

24 July 2009

Mr Darren Collins  
Senior Adviser, Issuers  
ASX Limited

By email [darren.collins@asx.com.au](mailto:darren.collins@asx.com.au)

Dear Darren

### Price Query

We refer to your letter of 23 July 2009 in relation to the change in the price of Nufarm Limited ("Nufarm") shares.

Referring to the numbering in that letter our response is as follows:

- 1 & 2 Nufarm has been approached by Sinochem (on a confidential, preliminary and incomplete basis) in relation to the potential acquisition of Nufarm.

There is no certainty that any agreement will be reached or that an offer or proposal will be put to Nufarm shareholders.

The Nufarm Board will consider any offer or proposal it receives having regard to all the alternatives available to the company.

Nufarm will keep its shareholders fully informed and a further announcement will be made in the event of any material developments.

3. Due to the importance of the final six weeks of the financial year, Nufarm will not be in a position to assess the final impact on group earnings of the decline in demand for glyphosate and increased price competition in key glyphosate markets until the full year results are available. There is a risk that Nufarm's year end net operating profit may be below the revised guidance issued on 16 June 2009. It is possible that Nufarm's net operating profit may be more than 10-15% below the previous guidance, but we are not yet in a position to determine whether this will be the case.

As disclosed on 16 June 2009 growers in the US planted crops very late in the season and this has resulted in later than normal buying decisions. As a result, Nufarm now expects that at the end of the company's financial year (31 July) it will have a higher accounts receivable balance and a higher net debt balance than indicated in May 2009, both of which it expects to revert to a more normal level in the near term.

Nufarm's results for the year to 31 July 2009 are due to be announced on 28 September 2009. Should there be a need to update the market prior to then Nufarm will do so.

4. The company is not in a position to determine whether it will record any material abnormal or extraordinary items for the financial year ending 31 July 2009. When preparing its year end accounts the company will consider items that are proposed to be treated on a non-operating or abnormal basis. These items may include costs and benefits associated with manufacturing restructuring in Europe; costs relating to the regulatory inquiries associated with the AH Marks acquisition; and the possibility of a revaluation of glyphosate inventories.
5. No
6. Yes

Yours sincerely



**Rodney Heath**  
Company Secretary



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23 July 2009

Mr Rodney Heath  
Company Secretary  
Nufarm Limited  
103-105 Pipe Road  
LAVERTON NORTH VIC 3026

By e-mail only

Dear Rodney

**Nufarm Limited - Price Query**

We have noted a change in the price of the Company's securities from \$8.92 at close of trading on 22 July 2009 to a high of \$9.73 at time of writing today. We have also observed larger than normal volumes of trades during this period.

In light of the price change and increase in trading volumes, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the net operating profit guidance for the year ending 31 July 2009 announced by the Company on 16 June 2009 in the announcement titled "Nufarm Adjusts Earnings Guidance" of more than 10-15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the financial year ending 31 July 2009? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at [darren.collins@asx.com.au](mailto:darren.collins@asx.com.au) or by facsimile on facsimile number 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (i.e. before 9.30 a.m. EST) on Friday 24 July 2009.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Darren Collins', written in a cursive style.

Darren Collins

**Senior Adviser, Issuers and Accounting Policy**