 11 for tax effect.

The statements of recognised income and expense are to be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Nufarm Limited (the 'company') is domiciled in Australia. The address of the company's registered office is 103–105 Pipe Road, Laverton North, Victoria, 3026. The consolidated financial statements of the company as at and for the year ended 31 July 2009 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates and jointly controlled entities. The group is primarily involved in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the group and the financial report of the company comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value. The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the company's functional currency. The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amount recognised in the financial statements are described below.

(i) Business combinations

Fair valuing assets and liabilities acquired in a business combination involves making assumptions about the timing of cash inflows and outflows, growth assumptions, discount rates and cost of debt. Refer to note 14 for details of acquisitions made during the period.

(ii) Impairment testing

The group determines whether goodwill and intangibles with indefinite useful lives are impaired on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology. The estimation of future cash flows requires management to make significant estimates and judgements concerning the identification of impairment indicators, earnings before interest and tax, growth rates, applicable discount rates and useful lives. Further details can be found in note 23 on intangibles.

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(iii) Income taxes

The group is subject to income taxes in Australia and overseas jurisdictions. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

(iv) Defined benefit plans

A liability in respect of defined benefit pension plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 26 for details of the key assumptions used in determining the accounting for these plans.

(v) Valuation of inventories

Inventories of finished goods, raw materials and work in progress are valued at lower of cost and net realisable value. The net realisable value of inventories is the estimated market price at the time the product is expected to be sold.

(vi) Valuation of receivables

Nufarm and a major supplier are currently in dispute with respect to a claim that the supplier is liable for a relevant share of losses attributable to the sale of product during the 2009 financial year.

The parties entered into an Agreement in 2002 that provides for the sharing of costs and proceeds associated with Nufarm's sale of products. Nufarm's claim, for approximately $37 million, is being contested by the supplier. Nufarm is confident it will recover all of this amount and will vigorously pursue its claim.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the group.

In the company's financial statements, investments in subsidiaries are carried at cost.

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

Associates and jointly controlled entities (equity accounted investments)

Associates are those entities in which the group has significant influence, but not control, over the financial and operating policies.

Significant influence is presumed to exist when the group holds between 20 and 50 per cent of the voting power of another entity.

Jointly controlled entities are those entities over whose activities the group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and jointly controlled entities are accounted for using the equity method (equity accounted investments) and are initially recognised at cost. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the group's share of losses exceeds its interest in an equity accounted investment, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investee or, if not consumed or sold by the equity accounted investee, when the group's interest in such entities is disposed of.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Foreign currency gains and losses are included in cost of sales as they mostly relate to the purchase of raw materials from overseas suppliers.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

3. Significant accounting policies (continued)

(b) Foreign currency (continued)

Foreign operations (continued)

Foreign currency translation differences are recognised directly in equity. Since 1 August 2004, the group's date of transition to Australian equivalents to IFRS, such differences have been recognised in the foreign currency translation reserve (FCTR).

When a foreign operation is disposed of, in part or in full, the relevant amount in FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign subsidiary, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign subsidiary and are recognised directly in equity in FCTR.

(c) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

Accounting for finance income and expense is discussed in note 3(n).

Financial assets at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the group manages such investments and makes purchases and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit and loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments

The group holds derivative financial instruments to manage its foreign currency and interest rate risk exposures.

Derivatives are recognised initially at fair value, with attributable transaction costs recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives continue to be measured at fair value, with changes therein accounted for in profit or loss.

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

Derivative financial instruments (continued)

Cash flow hedges

The group has not entered into any cash flow hedging transactions in the current or comparative periods.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Hybrid securities

The group has on issue a hybrid security called Nufarm Step-up Securities (NSS). The NSS are classified as equity instruments and after-tax distributions thereon are recognised as distributions within equity.

(d) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 August 2004, the date of transition to AIFRS, was determined by reference to its fair value at that date.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 'other income' in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Lease assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Recognition and measurement (continued)

Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

- buildings 15–50 years
- leasehold improvements 5 years
- plant and equipment 10–15 years
- motor vehicles 5 years
- computer equipment 3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(e) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and jointly controlled entities.

Acquisitions prior to 1 August 2004

As part of its transition to IFRS, the group elected not to restate those business combinations that occurred prior to 1 August 2004. In respect of acquisitions prior to 1 August 2004, goodwill represents the amount recognised under the group's previous accounting framework, Australian GAAP.

Acquisitions since 1 August 2004

For acquisitions since 1 August 2004, goodwill represents the excess of the cost of the acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in profit or loss.

Acquisitions of minority interests

Goodwill arising on the acquisition of a minority interest in a subsidiary represents the excess of the cost of the additional investment over the carrying amount of the net assets acquired at the date of acquisition.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of equity investments, the carrying amount of goodwill is included in the carrying amount of the investment.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are recognised in profit or loss as incurred. Development expenditure that does not meet the above criteria is recognised in profit or loss as incurred.

3. Significant accounting policies (continued)

(e) Intangible assets (continued)

Research and development (continued)

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

Intellectual property

Intellectual property consists of product registrations, product access rights, trademarks, task force seats, product distribution rights and product licences acquired from third parties. Generally, product registrations, product access rights, trademarks and task force seats, if purchased outright, are considered to have an indefinite life as there are minimal annual fees to maintain the assets. Other items of acquired intellectual property are considered to have a finite life in accordance with the terms of the acquisition agreement. Intellectual property intangibles acquired by the group are measured at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is expensed when incurred.

Other intangible assets

Other intangible assets that are acquired by the group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

Amortisation

For those intangibles with a finite life, amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the assets. The estimated useful life for intangible assets with a finite life, in the current and comparative periods, are as follows:

- capitalised development costs 5 years
- intellectual property – finite life Over the useful life in accordance with the acquisition agreement terms
- computer software 3 to 7 years

(f) Leased assets

Leases in terms of which the group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and the leased assets are not recognised on the group's balance sheet.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. Significant accounting policies (continued)

(h) Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant accounting policies (continued)

(i) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(j) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the group, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the fund. An economic benefit is available to the group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a fund are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The group recognises all actuarial gains and losses arising from the defined benefit plans directly in equity immediately.

Other long term employee benefits

The group's net obligation in respect of long term employee benefits, other than defined benefit plans, is the amount of benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

3. Significant accounting policies (continued)

(j) Employee benefits (continued)

Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The group has a global share plan for employees whereby matching and loyalty shares are granted to employees. The fair value of matching and loyalty shares granted is recognised as expense in the profit or loss over the respective service period, with a corresponding increase in equity, rather than as the matching and loyalty shares are issued. Refer note 27 for details of the global share plan.

When the company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity.

(k) Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

(l) Revenue

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

3. Significant accounting policies (continued)

(m) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(n) Finance income and expense

Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the group's right to receive payment is established.

Finance expense comprises interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, dividends on preference shares classified as liabilities, impairment losses recognised on financial assets and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

(o) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. Significant accounting policies (continued)

(o) Income tax (continued)

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Tax consolidation

The company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity from that date. The head entity within the tax-consolidated group is Nufarm Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the company as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the company as an equity contribution or distribution.

The company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing agreements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity, in conjunction with other members of the tax-consolidated group, has also entered a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

3. Significant accounting policies (continued)

(p) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST or equivalent), except where the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authorities are classified as operating cash flows.

(q) Discontinued operations

A discontinued operation is a component of the group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

(r) Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise convertible notes and share options granted to employees.

(s) Segment reporting

A segment is a distinguishable component of the group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographic segment), which is subject to risks or rewards that are different from those of other segments. The group's primary format for reporting segment is based on geographic segments. The geographic segments are determined based on the group's management and internal reporting structure.

Inter-segment pricing is determined on an arms length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

3. Significant accounting policies (continued)

(t) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 31 July 2009, but have not been applied in preparing this financial report:

- Revised AASB 3 *Business Combinations (2008)* incorporates the following changes that are likely to be relevant to the group's operations:
  - the definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations;
  - contingent consideration will be measured at fair value, with subsequent changes recognised in profit or loss;
  - transaction costs, other than share and debt issue costs, will be expensed as incurred;
  - any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss; and
  - any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis. Revised AASB 3, which becomes mandatory for the group's 31 July 2010 financial statements, will be applied prospectively and therefore, there will be no impact on prior periods.
- AASB 8 *Operating Segments* introduces the 'management approach' to segment reporting. AASB 8, which becomes mandatory for the group's 31 July 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the group's chief operating decision maker in order to assess each segment's performance and to allocate resources to them. Currently, the group presents segment information in respect of its geographical segments (see note 5). This is not expected to change under AASB 8.
- Revised AASB 101 *Presentation of Financial Statements (2007)* introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the group's 31 July 2010 financial statements, is not expected to have a significant impact, as the group already presents a separate statement of recognised income and expense that reports all non-owner changes in equity.
- Amended AASB 127 *Consolidated and Separate Financial Statements (2008)* requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the group's 31 July 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.
- Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the group's 31 July 2010 financial statements and will constitute a change in accounting policy for the group, as the group currently expenses all borrowing costs. In accordance with the transitional provisions the group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. Therefore, there will be no impact on prior periods in the group's 31 July 2010 financial statements.

3. Significant accounting policies (continued)

(t) New standards and interpretations not yet adopted (continued)

- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations* clarifies the definition of vesting, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the group's 31 July 2010 financial statements, with retrospective application. The group has not yet determined the potential effect of the amendment.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process and AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the group's 31 July 2010 financial statements, are not expected to have a significant impact on the financial statements.
- AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* changes the recognition and measurement of dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the group's 31 July 2010 financial statements. The group has not yet determined the potential effect of the amendment.
- AI 16 *Hedges of a Net Investment in a Foreign Operation* clarifies that net investment hedging can only be applied when the net assets of the foreign operation are recognised in the entity's consolidated financial statements. AI 16 will become mandatory for the group's 31 July 2010 financial statements. The interpretation is not expected to have any impact on the financial statements.

4. Determination of fair values

A number of the group's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The market value of items of plant, equipment, fixtures and fittings is based on the quoted market prices for similar items.

(ii) Intangibles assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

4. Determination of fair values (continued)

(iii) Inventories

The fair value of inventory acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on effort required to complete and sell the inventory.

(iv) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(v) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

5. Segment reporting

Segment information is presented in respect of the group's geographic segments. This is the primary format of segment reporting based on the group's management and internal reporting structure. The group operates predominantly in one business segment, being the crop protection industry. The business is managed on a worldwide basis, with the major geographic segments for reporting being Australasia, Europe, North America and South America. The North America region includes Canada, USA, Mexico, the Central American countries and the Andean region. The South America region includes Brazil, Argentina, Chile, Uruguay, Paraguay and Bolivia. In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. Segment assets are based on the geographic location of the assets.

5. Segment reporting (continued)

Geographic segments 2009	Australasia $000	Europe $000	North America $000	South America $000	Consolidated $000
Revenue					
Total segment revenue	850,211	636,928	775,375	414,569	2,677,083
Results					
Segment result before associate profit	117,366	98,652	8,305	(40,880)	183,443
Share of profit of associates	1,100	1,934	46	–	3,080
Segment result	118,466	100,586	8,351	(40,880)	186,523
Unallocated corporate expenses					(35,059)
Operating result					151,464
Net non-cash revaluation profit/(loss) on proceeds from Nufarm Step-up Securities financing					(431)
Net financing costs					(92,076)
Income tax benefit					21,585
Profit for the period					80,542
Assets					
Segment assets	808,444	852,219	580,115	653,988	2,894,766
Investment in associates	10,656	1,812	–	–	12,468
Unallocated assets					344,363
Total assets					3,251,597
Liabilities					
Segment liabilities	162,760	221,321	55,593	75,310	514,984
Unallocated liabilities					1,104,674
Total liabilities					1,619,658
Other segment information					
Capital expenditure	32,408	45,163	21,570	6,541	105,682
Depreciation	18,960	21,177	5,841	2,434	48,412
Amortisation	5,360	8,338	2,558	1,294	17,550

5. Segment reporting (continued)

Geographic segments 2008	Australasia $000	Europe $000	North America $000	South America $000	Consolidated $000
Revenue					
Total segment revenue	874,992	554,661	631,383	431,422	2,492,458
Results					
Segment result before associate profit	146,364	54,908	84,336	59,301	344,909
Share of profit of associates	1,228	1,336	134	–	2,698
Segment result	147,592	56,244	84,470	59,301	347,607
Unallocated corporate expenses					(38,738)
Operating result					308,869
Barter trade loss realised on option contracts – Brazil					(34,259)
Net non-cash revaluation profit/(loss) on proceeds from Nufarm Step-up Securities financing					(4,119)
Net financing costs					(80,195)
Income tax expense					(52,176)
Profit for the period					138,120
Assets					
Segment assets	802,727	823,279	599,214	723,851	2,949,071
Investment in associates	10,182	13,628	454	–	24,264
Unallocated assets					240,545
Total assets					3,213,880
Liabilities					
Segment liabilities	311,133	266,017	221,504	80,398	879,052
Unallocated liabilities					1,029,610
Total liabilities					1,908,662
Other segment information					
Capital expenditure	61,400	173,120	119,661	27,628	381,809
Depreciation	17,253	12,889	4,182	2,256	36,580
Amortisation	2,388	5,929	1,399	1,184	10,900

Capital expenditure includes the fixed assets, goodwill and intangibles resulting from the AH Marks and Etigra acquisitions. The AH Marks' values are included in Europe and Etigra is included in North America.

6. Items of material income and expense

	Consolidated		Consolidated	
	2009 $000 Pre-tax	2009 $000 After-tax	2008 $000 Pre-tax	2008 $000 After-tax
The following material items of income/(expense) were included in the period result:				
Cost of sales items				
Net realisable value adjustment – year end inventories	(67,611)	(40,794)	–	–
Net realisable value adjustment – product sold	(37,770)	(22,662)	–	–
Restructuring – French business	(16,421)	(10,989)	–	–
	(121,802)	(74,445)	–	–
General and administrative expense items				
Competition inquiries (AH Marks)	(10,567)	(10,182)	(66)	(66)
Provision for non-collectability of sale proceeds	(2,564)	(1,709)	–	–
Due diligence costs	(1,859)	(1,364)	(1,000)	(524)
Restructuring – French business and sale of equity investment	9,593	8,247	–	–
	(5,397)	(5,008)	(1,066)	(590)
Disclosed on face of income statement				
Barter trade loss realised on option contracts – Brazil	–	–	(34,259)	(22,611)
Net non-cash revaluation profit/(loss) on proceeds from Nufarm Step-up Securities financing	(431)	(302)	(4,119)	(2,760)
	(127,630)	(79,755)	(39,444)	(25,961)

7. Other income

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Dividends from wholly owned controlled entities	–	–	52,700	59,444
Management fees from controlled entities	–	–	2,038	3,240
Sundry income	11,054	5,519	511	376
Total other income	11,054	5,519	55,249	63,060

8. Other expenses

The following expenses were included in the period result:				
Depreciation and amortisation	(65,962)	(47,480)	(698)	(646)
Impairment gain/(loss) on trade receivables[1]	(4,241)	(533)	–	(43)
Movement in stock obsolescence provision	(648)	(828)	–	(50)
Exchange gains/(losses)	(27,528)	2,337	326	(281)

1 Excludes items set out in Note 6.

9. Personnel expenses

	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Wages and salaries	(203,969)	(177,724)	(4,005)	(4,278)
Other associated personnel expenses	(37,214)	(30,023)	(488)	(309)
Contributions to defined contribution superannuation funds	(10,847)	(8,590)	(550)	(521)
Expenses related to defined benefit superannuation funds	(457)	(3,290)	–	–
Annual leave expense	(6,319)	(7,106)	(396)	(323)
Long-service leave expense	(1,886)	(2,180)	–	–
Restructuring expense – French social plan	(23,403)	–	–	–
	(284,095)	(228,913)	(5,439)	(5,431)

The restructuring expense in France represents the redundancy costs associated with the shut down of two manufacturing units at the Gaillon plant. The restructuring costs are included in the material items in note 6.

