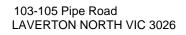


103-105 Pipe Road LAVERTON NORTH VIC 3026

29 September 2010

Please find attached documents released to NZX today.

Rodney Heath Nufarm Finance (NZ) Limited





29 September 2010

Nufarm Finance (NZ) Ltd

In accordance with Listing Rule 10.4.1(a) we attach the Preliminary Full Year Announcement for Nufarm Finance.

The Financial Statements attached are unaudited and we confirm that we will lodge fully audited accounts in due course.

Yours faithfully

Rodney Heath Nufarm Finance (NZ) Limited

NUFARM FINANCE (NZ) LIMITED Incorporation Number 107147

Results for Announcement to the Market

Reporting Period	12 months to 31 July 2010	
Previous Reporting Period	12 months to 31 July 2009	

		Amount	% change	
Revenue from ordinary activities	AUD\$	Nil		
Profit (loss) from ordinary activities after tax attributable to security holders	AUD\$	10,373,770	+27%	
Net profit (loss) attributable to security holders	AUD\$	10,373,770	+27%	

Interim/Final Dividend	Amount per security	Imputed amount per security
Ordinary shareholders	Nil	Nil

Distributions	Tot	al amount	Distribution rate	Payment date
Nufarm Step-up Security holders	AUD\$	7,609,494	6.08%	15-Apr-10
Nufarm Step-up Security holders	AUD\$	6,313,207	5.02%	15-Oct-09

	This Year	Last Year
Net tangible assets per security	AUD\$25.15	AUD\$25.01

Control gained over entities in the period	None
Control lost over entities in the period	None

Nufarm Finance (NZ) Limited Annual Report For the year ended 31 July 2010



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Directors Report

The directors of Nufarm Finance (NZ) Limited have pleasure in submitting their report in respect of the financial year ended 31 July 2010.

Principal Activities

Nufarm Finance (NZ) Limited acts as a financing company for the Nufarm Group.

NZX waivers

The Company was granted a waiver by NZX Regulation from the requirement under NZX Listing Rule 10.5.2 to provide half-yearly reports on the condition that:

(a) the Company announced to the market that a half-yearly report for the Company will not be supplied and the reasons for that; the Company made this announcement to the market on 22 March 2007;

(b) the Company continues to exist with no other substantive business except as a financing company for the Nufarm group; and

(c) that NZX receives Nufarm's half-yearly and full year reports and the Company's full year report and those reports are made available to all Nufarm Step Up Securities holders in accordance with NZX Listing Rule 10.5.2B.

Full details of the waiver and NZX decision are available on the Company's site at NZX.

Results

The net profit attributable to members of the Company for the 12 months to 31 July 2010 is \$10,373,770. The comparable figure for the 12 months to 31 July 2009 was \$8,181,762.

For and on behalf of the Board

Director

Director

Date:

	Company directory
Nature of Business	To act as a financing company for the Nufarm Group. The Company has 2,510,000 Nufarm Step-up Securities issued, and is a listed debt issuer on the New Zealand Stock Exchange.
Credit rating	The Company has a credit rating of BB issued by S&P.
Registered Office	6 Manu Street Otahuhu, AUCKLAND Telephone: 09 270 4150 Facsimile: 09 270 4159
Incorporation Number	107147
Directors	Dr W B Goodfellow Mr K M Hoggard Mr K P Martin Mr D J Rathbone Directors Fees were not paid by Nufarm Finance (NZ) Limited. Directors are remunerated by Nufarm Limited, the parent company.
Directors Interest	Dr W B Goodfellow held a non-beneficial interest in 47,623 Nufarm Step-up Securities at balance date.
Parent Company	Nufarm Limited
Auditor	KPMG
Bank	Bank of New Zealand
Solicitor	Dawson Harford & Partners

Distribution of Nufarm Step-up Securities Holders and Nufarm Step-up Securities Holding as at 31 July 2010

Size of Holding				
	Number of Secu	rity Holders	Number of	<u>f</u> Securities
1-99	456	16.0%	33,289	1.3%
100-999	2,122	74.4%	613,101	24.4%
1,000-4,999	231	8.1%	394,397	15.7%
5,000-9,999	13	0.5%	91,269	3.6%
10,000+	30	1.0%	1,377,944	55.0%
	2,852	100.0%	2,510,000	100.0%
Geographic distribution:				
New Zealand	1,691	59.3%	864,856	34.5%
Australia	1,151	40.3%	1,639,616	65.3%
Rest of World	10	0.4%	5,528	0.2%
	2,852	100.0%	2,510,000	100.0%
			-	

Corporate Governance

Nufarm Finance (NZ) Limited (Nufarm Finance) recognises its responsibilities to comply with appropriate corporate governance standards and guidelines, including those set out by the New Zealand Securities Commission, ASX and NZX.

