2013 Full Year Results

September 2013

Nufarm

Disclaimer

Forward looking statements

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Non-IFRS information

Nufarm Limited results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This presentation also includes certain non-IFRS measures including Underlying net profit after tax and Gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review. Refer to “Supplementary information” for the definition and calculation of non-IFRS information.

FY 2013 results: Overview

Doug Rathbone, Managing Director / CEO

Nufarm

Group FY13 headline results

Strong performance from overseas businesses mitigates weaker Australian conditions

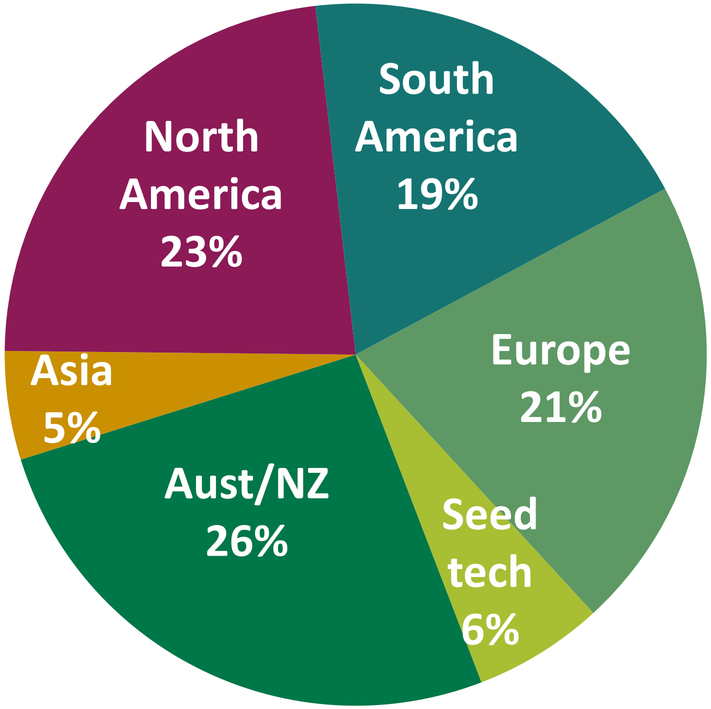
- **Exceptionally weak demand in Australia**
  - Dry conditions prevail for most of the year
  - Margin pressure due to more competition for fewer sales
  - Impact of fixed cost base
- **Solid growth in all other regions + seeds**
  - No ‘free kicks’ in terms of seasonal conditions
  - Important progress on execution of strategic growth plans

	12 months ended 31 July		
(A$ millions)	2013	2012	Change
Revenue	2,277	2,182	4.4%
Underlying EBITDA	261	268	-2.6%
Underlying EBIT	187	206	-9.3%
Underlying NPAT	83	115	-28%
Full Year dividend	8 cents	6 cents	33%

Results underline importance of business diversification

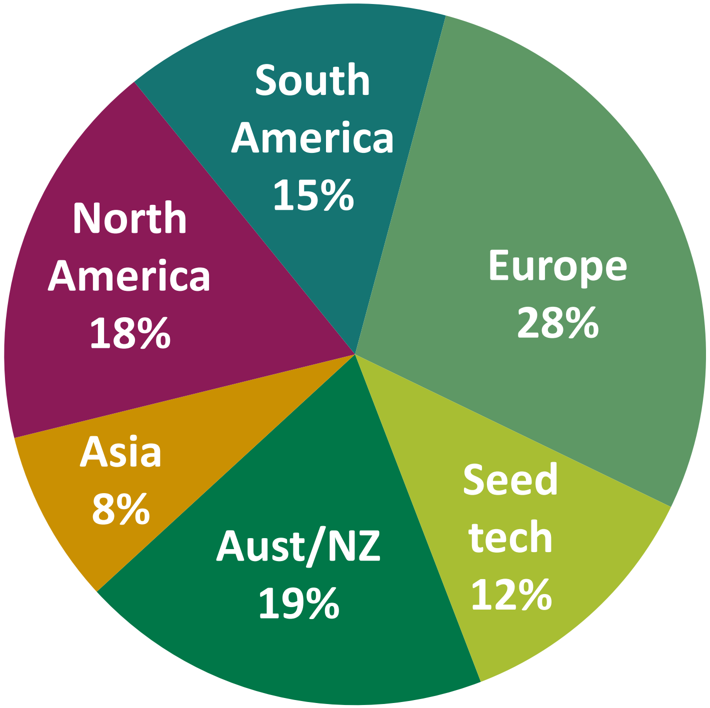
A stronger global platform….

Total Group Revenues 2013



$2,277.3m

Total Group EBITDA 2013



$260.8m

….and a diversified earnings base

FY 2013 results: Financials

Paul Binfield, Chief Financial Officer

Nufarm

2013 full year results

Solid Group result despite unprecedented Australian climatic conditions, demonstrating benefit of geographical diversification

- All regions delivering profitable growth except for Australia / NZ
  - Strong performance in Brazil (>40% sales growth in local currency) and valuable contributions from NAFTA and Europe
  - Seeds continues to deliver a high margin contribution
- Underlying EBIT down to $186.8 million due to:
  - Intense competition in Australia, driven by extreme seasonal conditions and weaker overhead recoveries due to reduced volumes
  - Increased gross margin in the business ex-ANZ
  - Increased investment undertaken in Brazil and Seeds business to meet forecast growth
- Underlying NPAT down to $83.2 million, driven by higher interest expense due to increased net debt levels and the impact of FX movements on net financing and trading balances

(A$ millions)

	Year ended 31 July			
	2013	2012	Change	
Revenue	2,277.3	2,181.6	4.4%	▲
Underlying gross profit[1]	623.3	610.9	2.0%	▲
Gross profit margin	*27.4%*	*28.0%*	*(63 bps)*	▼
Underlying EBITDA[1]	260.8	267.8	(2.6%)	▼
EBITDA margin	*11.5%*	*12.3%*	*(82 bps)*	▼
Underlying EBIT[1]	186.8	206.0	(9.3%)	▼
EBIT margin	*8.2%*	*9.4%*	*(124 bps)*	▼
Underlying NPAT[1]	83.2	115.4	(27.9%)	▼
Dividend (cents per share)	8.0¢	6.0¢	33.3%	▲

(1) Excludes material items.

