2014 Full Year Results

September, 2014

Nufarm Grow a better tomorrow.

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Forward looking statements

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Non-IFRS information

Nufarm Limited results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This presentation also includes certain non-IFRS measures including Underlying net profit after tax and Gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review. Refer to "Supplementary information" for the definition and calculation of non-IFRS information.

FY 2014 results – Overview

Doug Rathbone
Managing Director / CEO

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Group FY14 headline results

Underlying EBIT growth highlights benefits of a diversified business across geographies and products

- **South America generates strong growth**
- **European branded business ahead of prior year**
- **Asia flat with increased investment for future growth**
- **Seeds generates strong profit growth despite some headwinds**
- **Another challenging year in Australia**
  - Dry conditions persist for first half of year
  - Conditions improve in final quarter
  - Restructuring initiatives announced
- **USA experiences long winter and reduced demand**
  - Significant impact in burn-down segment
  - Turf and Specialty business also down

	12 months ended 31 July		
(A$ millions)	2014	2013	Change
Revenue	2,622	2,277	▲15%
Underlying EBIT	201	187	▲ 7%
Underlying NPAT	86	83	▲ 4%
NWC at 31 July	842	1,011	▼17%
Net debt at 31 July	513	633	▼19%
Full Year dividend	8 cents Partially franked	8 cents Fully franked	

Business diversification helps deliver growth

Key messages

- **Encouraging progress on working capital efficiency program – but more to be done**
  - Initial focus has been on inventory management
  - Committed to 40% ANWC/sales target within next two years
- **Stronger balance sheet will allow us to capture future growth opportunities**
  - Ability to fund portfolio and market expansion in crop protection
  - Increased spend on seeds pipeline
- **Rebuild of Australian business is a key priority**
  - Focus on more flexible cost base and portfolio development
- **Growth in Brazil is built on a strong platform**
  - Diversified product positions and path to market strategy
  - Close attention to risk management
  - Long term growth drivers are sustainable
- **More focused investment in and management of product development**
  - Stronger, more differentiated product portfolio will drive margin expansion
- **Sumitomo strategic partnership continues to add value to our business**
  - Valent turf and ornamental portfolio consolidates our position in US market
  - Additional opportunities now being assessed

Good progress on implementing our strategy

Past 12 months

Growing into higher value and more defendable product/ market segments

- New product launches across all major markets
- Valent distribution deal consolidates leadership position in US T&O
- Additional access to third party products strengthens product portfolio
- Expansion into rice and vegetables segments in Indonesia

Building a strong seeds platform

- Strong market share gains in Australia canola segment
- New innovation centres opened to support pipeline development
- DHA Omega-3 canola into field trials
- Expansion into Australian grain sorghum market

Achieving greater operational efficiencies

- Enhanced capabilities in supply chain and procurement (people; processes and systems)
- Plan implemented to optimise ANZ manufacturing footprint
- Global inventory management plan drives working capital efficiencies
- New global lead for sustainability and quality

Strengthening the balance sheet

- Significant reduction in year-end net working capital
- Strong second half cash flow facilitates reduction in net debt
- Trade financing facility put in place
- Renewal/upsizing of bank revolver strengthens capital structure

FY 2014 results – Financials

Paul Binfield
Chief Financial Officer

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2014 full year results

Benefits of geographical diversity evident as outperformance in South America more than compensates for tough conditions in Aus and US

- Revenue growth in AUD terms in all regions except US, especially strong in South America
  - Growth in Brazil (63% in local currency) and Argentina (72%). Share gain driven by recent and new product launches
  - Beneficial impact of weaker AUD - revenue growth in constant currency terms is 7%
- Gross profit margin adversely impacted by:
  - reduced manufacturing throughput in ANZ, EU and US; and
  - change of selling arrangements for seed into China;
- Solid improvements in earnings in Seeds and South America more than offsets weakness in Aus and US
- Small increase in ROFE – well below our longer term target of 16%

(A$ millions)

	Year ended 31 July			
	2014	2013	Change	
Revenue	2,622.7	2,277.3	15.2%	▲
Underlying gross profit[(1)]	701.0	623.3	12.5%	▲
Gross profit margin	*26.7%*	*27.4%*	*(64 bps)*	▼
Underlying EBITDA[(1)]	281.4	260.8	7.9%	▲
EBITDA margin	*10.7%*	*11.5%*	*(72 bps)*	▼
Underlying EBIT[(1)]	200.6	186.8	7.4%	▲
EBIT margin	*7.6%*	*8.2%*	*(55 bps)*	▼
Return on funds employed (ROFE) [(2)]	*9.1%*	*8.8%*	27bps	▲
Underlying NPAT[(1)]	86.4	83.2	3.8%	▲
Dividend (cents per share)[(3)]	8.0¢	8.0¢	n/c	n/c

