

2011 Full Year Results

September, 2011



Doug Rathbone

Managing Director



2011 Full Year Results



Strong recovery in underlying performance

	2011 12 mths to July 31	2010 12 mths to July 31
Group revenues	\$2.08 billion	\$2.17 billion
Reported net profit/ (loss)	(\$49.5 million)	(\$22.6 million)
Operating net profit (pre material items)	\$98.3 million	\$58.6 million
Operating EBIT (pre material items)	\$192 million	\$135 million
Earnings per share	(23.7 cents)	(15 cents)

Overview

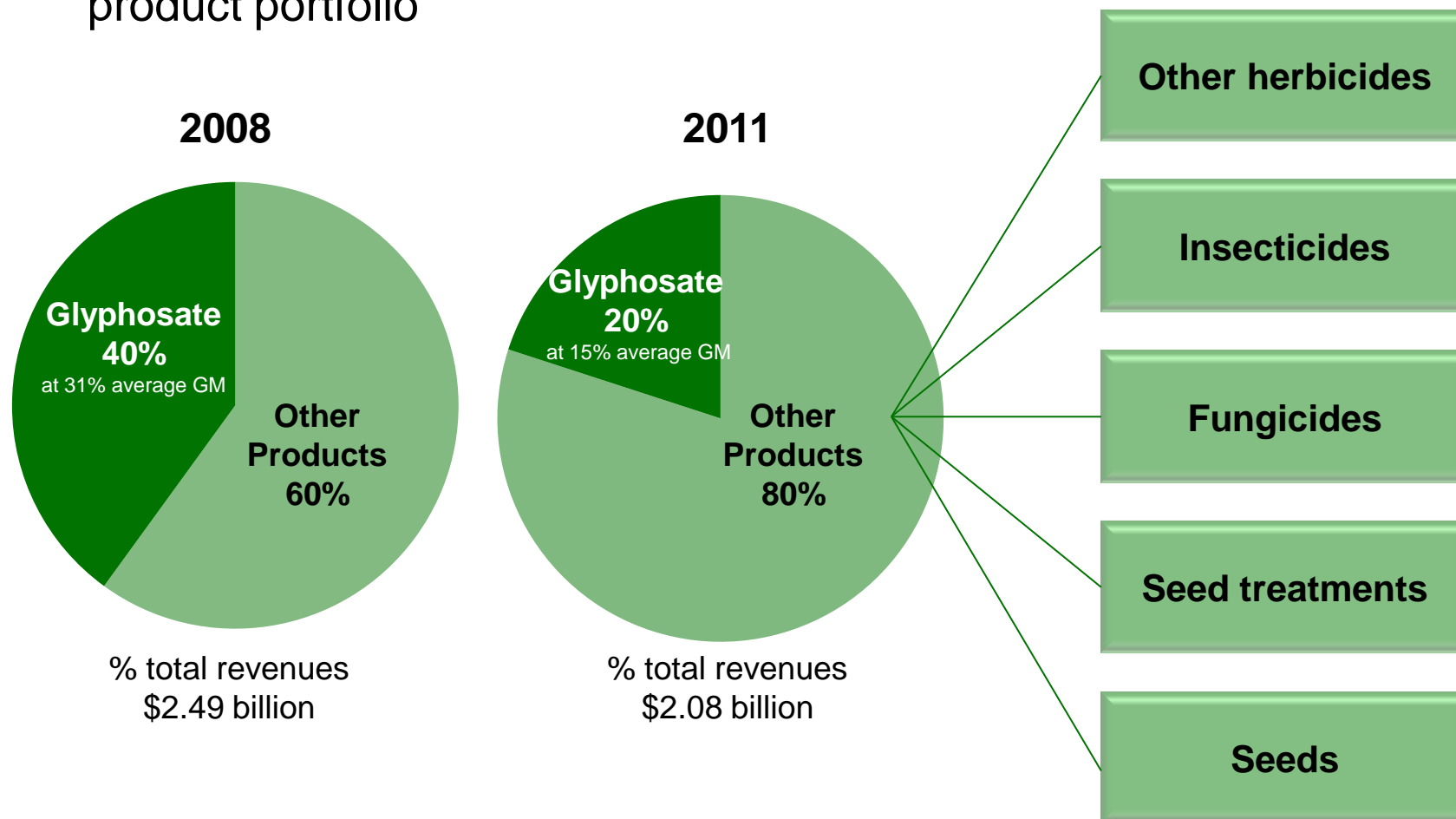
- 2011 results show important progress on implementation of strategic growth plan
 - Focus on additional discipline across all areas of the business
 - Focus on innovation to drive growth in higher value, more defensible segments
 - Repositioning of glyphosate
 - Improved margins from increased sales in non-glyphosate segments
 - Seeds business makes meaningful EBIT contribution
- Excellent result in Australia; significant turn-around in Brazil; Northern hemisphere seasonal impacts.....but room for operational improvement in some European markets
- Improved balance sheet metrics: Strong operating cash flow; more efficient management of working capital; and lower net debt

