



Nufarm Finance (NZ) Limited
8 Manu Street, Otahuhu, Auckland, New Zealand
Telephone: +64 9 270 4157 Fax: +64 9 270 4168
www.nufarm.com

October 29, 2013

Nufarm Finance ASX Announcement

We attach

- 1) A copy of the NFN 2013 Annual Report, and
- 2) A copy of a S209 Notice to be sent to holders of Nufarm Step-Up Securities.
- 3) A copy of a Receiving Securityholder Communications Notice to be sent to holders of Nufarm Step-Up Securities.

A handwritten signature in black ink, appearing to read 'Rodney Heath'.

Rodney Heath
Nufarm Finance (NZ) Limited



**Nufarm Finance (NZ) Limited
Annual Report
For the year ended 31 July 2013**



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Directors' Report

The Directors of Nufarm Finance (NZ) Limited have pleasure in submitting their report in respect of the financial year ended 31 July 2013.

Principal Activities

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

NZX waivers

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

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

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


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

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


Results

The net profit attributable to members of the Company for the 12 months to 31 July 2013 is \$11,461,961. The comparable figure for the 12 months to 31 July 2012 was a net profit of \$21,555,705.

For and on behalf of the Board



KM Hoggard
Director



WB Goodfellow
Director

Date: 21 October 2013

Company directory

Nature of Business	To act as a financing company for the Nufarm Group. The Company has 2,510,000 Nufarm Step-up Securities issued, and is a listed debt issuer on the New Zealand Stock Exchange.
Credit rating	Nufarm Limited has a credit rating of BB issued by S&P.
Registered Office	6 Manu Street Otahuhu, AUCKLAND Telephone: 09 270 4150 Facsimile: 09 270 4159
Incorporation Number	107147
Directors	Dr W B Goodfellow Mr K M Hoggard Mr D J Rathbone Mr P J Clement Directors Fees were not paid by Nufarm Finance (NZ) Limited.
Directors Interest	Dr W B Goodfellow held a non-beneficial interest in 47,723 and a beneficial interest in 700 Nufarm Step-up Securities at balance date. Mr D J Rathbone held a non-beneficial interest in 1,000 and a beneficial interest in 500 Nufarm Step-up Securities at balance date.
Parent Company	Nufarm Limited
Auditor	KPMG
Bank	Bank of New Zealand
Solicitor	Dawson Harford & Partners

Distribution of Nufarm Step-up Securities Holders and Nufarm Step-up Securities Holding as at 31 July 2013

Size of Holding	Number of Security Holders		Number of Securities	
1-99	494	15.7%	34,856	1.4%
100-999	2,360	75.2%	711,417	28.3%
1,000-4,999	240	7.7%	402,686	16.0%
5,000-9,999	16	0.5%	109,085	4.4%
10,000+	29	0.9%	1,251,956	49.9%
	<u>3,139</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

Geographic distribution:

New Zealand	1,413	45.0%	656,544	26.2%
Australia	1,714	54.6%	1,845,252	73.5%
Rest of World	12	0.4%	8,204	0.3%
	<u>3,139</u>	<u>100.0%</u>	<u>2,510,000</u>	<u>100.0%</u>

Corporate Governance

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

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

The Board of Nufarm Finance includes the Managing Director and one further Director of the Nufarm Group. The directors of Nufarm Finance believe that the overarching governance procedures of Nufarm provides an appropriate basis for ensuring Nufarm Finance meets its fiduciary obligations to the Nufarm Step-Up Securities Holders.



Independent auditor's report

To the shareholders of Nufarm Finance (NZ) Limited

Report on the financial statements

We have audited the accompanying financial statements of Nufarm Finance (NZ) Limited ("the company") on pages 7 to 30. The financial statements comprise the statement of financial position as at 31 July 2013, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the company.



Opinion

In our opinion the financial statements on pages 7 to 30:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the company as at 31 July 2013 and of its financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Nufarm Finance (NZ) Limited as far as appears from our examination of those records.