Note:
(1) Excludes material items
(2) ROFE is underlying EBIT divided by the average of opening and closing funds employed (total equity + net debt)
(3) FY14 final dividend unfranked

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Net working capital well below $1 billion target

Net working capital initiatives gain traction in H2

Net working capital (NWC)

	Year ended 31 July 2014	Year ended 31 July 2013	Change	
Receivables	724.6	758.5	(33.9)	▼
Inventories	632.9	802.8	(169.9)	▼
Payables	(515.9)	(550.3)	34.4	▼
Net working capital	841.6	1,011.0	(169.4)	▼
Average NWC[1]	1,252.1	1,066.7	185.4	▲
Avg NWC/Sales (%)	47.7%	46.8%	(92 bps)	▲

(1) Average Net Working Capital (ANWC) is the average net working capital (NWC) balance calculated over 12 months
(2) ANWC/sales is ANWC divided by the last 12 months sales revenue

- Improvement initiatives started to gain traction in second half
  - Improved inventory management the stand out.
  - ANWC/sales ratio to fall in 1H15
- Great progress, but still plenty to do!

Key working capital metrics

	Year ended 31 July 2014	Year ended 31 July 2013	
Days sales outstanding (days)	85.4	86.3	▼
Stock cover (days)	115.4	164.3	▼
Creditors days	78.0	79.3	▼

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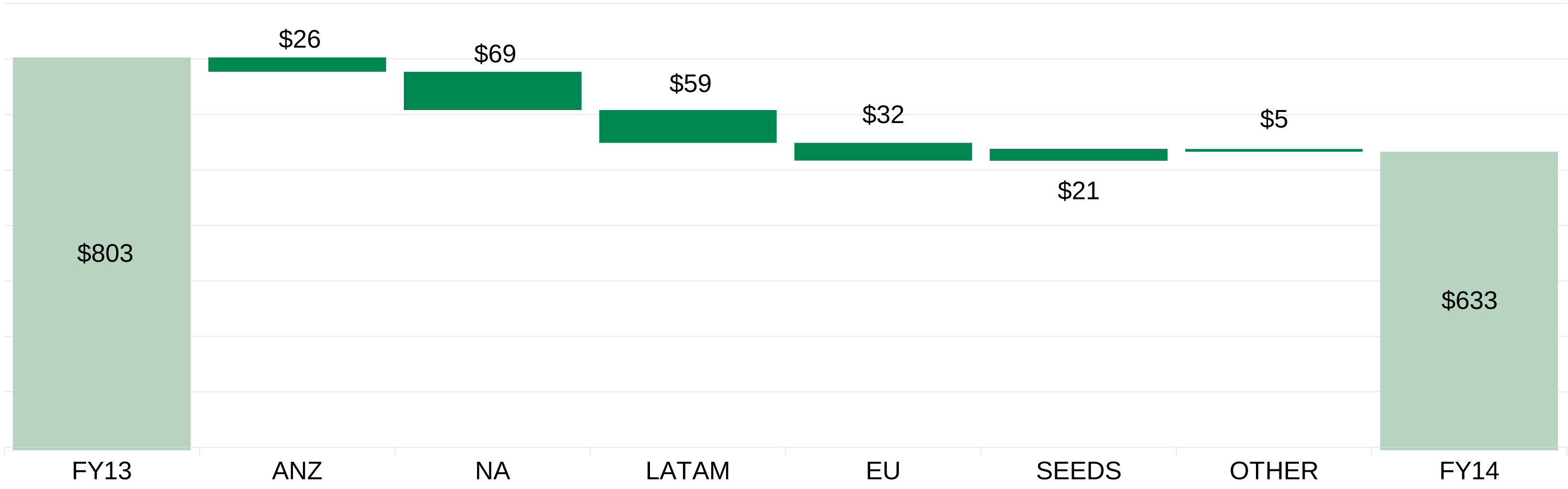
Net working capital initiatives

Significant improvements in net working capital being delivered by initiatives outlined in March

- Key actions underway:
  - Extensive Sales & Operations Planning (S&OP) projects in US, EU and Australia
  - Review of supplier lead times, lot sizes and safety stock levels
  - SKU rationalisation and strengthened product approval process
  - Extension of trading terms via supplier financing for purchases out of China
  - Introduction of cash pooling in Europe
  - Use of debtor securitisation, where economic
- Profit metric for incentives to include a working capital charge for FY15
- Management targeting ANWC/sales < 40% within two years