Impact of foreign exchange

- Movement in FX rates during year had little net impact on Underlying EBIT
- Majority of FX loss for the year and occurred in 1H, with FX exposures largely hedged in 2H (aided by the implementation of the US High Yield Bond)
  - Majority of FX loss remains unrealised

Underlying EBIT at constant FX

(A$ millions)

	Year ended 31 July		
	2013 Actual	2012 Constant FX(1)	2012 Actual
Revenue	2,277.3	2,202.8	2,181.6
Underlying EBIT	186.8	211.1	206.0
Underlying NPAT	83.2	117.9	115.4

Impact of FX on net financing costs

(A$ millions)

			Year ended 31 July	
	1H13	2H13	2013	2012
Net FX gains/(losses) on Nufarm Step-up Securities (NSS) (2)	n/a	n/a	n/a	11.1
Net underlying FX gains/(losses)	(9.2)	(1.5)	(10.7)	8.2
Net FX gains/(losses) inc. in net financing cost	(9.2)	(1.5)	(10.7)	19.3

- If recent depreciation of A$ prevails for the remainder of the year, it will provide a net benefit to the Group.

Note: Underlying EBIT and NPAT exclude material items.
(1) 2012 Actual results converted at 2013 FX rates.
(2) Net FX gains /(losses) on NSS treated as a material item in the prior period.

Impact of material items

No material items in 2H13

- Balance of class action settlement ($3.2 million) pre tax, $2.2 million after tax in 1H13
- FX gains/(losses) on the NSS have been included in net FX gains / (losses), consistent with the treatment in 1H13

Reconciliation of Underlying NPAT to Reported NPAT

			Year ended 31 July	
	1H13	2H13	2013	2012
Underlying NPAT			83.2	115.4
Material items after tax				
Class action settlement	(2.2)	-	(2.2)	(30.1)
Restructuring costs	-	-	-	(5.0)
Debt re-financing costs	-	-	-	(7.0)
Due diligence & litigation costs	-	-	-	(2.4)
Investment in associate writedown	-	-	-	(2.0)
Intangibles write-off - Brazil	-	-	-	(3.7)
Net FX gains/(losses) on Nufarm Step-Up Securities	-	-	-	7.7
Total material items after tax	(2.2)	-	(2.2)	(42.8)
Reported NPAT attributable to equity holders			81.0	72.6

Operating and tax expense

Higher expenses due to growth related investment program

(A$ millions)

	Year ended 31 July	
	2013	2012
Underlying sales, marketing & distribution expenses (1)	269.6	235.7
Underlying general & administrative expenses (1)	144.8	142.7
Total underlying SG&A	414.4	378.4
SG&A/revenue	*18.2%*	*17.3%*
Corporate costs (2)	40.6	41.4
Underlying effective tax rate (1)	27.7%	31.7%

- Continued investment in the Seeds business
- Additional sales resources in Brazil to meet future growth
- Lower corporate costs reflect lower incentive accruals reflecting overall business performance
- FY13 lower effective tax rate due to reversal of prior year over-provisions

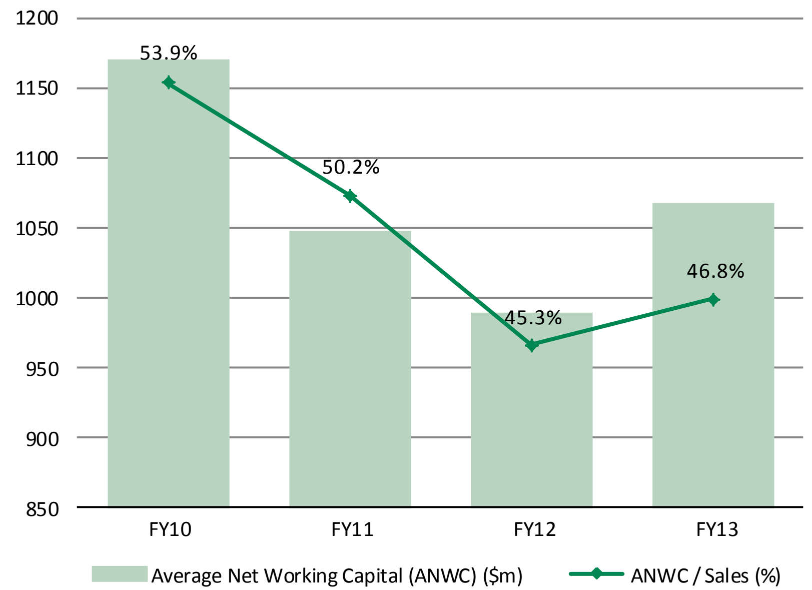
(1) Excludes material items
(2) Included within underlying general and administrative expenses above

Working capital

Net working capital build relates to elevated inventory levels

- Net working capital remains a key focus across the Group, with the accumulation of inventory in FY13 expected to be temporary
- Management remain committed to reducing ANWC/sales
- Longer-term initiatives in place to support this focus include cash pooling, strengthened S&OP processes, SKU rationalisation and in-sourced manufacturing of strategic products