10. Finance income and expense

	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Interest income – controlled subsidiaries	–	–	364	–
Interest income – external	8,177	3,202	334	119
Financial income	8,177	3,202	698	119
Interest expense – controlled entities	–	–	(3,093)	(3,129)
Interest expense – external	(98,796)	(75,553)	(67)	(54)
Lease expense – finance charges	(1,887)	–	–	–
Costs of securitisation program	430	(7,844)	–	–
Financial expenses	(100,253)	(83,397)	(3,160)	(3,183)
Net financing costs	(92,076)	(80,195)	(2,462)	(3,064)

11. Income tax expense/(benefit)

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Recognised in the income statement				
Current tax expense				
Current year	6,161	43,941	414	2,016
Adjustments for prior years	(247)	(1,663)	314	87
	5,914	42,278	728	2,103
Deferred tax expense				
Origination and reversal of temporary differences	(10,228)	12,717	437	58
Reduction in tax rates	2,604	283	–	8
Benefit of tax losses recognised	(19,875)	(3,102)	–	–
	(27,499)	9,898	437	66
Total income tax expense/(benefit) in income statement	(21,585)	52,176	1,165	2,169
Attributable to:				
Continuing operations	(21,585)	52,176	1,165	2,169
	(21,585)	52,176	1,165	2,169
Numerical reconciliation between tax expense/(benefit) and pre-tax net profit				
Profit before tax – continuing operations	58,957	190,296	56,514	66,867
Profit before tax	58,957	190,296	56,514	66,867
Income tax using the local corporate tax rate of 30 per cent	17,687	57,089	16,954	20,060
Increase in income tax expense due to:				
Non-deductible expenses	3,175	3,601	3	281
Other taxable income	1,383	–	–	–
Effect of changes in the tax rate	2,604	(459)	–	8
Effect of tax losses derecognised/(recognised)	1,015	–	–	–
Decrease in income tax expense due to:				
Effect on tax rate in foreign jurisdictions	(38,850)	(2,206)	–	(63)
Tax exempt income	(1,225)	(300)	(16,106)	(18,204)
Tax incentives not recognised in the income statement	(7,127)	(3,886)	–	–
	(21,338)	53,839	851	2,082
Under/(over) provided in prior years	(247)	(1,663)	314	87
Income tax expense/(benefit) on pre-tax net profit	(21,585)	52,176	1,165	2,169

11. Income tax expense/(benefit) (continued)

	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Income tax expense/(benefit) recognised directly in equity				
Relating to actuarial gains on defined benefit plans	(3,363)	221	–	–
Relating to cost of issuing equity	(1,683)	(699)	(1,683)	(699)
Nufarm Step-up Securities distribution	(6,572)	(7,272)	–	–
	(11,618)	(7,750)	(1,683)	(699)

12. Discontinued operation

There were no discontinued operations in the current or prior year.

13. Non-current assets held for sale

There were no assets held for sale at the end of the current or prior financial periods.

14. Acquisition of subsidiaries

On 1 October 2008, the group acquired the shares in Lefroy Seeds Pty Ltd. Lefroy Seeds specialises in hybrid breeding, production and commercialisation activities in sunflower and sorghum with facilities located in Toowoomba, Queensland, Australia.

In the period to 31 July 2009, this business contributed profit of $169,257 to the consolidated group after tax profit. If the above acquisition had occurred on 1 August 2008, the full-year contribution to group revenues would have been $2,578,172 and to the consolidated entity's profit after tax would have been $203,108.

Acquiree's net assets at acquisition date	Pre-acquisition carrying amounts $000	Preliminary fair value adjustments $000 2009	Recognised values on acquisition $000
Cash and cash equivalents	175	–	175
Receivables	353	–	353
Inventory	236	102	338
Property, plant and equipment	167	–	167
Intangibles	8	(8)	–
Other assets	621	–	621
Trade and other payables	(113)	–	(113)
Employee benefits	(21)	(85)	(106)
Other liabilities	(68)	–	(68)
Net identifiable assets and liabilities	1,358	9	1,367
Acquisition costs			(46)
Identifiable intangibles acquired on acquisition			5,074
Goodwill on acquisition			5,075
Consideration paid			11,470
Cash acquired			(175)
Consideration satisfied by issue of shares			(7,975)
Net cash outflow			3,320

14. Acquisition of subsidiaries (continued)

Pre-acquisition carrying values were determined based on applicable AASBs immediately before the acquisition. The value of assets, liabilities and contingent liabilities recognised on acquisition are their estimated fair values (see note 4 for methods used in determining fair values).

Goodwill has arisen on the acquisition above, mainly resulting from the synergies that this acquisition brings to the Nufarm group.

Acquisitions during the prior year included the AH Marks (5 March 2008) and Etigra (31 March 2008) businesses. AH Marks is a manufacturer and supplier of crop protection and industrial products. The company is based at Wyke, UK and the purchase price was £74.6 million, consisting of cash consideration of £46.5 million with £28.1 million in assumed debt. Etigra is a supplier of crop protection products, specialising in the US turf and specialty markets. It is based in North Carolina and the assets of Etigra were acquired for US$65 million.

Acquiree's net assets at acquisition date	Recognised values $000	Fair value adjustments $000 2008	Carrying amounts $000
Cash and cash equivalents	(935)	–	(935)
Receivables	57,877	–	57,877
Inventory	11,905	–	11,905
Property, plant and equipment	75,561	–	75,561
Intangibles	4,059	(3,471)	588
Deferred taxes	(6,391)	11,199	4,808
Trade and other payables	(49,277)	3,887	(45,390)
Employee benefits	(6,771)	2,111	(4,660)
Interest bearing loans and borrowings	(40,303)	–	(40,303)
Other liabilities	(10,457)	–	(10,457)
Net identifiable assets and liabilities	35,268	13,726	48,994
Acquisition costs			2,407
Identifiable intangibles (registrations and trademarks) acquired on acquisition			82,023
Goodwill on acquisition			35,139
Consideration satisfied in cash			168,563
Deferred consideration at balance date			(11,135)
Cash acquired			935
Net cash outflow			158,363

The provisional accounting for the AH Marks and Etigra acquisitions was adjusted during the current year. The AH Marks goodwill was adjusted for the recognition of previously unrecognised tax losses ($11.2 million). The Etigra identified intangibles was adjusted following the finalisation of the valuation of certain intangible assets.

15. Cash and cash equivalents

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Bank balances	48,502	12,611	669	3,308
Call deposits	35,810	46,532	1,187	–
Cash and cash equivalents	84,312	59,143	1,856	3,308
Bank overdrafts repayable on demand	(35,669)	(20,841)	–	–
Cash and cash equivalents in the statement of cash flows	48,643	38,302	1,856	3,308

16. Trade and other receivables

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Current				
Trade receivables	680,573	685,316	4,681	4,713
Provision for impairment losses	(25,087)	(23,339)	–	(43)
	655,486	661,977	4,681	4,670
Receivables due from controlled entities	–	–	6,637	939
Loans due from controlled entities	–	–	778,111	461,389
Receivables due from associates	475	362	–	–
Receivables due from securitisation program	–	52,176	–	–
Derivative financial instruments	16,118	26,946	–	375
Proceeds receivable from sale of businesses	6,230	3,306	–	–
Other receivables and prepayments	109,451	95,196	895	163
	787,760	839,963	790,324	467,536
Non-current				
Receivables due from associates	38	–	–	–
Other receivables	9,319	22,656	–	–
Proceeds receivable from sale of businesses	27,101	9,491	–	–
Provision for non-collectability of sale proceeds	(3,333)	(3,106)	–	–
	33,125	29,041	–	–
Total trade and other receivables	820,885	869,004	790,324	467,536

Nufarm and a major supplier are currently in dispute with respect to a claim that the supplier is liable for a relevant share of losses attributable to the sale of product during the 2009 financial year.

The parties entered into an Agreement in 2002 that provides for the sharing of costs and proceeds associated with Nufarm's sale of products. Nufarm's claim, for approximately $37 million, is being contested by the supplier. Nufarm is confident it will recover all of this amount and will vigorously pursue its claim. The $37 million claim is included in other receivables and prepayments.

17. Inventories

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Raw materials	223,461	285,340	3,324	–
Work in progress	7,932	18,560	116	336
Finished goods	571,003	543,804	14,294	17,041
	802,396	847,704	17,734	17,377
Provision for obsolescence of finished goods	(5,013)	(4,160)	–	(59)
Total inventories	797,383	843,544	17,734	17,318

The finished goods and raw material values above are net of the net realisable value adjustment referred to in note 6.

18. Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the group of $48,973,455 (2008: $61,185,329) and for the company of $93,012 (2008: $12,860,431) represents the amount of income taxes recoverable in respect of prior periods and that arise from the payment of tax in excess of the amounts due to the relevant tax authority. The current tax liability for the group of $17,771,673 (2008: $12,461,369) and the company of $5,804,378 (2008: $7,226, 722) represent the amount of income taxes payable in respect of current and prior financial periods. The company liability includes the income tax payable by all members of the tax consolidated group.

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Consolidated	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
Property, plant and equipment	9,467	11,478	(12,338)	(17,010)	(2,871)	(5,532)
Intangibles assets	6,545	6,428	(52,275)	(39,528)	(45,730)	(33,100)
Employee benefits	14,889	11,956	–	–	14,889	11,956
Provisions	14,500	5,044	–	–	14,500	5,044
Other items	35,541	18,501	(8,578)	(9,406)	26,963	9,095
Tax value of losses carried forward	122,994	48,568	–	–	122,994	48,568
Tax assets/(liabilities)	203,936	101,975	(73,191)	(65,944)	130,745	36,031
Set off of tax	(8,976)	(8,705)	8,976	8,705	–	–
Net tax assets/(liabilities)	194,960	93,270	(64,215)	(57,239)	130,745	36,031

18. Tax assets and liabilities (continued)

Company	Assets 2009 $000	Assets 2008 $000	Liabilities 2009 $000	Liabilities 2008 $000	Net 2009 $000	Net 2008 $000
Property, plant and equipment	15	–	–	(73)	15	(73)
Employee benefits	106	118	–	–	106	118
Provisions	–	31	–	–	–	31
Other items	2,800	1,454	–	(1)	2,800	1,453
Net tax assets/(liabilities)	2,921	1,603	–	(74)	2,921	1,529

Movement in temporary differences during the year

Consolidated 2009	Balance 31.07.08 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.09 $000
Property, plant and equipment	(5,532)	4,429	–	78	(1,846)	(2,871)
Intangibles assets	(33,100)	(12,202)	–	(428)	–	(45,730)
Employee benefits	11,956	(2,601)	3,363	(293)	2,464	14,889
Provisions	5,044	9,654	–	(198)	–	14,500
Other items	9,095	14,517	1,683	1,624	44	26,963
Tax value of losses carried forward	48,568	24,750	–	(2,092)	51,768	122,994
	36,031	38,547	5,046	(1,309)	52,430	130,745

Consolidated 2008	Balance 31.07.07 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.08 $000
Property, plant and equipment	4,355	(10,160)	–	250	23	(5,532)
Intangibles assets	(13,467)	(20,130)	–	497	–	(33,100)
Employee benefits	11,917	404	(221)	(144)	–	11,956
Provisions	3,908	984	–	(163)	315	5,044
Other items	8,001	1,459	–	880	(1,245)	9,095
Tax value of losses carried forward	43,970	2,956	–	1,642	–	48,568
	58,684	(24,487)	(221)	2,962	(907)	36,031

18. Tax assets and liabilities (continued)

Deferred tax assets and liabilities

Movement in temporary differences during the year

Company 2009	Balance 31.07.08 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.09 $000
Property, plant and equipment	(73)	88	–	–	–	15
Employee benefits	118	(12)	–	–	–	106
Provisions	31	(31)	–	–	–	–
Other items	1,453	1,347	–	–	–	2,800
	1,529	1,392	–	–	–	2,921

Company 2008	Balance 31.07.07 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.08 $000
Property, plant and equipment	(2)	(71)	–	–	–	(73)
Employee benefits	369	(235)	–	(16)	–	118
Provisions	9	26	–	(4)	–	31
Other items	701	226	–	–	526	1,453
	1,077	(54)	–	(20)	526	1,529

Unrecognised deferred tax liability

At 31 July 2009, a deferred tax liability of $18,450,432 (2008: $25,024,580) relating to investments in subsidiaries has not been recognised because the company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Tax losses	–	8,979	–	–
	–	8,979	–	–

There were no unrecognised tax losses at 31 July 2009. The prior year tax losses were for AH Marks which have subsequently been recognised as an adjustment to the provisional acquisition accounting.

19. Investments accounted for using the equity method

The group accounts for investments in associates using the equity method.

The group had the following significant investments in associates during the year:

		Country	Balance date of associate	Ownership and voting interest 2009	2008
Bayer CropScience Nufarm Ltd	Agricultural chemicals manufacturer	UK	31.12.2008	0.00%	25%
Excel Crop Care Ltd	Agricultural chemicals manufacturer	India	31.3.2009	14.69%	14.69%
F&N joint ventures	Agricultural chemicals distributor	Eastern Europe	31.12.2008	50.00%	50.00%

Effective 31 July 2009, Nufarm sold its 25 per cent share in Bayer CropSciences Nufarm Limited to Bayer CropSciences Limited.

The 14.69 per cent investment in Excel Crop Care Ltd is equity accounted as Nufarm has two directors on the board and, together with an unrelated partner, has significant influence over nearly 35 per cent of the shares of the company. The relationship also extends to manufacturing and marketing collaborations.

The F&N joint ventures represents the group's interest in three joint ventures with FMC Corporation, which operate in Poland, Czech Republic and Slovakia. The joint ventures sell Nufarm and FMC products within their country.

Financial summary of material associates (at reporting date)

	Revenues (100%) $000	Profit after tax (100%) $000	Total assets (100%) $000	Total liabilities (100%) $000	Net assets as reported by associates (100%) $000	Share of associate's net assets equity accounted $000
2009						
Excel Crop Care Ltd	196,112	9,558	110,292	72,306	37,986	5,580
F&N joint ventures	77,347	649	70,070	66,429	3,641	1,821
	273,459	10,207	180,362	138,735	41,627	7,401
2008						
Bayer CropScience Nufarm Ltd	77,918	(6,760)	101,873	37,273	64,600	16,150
Excel Crop Care Ltd	144,498	6,567	99,559	67,161	32,398	4,759
F&N joint ventures	81,039	1,910	76,356	71,959	4,397	2,199
	303,455	1,717	277,788	176,393	101,395	23,108

The financial summary information is from the financial statements as per the balance dates above.

19. Investments accounted for using the equity method (continued)

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Carrying value by major associate				
Bayer CropScience Nufarm Ltd	–	11,471	–	–
Excel Crop Care Ltd	9,803	9,206	9,803	9,206
F&N joint ventures	1,812	2,157	–	–
Others	853	1,430	–	–
Carrying value of associates	12,468	24,264	9,803	9,206
Share of profit by major associate				
Bayer CropScience Nufarm Ltd	1,837	(242)	–	–
Excel Crop Care Ltd	1,090	1,237	1,090	1,237
F&N joint ventures	97	1,578	–	–
Others	56	125	–	–
Share of net profits of associates	3,080	2,698	1,090	1,237

The share of net profits has been derived from the latest management reports as at 31 July 2009 for Bayer CropSciences and the F&N joint ventures. The Excel Crop Care share of net profits is from the 30 June 2009 management accounts.

20. Other investments

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Investment in controlled entities				
Balance at the beginning of the year	–	–	300,769	307,214
New investments during the year	–	–	5,562	1,394
Exchange adjustment	–	–	–	(7,839)
Balance at the end of the year	–	–	306,331	300,769
Investments – available-for-sale				
Balance at the beginning of the year	–	–	–	–
New investments during the year	6,829	–	–	–
Exchange adjustment	179	–	–	–
Balance at the end of the year	7,008	–	–	–
Other investments				
Other investments	434	354	–	–
Total other investments	7,442	354	306,331	300,769

The group's investment in an unlisted entity is classified as available-for-sale.

21. Other non-current assets

	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Derivative financial instrument	967	8,504	–	–
	967	8,504	–	–

The derivative financial instrument is the market value of the interest rate cap relating to the NSS distribution base rate.