As a wholly owned subsidiary of Nufarm Limited (Nufarm), a company registered in Australia and listed on the ASX, Nufarm Finance fully complies with the corporate governance practices of Nufarm. A copy of Nufarm's corporate governance practices are disclosed in full in its annual report and are also available to Nufarm Step-up Securities Holders on Nufarm's website at http://www.nufarm.com/CorporateGovernance.

There is no separation of control between Nufarm Finance and Nufarm. The Board of Nufarm Finance includes the Managing Director and Chief Executive, further Director and the Chief Financial Officer for the Nufarm Group. The directors of Nufarm Finance believe that the overarching governance procedures of Nufarm provides an appropriate basis for ensuring Nufarm Finance meets its fiduciary obligations to the Nufarm Step-up Securities holders.

Income statement

For the year ended 31 July 2010

	Note	2010 \$AUD	2009 \$AUD
Operating expenses		(228,111)	(297,777)
Finance income	1	43,077,827	31,734,842
Finance expense	2	(27,337,648)	(20,848,514)
Net Finance Income		15,740,179	10,886,328
Profit before income tax		15,512,068	10,588,551
Income tax expense	3	(5,138,298)	(2,406,789)
Profit for the period		10,373,770	8,181,762
Earnings per share			
Basic earnings per share (cents)	9	95.3	81.8
Diluted earnings per share (cents)	9	95.3	81.8

Statement of recognised income and expense

For the year ended 31 July 2010

	Note	2010 \$AUD	2009 \$AUD
Profit for the period		10,373,770	8,181,762
Effective portion of changes in fair value of			
cash flow hedges		-	-
Fair value of cash flow hedges transferred to			
the income statement		2,816,932	2,816,932
Income tax on fair value changes of			
cash flow hedges		(845,079)	(1,125,461)
Total recognised income and expense for		· · · · · · · · · · · · · · · · · · ·	<u> </u>
the period		12,345,623	9,873,233
Attributable to:			
Equity holders of the parent	·	12,345,623	9,873,233

Balance sheet

As at 31 July 2010

	Note	2010 \$AUD	2009 \$AUD
Assets			
Loan receivable - related parties	5	210,908,269	234,498,900
Deferred tax asset	6	2,559,041	3,589,696
Derivative financial instruments	11	43,530,995	16,617,720
Total non-current assets	-	256,998,305	254,706,316
Cash and cash equivalents	7	864,348	726,577
Receivables - related parties	5	25,658,707	16,880,244
Income tax receivable		904,048	2,034,401
Total current assets	-	27,427,103	19,641,222
Total Assets	-	284,425,408	274,347,538
Equity			
Share capital	8	9,984,530	9,984,530
Hedging reserve	8	(2,598,522)	(4,570,375
Retained earnings	8	(2,007,214)	(2,252,894
Total equity attributable to ordinary	-		
shareholders		5,378,794	3,161,261
Nufarm Step-up Securities	8	246,932,148	246,932,148
Total equity	-	252,310,942	250,093,409
Liabilities			
Payables - other		35,000	27,802
Payables - related parties	5	32,079,466	24,226,327
Total current liabilities	-	32,114,466	24,254,129
Total liabilities	-	32,114,466	24,254,129
Total equity and liabilities	-	284,425,408	274,347,538

Statement of cash flows

For the year ended 31 July 2010

	Note	2010 \$AUD	2009 \$AUD
Cash flows from operating activities			
Payments to suppliers		(220,913)	(287,956)
Interest received		16,164,552	14,991,989
Interest paid		(555,127)	(426,199)
Taxation paid		(1,153,849)	(1,100,000)
Net cash from operating activities	12	14,234,663	13,177,834
Cash flows from financing activities			
Nufarm Step Securities distribution		(14,098,096)	(21,908,315)
Loans - repaid by related parties		1,204	3,519,470
Net cash used in financing activities	-	(14,096,892)	(18,388,845)
Net increase in cash and cash equivalents		137,771	(5,211,011)
Cash and cash equivalents at 1 August		726,577	5,937,588
Cash and cash equivalents at 31 July	7	864,348	726,577

Notes to the financial statement

For the year ended 31 July 2010

SIGNIFICANT ACCOUNTING POLICIES

(A) Reporting entity

Nufarm Finance (NZ) Limited (the "Company") is a company incorporated and domiciled in New Zealand.