2011 Full Year Results



Portfolio transition is well underway

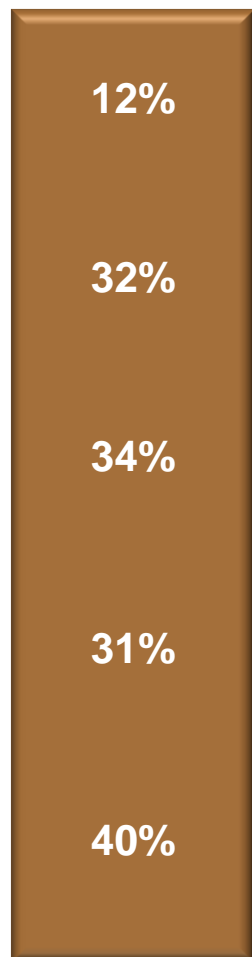
Following 'commoditisation' of glyphosate, we are rebalancing our product portfolio



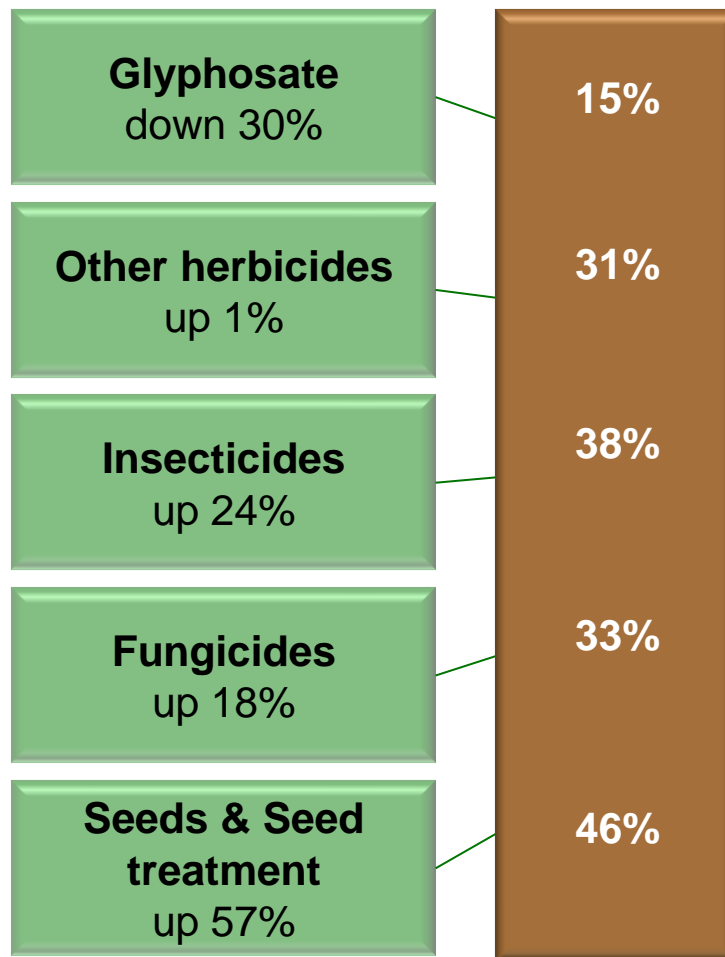
2011 Full Year Results



2010: Average
Gross Margin



2011: Average
Gross Margin



**Driving accelerated
growth into higher
value and more
defendable product
and market segments**

Mark Keating

Interim CFO



2011 Full Year Results



Profit Analysis (net profit after tax)

	2011 \$000	2010 \$000
Operating profit	98,279	58,566
Material items	(148,130)	(82,556)
Attributable to shareholders	(49,851)	(23,990)
Minority interest	322	1,338
Headline result	(49,529)	(22,652)

2011 Full Year Results



Profit Comparison (excluding material items)

	2011 \$000	2010 \$000	Movement
Sales	2,083,589	2,168,630	(85,041)
Gross profit	582,558	529,890	52,668
Expenses	(406,183)	(403,399)	(2,784)
Other income	13,033	8,641	4,392
Associates profit	2,377	47	2,330
Segment result	191,785	135,179	56,606

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Material items (net of tax)

	2011 \$000	2010 \$000
Impairment loss/intangibles write off – Brazil	74,344	-
Receivable write down	27,671	-
Debt refinancing costs	17,238	-
NSS loan revaluation	14,666	-
Restructuring costs	5,903	11,034
Investment in associates write down	4,919	-
Glyphosate related costs	-	30,074
Tax loss write off	-	37,536
Other	3,389	3,912
Material items	148,130	82,556

2011 Full Year Results



Working capital movement

	2011 \$000	2010 \$000	2009 \$000
Receivables	666,124	852,986	787,760
Inventories	541,679	553,432	797,383
Payables	(394,022)	(393,868)	(407,421)
Net working capital	813,781	1,012,550	1,177,722
Movement	(198,769)	(165,172)	

2011 Full Year Results



Net debt movement

	2011 \$000	2010 \$000	2009 \$000
Borrowings – short term	711,552	794,164	620,361
Borrowings – long term	11,374	13,633	402,327
Cash	(257,706)	(188,741)	(84,312)
Net debt	465,220	619,056	938,376
Movement	(153,836)	(319,320)	