22. Property, plant and equipment

Consolidated 2009	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
Cost					
Balance at 1 August 2008	201,006	646,118	15,156	30,395	892,675
Additions	3,039	12,196	166	44,437	59,838
Additions through business combinations	–	280	–	–	280
Disposals	(4,030)	(28,022)	(80)	(1,380)	(33,512)
Other transfers	4,795	32,684	(104)	(37,375)	–
Exchange adjustment	2,583	622	(669)	(201)	2,335
Balance at 31 July 2009	207,393	663,878	14,469	35,876	921,616
Depreciation and impairment losses					
Balance at 1 August 2008	(58,689)	(399,701)	(1,173)	–	(459,563)
Depreciation charge for the year	(7,460)	(40,525)	(427)	–	(48,412)
Additions through business combinations	–	(113)	–	–	(113)
Disposals	2,223	20,591	55	–	22,869
Other transfers	(33)	(7)	40	–	–
Exchange adjustment	(1,144)	159	56	–	(929)
Balance at 31 July 2009	(65,103)	(419,596)	(1,449)	–	(486,148)
Net property, plant and equipment at 31 July 2009	142,290	244,282	13,020	35,876	435,468

22. Property, plant and equipment (continued)

Consolidated	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
			2008		
Cost					
Balance at 1 August 2007	185,156	471,845	1,361	27,035	685,397
Additions	3,503	9,684	258	56,064	69,509
Additions through business combinations	1,581	144,132	14,237	–	159,950
Disposals	(5,109)	(15,447)	(359)	–	(20,915)
Other transfers	15,977	37,254	(315)	(52,916)	–
Exchange adjustment	(102)	(1,350)	(26)	212	(1,266)
Balance at 31 July 2008	201,006	646,118	15,156	30,395	892,675
Depreciation and impairment losses					
Balance at 1 August 2007	(53,586)	(297,404)	(630)	–	(351,620)
Depreciation charge for the year	(6,332)	(30,241)	(248)	–	(36,821)
Additions through business combinations	(90)	(83,658)	(641)	–	(84,389)
Disposals	1,187	11,421	191	–	12,799
Other transfers	(92)	(48)	140	–	–
Exchange adjustment	224	229	15	–	468
Balance at 31 July 2008	(58,689)	(399,701)	(1,173)	–	(459,563)
Net property, plant and equipment at 31 July 2008	142,317	246,417	13,983	30,395	433,112

Assets pledged as security for finance leases $13.02 million (2008: $13.983 million). There were no impairment losses in the consolidated entity in the current financial year or the comparative year.

22. Property, plant and equipment (continued)

Company	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
			2009		
Cost					
Balance at 1 August 2008	3,555	3,630	–	352	7,537
Additions	–	–	–	191	191
Disposals	–	(176)	–	–	(176)
Other transfers	(650)	800	–	(150)	–
Exchange adjustment	61	61	–	(45)	77
Balance at 31 July 2009	2,966	4,315	–	348	7,629
Depreciation and impairment losses					
Balance at 1 August 2008	(352)	(1,902)	–	–	(2,254)
Depreciation charge for the year	(129)	(488)	–	–	(617)
Disposals	–	132	–	–	132
Exchange adjustment	(8)	(18)	–	–	(26)
Balance at 31 July 2009	(489)	(2,276)	–	–	(2,765)
Net property, plant and equipment at 31 July 2009	2,477	2,039	–	348	4,864

Company	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
			2008		
Cost					
Balance at 1 August 2007	3,133	3,704	–	318	7,155
Additions	–	–	–	1,524	1,524
Disposals	–	(207)	–	–	(207)
Other transfers	828	622	–	(1,450)	–
Exchange adjustment	(406)	(489)	–	(40)	(935)
Balance at 31 July 2008	3,555	3,630	–	352	7,537
Depreciation and impairment losses					
Balance at 1 August 2007	(275)	(1,846)	–	–	(2,121)
Depreciation charge for the year	(123)	(489)	–	–	(612)
Disposals	–	153	–	–	153
Exchange adjustment	46	280	–	–	326
Balance at 31 July 2008	(352)	(1,902)	–	–	(2,254)
Net property, plant and equipment at 31 July 2008	3,203	1,728	–	352	5,283

There were no impairment losses in the company in the current financial year or the comparative year.

23. Intangible assets

Consolidated 2009	Goodwill $000	Intellectual property Indefinite life $000	Intellectual property Definite life $000	Capitalised development costs $000	Computer software $000	Total $000
Cost						
Balance at 1 August 2008	360,327	441,333	75,941	75,586	18,164	971,351
Additions	9,109	10,339	818	24,847	3,565	48,678
Additions through business combinations	5,075	5,074	–	–	–	10,149
Disposals	(10,824)	(13,467)	(35)	(3,425)	(4)	(27,755)
Other transfers	–	–	–	–	–	–
Exchange adjustment	(5,117)	11,303	7,823	1,134	20	15,163
Balance at 31 July 2009	358,570	454,582	84,547	98,142	21,745	1,017,586
Amortisation and impairment losses						
Balance at 1 August 2008	(73,303)	(10,207)	(29,354)	(25,243)	(11,744)	(149,851)
Amortisation charge for the year	–	–	(8,776)	(6,386)	(2,388)	(17,550)
Additions through business combinations	–	–	–	–	–	–
Disposals	–	–	–	–	–	–
Other transfers	–	–	–	–	–	–
Exchange adjustment	1,041	(261)	(1,834)	(379)	(13)	(1,446)
Balance at 31 July 2009	(72,262)	(10,468)	(39,964)	(32,008)	(14,145)	(168,847)
Intangibles carrying amount at 31 July 2009	286,308	444,114	44,583	66,134	7,600	848,739

23. Intangible assets (continued)

	Goodwill $000	Intellectual property Indefinite life $000	Intellectual property Definite life $000	Capitalised development costs $000	Computer software $000	Total $000
Consolidated			2008			
Cost						
Balance at 1 August 2007	299,288	285,750	55,873	54,706	17,130	712,747
Additions	13,359	38,643	30,111	16,679	1,206	99,998
Additions through business combinations	41,386	94,775	–	1,268	25	137,454
Disposals	–	(2,402)	–	(1,594)	(3)	(3,999)
Other transfers	–	15,696	(11,666)	3,894	–	7,924
Exchange adjustment	6,294	8,871	1,623	633	(194)	17,227
Balance at 31 July 2008	360,327	441,333	75,941	75,586	18,164	971,351
Amortisation and impairment losses						
Balance at 1 August 2007	(74,248)	(10,263)	(25,017)	(12,566)	(9,932)	(132,026)
Amortisation charge for the year	–	–	(4,000)	(4,685)	(1,973)	(10,658)
Transferred to discontinued businesses	–	–	–	(705)	–	(705)
Disposals	–	–	–	1,201	–	1,201
Other transfers	–	–	360	(8,284)	–	(7,924)
Exchange adjustment	945	56	(697)	(204)	161	261
Balance at 31 July 2008	(73,303)	(10,207)	(29,354)	(25,243)	(11,744)	(149,851)
Intangibles carrying amount at 31 July 2008	287,024	431,126	46,587	50,343	6,420	821,500

The major intangibles with an indefinite economic life are the product registrations that Nufarm owns. These registrations are considered to have an indefinite life because, based on past experience, they will be renewed by the relevant regulatory authorities and the underlying products will continue to be commercialised and available for sale in the foreseeable future. The company will satisfy all of the conditions necessary for renewal and the cost of renewal is minimal. In determining that the registrations have indefinite useful life, the principal factor that influenced this determination is the expectation that the existing registration will not be subject to significant amendment in the foreseeable future.

The group has determined that legal entity by country is the appropriate method for determining the cash-generating units (CGU) of the business. This level of CGU aligns with the cash flows of the business and the management structure of the group. The goodwill and intellectual property with an indefinite life are CGU specific, as the acquisitions generating goodwill and the product registrations that are the major indefinite intangible are country specific in nature. There is no allocation of goodwill between CGUs.

23. Intangible assets (continued)

The major CGUs and their intangible value is as follows: Brazil $297 million, USA $178 million, seeds business $70 million, UK and Holland $65 million, AH Marks business $44 million, Australia $42 million and France $28 million. The balance of intangibles is spread across multiple CGUs, with no individual amount being material relative to the total intangibles at balance date.

For the impairment testing of these assets, the carrying amount of the asset is compared to its recoverable amount at a CGU level. The group uses the value-in-use method to estimate the recoverable amount. In assessing value-in-use, the estimated future cash flows are derived from the five year plan for each cash-generating unit with a growth factor applied to extrapolate a cash flow over a 20 year period. The 20 year period has been selected on the basis that this period most closely aligns with the product registration life in most geographies. The growth rate assumed for each CGU is the forecast growth over the next five years, with a cap of 10 per cent. The 10 per cent growth cap is the average growth achieved by the group in recent years. The cash flow is then discounted to a present value using a discount rate of 11.4 per cent, which is the company's weighted average cost of capital. At 31 July 2009, the recoverable amount exceeded the carrying amount for all CGUs.

Sensitivity analysis on the impairment testing was performed assuming a zero growth rate for all CGUs. There were no impairment issues under this scenario. Sensitivity analysis was also done around the discount rate, assuming a one per cent increase and one per cent decrease in the discount rate. Again, no impairment issues arose. Finally, specific impairment testing was done for the Brazil CGU, assuming a zero growth rate and discount factors of 15 per cent and 20 per cent. Under all scenarios, the Brazil CGU recoverable amount was higher than the carrying value.

		Intellectual property		Capitalised		
	Goodwill $000	Indefinite life $000	Definite life $000	development costs $000	Computer software $000	Total $000
Company			2009			
Cost						
Balance at 1 August 2008	–	–	–	–	140	140
Additions	–	–	–	–	989	989
Transfer	–	–	–	–	–	–
Exchange adjustment	–	–	–	–	2	2
Balance at 31 July 2009	–	–	–	–	1,131	1,131
Amortisation and impairment losses						
Balance at 1 August 2008	–	–	–	–	(91)	(91)
Amortisation charge for the year	–	–	–	–	(69)	(69)
Transfer	–	–	–	–	–	–
Exchange adjustment	–	–	–	–	–	–
Balance at 31 July 2009	–	–	–	–	(160)	(160)
Intangibles carrying amount at 31 July 2009	–	–	–	–	971	971

23. Intangible assets (continued)

	Goodwill $000	Intellectual property Indefinite life $000	Intellectual property Definite life $000	Capitalised development costs $000	Computer software $000	Total $000
Company			2008			
Cost						
Balance at 1 August 2007	–	–	–	–	84	84
Additions	–	–	–	–	62	62
Transfer	–	–	–	–	6	6
Exchange adjustment	–	–	–	–	(12)	(12)
Balance at 31 July 2008	–	–	–	–	140	140
Amortisation and impairment losses						
Balance at 1 August 2007	–	–	–	–	(60)	(60)
Amortisation charge for the year	–	–	–	–	(34)	(34)
Transfer	–	–	–	–	(6)	(6)
Exchange adjustment	–	–	–	–	9	9
Balance at 31 July 2008	–	–	–	–	(91)	(91)
Intangibles carrying amount at 31 July 2008	–	–	–	–	49	49

24 . Trade and other payables

	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Current payables – unsecured				
Trade creditors and accruals – unsecured	376,432	619,525	4,184	11,324
Payables due to controlled entities	–	–	3,122	8,310
Loans due to controlled entities	–	–	100,041	114,037
Payables due to associated entities	608	829	–	–
Derivative financial instruments	9,250	90	50	–
Payables – acquisitions	21,131	–	–	–
Securitisation payables	–	157,616	–	–
	407,421	778,060	107,397	133,671
Non-current payables – unsecured				
Creditors and accruals	9,452	13,283	–	–
Payables – acquisitions	8,243	26,559	–	–
	17,695	39,842	–	–

The group sells receivables to an unrelated third party for which Nufarm acts as the collection agent. The securitisation payables above represent the sum payable in respect of those sales. The securitisation program, under which the receivables were collected, was closed on 12 June 2009.

25. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the group's and the company's interest-bearing loans and borrowings.

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Current liabilities				
Bank loans – unsecured	583,961	587,171	–	–
Other loans – unsecured	314	–	–	–
Finance lease liabilities – secured	417	441	–	–
	584,692	587,612	–	–
Non-current liabilities				
Bank loans – unsecured	387,048	335,962	–	–
Other loans – unsecured	1,522	1,028	–	–
Finance lease liabilities – secured	13,757	14,466	–	–
	402,327	351,456	–	–

	Consolidated		Company	
	Accessible $000	Utilised $000	Accessible $000	Utilised $000
Financing facilities				
The group has access to the following facilities with a number of financial institutions.				
2009				
Bank loan facilities	1,773,580	1,006,678	–	–
Other facilities	1,836	1,836	–	–
Receivables securitisation-type facilities	–	–	–	–
Total financing facilities	1,775,416	1,008,514	–	–
2008				
Bank loan facilities	1,614,589	943,974	–	–
Other facilities	1,028	1,028	–	–
Receivables securitisation-type facilities	157,616	157,616	–	–
Total financing facilities	1,773,233	1,102,618	–	–

Financing arrangements

Bank loans

All unsecured bank borrowings, including bank overdraft facilities, are provided by banks that are parties to the group negative pledge deed. The assets of all the entities included in the negative pledge deed (note 35) are in excess of their related borrowings.

25. Interest-bearing loans and borrowings (continued)

	Consolidated		Company	
Repayment of borrowings (excluding finance leases)	2009 $000	2008 $000	2009 $000	2008 $000
Period ending 31 July 2009	–	608,011	–	–
Period ending 31 July 2010	619,944	100,040	–	–
Period ending 31 July 2011	172,191	235,923	–	–
Period ending 31 July 2012	137,571	1,028	–	–
Period ending 31 July 2013 or later	78,808	–	–	–

Finance lease liabilities

Finance leases are entered into to fund the acquisition of plant and equipment.

Lease commitments for capitalised finance leases are payable as follows:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Not later than one year	1,854	1,925	–	–
Later than one year but not later than two years	1,704	1,666	–	–
Later than two years but not later than five years	4,618	4,810	–	–
Later than five years	113,111	120,425	–	–
	121,287	128,826	–	–
Less future finance charges	(107,113)	(113,919)	–	–
	14,174	14,907	–	–

Finance lease liabilities are secured over the relevant leased plant.

	Consolidated		Company	
Average interest rates	2009 %	2008 %	2009 %	2008 %
Nufarm Step-up Securities	8.73	8.78	–	–
Bank loans	5.03	7.32	–	–
Other loans	6.00	9.25	–	–
Finance lease liabilities – secured	11.69	11.57	–	–

26. Employee benefits

	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Current				
Liability for annual leave	13,069	11,597	378	342
Liability for long service leave	7,602	6,625	54	–
	20,671	18,222	432	342
Non-current				
Present value of wholly unfunded obligations	5,114	8,201	–	–
Present value of wholly funded obligations	116,543	110,487	–	–
Fair value of fund assets – funded	(89,829)	(93,786)	–	–
Recognised liability for defined benefit fund obligations	31,828	24,902	–	–
Liability for annual leave	4,046	5,252	–	–
Liability for long service leave	7,231	6,591	–	52
	43,105	36,745	–	52
Total employee benefits	63,776	54,967	432	394

The consolidated entity makes contributions to defined benefit pension funds, in the UK, Holland, France and Indonesia, that provide defined benefit amounts for employees upon retirement. The company has no defined benefit pension funds.

