Nufarm

Chairman's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 5, 2013 at 10.00 am

Donald McGauchie

Shareholders.

Doug Rathbone, your Managing Director and Chief Executive, will speak shortly.

Doug will detail the results for the 2013 financial year—and provide an update on trading conditions in the early part of the 2014 year.

With the time available to me, I would like to take this opportunity to:

Place the 2013 results in a national and global context; and outline the strategies we have in place to ensure your company is a leading global provider of innovative, off-patent crop protection products, and seed technologies.

Before I do so, I would like to take this opportunity to thank you, our shareholders, for sticking with us through tough times.

In recent years, we have had to contend with poor weather conditions – particularly here in Australia, our home base and largest country market - as well as a worldwide collapse in the price of glyphosate.

The glyphosate issue was a tsunami that impacted many companies in the industry – ven our larger peers such as Monsanto – but we have emerged from that challenge with a new strategic growth plan and we have made significant changes within the business that will support our execution of that plan.

In 2013, we delivered a lower profit outcome than in the previous year due to an unusually tough Australian season. Our net profit was impacted by higher interest costs and foreign exchange losses and our net debt was up – but partly due to a deliberate inventory build to support anticipated sales increases in Brazil, which have now taken place.

Group revenue increased 4.4 [*four point four*] per cent to $2.28 billion,

Earnings per share increased from 22.3 [*twenty-two point three*] to 25.5 [*twenty-five point five*] cents per share,

And dividends increased from 6 to 8 cents per share.

In 2013, your company performed well in trying circumstances, and expects to deliver improved earnings before interest and tax in 2014.

Now, let me explain why we believe that to be the case.

'More than an Australian company'
Shareholders, Nufarm is more than an Australian company.

We are proud of our Australian roots and committed to maintaining our leadership position here, but to succeed in a global market we have to be a global competitor.

Also, given the inherent variability of agriculture, it is important to differentiate and diversify.

One of the ways in which we are differentiating is by expanding into higher margin segments such as seeds and seed treatments.

Sales in the seed technologies segments grew by 9 per cent in 2013 to $131.9 million, and generated an average gross margin of 55 per cent.

While this segment is currently a small component of group earnings, there is potential for significant further growth.

One of the ways in which we diversify is by selling a wide range of herbicides, fungicides and insecticides, as well as seeds and seed treatments.

Of course, there's more to diversity than product lines.

In 2013, less than a third – 28 per cent – of Nufarm's total sales revenue was generated in Australia and New Zealand.

Of the remaining sales revenue, North America accounted for 25 per cent, South America 20 per cent, Europe 21 per cent and Asia 6 per cent.

Like our revenue base, our operations are global.

For instance, we have crop manufacturing and seed technology facilities in 16 countries, marketing operations in more than 30 countries and distribution into more than 100 countries.

We see this differentiation and diversity of products, revenue and geography as a competitive strength.

As you know, hot and dry conditions had a significant impact on demand for crop protection products in Australia in 2013.

Crop protection product revenue fell 13.9 per cent, or $96.7 million, in Australia.

However, that disappointing result was more than offset by strong results in other markets.

For instance, in 2013 crop protection product revenue increased by almost 30 per cent, or $98.8 million, in South America.

Crop protection product revenue also increased significantly in Europe and North America.

That is the nature of agriculture and again underlines the importance of geographic diversity in our business.

In any given year, one geographic region or crop species will perform better than another due to more favourable conditions.

We are hopeful that Australia experiences more favourable seasonal conditions in the current financial year..

Speaking as an Australian farmer, I sincerely hope that to be the case.

As the Chairman of a global company, I can assure you that we will continue to diversify and differentiate in order to grow shareholder value.

Another competitive strength that we greatly value is our strategic alliance with Sumitomo Chemical, which includes distribution agreements in a number of geographic markets.

Your Board clearly recognises the value of this strategic relationship and we are confident that it will continue to generate additional opportunities for Nufarm and Sumitomo to work co-operatively in a way that enhances the business of both companies.

The appointment of Takasaki-san as a Director has brought very relevant international industry experience to the Board table and we have valued his input over these past 12 months.

I was in Tokyo in October and took the opportunity to meet with senior management at Sumitomo.

It was quite clear to me that there is a strong commitment to continue working with Nufarm management to identify and pursue mutually beneficial business opportunities and I know that a number of new areas of co-operation are currently being considered.

'Our goal is to Leverage Nufarm's Strengths'

Our ambition for your company is clear.

Nufarm has great strengths in product development, manufacturing and distribution.