Average net working capital trend



(1) Average Net Working Capital (ANWC) is the average NWC balance calculated over 12 months
(2) ANWC/sales is ANWC divided by the last 12 months sales revenue

Net working capital (NWC)

(A$ millions)

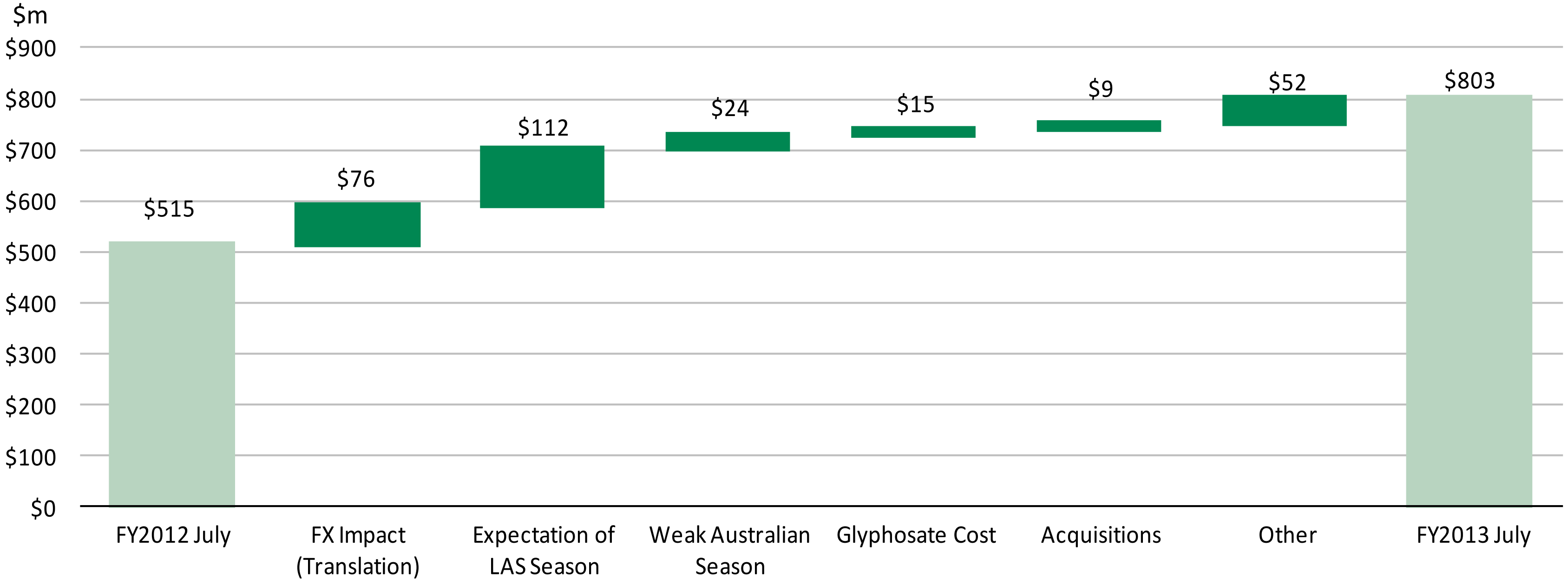
	Year ended 31 July		
	2013	2012	Change
Receivables	758.5	730.5	28.0 ▲
Inventories	802.8	515.3	287.5 ▲
Payables	(550.3)	(475.0)	(75.3) ▲
Net working capital (NWC)	1,011.0	770.8	240.2 ▲
Average NWC[1]	1,066.7	988.2	78.5 ▲
Avg NWC/Sales (%)	46.8%	45.3%	150 bps ▲

Working capital

Inventory build is largely temporary

- Key drivers of the inventory build in FY13 are:
  - Build up of inventory in Brazil in anticipation of strong season
  - FX translation impact on overseas inventory balances (non-cash)
  - Excess inventory in Australia due to poor season

Inventory bridge FY12 to FY13



Net debt & financing costs

Interest expense elevated due to higher average net debt

- Higher average net debt for the period largely due to acquisitions completed ($30.7 million), higher net working capital compared to the prior period and payment of class action settlement ($46.7 million)
- Higher net interest expense driven by higher average net debt and interest expense on high yield bond partially offset by lower rates on bank debt
- Indicative discussions regarding the early refinancing of the revolver are positive

Net debt and net financing costs

	2013	2012
Net financing costs excluding FX gains/(losses)		
Interest expense	(54.5)	(47.4)
Lease interest expense	(1.5)	(1.4)
Interest income	5.5	7.9
Net interest expense	(50.5)	(40.9)
Debt re-financing costs amortisation	(9.5)	(13.0)
Net financing costs excluding FX gains/(losses)	(60.0)	(53.9)
Net debt at balance date	**633.1**	**467.8**
Net debt at balance date (in constant currency)	**552.4**	**467.8**
Average net debt for the period [1]	**753.3**	**650.3**

(1) Average net debt is the average of the month end net debt over the last 12 months

