

Macquarie 12th Annual Australian Conference Sydney

**Doug Rathbone
Chief Executive Officer**

May, 2011



The broader picture....

Agriculture remains a strong growth industry

- Declining stock-to-use ratios
- Rising crop prices
- Increased use of biofuels
- Declining availability of arable land
- Growing global population
- Urbanisation and increased wealth
- Emerging agricultural markets



The battle for YIELD

Optimising inputs is key to maximising YIELD



- **Chemistry:** Protecting the seed/crop and securing increased efficiencies; efficacy; and safety



- **Seeds:** Both conventional and GM breeding programs leading to a step-wise increase in a farmer's investment in seed

Some key trends and changes impacting the crop protection industry....

- ▶ **More chemistry moving to post-patent status**
 - 75% of industry sales (by value) are post-patent
- ▶ **Closer integration of seeds/traits and chemistry**
 - Majors realign research emphasis into traits
- ▶ **Material value shift and structural change in glyphosate**
 - Remains vitally important chemistry ... but now 'commoditised'
- ▶ **Industry consolidation and strategic alliances**
 - M&A activity and increased commercial partnering

Nufarm is responding to these changes....

More post-patent chemistry

- Increased generic competition
- Opportunity for China to forward integrate
- Need to address post-patent strategies

Nufarm will leverage proven skills around sourcing; cost-competitive production; regulatory affairs and marketing of post-patent chemistry

Nufarm's market driven innovation....

New formulations



- Proprietary formulation
- Enhanced efficacy & tank mix flexibility

Mixtures



- Post emergent corn herbicide
- Unique combination of bromoxynil and terbutylazine

- Combined fungicide + insecticide seed treatment for cereals

Product delivery systems



- Proprietary starch matrix technology
- Controlled release insecticides

Packaging



- Patented 'QuickPour' packaging system
- Fully recyclable
- Faster pouring; no plug or splash

....adding value for growers, our distribution partners and our business

Nufarm is responding to these changes....

More post-patent chemistry

- Increased generic competition
- Opportunity for China to forward integrate
- Need to address post-patent strategies

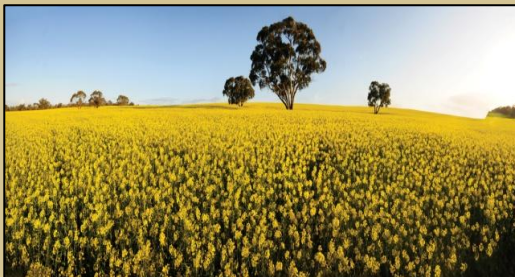
Nufarm will leverage proven skills around sourcing; cost-competitive production; regulatory affairs and marketing of post-patent chemistry

Closer integration of seed/ traits and chemistry

- Opportunity for higher margin sales
- Growing value of seed treatment segment

Nufarm has a focused and growing seeds platform and expanded opportunities in seed treatment

Our core crops



Canola



Sunflower



Sorghum

Nufarm has established....

- Strong breeding and marketing positions in core crops
- High quality germplasm, with a strong pipeline of new varieties
- Both GM and conventional trait positions
 - RR canola
 - 'Monola'
 - Premium food grade sorghum
- Expanding seed treatment position
- Global customer base; strong management team and operational hubs in Australia, North America and South America

Multiplying the value

Nufarm inputs....

Seed

+

Trait

+

Seed treatment

+

'Roundup Ready' herbicide

'Roundup Ready' canola – Australia*



*Nufarm expects to maintain market share of approximately 50%

2011 Interim results - Seeds and seed treatment

- High cotton/corn prices soften demand for standard grain sorghum in Americas
- Strong demand for specialty sorghum hybrids
 - BMR trait and food grade milling trait
- Chinese demand for elite confection sunflower continues to expand
- Increased demand for high oleic sunflowers in Australia
- Seed treatment positions considerably strengthened
 - New products and organisational changes
- Agreements completed with major customers

First six months:	2011	2010
Group sales	\$41m	\$22m
GM contribution	\$20.8m	\$11.3m
Average GM	51%	50%

Nufarm is responding to these changes....