We also have established market positions around the world.

Our goal is to leverage Nufarm's strengths—turning your company into a leading global provider of innovative, off-patent crop protection products, seeds and seed traits.

We have four strategies to achieve that goal.

<u>First</u>, we are using our product development and regulatory skills to generate accelerated growth in higher value products and market segments – such as our Nuseed business.

<u>Second</u>, we constantly evaluate route-to-market to ensure we get the right product to the right market at the right time.

<u>Third</u>, we use strategic alliances – such as our alliance with Sumitomo Chemical—as well as other commercial arrangements to maximise the value of our platform.

These arrangements – ranging from supply and licensing agreements, to toll manufacturing and distribution arrangements – maximise the value of our products, increase our customer base and create supply chain efficiencies.

<u>Fourth</u>, we are focused on maximising free cash flow and strengthening our balance sheet through disciplined financial management – particularly around working capital, where we see scope for further improvement.

'Building a Strong Global Business'

In conclusion, the 2013 results highlight the need for your company to differentiate and diversity – building a strong global business that covers a range of product and market segments.

After all, tough conditions significantly affected revenue in our largest single market – Australia – but group revenue increased by $95.7 million due to the strength of our overseas businesses.

Nufarm is committed to maintaining our leadership position in Australia.

We are a proud to be an Australian company – and proud to be taking Australian agricultural enterprise to the world.

Thank you.

I would now like to ask Doug Rathbone to address the Meeting.

Managing Director's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 5, 2013 at 10.00 am

D J Rathbone

Thank you Mr Chairman.

I would like to add my welcome to Nufarm shareholders and others in attendance at today's meeting. We appreciate your interest and support.

The last 12 months have been an important period in the continued transition of the business.

We have implemented new strategic growth plans in several of our regions; we've made new investments in our higher value product and market segments; and we have carefully planned and prepared for changes occurring in parts of our business here in Australia.

I'll have further to say about these initiatives as I briefly review our results for the financial year ended July 31 and provide an update on trading conditions in the early part of the new financial year.

The 2013 reporting period was characterised by unusually tough market conditions in Australia contrasting with strong growth in our international crop protection businesses and in our seeds business.

The results highlight the importance of being a geographically diverse business, with opportunities to offset the negative impact of poor climatic conditions in some markets with more positive conditions elsewhere.

Much of Australia was impacted by prolonged hot and dry conditions until the last quarter of our financial year. With low weed pressure and an extremely low incidence of pest and fungal disease, demand for Nufarm's crop protection products was poor. In addition, margins came under pressure as suppliers competed more aggressively for fewer sales opportunities.

Nufarm carries a relatively large cost base in Australia, which is important in supporting our clear market leadership position. With lower volumes and margins, that cost base weighed heavily on the performance of the business and this was clearly reflected in the results reported for the Australia/New Zealand segment.

While adverse seasonal conditions were the major driver of those results, we have never-the-less taken the opportunity to undertake a thorough review of our Australian business. That review – involving two external consulting firms – has identified areas where we can make improvements and drive greater efficiencies and cost savings.

We are now implementing a number of initiatives in areas such as product development; supply chain and manufacturing and I'm confident that this will result in important benefits that help protect our leadership position in the Australian market over the long term.

We have also invested time and effort over the past 12 months preparing for several changes relating to our product portfolio in Australia.

A 10 year agreement with BASF has provided us with distribution rights to products that have helped Nufarm significantly strengthen our position in important segments such as horticulture, where we are now the leading crop protection supplier. We have sourced, developed and registered our own replacement portfolio of products which will be launched as the BASF arrangements come to a close in March of next year.

While this change will have a negative earnings impact – estimated to be some $5 million at an EBIT level over the next few years – we believe we can back-fill those earnings with additional products to be developed in-house and sourced from other companies.

Our global relationship with BASF remains very positive.

The second change in Australia that has generated some discussion and concern in the market is the termination of the trademark licensing agreement with Monsanto involving the 'Roundup' brand. When we announced that change in March, we stated that the loss of this trademark and the re-branding of our glyphosate products with our own 'Weedmaster' brand was not expected to have any material negative impact on earnings. This assessment was based on our view that we could at least maintain our volume of glyphosate sales – and the margins earned on those sales – because our cost of goods would be lowered due to the absence of the distribution fee associated with the Roundup licensing arrangement.