The financial statements of the Company are for the year ended 31 July 2010.

Nufarm Finance (NZ) Limited acts as a financing company for the Nufarm Group.

The parent and ultimate parent is Nufarm Limited, an Australian registered and listed company.

The financial statements were authorised for issue by the directors on xxth October 2010.

(B) Statement of compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards (IFRS).

(C) Basis of measurement

The financial statements are prepared on the historical cost basis, except for the derivative financial instruments which are measured at fair value.

(D) Foreign currency

Functional currency

The financial statements are presented in Australian Dollars (\$AUD), which is the Company's functional currency.

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency 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 exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the income statement.

(E) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the financial statement

For the year ended 31 July 2010

SIGNIFICANT ACCOUNTING POLICIES

(E) Use of estimates and judgements (continued)

The 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, where significant estimates have been used.

The most significant areas where management judgement and estimates have been applied is with regard to the recognition of deferred tax asset, hedging and regarding to the valuation of financial instruments. Please refer to notes 6 and 11 for further information.

(F) Cash and cash equivalents

Cash and cash equivalents comprises the cash balances.

(G) Loan and related party receivables

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loan and related party receivables are initially recognised at fair value and subsequently at amortised cost, using the effective interest rate method, less provision for impairment.

(H) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement.

(I) Related party payables and other payables

Related party payables and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

(J) Derivative financial instruments

The Company uses derivative financial instruments, including foreign exchange contracts and interest rate caps, to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. The Company does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Cash Flow Hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to the income statement when the hedged item affects profit or loss.

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Notes to the financial statement

For the year ended 31 July 2010

SIGNIFICANT ACCOUNTING POLICIES

(K) Nufarm Step-up Securities

The Nufarm Step-up Securities (NSS) are perpetual step up securities. 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 restricted if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears.

(L) Impairment

The carrying amounts of the Company's assets are reviewed at each balance date to determine whether there is any indication of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement.

(M) Finance income and expenses

Finance income comprises interest income on cash balances, interest income on loans, foreign currency gains and gains on hedging instruments that are recognised in the income statement. Interest income is recognised as it accrues, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings, foreign currency losses and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in the income statement using the effective interest rate method.

(N) Income tax expense

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 substantively 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 tax purposes. 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.

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

Notes to the financial statement

For the year ended 31 July 2010

SIGNIFICANT ACCOUNTING POLICIES

(O) Earnings per share

The Company 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 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 dilutive potential ordinary shares.

(P) Changes in accounting policies

All accounting policies have been applied consistently to all periods presented in these financial statements.

The International Accounting Standards Board has issued a number of standards, amendments and interpretations which are not yet effective. The company has not applied these in preparing these financial statements and while the application of these standards, amendments and interpretations would require further disclosures, they are not expected to have a material impact on the company's results.

For the year ended 31 July 2010

	2010 \$AUD	2009 \$AUD
1 Finance income		
Interest received from loans to group entities	16,130,862	13,429,832
Other interest received	33,690	1,562,157
Unrealised exchange gain	-	16,742,853
Fair value gain on derivatives	26,913,275	
Net change in fair value of cash flow hedges		
	43,077,827	31,734,84
The Company operates only in the financing industry, a	nd only in New Zealand.	
2 Finance expense		
Interest paid on loans from group entities	(555,127)	(426,00
Other interest paid	(555,127)	(120,00
Unrealised exchange loss	(23,965,589)	(431,26
Fair value loss on derivatives	(23,303,305)	(17,174,11)
Transferred to the income statement from cash	(2,816,932)	(2,816,93
flow hedge reserve	(2,010,332)	(2,010,95)
new nedge reserve	(27,337,648)	(20,848,51
3 Income tax Current tax expense		
Current tax expense	2,944,894	2,944,89
Adjustments for prior years	484,678	(489,39
	3,429,572	2,455,49
Deferred tax expense		2,133,13
Origination and reversal of temporary differences	1,708,726	231,67
Reduction in tax rate	-	-
Adjustments for prior years	_	(280,38
	1,708,726	(48,71
		(10,71)
Income tax expense recognised in income statement	5,138,298	2,406,78
Tax expense/(benefit) recognised directly in equi	itv	
Tax benefit of NSS distribution	(3,794,611)	(6,572,49
Derivatives	-	-
	(3,794,611)	(6,572,49
Reconciliation of effective tax rate		
Reconciliation of effective tax rate	15,512,068	10,588,55
Profit before tax		
Profit before tax		3.176.56
Profit before tax Income tax at company rate 30c	4,653,620	3,176,56
Profit before tax		3,176,56! - (769,776

The Company has imputation credits of \$1,981,679 at 31 July 2010 (2009: \$1,981,679).