Brian Benson

Group General Manager - Agriculture

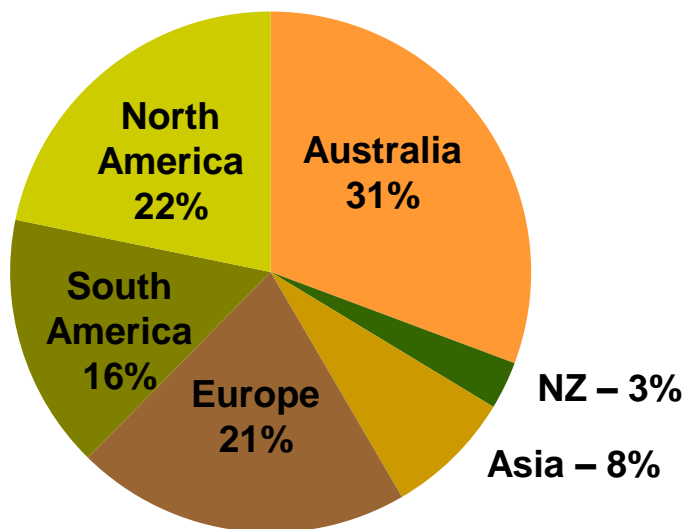


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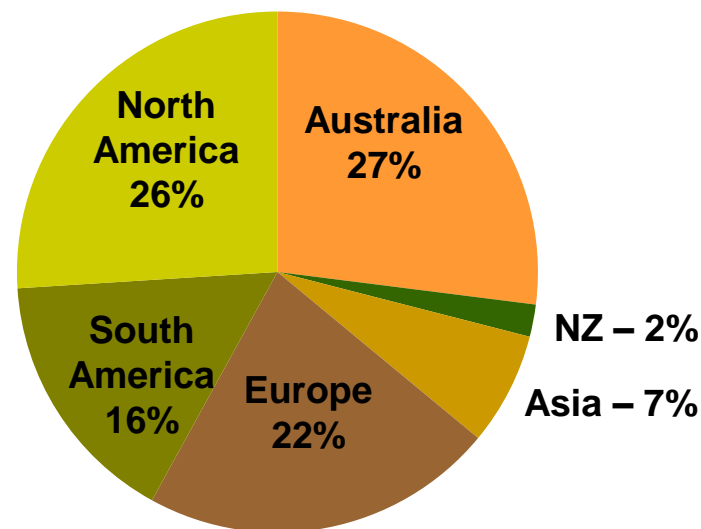
Nufarm sales by geography

2011



Total sales - \$2.08 billion

2010



Total sales - \$2.17 billion

2011 Full Year Results



Australia / New Zealand

Key drivers

Australia

- Summer cropping conditions generate strong sales
- WA very dry until late May
- Increased opportunities in cotton; horticulture; rice and sugarcane
- Large winter cereal plantings
- Extremely competitive in 'generic' glyphosate segment

New Zealand

- Slower than average start to season
- Pasture market relatively strong
- Commissioning of new fungicide/insecticide plant

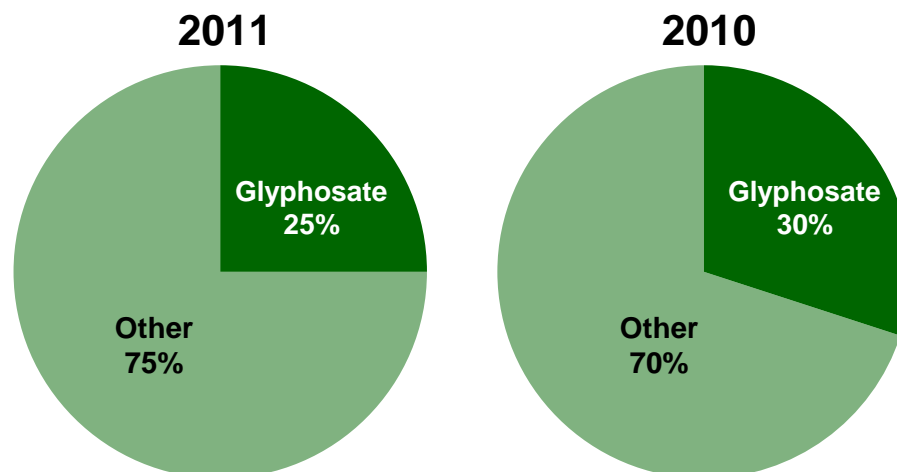
Strategic priorities

- Improved 'back of house' alignment between Nufarm and Crop Care channels to market
- Increased differentiation in glyphosate offerings
- Volume efficiencies in NZ plants

	<u>2011</u>	<u>2010</u>
Revenue	\$696m	\$655m
Segment profit ¹	\$112.7m	\$68.6m

¹Segment earnings before interest and tax, excluding impact of material items

Portfolio transition



2011 Full Year Results



Asia

Key drivers

- Increased market penetration
- Further portfolio diversification
- Strong performance in glyphosate
- Indonesian business performs strongly

