Nufarm Limited
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21 September 2016

The Manager
Company Announcements Office
ASX
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

2015-2016 FULL YEAR RESULT & PRELIMINARY FINAL REPORT

In accordance with ASX Listing Rule 4.3A, the following documents are attached for release to the market:

- Appendix 4E – Preliminary Final Report
- Directors' Comments on Preliminary Final Report
- Financial Statements and Accounting Policies
- Directors' Declaration
- Directors' Report
- Auditor's Independence Declaration
- Independent Audit Report

Yours faithfully

Rodney Heath
Nufarm Limited

Grow a better tomorrow.

APPENDIX 4E

NUFARM LIMITED
ABN 37 091 323 312

PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 31 JULY 2016

Results for announcement to the market

				$,000's
Revenue from ordinary activities:	up	2%	to	2,791,217
Profit/(loss) from ordinary activities after tax attributable to members:				
Excluding material items	down	7%	to	108,918
Including material items	down	36%	to	27,519
Net profit/(loss) attributable to members:				
Excluding material items	down	7%	to	108,918
Including material items	down	36%	to	27,519

Dividends				
	Amount per Security		**Franked amount Per security**	
Final dividend	This year 7 cents	Prior year 6 cents	This year 0 cents	Prior year 0 cents
Record date: 14 October 2016				

	This year		Prior Year
Final Dividend			
Amount per security	$ 0.07		$ 0.06
Total value of dividend	$ 18,612,951		$ 15,933,435
Franked amount per security at 30%	$ nil		$ nil
Amount per security of Foreign Source Dividend	$ 0.07		$ 0.06
Date payable	11/11/2016		13/11/2015
Record date for entitlement	14/10/2016		16/10/2015
Interim Dividend			
Amount per security	$ 0.04		$ 0.04
Franked amount per security at 30%	$ nil		$ nil
Amount per security of Foreign Source Dividend	$ 0.04		$ 0.04
Date paid	6/5/2016		8/5/2015
Total Dividends			
Amount per security	$ 0.11		$ 0.10
Dividend Reinvestment Plans	Yes		Yes
Net Tangible assets per ordinary share	$ 2.55		$ 2.58
Control Gained Over Entities (refer note 14)			
Control Lost Over Entities	Nil		Nil

Audit Status

This Appendix 4E is based on accounts which have been audited, and the accounts, including the audit opinion, is attached.

Commentary

A commentary on the results for the year is attached.

G A Hunt
Managing Director

21 September 2016

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21 September, 2016

Preliminary announcement
Results for the year ended 31 July, 2016

Strong underlying EBIT growth driven by higher margins and excellent progress on improvement program

Key messages

- **Performance improvement program remains on track and delivers $60 million EBIT benefit in FY16**
- **The lower cost base supports strong margin expansion, leading to a 21% increase in underlying EBIT(1)(2) to $286.7 million**
- **Higher interest costs and foreign exchange losses relating to structural changes in Brazil market**
- **Continued focus on working capital management sees further improvement and achievement of FY16 target**
- **Group revenues: $2.79 billion, up by 2.0%**
- **Reported net profit after tax of $27.5 million (2015: $43.2 million), after inclusion of one–off restructuring costs of $81.4 million**
- **Underlying net profit after tax(3) of $108.9 million, down by 7.0%**
- **Return on funds employed improves to 13.1% (2015: 11.0%)**

Year ended 31 July	2016 $000	2015 $000	Change
Revenue	2,791,217	2,737,163	2.0%
Gross profit	801,656	716,873	11.8%
Underlying EBITDA (1)	371,720	317,090	17.2%
Underlying EBIT (1)(2)	286,696	236,882	21.0%
Operating profit	203,086	150,218	35.2%
Net external interest	96,481	74,906	28.8%
Underlying foreign exchange (gains) / losses	41,516	302	n/a
Underlying net profit after tax(3)	108,918	117,059	-7.0%
Net profit after tax	27,519	43,220	-36.3%
Net operating cash flow	137,375	228,510	-39.9%
Underlying net operating cash flow	189,063	248,409	-23.9%
Basic earnings per share - excluding material items (cents)	36.7	39.6	(2.9)
Basic earnings per share (cents)	6.1	11.7	(5.6)
Final dividend per share declared (cents)	7.0	6.0	1.0
Total dividend per share declared in respect of period (cents)	11.0	10.0	1.0

The financial information contained within our statutory accounts has been prepared in accordance with IFRS. Refer to footnotes, including explanations of the non-IFRS measures used in this announcement. All references to the prior period are to the year ended 31 July 2015 unless otherwise stated. This report is based on financial statements which have been audited by KPMG. Non-IFRS measures have not been subject to audit or review. Refer to the 31 July 2016 Nufarm Limited Financial Report for the independent auditor's report to the members of Nufarm Limited.

Nufarm Limited today announced a statutory profit after tax of $27.5 million for the 12 months to 31 July, 2016. This included $81.4 million in one-off costs associated with restructuring initiatives and asset rationalisation, and compares to a statutory profit after tax of $43.2 million in the previous financial year.

Group revenues increased by 2.0% to $2.79 billion (2015: $2.74 billion), while underlying earnings before interest and tax (EBIT) increased by 21% to $286.7 million (2015: $236.9 million).

Underlying net profit after tax was $108.9 million, down 7.0% on the $117.1 million reported in the prior period. The underlying net profit was impacted by a higher cost of doing business in Latin America, where strong growth and structural market changes resulted in higher interest expense and significantly higher foreign exchange losses.

Earnings per share (excluding material items) were 36.7 cents (2015: 39.6 cents).

Despite challenging market conditions which negatively impacted the global crop protection sector, the group generated a higher underlying gross profit margin of 29.6%, which was a significant improvement on the prior year (28.0%), and reflected a strong focus on higher margin product sales and the benefit of cost savings and restructuring initiatives.

The company made excellent progress on its cost savings and performance improvement program, delivering a net benefit of $60 million in underlying EBIT in the 2016 financial year. This brings the cumulative benefits of the program to $75 million against the target of $116 million in benefits to be achieved by the end of financial year 2018.

Average net working capital to sales was 39.9%, a significant reduction on the prior period (41.9%), and below the company's 2016 financial year target of 40%.

Net debt at 31 July was $625 million, up on the $547 million in 2015, however both year end and average leverage were lower.

Final Dividend

Directors declared an unfranked final dividend of 7 cents per share, resulting in a full year dividend of 11 cents. This represents a 1 cent per share increase on the full year dividend of 10 cents per share (unfranked) paid in the previous year.

The final dividend will be paid on 11 November, 2016 to the holders of all fully paid shares in the company as at the close of business on 14 October, 2016. The final dividend will be 100% conduit foreign income.

The Dividend Reinvestment Plan (DRP) will be made available to shareholders for the final dividend. Directors have determined that the Issue Price will be calculated on the volume weighted average price of all shares sold on the ASX over the 10 day period commencing on 17 October, 2016. The last election date for shareholders who are not yet participants in the DRP is 17 October, 2016.

Material items

The company has implemented a performance improvement program to reduce the fixed cost base, lift the profitability of the business and enhance competitiveness. During the year, the company completed manufacturing footprint and product portfolio reviews associated with that program.

