Nufarm Limited ACN 091 323 312
103-105 Pipe Road, Laverton North, VIC Australia 3026
Telephone: (03) 9282 1000 Facsimile: (03) 9282 1111
Postal Address: PO Box 103, Laverton, VIC Australia 3028

Report to Shareholders
6 months ended January 31, 2011

March 28, 2011

Nufarm Limited has generated an operating net profit of $22.7 million for the six months ending January 31, 2011. This compares to a net operating loss of $4.2 million in the same period last year. After allowing for material items, the interim headline result for 2011 is a net profit of $4.4 million. The headline result for the first six months of 2010 was a loss of $40 million.

Excluding the impact of material items, operating earnings before interest and tax (EBIT) were $48.4 million, an increase of more than 154% on the $19.1 million EBIT result recorded in the first six months of the previous year.

The 2011 interim results represent a significant improvement in the performance of the business compared to the first six months of the 2010 financial year.

Group sales were $900 million, slightly up on the $887 million in the previous corresponding period. Excluding glyphosate sales, group revenues increased by 15% ($696 million v $604 million).

Net working capital at January 31, 2011 of $1.01 billion is a $109 million reduction from January 2010 levels. Lower inventories and receivables were the major contributor to the improved working capital outcome.

Net debt at January 31, 2011 was $649 million, significantly down on the $1.03 billion net debt position recorded at the end of the interim period in 2010. The company's gearing ratio (net debt to equity) was 39% (69% at January 31, 2010).

No dividend was declared in respect of the half year period.

Material items

The headline profit of $4.4 million includes material items that generated net costs of $18.3 million. Approximately $8 million was associated with one-off fees relating to the 2010 refinancing process and external consultancy costs relating to the strategic review. The balance comprises one-off restructuring costs, particularly in Brazil ($4.5m); a 'mark-to-market' revaluation loss on Nufarm's Step-up Securities ($4.2m); and various regulatory and legal costs.

Nufarm

Review of operations

The 2011 period benefited from positive climatic conditions in Australia; an improved operating environment and the initial benefits of restructuring initiatives in Brazil; and the absence of negative impacts associated with high cost glyphosate inventory, which weighed heavily on the business last financial year.

The company also made important progress in diversifying its sales into higher value product segments. This helped lift the company's gross profit to 26%, compared to 20% in the corresponding period last year. When material items are included in the gross profit calculation, the comparison is 26% in first half 2011 versus 15% in 2010, due to the substantial glyphosate-related writedowns in the previous year.

Australasia

The Australasian region (Australia, New Zealand and Asia) generated $395 million in first half sales, accounting for 44% of total revenues in the period. This compares with $292 million in revenue for the first half of 2010 (33% of total).

Crop protection sales in Australia ($288 million) were up by some 37% on the previous corresponding period. The Australian business generated stronger gross margins, with increased sales of higher margin products. Significant rainfall in the Eastern and Southern states of Australia over the summer period generated strong demand for a broad range of products as growers in those regions took advantage of positive cropping conditions. Despite some negative impacts associated with flooding, summer cropping programs relating to cotton and horticulture were particularly strong. Western Australia remained relatively dry with some winter crop failures and relatively little summer weed control.

New Zealand sales were slightly up on the previous period and margins were stronger. Asian sales increased by some 20%, with the Indonesian business again posting strong gains.

On a segment basis, Australasia reported an operating profit of $49.7 million, well up on the previous period (2010:$12.3m).

North America

First half sales in North America were $175 million. This represents a 19% fall on the revenues recorded in the first half of 2010, with significantly lower glyphosate sales accounting for the difference. The North American segment profit was up from $3.1 million in the first half 2010 to $5 million in the 2011 reporting period.

Glyphosate sales in the USA were substantially lower than in the previous corresponding period ($19 million versus $74 million), reflecting strong competition in the market and a management decision to withdraw from some lower value volume-based market segments. In the first half of the 2010 financial year, the company made early sales of glyphosate in the USA in an effort to clear excess inventory.

High crop prices helped support strong demand for a number of other Nufarm products, including phenoxy herbicides and various products sold into crops such as cotton which experienced increased plantings. The company's industrial vegetative management (IVM) business increased market share and profitability, however, business was limited in the turf and ornamental business due to the dry autumn.

Product demand in Canada was dampened due to higher than normal channel inventories resulting from last year's major flooding in cropping regions in the west of the country. The winter in Canada has been cold with above average snow accumulation in some regions. This poses some risk on spring 2011 seeded acres if fields continue to be flooded.

South America

Segment sales in South America were $173 million, compared to $220 million in the first six months of the previous year. The segment result showed an operating profit of $7.5 million, compared to a profit of $0.2 million in the first half of 2010.

There was a late start to the cropping season in Brazil and Argentina due to dry weather and this impacted timing of sales and disease pressure, which was low compared to previous years.