	Consolidated				
Historical information	2009 $000	2008 $000	2007 $000	2006 $000	2005 $000
Present value of defined benefit obligation	(121,657)	(118,688)	(59,287)	(62,587)	(57,881)
Fair value of plan assets	89,829	93,786	39,732	35,477	30,534
Surplus/(deficit)	(31,828)	(24,902)	(19,555)	(27,110)	(27,347)
Experience adjustments arising on plan liabilities	(1,223)	700	321	961	3,640
Experience adjustments arising on plan assets	(8,058)	(10,088)	1,687	586	4,086

26. Employee benefits (continued)

	Consolidated 2009 $000	2008 $000
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	118,688	59,287
Liability assumed with AH Marks business	–	65,017
Service cost	3,692	2,952
Interest cost	7,768	4,609
Actuarial gains	5,516	(6,617)
Past service cost	5	5
Losses/(gains) on curtailment	(4,301)	–
Contributions	414	355
Benefits paid	(5,901)	(3,508)
Exchange differences on foreign funds	(4,224)	(3,412)
Closing defined benefit obligation	121,657	118,688
Changes in the fair value of fund assets are as follows:		
Opening fair value of fund assets	93,786	39,732
Assets assumed with AH Marks business	–	60,286
Expected return	6,707	4,276
Actuarial gains/(losses)	(7,017)	(9,079)
Contributions by employer	4,928	3,964
Distributions	(5,126)	(2,674)
Exchange differences on foreign funds	(3,449)	(2,719)
Closing fair value of fund assets	89,829	93,786
The actual return on plan assets is the sum of the expected return and the actuarial gain/(loss).		
Expense recognised in profit or loss		
Current service costs	3,692	2,952
Interest on obligation	7,768	4,609
Expected return on fund assets	(6,707)	(4,276)
Past service cost	5	5
Losses/(gains) on curtailment	(4,301)	–
	457	3,290

26. Employee benefits (continued)

	Consolidated 2009 $000	Consolidated 2008 $000
The expense is recognised in the following line items in the income statement:		
Cost of sales	(1,134)	2,044
Sales, marketing and distribution expenses	754	577
General and administrative expenses	449	450
Research and development expenses	388	219
	457	3,290
Actuarial gains/(losses) recognised directly in equity (net of tax)		
Cumulative amount at 1 August	929	3,380
Recognised during the period	(8,454)	(2,451)
Cumulative amount at 31 July	(7,525)	929

	Consolidated 2009 %	Consolidated 2008 %
The major categories of fund assets as a percentage of total fund assets are as follows:		
European equities	58.7	60.7
European bonds	39.3	36.9
Property	1.6	2.3
Cash	0.4	0.1
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate at 31 July	6.0	6.4
Expected return on fund assets at 31 July	6.6	6.9
Future salary increases	3.5	3.5
Future pension increases	3.1	3.3

The overall expected long term rate of return on assets is 6.6 per cent. The expected rate of return on plan assets reflects the average rate of earnings expected on the funds invested to provide for the benefits included in the projected benefit obligation.

The group expects to pay $4,463,000 in contributions to defined benefit plans in 2010.

27. Share-based payments

The Nufarm Executive Share Plan (2000) offers shares to executives. The executives may select an alternative mix of shares (at no cost) and options at a cost determined under the 'Black Scholes' methodology. These benefits are only given when a predetermined return on capital employed is achieved over the relevant period. The shares and options are subject to forfeiture and dealing restrictions. The executive cannot deal in the shares or options for a period of between three and 10 years without board approval. An independent trustee holds the shares and options on behalf of the executives. At 31 July 2009 there were 77 participants (2008: 58 participants) in the scheme and 1,714,045 shares (2008: 1,522,934) were allocated and held by the trustee on behalf of the participants. The cost of issuing shares is expensed in the year of issue.

The Global Share Plan commenced in 2001, and is available to all permanent employees. Participants contribute a proportion of their salary to purchase shares. The company will contribute an amount equal to 10 per cent of the number of ordinary shares acquired with a participant's contribution in the form of additional ordinary shares. Amounts over 10 per cent of the participant's salary can be contributed but will not be matched. For each year the shares are held, up to a maximum of five years, the company contributes a further 10 per cent of the value of the shares acquired with the participant's contribution. An independent trustee holds the shares on behalf of the participants. At 31 July 2009 there were 763 participants (2008: 749 participants) in the scheme and 1,710,550 shares (2008: 1,604,742) were allocated and held by the trustee on behalf of the participants. The cost of the Global Share Plan expensed for the year ended 31 July 2009 was $306,865 (2008: $1,037,967).

The power of appointment and removal of the trustees for the share purchase schemes is vested in the company.

28. Provisions

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Current				
Restructuring	21,958	–	–	–
Other	4,133	6,184	–	–
	26,091	6,184	–	–

Consolidated	Restructuring $000	Other provisions $000	Total $000
Movement in provisions			
Balance at 1 August 2008	–	6,184	6,184
Provisions made during the year	21,958	–	21,958
Provisions used during the year	–	(1,954)	(1,954)
Exchange adjustment	–	(97)	(97)
Balance at 31 July 2009	21,958	4,133	26,091

The provision for restructuring in France ($21.96 million) relates to the shutdown of two manufacturing units and the associated redundancy costs. The other provision consists of contingent liabilities recognised with the Agripec acquisition ($4.1 million).

29. Capital and reserves

Reconciliation of movements in capital and reserves

Consolidated	Share capital $000	Translation reserve $000	Capital profit reserve $000
Balance at 1 August 2007	240,886	(24,344)	33,627
Foreign exchange translation differences	–	(2,461)	–
Actuarial gains/(losses) on defined benefit plans	–	–	–
Shares issued to employees	1,805	–	–
Accrual and issue of shares under global share plan	948	–	–
Shares issued under private placement (net of costs)	197,755	–	–
Shares issued under share purchase plan	10,791	–	–
Shares issued as consideration for business acquisition	3,986	–	–
Tax benefit on share issue costs	699	–	–
Transfer to/from reserves	–	–	–
Profit for the period	–	–	–
Dividends paid to shareholders	–	–	–
Distributions to Nufarm Step-up Security holders	–	–	–
Balance at 31 July 2008	456,870	(26,805)	33,627
Balance at 1 August 2008	456,870	(26,805)	33,627
Foreign exchange translation differences	–	(19,828)	–
Actuarial gains/(losses) on defined benefit plans	–	–	–
Shares issued to employees	3,078	–	–
Accrual and issue of shares under global share plan	78	–	–
Shares issued under private placement (net of costs)	294,764	–	–
Shares issued under share purchase plan	35,691	–	–
Shares issued as consideration for business acquisition	7,975	–	–
Dividend reinvestment plan	12,705	–	–
Tax benefit on share issue costs	1,683	–	–
Profit for the period	–	–	–
Dividends paid to shareholders	–	–	–
Distributions to Nufarm Step-up Security holders	–	–	–
Minority interest acquired	–	–	–
Balance at 31 July 2009	812,844	(46,633)	33,627

29. Capital and reserves (continued)

Other reserve $000	Retained earnings $000	Nufarm Step-up Securities $000	Minority interest $000	Total equity $000
(91)	531,124	246,932	1,017	1,029,151
–	–	–	(30)	(2,491)
–	(2,451)	–	–	(2,451)
–	–	–	–	1,805
91	–	–	–	1,039
–	–	–	–	197,755
–	–	–	–	10,791
–	–	–	–	3,986
–	–	–	–	699
–	56	–	–	56
–	137,915	–	205	138,120
–	(58,322)	–	(156)	(58,478)
–	(14,764)	–	–	(14,764)
–	593,558	246,932	1,036	1,305,218
–	593,558	246,932	1,036	1,305,218
–	–	–	40	(19,788)
–	(8,454)	–	–	(8,454)
–	–	–	–	3,078
–	–	–	–	78
–	–	–	–	294,764
–	–	–	–	35,691
–	–	–	–	7,975
–	–	–	–	12,705
–	–	–	–	1,683
–	79,877	–	48	79,925
–	(65,297)	–	–	(65,297)
–	(15,336)	–	–	(15,336)
–	–	–	(303)	(303)
–	584,348	246,932	821	1,631,939

29. Capital and reserves (continued)

Reconciliation of movements in capital and reserves (continued)

Company	Share capital $000	Translation reserve $000	Capital profit reserve $000
Balance at 1 August 2007	240,886	5,152	40,074
Foreign exchange translation differences	–	(7,871)	–
Shares issued to employees	1,805	–	–
Accrual and issue of shares under global share plan	948	–	–
Shares issued under private placement (net of costs)	197,755	–	–
Shares issued under share purchase plan	10,791	–	–
Shares issued as consideration for business acquisition	3,986	–	–
Tax benefit on share issue costs	699	–	–
Transfer to/from reserves	–	–	–
Profit for the period	–	–	–
Dividends paid to shareholders	–	–	–
Balance at 31 July 2008	456,870	(2,719)	40,074
Balance at 1 August 2008	456,870	(2,719)	40,074
Foreign exchange translation differences	–	(1,328)	–
Shares issued to employees	3,078	–	–
Accrual and issue of shares under global share plan	78	–	–
Shares issued under private placement (net of costs)	294,764	–	–
Shares issued under share purchase plan	35,691	–	–
Shares issued as consideration for business acquisition	7,975	–	–
Dividend reinvestment plan	12,705	–	–
Tax benefit on share issue costs	1,683	–	–
Profit for the period	–	–	–
Dividends paid to shareholders	–	–	–
Balance at 31 July 2009	812,844	(4,047)	40,074

29. Capital and reserves (continued)

	Other reserve $000	Retained earnings $000	Nufarm Step-up Securities $000	Minority interest $000	Total equity $000
	(91)	175,908	–	–	461,929
	–	–	–	–	(7,871)
	–	–	–	–	1,805
	91	–	–	–	1,039
	–	–	–	–	197,755
	–	–	–	–	10,791
	–	–	–	–	3,986
	–	–	–	–	699
	–	57	–	–	57
	–	64,698	–	–	64,698
	–	(58,322)	–	–	(58,322)
	–	182,341	–	–	676,566
	–	182,341	–	–	676,566
	–	–	–	–	(1,328)
	–	–	–	–	3,078
	–	–	–	–	78
	–	–	–	–	294,764
	–	–	–	–	35,691
	–	–	–	–	7,975
	–	–	–	–	12,705
	–	–	–	–	1,683
	–	55,349	–	–	55,349
	–	(65,297)	–	–	(65,297)
	–	172,393	–	–	1,021,264

29. Capital and reserves (continued)

Company	Number of ordinary shares 2009	Number of ordinary shares 2008
Share capital		
Balance at 1 August	185,882,333	171,501,253
Issue of shares	32,178,866	14,381,080
Balance at 31 July	218,061,199	185,882,333

The company does not have authorised capital or par value in respect of its issued shares.

On 1 October 2008, 527,585 shares at $15.12 were issued as part of the acquisition cost of Lefroy Seeds Pty Ltd. On 20 October 2008, 198,450 shares at a price of $15.51 were issued under the executive share plan. On 17 November 2008, 805,960 shares at a price of $10.35 were issued under the dividend reinvestment plan. On 19 December 2008, 82,000 shares at a price of $9.56 were issued under the global share plan. On 8 May 2009, 358,866 shares at a price of $12.16 were issued under the dividend reinvestment plan. On 21 May 2009, 26,700,000 shares were issued at a price of $11.25 under an institutional placement to provide the group with enhanced financial flexibility and to strengthen the balance sheet. On 30 June 2009, 3,506,005 shares were issued at $10.18 under a share purchase plan to existing shareholders.

On 15 October 2007, 131,000 shares at a price of $13.78 were issued under the executive share plan. On 13 December 2007, 65,000 shares at a price of $14.60 were issued under the global share plan. On 12 March 2008, 13,245,034 were issued at a price of $15.10 under a private placement to fund the AH Marks and Etigra acquisitions. On 9 April 2008, 714,614 share were issued at $15.10 under a share placement plan to existing shareholders on the same terms as the private placement. On 7 May 2008, 225,432 shares at $17.68 were issued as part of the acquisition cost of Etigra.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Nufarm Step-up Securities

In the year ended 31 July 2007 Nufarm Finance (NZ) Limited, a wholly owned subsidiary of Nufarm Limited, issued a new hybrid security called Nufarm Step-up Securities (NSS). The NSS are perpetual Step-up Securities and on 24 November 2006, 2,510,000 NSS were allotted at an issue price of $100 per security raising $251 million. The NSS are listed on the ASX under the code ‘NFNG’ and on the NZDX under the code ‘NFFHA’. The after-tax costs associated with the issue of the NSS, totalling $4.1 million, have been deducted from the proceeds.

Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The first distribution date for the NSS was 16 April 2007 and on a six-monthly basis after this date. The floating rate is the average mid-rate for bills with a term of six months plus a margin of 1.90 per cent. The step-up date is five years from issue date, and provides the issuer with the following options: (a) keep the NSS on issue whereby the margin will be reset or stepped up by the step-up margin; or (b) redeem the NSS for face value, or (c) change them for a number of ordinary shares in Nufarm Limited. The exchange ratio is calculated based on the average market price of Nufarm ordinary shares for 20 business days prior to exchange date less a 2.5 per cent discount.

29. Capital and reserves (continued)

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

Capital profit reserve

This reserve is used to accumulate realised capital profits.

Dividends

Dividends recognised in the current year by the company are:

	Cents per share	Total amount $000	Franked/ unfranked	Payment date
2009				
Interim 2009 ordinary	12.0	22,469	Unfranked	8 May 2009
Final 2008 ordinary	23.0	42,828	Franked	17 Nov 2008
Total amount		65,297		
2008				
Interim 2008 ordinary	12.0	22,279	Franked	2 May 2008
Final 2007 ordinary	21.0	36,043	Franked	9 Nov 2007
Total amount		58,322		

The interim 2009 dividend was unfranked. The final 2008 dividend was fully franked at a rate of 30 per cent.

Distributions recognised in the current year by Nufarm Finance (NZ) Ltd on the Nufarm Step-up Securities are:

	Distribution rate	Total amount $000	Payment date
2009			
Distribution	7.48%	9,361	15 Apr 2009
Distribution	9.97%	12,547	15 Oct 2008
		21,908	
2008			
Distribution	8.95%	11,263	15 Apr 2008
Distribution	8.56%	10,772	15 Oct 2007
		22,035	

The distribution on the Nufarm Step-up Securities reported on the equity movement schedule has been reduced by the tax benefit on the gross distribution, giving an after-tax amount of $15.336 million (2008: $14.764 million).

29. Capital and reserves (continued)

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Franking credit/(debit) balance The amount of franking credits available for the subsequent financial year are:				
Franking account balance as at the end of the year at 30 per cent (2008: 30 per cent)	(1,374)	7,742	(1,374)	7,742
Franking credits/(debits) that will arise from the payment of income tax payable/(refund) as at the end of the year	6,452	(2,721)	6,452	(2,721)
Balance at 31 July	5,078	5,021	5,078	5,021

The impact on the dividend franking account of dividends proposed after the balance sheet date is zero as the proposed dividend is unfranked (2008: $17,526,048). In accordance with the tax consolidation legislation, the company as the head entity in the tax-consolidated group has also assumed the benefit of $5,078,270 (2008: $5,021,081) franking credits.

30. Earnings per share

	Consolidated	
	2009 $000	2008 $000
Net profit for the year	80,542	138,120
Net profit attributable to minority interest	(665)	(205)
Net profit attributable to equity holders of the parent	79,877	137,915
Nufarm Step-up Securities distribution	(15,336)	(14,764)
Earnings used in the calculations of basic and diluted earnings per share	64,541	123,151
Earnings from continuing operations	64,541	123,151
Earnings from discontinued operations	–	–
	64,541	123,151
Subtract items of material income/(expense) (refer note 6)	(79,755)	(25,961)
Earnings excluding items of material income/(expense) used in the calculation of earnings per share excluding material items	144,296	149,112

For the purposes of determining basic and diluted earnings per share, the after-tax distributions on NSS are deducted from net profit.

30. Earnings per share (continued)

	Number of shares	
	2009	2008
Weighted average number of ordinary shares used in calculation of basic earnings per share	192,664,368	177,021,657
Weighted average number of ordinary shares used in calculation of diluted earnings per share	192,664,368	177,021,657

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary shares since the reporting date and before the completion of this financial report.

	Cents per share	
	2009	2008
Earnings per share for continuing and discontinued operations		
Basic earnings per share		
From continuing operations	33.5	69.7
From discontinued operations	0.0	0.0
	33.5	69.7
Diluted earnings per share		
From continuing operations	33.5	69.7
From discontinued operations	0.0	0.0
	33.5	69.7
Earnings per share (excluding items of material income/expense – see note 6)		
Basic earnings per share	74.9	84.3
Diluted earnings per share	74.9	84.3

31. Financial risk management

The group and the company have exposure to the following financial risks:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group and company's exposure to each type of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The board of directors has responsibility to identify, assess, monitor and manage the material risks facing the group and to ensure that adequate identification, reporting and risk minimisation mechanisms are established and working effectively. To support and maintain this objective, the audit committee has established detailed policies on risk oversight and management by approving a global risk management charter that specifies the responsibilities of the general manager global risk management (which includes responsibility for the internal audit function). This charter also provides comprehensive global authority to conduct internal audits, risk reviews and system-based analyses of the internal controls in major business systems operating within all significant company entities worldwide.

31. Financial risk management (continued)

The general manager global risk management reports to the chief executive officer and provides a written report of his activities at each meeting of the audit committee. In doing so he has direct and continual access to the chairman and members of the audit committee.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and other financial assets. For the company, it primarily arises from receivables due from subsidiaries.