More post-patent chemistry

- Increased generic competition
- Opportunity for China to forward integrate
- Need to address post-patent strategies

Nufarm will leverage proven skills around sourcing; cost-competitive production; regulatory affairs and marketing of post-patent chemistry

Closer integration of seed/traits and chemistry

- Opportunity for higher margin sales
- Growing value of seed treatment segment

Nufarm has a focused and growing seeds platform and expanded opportunities in seed treatment

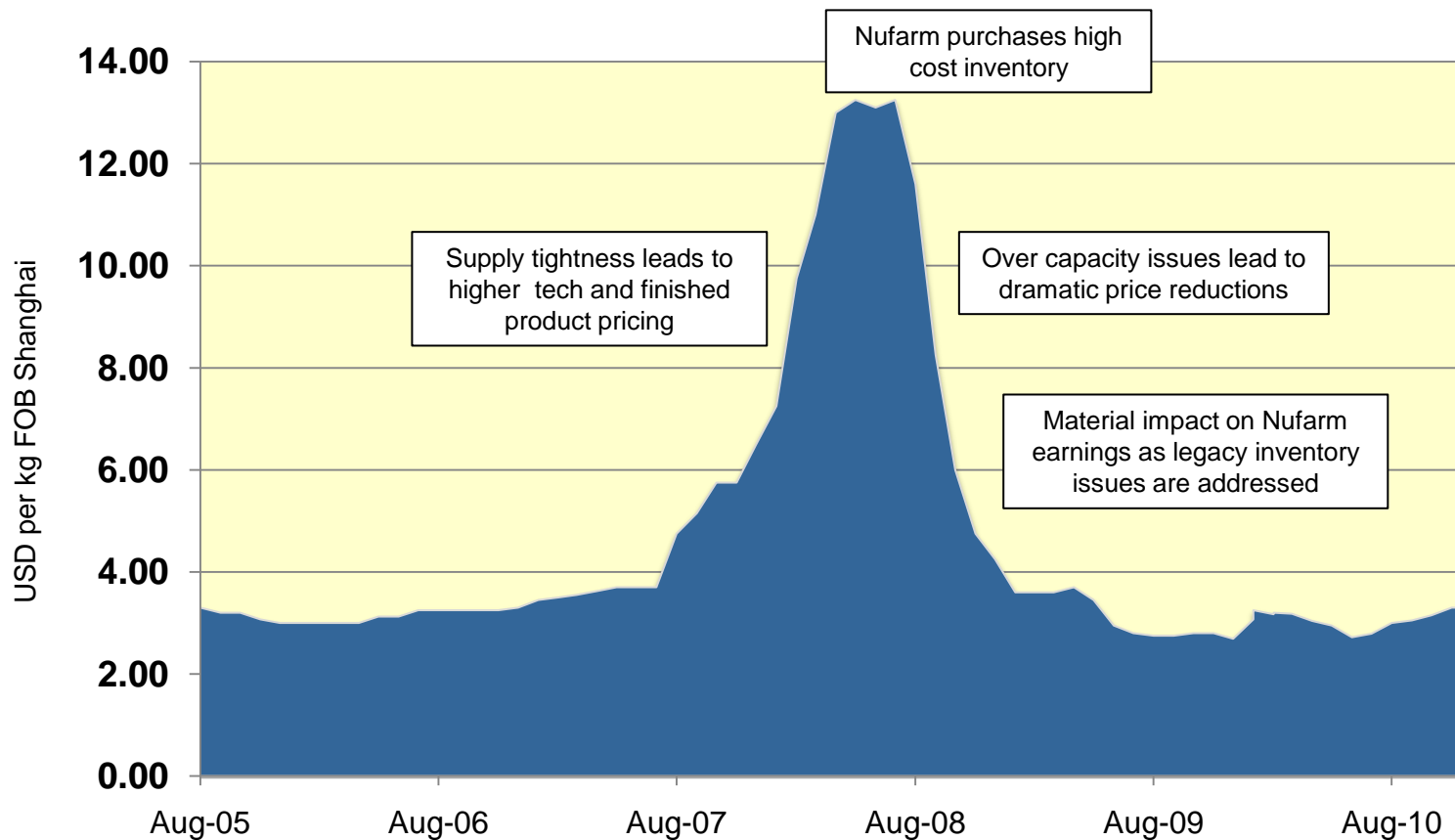
Structural change in glyphosate

- Long term over-capacity
- Pricing to remain very competitive

Nufarm is re-aligning its portfolio and transitioning to more defensible, higher value product segments