The resulting changes to the business have resulted in one-off, pre-tax costs of $126.2 million in the period. Offsetting these costs is the profit on the reclassification of the Excel Crop Care equity investment to an available-for-sale financial asset, which resulted in a gain of $27.1 million.

In the current year, the net cash outflow associated with material items was $52 million. In contrast, the 2017 financial year cash flow impact from material items, already booked in financial year 2016, is expected to be a net cash outflow of approximately $15 million. This is more than offset by an expected inflow from the potential sale of the Excel Crop Care investment and the ex-manufacturing properties, which should total near $50 million.

The majority of the performance improvement costs related to the product portfolio review. Nufarm is developing a product portfolio that better meets the needs of customers in select crops and key markets, where stronger margins can be generated. The company also made the decision during the year to assign a useful life of no longer than 30 years to all product related intangible assets. This accounting estimate change resulted in $6 million higher amortisation costs in financial year 2016. As the change was implemented as at 31 January, 2016, the full year impact in financial year 2017 will be $12 million.

The manufacturing footprint rationalisation costs in 2016 involve the closure of the Calgary plant in Canada and costs related to the implementation of the manufacturing efficiencies initiatives. Other costs are related to various redundancy and consulting costs.

Excel Crop Care is an Indian crop protection business, in which Nufarm has a 14.69% interest. During June 2016, Sumitomo Chemical Company Limited acquired a 45% stake in Excel Crop Care and declared an open market offer for an additional 30% of the company's shares. At this date, Nufarm concluded that its ability to exert significant influence was relinquished. Subsequently, the company ceased to account for its investment in Excel Crop Care as an equity accounted investment, and reclassified its investment as 'available-for-sale'. This reclassification resulted in a one-off gain of $27.1 million to account for the difference between the carrying value of the equity investment and the fair value.

Sumitomo's open market offer for an additional 30% of Excel Crop Care closed on 9 September. Nufarm has registered to participate in the open market offer as proposed by Sumitomo. Nufarm is awaiting confirmation from the Bombay Stock Exchange regarding the sale of its interest in Excel Crop Care, and if successful, the expected proceeds would be approximately $40 million.

The material items also include the net impact of the Argentina Peso devaluation that occurred in December 2015. The impact is break even at year end, with the exchange loss resulting from the devaluation ($15.450 million) offset by an increased gross margin from the inventory held at the time of the devaluation ($15.486 million).

Year ended 31 July 2016	Pre-tax $000	After-tax $000
Material items by category		
Asset rationalisation and restructuring	(126,223)	(108,497)
Argentina peso devaluation event	36	23
Gain arising on revaluation of investment to fair value	27,127	27,075
Total material items	**(99,060)**	**(81,399)**

Interest / tax / cash flow

Total net financing costs were $153.4 million, compared to $75.2 million in the prior year.

Net external interest expense was $96.4 million, which is $21.5 million higher than the previous period. The higher interest expense is primarily driven by Brazil, and is caused by higher base rates, more Brazilian Real denominated debt and the increased funding requirements of the business.

Foreign exchange losses were $57.0 million, compared to $0.3 million of exchange losses recorded in the 2015 year. The one-off devaluation of the Argentina Peso, which occurred in December 2015, accounts for $15.5 million of the exchange losses.

The underlying foreign exchange loss is $41.5 million, and mainly relates to the volatility of the Brazilian Real and the Argentinean Peso in the period, and the high cost of hedging the resulting exposure between the those currencies and the US dollar. The exchange loss was exacerbated by the Brazilian market's structural switch to Real invoicing in the period.

The underlying effective tax rate was 26.8%, which compared to 27.7% in the prior period.

The business generated underlying net operating cash inflows of $189.1 million.

Business review

The company achieved margin growth in most of its regional crop protection businesses, despite overall market conditions being generally weaker due to the fall in crop prices and lower demand in some market segments.

The company's cost savings and performance improvement program contributed strongly to margin expansion and the higher underlying earnings. At an EBIT level, the program contributed $60 million of benefits to the 2016 results, and has contributed a cumulative benefit of $75 million over the past two years. Strong earnings growth in Nufarm's businesses in North America, Latin America and Europe more than offset weakness in Australia and the seed technologies segment.

Nufarm's crop protection business grew sales by 3% to $2.65 billion and underlying EBIT by 21% to $302.5 million. Crop protection sales accounted for 95% of group revenues and generated an average gross margin of 28.8%, which is a significant improvement on the previous year (26.9%).

The seed technologies segment generated revenues of $143.6 million, down 10% on the 2015 financial year ($159.6 million). The segment posted a 10% decline in underlying EBIT to $28.7 million. The global seeds industry faced very challenging conditions, with most players experiencing earnings declines. Importantly, key market shares were maintained, and the underlying EBITDA margin improved, as further efficiency savings were extracted from the business.

The company's continued focus on working capital efficiencies helped drive an improvement in the average net working capital to sales ratio to 39.9%, and average net working capital dollars reduced by $32 million. Although year-end net debt was higher, average leverage across the year was below the prior period. The return on funds employed for the period was 13.1%, compared to 11.0% in the prior year.

Operating segments summary

The following table provides a summary of the performance of the operating segments for the 2016 financial year and the prior corresponding period.

Year ended 31 July	Revenue			Underlying EBIT		
($000s)	2016	2015	Change %	2016	2015	Change %
Crop protection						
Australia and New Zealand	553,994	582,391	-4.9%	46,963	52,745	-11.0%
Asia	148,604	155,233	-4.3%	22,824	18,134	25.9%
Europe	550,376	544,775	1.0%	73,017	64,426	13.3%
North America	653,939	588,650	11.1%	59,288	38,921	52.3%
Latin America	740,686	706,533	4.8%	100,396	76,684	30.9%
Total Crop protection	*2,647,599*	*2,577,582*	*2.7%*	*302,488*	*250,910*	*20.6%*
Seed Technologies - global	143,618	159,581	-10.0%	28,719	31,829	-9.8%
Corporate	-	-	n/a	(44,511)	(45,857)	-2.9%
Nufarm Group	**2,791,217**	**2,737,163**	**2.0%**	**286,696**	**236,882**	**21.0%**

Australia / New Zealand

The Australian and New Zealand businesses generated sales of $554.0 million, down 5% on the previous year ($582.4 million). Underlying EBIT was $47.0 million compared to $52.7 million in the prior period.

Climatic conditions in Australia were mixed. Western Australia had a very good season, but eastern Australia was again dry during summer and autumn, limiting pre-plant opportunities. Good rainfall in many areas from May onwards will boost yields for farmers, and provides a positive outlook for the summer cropping season.

A gross margin improvement in the Australian business reflected a focus on increased sales of higher margin products and more disciplined selling practices. However, this came at the expense of lower sales of larger volume commodity products, with a resulting negative impact on plant recoveries.

The previously announced closure of three manufacturing facilities in Australia and New Zealand is now complete. Two sites – Welshpool and Lytton – have been sold, with proceeds received post year end, and the Otahuhu site is expected to be sold during the second half of 2016. The full benefit of these changes should be realised in the 2017 financial year, as we achieve improved plant recoveries with a better balance between higher margin product sales and volume-based commodity product sales.