Exposure to credit risk

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers before the group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring further management approval.

The group and company's maximum exposure to credit risk at the reporting date was:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Carrying amount				
Trade and other receivables	804,767	842,058	5,576	4,833
Receivables due from controlled entities	–	–	6,637	939
Loans due from controlled entities	–	–	778,111	461,389
Cash and cash equivalents	84,312	59,143	1,856	3,308
Interest rate cap:				
Assets	967	8,504	–	–
Forward exchange contracts:				
Assets	16,118	26,946	–	375
	906,164	936,651	792,180	470,844

The group and company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Carrying amount				
Australasia	276,653	164,988	5,576	4,833
Europe	238,432	263,754	–	–
North America	44,284	130,177	–	–
South America	245,398	283,139	–	–
	804,767	842,058	5,576	4,833

31. Financial risk management (continued)

The group's top five customers account for $139.4 million of the trade receivables carrying amount at 31 July 2009 (2008: $116.4 million). These top five customers represent 19 per cent (2008: 17 per cent) of the total receivables balance.

Impairment losses

The ageing of the group's trade receivables at the reporting date was:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Receivables ageing				
Current	504,313	593,034	4,361	3,978
Past due – 0 to 90 days	130,284	53,372	280	523
Past due – 90 to 180 days	6,405	12,454	40	212
Past due – 180 to 360 days	11,877	5,775	–	–
Past due – more than one year	27,694	20,681	–	–
	680,573	685,316	4,681	4,713
Provision for impairment	(25,087)	(23,339)	–	(43)
	655,486	661,977	4,681	4,670

Some of the past due receivables are secured by collateral such as directors guarantees, bank guarantees and charges on fixed assets. The past due receivables not impaired relate to customers that have a good credit history with the group. Historically, the bad debt write-off from trade receivables has been very low. Over the past seven years, the bad debt write-off amount has averaged 0.02 per cent of sales, with no greater than 0.50 per cent of sales written off in any one year.

In the crop protection industry, it is normal practice to vary the terms of sales depending on the climatic conditions experienced in each country.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Balance at 1 August	23,339	21,806	43	–
Provisions made during the year	12,201	522	–	43
Provisions used during the year	(9,139)	(534)	(43)	–
Provisions reversed during the year	–	–	–	–
Provisions acquired through business combinations	–	–	–	–
Exchange adjustment	(1,314)	1,545	–	–
Balance at 31 July	25,087	23,339	–	43

31. Financial risk management (continued)

The allowance account for trade receivables is used to record the impairment losses unless the group is satisfied that no recovery of the amount owing is possible: at that point the amount is considered irrecoverable and is written off against the receivable directly.

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Most group entities have entered into a deed of negative pledge dated 24 October 1996 (last amendment dated 30 January 2009) with the group lenders which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed. See note 35 for listing of entities who are a party to the deed. The deed of negative pledge allows all borrowings with group lenders to be on an unsecured basis.

The following are the contractual maturities of the group's financial liabilities:

	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1–2 years $000	More than 2 years $000
Consolidated			2009		
Non-derivative financial liabilities					
Bank overdrafts	35,669	35,669	35,669	–	–
Trade and other payables	415,866	415,866	398,171	8,243	9,452
Bank loans – unsecured	971,009	971,009	583,961	171,605	215,443
Other loans – unsecured	1,836	1,836	314	586	936
Finance lease liabilities – secured	14,174	14,174	417	186	13,571
Derivative financial liabilities					
Forward exchange contracts:					
Outflow	9,250	111,290	111,290	–	–
Inflow	–	(102,040)	(102,040)	–	–
Derivative financial assets					
Forward exchange contracts:					
Outflow	–	295,046	40,021	–	255,025
Inflow	(16,118)	(311,164)	(40,488)	–	(270,676)
	1,431,686	1,431,686	1,027,315	180,620	223,751

31. Financial risk management (continued)

Liquidity risk (continued)

Consolidated	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1–2 years $000	More than 2 years $000
			2008		
Non-derivative financial liabilities					
Bank overdrafts	20,841	20,841	20,841	–	–
Trade and other payables	817,812	817,812	777,970	2,000	37,842
Bank loans – unsecured	923,133	923,133	587,171	100,040	235,922
Other loans – unsecured	1,028	1,028	–	–	1,028
Finance lease liabilities – secured	14,907	14,907	441	213	14,253
Derivative financial liabilities					
Forward exchange contracts:					
Outflow	90	73,872	73,872	–	–
Inflow	–	(73,782)	(73,782)	–	–
Derivative financial assets					
Forward exchange contracts:					
Outflow	–	269,391	24,003	–	245,388
Inflow	(26,946)	(296,337)	(25,661)	–	(270,676)
	1,750,865	1,750,865	1,384,855	102,253	263,757

The following are the contractual maturities of the company's financial liabilities:

Company	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1–2 years $000	More than 2 years $000
			2009		
Non-derivative financial liabilities					
Trade and other payables	107,347	107,347	107,347	–	–
Derivative financial liabilities					
Forward exchange contracts:					
Outflow	50	1,211	1,211	–	–
Inflow	–	(1,161)	(1,161)	–	–
	107,397	107,397	107,397	–	–

31. Financial risk management (continued)

Liquidity risk (continued)

Company	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1–2 years $000	More than 2 years $000
			2008		
Non-derivative financial liabilities					
Trade and other payables	133,671	133,671	133,671	–	–
Derivative financial assets					
Forward exchange contracts:					
Outflow	–	9,594	9,594	–	–
Inflow	(375)	(9,969)	(9,969)	–	–
	133,296	133,296	133,296	–	–

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the group. This provides an economic hedge and no derivatives are entered into.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The consolidated entity uses derivative financial instruments to manage specifically identified foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the individual group entity. The currencies giving rise to this risk are primarily the US Dollar, the Euro, the British Pound and the Brazilian Real. The consolidated entity uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than three months after reporting date.

The consolidated entity uses foreign exchange contracts to manage the foreign currency exposures between the Nufarm Step-up Securities issued in Australia and New Zealand, and related group funding to several jurisdictions to which the funds were advanced. The foreign exchange contracts primarily cover the exposure on the principal advanced to group companies in US Dollars, the Euro and the British Pound.

The consolidated entity does not have any cash flow hedges with all movements in fair value recognised in profit or loss during the period. The net fair value of forward exchange contracts in the group used as hedges of forecasted transactions at 31 July 2009 was $6,867,549 (2008: $26,856,120) comprising assets of $16,118,071 (2008: $26,946,301) and liabilities of $9,250,522 (2008: $90,181) that were recognised as derivatives measured at fair value. The net fair value of forward exchange contracts in the company at 31 July 2009 was $50,030 (2008: $374,991) comprising assets of $ Nil (2008: $374,991) and liabilities of $50,030 (2008: $ Nil) that were recognised as derivatives measured at fair value.

31. Financial risk management (continued)

Currency risk (continued)

Exposure to currency risk

The consolidated entity's exposure to major foreign currency risks at balance date was as follows, based on notional amounts:

Consolidated 31 July 2009	AUD $000	USD $000	Euro €000	GBP £000
Cash and cash equivalents	80	7,328	2,263	–
Trade and other receivables	275	88,947	4,477	194
Bank overdraft	–	(4,431)	–	(64)
Trade and other payables	(1,122)	(28,936)	(10,408)	(435)
Loans and borrowings	–	(86,521)	(5,914)	–
Gross balance sheet exposure	(767)	(23,613)	(9,582)	(305)
Forward exchange contracts	(558)	84,577	(17,732)	–
Net exposure	(1,325)	60,964	(27,314)	(305)

Consolidated 31 July 2008	AUD $000	USD $000	Euro €000	GBP £000
Cash and cash equivalents	357	5,764	1,152	–
Trade and other receivables	1,034	139,893	4,956	–
Bank overdraft	–	(3,935)	(23)	(113)
Trade and other payables	(3,588)	(74,543)	(14,701)	(277)
Loans and borrowings	–	(114,168)	(4,555)	–
Gross balance sheet exposure	(2,197)	(46,989)	(13,171)	(390)
Forward exchange contracts	786	37,826	(2,015)	1,756
Net exposure	(1,411)	(9,163)	(15,186)	1,366

The company's exposure to major foreign currency risks at balance date was as follows, based on notional amounts:

Company 31 July 2009	AUD $000	USD $000	Euro €000	GBP £000
Cash and cash equivalents	80	18	4	–
Trade and other receivables	84	–	–	–
Trade and other payables	(25)	(352)	(587)	–
Gross balance sheet exposure	139	(334)	(583)	–
Forward exchange contracts	–	312	387	–
Net exposure	139	(22)	(196)	–

31. Financial risk management (continued)

Currency risk (continued)

Exposure to currency risk (continued)

Company 31 July 2008	AUD $000	USD $000	Euro €000	GBP £000
Cash and cash equivalents	357	205	150	–
Trade and other receivables	180	–	–	–
Trade and other payables	(3,441)	(3,438)	(591)	–
Gross balance sheet exposure	(2,904)	(3,233)	(441)	–
Forward exchange contracts	–	9,627	–	–
Net exposure	(2,904)	6,394	(441)	–

The following significant exchange rates applied during the year:

	Average rate		Reporting date	
AUD	2009	2008	2009	2008
US dollar	0.737	0.911	0.835	0.944
Euro	0.541	0.608	0.585	0.605
GBP	0.465	0.454	0.500	0.476
BRL	1.524	1.578	1.558	1.478

Sensitivity analysis

A 10 per cent strengthening or weakening of the Australian dollar against the following currencies at 31 July would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes all other variables, including interest rates, remain constant. The analysis also assumes that any increases in raw material costs arising from changes in exchange rates are not passed on to customers in their selling prices. In the market place, nearly all raw material cost increases are passed onto customers and therefore, the profit or loss impact below is not truly reflective of the full profit or loss impact of changes in exchange rates. The analysis is performed on the same basis for 2008.

	10 per cent strengthening		10 per cent weakening	
	Consolidated profit or loss $000	Company profit or loss $000	Consolidated profit or loss $000	Company profit or loss $000
31 July 2009				
US dollar	(6,637)	2	7,301	(3)
Euro	4,245	30	(4,669)	(34)
GBP	55	–	(61)	–
31 July 2008				
US dollar	882	(616)	(971)	677
Euro	2,282	66	(2,510)	(73)
GBP	(261)	–	287	–

31. Financial risk management (continued)

Interest rate risk

The group has the ability to use derivative financial instruments to manage specifically identified interest rate risks. Interest rate swaps, denominated in AUD, have been entered into to achieve an appropriate mix of fixed and floating rate exposures. However, at 31 July 2009 and at 31 July 2008, there were no interest rate swaps in place.

Cash flow risk on Nufarm Step-up Securities

The group uses interest rate caps to protect the cash flow impact of a movement in the distribution base rate. The distribution rate is the average mid-rate for bank bills with a term of six months plus a margin of 1.90 per cent.

Profile

At the reporting date the interest rate profile of the group and company's interest-bearing financial instruments was:

	Consolidated Carrying amount		Company Carrying amount	
	2009 $000	2008 $000	2009 $000	2008 $000
Variable rate instruments				
Financial assets	35,810	46,532	1,187	–
Financial liabilities	(1,022,688)	(959,909)	–	–
	(986,878)	(913,377)	1,187	–

There were no fixed interest rate instruments during the year ended 31 July 2009.

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity is calculated on the debt at 31 July. Due to the seasonality of the crop protection business, debt levels can vary during the year. This analysis is performed on the same basis for 2008.

	Profit or loss	
	100bp increase $000	100bp decrease $000
31 July 2009		
Variable rate instruments	(9,869)	9,869
Total sensitivity	(9,869)	9,869
31 July 2008		
Variable rate instruments	(9,134)	9,134
Total sensitivity	(9,134)	9,134

31. Financial risk management (continued)

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

Consolidated	Note	Carrying amount 2009 $000	Fair value 2009 $000	Carrying amount 2008 $000	Fair value 2008 $000
Cash and cash equivalents	15	84,312	84,312	59,143	59,143
Trade and other receivables	16	804,767	804,767	842,058	842,058
Interest rate cap:					
Payable maturities – one to five years	21	967	967	8,504	8,504
Forward exchange contracts:					
Assets	16	16,118	16,118	26,946	26,946
Liabilities	24	(9,250)	(9,250)	(90)	(90)
Bank overdraft	15	(35,669)	(35,669)	(20,841)	(20,841)
Unsecured bank loans	25	(971,009)	(971,009)	(923,133)	(923,133)
Other loans	25	(1,836)	(1,836)	(1,028)	(1,028)
Finance leases	25	(14,174)	(14,174)	(14,907)	(14,907)
		(125,774)	(125,774)	(23,348)	(23,348)

Company	Note	Carrying amount 2009 $000	Fair value 2009 $000	Carrying amount 2008 $000	Fair value 2008 $000
Cash and cash equivalents	15	1,856	1,856	3,308	3,308
Trade and other receivables	16	5,576	5,576	4,833	4,833
Receivables due from controlled entities	16	6,637	6,637	939	939
Loans due from controlled entities	16	778,111	778,111	461,389	461,389
Forward exchange contracts:					
Asset/(liabilities)	16/24	(50)	(50)	375	375
Bank overdraft	15	–	–	–	–
		792,130	792,130	470,844	470,844

Capital management

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the group's return on funds employed (ROFE). Return is calculated on the group's earnings before interest and tax and adjusted for any non-operating items. Funds employed is defined as shareholder's funds plus total interest bearing debt.

The board of directors determines the level of dividends to ordinary shareholders. The board also reviews the group's total shareholder return with relevant comparator groups. The board believes ROFE is an appropriate performance condition as it ensures management is focused on the efficient use of capital and the measure remains effective regardless of the mix of equity and debt, which may change from time to time. The group's target ROFE is 17.25 per cent; during the year ended 31 July 2009 the return was 11.7 per cent (2008: 17.2 per cent).

There were no changes in the group's approach to capital management during the year.

32. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Not later than one year	10,793	6,763	126	–
Later than one year but not later than two years	9,479	6,526	22	–
Later than two years but not later than five years	20,290	18,232	22	–
Later than five years	180,300	183,339	–	–
	220,862	214,860	170	–

Operating leases are generally entered to access the use of shorter term assets such as motor vehicles, mobile plant and office equipment. Rentals are fixed for the duration of these leases. There is a small number of leases for office properties. These rentals have regular reviews based on market rentals at the time of review.

33. Capital and other commitments

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Capital expenditure commitments				
Plant and equipment				
Contracted but not provided for and payable:				
Within one year	12,021	14,078	–	–

34. Contingencies

The directors are of the opinion that provisions are not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

The parent entity together with all the material wholly owned controlled entities have entered into a negative pledge deed with the group's lenders whereby all group entities, which are a party to the deed, have guaranteed repayment of all liabilities in the event that any of these companies are wound up.