24 October 2013

Auckland

Statement of comprehensive income

For the year ended 31 July 2013

	Note	2013 \$AUD	2012 \$AUD
Operating expenses		(227,429)	(266,819)
Finance income	1	19,241,115	28,956,296
Finance expense	2	(1,681,768)	(870,374)
Net Finance Income		17,559,347	28,085,922
Profit before income tax		17,331,918	27,819,103
Income tax expense	3	(5,869,957)	(6,263,398)
Profit for the period		11,461,961	21,555,705
Other comprehensive income			
Fair value of cash flow hedges transferred to profit or loss		-	870,374
Income tax on fair value changes of cash flow hedges	3	-	(243,705)
Other comprehensive income for the period, net of income tax		-	626,669
Total comprehensive income for the period		11,461,961	22,182,374

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

Statement of financial position

As at 31 July 2013

	Note	2013 \$AUD	2012 \$AUD
Assets			
Loan receivable - related parties	5	218,340,899	223,091,106
Deferred tax asset	6	7,936,703	7,197,736
Total non-current assets		226,277,602	230,288,842
Cash and cash equivalents	7	4,964,022	4,175,756
Receivables - related parties	5	4,122,327	4,855,186
Income tax receivable		26,759	55,904
Total current assets		9,113,108	9,086,846
Total assets		235,390,710	239,375,688
Equity			
Share capital	8	9,984,530	9,984,530
Retained earnings		(21,620,472)	(19,108,310)
Total equity attributable to ordinary shareholders		(11,635,942)	(9,123,780)
Nufarm Step-up Securities	8	246,932,148	246,932,148
Total equity		235,296,206	237,808,368
Liabilities			
Payables - other		94,504	85,000
Payables - related parties	5	-	1,482,320
Total current liabilities		94,504	1,567,320
Total liabilities		94,504	1,567,320
Total equity and liabilities		235,390,710	239,375,688

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

Statement of cash flows

For the year ended 31 July 2013

	Note	2013 \$AUD	2012 \$AUD
Cash flows from operating activities			
Payments to suppliers		(217,925)	(16,258)
Interest received		17,463,722	11,597,233
Taxation paid		(445,938)	(157,604)
FX Hedge Realised		-	927,800
Net cash from operating activities	12	16,799,859	12,351,171
Cash flows from financing activities			
Nufarm Step-up Securities distribution		(18,944,511)	(19,082,324)
Loans - repaid by related parties		2,932,918	4,550,000
Net cash used in financing activities		(16,011,593)	(14,532,324)
Net increase/(decrease) in cash and cash equivalents		788,266	(2,181,153)
Opening cash and cash equivalents		4,175,756	6,356,909
Cash and cash equivalents at 31 July	7	4,964,022	4,175,756

The statement of cash flow is to be read in conjunction with the attached notes.

Statement of changes in equity

For the year ended 31 July 2013

	Share capital	Hedging reserve	Retained earnings	Total equity attributable to ordinary shareholders	Nufarm Step-up Securities	Total equity
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
2012						
Balance at 1 August 2011	9,984,530	(626,669)	(26,619,884)	(17,262,023)	246,932,148	229,670,125
Total comprehensive income for the year						
Profit or (loss)	-	-	21,555,705	21,555,705	-	21,555,705
Other comprehensive income						
Fair value of cash flow hedges transferred to profit or (loss)	-	870,374	-	870,374	-	870,374
Income tax on fair value changes of cash flow hedges	-	(243,705)	-	(243,705)	-	(243,705)
Total comprehensive income for the year	-	626,669	21,555,705	22,182,374	-	22,182,374
Nufarm Step-up Securities distribution	-	-	(19,082,324)	(19,082,324)	-	(19,082,324)
Tax effect of Nufarm Step-up Securities distribution	-	-	5,038,193	5,038,193	-	5,038,193
Balance at 31 July 2012	9,984,530	-	(19,108,310)	(9,123,780)	246,932,148	237,808,368
2013						
Balance at 1 August 2012	9,984,530	-	(19,108,310)	(9,123,780)	246,932,148	237,808,368
Total comprehensive income for the year						
Profit or (loss)	-	-	11,461,961	11,461,961	-	11,461,961
Other comprehensive income						
Fair value of cash flow hedges transferred to profit or (loss)	-	-	-	-	-	-
Income tax on fair value changes of cash flow hedges	-	-	-	-	-	-
Total comprehensive income for the year	-	-	11,461,961	11,461,961	-	11,461,961
Nufarm Step-up Securities distribution	-	-	(18,944,511)	(18,944,511)	-	(18,944,511)
Tax effect of Nufarm Step-up Securities distribution	-	-	4,970,388	4,970,388	-	4,970,388
Balance at 31 July 2013	9,984,530	-	(21,620,472)	(11,635,942)	246,932,148	235,296,206

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

Notes to the financial statements

for the year ended 31 July 2013

SIGNIFICANT ACCOUNTING POLICIES

(A) Reporting entity

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

The financial statements of the Company are for the year ended 31 July 2013.