Asia

Asian sales were $148.6 million compared to $155.2 million in the prior year. Underlying EBIT was $22.8 million, well up on the $18.1 million generated in the prior year.

Although Indonesian sales were lower due to the prolonged dry season, this was more than offset by stronger sales into Japan, China, and Korea. Sales to Japan were up 36% on last year. A combination of increased focus on higher margin products and prudent cost control led to an improved EBIT result on the prior year.

North America

North American crop protection sales grew by 11% to $653.9 million. Underlying EBIT was up strongly to $59.3 million compared to $38.8 million in the prior year.

A mild winter and early warm spring in the USA provided good opportunities in the 'burn down' segment where Nufarm has a strong position. Despite soft commodity pricing that encouraged farmers to reduce their spend on crop protection, Nufarm was able to improve margins through marketing programs that closely aligned with the needs of distribution partners, and newer products that address the increasing challenges associated with resistant weeds. The turf and ornamental business also performed strongly during the year.

The previously announced closure of the Calgary plant was completed in June, with production successfully transferred to the company's Chicago based manufacturing facilities. The Canadian business grew sales and earnings, with new product launches and differentiated offerings continuing to strengthen Nufarm's position in that market.

Latin America

Latin American crop protection sales grew by 5% to $740.7 million. Underlying EBIT was up strongly to $100.4 million compared to $76.7 million in the prior year.

The business took a conservative approach to sales growth, particularly given the volatile market conditions. We were able to maintain market share in Brazil.

Eight new products were launched by Nufarm in Brazil in the first half of 2016, and further launches are planned in the new financial year. Channel inventory of Nufarm products remains well below the industry average, with good 'product-on-ground' usage during the year.

Higher US dollar priced raw material costs resulted in margins coming under pressure, but the business was able to increase local currency selling prices which offset much of that cost increase. Substantial procurement savings also contributed to the stronger EBIT result.

Risk management remains a key priority. The Brazil business incurred significant foreign exchange losses, hedging costs and interest costs due to a structural change away from US dollar pegged invoicing. While this increases the cost of doing business, Brazil remains a strategically important market for Nufarm with potential for further substantial growth. Measures in place to mitigate the risks associated with the business are regularly reviewed.

The Argentina business performed well, despite the political and economic instability. The new government devalued the Peso, reduced taxes on grain exports and relieved some of the foreign currency controls. The impact of the one-off devaluation was included in material items, and was offset by margin increases on the inventory holdings at the time of the devaluation.

Europe

Europe crop protection sales grew by 1% to $550.4 million. Underlying EBIT was up to $73.0 million compared to $64.5 million in the prior year. Seasonal conditions were very mixed, with a wet and cold spring reducing herbicide and fungicide applications in cereals. Yields were below average in Western Europe, but record yields were achieved in Eastern Europe.

Nufarm's branded sales were slightly ahead of the prior year, when measured in Euros. Margin increases were achieved due to more disciplined selling policies, higher sales of differentiated formulations and the launch of several new products in the period.

The restructuring of the European manufacturing base is proceeding on schedule. The Botlek manufacturing facility in The Netherlands closed, with capacity relocated to the Wyke facility in Northern England. Manufacturing efficiency programs are nearing completion at the Linz (Austria) and Gaillon (France) production facilities. These changes will permanently reduce the company's fixed cost base; improve working capital management; and support the continued growth of the European business.

Major product segments

Crop Protection

Nufarm's crop protection business generated $2.65 billion in revenues, which was 3% higher than the previous year sales of $2.58 billion. These sales generated an average underlying gross profit margin of 28.8%, significantly stronger than the 26.9% average gross margin recorded in financial year 2015.

Herbicide sales at $1.76 billion were in line with the prior year. Glyphosate sales were down on the prior year, mainly due to the lower average technical price across the year (down around 20%), but margins were stronger. Glyphosate volumes were ahead of last year, with growth achieved in North America and Latin America. Phenoxy herbicide revenues and margins were up, driven by stronger sales in North America. Dicamba sales were down on last year due to an over-supply in the USA market while Flumioxazin sales were up on the prior year driven by new product launches in the USA.

Group insecticide sales were $279 million, and in line with the prior year. Gross margins were slightly ahead. Lower insect pressure and higher rainfall in southern Brazil resulted in reduced demand for these products, while North American sales increased, in particular in the turf and specialty segment.

Fungicide sales were up by 12% to $307 million, with margins slightly ahead of the prior year. The fungicide portfolio performed strongly in the period, with relatively low disease pressure in Brazil offset by a positive autumn season in Europe, and the continued roll-out of new mixture products.

Sales of plant growth regulators (PGRs) and biorational products were also up, with a successful focus on products in crop segments that can deliver higher margin earnings. Europe has benefitted from a focus on cereals with PGRs, and the North American business with biorationals into the trees, nuts, vegetables and vines (TNVV) segment.

The company continued to strengthen its strategic relationship with Sumitomo Chemical Company and this was reflected in higher sales of Sumitomo products across Nufarm's distribution platforms. Sales between the two parties grew 20% to $171 million in the year. There was very good sales growth in the US, Canada and Brazil, as well as the execution of a new distribution agreement in the UK. Portfolio collaboration opportunities continue to be explored and developed.

Seed Technologies

The company's seed technologies segment includes sales of seeds, managed under our Nuseed business, and seed treatment chemistry. Revenues in this segment were $143.6 million, 10% below the prior period sales of $159.6 million. The segment generated an underlying EBIT of $28.7 million, compared to $31.8 million in the prior period.

Segment sales were down primarily due to lower soft commodity pricing, continued dry conditions in Australia prior to seed planting, and over-supply in the US sorghum market. European sunflower sales were up on the prior year. Seed treatment sales were up in Europe, with strong demand for the company's 'Nuprid 600' product in France.

Nuseed has undertaken significant organisational changes to improve efficiency in the areas of research and development, supply chain and customer focus. This included the implementation of a centre of excellence model for R&D, the closure of two seed processing facilities and the centralisation of the global portfolio and commercial functions. As a result, headcount was reduced and expense savings were delivered in the period. The changes enable Nuseed to concentrate resources in the high-growth, high-value segments and build a stronger trait and hybrid pipeline.

The company's omega-3 canola program continues on track, now well into field trials and the pre-registration phase of development. Several significant patents relating to this program were published and/or granted during the year, contributing to a very strong intellectual property position. Nuseed is now engaging with several industry players to validate both performance and acceptance in end-use markets. Commercialisation of the technology is planned for 2018/19, subject to regulatory approvals.

Balance Sheet Management

Net debt at 31 July was $625 million versus $547 million in the prior year. Net debt was negatively impacted by the material one-off items in the period, the higher interest expense and foreign exchange losses. The group's capital expenditure was higher due to construction of the new insecticides and fungicides facility at Laverton, and there was a higher technology investment, especially on the supply chain improvement project and Omega 3.

Average net debt was higher than the previous period ($912 million versus $865 million). The leverage ratio (net debt at 31 July 2016 divided by the 12 month rolling EBITDA) improved to 1.68x (2015: 1.72x). The average leverage across the year was 2.45x, compared to 2.73x in the prior year. Gearing (net debt to net debt plus equity) was 28.7% (2015: 25.0%).