34. Contingencies (continued)

	Consolidated 2009 $000	Consolidated 2008 $000	Company 2009 $000	Company 2008 $000
Guarantee facility for Eastern European joint ventures with FMC Corporation.	10,276	4,222	–	–
Environmental guarantee given to the purchaser of land and buildings at Genneviliers for EUR 8.5 million. The guarantee expires in 2014, 18 months after the expiry of the business tenancy contract.	14,530	14,050	–	–
Guarantee upon sale of a business limited to EUR 2.29 million on account of possible remediation costs for soil and groundwater contamination. This guarantee decreases from 2004 progressively to nil in 2011.	3,915	3,785	–	–
Insurance bond for EUR 2.717 million established to make certain capital expenditures at Gaillon plant in France. The insurance bond is for a three year term.	4,644	4,463	–	–
Bank guarantee for Holland defined benefit pension plan to ensure coverage ratios.	342	–		
	33,707	26,520	–	–

35. Group entities

	Notes	Place of incorporation	Percentage of shares held 2009	Percentage of shares held 2008
Parent entity				
Nufarm Limited – ultimate controlling entity				
Subsidiaries				
Access Genetics Pty Ltd		Australia	100	100
ACN000425927 Pty Ltd	(a),(b)	Australia	100	100
Agcare Biotech Pty Ltd		Australia	70	70
Agchem Receivables Corporation		USA	100	40
Agryl Holdings Limited	(a),(b)	Australia	100	100
Ag-seed Research Pty Ltd		Australia	100	100
AH Marks (New Zealand) Limited		New Zealand	100	100
AH Marks Australia Pty Ltd		Australia	100	100
AH Marks Holdings Limited	(b)	United Kingdom	100	100
Artfern Pty Ltd	(a)	Australia	100	100
Australis Services Pty Ltd	(a)	Australia	100	100
Bestbeech Pty Ltd	(a)	Australia	100	100

35. Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 2009	2008
Chemicca Limited	(a)	Australia	100	100
CNG Holdings BV		Netherlands	100	100
Crop Care Australasia Pty Ltd	(a),(b)	Australia	100	100
Crop Care Holdings Limited		New Zealand	100	100
Croplands Equipment Limited	(b)	New Zealand	100	100
Croplands Equipment Pty Ltd	(a),(b)	Australia	100	100
Danestoke Pty Ltd		Australia	100	100
Edgehill Investments Pty Ltd		Australia	100	–
Fchem (Aust) Limited	(a),(b)	Australia	100	100
Fernz Canada Limited	(b)	Canada	100	100
Fernz Singapore Pte Ltd	(b)	Singapore	100	100
Fidene Limited		New Zealand	100	100
Finotech BV	(b)	Netherlands	100	100
First Classic Pty Ltd		Australia	100	–
Framchem SA	(b)	Egypt	100	100
Frost Technology Corporation		USA	100	100
Greenfarm Hellas Chemicals SA	(b)	Greece	100	–
Growell Limited		United Kingdom	100	–
Laboratoire European de Biotechnologie s.a.s		France	100	100
Le Moulin des Ecluses s.a	(b)	France	100	100
Lefroy Seeds Pty Ltd		Australia	100	–
Les Ecluses de la Garenne s.a.s		France	100	100
Manaus Holdings Sdn Bhd	(b)	Malaysia	100	100
Marman (Nufarm) Inc		USA	100	100
Marman de Guatemala Sociedad Anomima		Guatemala	100	100
Marman de Mexico Sociedad Anomima De Capital Variable		Mexico	100	100
Marman Holdings LLC		USA	100	100
Mastra Corporation Pty Ltd	(b)	Australia	70	70
Mastra Corporation Sdn Bhd	(b)	Malaysia	70	70
Mastra Corporation USA Pty Ltd		Australia	70	70
Mastra Holdings Sdn Bhd	(b)	Malaysia	70	70
Mastra Industries Sdn Bhd	(b)	Malaysia	70	70
Medisup International NV		N. Antillies	100	100
Medisup Securities Limited	(a),(b)	Australia	100	100
Nufarm (Asia) Pte Ltd	(b)	Singapore	100	100
Nufarm Agriculture (Pty) Ltd		South Africa	100	100
Nufarm Agriculture Inc	(b)	Canada	100	100
Nufarm Agriculture Inc (USA)		USA	100	100
Nufarm Agriculture Zimbabwe (Pvt) Ltd		Zimbabwe	100	100
Nufarm Americas Holding Company	(b)	USA	100	100
Nufarm Americas Inc	(b)	USA	100	100
Nufarm Asia Sdn Bhd		Malaysia	100	100
Nufarm Australia Limited	(a),(b)	Australia	100	100
Nufarm BV	(b)	Netherlands	100	100

35. Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 2009	2008
Nufarm Chemical (Shanghai) Co Ltd		China	100	100
Nufarm Chile Limitada	(b)	Chile	100	100
Nufarm Colombia S.A.	(b)	Colombia	100	100
Nufarm Crop Products UK Limited	(b)	United Kingdom	100	100
Nufarm de Costa Rica		Costa Rica	100	100
Nufarm de Guatemala SA		Guatemala	100	100
Nufarm de Mexico Sa de CV		Mexico	100	100
Nufarm de Panama SA		Panama	100	100
Nufarm de Venezuela SA		Venezuela	100	100
Nufarm del Ecuador SA		Ecuador	100	100
Nufarm Deutschland GmbH	(b)	Germany	100	100
Nufarm do Brazil LTDA		Brazil	100	100
Nufarm Espana SA	(b)	Spain	100	100
Nufarm Finance (NZ) Limited	(b)	New Zealand	100	100
Nufarm GmbH	(b)	Germany	100	100
Nufarm GmbH	(b)	Austria	100	100
Nufarm GmbH & Co KG	(b)	Austria	100	100
Nufarm Holdings (NZ) Limited	(b)	New Zealand	100	100
Nufarm Holdings BV	(b)	Netherlands	100	100
Nufarm Holdings s.a.s	(b)	France	100	100
Nufarm Hungaria Kft	(b)	Hungary	100	100
Nufarm Inc.	(b)	USA	100	100
Nufarm Industria Quimica e Farmaceutica SA (formerly Agripec Quimica e Farmaceutica SA)	(b)	Brazil	100	100
Nufarm Insurance Pte Ltd		Singapore	100	100
Nufarm Investments Cooperatie WA	(b)	Netherlands	100	100
Nufarm Italia Holding srl (merged into Nufarm Italia srl)		Italy	–	100
Nufarm Italia srl	(b)	Italy	100	100
Nufarm KK		Japan	100	100
Nufarm Labuan Pte Ltd	(b)	Malaysia	100	100
Nufarm Limited	(b)	United Kingdom	100	100
Nufarm Malaysia Sdn Bhd	(b)	Malaysia	100	100
Nufarm Materials Limited	(a),(b)	Australia	100	100
Nufarm NZ Limited	(b)	New Zealand	100	100
Nufarm Peru SAC		Peru	100	–
Nufarm Platte Pty Ltd		Australia	100	100
Nufarm Portugal LDA	(b)	Portugal	100	100
Nufarm Romania SRL (formerly Nufarm Srl)	(b)	Romania	100	100
Nufarm s.a.s	(b)	France	100	100
Nufarm SA	(b)	Argentina	100	100
Nufarm Suisse Sarl (formerly Nufarm Switzerland LLC)	(b)	Switzerland	100	100
Nufarm Technologies (M) Sdn Bhd		Malaysia	51	51

35. Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 2009	2008
Nufarm Technologies USA		New Zealand	100	100
Nufarm Technologies USA Pty Ltd		Australia	100	100
Nufarm Treasury Pty Ltd	(a),(b)	Australia	100	100
Nufarm UK Limited	(b)	United Kingdom	100	100
Nugrain Pty Ltd		Australia	100	100
Nuseed Pty Ltd		Australia	100	100
Nutrihealth Grains Pty Ltd		Australia	100	100
Nutrihealth Pty Ltd		Australia	100	100
Opti-Crop Systems Pty Ltd	(b)	Australia	75	75
Pharma Pacific Pty Ltd	(a)	Australia	100	100
PT Crop Care		Indonesia	100	100
PT Nufarm Indonesia	(b)	Indonesia	100	100
Selchem Pty Ltd	(a)	Australia	100	100

Note (a). These entities have entered into a deed of cross guarantee dated 10 July 2000 with Nufarm Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a class order issued by the Australian Securities and Investment Commission, these companies are relieved from the requirement to prepare financial statements.

Note (b). These entities have entered into a deed of negative pledge dated 24 October 1996 (last amendment dated 30 January 2009) with group lenders which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed.

36. Deed of cross guarantee

Under ASIC Class Order 98/1418, the Australian wholly-owned subsidiaries referred to in note 35 are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and director's reports.

It is a condition of the class order that the company and each of the subsidiaries enter into a deed of cross guarantee. The parent entity and all the Australian controlled entities have entered into a deed of cross guarantee dated 10 July 2000 which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company.

A consolidated income statement and consolidated balance sheet, comprising the company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, at 31 July 2009 is set out as follows:

36. Deed of cross guarantee (continued)

	Consolidated 2009 $000	Consolidated 2008 $000
Summarised income statement and retained profits		
Profit before income tax expense	60,239	65,100
Income tax expense	(16,149)	(20,201)
Net profit attributable to members of the closed group	44,090	44,899
Retained profits at the beginning of the period	286,307	299,730
Amendments to the closed group	2,122	–
Dividends paid	(65,297)	(58,322)
Retained profits at the end of the period	267,222	286,307
Statement of financial position		
Current assets		
Cash and cash equivalents	4,326	3,632
Trade and other receivables	470,871	216,307
Inventories	192,403	281,801
Current tax assets	1,823	19,265
Total current assets	669,423	521,005
Non-current assets		
Equity accounted investments	10,365	12,749
Other investments	588,586	527,716
Deferred tax assets	23,274	23,687
Property, plant and equipment	162,553	162,959
Intangible assets	43,909	91,039
Total non-current assets	828,687	818,150
TOTAL ASSETS	1,498,110	1,339,155
Statement of financial position		
Current liabilities		
Bank overdraft	–	3,680
Trade and other payables	195,705	386,779
Interest bearing loans and borrowings	105,875	84,500
Employee benefits	3,471	8,509
Current tax payable	7,130	11,169
Total current liabilities	312,181	494,637
Non-current liabilities		
Interest bearing loans and borrowings	32,350	14,000
Deferred tax liabilities	4,185	13,090
Employee benefits	2,863	9,173
Provisions	11,277	4,000
Total non-current liabilities	50,675	40,263
TOTAL LIABILITIES	362,856	534,900
NET ASSETS	1,135,254	804,255

36. Deed of cross guarantee (continued)

	Consolidated	
	2009 $000	2008 $000
Equity		
Share capital	812,844	456,870
Reserves	55,188	61,078
Retained earnings	267,222	286,307
TOTAL EQUITY	1,135,254	804,255

37. Reconciliation of cash flows from operating activities

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Cash flows from operating activities				
Profit for the period	80,542	138,120	55,349	64,698
Dividend from associated company	423	373	–	373
Non-cash items:				
Amortisation	16,361	10,900	69	34
Depreciation	48,412	36,580	617	612
Loss on sale of investment	3,813	–	–	–
Gain on disposal of non current assets	(284)	(135)	44	(16)
Net realisable value inventory adjustment	67,611	–	–	–
Write-down of non current assets	–	165	–	–
Share of profits of associates net of tax	(3,080)	(2,698)	(1,091)	(1,237)
Movement in provisions for:				
Deferred tax	6,976	15,956	(74)	71
Tax assets	(78,655)	(33,530)	11,450	(1,734)
Exchange rate change on foreign controlled entities provisions	2,511	1,851	39	(220)
Operating profit before changes in working capital and provisions	144,630	167,582	66,403	62,581
Movements in working capital items:				
(Increase)/decrease in receivables	58,862	(8,728)	(377)	2,286
(Increase)/decrease in inventories	46,499	(354,235)	(416)	(2,597)
Increase/(decrease) in payables	(349,585)	68,583	(7,044)	2,742
Increase/(decrease) in income tax payable	11,883	(4,223)	(1,422)	(6,869)
Exchange rate change on foreign controlled entities working capital items	34,586	3,619	1,669	(1,901)
	(197,755)	(294,984)	(7,590)	(6,339)
Net operating cash flows	(53,125)	(127,402)	58,813	56,242

38. Key management personnel disclosures

The following were key management personnel of the consolidated entity at any time during the reporting period and were key management personnel for the entire period.

Non-executive directors
KM Hoggard (Chairman)
GDW Curlewis
Dr RJ Edgar (appointed 1 July 2009)
Dr WB Goodfellow
GA Hounsell
DG McGauchie
Dr JW Stocker

Executives
BF Benson – Group general manager agriculture
R Heath – Group general manager corporate services and company secretary
KP Martin – Chief financial officer
DA Mellody – Group general manager global marketing
RF Ooms – Group general manager chemicals
MJ Pointon – Group general manager innovation and development
DA Pullan – Group general manager operations
RG Reis – Group general manager corporate strategy and external affairs

Executive director
DJ Rathbone – Managing director and chief executive

Key management personnel compensation

The key management personnel compensation included in personnel expenses (see note 9) are as follows:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Short term employee benefits	6,320,665	9,723,114	849,750	777,661
Post employment benefits	698,981	644,142	123,500	113,516
Equity compensation benefits	77,250	97,045	77,250	50,000
Other long term benefits	262,368	299,266	–	–
	7,359,264	10,763,567	1,050,500	941,177

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the remuneration report section of the director's report.

Apart from the details disclosed in this note, no director has entered into a material contract with the company or the consolidated entity since the end of the previous financial year and there were no material contracts involving director's interest existing at year-end.

Loans to key management personnel and their related parties

There were no loans to key management personnel at July 31 2009.

Other key management personnel transactions with the company or its controlled entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

38. Key management personnel disclosures (continued)

Other key management personnel transactions with the company or its controlled entities continued

From time to time, key management personnel of the company or its controlled entities, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

Options and rights over equity instruments granted as compensation

No options or other equity instruments were granted to key management personnel during the current or prior year reporting period as compensation.

Movements in shares

The movement during the reporting period in the number of ordinary shares in Nufarm Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Shares held in Nufarm Ltd	Balance at 1 August 2008	Granted as remuneration	Exercise of options	Net change other	Balance at 31 July 2009
2009					
Directors					
KM Hoggard[1]	2,383,614	–	–	–	2,383,614
DJ Rathbone	25,912,610	–	–	(1,750,000)	24,162,610
GDW Curlewis	44,533	2,293	–	1,454	48,280
Dr WB Goodfellow[1, 2]	665,846	1,550	–	40,622	708,018
Dr RJ Edgar	–	–	–	–	–
GA Hounsell[1]	45,170	1,550	–	–	46,720
DG McGauchie[1]	17,038	–	–	3,000	20,038
Dr JW Stocker[1]	41,522	1,550	–	708	43,780
Executives					
BF Benson	149,760	12,895	–	(88,154)	74,501
R Heath	209,001	6,233	–	–	215,234
KP Martin	402,673	12,895	–	64	415,632
DA Mellody	16,491	9,671	–	(5,196)	20,966
RF Ooms	331,155	12,143	–	–	343,298
MJ Pointon	32,756	4,827	–	(20,000)	17,583
DA Pullan	138,184	13,432	–	–	151,616
RG Reis	128,569	10,746	–	(20,000)	119,315
Total	30,518,922	89,785	–	(1,837,502)	28,771,205

38. Key management personnel disclosures (continued)

Movements in shares (continued)

Shares held in Nufarm Ltd	Balance at 1 August 2007	Granted as remuneration	Exercise of options	Net change other	Balance at 31 July 2008
2008					
Directors					
KM Hoggard[1]	2,383,614	–	–	–	2,383,614
DJ Rathbone	29,912,610	–	–	(4,000,000)	25,912,610
GDW Curlewis	43,787	415	–	331	44,533
Dr WB Goodfellow[1, 2]	662,914	549	–	2,383	665,846
GA Hounsell[1]	61,959	549	–	(17,338)	45,170
DG McGauchie[1]	16,376	–	–	662	17,038
Dr JW Stocker[1]	40,973	549	–	–	41,522
RFE Warburton[1]	66,938	–	–	662	67,600
Executives					
BF Benson	159,429	–	–	(9,669)	149,760
R Heath	209,001	–	–	–	209,001
KP Martin	402,673	–	–	–	402,673
DA Mellody	16,491	–	–	–	16,491
RF Ooms	356,820	–	–	(25,665)	331,155
DA Pullan	225,392	–	–	(87,208)	138,184
RG Reis	180,319	–	–	(51,750)	128,569
Total	34,739,296	2,062	–	(4,187,592)	30,553,766

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

1 The shareholdings of KM Hoggard, GDW Curlewis, Dr WB Goodfellow, GA Hounsell, DG McGauchie and Dr JW Stocker include shares issued under the company's non-executive director share plan and are held by Pacific Custodians Pty Ltd as trustee of the plan.

2 The shareholding of Dr WB Goodfellow includes his relevant interest in:

(i) St Kentigern Trust Board (430,186 shares and 19,727 Nufarm Step-up Securities) – Dr Goodfellow is chairman of the trust board. Dr Goodfellow does not have a beneficial interest in these shares or Step-up Securities.

(ii) Sulkem Company Limited (117,628 shares).

(iii) Auckland Medical Research Foundation (26,558 Step-up Securities). Dr Goodfellow does not have a beneficial interest in these Step-up Securities.

(iv) Trustees of the Goodfellow Foundation (35,698 shares and 1,338 Step-up Securities). Dr Goodfellow does not have a beneficial interest in these shares or Step-up Securities.

39. Non-key management personnel disclosures

(a) Transactions with related parties in the wholly-owned group

The parent entity entered into the following transactions during the year with subsidiaries of the group:

- loans were advanced and repayments received on short term intercompany accounts; and
- management fees were received from several wholly-owned controlled entities.