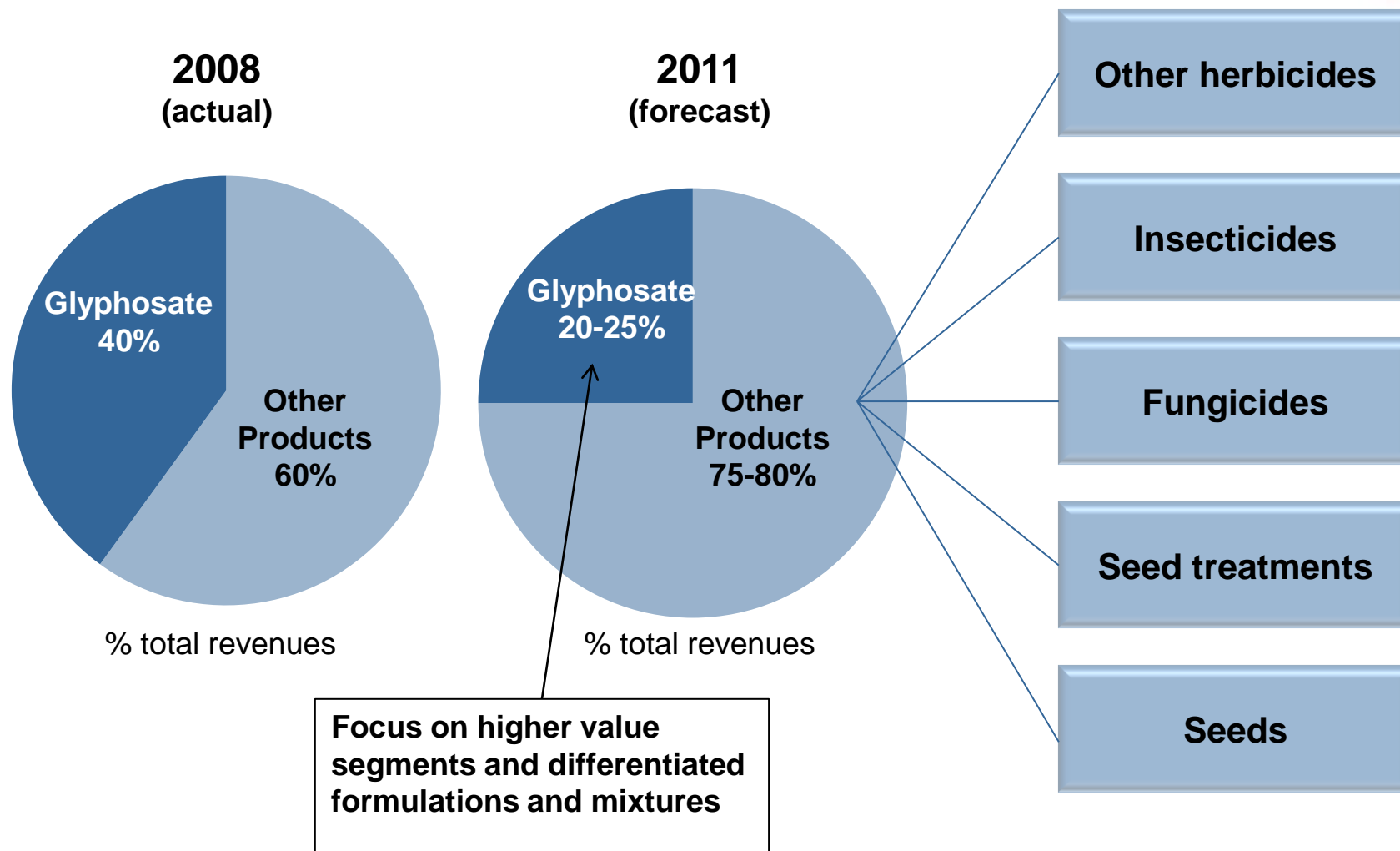
Value shift in glyphosate

(cost of glyphosate intermediate ex China)