Inventory bridge FY13 to FY14



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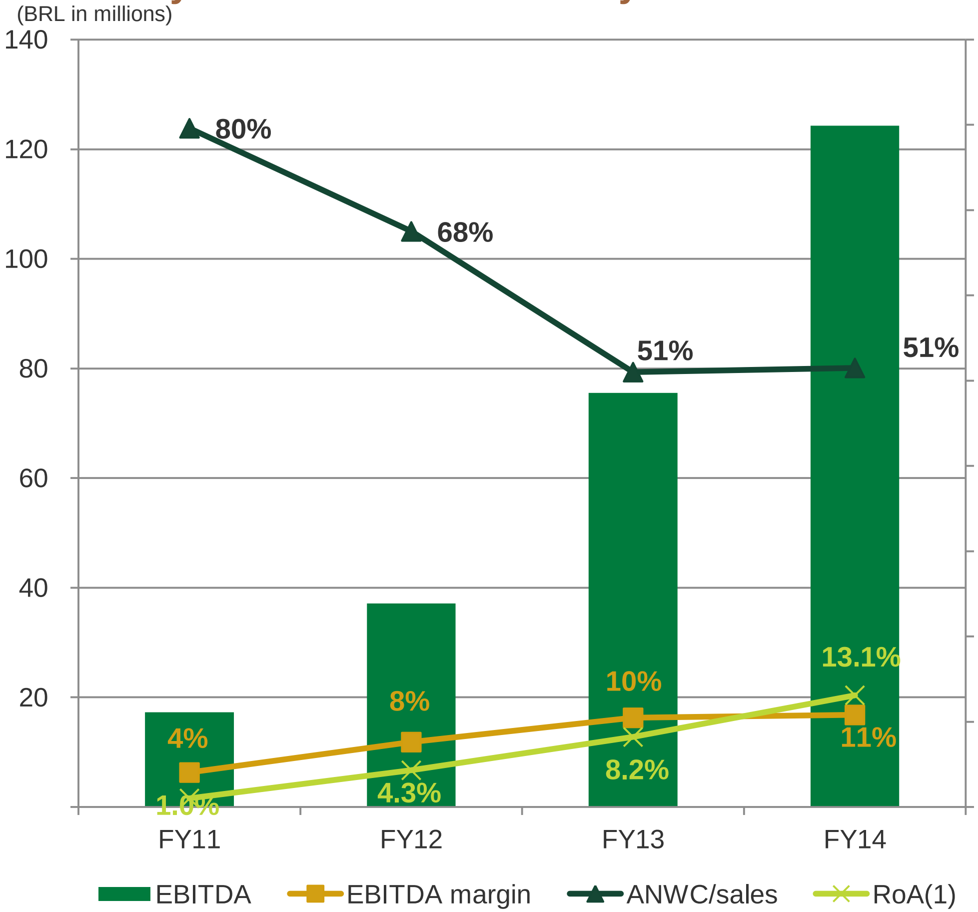
Brazilian working capital management remains strong

Further incremental working capital improvements possible in Brazil

Brazil key metrics in local currency



- Revenue growth in local currency 63% on top of prior year growth of 41%
- EBITDA margin in Brazil continues to expand through good cost control and scale benefits
- Management have been very effective at managing working capital even through a period of rapid growth, further incremental improvements possible
- Step change in the return on operating assets – the benefits of both profitable growth and tight balance sheet management

(1) RoA is Underlying EBIT divided by the average of total net assets excluding net debt

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ANZ restructure project on track and delivering

ANZ asset rationalisation costs are the only material items in FY14

- Only material item in FY14 relates to previously announced restructure of the ANZ business and rationalisation of the manufacturing footprint.
- Pre-tax one-off $50.8 million. Non-cash component $33 million.
- Restructure progressing to plan; timeline and quantum of savings ($16 million) unchanged

Reconciliation of Underlying NPAT to Reported NPAT

(A$ millions)

		Year ended 31 July	
		2014	2013
Underlying NPAT		86.4	83.2
Material items after tax			
ANZ restructure costs:			
Cost of sales	33.6		-
SG&A	16.0		
R&D	1.2		
	50.8		
Less: tax	(2.1)		
		48.7	
Class action settlement		-	(2.2)
Total material items after tax		48.7	(2.2)

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Operating and tax expense

Costs controlled and effective tax rate benefits from non recurring credits

(A$ millions)

	Year ended 31 July	
	2014	2013
Underlying sales, marketing & distribution expenses (1)	314.6	269.6
Underlying general & administrative expenses (1)	159.8	144.8
Total underlying SG&A	474.4	414.4
SG&A/revenue	*18.1%*	*18.2%*
Corporate costs (2)	38.6	40.6
Underlying effective tax rate (1)	23.2%	27.7%