Management continued to focus on driving further efficiencies in working capital management, with average net working capital to sales down to 39.9% (2015: 41.9%). In Brazil, extended terms were provided to some customers, who were impacted by adverse weather conditions. The company has security against the majority of these receivables. This has resulted in higher non-current receivables in 2016 of $62 million (2015: $32 million). The company has included these non-current receivables in the net working capital calculation. The company has achieved its objective to bring this ratio down to 40% by the end of the 2016 financial year and is now focused on driving further efficiencies.

The major driver of the improvement in average net working capital was trade payables, with the company negotiating more favourable terms with several key suppliers and expanding its supplier financing program. Average receivables were also lower for the year.

The group is reviewing all assets on the balance sheet to ensure they are core to the strategy. The group expects to receive almost $50 million from the sale of two ex-manufacturing properties in Australia, and the sale of our interest in the Indian associate Excel Crop Care. These proceeds will be used to retire debt. The company will continue to look for opportunities to divest other non-core assets.

Cost savings and performance improvement program

The company made excellent progress on its cost savings and performance improvement program, which aims to deliver a net benefit of $116 million in underlying EBIT by the end of the 2018 financial year.

The performance improvement program covers a broad range of initiatives across all areas of the business including manufacturing footprint and efficiencies; procurement practices; supply chain and logistics; selling, general and administrative expenses; and product portfolio.

The company delivered a net benefit of $60 million from the performance improvement program in the 2016 financial year, and has cumulative benefits of $75 million over the past two years. The higher than expected 2016 contribution reflects strong buy-in to the change program from the business and excellent execution. Most of the savings in the 2016 financial year came from the manufacturing footprint, manufacturing excellence and procurement initiatives. Our businesses in the Americas and Europe were the largest regional contributors.

The total estimated cost savings and efficiencies – on a gross basis – are well in excess of the targeted net benefit announced by the company. However, to support sustainable business improvement and to secure benefits on an ongoing basis, some of these savings are being reinvested in new systems and capabilities such as new customer relationship management (CRM) systems; improved performance in supply chain management; specialist procurement resources; enhanced marketing capabilities; and a major process improvement project to harmonise the back office procedures and systems within and across regions.

The company has also announced an objective to achieve a Return on Funds Employed (ROFE) of 16% by the 2018 financial year. ROFE at 31 July was 13.1%, up from 11.0% in the prior comparative period.

Outlook

The combination of additional cost savings benefits; margin expansion and revenue growth in a number of the company’s businesses is expected to result in earnings growth in 2017. This is despite an expectation that soft commodity prices will remain low and general market conditions will continue to be subdued.

The company's performance in Australia is expected to strengthen, with restructuring initiatives resulting in a lower and more flexible cost base, and a better balance between sales of high margin and commodity products that should see sales and production volumes improve. The outlook for the Australian summer cropping season is positive, with good winter and spring rains across the country.

The company is well positioned to generate growth in the US, where our business will benefit from new product introductions and stronger support from local distribution. The business will also benefit from the manufacturing efficiencies associated with the closure of the Calgary plant.

In Brazil, the area planted to crops and the volume of crop protection inputs are expected to rise. Careful management of inventories; positive exposure to stronger market segments; and new product introductions should result in Nufarm's business being well placed to achieve growth in the 2017 financial year.

New product introductions and increased investment in marketing and sales staff in our key European markets should underpin what is expected to be another solid performance in this region.

The combination of important new seed treatment product launches and continued expansion of the European sunflower business should support earnings growth in seed technologies over the next 12 months, along with the possibility of an improved outlook for Australian canola sales.

Net interest expense is expected to be moderately lower in 2017. Net foreign exchange impacts will continue to include anticipated hedging costs of $1 million to $1.5 million per month for Latin America.

Management will stay focused on strengthening the balance sheet, with continued attention given to working capital management and the sale of non-core assets. The working capital objective will be to retain the efficiencies achieved in recent years, and upon the completion of the supply chain investment, drive the next step change reduction in average net working capital. The benefits from this project will start to flow in the 2018 financial year. In 2017, the focus will be on improving cash flow and reducing the average leverage ratio.

Growth prospects over the medium to long term remain strong as the company continues to secure further benefits from the performance improvement program and expands its offerings in core crops and markets.

G A Hunt
Managing Director & CEO

IFRS and Non-IFRS financial information

Nufarm results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This release 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.

The following notes explain the terms used throughout this profit release:

(1) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT before depreciation and amortisation of $85.024 million for the year ended 31 July 2016 and $80.208 million for the year ended 31 July 2015. We believe that Underlying EBIT and Underlying EBITDA provide useful information, but should not be considered as an indication of, or an alternative to, Profit / (loss) for the period as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

(2) Underlying EBIT is used to reflect the underlying performance of Nufarm's operations. Underlying EBIT is reconciled to Operating profit below.

Year ended 31 July	2016 $000	2015 $000
Underlying EBIT	286,696	236,882
Material items impacting operating profit	(83,610)	(86,664)
Operating profit	203,086	150,218

(3) Non-IFRS measures are defined as follows:
- Underlying net profit after tax – comprises Profit / (loss) for the period attributable to the equity holders of Nufarm Limited less material items.
- Average gross margin – defined as average gross profit as a percentage of revenue.
- Average gross profit – defined as revenue less a standardized estimate of production costs excluding material items and non-product specific rebates and other pricing adjustments.
- Net external interest expense – comprises Interest income – external, Interest expense – external, Lease expense – finance charges, and debt establishment costs as described in the notes to the 31 July 2016 Nufarm Limited financial report.
- ROFE – defined as underlying EBIT divided by the average of opening and closing funds employed (total equity plus net debt).
- 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.

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Nufarm Limited

Income statement

For the year ended 31 July

	Note	Consolidated 2016 $000	2015 $000
Continuing operations			
Revenue		2,791,217	2,737,163
Cost of sales		(1,989,561)	(2,020,290)
Gross profit		801,656	716,873
Other income	7	39,971	11,710
Sales, marketing and distribution expenses		(419,317)	(348,120)
General and administrative expenses		(181,273)	(198,620)
Research and development expenses		(39,348)	(32,745)
Share of net profits/(losses) of equity accounted investees	19	1,397	1,120
Operating profit		203,086	150,218
Financial income	10	15,678	7,423
Financial expenses excluding foreign exchange gains/(losses)	10	(112,159)	(82,329)
Net foreign exchange gains/(losses)	10	(56,966)	(302)
Net financial expenses		(169,125)	(82,631)
Net financing costs		(153,447)	(75,208)
Profit/(Loss) before income tax		49,639	75,010
Income tax benefit/(expense)	11	(22,161)	(31,961)
Profit/(Loss) for the period from continuing operations		27,478	43,049
Attributable to:			
Equity holders of the Company		27,519	43,220
Non-controlling interests		(41)	(171)
Profit/(Loss) for the period		27,478	43,049
Earnings per share			
Basic earnings/(loss) per share	30	6.1	11.7
Diluted earnings/(loss) per share	30	6.1	11.6

The income statement is to be read in conjunction with the attached notes.