These transactions were undertaken on commercial terms and conditions.

39. Non-key management personnel disclosures (continued)

(b) Transactions with associated parties

		Consolidated 2009 $000	Consolidated 2008 $000
Bayer CropScience Nufarm Limited	Sales to	17,069	13,859
	Purchases from	18,938	13,875
	Trade receivable	–	1,651
	Trade payable	–	5,930
SRFA LLC	Sales to	3,682	2,238
	Commissions received	57	–
	Interest received	3	16
	Trade receivable	–	486
Excel Crop Care Ltd	Purchases from	978	1,015
	Trade payable	–	247
F&N joint ventures	Sales to	68,450	65,087
	Trade payable	–	248
	Trade receivable	36,028	29,140

These transactions were undertaken on commercial terms and conditions.

40. Subsequent events

On 28 September 2009, the directors declared a final unfranked dividend of 15 cents per share, payable 13 November 2009. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 31 July 2009 and will be recognised in the subsequent financial reports. The declaration and subsequent payment of dividends has no income tax consequences for the company.

With the UK Competition Commission inquiry now finalised, plans are advancing for the consolidation of the business activities in the UK at the Wyke location. The plant at Belvedere will cease production in October. No material gain or loss is expected from the closure of the site.

On 5 August 2009, Nufarm acquired two US based sorghum companies, Richardson Seeds Ltd and MMR Genetics Ltd. Richardsons Seeds is a leading producer and marketer of sorghum seed hybrids, with a leading market share in the US and expanding positions internationally. MMR Genetics is a global leader in the development of elite sorghum germplasm, used by many of the world's top seed companies. Combined sales of Richardsons Seeds and MMR in 2008 totalled approximately US$22 million.

41. Auditors' remuneration

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Audit services				
KPMG Australia				
Audit and review of group financial report	409	385	–	–
Overseas KPMG firms				
Audit and review of group financial report	947	941	118	63
Audit and review of local statutory reports	286	188	23	64
	1,642	1,514	141	127
Other auditors				
Audit and review of financial reports	122	155	–	–
	1,764	1,669	141	127
Other services				
KPMG Australia				
Transaction due diligence services	15	12	–	–
Other assurance services	–	14	–	–
Overseas KPMG firms				
Other assurance services	48	35	–	–
	63	61	–	–

DIRECTORS' DECLARATION

1. In the opinion of the directors of Nufarm Limited (the company):
    (a) the financial statements and notes, and the remuneration report in the directors' report, are in accordance with the Corporations Act 2001 including:
        (i) giving a true and fair view of the company's and the group's financial position as at 31 July 2009 and of their performance, for the financial year ended on that date; and
        (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
    (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a); and
    (c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the company and the group entities identified in note 36 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the company and those group entities pursuant to ASIC Class Order 98/1418.
3. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 31 July 2009.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 28th day of September 2009

KM Hoggard
Director

DJ Rathbone
Director

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NUFARM LIMITED

Report on the financial report

We have audited the accompanying financial report of Nufarm Limited (the company), which comprises the balance sheets as at 31 July 2009, and the income statements, statements of recognised income and expense and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 41 and the directors' declaration of the group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the company's and the group's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT CONTINUED
TO THE MEMBERS OF NUFARM LIMITED

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

(a) the financial report of Nufarm Limited is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the company's and the group's financial position as at 31 July 2009 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Material uncertainty regarding revenue recognised and valuation of accounts receivable relating to a claim made on a supplier

Without qualification to the opinion expressed above, attention is drawn to the following matter. As stated in notes 2(d)(vi) and 16, the consolidated entity has recorded revenue and an amount receivable of $37.8 million under an Exclusive Distribution Agreement with a major supplier. The matter is the subject of a commercial dispute between the parties which may result in a negotiated settlement or legal proceedings, the outcome of which cannot be predicted with certainty. No provision has been made for any shortfall in recovery of the amount.

Report on the remuneration report

We have audited the remuneration disclosures included under the heading 'remuneration report' in the directors' report for the year ended 31 July 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Nufarm Limited for the year ended 31 July 2009, complies with Section 300A of the Corporations Act 2001.

KPMG

KPMG

Paul J McDonald
Partner

Melbourne
28 September 2009

KPMG, an Australian partnership and a member firm of the KPMG network of independent member films affiliated with KPMG International, a Swiss cooperative.

SHAREHOLDER AND STATUTORY INFORMATION

Details of shareholders, shareholdings and top 20 shareholders

Listed securities – 25 September 2009	Number of holders	Number of securities	Percentage held by top 20
Fully paid ordinary shares	16,583	218,061,199	67.68

Twenty largest shareholders	Ordinary shares as at 25.09.09	Percentage of issued capital as at 25.09.09
HSBC Custody Nominees (Australia) Limited	23,581,546	10.81
Falls Creek No 2 Pty Ltd	22,630,987	10.38
National Nominees Limited	19,824,214	9.09
JP Morgan Nominees Australia Limited	17,536,331	8.04
Amalgamated Dairies Limited	15,112,542	6.93
ANZ Nominees Limited <Cash Income A/C>	12,374,673	5.67
Citicorp Nominees Pty Limited	5,467,815	2.51
Cogent Nominees Pty Limited	5,306,386	2.43
HSBC Custody Nominees (Australia) Limited – A/C 3	4,211,876	1.93
Challenge Investment Company Limited	2,984,673	1.37
Australian Foundation Investment Company Limited	2,675,980	1.23
Mr Edgar William Preston + Mr Paul Gerard Keeling <Avalon A/C>	2,493,253	1.14
AMP Life Limited	2,345,665	1.08
RBC Dexia Investor Services Australia Nominees Pty Limited <Pipooled A/C>	2,283,206	1.05
RAM Custodian Limited + GBH Trustee Services Ltd	2,243,750	1.03
Pacific Custodians Pty Ltd <Nufarm Share Plan A/C>	1,668,332	0.77
CPU Share Plans Pty Ltd <Nufarm ESP Control A/C>	1,444,468	0.66
Queensland Investment Corporation	1,235,461	0.57
UBS Wealth Management Australia Nominees Pty Ltd	1,174,188	0.54
Credit Suisse Securities (Europe) Ltd <Collateral A/C>	990,000	0.45

Distribution of shareholders	Number of holders as at 25.09.09	Ordinary shares held as at 25.09.09
Size of holding		
1 – 1,000	7,112	3,725,228
1,001 – 5,000	7,320	18,022,190
5,001 – 10,000	1,288	9,110,903
10,001 – 100,000	772	16,940,707
100,001 and over	91	170,262,171

Of these, 287 shareholders held less than a marketable parcel of shares of $500 worth of shares (45 shares). In accordance with the ASX Listing Rules, the last sale price of the company's shares on the ASX on 25 September 2009 was used to determine the number of shares in a marketable parcel.

Stock exchanges on which securities are listed

Ordinary shares: Australian Securities Exchange Limited.

Substantial shareholders

In accordance with section 671B of the Corporations Act, as at 25 September 2009, the substantial shareholders set out below have notified the company of their respective relevant interest in voting shares in the company shown adjacent to their respective names as follows:

Number and percentage of shares in which interest held at date of notice

	Date of notice	Number	Interest %
Amalgamated Dairies Ltd	21 May 2009	15,111,068	7.04
Khyber Pass Ltd[1]	21 May 2009	15,129,481	7.05
Glade Building Ltd[2]	21 May 2009	15,491,269	7.22
Hauraki Trading Ltd[3]	21 May 2009	15,847,083	7.39
Oxford Trustees (Paul Gerard Keeling and Edgar William Preston)[4]	21 May 2009	15,509,682	7.23
Douglas John Rathbone	21 May 2009	24,162,610	11.26

1 Khyber Pass Ltd has a relevant interest in Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Amalgamated Dairies Ltd.

2 Glade Building Ltd has a relevant interest in Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Amalgamated Dairies Ltd.

3 Hauraki Trading Ltd has a relevant interest in Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Amalgamated Dairies Ltd.

4 Oxford Trustees has a relevant interest in Glade Building Ltd, Khyber Pass Ltd and Amalgamated Dairies Ltd and, as a result, the number of shares disclosed by it includes the shares held by Glade Building Ltd, Khyber Pass Ltd and Amalgamated Dairies Ltd.

SHAREHOLDER AND STATUTORY INFORMATION CONTINUED

Shareholder information

Annual general meeting

The annual general meeting of Nufarm Limited will be held on Thursday 3 December 2009 at 10.00am in the Ballroom, Rendezvous Hotel, 328 Flinders Street, Melbourne, Victoria, Australia. Full details are contained in the notice of meeting sent to all shareholders.

Voting rights

Shareholders are encouraged to attend the annual general meeting. However, when this is not possible, they are encouraged to use the form of proxy by which they can express their views. Proxy voting can be completed online via www.nufarm.com/annualgeneralmeeting or via post by completing the proxy form and sending it back in the return envelope.

Every shareholder, proxy or shareholder's representative has one vote on a show of hands. In the case of a poll, each share held by every shareholder, proxy or representative is entitled to one vote for each fully paid share.

Stock exchange listing

Nufarm shares are listed under the symbol NUF on the ASX. The securities of the company are traded on the ASX under CHESS (Clearing House Electronic Sub-register System), which allows settlement of on-market transactions without having to reply on paper documentation.

Shareholders seeking more information about CHESS should contact their stockbroker or the ASX.

Shareholder details

The Nufarm Limited Share Register is managed by Computershare Investor Services. You can gain access to your shareholding information in the following ways.

Online via Investor Centre

Step 1 Go to www.computershare.com/au/investors
Step 2 Select 'Holding Enquiry'
Step 3 Enter NUF or Nufarm Limited
Step 4 Enter your Securityholder Reference Number (SRN) or Holder Identification Number (HIN), postcode or country if outside Australia
Step 5 Enter the security code that appears and agree to the terms and conditions
Step 6 Select 'Submit'

Alternatively, manage your portfolio by becoming a member of Investor Centre and register for a username and password at www.computershare.com/au/investors

By telephone via InvestorPhone (Australian shareholders only)

InvestorPhone provides telephone access 24 hours a day seven days a week.

Step 1 Call the Nufarm shareholder information line on 1300 652 479
Step 2 Follow the prompts to gain secure, immediate access to your:

- holding details
- registration details
- payment information

Shareholder communications

You can choose to receive shareholder communications electronically. Register for this initiative at www.eTree.com.au/nufarm and a donation of $1 will go to Landcare to support urgent reforestation projects in Australia and New Zealand.

The default for receiving the annual report is now via the company's website – www.nufarm.com

SHAREHOLDER AND STATUTORY INFORMATION CONTINUED

Shareholder enquiries

Contact:

Computershare Investor Services
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067
GPO Box 2975
Melbourne Victoria 3001

Telephone: 1300 652 479 (within Australia)
+61 3 9415 4360 (outside Australia)
Email: web.queries@computerhsare.com.au

Dividends

A final unfranked dividend of 15 cents per share will be paid on 13 November 2009 to shareholders registered on 16 October 2009.

Australian and New Zealand shareholders may elect to have dividends paid directly into a bank account anywhere in Australia and New Zealand. Forms for this purpose can be obtained on www.computershare.com.au or by request from the share registry.

Key dates

16 October 2009
Record date (books closing) for 2008–09 final dividend

13 November 2009
Final dividend for 2008–09 payable

30 October 2009*
Annual report sent to shareholders

3 December 2009
Annual general meeting

30 March 2010*
Announcement of profit result for half year ending 31 January 2010

31 July 2010
End of financial year

* Subject to confirmation.

For enquiries relating to the operations of the company, please contact the Nufarm Corporate Affairs Office on:

Telephone: (61) 3 9282 1177
Facsimile: (61) 3 9282 1111
Email: robert.reis@au.nufarm.com

Written correspondence should be directed to:

Corporate Affairs Office
Nufarm Limited
PO Box 103
Laverton Victoria 3028 Australia

DIRECTORY

Directors

KM Hoggard – Chairman
GDW Curlewis – Deputy Chairman
DJ Rathbone AM – Managing Director
Dr RJ Edgar
Dr WB Goodfellow
GA Hounsell
DG McGauchie AO
Dr JW Stocker AO

Company Secretary

R Heath

Solicitors

Arnold Bloch Leibler & Co
333 Collins Street
Melbourne Victoria 3000 Australia

Sylvia Miller & Associates
131 Orrong Road
Elsternwick Victoria 3185 Australia

Auditors

KPMG
147 Collins Street
Melbourne Victoria 3000 Australia

Trustee for Nufarm Step-up Securities

Permanent Trustee Company Ltd
35 Clarence Street
Sydney NSW 2000 Australia

Share registrar

Australia
Computershare Investor Services Pty Ltd
GPO Box 2975EE
Melbourne Victoria 3001 Australia
Telephone: 1300 850 505
Outside Australia: 61 3 9415 4000

Step-up Securities registrar

New Zealand
Computershare Registry Services Limited
Private Bag 92119
Auckland New Zealand 1020
Telephone: 64 9 488 8700

Registered office

103–105 Pipe Road
Laverton North Victoria 3026 Australia
Telephone: 61 3 9282 1000
Facsimile: 61 3 9282 1001

NZ branch office

6 Manu Street
Otahuhu Auckland New Zealand
Telephone: 64 9 270 4157
Facsimile: 64 9 267 8444

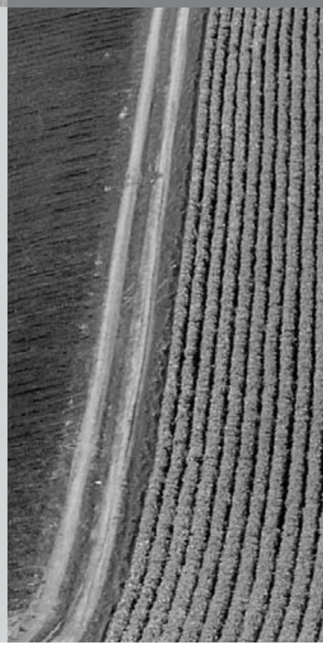
Website

http://www.nufarm.com

Nufarm Limited
ACN 091 323 312


Produced by Gillian Sweetland. Designed by MDM Design. Photographers include: Dawn Arts, Danielle Moore, Louis Petrucelli and Melissa Powell.

Nufarm



NUFARM LIMITED ANNUAL GENERAL MEETING

2009

Notice is given that the 93rd Annual General Meeting of Shareholders of Nufarm Limited (the 'Company') will be held in Victoria at The Ballroom, Rendezvous Hotel, 328 Flinders Street, Melbourne on Thursday, 3 December 2009 at 10.00am AEDT.

Nufarm

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Business

1. Financial Reports and Statements

To receive and consider the Financial Report of the Company and the consolidated financial statements of the Company and the Company's controlled entities, the Directors' Report and the Auditor's Report for the year ended 31 July 2009.

2. Remuneration Report

To receive, consider and adopt the Remuneration Report of the Company for the year ended 31 July 2009.

3. Re-election of Directors

To consider, and if thought fit, pass each of the following resolutions as separate resolutions:

(a) That Dr WB (Bruce) Goodfellow, who retires by rotation in accordance with the Company's constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

(b) That Dr JW (John) Stocker AO, who retires by rotation in accordance with the Company's constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

(c) That Dr RJ (Bob) Edgar, who was appointed as a Director of the Company on 1 July 2009 and in accordance with the Company's constitution and ASX Listing Rule 14.4, being eligible, offers himself for re-election, be re-elected as a Director of the Company.

Special Business

4. Previous Issue of Ordinary Shares – Institutional Placement

To consider, and if thought fit, pass the following resolution:

"That the issue of 26,700,000 Ordinary Shares at an issue price of A$11.25 each on 21 May 2009 to institutional investors as part of an institutional equity placement be approved for the purpose of Listing Rule 7.4".

5. Remuneration to Non-Executive Directors

To consider, and if thought fit, pass the following resolution:

"That the maximum total remuneration payable to Non-Executive Directors be increased from A$1,200,000 per annum to an amount not exceeding A$1,600,000, to be divided among the Non-Executive Directors in such proportions and manner as the Directors may determine."

By Order of the Board

Rodney Heath
Company Secretary
29 September 2009

1. Defined Terms

Capitalised terms used in this Notice of AGM (including those used in the items set out in this Notice) have, unless otherwise defined, the same meanings as set out in the Explanatory Notes attached to this Notice.