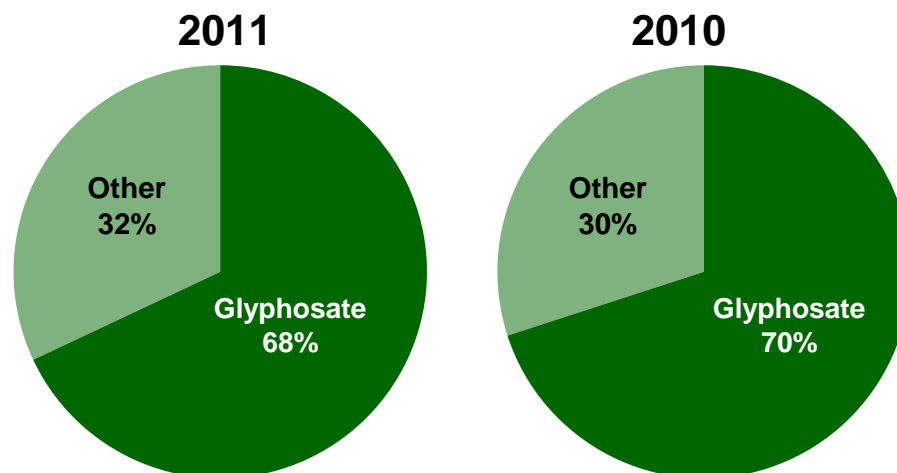
Strategic priorities

- Strengthen positions in rice and vegetable segments
- Identify and secure opportunities with Sumitomo
- Portfolio differentiation
- Obtain glyphosate 'crop' registration in Japan

	<u>2011</u>	<u>2010</u>
Revenue	\$156m	\$144m
Segment profit ¹	\$21.7m	\$20.5m

¹Segment earnings before interest and tax, excluding impact of material items

Portfolio transition



2011 Full Year Results



North America

Key drivers

USA

- A range of seasonal impacts across different regions and market segments
- Turf and specialty segment underperforms; IVM business strong
- Significant repositioning of glyphosate
- Seed Treatment solid growth
- Strong phenoxy performance

Canada

- Second consecutive year of flood affected plantings
- High starting inventories in distribution channels have moved on-ground
- Commenced distribution of Sumitomo products

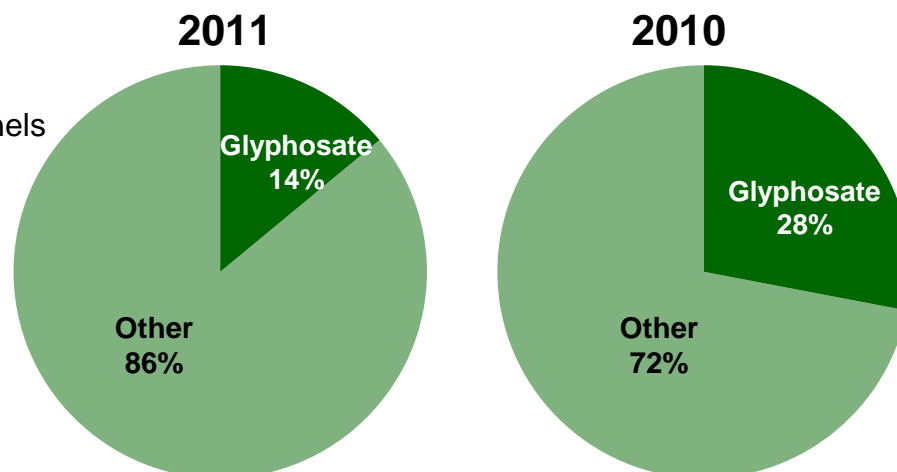
Strategic priorities

- Accelerate growth in non-glyphosate segments
- Secure additional partnership opportunities
- Build Sumitomo products in Canada

	<u>2011</u>	<u>2010</u>
Revenue	\$450m	\$554m
Segment profit¹	\$35.9m	\$33.2m

¹Segment earnings before interest and tax, excluding impact of material items

Portfolio transition



2011 Full Year Results



South America

Key drivers

Brazil

- Slow start to season but generally positive market conditions
- Significant progress in portfolio diversification
- Strong contribution of Sumitomo products
- Restructuring benefits

Other markets

- Strong competitive pressures in Argentina
- Chile: strong growth
- Colombia: weather related issues but turnaround underway