Despite sales declining by some 30% half on half ($125m v $179m), the Brazilian business generated improved margins and an operating EBIT of $6.8 million, compared to a loss of $1.9 million at the operating EBIT level in the first half of 2010. A higher margin product mix, with substantially lower sales of glyphosate, helped improve the profitability of the business. While the market remained very competitive, Nufarm was able to achieve some price increases and extended its reach into segments such as cotton and pasture. Initial sales of several products sourced from Sumitomo Chemical Company, under new distribution arrangements, were excellent.

Several restructuring and management changes were implemented in the Brazil business during the interim period. A major initiative involved changing from a commission based sales force to a salaried sales structure and extending the company's sales coverage into additional areas. This change involved costs totalling some $4.5 million which were recorded as a one-off material item.

Supply of several products to Nufarm's Argentina business was interrupted due to a fire in a tolling facility. This impacted sales of a number of relatively high margin products in the peak selling season. While overall sales for the period were slightly higher ($33m v $30m), margins were lower.

Europe

Revenues in Europe declined by almost 8% to $158 million. Segment profit was significantly lower ($4.3 million versus $19.2 million in the previous period), with a higher proportion of technical sales; adverse climatic conditions; and reduced plantings in markets such as France contributing to the lower profit result.

A dry autumn, followed by heavy rainfall and an early start to winter led to reductions in plantings of oilseed rape (canola) and cereals in a number of European markets. This negatively impacted selling opportunities of a number of relatively high margin products and encouraged strong competition among crop protection supply companies. As in other regional markets, glyphosate pricing remained very competitive.

MCPA production and sales were down on the previous period, with lower demand from Canada – a major MCPA market – being the major contributor.

Strong crop prices helped drive improved sales towards the end of the period, with Nufarm's European based production facilities supplying higher levels of phenoxy herbicide to key technical customers. These sales generate lower margins, however demand is expected to be strong for branded phenoxy herbicide products in the second half of the financial year.

Key product segments

Glyphosate

As anticipated, pricing for glyphosate remained very competitive during the period. Nufarm did not participate in selling activity where the company judged that margins were inadequate, and this led to a significant reduction on total glyphosate sales compared to the first six months of 2010.

Glyphosate sales totalled $204 million, some 28% down on the first six months of 2010. However, these sales generated a gross margin of $30.7 million (15%), an increase of more than 70% on the margin generated from 2010 first half sales (gross margin of 6%).

Nufarm's glyphosate sales were significantly down in Brazil and the USA, with very strong competitive pressures ensuring that pricing remained low.

Increased moisture in Australia helped drive demand for glyphosate, particularly in the Eastern and Southern states. Nufarm glyphosate sales were up on the previous corresponding period, with a focus on the higher margin segments of the market where Nufarm has a number of differentiated offerings. Competition in non-differentiated segments remains high, with Nufarm forfeiting some market share in that space.

Nufarm's 'Roundup' business in Indonesia performed very strongly and the brand continues to attract strong market support.

Other herbicides

Herbicides other than glyphosate recorded first half sales of $367 million, an increase of 16% on the previous first half. These sales generated a gross margin of 30% (20101H: 33%).

Higher technical sales and negative currency impacts associated with Australian export sales of 2,4-D contributed to slightly lower margins on phenoxy herbicide sales in the first half period. Seasonal conditions and strong crop prices are currently driving strong demand for phenoxy herbicides, with a positive outlook for this important product group over the course of the full year.

New herbicide products were launched in Australia, Europe and South America during the period, with a focus on differentiated mixtures.

Insecticides

Sales of insecticide products increased from $91 million in the first half of 2010 to $105 million in the reporting period. Average gross margins on insecticide sales increased from 32% to 37%, generating a much improved total gross margin contribution.

Imidacloprid sales were negatively impacted by climatic conditions in European markets, but experienced strong demand in both Australia and South America. Nufarm's differentiated formulations continued to secure very good market penetration.

Locust pressure in Australia underpinned strong sales of a number of insecticide products used in this segment.

Fungicides

Fungicide sales ($115 million) were up some 26% on the previous first half period, with average gross margins improving from 28% to 32%.

Sales and margins were up strongly in Australasia, with increases also recorded in North America and South America. European fungicide sales were lower due to climatic conditions.

The record high rainfall experienced in large areas of Australia contributed to high disease pressure in a range of crops. Nufarm also registered strong initial sales of a Sumitomo sourced fungicide in Brazil and achieved new registrations for several products in global markets.

Seeds and seed treatment

The first half of 2011 saw strong growth associated with Nufarm's expanding position in seeds and seed treatment. Sales in these segments almost doubled to a total of just over $41 million and generated a combined average gross margin of 51%. (Most seed treatment product sales are currently captured in the broader insecticide and fungicide product segments)

Nuseed continued to focus on its core positions in sorghum, sunflower and canola seed, with marketing and operational hubs now established in Australia, the USA and Argentina. Several important new appointments were also made to strengthen Nuseed's management team.