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

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

The financial statements were authorised for issue by the directors on 21 October 2013.

(B) Statement of compliance

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

(C) Basis of measurement

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

This financial report of the company and the Nufarm Group have been prepared on a going concern basis, which assumes the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The going concern basis is considered appropriate by the Directors having regard to the Nufarm Group’s access to appropriate lines of credit to support the Nufarm Group’s working capital and general corporate financing requirements through its three year A\$406 million syndicated bank facility entered into in November 2011, a debtor’s securitisation facility, entered into in August 2011, and the completion of a US \$325 million Senior Unsecured Notes offering in October 2012.

Refer to note 11 for further discussion regarding liquidity risk.

Notes to the financial statements (continued)

for the year ended 31 July 2013

SIGNIFICANT ACCOUNTING POLICIES

(D) Foreign currency

Functional currency

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

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognised in the profit or loss except for differences arising on retranslation of qualifying cash flow hedges.

(E) Use of estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The most significant areas where management judgement and estimates have been applied are with regard to the recognition of deferred tax asset and valuation of financial instruments and the classification of the Nufarm Step-up Securities as equity. Please refer to notes 6,8 and 11 for further information.

(F) Cash and cash equivalents

Cash and cash equivalents comprises the cash balances.

Notes to the financial statements (continued)

for the year ended 31 July 2013

SIGNIFICANT ACCOUNTING POLICIES

(G) Loan and related party receivables

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

(H) Interest-bearing borrowings

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

(I) Related party payables and other payables

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

(J) Derivative financial instruments

The Company uses derivative financial instruments, including foreign exchange contracts and interest rate caps, to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities.

The Company does not hold or issue derivative financial instruments for trading purposes.

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

Notes to the financial statements (continued)

for the year ended 31 July 2013

SIGNIFICANT ACCOUNTING POLICIES

Cash Flow Hedges

Changes in the fair value of derivative hedging instruments designated as a cash flow hedge are recognised in comprehensive income and presented in the hedging reserve in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the forecast transaction occurs. When the hedged item is a non financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss when the hedged item affects profit or loss. No cash flow hedges were in place at 31 July 2013.

(K) Nufarm Step-up Securities

The Nufarm Step-up Securities (NSS) are perpetual step up securities. Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are restricted if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. Further details can be found in note 8.

(L) Impairment

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

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

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset.

Notes to the financial statements (continued)

for the year ended 31 July 2013

SIGNIFICANT ACCOUNTING POLICIES

(M) Finance income and expenses

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

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

(N) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for tax on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Notes to the financial statements (continued)

for the year ended 31 July 2013

SIGNIFICANT ACCOUNTING POLICIES

(O) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(P) Changes in accounting policies

This year, there have been no changes to accounting policies.

(Q) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 August 2012, and have not been applied in preparing these financial statements. Those which may be relevant to the group are set out below. The group does not plan to adopt these standards early.

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under IFRS 9 (2009) financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurements requirements of IFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting.

IFRS 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The extent of the impact upon adoption of these standards has not been determined.

Notes to the financial statements (continued)

for the year ended 31 July 2013

	Note	2013 \$AUD	2012 \$AUD
1 Finance income			
Interest received from loans to group entities	5	16,640,564	15,163,120
Other interest received		90,299	107,188
Unrealised gain on foreign currency denominated assets		2,510,252	13,685,988
		19,241,115	28,956,296
The Company operates only in the financing industry, and only in New Zealand.			
2 Finance expense			
Realised foreign exchange loss		(1,681,768)	-
Transferred from cash flow hedge reserve		-	(870,374)
		(1,681,768)	(870,374)
3 Income tax			
Current tax expense			
Current tax expense		-	-
		-	-
Deferred tax expense			
Origination and reversal of temporary differences		-	100,821
Tax losses utilized - (recognised)		5,873,338	6,297,596
Adjustments for prior years		(3,381)	(135,019)
		5,869,957	6,263,398
Income tax expense recognised in statement of comprehensive income		5,869,957	6,263,398
Tax expense/(benefit) recognised directly in other comprehensive income and in equity			
Tax effect of hedge amortisation		-	243,705
Tax benefit of NSS distribution		(4,970,388)	(5,038,193)
		(4,970,388)	(4,794,488)
Reconciliation of effective tax rate			
Profit before tax		17,331,918	27,819,103
Income tax at company rate 28%		4,852,937	7,789,349
Adjustments for prior years		(3,381)	(135,019)
Other adjustments		1,020,401	(1,390,932)
Income tax expense recognised in statement of comprehensive income		5,869,957	6,263,398