2. Material accompanying this Notice

The following materials accompany this Notice:

(a) the Financial Report of the Company and the consolidated financial statements of the Company and the Company's controlled entities and the Directors' Report and Auditor's Report, including the Remuneration Report, if you have elected to receive a printed copy and have not withdrawn that election;

(b) the Explanatory Notes setting out details relevant to the business set out in this Notice; and

(c) a Proxy Form.

3. Voting and required majority

In accordance with section 249HA of the Corporations Act for resolutions on items 2 to 5 (both inclusive) to be effective:

(a) each resolution must be passed at a meeting of which not less than 28 days written notice specifying the intention to propose the resolutions has been given (unless consent to short notice has been received); and

(b) each resolution must be passed by more than 50% of all the votes cast by Shareholders entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).

On a show of hands, every Shareholder has one vote and, on a poll, every Shareholder has one vote for each Ordinary Share held.

4. Voting Exclusion Statement

In accordance with the Listing Rules the Company will, except as provided in clause 4(3) below, disregard any votes cast on:

(1) **Resolution 4**, by any person who acquired Ordinary Shares under the institutional equity placement and their respective associates.

(2) **Resolution 5**, by any Director or by any associate of any Director.

(3) The Company will not disregard a vote if it is cast:

   (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

   (b) by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. Shareholders Eligible to Vote

Pursuant to regulation 7.11.37 of the Corporations Regulations 2001 the Board has determined that, for the purposes of the AGM, all Ordinary Shares in the Company will be taken to be held by the persons registered as Shareholders at 10.00am AEDT on Tuesday, 1 December 2009 (the '**Effective Time**').

6. Proxies and Representatives

(a) All Shareholders at the Effective Time who are entitled to attend and vote at the AGM may appoint a proxy for that purpose.

(b) A proxy need not be a Shareholder of the Company.

(c) The Proxy Form accompanying this Notice should be used unless you appoint your proxy online as set out in clause 6(h) below.

(d) Each Shareholder who is entitled to cast two or more votes at the AGM, may appoint up to two proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes each proxy may exercise, each proxy will be entitled to exercise half of the votes. An additional Proxy Form will be supplied by the Company on request.

(e) Shareholders wishing to appoint a proxy should read the instructions on the Proxy Form carefully and then complete and return the Proxy Form to the Company by the due date and time set out in clause 6(h) below and the Proxy Form.

(f) Any Shareholder may appoint an attorney to act on its behalf. The power of attorney, or a certified copy of it, must be received by the Company as set out in clause 6(h) below.

(g) Any corporation which is a Shareholder of the Company may appoint a representative to act on its behalf. Appointments of representatives must be received by the Company as set out in clause 6(h) below at any time before the time of the meeting, or adjourned meeting, or at the meeting.

(h) Proxies and powers of attorney granted by Shareholders must be received by the Company by no later than the **Effective Time**:

   (i) electronically, by visiting www.investorvote.com.au and following the instructions provided **that** a proxy cannot be appointed online if appointed under power of attorney or similar authority; **or**

   (ii) at the Company's share registry in Australia – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001; **or**

   (iii) by fax at the Company's share registry – fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); **or**

   (iv) for Intermediary Online subscribers **only** (custodians) – electronically by visiting www.intermediaryonline.com.

Please refer to the Proxy Form accompanying this Notice for more information.

EXPLANATORY NOTES

1. General

(a) These Explanatory Notes contain information relevant to the business referred to in the Notice of AGM of Nufarm Limited (the '**Company**'), which they accompany. **These Explanatory Notes should be read carefully by Shareholders prior to the AGM.**

(b) All capitalised terms used in these Explanatory Notes have the meanings set out in the Glossary of Terms located at the end of this document.

(c) Further details relating to each item in the Notice of AGM is set out below.

2. Business

(a) Item 1 – Financial Reports and Statements

The Financial Report, Directors' Report and Auditor's Report of the Company and the Company's controlled entities for the most recent financial year will be laid before the AGM, as required by the Corporations Act. This item does not require a formal resolution to be put to the meeting.

The Chairman will give Shareholders the opportunity to ask the Auditor questions relevant to the Auditor's Report or conduct of the audit. If a Shareholder wishes to put written questions to the Auditor, a Shareholder is entitled to submit questions relevant to the content of the Auditor's Report or the conduct of the audit, in writing, to the Company, up to five business days prior to the AGM. The Company will pass the questions on to the Auditor prior to the AGM. The Auditor may, but is not obligated to, answer any written or oral questions that are put to it by Shareholders.

The Financial Report, Directors' Report and Auditor's Report are available for Shareholders to access and download from the Company's website at www.nufarm.com/AnnualReports.

(b) Item 2: Remuneration Report

The Remuneration Report (which forms part of the Directors' Report) is required to include discussion on a number of issues relating to remuneration policy and its relationship to the Company's performance.

As required under the Corporations Act, a resolution will be put to Shareholders to adopt the Remuneration Report. Shareholders should note that the vote on this resolution is advisory only and is not binding on the Board.

(c) Items 3(a), 3(b) and 3(c): Re-election of Directors

Dr WB (Bruce) Goodfellow, 57, joined the Board representing the holders of the 'C' shares in 1991. Following the conversion of the 'C' shares into Ordinary Shares, he was elected a Director in 1999. He has a doctorate in chemical engineering and experience in the chemical trading business and financial and commercial business management experience.
Dr Goodfellow is chairman of Refrigeration Engineering Co Ltd and a director of Sanford Ltd, Sulkem Co Ltd, and Cambridge Clothing Co Ltd.

Bruce is a member of the Nomination Committee.

Dr JW (John) Stocker AO, 63, joined the Board in 1998. He has a medical, scientific and management background and was formerly chief scientist of the Commonwealth of Australia and is now the chairman of CSIRO. He is a principal of Foursight Associates Pty Ltd and Chairman of Sigma Pharmaceuticals Ltd and The Australian Wine Institute Ltd. He is a director of Telstra Corporation Ltd. In the past three years Dr Stocker has been a director of Sigma Company Ltd (eight years), Cambridge Antibody Technology Group plc (11 years) and Circadian Technologies Ltd (12 years).

John is a member of the Audit Committee.

Dr RJ (Bob) Edgar, 63, joined the Board on 1 July 2009. He holds a Bachelor of Economics (Hons) from University of Adelaide and a PhD from Ohio State University. Dr Edgar recently retired from the Australia and New Zealand Banking Group Ltd (**ANZ**) where he was Deputy Chief Executive Officer. In a 25 year career at ANZ, Dr Edgar also held the positions of Chief Operating Officer, Managing Director Institutional Financial Services and Chief Economist.
Dr Edgar is a director of Transurban Holdings Ltd , Transurban Infrastructure Management Ltd and Asciano Ltd.

He is also Chairman of the Prince Henry's Institute of Medical Research.

Further information about the Directors can be found in the Directors' Report, which accompanies, and forms part of, the Company's Financial Report.

The continuing Directors unanimously support the re-election of Dr WB Goodfellow, Dr JW Stocker AO and Dr RJ Edgar.

(d) Item 4: Previous Issue of Ordinary Shares – Institutional Placement

Background

Resolution 4 seeks Shareholder approval to the previous issue of 26,700,000 Ordinary Shares to institutional investors by private placement ('**Private Placement**') on 21 May 2009 at an issue price of A$11.25, raising A$300,375,000.

Details of the Private Placement

The Ordinary Shares issued under the Private Placement represent 12.24% of the Company's total issued voting shares at the date of the Notice of AGM and rank, in all respects, equally with all other Ordinary Shares on issue in the Company.

Shareholder approval for the issue of Ordinary Shares under the Private Placement was not required under the Listing Rules as the number of Ordinary Shares issued under the Private Placement did not exceed 15% of the total number of Ordinary Shares on issue, or agreed to be issued, in the preceding 12 month period under Listing Rule 7.1 ('**15% in 12 months limit**').

On 15 May 2009 the Company announced the capital raising by the Private Placement and at the same time announced that eligible Australian and New Zealand Shareholders would be given the opportunity to participate in a share purchase plan ('**SPP**') to subscribe for up to A$15,000 worth of Ordinary Shares. On 25 May 2009 the Company announced that the offer price for Ordinary Shares under the SPP would be at the lower price of:

(a) $11.25, being the price set by the Private Placement; or

(b) a 2.5% discount to the volume weighted average price of the Company's Ordinary Shares traded in the ordinary course on ASX over the five trading days prior to and including the closing date of the SPP, rounded up to the nearest cent.

On 15 May 2009, the Company also announced that Managing Director, DJ Rathbone AM, would sell down 1.75 million Ordinary Shares at a price of $11.25 per Ordinary Share, to raise approximately $19.7 million, to be run in parallel with the Private Placement. The Company announced that the sell down would represent approximately 6.8% of Mr Rathbone's total shareholding in the Company, and that he would remain the Company's largest Shareholder with a relevant interest in approximately 24.2 million Ordinary Shares, representing an estimated 11.3% of issued capital, following the sell down and the Private Placement.

The Company also announced that in the short term, the proceeds of the Private Placement and the proceeds of the SPP, approximately A$35.6 million in aggregate, would be used to repay debt.

The institutional investors who participated in the Private Placement were determined by a bookbuild process arranged and managed on behalf of the Company jointly by RBS Equity Capital Markets (Australia Limited) ABN 17 000 757 111 and J.P. Morgan Australia Limited ABN 52 002 888 011.

On 30 June 2009 the Company announced that it had issued 3,506,005 Ordinary Shares to eligible Shareholders pursuant to the SPP. Shareholder approval for the issue of Ordinary Shares under the SPP is not required as it qualifies as an exception to Listing Rule 7.1 under exception 15 in Listing Rule 7.2.

Shareholder approval

Shareholders are asked to approve this resolution pursuant to Listing Rule 7.4 to renew the Company's ability to issue further equity within the 15% in 12 months limit without seeking prior Shareholder approval. This will provide the Board with greater flexibility in the future as and when investment opportunities or other capital requirements arise.

Recommendation

The Directors recommend that you vote in favour of this resolution. As stated in the Notice, any votes cast in respect of this resolution by any person who acquired Ordinary Shares under the Private

Placement and their respective associates, will be disregarded, except as stated in the Notice.

(e) Resolution 5: Increase in Non-Executive Directors Remuneration

Background

The maximum total remuneration which may currently be paid to Non-Executive Directors of the Company was approved by Shareholders at the 2006 annual general meeting. That amount was set at A$1,200,000 per annum (including superannuation costs).

The purpose of the proposed increase is to allow for the appointment of additional Non-Executive Directors over the coming years as part of the Board's succession planning. In addition, the Company needs to ensure there is some flexibility in the amount approved by Shareholders to attract candidates of the highest quality as product and geographical expansion accelerates.

There are currently eight Directors, seven being Non-Executive Directors. The Company's constitution specifies that there may be a maximum of 11 Directors. Of the current Non-Executive Directors some have held office continuously for a number of years. The Board considers that it is essential it has the flexibility, capacity and resources available to attract and retain candidates for appointment to the Board with the necessary competencies to maintain and complement the Board's effectiveness.

The Board has resolved that there will be no increase in fees paid to Directors for the period ending 31 July 2010. The Board believes that the total fees for which approval is sought will provide the flexibility, capacity and resources needed over the next two to three years.

The Board's approach to the remuneration of Non-Executive Directors is set out in more detail in the Remuneration Report referred to in paragraph 2(b) above.

Shareholders approval

Shareholders are asked to approve the increase in total remuneration payable to Non-Executive Directors in accordance with clause 22.10 of the Company's constitution and ASX Listing Rule 10.17.

Recommendation

The Directors recommend that you vote in favour of Resolution 5 set out in the Notice of AGM. As stated in the Notice of AGM, any votes cast in respect of this Resolution by any Director, or by any associate of any Director, will be disregarded, except as stated in the Notice of AGM.

GLOSSARY OF TERMS

AEDT means Australian Eastern Daylight Time.

AGM means the annual general meeting of the Company to be held on Thursday, 3 December 2009 at 10.00am AEDT.

ASX means ASX Limited ACN 008 624 691.

Auditor means the auditor of the Company.

Auditor's Report means the report of the Auditor regarding its audit of the Company, which accompanies this Notice of AGM.

Board means the board of Directors of the Company.

Chairman means the individual acting as chairman of the AGM.

Company means Nufarm Limited ABN 37 091 323 312.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the report of the Directors, which accompanies this Notice of AGM.

Effective Time means 10.00am AEDT on Tuesday, 3 December 2009.

Explanatory Notes means the notes contained in this document that provide details of the business to be heard at the AGM.

Financial Report means the financial report of the Company for the year ending on 31 July 2009 that accompanies the Notice of AGM.

Listing Rules means the listing rules of the ASX, as amended from time to time.

Notice of AGM means the notice of the AGM of the Company accompanying these Explanatory Notes (and the term 'Notice' has the same meaning).

Ordinary Shares means fully paid ordinary shares in the capital of the Company.

Proxy Form means the proxy form accompanying the Notice of AGM.

Remuneration Report means the remuneration report of the Company that forms part of the Directors' Report accompanying the Notice of AGM.

Shareholder means a holder of one or more Ordinary Shares.

Nufarm

Nufarm Limited

ABN 37 091 323 312

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 652 479
(outside Australia) +61 3 9415 4360

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

☑ **Cast your proxy vote**

☑ **Access the annual report**

☑ **Review and update your securityholding**

Your secure access information is:

Control Number: 123456

SRN/HIN: I1234567890 **PIN:** 123456

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00am (AEDT) Tuesday 1 December 2009.

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.
Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form →

103102_00WB6B

MR JOHN SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 1234567890 IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Nufarm Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ____________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Nufarm Limited to be held at The Ballroom, Rendezvous Hotel, 328 Flinders Street, Melbourne Victoria on Thursday, 3 December 2009 at 10.00am (AEDT) and at any adjournment of that meeting.

Important for Item 5: If the Chairman of the Meeting is your proxy and you have not directed him how to vote on Item 5 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 5 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 5 of business.

☐ I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Adoption of the Remuneration Report	☐	☐	☐
Item 3a	Re-election of Dr W B Goodfellow as a Director	☐	☐	☐
Item 3b	Re-election of Dr J W Stocker AO as a Director	☐	☐	☐
Item 3c	Re-election of Dr R J Edgar as a Director	☐	☐	☐
Item 4	Previous issue of Ordinary Shares - Institutional Placement	☐	☐	☐
Item 5	Remuneration to Non-Executive Directors	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ____________ Contact Daytime Telephone ____________ Date ___ / ___ / ___

Computershare

Nufarm
Nufarm Limited
ABN 37 091 323 312

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 652 479
(outside Australia) 61 3 9415 4360
Facsimile 61 3 9473 2555
www.computershare.com

SAMPLE CUSTOMER
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN TAS 7000

Reference Number

NUF

IND

Dear Shareholder

I have pleasure in inviting you to attend our Annual General Meeting and have enclosed the Notice of Meeting, which sets out the items of business. The meeting will be held at The Ballroom, Rendezvous Hotel, 328 Flinders Street, Melbourne, Victoria on Thursday, 3 December 2009 at 10.00am.

If you are attending this meeting, please bring this letter with you to facilitate registration into the meeting.

If you are unable to attend the Annual General Meeting, you are encouraged to complete the enclosed proxy form. The proxy form should be returned in the envelope provided or faxed to our share registry on 1800 783 447 (within Australia) 61 3 9473 2555 (outside Australia) so that it is received by 10.00am on Tuesday, 1 December 2009. You may also vote online via www.investorvote.com.au.

Corporate shareholders will be required to complete a “Certified Appointment of Representative” to enable a person to attend on their behalf. A form of this certificate may be obtained from the Company’s share registry.

I look forward to your attendance at the meeting.

Yours sincerely

Kerry Hoggard
Chairman

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Nufarm

Nufarm Limited

ABN 37 091 323 312

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000
SAM
MR JOHN SAMPLE
FLAT 123
SAMPLE STREET
SAMPLE STREET
SAMPLE STREET
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with matters arising from your securityholding in Nufarm Limited. Unfortunately, our correspondence has been returned to us marked “Unknown at the current address”. For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notice of meeting.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

> Security Reference Number (SRN) or Holder Identification Number (HIN);
> ASX trading code: NUF;
> Name of company in which security is held: Nufarm Limited;
> Old address; and
> New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

In addition, if your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Rodney Heath
Company Secretary

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