(1) Excludes material items
(2) Included within underlying general and administrative expenses above

- Of $60m increase in SG&A almost a third is currency related, a similar amount supports the growth in Brazil and launch costs of new products in US
- Lower corporate costs reflect tight cost control and low incentive accruals reflecting overall business performance
- FY14 lower effective tax rate due to
  - Tax loss in highest taxing jurisdiction
  - One-off benefit from REFIS programme in Brazil ($3.7m)
  - Recognition of previously unrecognised tax losses in Brazil ($2.8m)
- Expect long term effective tax to be around 30%

Net debt & financing costs

Interest expense elevated due to higher average net debt

- Higher average net debt for the period driven by higher average net working capital
- Syndicated banking facility successfully refinanced and up-sized and on improved terms
- Receivables securitisation facility recently renewed on improved terms
- No material refinancing required for two years

(A$ millions)

	Year ended 31 July	
	2014	**2013**
Interest income	(5.0)	(5.5)
Interest expense	67.5	54.5
Lease interest expense	1.8	1.5
Net interest expense	**64.3**	**50.5**
Recurring debit establishment costs	8.3	9.5
Debt establishment costs written off	2.8	-
Net financing costs excluding FX gains/(losses)	**75.4**	**60.0**
Net debt at balance date	**513.4**	**633.1**
Average net debt for the period [1]	**913.2**	**753.3**

1. Average net debt is the average of the month end net debt over the preceding 12 months

FY 2014 results – Crop Protection

Greg Hunt
Group Executive Commercial Operations

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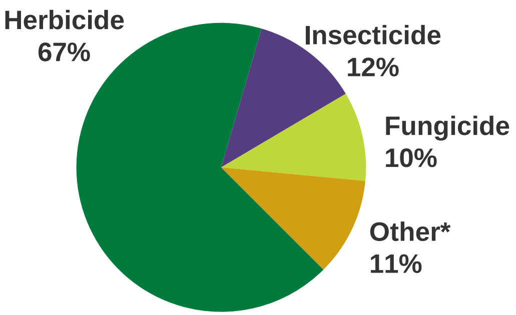
Major product segments

Crop protection % total segment revenues

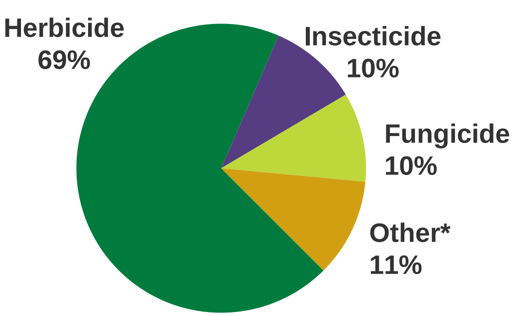
2014: $2,478.3m

Average GM: 26%



2013: $2,145.6m

Average GM: 26%



Group sales

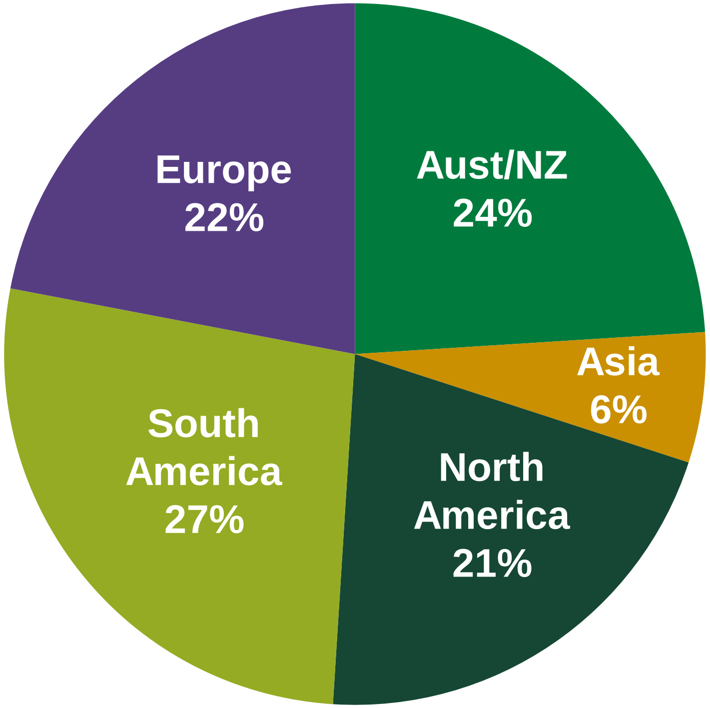
	2014	2013	Change
Herbicides	$1.67 billion	$1.48 billion	▲ 13%
Insecticides	$290 million	$215 million	▲ 35%
Fungicides	$247 million	$219 million	▲ 13%
Other	$266 million	$233 million	▲ 14%