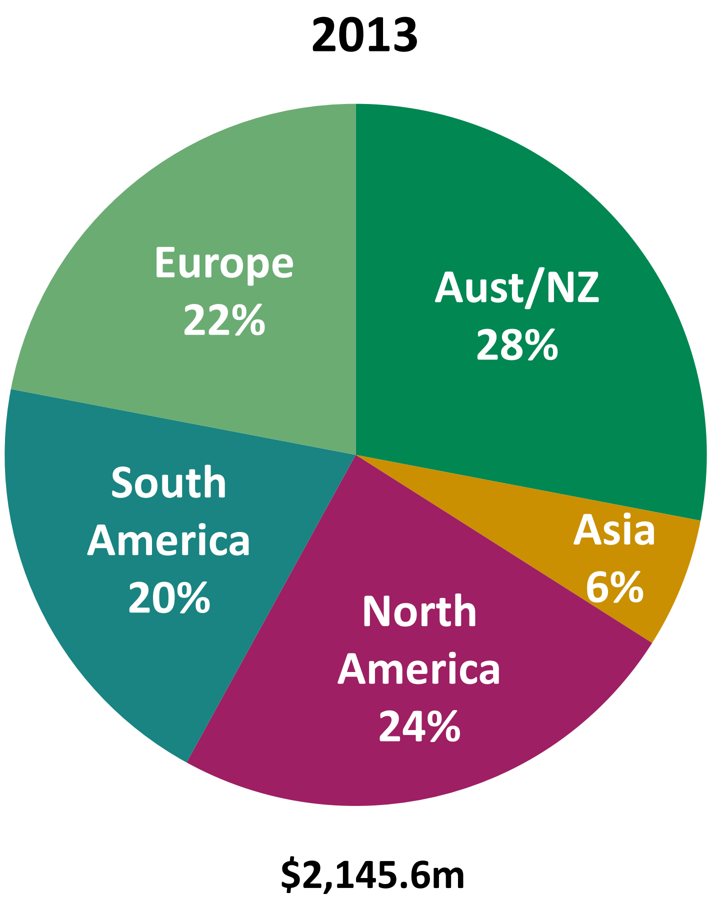
FY 2013 results: Business report

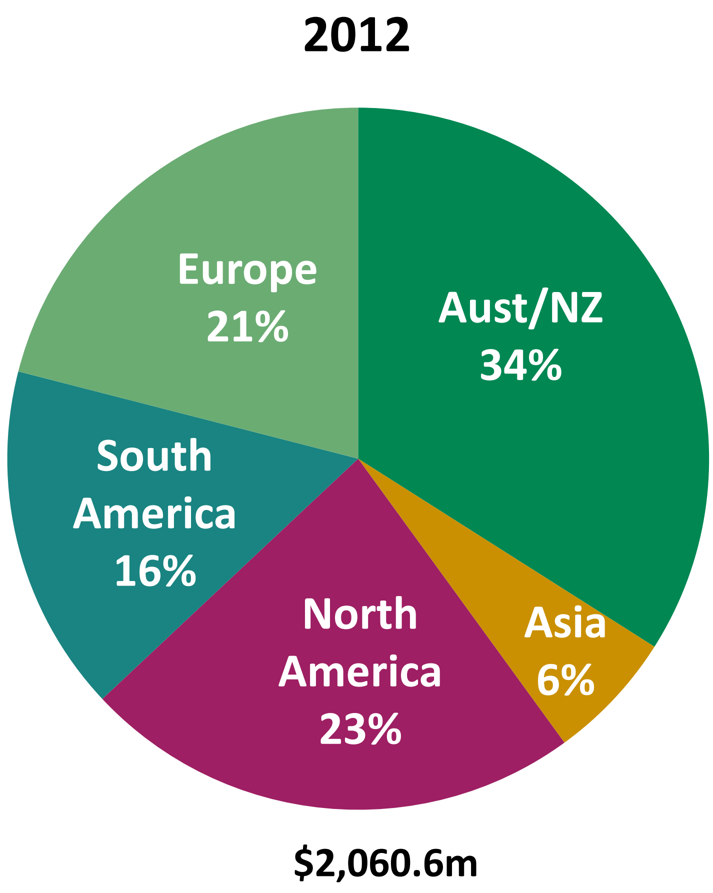
Brian Benson, Group Executive Agriculture

Nufarm

Sales revenue by region

Crop protection segment

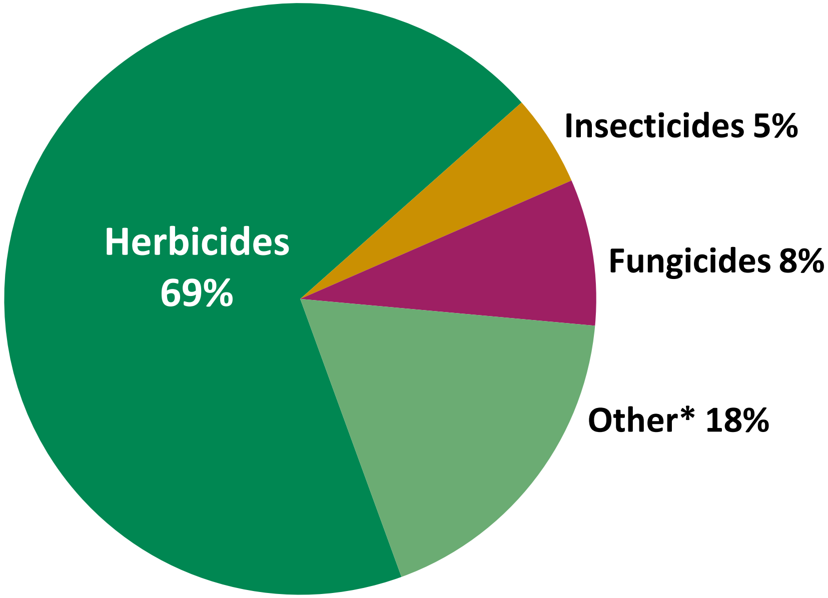




2013 Results – regional review

Australia/New Zealand

	2013 $m	2012 $m
Sales	**604.4**	**701.0**
Underlying EBIT	**35.4**	**106.0**



Regional revenues by major product segment

*Other = PGRs, machinery, adjuvants, industrial

Australia

- Very challenging seasonal/ climatic conditions impact demand
- Margins also impacted, with more competition for fewer sales and fixed overhead of a large manufacturing presence
- Competition remains strong in glyphosate segment, but transition to Nufarm brands is on plan