We are now just a few months into the new arrangements, but we are presently meeting our objectives and I continue to have confidence that the earnings from our Australian glyphosate business will not suffer as a result of the loss of the Roundup brand. We are seeing excellent support from our distribution customer base, with the Nufarm offering clearly seen as a market leader in terms of quality; reliability of supply; and technical and marketing support.

Now turning to other markets…Our New Zealand business performed solidly in financial year 2013, with sales slightly up on the previous year despite dry conditions in much of the country.

Our Asian businesses generated an improved EBIT result, with strong sales in Indonesia and Malaysia, despite lower palm oil prices affecting the plantation segment and increasing competition in the glyphosate segment.

During the year, we finalized our strategic growth plan for Asia and – as a result – have begun to extend our footprint, with the opening of new offices in South Korea and Vietnam. We are also working closely with our strategic shareholders, Sumitomo Chemical Company, to broaden our product portfolio and secure stronger positions in crops such as rice and vegetables.

Seasonal conditions in the USA were not helpful, with a long winter delaying and reducing demand for pre-plant herbicides and a cool and wet spring impacting our turf and specialty business. Despite these challenges, the North American business performed strongly, posting a 10% increase in sales and a very positive uplift – some 26% – in underlying EBIT.

In the US, we completed the acquisition of the Cleary Chemicals business, which has consolidated our top three position in the turf and ornamentals segment. This is a segment where Nufarm can capitalize on our strong product development capabilities and drive higher margins. We are targeting additional growth in this segment.

Our US ag business also performed strongly, with our phenoxy herbicide portfolio continuing to extend its reach into the expanding market for controlling glyphosate resistant weeds.

During the year, we commissioned a new manufacturing facility in Chicago. This facility is dedicated to the production of insecticide and fungicide products and to servicing our growing seed treatment position. It is an important investment in supporting our growth in these higher value product areas.

Our business in Canada did exceptionally well, with successful new product launches and increased penetration in the horticulture segment.

Crop protection revenues in South America increased by almost 30% in the last financial year and EBIT was up from $17.5 million to $40.6 million.

On a local currency basis, Brazil generated an increase of just over 40% in sales as it continued its strong recovery and growth. Now the largest country market in the world for crop protection sales, Brazil continues to see expanded demand for agricultural inputs. Nufarm has a very good position in a number of important crop segments and is expanding its reach into new areas with more sales resources and important new product introductions.

Our business in Argentina also had a record year for both sales and profit. While this is a much smaller business than our presence in Brazil, it is making a very important contribution to the South American results and we see good scope for continued growth.

In Europe, we have consolidated our regional management structure to form a single European management team. The new management team is now in place and is implementing a focused growth strategy targeting core crops and market segments.
In the 12 months to July 31, European sales were up by more than 8% and underlying EBIT improved to $57.2 million, compared to $43.2 million in the prior year.

The business performed strongly in most markets, with a particularly good performance in Germany, Spain and Portugal – and continued growth in the expanding central and eastern European markets. In France, we strengthened our position in the non-crop segment and we now have a leadership position in this part of the market.

Our manufacturing units in Europe also made very strong contributions to both regional and group earnings.

We report our seed sales and seed treatment sales in a segment called seed technologies. In financial year 2013, sales in this segment were up 9% and underlying EBIT was up 6%.

This business represents a high value growth opportunity for Nufarm and we continued to invest in additional market access; R&D capability; and experienced management to ensure we have a solid base on which to pursue this growth.

The acquisition of 51% of the Brazilian seeds business, Atlantica, gives us an important distribution platform in South America. We progressed the development of our two global innovation centres – in California, and in Horsham, rural Victoria – the latter of which was officially opened in late October.

Our sorghum seeds business had a record year, with strong market acceptance of our new 'brown mid rib' variety, which significantly improves feed conversion in livestock. We maintained a global leadership position in the high value confectionary sunflower segment, while dry conditions in Australia reduced demand for canola seed sales.

Our downstream product development programs also progressed, with the launch of our premium food grade sorghum product 'Wholis' and important technical milestones achieved on our canola-based long chain omega-3 oil project with CSIRO and the GRDC. These are very exciting projects indeed.

In summary, we are very pleased with the operating performance of our various international businesses and the seeds business. Much of the growth achieved was what I term 'internally generated' growth, with limited assistance from favourable market conditions.

On the balance sheet front, the 2013 results show scope for improvement – particularly in our management of working capital – and this is a key focus of management right throughout the business.

Having said that, the elevated levels of working capital at year end can be attributed to three major factors: Foreign exchange, or translation, impacts; excess inventory in Australia due to the poor season; and a deliberate inventory build in Brazil to support strong sales expectations together accounted for nearly three-quarters of the difference in inventory levels between July 31, 2013 and July 31, 2012.