*Other includes equipment; adjuvants; PGR's; industrial

Sales revenue by region

Crop protection segment

2014: $2,478.3m
Average GM: 26%



2013: $2,145.6m
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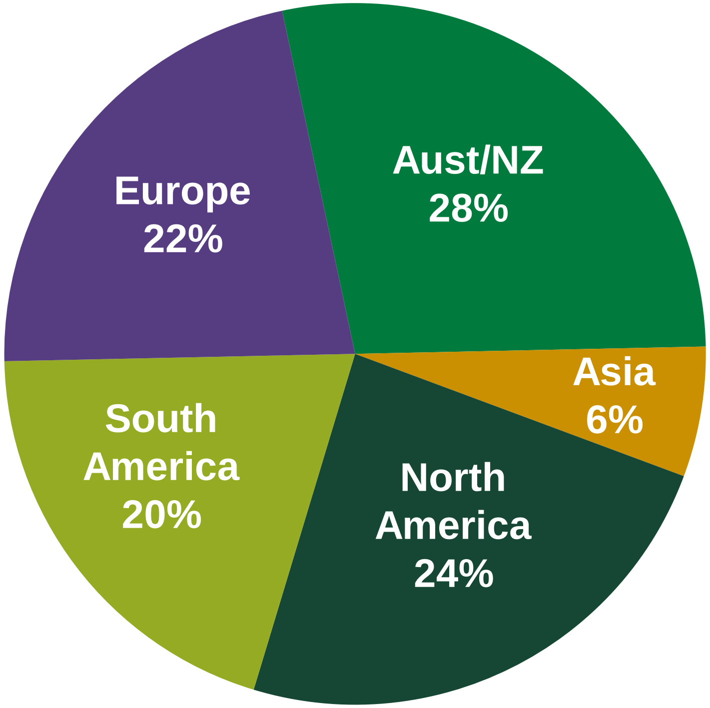
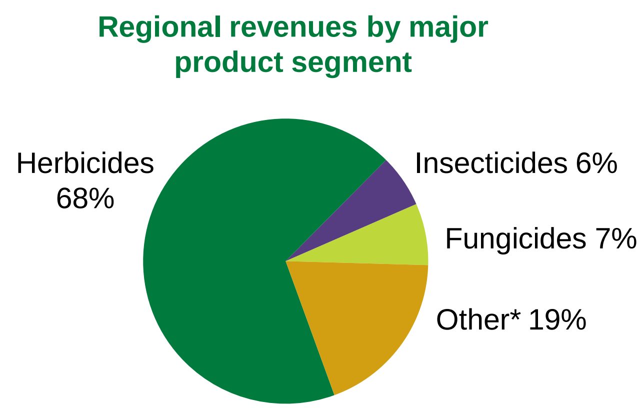


A balanced and diversified geographic footprint

2014 Results – regional review
Australia/New Zealand

	2014 $m	2013 $m
Sales	**605.8**	**604.4**
Underlying EBIT	**33.9**	**35.4**



*Other = PGRs, machinery, adjuvants, industrial

Australia

- Continuation of dry conditions through first half
- Segment EBIT maintained despite additional pressure on product margins
- Last quarter sees uplift in demand
- Restructuring initiatives to help drive recovery

New Zealand

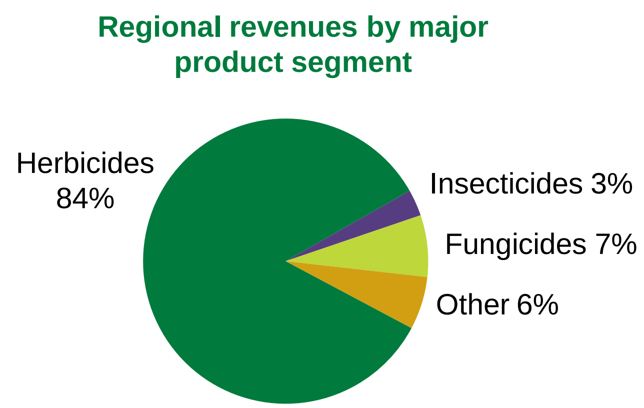
- Sales in line with prior year but stronger margin contribution
- Improved conditions in dairy, sheep, beef and horticulture segments

Key strategic drivers:

- ► Achieving a lower and more flexible cost base
- ► Strengthening the product portfolio
- ► Renewed focus on customer service