The Company has imputation credits available for use in subsequent reporting periods of \$1,309,179 at 31 July 2013 (2012: \$1,134,573).

Notes to the financial statements (continued)

for the year ended 31 July 2013

	2013	2012
	\$AUD	\$AUD

4 Segment reporting

The Company acts as a financing company for the Nufarm Group. It operates solely within the financing industry in New Zealand. It is listed in both Australia and New Zealand as the Nufarm Step-up Securities were issued to holders in both countries.

5 Related parties

Nufarm Limited, an Australian registered and listed company, is the Company's ultimate parent. The company had the following related party transactions during, and as at, the year ended 31 July 2013:

Amounts due from commonly controlled entities:

Non-current assets *	218,340,899	223,091,106
Current assets	4,122,327	4,855,186

* Settlement is not expected in the next 12 months.

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

Nufarm Americas Inc (United States)	-	AUD 5,021,675
Nufarm Australia Limited	-	AUD 10,787,425
Nufarm Treasury	-	AUD 14,562,588
Nufarm Holdings SAS	AUD 185,745,370	AUD 185,745,370
Nufarm Holdings SAS	USD 7,329,724	USD 7,329,724
Nufarm Holdings (NZ) Limited	AUD 21,387,804	-

The interest rate is variable based on local rates and is reset on a six month basis.

During the year, the Company received interest as follows:

Interest received from commonly controlled entities	16,640,564	15,163,120
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Amounts due to commonly controlled entities:

Current liabilities		
Nufarm Holdings (NZ) Limited	-	1,450,544
Nufarm Limited (NZ) Branch	-	31,776
	-	1,482,320

The above intercompany balances are unsecured and repayable on demand.

Notes to the financial statements (continued)

for the year ended 31 July 2013

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

- Audit fees of \$36,000 were paid by the Nufarm Limited (NZ) Branch on behalf of the Company (2012: \$36,000).
- The Company paid \$82,980 (2012: \$79,403) fees to Nufarm Limited (NZ) Branch, for the provision of accounting and administrative services.

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

Notes to the financial statements (continued)

for the year ended 31 July 2013

6 Deferred tax assets

Recognised deferred tax assets and liabilities

Deferred tax assets are attributable to the following items:

	Assets	
	2013 \$AUD	2012 \$AUD
Tax loss carry-forwards	7,936,703	7,197,736
Deferred tax assets	7,936,703	7,197,736

The company has no deferred tax liabilities.

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

Movement in temporary differences during the year

	Balance 1- Aug -12	Recognised in profit or loss	Transfers	Adjustments to NZD Tax Benefit	Recognised in equity	Balance 31-Jul-13
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
Tax loss carry forwards	7,197,736	(5,869,957)	-	1,638,536	4,970,388	7,936,703
Deferred tax assets	7,197,736	(5,869,957)	-	1,638,536	4,970,388	7,936,703

	Balance 1- Aug -11	Recognised in profit or loss	Transfers	Adjustments to NZD Tax Benefit	Recognised in equity	Balance 31-Jul-12
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
Tax benefit of NSS issue costs	100,821	(100,821)	-	-	-	-
Tax loss carry forwards	8,456,818	(6,162,577)	(598,059)	707,066	4,794,488	7,197,736
Deferred tax assets	8,557,639	(6,263,398)	(598,059)	707,066	4,794,488	7,197,736

Notes to the financial statements (continued)

for the year ended 31 July 2013

7 Cash and cash equivalents

	2013 \$AUD	2012 \$AUD
Bank balances	4,964,022	4,175,756
Cash and cash equivalents in the statement of cashflows	4,964,022	4,175,756

The Company NZD bank account is grouped under the Bank of New Zealand Set-Off Deed. Under this arrangement all the Nufarm New Zealand group NZD bank accounts are offset, with the net funds being placed on call.