Nufarm Limited

Statement of comprehensive income

For the year ended 31 July

		Consolidated	
	Note	2016 $000	2015 $000
Profit / (loss) for the period		27,478	43,049
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences for foreign operations		(64,880)	36,352
Effective portion of changes in fair value of cash flow hedges		(1,497)	1,437
Effective portion of changes in fair value of net investment hedges		5,487	(7,572)
Net changes in fair value of available-for-sale financial assets		(448)	-
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit plans		(19,631)	(19,323)
Income tax on share based payment transactions		772	(201)
Other comprehensive profit / (loss) for the period, net of income tax		(80,197)	10,693
Total comprehensive profit / (loss) for the period		(52,719)	53,742
Attributable to:			
Equity holders of the Company		(52,678)	53,913
Non-controlling interest		(41)	(171)
Total comprehensive profit / (loss) for the period		(52,719)	53,742

The amounts recognised directly in equity are disclosed net of tax.

The statement of comprehensive income is to be read in conjunction with the attached notes.

Nufarm Limited

Balance sheet

As at 31 July

	Note	Consolidated 2016 $000	Consolidated 2015 $000
Assets			
Cash and cash equivalents	15	281,444	391,418
Trade and other receivables	16	819,977	732,391
Inventories	17	685,833	753,690
Current tax assets	18	34,114	39,259
Other investments	20	38,564	-
Total current assets		1,859,932	1,916,758
Non-current assets			
Trade and other receivables	16	121,681	73,123
Investments in equity accounted investees	19	1,138	10,552
Other investments	20	438	466
Deferred tax assets	18	252,058	250,942
Property, plant and equipment	22	352,853	369,883
Intangible assets	23	873,038	952,464
Total non-current assets		1,601,206	1,657,430
TOTAL ASSETS		3,461,138	3,574,188
Current liabilities			
Bank overdraft	15	-	1,282
Trade and other payables	24	699,430	671,483
Loans and borrowings	25	364,830	380,426
Employee benefits	26	18,691	19,552
Current tax payable	18	6,524	5,919
Provisions	28	20,336	33,174
Total current liabilities		1,109,811	1,111,836
Non-current liabilities			
Payables	24	16,941	22,691
Loans and borrowings	25	542,048	556,427
Deferred tax liabilities	18	141,284	151,807
Employee benefits	26	100,826	94,632
Total non-current liabilities		801,099	825,557
TOTAL LIABILITIES		1,910,910	1,937,393
NET ASSETS		1,550,228	1,636,795
Equity			
Share capital		1,080,768	1,074,119
Reserves		(276,148)	(213,134)
Retained earnings		494,055	524,089
Equity attributable to equity holders of the Company		1,298,675	1,385,074
Nufarm step-up securities		246,932	246,932
Non-controlling interest		4,621	4,789
TOTAL EQUITY		1,550,228	1,636,795

The balance sheet is to be read in conjunction with the attached notes.

Nufarm Limited

Statement of cash flows

For the year ended 31 July

	Note	Consolidated 2016 $000	2015 $000
Cash flows from operating activities			
Cash receipts from customers		2,714,314	2,841,147
Cash paid to suppliers and employees		(2,412,549)	(2,484,368)
Material items	6	(51,688)	(19,899)
Cash generated from operations		250,077	336,880
Interest received		15,678	7,423
Dividends received		508	538
Interest paid		(106,626)	(73,182)
Income tax paid		(22,262)	(43,149)
Net cash from operating activities	38	137,375	228,510
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,103	6,806
Proceeds from sales of businesses and investments		-	-
Payments for plant and equipment		(59,209)	(46,654)
Purchase of businesses, net of cash acquired	14	2,665	-
Payments for acquired intangibles and major product development expenditure		(82,769)	(64,251)
Net investing cash flows		(138,210)	(104,099)
Cash flows from financing activities			
Debt establishment transaction costs		(2,876)	(1,536)
Proceeds from borrowings		1,091,834	1,071,244
Repayment of borrowings		(1,138,232)	(1,023,581)
Distribution to Nufarm step-up security holders		(15,456)	(16,689)
Dividends paid		(24,919)	(20,913)
Net financing cash flows		(89,649)	8,525
Net increase/(decrease) in cash and cash equivalents		(90,484)	132,936
Cash at the beginning of the year		390,136	241,638
Exchange rate fluctuations on foreign cash balances		(18,208)	15,562
Cash and cash equivalents at 31 July	15	281,444	390,136

The statement of cash flows is to be read in conjunction with the attached notes.

Nufarm Limited

Statement of changes in equity

For the year ended 31 July

Consolidated	Share capital $000	Translation reserve $000	Capital profit reserve $000	Other reserve $000	Retained earnings $000	Total $000	Nufarm step-up securities $000	Non-controlling interest $000	Total equity $000
Balance at 1 August 2014	1,068,871	(258,779)	33,627	(23,421)	536,241	1,356,539	246,932	5,229	1,608,700
Profit/(Loss) for the period	-	-	-	-	43,220	43,220	-	(171)	43,049
Other comprehensive income									
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	(19,323)	(19,323)	-	-	(19,323)
Foreign exchange translation differences	-	36,352	-	-	-	36,352	-	-	36,352
Gains/(losses) on cash flow hedges taken to equity	-	-	-	1,437	-	1,437	-	-	1,437
Gains/(losses) on net investment hedges taken to equity	-	-	-	(7,572)	-	(7,572)	-	-	(7,572)
Income tax on share based payment transactions	-	-	-	(201)	-	(201)	-	-	(201)
Total comprehensive income / (loss) for the period	-	36,352	-	(6,336)	23,897	53,913	-	(171)	53,742
Transactions with owners, recorded directly in equity									
Accrued employee share award entitlement	-	-	-	4,304	-	4,304	-	-	4,304
Issuance of shares under employee share plans	2,104	-	-	(2,104)	-	-	-	-	-
Dividends paid to shareholders	-	-	-	-	(23,788)	(23,788)	-	(269)	(24,057)
Dividend Reinvestment Plan	3,144	-	-	-	-	3,144	-	-	3,144
Distributions to Nufarm Step-up Security holders	-	-	-	-	(12,261)	(12,261)	-	-	(12,261)
Remeasurement of non-controlling interest option	-	-	-	3,223	-	3,223	-	-	3,223
Balance at 31 July 2015	1,074,119	(222,427)	33,627	(24,334)	524,089	1,385,074	246,932	4,789	1,636,795
Balance at 1 August 2015	1,074,119	(222,427)	33,627	(24,334)	524,089	1,385,074	246,932	4,789	1,636,795
Profit/(Loss) for the period	-	-	-	-	27,519	27,519	-	(41)	27,478
Other comprehensive income									
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	(19,631)	(19,631)	-	-	(19,631)
Foreign exchange translation differences	-	(64,880)	-	-	-	(64,880)	-	-	(64,880)
Gains/(losses) on cash flow hedges taken to equity	-	-	-	(1,497)	-	(1,497)	-	-	(1,497)
Gains/(losses) on net investment hedges taken to equity	-	-	-	5,487	-	5,487	-	-	5,487
Net changes in fair value of available-for-sale financial assets	-	-	-	(448)	-	(448)	-	-	(448)
Income tax on share based payment transactions	-	-	-	772	-	772	-	-	772
Total comprehensive income / (loss) for the period	-	(64,880)	-	4,314	7,888	(52,678)	-	(41)	(52,719)
Transactions with owners, recorded directly in equity									
Accrued employee share award entitlement	-	-	-	3,956	-	3,956	-	-	3,956
Issuance of shares under employee share plans	4,876	-	-	(4,876)	-	-	-	-	-
Dividends paid to shareholders	-	-	-	-	(26,564)	(26,564)	-	(127)	(26,691)
Dividend Reinvestment Plan	1,773	-	-	-	-	1,773	-	-	1,773
Distributions to Nufarm Step-up Security holders	-	-	-	-	(11,358)	(11,358)	-	-	(11,358)
Remeasurement of non-controlling interest option	-	-	-	(1,528)	-	(1,528)	-	-	(1,528)
Balance at 31 July 2016	1,080,768	(287,307)	33,627	(22,468)	494,055	1,298,675	246,932	4,621	1,550,228

The statement of changes in equity is to be read in conjunction with the attached notes.