2014 Results – regional review
Asia

	2014 $m	2013 $m
Sales	**140.9**	**125.2**
Underlying EBIT	**19.5**	**19.6**



- Sales growth in all major regional markets
- EBIT margin remains relatively strong, despite continued pressure on glyphosate margins
- Building presence in vegetables and rice segments
- Expansion into Vietnam and South Korea

Key strategic drivers:

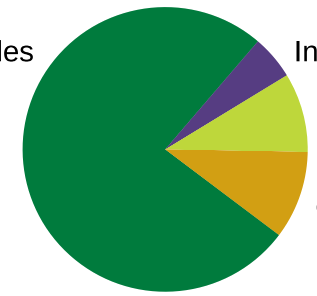
- Expansion into new crop segments
- Accessing additional regional markets
- Leveraging local manufacturing base

2014 Results – regional review

North America

	2014 $m	2013 $m
Sales	**513.6**	**516.3**
Underlying EBIT	**20.6**	**42.2**

Regional revenues by major product segment



USA

- Severe winter impacts sales opportunities and generates price competition
- Integration of Valent T&O business complete
- Lower contribution from 'operations' due to volume decline and working capital focus

Canada

- Sales and margin up on previous year
- New product launches help drive improved performance

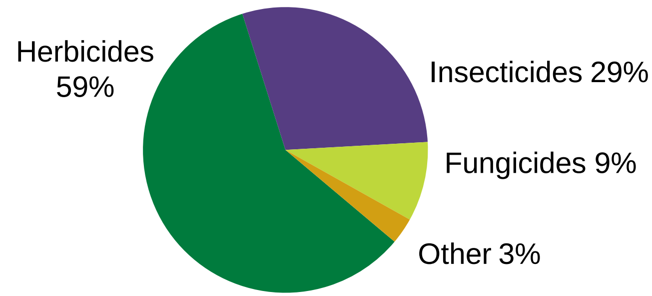
Key strategic drivers:

- ► Consolidate/grow high value T&O business
- ► A more focused position in ag
- ► Chicago Heights upgrade

2014 Results – regional review
South America

	2014 $m	2013 $m
Sales	662.5	431.4
Underlying EBIT	71.6	40.6

Regional revenues by major product segment



Brazil

- EBIT margin expansion reflects strong revenue and profit growth as business continues to take market share
- High insect pressure, but below average season for fungicide applications
- 'Crucial' continues to win market support in competitive glyphosate segment
- Increase in 'direct' business

Other

- Excellent results from Argentina, with growth in glyphosate resistance segment
- Formulation plant closed in Colombia
- Chilean market impacted by extreme cold
- Regional expansion

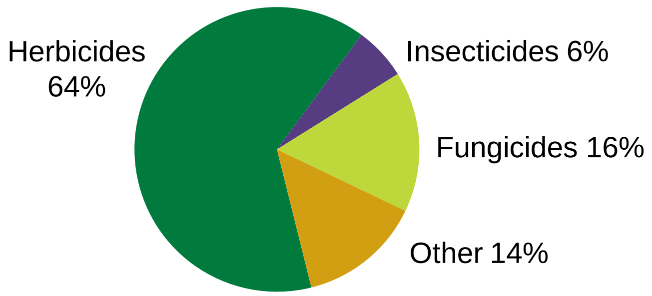
Key strategic drivers:

- ► Product portfolio expansion
- ► Diversify 'go to market' strategy
- ► Stronger risk management
- ► Establish presence in other regional markets

2014 Results – regional review
Europe

	2014 $m	2013 $m
Sales	**555.5**	**468.3**
Underlying EBIT	**56.4**	**57.2**

Regional revenues by major product segment



- Mostly average seasonal conditions, with cold and dry weather impacting Eastern markets
- Branded business achieves growth in sales and gross margins – strong second half performance
- Operations contribution down on lower volumes
- Organisation strengthened with new management in Italy, Poland and Portugal

Key strategic drivers:

- ► Focus on pan-European brands
- ► Leverage leadership position in 'espace' vert' segment in France
- ► Optimise manufacturing efficiencies

Strategic focus: Crop Protection

1 Customer service leadership

- Implementing new CRM* systems
- Utilising customer feedback to improve our offerings
- Simplifying the customer experience

2 Manufacturing efficiencies

- Restructure of ANZ footprint will provide more flex in cost base
- Program underway to improve efficiencies at Chicago Heights facility
- European manufacturing footprint under review
- Colombian formulation facility closed; Brazil facility to support regional needs

3 Portfolio expansion

- In FY15 we plan more than 100 new product launches across our various country and regional businesses
- These products will make a significant contribution to the renewal and strengthening of the portfolio

