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COMPANY ANNOUNCEMENT

15 April, 2014

Nufarm to close NZ manufacturing plant

Nufarm Limited announced today that, following a review of its New Zealand manufacturing operations, it will close the facility at Otahuhu, near Auckland, and further consolidate regional manufacturing activity at its existing Laverton (Victoria) facilities.

The additional rationalisation of manufacturing activity – which follows the announcement on 18 March of the reorganisation of the Australian operations – is expected to result in annualised savings of \$3 million, bringing total regional savings to approximately \$16 million when all changes are fully implemented.

The closure of the New Zealand facility and associated transfer of production activity will be undertaken over a two year period. Up to 59 New Zealand based manufacturing related positions will be affected by the planned changes.

Nufarm will record one-off restructuring costs in the current financial year of \$11 million, of which \$9 million is a non-cash impact. This brings total restructuring costs associated with the changes in Australia and New Zealand to \$50 million, of which \$37 million is a non-cash impact.

Eventual sale proceeds associated with the Otahuhu site are expected to result in a profit on sale of up to \$10 million.

The transfer of manufacturing activity from New Zealand to expanded facilities at Laverton will increase the utilisation and efficiency of those facilities; will result in lower unit costs; and will reduce the region's maintenance related capital expenditure and working capital requirements.

Nufarm's Managing Director, Doug Rathbone, said the NZ changes include a larger logistics presence that will ensure that the company continues to effectively service its New Zealand customer base.

"We will maintain a development laboratory in Auckland to support both local and global product innovation and we will retain our North Island warehouse facilities. In addition, we will expand warehouse and logistics support in the South Island to support our growing business in the south.

"These changes will result in a more efficient regional business that will continue to meet New Zealand based customers' requirements around reliability and flexibility of supply and a high quality product portfolio developed for local New Zealand conditions," said Mr Rathbone.

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Corporate Affairs
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