New Zealand

- Improved sales and profit performance
- Dry conditions also a negative impact on demand

2013 Results – regional review
Australia - update

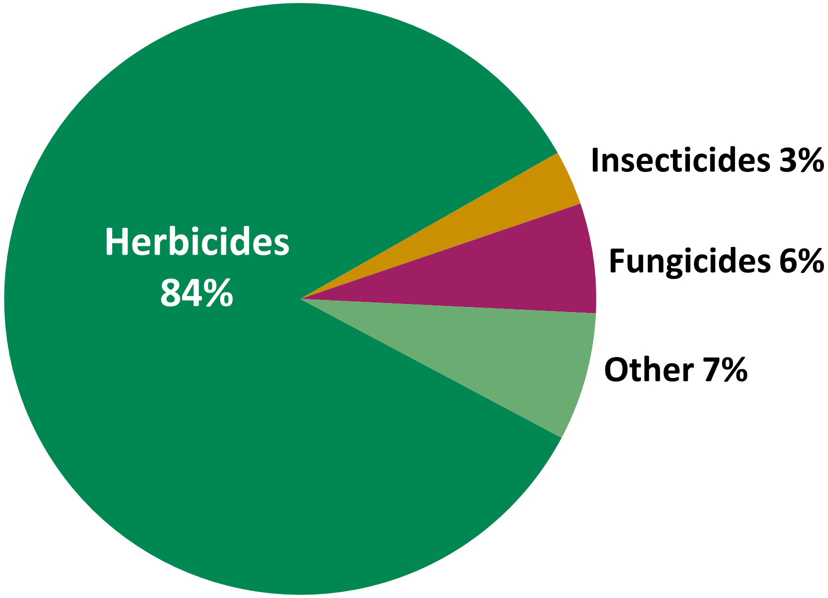
- Transition from BASF portfolio
- Transition from 'Roundup' brand

Excluding these arrangements, all other current third party distribution arrangements equate to approx. 5% of group revenues

2013 Results – regional review

Asia

	2013 $m	2012 $m
Sales	125.2	125.6
Underlying EBIT	19.6	16.7



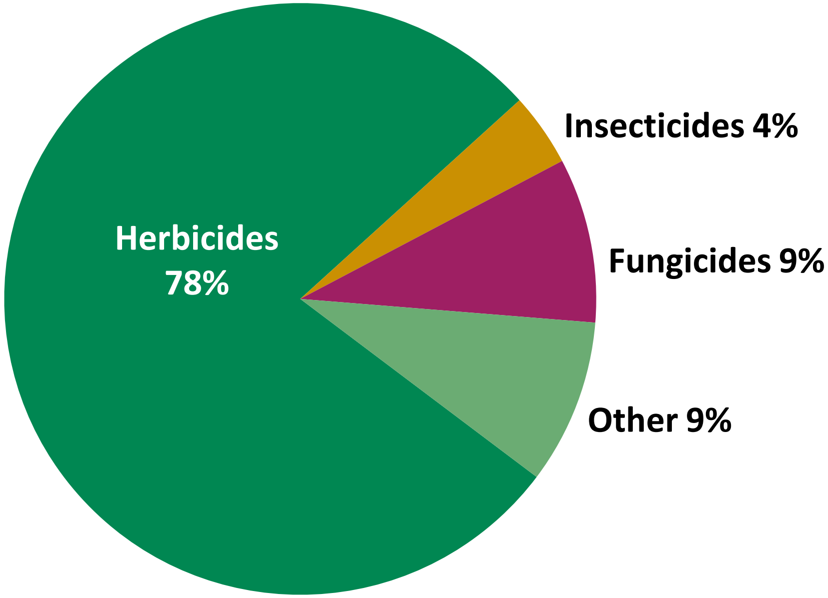
Regional revenues by major product segment

- Indonesia impacted by palm oil and increased competition
- Malaysia profitability grows as new mixture products gain traction
- Japan: Solid performance
- New Asian strategic plan developed
  - New growth countries and segments
- Increased toll manufacturing revenue

2013 Results – regional review

North America

	2013 $m	2012 $m
Sales	516.3	470.2
Underlying EBIT	42.2	33.3



Regional revenues by major product segment

USA

- Late season reduces burndown opportunity
- Cooler/weather conditions impact T&O segment
- Cleary acquisition completed
- Increased focus and resource in TNV
- Alsip facility commissioned