* Customer Relationship Management

FY 2014 results – Seed technologies

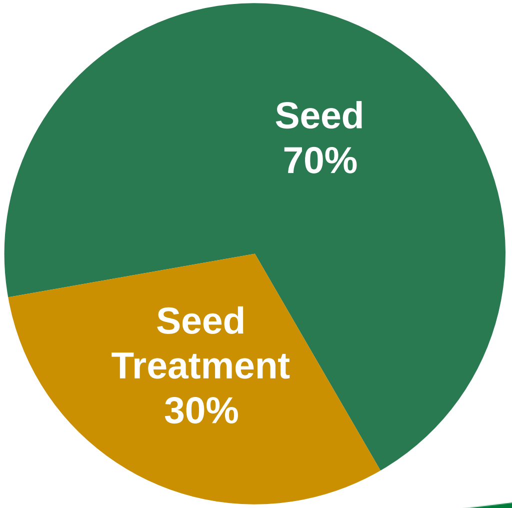
Doug Rathbone
Managing Director / CEO

2014 Results – Seed technologies segment review

Seed technologies

	2014 $m	2013 $m
Sales	**144.4**	**131.7**
Average GM	**51%**	**55%**
Underlying EBIT	**37.2**	**32.4**
EBIT margin	**25.8%**	**24.6%**

Revenue breakdown



- Nuseed increases market share and consolidates leadership position in Australian canola
- Dry summer in Australia impacts sorghum and sunflower business
- US seed treatment negatively impacted by long winter
- Expansion into Uruguay helps drive growth in South America
- Business model change for confectionary sunflower into China

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2014 Results – Seed technologies segment review

Important progress on building high value pipeline

- **DHA Omega 3 canola now in field trials**
  - Strengthening intellectual property position
  - Substantial and growing end-market
- **New innovation centres opened in Horsham (Victoria) and Davis (California)**
- **Unique disease trait developed for China confectionary sunflower**
- **Strengthening of canola hybrid pipeline**
- **'Wholis' sorghum launch**
  - Expanded production acres in USA
  - New and broader partnerships

Increased R&D spend reflects faster progress and higher confidence in pipeline projects




FY 2014 results – Strategy & Outlook

Doug Rathbone
Managing Director / CEO

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Strategic focus

Next 12 months

Growing into higher value and more defendable product/ market segments

- Key insecticide and fungicide product launches
- Drive portfolio renewal to support earnings recovery in Australia
- Enhance formulation capabilities

Building a strong seeds platform

- Launch of new disease trait in sunflower
- Development of European business
- Advancement of Omega-3 canola field and regulatory trials
- Multiple new seed treatment product launches

Achieving greater operational efficiencies

- Execution of ANZ changes
- Review of European manufacturing footprint
- Global roll-out of Integrated Business Planning (IBP)
- 'Aiming for Zero' safety initiative

Strengthening the balance sheet

- Continued implementation of working capital efficiency programs
- Identifying 'cost-out' opportunities
- Renewal of debtor securitization facility

Group outlook for 2015 financial year

- Spring/summer rainfall plus initial benefits of restructuring program to drive earnings recovery in Australia
- Broader product portfolio strongly positions US business to capitalise on return to more normal seasonal conditions
- Growth anticipated in European branded sales, but lower overhead recoveries likely to generate flat segment result
- High single digit growth forecast for South America, assuming no significant deterioration in crop prices
- Continued profitable growth in seed technologies
- Asia flat on continued new product development investment
- Reduction in average net working capital to sales

Assuming average seasonal conditions in major markets, we confidently expect to achieve underlying EBIT growth and deliver a stronger balance sheet in FY 2015

Industry fundamentals provide strong 'macro' environment for long term growth

- **Demand for more and better quality food to be produced on a declining availability of arable land continues to underpin the requirement for yield improvement:**
  - Optimising crop protection inputs and higher yielding, better performing seeds will play a key role
- **Increasing proportion of crop protection sales in off-patent space:**
  - Larger addressable market for Nufarm
- **Growing demand for foods, oils and supplements that contribute to a healthier lifestyle:**
  - New opportunities for high value, 'beyond yield' concepts

Investment highlights

1. We are a leading supplier of crop protection products, with a highly profitable and growing seeds platform
2. We have a strong and balanced global footprint, with sales in more than 100 countries around the world
3. We have a pipeline of new and differentiated products that will help drive growth across our regional businesses
4. We have established strategic alliances and commercial relationships with major industry participants
5. We have significant scope to strengthen margins and free-up additional capital to help support the growth of the business

Nufarm

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Supplementary information

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Non IFRS disclosures and definitions