In terms of the latter, we made a conscious decision to put $112 million of additional inventory into Brazil in response to higher than expected forward orders for sales in the August/September period. I can now report that sales in those two months were at record levels and considerably higher than in the same period in the prior year.

Our net debt at year end and average net debt throughout the year were both up on the previous year – again driven by higher than expected working capital. Our objective remains to bring debt levels down over time.

I would now like to update you on how we are seeing business conditions unfold in the early part of the new financial year.

For many of our markets, the first quarter of the financial year is a relatively quiet period and is not a reliable indicator of how those businesses will perform over the 12 month period.

Here in Australia, conditions remain challenging in a number of key cropping regions.
Dry weather has continued in north western and northern regions of NSW and in Queensland. While some areas have received patchy rains in recent weeks, these have not been sufficient to drive normal demand for crop protection inputs and the summer crop is again likely to be a below average season.

With moisture levels low, there has been little demand for herbicides, and this is reflected in higher than normal channel inventories.

The current winter crop harvest is well underway and good yields are being achieved in some regions, particularly Western Australia. In some southern regions, however, a combination of cooler weather, late frosts and hail damage will negatively impact both yields and crop quality.

Compared to the first quarter of last financial year, our Australian business has performed better – but not to the level we expect.

We will be looking for further meaningful rains within the next month or so to drive stronger demand over the balance of the first half.

Year to date, our business in New Zealand is performing strongly and ahead of last year and our businesses in Asia are tracking to expectations.

As I have already indicated, the early months of our financial year are an important time for the business in South America, and in Brazil, in particular, with the planting of the major soybean crop.

The Brazilian crop protection market continues to experience strong growth. This is being driven by a combination of expanded cropping acres, a higher investment in inputs to improve crop yields, and – in the current period – increased pest pressures in parts of the soybean crop.

Nufarm is certainly capitalising on this growth and our first quarter sales were well above those of the prior year. It is especially encouraging that our business in Brazil is not only expanding in line with the market in general, but is clearly taking market share in a number of our target segments.

The high load glyphosate product, 'Crucial', which we launched last year is continuing to perform very strongly, as are a number of our other products.

Elsewhere in South America, planting rains were delayed in Argentina but our business is coming off an excellent performance last year and, with the granting of our first azoxystrobin registration - a major fungicide product – expectations are high for another good year.

Horticulture crops in Chile were affected by several severe frosts and this is going to be a negative impact on our relatively small business there.

Sales activity in North America and Europe is typically slow in the first quarter as those markets head into the northern hemisphere winter. The autumn weather patterns were normal in the US and Canada.

Generally favourable autumn conditions in parts of Europe provided the opportunity for increased herbicide applications in cereal crops and relatively strong fungicide demand in oil seed rape.

One of our major synthesis plants in Europe was shutdown for general maintenance in the first quarter, leading to lower inter-company sales of phenoxy herbicides and lower manufacturing recoveries. It should also be noted that in the first half of last year, we recorded higher than normal sales of one of our larger herbicide products due to an impending import duty change in the US; the phasing of those sales will return to normal this year.

It is also a relatively quiet period for our seed technologies business. With dry conditions in relevant parts of Australia, sorghum and sunflower sales have been negatively impacted. The Australian canola crop – now being harvested – has demonstrated excellent performance and grower satisfaction of our Nuseed hybrid varieties and this augurs well for 2014 canola seed sales. Demand for our other hybrids - across all of our crops - is strong in other parts of the world and we are anticipating positive growth in the seeds business over the course of the full year.

On the development front, the last few months have seen excellent progress on a number of our seeds projects, in particular our long chain DHA omega-3 canola project. Last month, the Australian regulator cleared the way for our modified canola varieties to begin field trials. This is a very exciting and potentially very valuable project, but will require an increased investment by Nufarm as we continue the development and approval process prior to commercial launch.

Nuseed has also entered into a strategic alliance and distribution agreement with the Lebu company of Uruguay. Under the new agreement, Lebu will represent Nuseed branded products exclusively in Uruguay. Lebu, founded over 25 years ago, is a well established company in Uruguay focused on the development, marketing and sales of grain, silage and forage sorghum seed.

Looking ahead to our interim results to the end of January, we are forecasting underlying EBIT to be up on the same period last year and in a range of $50 million - $60 million.

The key contributor to this increase will be growth in Brazil, with the major swing factor attached to near term conditions and product demand in Australia.