At 31 July 2013, the Company AUD bank account was attracting interest at 2.40% (2012: 2.70%).

8 Share capital and reserves

Share Capital	Ordinary Shares	
	2013	2012
On issue at 1 August	10,000,000	10,000,000
On issue at 31 July - fully paid	10,000,000	10,000,000

All shares are fully paid and have no par value.

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

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

Hedging Reserve

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

Notes to the financial statements (continued)

for the year ended 31 July 2013

Nufarm Step-up Securities

In the year ended 31 July 2007, the company issued a hybrid security called Nufarm Step-up Securities (NSS). The NSS are perpetual step up securities and on 24 November 2006, 2,510,000 NSS were allotted at an issue price of \$100 per security raising \$251 million. The NSS are listed on the ASX under code 'NFNG' and on the NZDX under the code 'NFFHA'. The after-tax costs associated with the issue of the NSS, totalling \$4.1 million, were deducted from the proceeds.

Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distribution of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The first distribution date for the NSS was 16 April 2007 and on a six-monthly basis after this date. The floating rate is the average mid-rate for bills with a term of six months plus a margin of 3.9% (2012: 3.9%). On 24 November 2011, Nufarm "stepped-up" the NSS which resulted in the interest margin attached to the NSS being stepped up by 2.0 per cent, with the new interest margin being set at 3.9 per cent. No other terms were adjusted and there are no further step-up dates. Nufarm retains the right to redeem or exchange the NSS on future distribution dates.

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

Distributions

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

	Distribution rate	Total amount	Payment date
2013			
Distribution	7.03%	8,798,478	10-Apr-13
Distribution	8.11%	10,146,033	12-Oct-12
Total		18,944,511	
2012			
Distribution	6.61%	1,727,291	16-Apr-12
Distribution	8.61%	8,526,023	16 Apr-12
Distribution	6.94%	8,829,010	17-Oct-11
Total		19,082,324	

All distributions payable on the Nufarm Step-up securities have been paid.

No dividends to the ordinary shareholders were declared in the current year (2012 Nil).

Notes to the financial statements (continued)

for the year ended 31 July 2013

9 Earnings per share

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 July 2013 was based on the profit attributable to ordinary shareholders of \$11,461,961 (2012: \$21,555,705) and a weighted number of ordinary shares outstanding of 10,000,000 (2012: 10,000,000). Calculated as follows:

Profit attributable to ordinary shareholders	2013 \$AUD	2012 \$AUD
Net profit for the period	11,461,961	21,555,705
Net profit attributable to ordinary shareholders	11,461,961	21,555,705

Weighted number of ordinary shares

	Ordinary Shares	
	2013	2012
On issue at 1 August	10,000,000	10,000,000
On issue at 31 July - fully paid	10,000,000	10,000,000

The company may elect to redeem the NSS for a number of ordinary shares in Nufarm Limited, the parent company, an Australian registered and listed company. This election would therefore not result in a dilutive impact on the number of ordinary shares in the Company.

Earnings per share

Basic earnings per share (cents)	114.6	215.6
Diluted earnings per share (cents)	114.6	215.6

10 Contingent liabilities

The Company is one of the guarantors of Nufarm Limited's senior secured syndicated bank facility (SFA) and would be obliged, along with other guarantors, to make payment on the SFA in the unlikely event of a default by one of the borrowers. On 5 October 2012 the Nufarm Group successfully closed the offer of US\$325 million aggregate principal amount of senior unsecured notes. The Company is one of the guarantors of the senior unsecured notes.

Notes to the financial statements (continued)

for the year ended 31 July 2013

11 Financial instruments

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

Market Risks

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

Interest Rate Risk

The Company has the ability to use derivative financial instruments to manage specifically identified rate risks.

The distribution rate on the NSS is based on a floating rate of the average mid-rate for bills with a term of six months plus a margin of 3.90%.

The company does not hedge the exposures to interest rate risk on the cash and loan receivable balances. An increase in rates by 100 basis points with all other variables held constant at the reporting date would have resulted in a higher post tax profit of \$1,538,592 (2012: \$1,606,255) mainly as a result of higher interest income from floating rate cash and loan receivables.