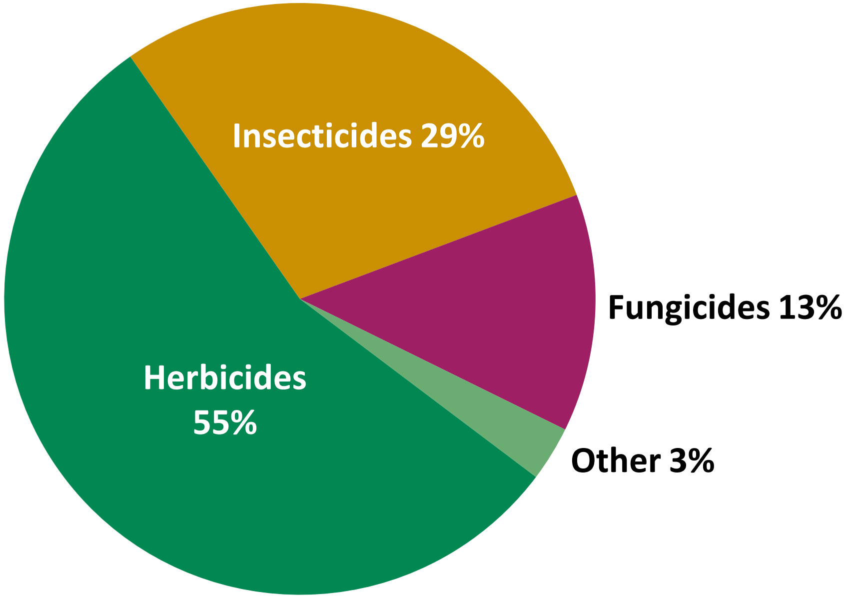
Canada

- Canada recovery very strong as new management and strategy gain traction
- Solid growth in Sumitomo brands

2013 Results – regional review

South America

	2013 $m	2012 $m
Sales	431.4	332.6
Underlying EBIT	40.6	17.5



Regional revenues by major product segment

Brazil

- Very strong growth on a local currency basis
- Dry conditions in pasture segment
- Improved market penetration and additional sales resources
- Expanded portfolio
- Successful launch of high load glyphosate product, 'Crucial'

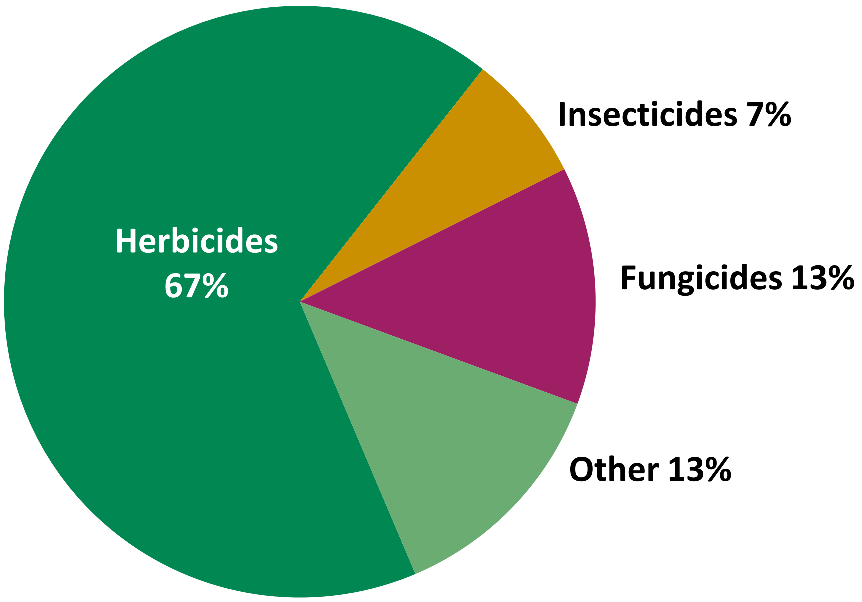
Other

- Argentina posts strong growth and better margins driven by portfolio diversification
- Colombia in line with previous year
- Chile meets expectations
- Regional role for Fortaleza plant

2013 Results – regional review

Europe

	2013 $m	2012 $m
Sales	468.3	431.1
Underlying EBIT	57.2	43.2



Regional revenues by major product segment

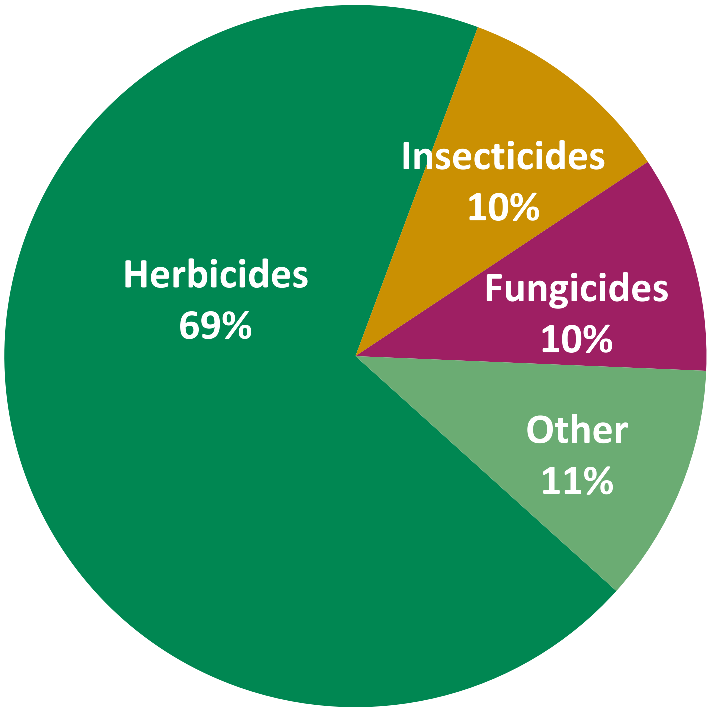
- Mixed seasonal conditions/impacts
- Growth in cereal herbicides
- Strong contributions from manufacturing plants
- 'One Europe' structural changes implemented
- Refocus of R&D to support strategic crops and seed treatment
- Value creation shift underway