Increased sales and stronger market shares were achieved in various niche market segments including elite confection sunflower in China; high oleic sunflowers in Australia; and several varieties of sorghum hybrids in the Americas and other markets. Standard grain sorghum varieties saw reduced demand due to increased plantings of cotton and corn in some regions. Nuseed continued to secure a strong position in the Australian canola seed market.

A number of new seed treatment registrations were secured in markets around the world. Agreements were also finalised with several major seed companies for the supply of seed treatment chemistry.

Sumitomo agreements

During the first half period, a number of distribution, research and development, and toll manufacturing agreements were executed with Sumitomo Chemical Company (a 20% shareholder in Nufarm Limited).

Initial sales of several Sumitomo products in markets such as Brazil exceeded expectations and both companies continue to explore areas where commercial co-operation can add value to both businesses.

Refinancing

Nufarm completed a refinancing of its balance sheet in December of 2010. A $900 million syndicated facility was put in place on December 15 and provides funding support for a period of 12 months. Syndicate bankers include Rabobank, ANZ, NAB and HSBC. Rabobank has been mandated to finalise longer term debt facilities, including a $300 million asset backed securitisation facility. Significant progress is being made in that respect and the company is very confident that these arrangements will be in place within the 12 month timeframe.

Outlook

The improvement in operating performance over the first six months of the 2011 financial year represents important progress in the earnings recovery of the business.

A strong pipeline of development projects continues to deliver new products to the business. The positive impact of these product introductions and various business improvements will facilitate a diversification of Nufarm's product portfolio and additional growth into higher value market segments. With the substantial reduction in earnings contributions from glyphosate – previously a very large component of the company's business – the benefit of these changes will take time to be fully realised.

Nufarm's earnings prospects for the balance of the current financial year are dependent on a number of factors outside of the company's control. Seasonal and climatic conditions in key markets over the next few months will be an important determinant of product demand and various competitive pressures will help determine the pricing environment. A continuation of high soft commodity prices is, however, a positive driver for agricultural inputs in general.

Australian conditions are relatively positive in the eastern and southern states, while the important West Australian cropping region remains very dry and will require meaningful rainfall to drive planting activity.

Timely and average spring conditions in the northern hemisphere will be required to facilitate selling opportunities for Nufarm's portfolio in those markets. A more diversified product portfolio and several second half product launches are expected to see Nufarm's Brazil business generate increased earnings for the full year.

Given average to positive climatic and pricing conditions in the company's major second half markets, Directors are confident that the company will generate a full year operating profit that represents a strong improvement on last year's result.

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Further information: Corporate Affairs
☎ (61 3) 9282 1177

Nufarm Limited

12 months ended 31 July 2010		Consolidated 6 months ended 31 Jan 2011	6 months ended 31 Jan 2010	% change
	RESULTS FOR ANNOUNCEMENT TO THE MARKET			
	TRADING RESULTS ($000)			
2,168,630	Revenue from ordinary activities	900,588	887,466	1%
	Profit from ordinary activities after tax attributable to members			
58,566	- Before material items	22,700	(4,240)	635%
(23,990)	- After material items	4,441	(39,986)	111%
	Net profit attributable to members			
58,566	- Before material items	22,700	(4,240)	635%
(23,990)	- After material items	4,441	(39,986)	111%

DISTRIBUTION TO SHAREHOLDERS

Dividends	Amount per security	Franked amount per security
No final dividend was paid for the period ending 31 July 2010	-	-
Dividend paid per ordinary share on 13 November 2009	15c	-

No interim dividend is proposed for the six month period ended 31 January 2011
No interim dividend was paid for the six month period ended 31 January 2010

Nufarm step-up securities distribution

	Distribution rate	Total amount $000	Payment date
Nufarm Step-up Securities distribution	6.71%	8,444	15-Oct-10
Nufarm Step-up Securities distribution	6.08%	7,609	15-Apr-10

OTHER SUMMARY DATA

31 July 2010	**RATIOS**	**31 Jan 2011**	**31 Jan 2010**
35%	Gearing ratio (net debt/equity)	39%	69%
57%	Equity ratio	51%	46%
$3.45	Net tangible assets per ordinary share	$3.31	$3.07
3,154	Staff employed	3,195	3,150

Directors' report

The board of directors of Nufarm Limited has pleasure in submitting its report together with the consolidated financial statements for the six month period ended 31 January 2011 and the auditor's review report thereon.

Directors

The names of the directors in office during the period were:

DG McGauchie AO (chairman)
GDW Curlewis (retired 2 December 2010)
DJ Rathbone AM
AB Brennan (appointed 10 February 2011)
Dr RJ Edgar
Dr WB Goodfellow
GA Hounsell
Dr JW Stocker AO

Except as noted, all directors held their position as a director throughout the entire period and up to the date of this report.

Principal activities

Nufarm Limited 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 3,195 people at its various locations.