While the North American and European results at the half year are likely to be down on the previous period, this is due to phasing issues and we are confident that those businesses are well positioned for growth over the full year period.

Having started the year with higher levels of inventory, the half year results will show an increased working capital load and higher debt levels than at January 31 last year. This is unavoidable given our need to build working capital in this period ahead of key selling seasons in major markets in our second half. And while we have made very strong sales in Brazil year to date, those sales will be reflected as receivables at the half year prior to cash collections in the March to May period.

As I have already said, working capital management is a key focus for the company and we are implementing programs to reduce working capital in order to meet our target of achieving an average net working capital to sales ratio of 40% within the next three years.

For the group as a whole, our expectation remains that we will see earnings growth at the full year.

At the release of the full year results in late September, we indicated our intention to bring forward the refinancing of our syndicated banking facility which would otherwise be due for renewal in November of 2014.

I'm pleased to report that this process is now largely complete, with all key terms now agreed. It is expected that we will sign documentation and reach financial close by the end of the calendar year. The new facility will provide a more favourable outcome in terms of both pricing and conditions.

While the previous facility involved total funding of $406 million, we have taken advantage of strong demand – and the better pricing environment – to extend the new facility and will now be able to draw up to $530 million. The majority of the new facility ($520 million) is for a term of 3 years. The balance of $10 million is for a one year term. Additional flexibility has been negotiated around important covenant ratios to reflect the growth and seasonality of the business and its funding requirements.

This renewal reinforces the stability of our capital structure and I would like to acknowledge the support of our banking partners in bringing this process to a successful outcome.

The Chairman acknowledged the value of the strategic relationship with Sumitomo. Within the past 12 months, a number of joint projects with Sumitomo have either been implemented; have achieved important progress; or are now in the final stages of negotiation.

Key Sumitomo products added to Nufarm's portfolio this year included an important herbicide – Flumioxazin - in the US, and several insecticides in Indonesia and Belgium. We are also well progressed in finalising distribution agreements for key biorational products for the European market.

Two fungicide development products are proceeding to registration in Europe, and are on track to be launched commercially in the 2015 season.

Other co-formulations – which involve combinations of Nufarm and Sumitomo active ingredients - are in their second year of field trial development programs in South America, targeting row crops. And there is a significant development program with key Sumitomo herbicides and mixture products with Nufarm active ingredients underway in the US.

Before handing back to the Chairman, I would like to acknowledge the contribution of our worldwide employees over the past 12 months. The company is fortunate to have talented, motivated and extremely loyal employees who are committed to seeing the business succeed. They are an undoubted strength of the company and I know I speak on behalf of all Board members and the senior management team in expressing my appreciation for their efforts.

I'll now pass the meeting back to the Chairman…..

Thank you.

Nufarm Limited
2013 Annual General Meeting

December 5, 2013

Nufarm

Mr Donald McGauchie

Chairman

Nufarm

Mr Doug Rathbone

Managing Director & CEO

Nufarm 2013 AGM

Review of 2013 financial year

Highlights		
Revenue	$2,277m	▲ 4.4%
Underlying EBITDA	$261m	▼ 2.6%
Underlying EBIT	$187m	▼ 9.3%
Underlying NPAT	$83m	▼ 28%
Full Year dividend	8 cents	▲ 33%

- Tough conditions in Australia
- Strong growth in all other businesses
- Results highlight importance of diversification

Nufarm 2013 AGM

Review of 2013 financial year

Australia

- Hot, dry conditions
- Stronger competition for fewer sales opportunities
- Impact of fixed cost base
- Review undertaken – changes being implemented

Nufarm 2013 AGM

Review of 2013 financial year

Changes in Australia

- Transition from BASF distribution arrangements
- Transition to 'Weedmaster' glyphosate brand

Nufarm 2013 AGM

Review of 2013 financial year

New Zealand

- Business performed strongly despite some dry conditions

Asia

- Growth in regional performance:
  - Lower palm oil pricing
  - Pressure on glyphosate margins
  - Expanded footprint with new offices in South Korea and Vietnam
  - Broader product portfolio

Nufarm 2013 AGM

Review of 2013 financial year

North America / Canada

- North America posts sales and EBIT growth
- Acquisition of Cleary Chemicals strengthens US T&O business
- New opportunities in glyphosate resistance segment
- Alsip manufacturing facility commissioned
- Canada generates excellent results