The income from higher interest rates would be offset by an increased payout to the NSS holders of \$1,802,251 (2012: \$1,817,105) resulting in an overall reduction to equity of \$263,659 (2012: \$210,850).

A decrease in interest rates by the same basis points with all other variables held constant at reporting date would have resulted in a lower post tax profit of \$1,538,592 (2012: \$1,606,255). The loss of income from lower interest rates would be offset by a decreased payout to NSS holders of \$1,802,251 (2012: \$1,817,105) resulting in an overall increase to equity of \$263,659 (2012: \$210,850).

Foreign exchange risk

In April 2012, the Company settled the loans receivable from related parties that were denominated in foreign currencies and reissued them in Australian dollars. This has largely eliminated the foreign exchange exposure for the Company. At 31 July 2013, there was only one foreign currency loan in place of US\$7.3m.

The financial effect of changes in foreign exchange rates on this non current loan is;

		\$000s AUD rise 10%	\$000s AUD drop 10%
	Spot	Loss	Gain
USD 7,329,724	0.895	-745	910

Notes to the financial statements (continued)

for the year ended 31 July 2013

Credit Risk

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

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

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

	Carrying amount	
	2013 \$AUD	2012 \$AUD
Loans receivable-related parties (non-current)	218,340,899	223,091,106
Receivables-related parties (current)	4,122,327	4,855,186
Cash and cash equivalents	4,964,022	4,175,756
	<u>227,427,248</u>	<u>232,122,048</u>

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

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

Liquidity Risk

Liquidity risk represents the Company's ability to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The company's liquidity is considered in the context of the Nufarm Group. Nufarm Group has the following financing facilities in place as at 31 July 2013.

Notes to the financial statements (continued)

for the year ended 31 July 2013

On 23 August 2011, Nufarm executed a \$300 million trade receivables securitisation facility. Subsequent to execution, the facility size has been reduced to \$250 million to reflect the value of trade receivables being used to secure funding under the program at this time. On 13 June 2013 the facility size was increased to A\$300 million to reflect the increase in the current value of trade receivables being used to secure funding under the programme. As at 31 July 2013, the amount of funding drawn under the securitised facility by the participating Nufarm entities was A\$208 million (2012: A\$202 million).

On 22 November 2011, the company executed a A\$625 million senior secured syndicated bank facility (SFA) with a term of 3 years. On 8 October 2012, the group completed a US\$325 million Senior Unsecured Notes offering due in October 2019 (the "Notes"). Concurrent with the issuance of the Notes, US\$250 million of the commitments under the A\$625 million senior secured syndicated bank facility was cancelled. Subsequently, upon the admission of an additional financial institution to the syndicate on January 2013, the SFA was increased by A\$25 million. As at 31 July 2013, the amount of funding drawn under the SFA of A\$406 million was A\$164 million (2012: A\$336 million) with loans being advanced in multiple currencies.

The SFA and trade receivables securitisation facility provide access to committed lines of credit to support the group's seasonal working capital demands and general corporate financing requirements. The SFA includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants throughout the financial year.

The majority of debt facilities that reside outside the Notes, the SFA and trade receivables securitisation facility are regional working capital facilities, primarily located in Brazil and Europe, with amounts drawn at 31 July totalling A\$343 million (2012: A\$152 million).

The Company's largest liquidity exposure relates to the NSS security which is classified as equity. The liquidity risk is immaterial because it is largely offset by the related party receivables with a matching maturity date and distributions on the NSS security are at the discretion of the issuer. Refer to Note 5 and Note 8 for details.

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

Notes to the financial statements (continued)

for the year ended 31 July 2013

The tables below present the Company's cash flows by remaining contractual maturities as at balance date.

The amounts disclosed in the tables are the contractual undiscounted cash flows and therefore, may not agree to the carrying values on the balance sheet.

2013	Within 6 months	More than 12 months	Total Contractual Cash Flows
	\$AUD	\$AUD	\$AUD
Non-derivative financial assets			
Cash and cash equivalents	(4,964,022)	-	(4,964,022)
Receivables - related parties	(4,122,327)	-	(4,122,327)
Loan receivable - related parties *	-	(218,340,899)	(218,340,899)
Non-derivative financial liabilities			
Payables - other	94,504	-	94,504
	(8,991,845)	(218,340,899)	(227,332,744)

The Company has Nufarm Step-up Securities of \$251 million (refer to note 8).