Notes to the financial statements

1 Reporting entity

Nufarm Limited (the 'company') is a company limited by shares and domiciled in Australia that is listed on the Australian Securities Exchange. The address of the company's registered office is 103-105 Pipe Road, Laverton North, Victoria, 3026.
The consolidated financial statements of the company as at and for the year ended 31 July 2016 comprise the company and its subsidiaries (together referred to as the 'group' and individually as 'group entities') and the group's interest in associates and jointly controlled entities. The group is a for-profit entity and is primarily involved in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease, and seed treatment products.

2 Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 21 September 2016.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and available for sale investments which are measured at fair value, and defined benefit fund obligations that are measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the company's functional currency. The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amount recognised in the financial statements are described below.

(i) *Business combinations*

Fair valuing assets and liabilities acquired in a business combination involves making assumptions about the timing of cash inflows and outflows, growth assumptions, discount rates and cost of debt. Refer to note 14 for details of acquisitions made during the period.

(ii) *Impairment testing*

The group determines whether goodwill and intangibles with indefinite useful lives are impaired on an annual basis or at each reporting date if required. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology. The estimation of future cash flows requires management to make significant assumptions concerning the identification of impairment indicators, earnings before interest and tax, growth rates, applicable discount rates and useful lives. Further details can be found in note 23 on intangibles.
Other non-current assets are also assessed for impairment indicators.

2 Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(iii) *Income taxes*

The group is subject to income taxes in Australia and overseas jurisdictions. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provisions in the period in which the tax determination is made. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. The assessment of probability involves estimation of a number of factors including future taxable income. Refer to note 11 and note 18.

(iv) *Defined benefit plans*

A liability in respect of defined benefit pension plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the pension plan's assets. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service. Refer note 26 for details of the key assumptions used in determining the accounting for these plans.

(v) *Valuation of inventories*

Inventories of finished goods, raw materials and work in progress are valued at lower of cost and net realisable value. The net realisable value of inventories is the estimated market price less costs to sell at the time the product is expected to be sold. Refer to note 17.

(vi) *Capitalised development costs*

Development expenditures are recognised as an intangible asset when the group judges and is able to demonstrate:
(a) the technical feasibility of completing the intangible asset so that it will be available for use
(b) intention to complete
(c) ability to use the asset; and
(d) how the asset will generate future economic benefits and the ability to measure reliably the expenditure during development.
Refer to note 23.

(vii) *Intellectual property*

Intellectual property consists of product registrations, product access rights, trademarks, task force seats, product distribution rights and product licences acquired from third parties. The group assesses intellectural property to have a finite life or indefinite life.

(e) Reclassification

Comparatives have been adjusted to present them on the same basis as current period figures.

3 Significant accounting policies

Except as described immediately below, the group's accounting policies have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by group entities.

During the current reporting period, a number of new or amended standards became applicable for the first time: *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* and *AASB 2015-4 Amendments to Australian Accounting Standards - Financial Reporting Requirements for Australian Groups with a Foreign Parent*. These standards did not materially effect the entity's accounting policies or any of the amounts recognised in the financial statements.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except for AASB 9 *Financial Instruments* and IFRS 15 *Revenue from contracts with customers,* which become mandatory for the group's 2019 consolidated financial statements and IFRS 16 *Leases*, which becomes mandatory for the 2018 consolidated financial statements. AASB 9 could change the classification and measurement of financial assets, IFRS 15 could change revenue recognition practices and IFRS 16 could change the classification and measurement of operating or financing leases. The group does not currently plan to adopt these standards early and the extent of the impact (if any) has not been determined.

3 Significant accounting policies (continued)

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the group takes into consideration potential voting rights that currently are exercisable.

For acquisitions on or after 1 July 2009, the group measures goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

(ii) Non-controlling interests (NCI)

NCI are measured at their proporionate share of the acquiree's identifiable net assets at the acquisition date.

When a written put option is established with non-controlling shareholders in an existing subsidiary, then the group will recognise a liability for the present value of the exercise price of the option. When the NCI still has present access to the returns associated with the underlying ownership interest, NCI continues to be recognised and accordingly the liability is considered a transaction with owners and recognised via a reserve. Any changes in the carrying value of the put liability over time is recognised directly in reserves.

(iii) Subsidiaries

Subsidiaries are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3 Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Investments in equity accounted investees

The group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the group has joint control, whereby the group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognised at cost, which includes transaction costs. The group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. Subsequent to initial recognition, the consolidated financial statements include the group's share of the income and expenses and equity movements of the investees after adjustments to align the accounting policies of the investees with those of the group, until the date on which significant influence or joint control ceases. On loss of significant influence the investment is no longer equity accounted and is revalued to fair value.

(v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency gains and losses are included in net financing costs.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income. Since 1 August 2004, the group's date of transition to IFRS, such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

(c) Financial instruments

(i) Non-derivative financial assets

The group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument.

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the group is recognised as a separate asset or liability.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The group has the following non-derivative financial assets: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the group's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit and loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available-for-sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any direct attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified as another category of financial asset. Available-for-sale financial assets are recognised initiallly at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and any changes other than impairment losses are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the cumulative gain or loss in equity is reclassified to profit or loss.

(ii) Non-derivative financial liabilities

The group initially recognises debt securities and subordinated liabilities on the date they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the group becomes a party to the contractual provisions of the instrument. The group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the group has the legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

The group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. This includes trade payables that represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any related income tax benefit. Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Hybrid securities

The Nufarm step-up securities (NSS) are classified as non-controlling equity instruments as they are issued by a subsidiary. After-tax distributions thereon are recognised as distributions within equity. Further details can be found in note 29.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Derivative financial instruments, including hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- hedges of a net investment in a foreign operation (net investment hedges).

The group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or other expenses.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expense.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within ‘finance costs’. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within ‘sales’. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

3 Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Derivative financial instruments, including hedge accounting (continued)

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

* buildings	15-50 years
* leasehold improvements	5 years
* plant and equipment	10-15 years
* motor vehicles	5 years
* computer equipment	3 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

(e) Intangible assets

(i) Goodwill

Goodwill that arises upon the acquisition of business combinations is included in intangible assets. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

3 Significant accounting policies (continued)

(e) Intangible assets (continued)

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the group has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use and capitalised borrowing costs. Development expenditure that does not meet the above criteria is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Intellectual property

Intellectual property consists of product registrations, product access rights, trademarks, task force seats, product distribution rights and product licences acquired from third parties. Intellectual property is assessed as to whether it has a finite or indefinite life. Finite life intellectual property is amortised over its useful life but not longer than 30 years. Intellectual property intangibles acquired by the group are measured at cost less accumulated amortisation and impairment losses. Expenditure on internally generated goodwill and brands is expensed when incurred.