Term	Definition
Underlying NPAT	Profit / (loss) for the period attributable to the equity holders of Nufarm Limited less material items.
Underlying EBIT	Earnings before net finance costs, taxation and material items.
Underlying EBITDA	Earnings before net finance costs, taxation, depreciation and amortisation and material items.
Gross profit margin	Gross profit as a percentage of revenue.
Average gross profit	Revenue less a standardised estimate of production costs excluding material items and non-product specific rebates and other pricing adjustments.
Average gross margin	Average gross profit as a percentage of revenue.
Net debt	Total debt less cash and cash equivalents.
Average net debt	Net debt measured at each month end as an average.
Net working capital	Current trade and other receivables and inventories less current trade and other payables.
Average net working capital	Net working capital measured at each month end as an average.
ANWC/sales (%)	Average net working capital as a percentage of last twelve months revenue.
Net external interest expense	Comprises Interest income – external, Interest expense – external and Lease expense – finance charges as described in the Nufarm Limited financial report.
Gearing	Net debt / (net debt plus equity)
Constant currency	Reconciled as per the below – whereby “(a)” represents the impact from the fluctuation in exchange rates between all foreign currency denominated amounts and the Australian dollar.
Return on funds employed	Underlying EBIT divided by the average of opening and closing funds employed (total equity + net debt)

Impact of foreign exchange

Depreciation of AUD versus major trading currencies for FY14 compared with FY 13

Underlying EBIT at constant FX

	Year ended 31 July		
	2014 Actual	2013 Constant FX[1]	2013 Actual
Revenue	2,622.7	2,462.8	2,277.3
Underlying EBITDA	281.4	277.8	260.8
Underlying EBIT	200.6	198.0	186.8
Net FX gains/(losses inc in financing	(12.6)	na	(10.7)

Note: Underlying EBITDA, EBIT and NPAT exclude material items.
(1) 2013 Actual results converted at 2014 FX rates.

Impact of FX on Revenue and Underlying EBIT

- Weaker AUD versus USD, EUR and GBP has had beneficial impact on reported revenue and earnings
- Revenue growth in constant currency terms is 7% and EBIT growth is 1%

Impact of FX on Net Financing Costs

- Actively seek to hedge FX exposures on foreign currency denominated loan balances and trading balances
- More than half of FX loss has come from a couple of developing markets in 2H, Ukraine and Argentina

Non IFRS information reconciliation

	12 months ended 31 July 2014			12 months ended 31 July 2013		
	Underlying $000	Material items $000	Total $000	Underlying $000	Material items $000	Total $000
Revenue	**2,622,704**		**2,622,704**	**2,277,292**		**2,277,292**
Cost of sales	(1,921,751)	33,612	(1,955,363)	(1,653,991)		(1,653,991)
Gross profit	**700,953**	**33,612**	**667,341**	**623,301**		**623,301**
Other income	10,882		10,882	20,677		20,677
Sales, marketing and distribution expenses	(314,590)	7,322	(321,912)	(269,582)		(269,582)
General and administrative expenses	(159,815)	8,674	(168,489)	(144,835)	3,177	(148,012)
Research and development expenses	(39,031)	1,153	(40,184)	(42,698)		(42,698)
Share of net profits/(losses) of associates	2,208		2,208	(60)		(60)
Operating profit	**200,607**	**50,761**	**149,846**	**186,803**	**3,177**	**183,626**
Financial income excluding fx	5,050		5,050	5,491		5,491
Net foreign exchange gains/(losses)	(12,609)		(12,609)	(10,734)		(10,734)
Net financial income	(7,559)		(7,559)	(5,243)		(5,243)
Financial expenses	(80,436)		(80,436)	(65,460)		(65,460)
Net financing costs	**(87,995)**		**(87,995)**	**(70,703)**		**(70,703)**
Profit before tax	**112,612**	**50,761**	**61,851**	**116,100**	**3,177**	**112,923**
Income tax benefit/(expense)	(26,161)	(2,057)	(24,104)	(32,126)	(953)	(31,173)
Profit for the period	**86,451**	**48,704**	**37,747**	**83,974**	**2,224**	**81,750**
Attributable to:						
Equity holders of the parent	86,411	48,704	37,707	83,223	2,224	80,999
Non-controlling interest	40		40	751		751
Profit for the period	**86,451**	**48,704**	**37,747**	**83,974**	**2,224**	**81,750**

Non IFRS information reconciliation

Year ended 31 July	2014 $000	2013 $000
Underlying EBIT	200,607	186,803
Material items impacting operating profit	(50,761)	(3,177)
Operating profit	149,846	183,626

Underlying EBIT	200,607	186,803
add Depreciation and amortisation excluding material items	80,816	73,986
Underlying EBITDA	281,423	260,789

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