* Settlement is not expected within 12 months (refer note 5).

2012	Within 6 months	More than 12 months	Total Contractual Cash Flows
	\$AUD	\$AUD	\$AUD
Non-derivative financial assets			
Cash and cash equivalents	(4,175,756)	-	(4,175,756)
Receivables - related parties	(4,855,186)	-	(4,855,186)
Loan receivable - related parties	-	(223,091,106)	(223,091,106)
Non-derivative financial liabilities			
Payables - other	85,000	-	85,000
Payables - related parties	1,482,320	-	1,482,320
	(7,463,622)	(223,091,106)	(230,554,728)

The above table reflects expected maturities.

Notes to the financial statements (continued)

for the year ended 31 July 2013

Fair Valuation

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

	Loans and Receivables \$AUD	Other Financial Liabilities \$AUD	Carrying Value \$AUD
2013			
Assets as per Balance Sheet			
Cash and cash equivalents	4,964,022	-	4,964,022
Loans receivables - related parties	218,340,899	-	218,340,899
Related party receivables	4,122,327	-	4,122,327
Total	227,427,248	-	227,427,248
Liabilities as per Balance Sheet			
Account payables	-	94,504	94,504
Total	-	94,504	94,504

2012

Assets as per Balance Sheet

Cash and cash equivalents	4,175,756	-	4,175,756
Loans receivables - related parties	223,091,106	-	223,091,106
Related party receivables	4,855,186	-	4,855,186
Total	232,122,048	-	232,122,048

Liabilities as per Balance Sheet

Account payables	-	85,000	85,000
Loans payable - related parties	-	1,482,320	1,482,320
Total	-	1,567,320	1,567,320

Fair Value Hierarchy

The Company does not have financial instruments carried at fair value (2012: nil). As such, the fair value hierarchy table is not presented.

Notes to the financial statements (continued)

for the year ended 31 July 2013

Loans and Receivables

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

Other Financial Liabilities

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

Capital Management

The Company's capital includes share capital, reserves, retained earnings and the Nufarm Step-up Securities. The Company is part of the Nufarm Limited group, which is an Australian listed company. The Nufarm Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company's capital management policies are reviewed regularly by the Directors. There have been no material changes in the Company's management of capital during the period.

Notes to the financial statements (continued)

for the year ended 31 July 2013

	2013 \$AUD	2012 \$AUD
12 Reconciliation of the profit for the period with the net cash flow from operating activities		
Profit for the period	11,461,961	21,555,705
Adjustments for:		
Unrealised foreign exchange gain	(2,510,252)	(698,504)
Transferred from Hedging reserve	-	870,374
Income tax expense	5,869,957	6,263,398
	14,821,666	27,990,973
Change in other payables	9,504	45,000
Change in related party receivables	732,859	(3,098,953)
Change in related party loans	1,681,768	(12,461,757)
Changes in tax balances	(445,938)	(124,092)
Net cash from operating activities	16,799,859	12,351,171

13 Commitments

There were no commitments as at 31 July 2013 (2012: Nil).

14 Subsequent Events

The Company has evaluated the period after the balance date to 21 October 2013, which is the date financial statements were issued, and determined that there were no subsequent events or transactions requiring recognition or disclosure in the financial statements.

Directors' declaration

In the opinion of the directors of Nufarm Finance (NZ) Limited, the financial statements and notes, on pages 7 to 30:

(a) comply with New Zealand generally accepted accounting principles and give a true and fair view of the Company as at 31 July 2013 and the results of its operations and cash flows for the year ended on that date; and

(b) have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

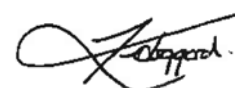
The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

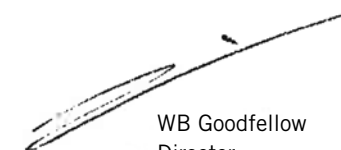
The directors are pleased to present the financial statements of Nufarm Finance (NZ) Limited for the year ended 31 July 2013.