(iv) Other intangible assets

Other intangible assets that are acquired by the group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

(v) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss when incurred.

(vi) Amortisation

Amortisation is calculated over the cost of the asset, less its residual value. With the exception of goodwill, intangibles with a finite life are amortised on a straight-line basis in profit and loss over the estimated useful lives of the intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life for intangible assets with a finite life, in the current and comparative periods, are as follows:

* capitalised development costs	5 to 30 years (2015: 5 to 10 years)
* intellectual property - finite life	over the useful life and not more than 30 years (2015: over the useful life)
* computer software	3 to 7 years (2015: 3 to 7 years)

Amortisation methods, useful lives and residual values are reassessed at each reporting date.

(f) Leased assets

Leases where the group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the group's balance sheet.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3 Significant accounting policies (continued)

(h) Impairment

(i) Non-derivative financial assets

A financial asset, not carried at fair value through profit or loss, is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence of impairment includes default or deliquency by a debtor, indications that a debtor will enter bankruptcy, and, in the case of an investment in an equity security, a significant or prolonged decline in its fair value.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the original effective interest rate.

An impairment loss on an available-for-sale financial asset is recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit and loss. The cumulative loss that is reclassified from equity to profit and loss is the difference between the acquisition cost and the current fair value less any impairment loss previously recognised in profit and loss. If, in a subsequent period, the fair value of an impaired available-for-sale financial asset increases and the increase relates to an event occurring after the impairment loss was recognised then the impairment loss is reversed, with the amount of the reversal recognised in profit and loss.

(ii) Non-financial assets

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or joint venture may be impaired.

(i) Assets held for sale

Assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and employee benefit assets, which continue to be measured in accordance with the group's accounting policies.

3 Significant accounting policies (continued)

(i) Assets held for sale (continued)

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale or distribution.

(j) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan asset (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Other long-term employee benefits

The group's net obligation in respect of long-term employee benefits, other than defined benefit plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the group's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

(iv) Termination benefits

Termination benefits are recognised as an expense when the group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting period, then they are discounted to their present value.

3 Significant accounting policies (continued)

(j) Employee benefits (continued)

(v) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vi) Share-based payment transactions

The group has a global share plan for employees whereby matching and loyalty shares are granted to employees. The fair value of matching and loyalty shares granted is recognised as expense in the profit or loss over the respective service period, with a corresponding increase in equity, rather than as the matching and loyalty shares are issued. Refer note 27 for details of the global share plan.

The group has a short term incentive plan (STI) available to key executives, senior managers and other managers globally. A pre-determined percentage of the STI is paid in cash with the remainder deferred into shares which have either a one or two year vesting period. The cash portion is recognised immediately as an expense at the time of performance testing. The expense relating to deferred shares is expensed over the vesting period. Refer to note 27 for further details on this plan.

The group has a long term incentive plan (LTIP) which is available to key executives and certain selected senior managers. Peformance rights have been granted to acquire ordinary shares in the company subject to the achievement of global performance hurdles. The expense in relation to the LTIP is recognised over the vesting period of 3 years. Refer note 27 for further details on this plan.

(k) Provisions

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

A provision for restructuring is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(l) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence of an arrangement exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(ii) Dividend income

Dividend income is recognised when the right to receive the payment is established. This is generally at the point the dividend has been formally declared.

(m) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3 Significant accounting policies (continued)

(m) Lease payments (continued)

Determining whether an arrangement contains a lease

At the inception of an arrangement, the group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the group the right to control the use of the underlying asset. At inception or upon reassessment of the arrangement, the group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the group's incremental borrowing rate.

(n) Finance income and finance costs

The group's finance income and finance costs include the following: interest income, interest expense, dividend income, dividends on preference shares issued classified as financial liabilities, the net gain or loss on the disposal of available-for-sale financial assets, the net gain or loss on financial assets at fair value through profit or loss, the foreign currency gain or loss on financial assets and financial liabilities, the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination, the fair value loss on contingent consideration classified as a financial liability, impairment losses recognised on financial assets (other than trade receivables), the net gain or loss on hedging instruments that are recognised in profit or loss, and the reclassification of net gains previously recognised in other comprehensive income.

Interest income or expense is recognised using the effecive interest method. Dividend income is recognised in profit or loss on the date on which the group's right to receive payment is established.

(o) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of cash dividends are recognised at the same time as the liability to pay the related dividend is recognised. The group does not distribute non-cash assets as dividends to its shareholders.

(i) Tax consolidation

The company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Nufarm Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax-consolidated group and are recognised by the company as amounts payable/(receivable) to/(from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement (refer below). Any difference between these amounts is recognised by the company as an equity contribution amounts or distribution.

3 Significant accounting policies (continued)

(o) Income tax (continued)

(i) Tax consolidation (continued)

The company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

(ii) Nature of tax funding arrangements and tax sharing agreements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity, in conjunction with other members of the tax-consolidated group, has also entered a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(p) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST or equivalent), except where the GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the tax authority is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the relevant tax authorities are classified as operating cash flows.

(q) Earnings per share

The group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilutive ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Segment reporting

Determination and presentation of operating segments

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' results are reviewed regularly by the group's CEO to make decisions about resources to be allocated to the segment and to assess its performance.

3 Significant accounting policies (continued)

(r) Segment reporting (continued)

Determination and presentation of operating segments (continued)

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

4 Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, and willingly. The market value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches quoted market prices for similar items when available and replacement cost when appropriate.

(ii) Intangibles assets

The fair value of patents and trademarks acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the patent or trademark being owned. The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Inventories

The fair value of inventories acquired in a business combination is determined based on its estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on effort required to complete and sell the inventories.

(iv) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(v) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

4 Determination of fair values (continued)

(vi) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

(vii) Share-based payment transactions

The fair value of the performance rights issued under the Nufarm Long Term Incentive Plan have been measured using Monte Carlo Simulation and the Binomial Tree. The fair value of the deferred shares granted to participants under the Nufarm Short Term Incentive will be measured using the volume weighted average price for the five day period subsequent to year end results announcement. Measurement inputs include the share price on the measurement date, the exercise price of the instrument, expected volatility, expected term of the instruments, dividends, and the risk-free rate (based on government bonds).

(viii) Available for sale investments

The fair value of the available for sale investment is derived from quoted market prices in an active market.

5 Operating segments

Segment information is presented in respect of the group's key operating segments. The operating segments are based on the group's management and internal reporting structure.

Operating segments

The group operates predominantly along two business lines, being crop protection and seed technologies.

The crop protection business deals in the manufacture and sale of crop protection products used by farmers to protect crops from damage caused by weeds, pests and disease. It is managed by major geographic segments, being Australia and New Zealand, Asia, Europe, North America and South America. The North America region includes Canada and USA. The Latin America region (previously known as South America) includes Brazil, Argentina, Chile, Uruguay, Paraguay, Bolivia, Columbia, the Andean countries, Mexico and the Central American countries.