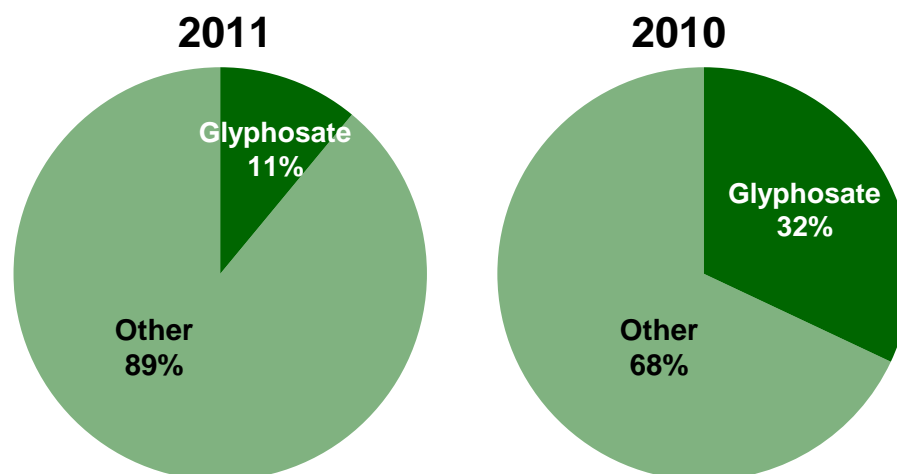
Strategic priorities

- Manage portfolio transition
- Continue to refine go to market policy
- Stronger segmentation – product and customer
- Grow partnership with Sumitomo

	<u>2011</u>	<u>2010</u>
Revenue	\$339m	\$342m
Segment profit ¹	\$17.9m	(\$14.6m)

¹Segment earnings before interest and tax, excluding impact of material items

Portfolio transition



2011 Full Year Results



Europe

Key drivers

- Winter long and cold
- Hot and dry conditions in major markets during spring
- Reduced opportunities in higher value segments
- Solid results in UK and Germany
- Continued introduction of new products

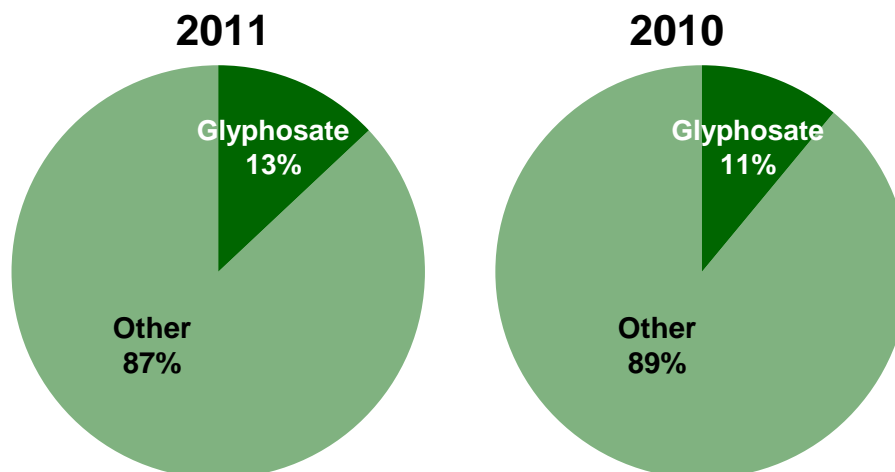
Strategic priorities

- Accelerate new product introductions and sales growth
- Secure stronger fungicide position
- Exploit seed treatment opportunity
- Establish European seed platform