Nufarm now cost competitive

Nufarm is rebalancing the portfolio

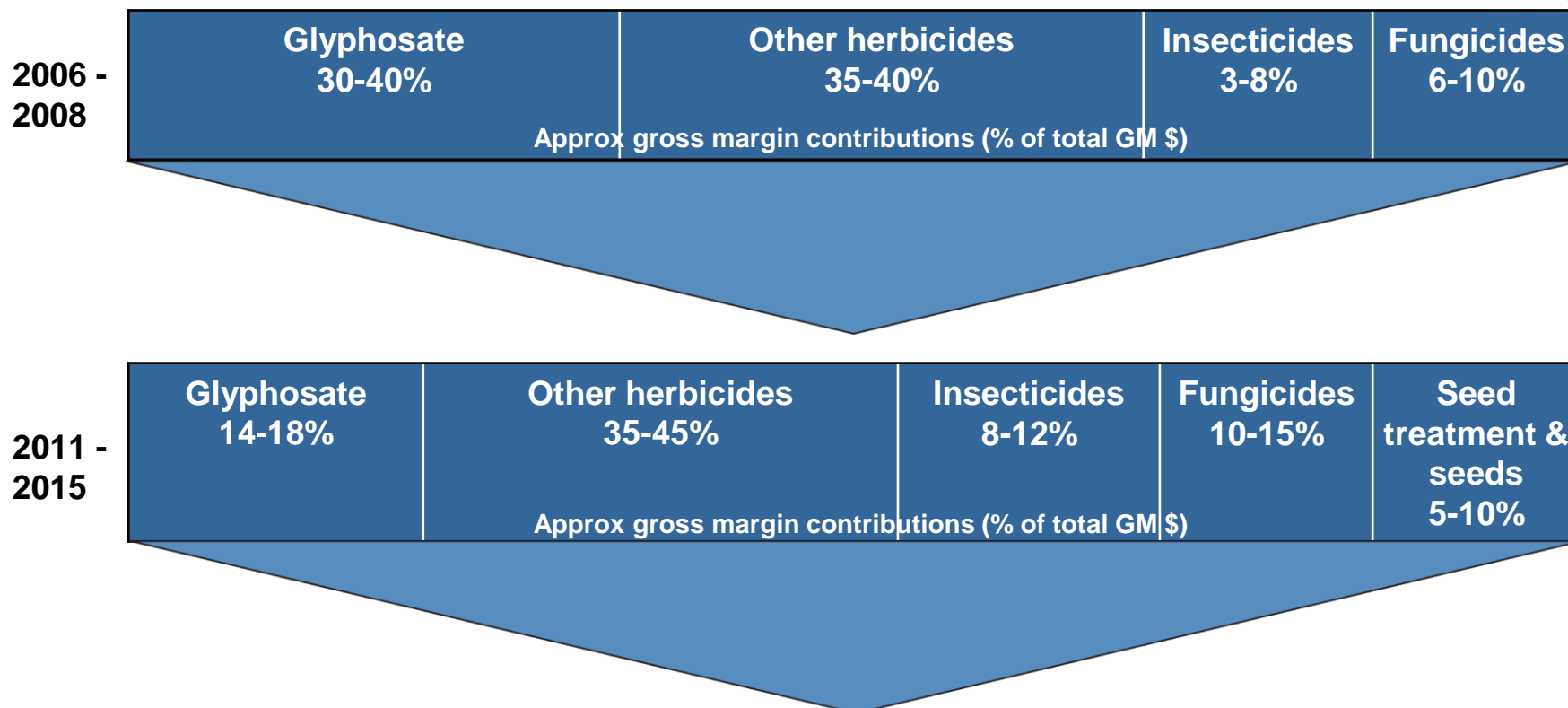


Progress is being made.....

2011 Interim Results: Portfolio balance

- Glyphosate sales down 28% half on half
- Other herbicide sales up 16%
- Fungicide sales up 26%
- Insecticide sales up 15%
- Seeds / seed treatments up 86%

A more diversified portfolio with growth into higher value product segments



A more balanced portfolio with increased contributions from higher value products/segments

Nufarm is responding to these changes....

More post-patent chemistry

- Increased generic competition
- Opportunity for China to forward integrate
- Need to address post-patent strategies

Nufarm will leverage proven skills around sourcing; cost-competitive production; regulatory affairs and marketing of post-patent chemistry

Closer integration of seed/traits and chemistry

- Opportunity for higher margin sales
- Growing value of seed treatment segment

Nufarm has a focused and growing seeds platform and expanded opportunities in seed treatment