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 group for the six months to 31 January 2011 is $4.441 million, after including the material items described in note 9. The comparable figure for the six months to 31 January 2010 was a net loss of $39.986 million.

Review of operations

The review of operations forms part of the report to shareholders.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is enclosed and forms part of the directors' report for the six months ended 31 January 2011.

Rounding of amounts

The parent entity is a company of the kind specified in Australian Securities and Investments Class Order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and the directors' report have been rounded to the nearest thousand dollars unless specifically stated otherwise.

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

DG McGauchie AO	DJ Rathbone AM
Director	Director

Melbourne, 28 March 2011

Nufarm Limited

Condensed consolidated income statement

for the six months ended 31 January 2011

	Note	31 Jan 2011 $000	31 Jan 2010 $000
Revenue		**900,588**	**887,466**
Cost of sales		(665,244)	(756,228)
Gross profit		**235,344**	**131,238**
Other income		7,825	10,410
Sales, marketing and distribution expenses		(113,603)	(88,026)
General and administrative expenses		(79,426)	(70,846)
Research and development expenses		(20,783)	(17,697)
Share of net profits/(losses) of associates	11	1,362	(632)
Operating result		**30,719**	**(35,553)**
Net revaluation profit/(loss) on proceeds from Nufarm step-up securities financing	5	(5,954)	2,788
Profit / (Loss) before net financing costs and income tax		**24,765**	**(32,765)**
Financial income		2,952	2,619
Financial expenses		(25,917)	(29,153)
Net financing costs		(22,965)	(26,534)
Profit / (Loss) before tax		**1,800**	**(59,299)**
Income tax benefit		2,581	19,324
Profit / (Loss) for the period		**4,381**	**(39,975)**
Attributable to:			
Equity holders of the parent	13	4,441	(39,986)
Non-controlling interest	13	(60)	11
Profit / (Loss) for the period		**4,381**	**(39,975)**
Earnings per share attributable to ordinary equity holders			
Basic earnings per share	13	(0.6)	(20.4)
Diluted earnings per share	13	(0.6)	(20.4)

The condensed consolidated income statement is to be read in conjunction with the attached notes.

Condensed consolidated statement of comprehensive income

for the six months ended 31 January 2011

	Note	31 Jan 2011 $000	31 Jan 2010 $000
Net profit / (loss) for the period		4,381	(39,975)
Other comprehensive income			
Foreign exchange translation differences for foreign operations	5	(79,843)	(53,107)
Actuarial gains/(losses) on defined benefit plans		974	(5,240)
Other comprehensive income / (loss) for the period, net of income tax		(78,869)	(58,347)
Total comprehensive income / (loss) for the period		(74,488)	(98,322)
Attributable to:			
Shareholders of the company		(74,428)	(98,333)
Non-controlling interest		(60)	11
Total comprehensive income / (loss) for the period		(74,488)	(98,322)

The condensed statement of comprehensive income is to be read in conjunction with the attached notes.

Nufarm Limited

Condensed consolidated balance sheet

As at 31 January 2011

	Note	31 Jan 2011 $000	31 Jan 2010 $000	31 July 2010 $000
Current assets				
Cash and cash equivalents		321,752	56,179	188,741
Trade and other receivables	4	847,844	899,326	852,986
Inventories		646,002	726,813	553,432
Current tax assets		58,053	48,035	42,461
Assets held for sale	15	8,155	7,907	7,677
Total current assets		1,881,806	1,738,260	1,645,297
Non-current assets				
Receivables		12,818	25,368	19,342
Equity accounted investments	11	12,108	11,377	11,964
Other investments		6,509	7,790	6,879
Deferred tax assets		144,865	191,141	150,323
Property, plant and equipment		395,543	427,446	413,235
Intangible assets		801,599	826,036	846,759
Other		1	383	43
Total non-current assets		1,373,443	1,489,541	1,448,545
TOTAL ASSETS		3,255,249	3,227,801	3,093,842
Current liabilities				
Bank overdraft		12,989	31,101	28,036
Trade and other payables		482,781	505,505	393,868
Loans and borrowings		945,531	858,959	766,128
Employee benefits		20,850	18,145	22,330
Current tax payable		4,498	3,927	5,565
Provisions		7,532	20,104	11,763
Total current liabilities		1,474,181	1,437,741	1,227,690
Non-current liabilities				
Payables		14,609	27,409	15,849
Loans and borrowings		12,427	197,708	13,633
Deferred tax liabilities		48,554	33,374	47,890
Employee benefits		35,971	35,480	38,889
Total non-current liabilities		111,561	293,971	116,261
TOTAL LIABILITIES		1,585,742	1,731,712	1,343,951
NET ASSETS		1,669,507	1,496,089	1,749,891
Equity				
Issued capital		1,058,763	812,444	1,058,578
Reserves		(151,547)	(66,111)	(71,704)
Retained earnings		514,576	501,994	515,242
Equity attributable to equity holders of the parent		1,421,792	1,248,327	1,502,116
Nufarm Step-up Securities		246,932	246,932	246,932
Non-controlling interest		783	830	843
TOTAL EQUITY		1,669,507	1,496,089	1,749,891

The condensed consolidated balance sheet is to be read in conjunction with the attached notes.