	<u>2011</u>	<u>2010</u>
Revenue	\$442m	\$475m
Segment profit ¹	\$35.9m	\$53.4m

¹Segment earnings before interest and tax, excluding impact of material items

Portfolio transition



Major product segments review 2011

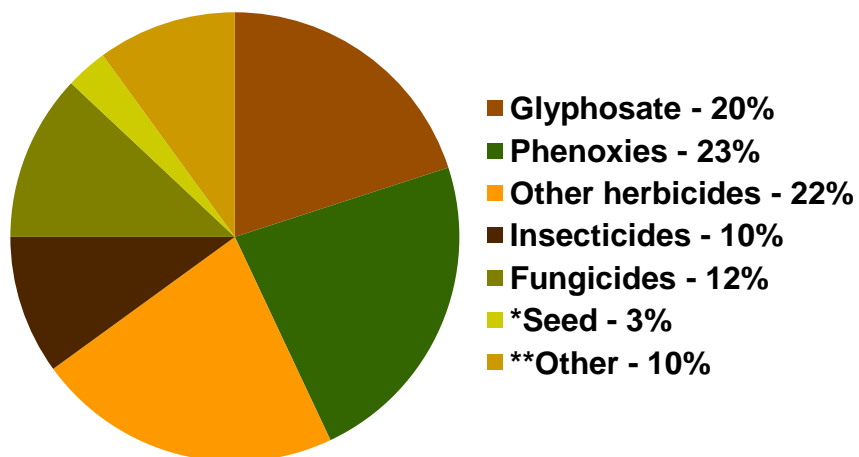


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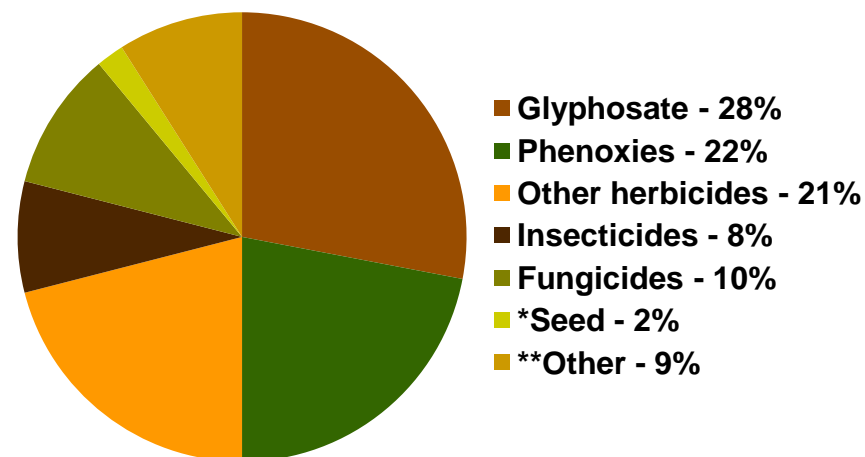
Sales by key products

2011



Total sales - \$2.08 billion

2010



Total sales - \$2.17 billion

*Seed includes US seed treatment sales

**Other – includes PGR's; adjuvants; seed treatments (ex US); spray machinery; industrial sales

2011: Major product segments review



Glyphosate

- Pricing very competitive
- Increased stability in 'tech' costs
- Significant repositioning in product portfolio
- Higher than expected level of imported formulated product in Australia

Focus...

- Continue to manage risk
- Roll out / grow differentiated products
- Launch of new Roundup 'Attack' in Australia (February 2012)

2011 sales	2011 Av GM%
\$418m	15%
2010 sales	2010 Av GM%
\$597m	12%

2011: Major product segments review



Phenoxies

- 2,4-D sales increase on stronger demand and supply tightness
- MCPA demand lower due to seasonal impacts
- Currency has adverse GM impact on Australian 2,4-D exports
- Phenoxy GM generated in Europe and North America adversely impacted by currency
- Strong production performance in key phenoxy plants

Focus...

- Rebalance to branded sales
- Drive higher value mixtures
- Launch Amicide Advance in Australia

2011 sales	2011 Av GM%
\$479m	31%
2010 sales	2010 Av GM%
\$477m	33%

2011: Major product segments review



Other herbicides

- Trifluralin sales up strongly in Australia
- Excellent Australian sales of Hammer, Diuron and Avadex
- Brazilian pasture market position continues to strengthen
- Poor seasonal conditions in Europe impact demand/sales
- New product launches continue

Focus...