Structural change in glyphosate

- Long term over-capacity
- Pricing to remain very competitive

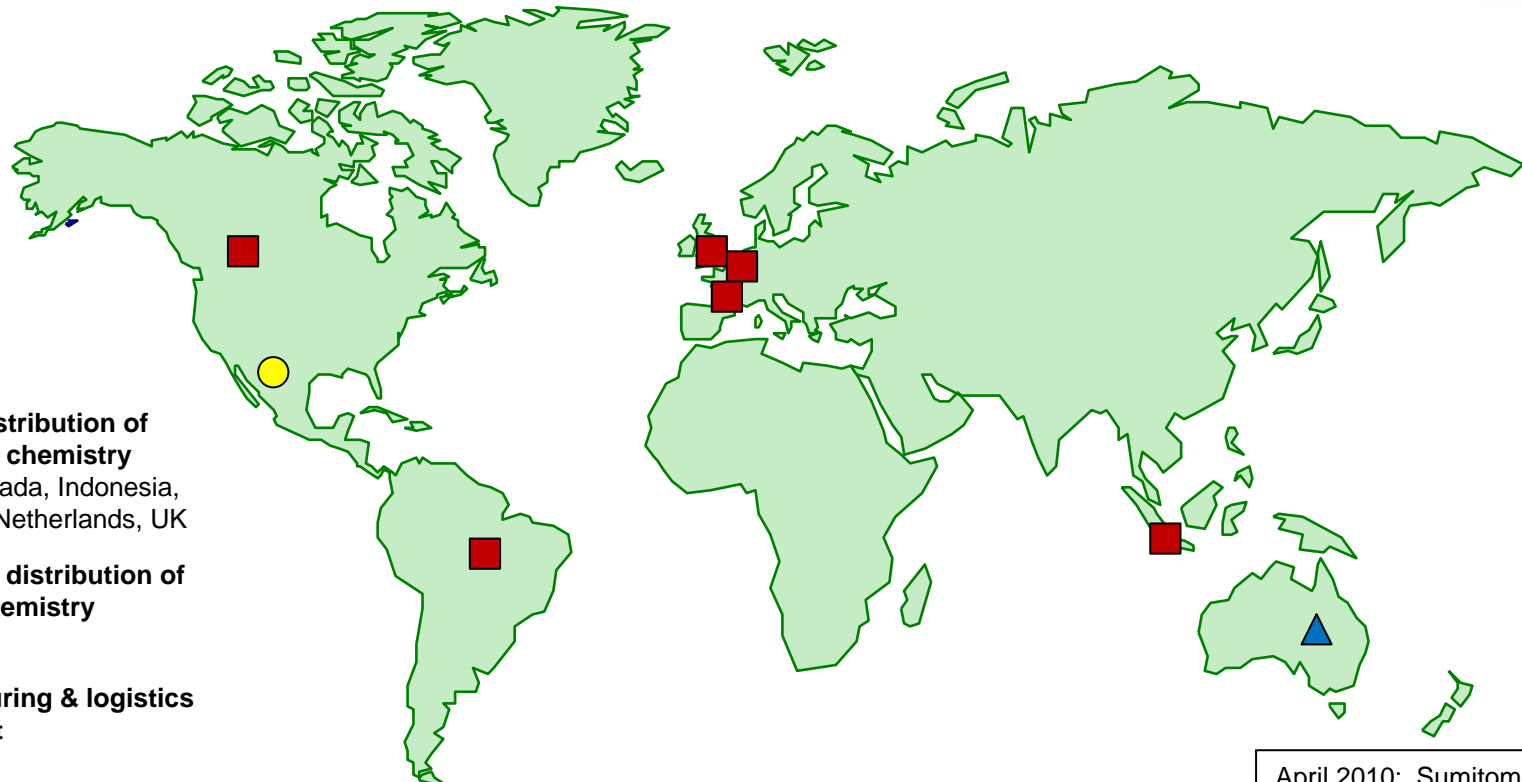
Nufarm is re-aligning its portfolio and transitioning to more defensible, higher value product segments

Industry consolidation and strategic alliances

- Proposed ChemChina/MAI deal will be closely watched
- Increased focus by 'big 6' on extending value of post-patent chemistry

Nufarm has a strong track record of successful partnerships and is capitalising on opportunities with Sumitomo relationship

Nufarm/Sumitomo Chemical strategic alliance



■ Nufarm distribution of Sumitomo chemistry
Brazil, Canada, Indonesia, Germany, Netherlands, UK

● Sumitomo distribution of Nufarm chemistry
Mexico

▲ Manufacturing & logistics agreement
Australia

& Global R&D and development agreements

April 2010: Sumitomo Chemical acquires 20% strategic stake in Nufarm

Adding short and long term value for both companies

Strategic direction

- **More discipline and focus**
 - Improved systems and management reporting
 - Appropriate organisational changes
 - Close attention to costs and increased efficiencies
- **Product and market segment diversification**
 - 'Reweighting' of glyphosate
 - Higher margin growth into other segments
 - Profitable and scalable position in seeds
- **Emphasis on market-driven innovation**
 - Building value via differentiation and brand management
 - Strong internal pipeline and partnering opportunities

A solid plan for earnings recovery and sustainable profit growth

Outlook for balance of FY 2011

- **First half performance important stepping stone to profit recovery**
 - No more impact from high cost glyphosate inventories
 - Higher sales in other product segments
 - Margin expansion
 - Business improvement initiatives
- **Majority of full year earnings forecast for second half**
 - Dependent on climatic conditions and pricing environment
 - Positive ag industry conditions are helpful
 - Australian plantings should be strong....WA remains a 'watch-out'
 - Brazil is forecast to remain EBIT positive for full year
- **We are building strong bridges to profit recovery and sustainable earnings growth**