Nufarm Limited

Condensed consolidated statement of changes in equity

for the six months ended 31 January 2011

	Attributable to equity holders of the Company								
	Share Capital $000	Translation Reserve $000	Other Reserves $000	Capital Profit Reserve $000	Retained Earnings $000	Nufarm Step-up Securities $000	Total $000	Non-controlling Interest $000	Total Equity $000
Balance at 1 August 2009	810,504	(46,633)	2,340	33,627	584,348	246,932	1,631,118	821	1,631,939
Total comprehensive income for the period	-	(53,105)	-	-	(45,226)	-	(98,331)	9	(98,322)
Transactions with owners, recorded directly in equity									
Shares issued and accrued to employees	698	-	(1,098)	-	-	-	(400)	-	(400)
Dividends paid to shareholders	-	-	-	-	(32,709)	-	(32,709)	-	(32,709)
Distributions to Nufarm Step-up Security holders	-	-	-	-	(4,419)	-	(4,419)	-	(4,419)
Balance at 31 January 2010	811,202	(99,738)	1,242	33,627	501,994	246,932	1,495,259	830	1,496,089
Balance at 1 August 2010	1,057,861	(105,331)	717	33,627	515,242	246,932	1,749,048	843	1,749,891
Total comprehensive income / (loss) for the period	-	(79,843)	-	-	5,415	-	(74,428)	(60)	(74,488)
Transactions with owners, recorded directly in equity									
Shares issued and accrued to employees	312	-	(127)	-	-	-	185	-	185
Distributions to Nufarm Step-up Security holders	-	-	-	-	(6,081)	-	(6,081)	-	(6,081)
Balance at 31 January 2011	1,058,173	(185,174)	590	33,627	514,576	246,932	1,668,724	783	1,669,507

The condensed consolidated statement of changes in equity is to be read in conjunction with the attached notes.

Nufarm Limited

Condensed consolidated statement of cash flows

for the six months ended 31 January 2011

	Note	31 Jan 2011 $000	31 Jan 2010 $000
Cash flows from operating activities			
Cash receipts from customers		930,181	793,976
Cash paid to suppliers and employees		(932,272)	(762,866)
Cash generated from operations		(2,091)	31,110
Interest received		2,952	2,619
Dividends received		282	199
Interest paid		(25,917)	(29,154)
Income tax paid		(11,043)	(26,396)
Net cash used in operating activities		(35,817)	(21,622)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		223	278
Proceeds from sales of business and investments		3,812	-
Payments for plant and equipment		(18,639)	(29,000)
Purchase of businesses, net of cash acquired		-	(22,583)
Payments for acquired intangibles and major product development expenditure		(13,769)	(25,374)
Net investing cash flows		(28,373)	(76,679)
Cash flows from financing activities			
Net proceeds from borrowings	16	226,463	114,034
Distribution to NSS holders		(8,444)	(6,313)
Dividends paid	13	-	(32,709)
Net financing cash flows		218,019	75,012
Net increase/(decrease) in cash and cash equivalents		153,829	(23,289)
Cash and cash equivalents at the beginning of the year		160,705	48,643
Exchange rate fluctuations on foreign cash balances		(5,771)	(276)
Cash and cash equivalents at the end of the year		308,763	25,078

The condensed consolidated statement of cash flows is to be read in conjunction with the attached notes.

Condensed notes to the consolidated interim financial report

1 Reporting entity

Nufarm Limited (the 'company') is domiciled in Australia. The condensed consolidated interim financial statements of the company as at and for the six months ended 31 January 2011 comprises the company and its subsidiaries (together referred to as the 'group') and the group's interest in associates and jointly controlled entities.

The consolidated annual financial statements of the group as at and for the year ended 31 July 2010 are available upon request from the company's registered office at 103-105 Pipe Road, Laverton North, Victoria, Australia or at http://www.nufarm.com.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with AASB 134: *Interim Financial Reporting.* They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 31 July 2010.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 March 2011.

3 Accounting policies

(a) Significant accounting policies

The accounting policies applied by the group in these condensed consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements as at and for the year ended 31 July 2010.

None of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board are considered relevant to the group results and disclosures as at and for the six months ended 31 January 2011.

(b) Comparatives

Where applicable, various comparative balances have been reclassified to align with the current period presentation. These amendments have no material impact on the consolidated interim financial report.

4 Estimates

The preparation of the interim financial report 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.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2010.

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 and 2010 financial years, and the 2011 interim period. 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 is being contested by the supplier. Nufarm has obtained legal advice on this matter and will vigorously pursue its claim. Nufarm is confident it will recover the amount owing, which at 31 January 2011 is $58.9 million (31 July 2010: $52.7 million).