For the year ended 31 July 2010

2010	2009
\$AUD	\$AUD

4 Segment reporting

The Company acts as a financing company for the Nufarm Group. It operates solely within the financing industry in New Zealand. It is listed in both Australia and New Zealand as the Nufarm Step-up Securities were issued to holders in both countries. Refer note 5 for an analysis of the geographical regions into which the Company advance funds and received interest income.

5 Related parties

The Company and the related parties below have Nufarm Limited, an Australian registered and listed company as their ultimate parent.

Non-current assets		
Nufarm Americas Inc	127,342,193	137,712,575
Nufarm Holdings BV	83,566,076	96,786,325
	210,908,269	234,498,900
Current assets		
Nufarm Holdings NZ Limited	16,381,756	16,000,000
Croplands Equipment Limited	436,486	323,568
Nufarm Holdings BV	3,710,267	308,825
Nufarm Americas Inc	5,130,198	-
Nufarm Limited NZ Branch	-	247,851
	25,658,707	16,880,244

Included in non-current assets above are the following unsecured variable rate loans:

Nufarm Americas Inc (United States)	USD 114,990,000
Nufarm Holdings BV (Netherlands)	Euro 32,700,000
Nufarm Holdings BV (Netherlands)	GBP 16,000,000
Nufarm Holdings BV (Netherlands)	CAD 8,000,000

The loans are repayable on 24 November 2011. The interest rate is variable based on local rates and is reset on a six monthly basis.

During the year, the Company received interest from Nufarm Americas Inc (United States) \$9,668,726 (2009: \$7,236,964) and Nufarm Holdings BV (Netherlands) \$6,462,136 (2009: \$6,192,868).

The remaining intercompany receivables are interest free, unsecured and repayable on demand.

Current liabilities

Nufarm Holdings NZ Limited	19,061,442	18,800,325
Nufarm Australia Limited	11,081,130	5,426,002
Nufarm Limited NZ Branch	1,936,894	-
	32,079,466	24,226,327

The above intercompany balances are unsecured and repayable on demand.

Interest of \$555,127 was paid during the year on the intercompany loan with Nufarm Australia Limited. The loan attracted interest rates of 4.28% (August-January) and 8.30% (February-July). The Nufarm Holdings NZ Limited and Nufarm Limited NZ Branch loans are interest free.

The Company has completed the following transactions with Nufarm Limited, through their New Zealand branch:

- Audit fees of \$40,000 were paid by the Nufarm Limited NZ Branch on behalf of the Company (2009: \$40,000).
 - The Company paid \$79,035 (2009: \$80,381) fees to Nufarm Limited NZ Branch, for the provision of accounting and administrative services.

The Company did not incur any expenses in relation to key management personnel. Those expenses are incurred by the Company's parent and disclosed in full in the Nufarm Limited financial statements which are publicly available. There were no other transactions with related parties other than the Directors Interests disclosed in the Company Directory.

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For the year ended 31 July 2010

6 Deferred tax assets

Recognised deferred tax assets and liabilities

Deferred tax assets are attributable to the following items:

Assets		
2010 2009		
\$AUD	\$AUD	
-	677,284	
2,559,041	2,912,412	
2,559,041	3,589,696	
	2010 \$AUD - 2,559,041	

The Company has no deferred tax liabilities.

The tax losses have been recognised on the basis of the forecasted operating earnings of the Nufarm Limited New Zealand companies and as management consider it probable that future profits will be available against which they can be utilised.

Movement in temporary differences during the year

	Balance 1-Aug-09 \$AUD	Recognised in profit or loss \$AUD	Reduction in tax rate \$AUD	Recognised in equity \$AUD	Balance 31-Jui-10 \$AUD
Tax benefit of NSS issue costs	782,635	-	-	(782,635)	-
Tax loss carry-forwards	1,570,737	-	-	988,304	2,559,041
Deferred tax assets	2,353,372		-	205,669	2,559,041
	Balance 1-Aug-08	Recognised in profit or loss	Reduction in tax rate	Recognised in equity	Balance 31-Jul-09
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
Tax benefit of NSS issue costs Tax loss carry-forwards	782,635 1,570,737	(105,351) 154,061	-	- 1,187,614	677,284 2,912,412
Deferred tax assets	2,353,372	48,710		1,187,614	3,589,696

The corporate tax rate in New Zealand has changed from 33% to 30%. The reduction in tax rate column recognises the impact of the change on the deferred tax balances.