For and on behalf of the Board of Directors:

Dated at Auckland this 21st day of October 2013



KM Hoggard
Director



WB Goodfellow
Director



Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, North Shore City
Private Bag 92119, Auckland 1142
New Zealand
Facsimile +64 9 488 8787
Investor Enquiries +64 9 488 8777
www.computershare.co.nz

MR J D SMITH
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
NEW ZEALAND

Securityholder Number/CSN: 333333333

333333333

JOHN DAVID SMITH

RECEIVING QUOTED SECURITY HOLDER COMMUNICATIONS (209 Notice)

As a Nufarm Finance (NZ) Limited Quoted Security Holder you receive a number of communications from us. However, in accordance with the New Zealand Companies Act and NZSX Listing Rules, we will no longer automatically be mailing to you printed copies of the Annual Report or Half Year Report.

This year Nufarm Finance (NZ) Limited has decided not to take up the option to prepare a Concise Annual Report.

Nufarm Finance (NZ) Limited's and Nufarm Limited's Annual Reports for the year ended 31 July 2013 are now available on our website, and Nufarm Limited's Half Year Report for the six months ended 31 January 2014 will be available on our website around April 2014. You can obtain copies of these reports at www.nufarm.com/annualreports.

Notwithstanding that these reports are available electronically, you have the right to receive, on request and free of charge, a copy of the Nufarm Finance (NZ) Limited Annual Report prepared under the NZSX Listing Rules and the Nufarm Limited Annual Report and the next Half Year Report (when available).

If you wish to receive a copy of these reports, please mark the box below and return this form within 15 working days of receiving this form in the reply paid envelope provided or by fax to +64 9 488 8787.

If you have any questions about changing how you receive Quoted Security Holder communications, please contact Computershare on +64 9 488 8777.

As at 31 July 2013, there were no substantial security holders of Nufarm Finance (NZ) Limited's Step-Up Securities (NSS)

ELECTRONIC SECURITYHOLDER COMMUNICATIONS

You can elect to receive all security holder communications by email, by marking the appropriate box below and providing us with your email address. At the company's discretion, communications sent electronically may include the annual report, interim report, transaction statements, payment advices and any other company related information that Nufarm deems appropriate to send via electronic means.

We encourage all security holders to access our company communications electronically as this reduces costs and benefits the environment.

Electronic Securityholder Communications

By providing my email address below I am electing to receive all my security holder communications via email. This includes notifications by email (where offered) of dividend statements, transaction statements, notices of meeting, voting forms and annual reports and replaces any prior election I may have made:

Email address: _____

I would like to receive a printed copy of the Annual and Half Year Reports

Please mark this box with an 'X' if you wish to receive printed copies of Nufarm Finance (NZ) Limited's and Nufarm Limited's Annual Reports and Nufarm Limited's Half Year Report (when available) each year



Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, North Shore City
Private Bag 92119, Auckland 1142
New Zealand
Facsimile +64 9 488 8787
Investor Enquiries +64 9 488 8777
www.computershare.co.nz

MR J D SMITH
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
NEW ZEALAND

Securityholder Number/CSN: 33333333

33333333

JOHN DAVID SMITH

RECEIVING SECURITYHOLDER COMMUNICATIONS

You have previously elected to receive printed copies of Nufarm Finance (NZ) Limited Annual Report and the Nufarm Limited Annual Report and Half Year Report. However, we want to make sure that we are sending you the level of information you would like to receive. Please complete the below if you no longer require printed copies of Annual Reports and Half Year Reports.

Nufarm Finance (NZ) Limited & Nufarm Limited Annual Reports for the year ended 31 July 2013 are now available on our website, and the Nufarm Limited Half Year Report for the six months ended 31 January 2014 will be available on our website around April 2014. You can obtain copies of these reports at www.nufarm.com/annualreports.

If you would prefer to view the Annual and Half Year Reports from our website instead of continuing to receive printed copies of them, please complete the below and return to Computershare Investor Services Limited in the envelope enclosed or alternatively fax it to (09) 488 8787.

I no longer wish to receive printed copies of the Annual and Half Year Reports.

ELECTRONIC SECURITYHOLDER COMMUNICATIONS

You can elect to receive all security holder communications by email, by marking the box below and providing us with your email address. At the company's discretion, communications sent electronically may include the annual report, interim report, transaction statements, payment advices and any other company related information that Nufarm deems appropriate to send via electronic means.

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Email address: _____

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PLEASE INSERT THIS ENTIRE PAGE IN THE REPLY PAID ENVELOPE SUPPLIED OR FAX TO (09) 488 8787.