Major product segments

Crop protection

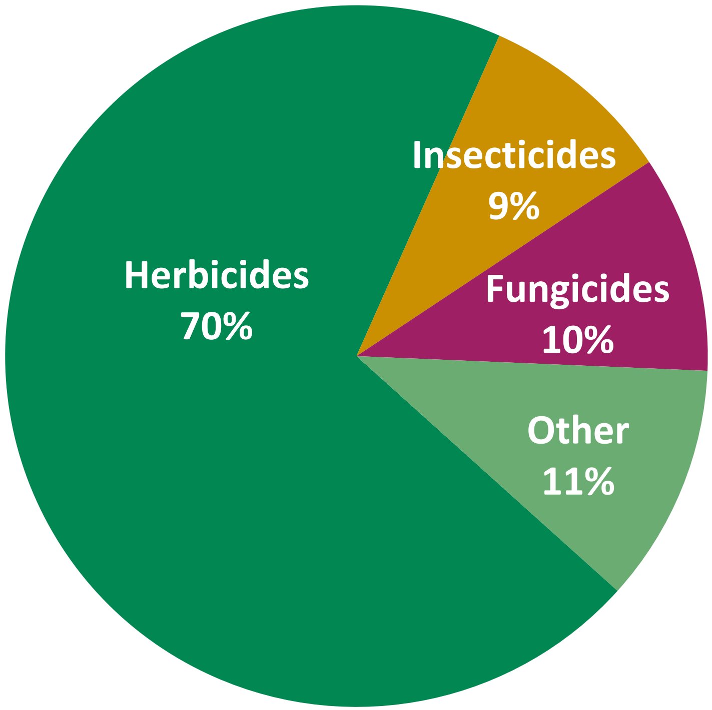
% total segment revenues

2013



$2,145.6m

2012



$2,060.6m

2013 Results – Product segment review

Herbicides

	2013	2012
Group sales	**1,478.6**	**1,426.4**
Average GM	**25%**	**26%**

- Lower demand and margin pressure in Australia
- Higher input costs and selling prices for glyphosate
- Phenoxy herbicides perform strongly despite weaker demand in some markets /segments
- Dicamba products find increased role in resistance management
- Robust pipeline of mixture products

NAIL®
240 EC HERBICIDE

2013 Results – Product segment review

Insecticides

	2013	2012
Group sales	**215.1**	**184.3**
Average GM	**32%**	**35%**

- Lower value product mix, with chlorpyrifos volumes up strongly in Brazil
- Low insect pressure in some markets
- Regulatory pressure on imidacloprid
- New lambda-cyhalothrin formulations achieve good margins and sales growth
- Supply related constraints impact fipronil sales
- Sumitomo insecticides added in Europe, Canada and Indonesia

Nufarm MALLET™ TURF & ORNAMENTAL INSECTICIDE

CON TECNOLOGÍA SORBIE® Kaiso

2013 Results – Product segment review

Fungicides

	2013	2012
Group sales	**218.7**	**212.7**
Average GM	**28%**	**28%**

- Strong sales in South America, North America and Europe offset very low demand in Australia in the 2013 year
- Differentiated copper formulations secure support in Europe
- Azoxystrobin sales up and more registrations imminent

TAZER®
XPERT

2013 Results – Product segment review

Other*

	2013	2012
Group sales	**233.2**	**232.8**
Average GM	**29%**	**26%**

- Plant growth regulator (PGR) sales down in cotton, but up in European cereals
- Valent (Sumitomo) distribution arrangements in Canada drive growth in horticulture segment
- Successful launch of proprietary 'Clementgros' in Chile
- Initial position in biopesticides established
- Croplands spray machinery sales (Aust / NZ) down on prior year

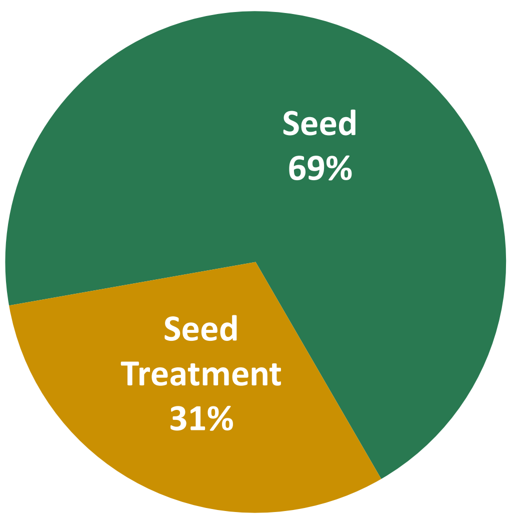
DiPel® SC
INSEKTISIDA BIOLOGI
SUSPENSI KONSENTRAT

* Other includes plant growth regulators (PGRs); Croplands machinery business; adjuvants; and industrial sales

2013 Results – Seed technologies segment review

Seed technologies

	2013 $m	2012 $m
Sales	131.7	121.0
Average GM	55%	53%
Underlying EBIT	32.4	30.6



- Dry conditions a negative impact on Australian canola seed sales
- A record year for sorghum business
- Cold US spring impacted seed treatment opportunities; good sales growth in Eastern Europe
- ‘Beyond yield' strategic milestones with launch of ‘Wholis’, ‘Monola’ sales to Japan and Omega-3 introgression into Canola

2013 Results – Seed technologies segment review

A stronger platform to drive sustainable growth

- Expansion into South America with Atlantica acquisition
- European breeding and product development capabilities enhanced
- Investment in hybrid pipeline optimisation
- Recruitment of new molecular research leader
- Alsip facility custom seed treatment blend capability attracts customer interest and support
- Seed treatment strengthened with recruitment of experienced global commercial lead