For the year ended 31 July 2010

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	2010 \$AUD	2009 \$AUD
7 Cash and cash equivalents		
Bank balances Cash and cash equivalents in the	864,348	726,577
statement of cash flows	864,348	726,577

The Company bank accounts are grouped under the Bank of New Zealand Set-Off Deed. Under this arrangement, all the Nufarm New Zealand group bank accounts are offset, with the net funds being placed on call. At 31 July 2010, the bank account was attracting interest at 3.16% (2009: 1.58%).

8 Share capital and reserves

	Share capital \$AUD	Hedging reserve \$AUD	Retained earnings \$AUD	Total equity \$AUD
2009			<u></u>	
Balance at 1 August 2008	9,984,530	(6,261,846)	4,901,163	8,623,847
Profit for the period	-	-	8,181,762	8,181,762
Transferred to profit or loss during the period	-	2,816,932	-	2,816,932
Tax effect of fair value transferred to the income statement		(1,125,461)		(1,125,461)
Nufarm Step-up Securities distribution Tax effect of Nufarm Step-up	-	-	(21,908,315)	(21,908,315)
Securities distribution			6,572,496	6,572,496
Balance at 31 July 2009	9,984,530	(4,570,375)	(2,252,894)	3,161,261
2010				
Balance at 1 August 2009	9,984,530	(4,570,375)	(2,252,894)	3,161,261
Profit for the period	-	-	10,373,770	10,373,770
Transferred to profit or loss during the period	-	2,816,932	-	2,816,932
Tax effect of fair value transferred to income statement	-	(845,079)	-	(845,079)
Nufarm Step-up Securities distribution	-	-	(13,922,701)	(13,922,701)
Tax effect of Nufarm Step-up Securities distribution	-	-	3,794,611	3,794,611
Balance at 31 July 2010	9,984,530	(2,598,522)	(2,007,214)	5,378,794

Notes to the financial statements (continued)

For the year ended 31 July 2010

8 Share capital and reserves (continued)

	Ordinary	shares
Share capital	2010	2009
On issue at 1 August	10,000,000	10,000,000
On issue at 31 July - fully paid	10,000,000	10,000,000

All shares are fully paid and have no par value.

Nufarm Limited, an Australian registered company, is the parent and ultimate parent entity. Nufarm Limited holds 100% of the shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time. They are entitled to one vote per share at meetings of the company. All shares, share equally in both dividends and surplus or deficit, on winding up.

Hedging Reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Nufarm Step-up Securities

In the year ended 31 July 2007 the Company 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 and the Company are restricted if distributions to NSS holders are not made, until such time that the Company 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%.

The step-up date is five years from issue date, and provides the Company with the following options: (a) keep the NSS on issue whereby the margin will be reset or step up by the step-up margin; or (b) redeem the NSS for face value, or (c) exchange them for a number of ordinary shares in Nufarm Limited, the parent company, an Australian registered and listed company. The exchange ratio is calculated based on the average market price of Nufarm Limited ordinary shares for 20 business days prior to exchange date less a 2.5% discount.

The NSS are considered an equity instrument as the Company has no present contractual obligation to deliver cash or another financial asset to the holder of the security. The step up feature does not of itself establish a contractual obligation to pay the distributions or to call the security.

Notes to the financial statements (continued)

For the year ended 31 July 2010

8 Share capital and reserves (continued) Distributions

Distributions recognised in the current year on the Nufarm Step-up Securities are:

	2010	Distribution rate	Total amount	Payment date
Distribution		6.08%	7,609,494	15-Apr-10
Distribution		5.02%	6,313,207	15-Oct-09
	2009			
Distribution		7.48%	9,361,684	15-Apr-09
Distribution		9.97%	12,546,631	15-Oct-08

No dividends to the ordinary shareholders were declared in the current year (2009: Nil).