5 Financial risk management

The group uses foreign exchange contracts and interest rate caps to manage the foreign currency and interest rate exposures between the Nufarm Step-up Securities issued in Australia and New Zealand, and the group funding to several jurisdictions to which the funds were advanced. The foreign exchange contracts cover the exposure on the principal advanced to group companies in US dollars, Euros, the British Pound and the Canadian dollar. As part of the re-financing of the group as detailed in note 16, the foreign exchange contracts were closed out on 28 September 2010. The cash gain realised on the close out of the hedges was $54.5 million. The unrealised loss on the revaluation of the Nufarm Step-up Security related party loans is $60.4 million. The interest rate caps hedge the interest rate risk on the distribution to Nufarm Step-up Security holders. The distribution rate is the average mid-rate for bills with a term of six months plus a margin of 1.90%.

Other aspects of the group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 July 2010.

The movement in the foreign currency translation reserve relates to the translation differences from converting the net assets of overseas subsidiaries from their functional currencies to the presentation currency of the group, which is Australian dollars. The difference arises from the rate conversion over the relevant reporting period.

6 Segment reporting

Segment information is presented in respect of the group's business and geographic segments. The primary format, geographic segments, is 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 and the Central American countries. The South America region includes Brazil, Argentina, Chile, Uruguay, Paraguay, Bolivia and the Andean region.

In presenting information on the basis of geographic segments, segment revenue is based on the geographic location of customers. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly interest-bearing loans, borrowings and expenses, and corporate assets and expenses. Inter-segment pricing is determined on an arm's length basis.

	Australasia $000	Europe $000	North America $000	South America $000	Corporate $000	Consolidated $000
			2011			
Geographic segments						
Revenue						
Total segment revenue	394,980	158,224	174,695	172,689	-	900,588
Results						
Operating earnings	38,871	5,799	4,804	1,311	(18,296)	32,489
Exchange gains/(losses)	9,920	(1,824)	193	6,192	44	14,525
Share of net profit/(losses) of associates	907	369	-	-	86	1,362
Segment result	49,698	4,344	4,997	7,503	(18,166)	**48,376**
Material items of income/(expense) (Note 9)	-	(791)	(64)	(5,114)	(11,688)	(17,657)
Net non-cash revaluation loss on proceeds from Nufarm step-up securities financing	-	-	-	-	(5,954)	(5,954)
Segment result including material items	49,698	3,553	4,933	2,389	(35,808)	**24,765**
Net financing costs						(22,965)
Income tax benefit						2,581
Profit for the period						**4,381**
			2010			
Revenue						
Total segment revenue	292,476	170,529	204,119	220,342	-	887,466
Results						
Operating earnings	11,251	21,414	3,345	(5,068)	(16,585)	14,357
Exchange gains/(losses)	521	(1,038)	(278)	5,235	907	5,347
Share of net profit/(losses) of associates	535	(1,189)	-	-	22	(632)
Segment result	12,307	19,187	3,067	167	(15,656)	**19,072**
Material items of income/(expense) (Note 9)	(7,722)	(17,780)	(27,977)	-	(1,146)	(54,625)
Net non-cash revaluation profit on proceeds from Nufarm step-up securities financing	-	-	-	-	2,788	2,788
Segment result including material items	4,585	1,407	(24,910)	167	(14,014)	**(32,765)**
Net financing costs						(26,534)
Income tax benefit						19,324
Loss for the period						**(39,975)**

Condensed notes to the consolidated interim financial report

7 Seasonality of operations

The profitability and cash flow of the business remains seasonal with a strong weighting towards the second half. This reflects the key selling period for the crop protection business, particularly in Australia, Europe and North America.

8 Other expenses

The following expenses were included in the operating result:	Consolidated 31 Jan 2011 $000	Consolidated 31 Jan 2010 $000
Depreciation and amortisation	(28,140)	(28,730)
Exchange gains/(losses)	14,525	5,347

9 Items of material income and expense

The following material items of income/(expense) were included in the period result:	Consolidated 31 Jan 2011 $000 Pre-tax	Consolidated 31 Jan 2011 $000 After-tax	Consolidated 31 Jan 2010 $000 Pre-tax	Consolidated 31 Jan 2010 $000 After-tax
Cost of sales items				
Net realisable value adjustment - period end inventories	-	-	(1,850)	(1,389)
Net realisable value adjustment - product sold	-	-	(41,176)	(28,013)
Restructuring costs	(443)	(311)	(6,343)	(4,517)
	(443)	(311)	(49,369)	(33,919)
Selling, marketing and distribution expense items				
Restructuring costs	(4,516)	(4,516)	-	-
General and administrative expense items				
Regulatory inquiry costs	(291)	(291)	(465)	(321)
Litigation costs	(1,100)	(981)	-	-
Due diligence costs	(269)	(221)	(1,952)	(1,558)
Debt re-financing costs	(10,933)	(7,666)	-	-
Restructuring costs	(105)	(105)	(917)	(619)
Provision for non-collectibility of sale proceeds	-	-	(1,922)	(1,281)
	(12,698)	(9,264)	(5,256)	(3,779)
Disclosed on face of the income statement				
Net revaluation profit/(loss) on proceeds from Nufarm step-up securities financing	(5,954)	(4,168)	2,788	1,952
	(23,611)	(18,259)	(51,837)	(35,746)

10 Acquisition of businesses

There were no acquisitions in the six month period ending 31 January 2011.