- Grow sales on back of 2011 product launches
- Key European mixture products recovery
- Continue strong pasture segment growth

2011 sales	2011 Av GM%
\$460m	32%
2010 sales	2010 Av GM%
\$453m	31%

2011: Major product segments review



Insecticides

- Strong insect pressure in Australia
- Poor seasonal conditions in North America and Europe
- Excellent growth across Imidacloprid portfolio
- Fipronil introduction in Brazil
- Phase out of older chemistries in Brazil
- NZ insecticide granulation plant start up

Focus...

- Continue to build global Imidacloprid position
- Complete replacement of 'older' Brazil portfolio
- Continue 'differentiation' strategy around core molecules

2011 sales	2011 Av GM%
\$215m	38%
2010 sales	2010 Av GM%
\$174m	34%

2011: Major product segments review



Fungicides

- Seasonal conditions drive strong demand in Australia
- Poor seasonal conditions in Europe
- Excellent contribution from Sumitomo sourced Procymidone
- Azoxystrobin strategy: early entry in Brazil; independent positions elsewhere
- New product introductions: Juwel Top; Tazer

Focus...

- Continue Azoxystrobin roll-out with Australian and European launch
- Launch Flutriafol in Brazil, Fludioxonil in USA
- Continue growth of existing portfolio

2011 sales	2011 Av GM%
\$257m	33%
2010 sales	2010 Av GM%
\$217m	31%

2011: Major product segments review



Seed & Seed Treatment

- Positive growing conditions for canola in Eastern Australia, offset by dry conditions in West
- Challenging drought conditions in Southern USA sorghum regions
- Increased demand for higher value products
- Full year contribution of businesses acquired in 2010
- Newly launched multi-active seed treatment formulations
- Nuseed headquarters relocated to Chicago

Focus...

- Continue growth in key high value segments
- Resource to facilitate growth in line with technology platform
- New Seed Treatment products to continue strong growth

2011 sales	2011 Av GM%
\$65.7m ¹	46%
2010 sales	2010 Av GM%
\$41.9m	40%

¹ Includes US seed treatment only

Doug Rathbone

Managing Director



Outlook statement

- Macro environment continues to look positive
 - Strong demand pressures will support relatively high crop prices
 - Farmers will have a strong economic incentive to seek yield gains
 -but cropping activity and resulting sales opportunities (volume and product mix) remain dependant on seasonal/climatic factors
- We will seek to achieve sales growth via:
 - Increased market penetration
 - Introduction of new products
- We expect to make further progress on product diversification strategy
- Glyphosate is expected to remain very competitive and generate similar margins as in 2011



Company well placed to achieve profit growth in 2012

Refinancing update



2011 Full Year Results



- Excellent progress towards completing refinancing of \$600m debt facility
- Credit approved proposals now in hand
- Further discussions to finalise composition and detailed arrangements/terms

Priorities

The STRATEGIC priority

To accelerate sales growth in higher value and more defensible product and market segments

We are pursuing a range of actions

- Additional 'partnering' opportunities: Sumitomo and others
- Additional investment in high growth/high return business segments: seeds; seed treatment
- Organisational changes that support additional new product introductions
- Further organisational change to support strategic growth opportunities

The OPERATIONAL priority

To instil increased discipline; operational excellence; and greater efficiencies across the business

We are pursuing a range of actions

- Appropriate management change and strengthening of key functions
- A comprehensive business improvement and efficiency program
- Ongoing review of manufacturing assets

The FINANCIAL priority

**To achieve improved returns; sustainable profit growth;
and a strong balance sheet**

We are pursuing a range of actions

- Transitioning to a higher value / higher margin product mix
- Strong focus on maximising efficiency of working capital
- A capital management strategy that will reinstate the company's investment grade rating
- New financing arrangements that support the growth objectives of the business over the medium term