9 Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 July 2009 was based on the profit attributable to ordinary shareholders of \$9,528,691 (2008: \$17,864,771) and a weighted number of ordinary shares outstanding of 10,000,000 (2008: 10,000,000), calculated as follows:

Profit attributable to ordinary shareholders

	2010 \$AUD	2009 \$AUD
Net profit for the period Net profit/(loss) attributable to	10,373,770	8,181,762
ordinary shareholders	10,373,770	8,181,762

Weighted number of ordinary shares

	Ordinary shares		
	2010	2009	
On issue at 1 August	10,000,000	10,000,000	
On issue at 31 July - fully paid	10,000,000	10,000,000	

At the step-up date of 24 November 2011, the company may elect to redeem the NSS for a number of ordinary shares in Nufarm Limited, the parent company, an Australian registered and listed company. This election would therefore not result in a dilutive impact on the number of ordinary shares issued in the Company.

For the year ended 31 July 2010

10 Contingent liabilities

The company has entered into a Negative Pledge Deed with the Nufarm Group's lenders, whereby all Group entities which are a party to the Deed have guaranteed the repayment of all liabilities to the lenders in the event that any of these companies are wound up. The Company treats the guarantee as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

If a NSS distribution is declared, Nufarm Limited guarantees the payment of the distribution. There were no other contingencies as at 31 July 2010.

11 Financial instruments

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market Risks

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

Interest Rate Risk

The Company has the ability to use derivative financial instruments to manage specifically identified interest rate risks. The Company uses interest rate caps to protect the cash flow impact of a movement in the distribution base rate on the Nufarm Step-up Securities (NSS).

The distribution rate on the NSS is based on a floating rate of the average mid-rate for bills with a term of six months plus a margin of 1.90%. The company has taken interest rate caps with various banks to cap the average mid-rate for bills at 6.275%. This hedging relationship does not qualify for hedge accounting and hence the gain or loss on remeasurement to fair value on the interest rate caps is recognised immediately in profit or loss.

The company does not hedge the exposures to interest rate risk on the cash and loan receivable balances. An increase in interest rates by 100 basis points with all other variables held constant at the reporting date would have resulted in a higher post tax profit of \$2,744,728 (2008: \$7,254,386) mainly as a result of higher interest income from floating rate cash and loan receivables and higher fair value on the interest rate caps. Equity would have been \$2,469,322 (2008: \$2,469,321) lower as a result of an increase in the distribution on the NSS. A decrease in interest rates by the same basis points with all other variables held constant at reporting date would have resulted in a lower post tax profit of \$2,230,777 (2008: \$5,770,406). Equity would have had the equal but opposite effect.

Foreign exchange risk

The Company uses derivative financial instruments to manage specifically identified foreign currency risks on borrowings that are denominated in a currency other then the functional currency of the Company, which is Australian dollars. The Company is exposed to foreign currency risk on the loan receivables from related parties. The currencies in which the borrowings are primarily denominated are US dollars, the Euro, the British Pound and the Canadian dollar.

Notes to the financial statements (continued)

For the year ended 31 July 2010

11 Financial instruments (continued) Foreign exchange risk (continued)

The company used foreign exchange contracts to hedge the foreign currency exposures arising from the related party receivables. In the previous year management designated the foreign currency loan receivables and foreign exchange contracts into a cash flow hedge relationship. During the period, hedge accounting was not achieved, however the economic hedge is still considered effective.

Therefore the fair value gains or losses on the forward exchange contracts will be recognised in the profit or loss. The cumulative gain or loss previously recognised in equity is recognised and transferred to profit and loss when the hedged item affects profit or loss. The cash flows associated with the foreign exchange contracts are expected to occur by 24 November 2011.

At 31 July 2010, the foreign exchange contracts designated in a hedge relationship had a fair value of NIL (2009: NIL).

As the hedge relationship is economically highly effective, changes in spot exchange rates will have no material impact on the Company's equity and profit or loss.

Credit Risk

Credit risk arises from cash and derivative financial instruments with banks, as well as loans and outstanding receivables to related parties. The related parties and the Company have Nufarm Limited, an Australia registered company, as their parent entity. For banks, only independently rated parties with a minimum rating of AA are accepted. The Company has credit policies in place and the exposure to credit risk is monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet. The carrying amounts of the Company's assets are reviewed at each balance date to determine whether there is any indication of impairment.

The maximum exposure to credit risk at the reporting date was:

	Carrying Amount		
	2010	2009	
	\$AUD	\$AUD	
Loans receivable-related parties	210,908,269	234,498,900	
Receivables-related parties	25,658,707	16,880,244	
Cash and cash equivalents	864,348	726,577	
Forward exchange contracts	43,488,432	15,650,587	
Interest rate options	42,563	967,133	
	280,962,319	268,723,441	

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the income statement.

