



Chairman's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 1, 2011 at 10.00 am

D McGauchie

I'm pleased to report that fiscal 2011 was a year of significant progress for our company following a period in which the business was under considerable pressure.

A very comprehensive strategic review was undertaken – with considerable oversight and input from the Board. That review also involved several external and independent advisory firms to help ensure we looked at and challenged both the strategic position and direction of the company, and the structures and processes that underpin the business.

I can assure you, it was a very thorough and rigorous process. It helped us identify a sound strategic growth plan for the company and opportunities to make appropriate change and improvement in a number of important areas.

There is a renewed focus and discipline within the company, and our 2011 financial year results – released at the end of September – reflect important and encouraging progress against the sound strategy implemented by Doug Rathbone and the management team.

Nufarm's underlying business has recovered strongly and the operational results - which Doug will discuss in more detail – are a considerable improvement on the previous year.

While several important regional businesses were negatively impacted by adverse seasonal conditions, we saw a very strong result from the business here in Australia and a much welcome turn-around in the performance of our Brazil operations.

The impairment related write-down of our Brazilian assets was disappointing, but the Board remains very confident that we will continue to see further improvement in the Brazilian results and we remain committed to operating in a market which is a global agricultural power-house.

With strong local management, some important restructuring, and ongoing and very close attention to risk management, we believe Brazil is a key growth opportunity for the business.

Brazil is a market in which we will continue to have a strong presence for the long term. The global population has reached seven billion already and the world's food producing nations are presently only just meeting demand.

United Nations projections have the population growing to 9 billion by 2050. At that level, the world simply must find more land for food production, and Brazil will be one of the key nations to which the world turns.

The company's 2011 results also showed the benefit of a product diversification strategy.

We have down-sized our position in the lower value glyphosate segment and we have grown into higher value product segments. Together with our diversified geographic platform, this strategy will facilitate a robust platform for future growth.

As well, the recent completion of Nufarm's refinancing provides greater certainty for the company, with longer terms and more flexible and cost-effective financing. It is a crucial development for the stability and growth of the company.

This has been a major undertaking and has been executed against a backdrop of very unstable and uncertain global credit markets.

Management is to be congratulated for its efforts in completing this critical exercise.

Fiscal 2011 was also about fostering organisational change and executive development to ensure we have the right people leading the company now and in the future.

As you may be aware, we significantly strengthened our management ranks this year. Last month, Paul Binfield started at Nufarm as CFO, joining us from his position as Finance Director of Coles Liquor and Hotels, a major division of Wesfarmers.

Paul brings to Nufarm a very strong set of technical skills and broad experience in senior strategic finance roles. We welcome him to the company and look forward to his contribution as we continue with the task of rebuilding our profitability.

We also have a new Group Treasurer, Nathan Morrison, who joined in February and adds considerable experience to the finance team.

An important addition to the team last year was Bonita Croft as our head of human resources and organisation development.

In particular, Bonita's work reviewing Nufarm's executive remuneration structure has been invaluable.

We have also undergone significant board renewal in the past year. We welcomed three new, highly skilled non-executive directors in Anne Brennan, Gordon Davis and Peter Margin.

I believe Nufarm now has a good balance of skills, fresh perspectives and industry expertise to support our management team.

Anne joined the board in February 2011. She has an extensive finance background, including in financial management, treasury, audit, risk management and tax. She was formerly executive finance director for the Coates Group and CFO for CSR.

Gordon joined the Board in May 2011. Gordon was managing director of AWB Limited between 2006 and 2010. Before that, he held senior executive positions in the mining and agriculture sectors.

Peter joined the board only recently. He is also a non-executive director of Bega Cheese Ltd. Peter was previously CEO of Goodman Fielder and has a long career in the food manufacturing sector.

We are pleased to have attracted directors with such strong and diverse backgrounds.

The process of board renewal, of course, means that we have also farewelled several directors over the past year.

Today, John Stocker, a director for the past 13 years, has decided not to stand for re-election and will retire from the board at the conclusion of this meeting. Let me publicly acknowledge John's outstanding contribution to Nufarm and wish him all the best as he steps back from this particular commitment.

I would like to briefly mention Nufarm's strategic relationship with Sumitomo Chemical Company, our largest shareholder.

Sumitomo increased its shareholding in Nufarm during fiscal 2011 from 20 per cent to 23 per cent, and the relationship between our two companies is already bearing fruit. Sumitomo and Nufarm completed a number of strategic agreements which have been beneficial to both our companies.

I want to hand over now to Doug Rathbone. I want to take this opportunity to thank him for the commitment, energy and focus he has shown over the past year to reposition and reinvigorate the company in sometimes difficult circumstances.

Nufarm has experienced a challenging 12 months but it has also achieved some early and exciting results from the changes Doug has implemented.