



Chairman's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 6, 2012 at 10.00 am

D McGauchie

It is my pleasure to report that Nufarm achieved a strong turnaround in fiscal 2012 and made significant progress on its strategic growth plan.

A general lift in the performance of the business resulted in improved financial results that the team reported in September and your CEO, Doug Rathbone, will have more detail on that success in a few minutes.

Along with the significant improvement in financial performance, we undertook refinancing initiatives that strengthened the company's capital structure; we continued to strengthen the board and senior management team: and we maintained strict discipline on acquisitions and expansion activity.

The program to refinance Nufarm's debt has been very successful, with solid support from the company's lenders. A US\$325 million unsecured bond offering in the United States in October completed the current program, leaving Nufarm's capital structure far more stable and secure than it had been in recent years. Doug will talk more about the capital structure in a few minutes. The refinancing was important work that was well handled by your senior management team and I am very pleased the company is again on such a sound financial footing.

Speaking of the management team, I mentioned at last year's AGM several important additions to the team, including Paul Binfield as CFO, Nathan Morrison as Group Treasurer and Bonita Croft as head of human resources and organisation development.

A further addition in fiscal 2012 was Greg Hunt as Group Executive, Global Marketing and Business Development. Greg started at Nufarm in February and brings substantial agribusiness experience into the role, including a past stint as Managing Director of Elders Australia Limited.

These new executives have brought a fresh perspective to Nufarm and have considerably added to our bench strength at a senior management level. I believe we have now achieved the appropriate balance between the retention of experienced and proven executives and the addition of highly capable new talent. We now have a management team that is strongly positioned to execute on the corporate strategy and meet our business priorities.

The people and talent renewal at Nufarm has also extended to the board room, with two new appointments in the recent past.

Frank Ford, a former Victorian Managing Partner of Deloitte Australia, was appointed in October and his technical financial skills and broad business experience are a welcome addition to the Board.

And as I have already mentioned, at the conclusion of today's meeting, Mr Toshikazu Takasaki will join the Board to represent the interests of our 23 percent shareholder, Sumitomo Chemical Company. Mr Takasaki is a former executive of Sumitomo but is no longer employed by the company. He has considerable international experience, at a senior level, in the crop protection industry and we look forward to his contribution to the Board in the coming years.

And as you would be aware, Peter Margin was appointed to the Board early in fiscal 2012 and was present at last year's AGM.

With these three new director appointments in fiscal 2012, along with the appointments of Anne Brennan and Gordon Davis in fiscal 2011, we have a relatively fresh board with a good set of skills and experience, and a high level of enthusiasm to support the company and represent the interests of shareholders.

Two directors departed in the past year: Bob Edgar and Garry Hounsell.

Bob joined Nufarm in 2009 and his counsel was extremely valuable as we underwent our strategic review and the refinancing of our banking facilities in late 2011. Bob retired from the Board after deciding to reduce the number of boards on which he sat.

Garry Hounsell retired from the Board in October of this year. Garry joined the Nufarm Board in 2004 and his advice to the Board on financial and strategic matters was immensely valuable during a period of great expansion for Nufarm. As Chairman of the Audit Committee, Garry was an active non-executive director who allocated a considerable amount of time and was readily available to support management on a range of fronts. On behalf of all Nufarm shareholders, I would like to publicly thank Garry for his contribution.

The company made only one significant acquisition in fiscal 2012, that of the Seeds 2000 business in the US that I mentioned in my address to you last year. Seeds 2000 has been successfully integrated into Nufarm's rapidly growing seeds business and is performing well. Indeed, the growth of the seeds business has been one of the highlights of the past year, although it should be noted that it remains a relatively small part of our overall business. Its potential to grow in coming years remains significant, and Doug will talk more about that.

On less pleasant matters, I want to briefly touch on the class action lawsuit that we settled last month. I think it is worth explaining to shareholders why we decided against fighting the action in court.

The Nufarm Board considered this issue very carefully. We weighed the risks and costs of allowing the class action to proceed to trial as scheduled in September 2013, as well as the ongoing time pressure the litigation would have placed on the management team during a period when we wanted that team focused on the company's strategic growth plans.

In the end, we decided that settlement of the matter was the best outcome for shareholders and we are pleased to put this matter behind us in order that we can be fully focused on the growth of the business.

The disciplined approach by the entire team at Nufarm over the past year has resulted in the company returning to its long term trend of steady, sustainable growth following the up and down spikes in the glyphosate price in the previous few years.

Of course, it will require more hard work and ongoing discipline to maintain that trend, but we believe the remedial actions of the past two years have put the company in a strong position for the future.

I would also like to assure shareholders that the Board is mindful of the importance and value of dividend payments. Given the much improved performance of the business over the past 12 months, we were able to return to a fully franked dividend payment at both the interim and full year periods, albeit we opted for a relatively conservative approach. This was driven by a number of factors including the cash flow impact of the class action settlement payment and the fact that we were still to execute on the now completed US bond offering.

The Board's dividend policy remains that we seek to achieve a payout ratio in the order of 40%. With the continued improvement in the financial performance of the business, our

objective will be to return to that payout ratio as quickly as possible. But we will be prudent in that regard.

I would now like to hand over to Doug Rathbone, who I want to thank on behalf of the Board and all shareholders for his brilliant leadership and hard work once again over the past 12 months.