There was no impairment loss recognised during the period in the income statement.

Liquidity Risk

Liquidity risk represents the Company's ability to meet its contractual obligations. The company evaluates its liquidity requirements on an ongoing basis and has sufficient liquid assets at 31 July 2010 to reduce its exposure to liquidity risk to an acceptable level for the next 12 months.

The Company's largest liquidity exposure relates to the NSS security which is classified as equity and has a step-up date of 24 November 2011. The liquidity risk is immaterial because it is offset by the related party receivables with a matching maturity date, distributions on the NSS security are at the discretion of the issuer, and the issuer has multiple options at the set-up date. Refer to Note 5 and Note 8 for details.

All amounts relating to account payables are due within the next six months.

For the year ended 31 July 2010

11 Financial instruments (continued)

Liquidity risk (continued)

The tables below present the Company's cash flows by remaining contractual maturities as at balance date. The amounts disclosed in the tables are the contractual undiscounted cash flows and therefore, will not agree to the carrying values on the balance sheet. 2010

	2010				
	Within 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total Contractual Cash Flows
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
Non-derivative financial assets					
Cash and cash equivalents	(864,348)	-	-	-	(864,348)
Receivables - related parties	(25,658,707)	-	-	-	(25,658,707)
Loan receivable - related parties	(877,685)	(1,089,137)	(3,751,599)	(236,172,866)	(241,891,287)
Non-derivative financial liabilities					
Payables - other	35,039	-	-	-	35,039
Payables - related parties	32,079,466	-	-	-	32,079,466
Derivative financial liabilities/(assets) Foreign exchange contracts					
- Inflows	-	-	-	(270,675,840)	(270,675,840)
- Outflows	-	-	-	210,908,269	210,908,269
Net settled derivatives Interest rate caps	_	_	-	(299,632)	(299,632)
	4,713,765	(1,089,137)	(3,751,599)	(296,240,069)	(296,367,040)
			(1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.1.		
			2009		
	Within 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Total Contractual Cash Flows
Non-derivative financial assets	months \$AUD	months and 1 year	and 2 years	and 5 years	Contractual Cash Flows \$AUD
Cash and cash equivalents	months \$AUD (726,577)	months and 1 year	and 2 years	and 5 years	Contractual Cash Flows \$AUD (726,577)
Cash and cash equivalents Receivables - related parties	months \$AUD (726,577) (16,880,244)	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD -	Contractual Cash Flows \$AUD (726,577) (16,880,244)
Cash and cash equivalents	months \$AUD (726,577)	months and 1 year	and 2 years	and 5 years	Contractual Cash Flows \$AUD (726,577)
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities	months \$AUD (726,577) (16,880,244) (877,685)	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD -	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287)
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities Payables - other	months \$AUD (726,577) (16,880,244) (877,685) 27,802	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD -	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287) 27,802
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities	months \$AUD (726,577) (16,880,244) (877,685)	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD -	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287)
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities Payables - other	months \$AUD (726,577) (16,880,244) (877,685) 27,802	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD -	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287) 27,802
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities Payables - other Payables - related parties Derivative financial liabilities/(assets) Foreign exchange contracts - Inflows	months \$AUD (726,577) (16,880,244) (877,685) 27,802	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD - (236,172,866) - - (270,675,840)	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287) 27,802 24,226,327 (270,675,840)
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities Payables - other Payables - related parties Derivative financial liabilities/(assets) Foreign exchange contracts	months \$AUD (726,577) (16,880,244) (877,685) 27,802	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD - (236,172,866) - -	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287) 27,802 24,226,327
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities Payables - other Payables - related parties Derivative financial liabilities/(assets) Foreign exchange contracts - Inflows - Outflows Net settled derivatives	months \$AUD (726,577) (16,880,244) (877,685) 27,802	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD - (236,172,866) - - (270,675,840) 234,498,900	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287) 27,802 24,226,327 (270,675,840) 234,498,900
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities Payables - other Payables - related parties Derivative financial liabilities/(assets) Foreign exchange contracts - Inflows - Outflows	months \$AUD (726,577) (16,880,244) (877,685) 27,802 24,226,327	months and 1 year \$AUD - (1,089,137) - - - - - - - - - - - - -	and 2 years \$AUD - (3,751,599) - - - -	and 5 years \$AUD - (236,172,866) - (270,675,840) 234,498,900 (299,632)	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287) 27,802 24,226,327 (270,675,840) 234,498,900 (299,632)
Cash and cash equivalents Receivables - related parties Loan receivable - related parties Non-derivative financial liabilities Payables - other Payables - related parties Derivative financial liabilities/(assets) Foreign exchange contracts - Inflows - Outflows Net settled derivatives	months \$AUD (726,577) (16,880,244) (877,685) 27,802	months and 1 year \$AUD -	and 2 years \$AUD -	and 5 years \$AUD - (236,172,866) - - (270,675,840) 234,498,900	Contractual Cash Flows \$AUD (726,577) (16,880,244) (241,891,287) 27,802 24,226,327 (270,675,840) 234,498,900