FY 2013 results: Group outlook

Doug Rathbone, Managing Director / CEO

Nufarm

Corporate growth strategy

- Formulation developments in phenoxy herbicides
- Glyphosate product development and differentiation
- Emphasis on value and quality

Protect / enhance value of our core positions

- Build insecticides and fungicides platform
- Biopesticides
- Seed treatments
- Elite seed varieties
- Downstream seed products

Invest in new growth opportunities

- Higher sales/volume across fixed cost base
- Utilising manufacturing plants for adjacent markets
- Increased tolling activity
- Driving greater efficiencies

Leverage the existing operating/ asset base

Corporate growth strategy

Generate improved returns

Growing into higher value and more defendable product and market segments

- Key crop focus
- Turf & Ornamental
- Differentiated formulations & mixtures
- Seed technologies

Protect / enhance value of our core positions

Invest in new growth opportunities

Leverage the existing operating/ asset base

Group outlook

Nufarm

- Strong recovery anticipated in Australia based on return to more normal seasonal conditions and demand patterns
  - Negative EBIT impact from loss of BASF distribution arrangements
  - Transition to 'Weedmaster' glyphosate brands in Australia to be earnings neutral
- Continued growth in Brazil, with initial sales (August/September) at record levels
  - Investment required to consolidate recent gains; build platform for next growth phase
- North America and Europe also positioned for continued growth
- Asia expected to be down due to margin pressure on glyphosate
- Strong focus on balance sheet metrics – with significant improvement targeted for working capital and average debt

Assuming average seasonal conditions in major markets, we expect to achieve underlying EBIT growth in FY 2014

Supplementary information

Non IFRS disclosures and definitions

Term	Definition
Underlying NPAT	Profit / (loss) for the period attributable to the equity holders of Nufarm Limited less material items.
Underlying EBIT	Earnings before net finance costs, taxation and material items.
Underlying EBITDA	Earnings before net finance costs, taxation, depreciation and amortisation and material items.
Gross profit margin	Gross profit as a percentage of revenue.
Average gross profit	Revenue less a standardised estimate of production costs excluding material items and non-product specific rebates and other pricing adjustments.
Average gross margin	Average gross profit as a percentage of revenue.
Net debt	Total debt less cash and cash equivalents.
Average net debt	Net debt measured at each month end as an average.
Net working capital	Current trade and other receivables and inventories less current trade and other payables.
Average net working capital	Net working capital measured at each month end as an average.
ANWC/sales (%)	Average net working capital as a percentage of last twelve months revenue.
Net external interest expense	Comprises Interest income – external, Interest expense – external and Lease expense – finance charges as described in note 10 to the 31 July 2012 Nufarm Limited financial report.
Gearing	Net debt / (net debt plus equity)
Constant currency	Reconciled as per the below – whereby "(a)" represents the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the Australian dollar.

Year ended 31 July	Net Working Capital '$000	Net debt '$000
FY 2012 as reported	770,759	467,804
Foreign currency translation impact (a)	144,686	84.575
Constant currency adjusted	915,445	552,379
FY 2013 as reported	1,011,004	633,113

Non IFRS information reconciliation

	12 months ended 31 July 2013			12 months ended 31 July 2012		
	Underlying	Material items	Total	Underlying	Material items	Total
	$000	$000	$000	$000	$000	$000
Revenue	**2,277,292**		**2,277,292**	**2,181,551**		**2,181,551**
Cost of sales	(1,653,991)		(1,653,991)	(1,569,852)	805	(1,570,657)
Gross profit	**623,301**	**-**	**623,301**	**611,699**	**805**	**610,894**
Other income	20,677		20,677	10,124		10,124
Sales, marketing and distribution expenses	(269,582)		(269,582)	(235,697)	4,846	(240,543)
General and administrative expenses	(144,835)	3,177	(148,012)	(142,657)	55,350	(198,007)
Research and development expenses	(42,698)		(42,698)	(37,874)		(37,874)
Share of net profits/(losses) of associates	(60)		(60)	378		378
Operating profit	**186,803**	**3,177**	**183,626**	**205,973**	**61,001**	**144,972**
Financial income excluding fx	5,491		5,491	7,910		7,910
Net foreign exchange gains/(losses)	(10,734)		(10,734)	8,187	(11,050)	19,237
Net financial income	(5,243)	-	(5,243)	16,097	(11,050)	27,147
Financial expenses	(65,460)		(65,460)	(52,818)	8,978	(61,796)
Net financing costs	**(70,703)**	**-**	**(70,703)**	**(36,721)**	**(2,072)**	**(34,649)**
Profit before tax	**116,100**	**3,177**	**112,923**	**169,252**	**58,929**	**110,323**
Income tax benefit/(expense)	(32,126)	(953)	(31,173)	(53,584)	(16,083)	(37,501)
Profit for the period	**83,974**	**2,224**	**81,750**	**115,668**	**42,846**	**72,822**
Attributable to:						
Equity holders of the parent	83,223	2,224	80,999	115,440	42,846	72,594
Non-controlling interest	751		751	228		228
Profit for the period	**83,974**	**2,224**	**81,750**	**115,668**	**42,846**	**72,822**

Non IFRS information reconciliation

Year ended 31 July	2013 $000	2012 $000
Underlying EBIT	186,803	205,973
Material items impacting operating profit	(3,177)	(61,001)
Operating profit	183,626	144,972

Underlying EBIT	186,803	205,973
Statutory depreciation and amortisation	*73,986*	*65,489*
less material items (Intangibles write off - Brazil)	*-*	*(3,708)*
add Depreciation and amortisation excluding material items	73,986	61,781
Underlying EBITDA	260,789	267,754

Nufarm

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