Nufarm 2013 AGM

Review of 2013 financial year

South America

- Strong sales and EBIT growth
- Brazil revenues up by 40% in local currency
- Expansion of sales footprint
- Argentina makes important contribution

Nufarm 2013 AGM

Review of 2013 financial year

Europe

- European management restructure now complete
- Sales and EBIT growth
- Leadership in non-crop segment in France
- Important contributions from manufacturing plants

Nufarm 2013 AGM

Review of 2013 financial year

Seed technologies

- Sales up 9%; EBIT up 6%
- Further investment in management; R&D; and distribution platforms
- Atlantica acquisition (51%) provides improved access in South America
- Development programs progressing positively
  - 'Wholis'
  - Long chain Omega-3

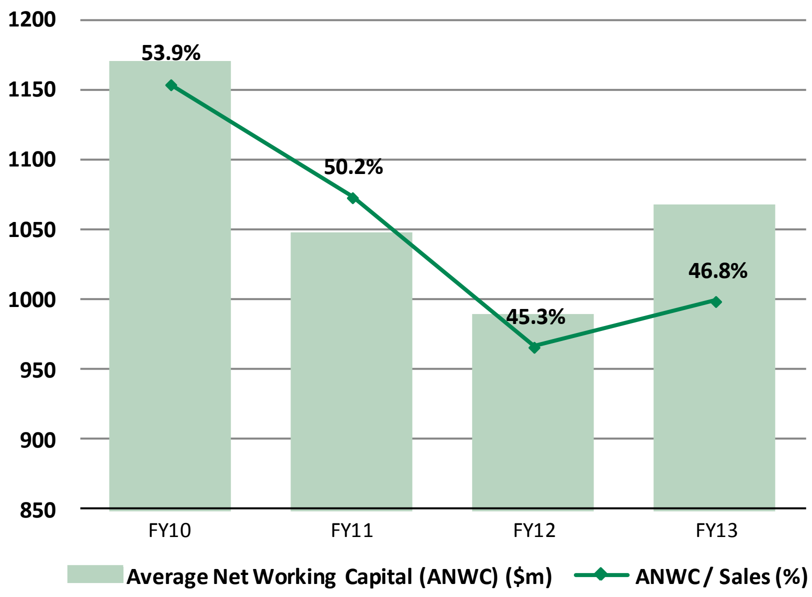
Nufarm 2013 AGM

Review of 2013 financial year

Balance sheet

- More efficient management of working capital is a key focus/priority
- Objective is to reduce debt levels

Average net working capital trend



Nufarm 2013 AGM

Update on first quarter trading conditions

- Conditions remain challenging in many parts of Australia
  - Improved performance versus last year……but below our targets
  - More rain needed to drive demand
- New Zealand on track and performing strongly
- Asia also performing to expectations

Nufarm 2013 AGM

Update on first quarter trading conditions

- Key period for business in South America
- Brazilian market experiencing strong growth – Nufarm taking market share
- Some delays in Argentina
- Horticulture segment in Chile impacted by frosts

Nufarm 2013 AGM

Update on first quarter trading conditions

- Relatively quiet sales period in North America and Europe
- Change in phasing of some sales and European plant shutdown for maintenance

Nufarm 2013 AGM

Update on first quarter trading conditions

- Also relatively quiet period for seed technologies
- Dry conditions impacting seed sales in Australia
- Strong performance and positive feedback on new hybrid varieties
- Canola based Omega-3 program approved for field trials
- New distribution alliance in Uruguay

Nufarm 2013 AGM

Outlook for 6 months to January 31, 2014

- Underlying EBIT range of $50m - $60m
  (1H 2013: $47.3m)
- Key driver of growth is Brazil
- Key swing factor is Australia
- Phasing issues to impact North America and Europe
- Higher working capital and net debt

Nufarm 2013 AGM

Outlook for full year

Management remains confident of achieving earnings growth for the full year

Nufarm 2013 AGM

Refinancing of revolver

- Syndicated banking revolver fell due in November 2014
- Renewal brought forward: Final documentation being finalised
- Key terms now agreed: Improved pricing and terms
- Limit extended from $406 million to $530 million
- Reinforces stability of capital base and funding requirements

Nufarm 2013 AGM

Strategic shareholding by Sumitomo

- Additional projects identified and/or implemented within past 12 months:
  - New herbicide (flumioxazin) for the US
  - New insecticides for Indonesia; Belgium
  - Biorational products in Europe
  - Two fungicide development projects (Europe)
  - Other co-formulations for South America and US

Nufarm Limited
2013 Annual General Meeting

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Nufarm