The above table reflects expected maturities, except for the following; Related party receivables of \$258 million is expected after five years. Related party payables of \$24.2 million is expected after five years.

For the year ended 31 July 2010

11 Financial instruments (continued)

Fair Valuation

The carrying values of the financial assets and liabilities reflected in the tables below approximate their fair values.

2010	Derivative Assets at Fair value \$AUD	Loans and Receivables \$AUD	Other Financial Liabilities \$AUD	Carrying Value \$AUD
Assets as per Balance Sheet Cash and Cash Equivalents		064 240		
Loans Receivable - Related Parties	-	864,348	-	864,348
	-	210,908,269	-	210,908,269
Derivative assets used for risk management - Foreign exchange contracts	42,400,422			
	43,488,432	-	-	43,488,432
- Interest rate options	42,563		-	42,563
Related party receivables		25,658,707		25,658,707
Total	43,530,995	237,431,324	••	280,962,319
Liabilities as per Balance Sheet				
Account payables	-	-	35,039	35,039
Loans Payable - Related Parties	-	-	32,079,466	32,079,466
Total	+	-	32,114,505	32,114,505
2009				
Assets as per Balance Sheet				
Cash and Cash Equivalents		706 577		
Loans Receivable - Related Parties	-	726,577	-	726,577
Derivative assets used for risk management	-	234,498,900	-	234,498,900
- Foreign exchange contracts	15,650,587			
- Interest rate options	967,133			15,650,587
Related party receivables	507,155	16,880,244	_	967,133
Total	16,617,720	252,105,721		<u>16,880,244</u> 268,723,441
	10,017,720	232,103,721		200,723,441
Liabilities as per Balance Sheet				
Account payables	-	-	27,763	27,763
Loans Payable - Related Parties	-	-		
Related Party payables	-	-	24,226,327	24,226,327
Total			24,254,090	24,254,090

Derivatives

Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. Fair value is estimated using discounted cash flow models or option pricing models as appropriate using market inputs without any reliance on entity specific inputs. Market inputs include market interest rates, market interest rates level of volatility and quoted foreign exchange rates.

Loans and Receivables

Cash and cash equivalents and related party receivables are short term in nature and the related carrying value is equivalent to the fair value. Loan receivable-related parties are floating rate loans, therefore the carrying value is considered a reasonable estimate of their fair value.

Other Financial Liabilities

All the balances under this classification are short term in nature and thus the related carrying values are equivalent to their fair value.

Capital Management

The Company's capital includes share capital, reserves, retained earnings and the Nufarm Step-up Securities. The Company is part of the Nufarm Limited group, which is an Australian listed company. The Nufarm Group'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 Company's capital management policies are reviewed regularly by the Directors. There have been no material changes in the Company's management of capital during the period.

For the year ended 31 July 2010

	2010 \$AUD	2009 \$AUD
	ΨΛΟΡ	
2 Reconciliation of the profit for the period		
with the net cash flow from operating acti	vities	
Profit for the period	10,373,770	8,181,762
Adjustments for:		
Unrealised exchange gain	-	(16,742,854
Unrealised exchange loss	23,965,589	431,268
Fair value loss on derivatives	(26,913,275)	17,174,116
Net change in fair value of cash flow hedges	-	-
Transferred from Hedging reserve	2,816,932	2,816,932
Non-cash movement in related party	-	-
Income tax expense	5,138,298	2,406,789
	15,381,314	14,268,013
Change in other payables	7,198	9,821
Change in related party receivable	, -	, _
Change in related party payables	-	-
Income tax paid	(1,153,849)	(1,100,000
Net cash from operating activities	14,234,663	13,177,834

13 Commitments

There were no commitments as at 31 July 2010 (2009: Nil).

14 Subsequent Events

There were no subsequent events to report after 31 July 2010.