On 3 August 2009, the group acquired the shares in Richardson Seeds Pty Ltd and MMR Genetics. Richardson Seeds is a leading producer of sorghum seed hybrids and MMR Genetics is a global leader in the development of elite sorghum germplasm. Both businesses are based in Texas, USA.

10 Acquisition of businesses (continued)

Acquisitions in the six months to 31 January 2010

Acquiree's net assets at acquisition date	Recognised values $000	Fair value adjustments $000	Carrying amounts $000
Cash and cash equivalents	345	-	345
Receivables	5,472	-	5,472
Inventory	9,424	496	9,920
Property, plant and equipment	3,982	2,680	6,662
Other assets	1,099	81	1,180
Trade and other payables	(1,859)	-	(1,859)
Interest bearing loans and borrowings	(7,480)	-	(7,480)
Other liabilities	(5,054)	-	(5,054)
Net identifiable assets and liabilities	5,929	3,257	9,186
Intangibles acquired on acquisition			7,630
Goodwill on acquisition			6,112
Consideration paid			22,928
Cash acquired			(345)
Net cash outflow			22,583

11 Equity investments

The group has the following investments in associates:

	Country	Ownership and voting interest 31 Jan 2011	Ownership and voting interest 31 Jan 2010	Share of after tax profit/(loss) 31 Jan 2011 $000	Share of after tax profit/(loss) 31 Jan 2010 $000
Excel Crop Care Ltd	India	14.69%	14.69%	968	569
F&N joint ventures	East Europe	50%	50%	369	(1,190)
Other				25	(11)
Share of after tax profits/(losses) of associates				1,362	(632)

The 14.69% investment in Excel Crop Care Ltd is equity accounted as Nufarm has a director on the board and, together with an unrelated partner, has significant influence over nearly 35% of the shares of the company. The relationship also extends to manufacturing and marketing collaborations.
The eastern European joint ventures are 50/50 ventures owned with FMC Corporation and exist in Poland, Slovakia and the Czech Republic.

12 Property, plant and equipment

Acquisition and disposals

During the six months ended 31 January 2011, the group acquired assets with a cost of $18,639,085 (six months ended 31 January 2010: $28,999,954). Assets acquired through business combinations in the six months to 31 January 2011 were Nil (six months ended 31 January 2010 $6,662,588). Assets with a book value of $299,900 were disposed of during the six months ended 31 January 2011 (six months ended 31 January 2010: $277,651). There were no assets disposed of through the sale of discontinued operations in the six month period to 31 January 2011 nor in the comparative period for 2010.

Capital commitments

During the six months ended 31 January 2011, the group entered into contracts to purchase property, plant and equipment for $9,976,384 (six months ended 31 January 2010: $14,540,102).

Condensed notes to the consolidated interim financial report

13 Capital and reserves

Dividends

There was no dividend paid by the group during the six months ended 31 January 2011.

	31 Jan 2011 $000	31 Jan 2010 $000
$Nil per ordinary share (2010: $0.15)	-	32,709

Distributions on the Nufarm Step-up Securities

The following distributions were paid by Nufarm Finance (NZ) Ltd.

Nufarm Step-up Securities distribution rate 6.71% (2010: 6.08%)	8,444	6,313

The distribution on the Nufarm Step-up Securities reported on the equity movement schedule has been reduced by the tax benefit on the distribution, giving an after-tax amount of $6.080 million (six months ended 31 January 2010 $4.419 million).

Earnings / (loss) per share

Net profit/(loss) for the six months ended 31 January	4,381	(39,975)
Net profit/(loss) attributable to non-controlling interests	60	(11)
Net profit/(loss) attributable to equity holders of the parent	4,441	(39,986)
Nufarm Step-up Securities distribution (net of tax)	(6,080)	(4,419)
Earnings/(loss) used in the calculations of basic and diluted earnings per share	(1,639)	(44,405)
Earnings/(loss) from continuing operations	(1,639)	(44,405)
Add/subtract material items profit/(loss) (refer note 9)	(18,259)	(35,746)
Earnings/(loss) excluding material items used in the calculation of operating earnings per share	16,620	(8,659)

	Number of shares	
Weighted average number of ordinary shares used in calculation of basic earnings per share	261,783,824	218,077,247
Weighted average number of ordinary shares used in calculation of diluted earnings per share	261,783,824	218,077,247

Earnings per share for continuing and discontinued operations	Cents per share	
Basic earnings per share		
From continuing operations	(0.6)	(20.4)
Diluted earnings per share		
From continuing operations	(0.6)	(20.4)
Earnings per share (excluding material items of profit / (loss) - see note 9)		
Basic earnings per share	6.3	(4.0)
Diluted earnings per share	6.3	(4.0)

14 Contingent liabilities

Contingent liabilities total $22.4 million at 31 January 2011 compared to $25.6 million at 31 July 2010.

