



**Chairman's Address
Annual General Meeting of Shareholders - Melbourne
Thursday, December 1, 2016 at 10.00 am**

Donald McGauchie

Today is quite a special day in the history of your company.

Nufarm Limited was founded in 1916 as the New Zealand Farmers Fertiliser Company Limited. That company took a 65 percent stake in Nufarm and then bought the balance in 1987, forming the company you own today.

It is my pleasure to preside today over the company's 100th Annual General Meeting.

We had a modest start as a public company in New Zealand with a handful of employees. Now, Nufarm provides products and services to farmers in more than 100 countries. Our market value is more than \$2 billion. And we employ more than 3,000 people across the globe.

When I stood in front of you this time last year, I introduced Greg as your Company's new CEO and Greg took you through his priorities to reform and build the business.

- Greg spoke about the business improvement program which he has been focused on relentlessly
- And at a high level he spoke about changes to the strategic direction of the company.

One year on, I am pleased to say that significant achievements against these objectives have been delivered and Nufarm has a stronger underlying business.

During the year the strategic review was completed along with subsequent changes to Nufarm's operating model. This has provided the company with a clear way forward, particularly focusing on core crops and core geographies.

The reinvigorated management team and its new strategy have already achieved early success and Nufarm is strongly positioned to capitalise on the many opportunities evolving in agriculture globally.

A key part of the company's strategy – the performance improvement program – is tracking ahead of schedule in terms of benefits delivered.

I congratulate Greg and the management team on the progress they've made so far and I know that there remains much more to do.

In a global sense, the timing of these changes has put Nufarm in a very good position.

The current global market for crop protection meant lower growth in 2015, when world crop protection markets declined almost 10 percent. Exchange rates had a significant impact on market development in dollar terms, while volume growth was held back by low crop prices and adverse weather conditions in many markets.

Due to the work put into strengthening the underlying business Nufarm weathered these market conditions very well, with strong underlying EBIT growth.

Driven by the current low growth market, over the last two years we have also seen a dramatic change to the potential structure of the global crop protection industry.

Five of the top six industry players are currently involved in merger and acquisition processes. Deals include the amalgamation of Monsanto with Bayer; Dow with Dupont; and Chem China with Syngenta.

All of these deals are still in the regulatory approval process in key global markets. However, we expect products or portfolios to be divested as these deals progress.

This could provide opportunities for Nufarm if we see strategic opportunities that complement our portfolio, fit with our strategy, and are commercially sound.

Over the long term we are in an industry with strong growth prospects and favourable macro-economic factors. Of course, we can't ignore the fact that there will continue to be short-term cyclical trends in commodity prices and currency.

The world population is projected to grow to 8.5 billion by 2030. With limited new cropping land available most of the growth in crop production globally is expected to come from higher yields and increased cropping intensity.

Nufarm, as a global player in the crop protection industry, has a critical role to play in achieving this increased yield. The future of your company looks strong.

I would now like to hand over to Greg to take you through more detail on the company's performance.