15 Assets held for sale

The assets held for sale in the 31 January 2011 balance sheet relate to the land at Belvedere, UK. Manufacturing at the site ceased in October 2009 and it is currently being prepared for sale. The expected sale proceeds will at least equal the book value of the assets and remediation costs at the site.

16 Financing facilities

On 15 December 2010, the company executed a $900 million twelve month secured financing facility with four major financial institutions. The amount drawn down under the facility was $798 million. This amount was used to repay borrowings under the previous negative pledge financing arrangement.

The key aspects of the facility are as follows:

* A separate $300 million receivables securitisation facility that will be used to repay debt under the 15 December facility;
* A fixed and floating charge over all assets of the Australian, New Zealand, American and Canadian operations has been registered in favour of the financiers. Further security in respect of other jurisdictions will be finalised over the next six months; and
* Compliance with covenants of a type normally associated with facilities of this kind.

The group has agreed that the maximum net indebtedness, including this facility and all other drawn banking facilities, will not exceed $1.1 billion and that off balance sheet leasing obligations will remain below agreed levels. Total net debt at 31 January 2011 was $649.2 million (2010: $1,031.6 million).

The above facilities should provide sufficient financing to allow the company to operate in accordance with its expectations over the period of the facility.

Management is currently progressing the establishment of the receivables securitisation facility as planned. Management and the board of directors are confident that before 15 December 2011, the group will enter into a longer term financing facility to replace the current facility.

17 Class action

In January 2011, Maurice Blackburn and Slater & Gordon issued class actions for unspecified damages on behalf of shareholders who purchased shares in Nufarm in the period September 2009 to August 2010. Both class actions allege that Nufarm engaged in misleading and deceptive conduct and breached disclosure obligations in respect of its financial forecasts. Nufarm is defending both proceedings vigorously.

Nufarm does not presently know the size of the claims nor can it, on the information presently available, quantify any potential financial exposure arising from the litigation. No amount has been provided for in the interim financial report in relation to this matter.

Directors' declaration

In the opinion of the directors of Nufarm Limited (the company):

1. the financial statements and notes set out in this report are in accordance with the Corporations Act 2001 including:

    (a) giving a true and fair view of the Group's financial position as at 31 January 2011 and of its performance for the six month period ended on that date; and

    (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 28 day of March 2011

Signed in accordance with a resolution of the directors:

DG McGauchie AO
Director

DJ Rathbone AM
Director

Melbourne
28 March 2011

Directory

Directors
DG McGauchie AO - chairman
GDW Curlewis - deputy chairman (retired 2 December 2010)
DJ Rathbone AM - managing director
AB Brennan (appointed 10 February 2011)
Dr RJ Edgar
Dr WB Goodfellow
GA Hounsell
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 Limited
35 Clarence Street
Sydney, NSW 2000 Australia

Share register
Australia
Computershare Investor Services Pty Ltd
GPO Box 2975EE
Melbourne, Victoria 3001 Australia
Telephone: 1300 85 05 05
Outside Australia: 61 3 9415 4000

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 NZ
Telephone: 64 9 270 4157
Facsimile: 64 9 267 8444

Website: http://www.nufarm.com
Nufarm Limited
ACN 091 323 312

KPMG

Independent auditor's review report to the members of Nufarm Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Nufarm Limited ('the Company'), which comprises the condensed consolidated balance sheet as at 31 January 2011, the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 January 2011 and its performance for the half-year period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As auditor of Nufarm Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

KPMG

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nufarm Limited is not in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the Group's financial position as at 31 January 2011 and of its performance for the half-year period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Material uncertainty regarding the collectability of amounts receivable relating to a claim made on a supplier

Without qualification to the conclusion expressed above, attention is drawn to the following matter. As stated in Note 4, the Group and a major supplier are in dispute relating to liability for a share of losses pursuant to an Exclusive Distribution Agreement. As at 31 January 2011 the Group has recorded a receivable owing by the supplier in relation to these losses and associated disputed amounts of $58.9 million (31 July 2010: $52.7 million). The matter is the subject of a commercial dispute between the parties and is currently subject to arbitration proceedings, the outcome of which cannot be predicted with certainty. No provision has been made for any shortfall in recovery of the amount.

KPMG

KPMG

BW Szentirmay
Partner

Melbourne

28 March 2011

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 review for the half-year ended 31 January 2011 there have been:

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

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

KPMG

KPMG

BW Szentirmay
Partner

Melbourne

28 March 2011