The seed technologies business deals in the sale of seeds and seed treatment products. The seed technologies business is managed on a worldwide basis.

Information regarding the results of each operating segment is included below. Performance is measured based on underlying EBIT as included in the internal management reports that are reviewed by the group's CEO. Underlying EBIT is used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment. Segment revenue is based on the geographic location of customers. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The non-operating corporate segment comprises mainly corporate expenses, interest-bearing loans, borrowings and corporate assets.

5 Operating segments (continued)

2016 Operating Segments	Crop Protection Australia and New Zealand $000	Asia $000	Europe $000	North America $000	Latin America $000	Total $000	Seed Technologies Global $000	Non-Operating Corporate $000	Group Total $000
Revenue									
Total segment revenue	553,994	148,604	550,376	653,939	740,686	2,647,599	143,618	-	2,791,217
Results									
Underlying EBITDA [a]	61,773	26,723	110,313	76,931	104,443	380,183	35,529	(43,992)	371,720
Depreciation & amortisation excluding material items	(14,810)	(3,899)	(37,296)	(17,643)	(4,047)	(77,695)	(6,810)	(519)	(85,024)
Underlying EBIT [a]	**46,963**	**22,824**	**73,017**	**59,288**	**100,396**	**302,488**	**28,719**	**(44,511)**	**286,696**
Material items included in operating profit (refer note 6)									(83,610)
Material items included in net financing costs (refer note 6)									(15,450)
Total material items (refer note 6)									(99,060)
Net financing costs (excluding material items)									(137,997)
Profit / (loss) before tax									**49,639**
Assets									
Segment assets	486,868	89,788	688,906	412,074	803,801	2,481,437	363,129	615,434	3,460,000
Investment in associates	-	-	764	-	-	764	374	-	1,138
Total assets	486,868	89,788	689,670	412,074	803,801	2,482,201	363,503	615,434	3,461,138
Liabilities									
Segment liabilities	129,558	182,173	243,544	67,249	207,577	830,101	26,833	1,053,976	1,910,910
Total liabiltiies	129,558	182,173	243,544	67,249	207,577	830,101	26,833	1,053,976	1,910,910
Other segment information									
Capital expenditure	40,421	2,317	47,453	12,378	6,992	109,561	30,753	-	140,314

2015 Operating Segments	Crop Protection Australia and New Zealand $000	Asia $000	Europe $000	North America $000	Latin America $000	Total $000	Seed Technologies Global $000	Non-Operating Corporate $000	Group Total $000
Revenue									
Total segment revenue	582,391	155,233	544,775	588,650	706,533	2,577,582	159,581	-	2,737,163
Results									
Underlying EBITDA [a]	69,952	21,661	98,565	54,579	79,604	324,361	37,648	(44,919)	317,090
Depreciation & amortisation excluding material items	(17,207)	(3,527)	(34,139)	(15,658)	(2,920)	(73,451)	(5,819)	(938)	(80,208)
Underlying EBIT [a]	**52,745**	**18,134**	**64,426**	**38,921**	**76,684**	**250,910**	**31,829**	**(45,857)**	**236,882**
Material items included in operating profit (refer note 6)									(86,664)
Material items included in net financing costs (refer note 6)									-
Total material items (refer note 6)									(86,664)
Net financing costs (excluding material items)									(75,208)
Profit / (loss) before tax									**75,010**
Assets									
Segment assets	440,197	97,380	751,869	531,119	671,788	2,492,353	375,982	695,301	3,563,636
Investment in associates	-	8,761	1,441	-	-	10,202	350	-	10,552
Total assets	440,197	106,141	753,310	531,119	671,788	2,502,555	376,332	695,301	3,574,188
Liabilities									
Segment liabilities	146,079	110,567	257,625	103,421	194,533	812,225	26,914	1,098,254	1,937,393
Total liabiltiies	146,079	110,567	257,625	103,421	194,533	812,225	26,914	1,098,254	1,937,393
Other segment information									
Capital expenditure	14,727	1,316	40,282	22,969	6,844	86,138	25,580	-	111,718

5 Operating segments (continued)

Geographical information	Revenue by location of customer		Non current assets by location	
	2016	2015	2016	2015
	$000	$000	$000	$000
Australia	519,709	548,307	265,472	250,651
New Zealand	61,031	59,391	5,008	5,429
Asia	148,029	155,233	39,838	43,607
Europe	591,640	567,446	387,697	437,265
USA	582,525	561,674	357,781	405,718
Rest of North America	118,789	105,913	8,639	14,311
Brazil	590,784	556,475	278,399	231,166
Rest of Latin America	178,710	182,724	6,364	18,341
Unallocated [(b)]	-	-	252,008	250,942
Total	2,791,217	2,737,163	1,601,206	1,657,430

(a) Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying EBITDA is Underlying EBIT, before depreciation, amortisation and impairments.

(b) Unallocated assets predominately include deferred tax assets.

6 Items of material income and expense

Material items are those items where their nature and/or amount is considered material to the financial statements. Such items included within the group's profit for the year are detailed below.

	Consolidated		Consolidated	
	2016	2016	2015	2015
	$000	$000	$000	$000
	Pre-tax	After-tax	Pre-tax	After-tax
Material items by category:				
Asset rationalisation and restructuring	(126,223)	(108,497)	(86,664)	(73,839)
Argentina peso devaluation event	36	23	-	-
Gain arising on revaluation of investment to fair value	27,127	27,075	-	-
Total	(99,060)	(81,399)	(86,664)	(73,839)

2016 asset rationalisation and restructure

The asset rationalisation and restructuring program has resulted in the rationalisation of under-utilised assets and a restructure throughout the Nufarm group. Asset rationalisation and restructure costs amount to $126.223 million mainly relate to the write-down of product related assets arising from rationalisation of the group's product portfolio. A breakdown of the nature of costs incurred are further described below. Asset rationalisation costs have only been tax benefited to the extent that it is probable that the benefit will be utilised.

Summary of nature of cost		***Further explanation of nature of cost***
Portfolio rationalisation program	81,346	Primarily the write downs of product related assets
Manufacturing excellence	30,999	Primarily closure of the Calgary plant
Other asset rationalisation and restructure costs	13,878	
	126,223	

2016 Argentina peso devaluation event

In December 2015 the Argentine government relaxed regulations restricting free movement of the Argentine peso. This relaxation of regulations resulted in a one-off significant devaluation of the peso against the United States dollar. As a result of the devaluation Nufarm incurred foreign currency exchange losses on its net USD liabilities ($15.450 million) and benefited from increased gross margin on its USD denominated sales ($15.486 million).

2016 Gain arising on revaluation of investment to fair value

Excel Crop Care is an Indian crop protection business, in which Nufarm had an equity accounted 14.69 per cent interest. During June 2016, Sumitomo Chemical Company Limited acquired a 45 per cent stake in Excel Crop Care and declared an open market offer for an additional 30 per cent of the company’s shares. On 30 June 2016, Nufarm concluded that its ability to exert significant influence was relinquished. Subsequently, the company ceased to account for its investment in Excel Crop Care as an equity accounted investment, and reclassified its investment as 'available-for-sale'. This reclassification resulted in a one-off gain of $27.127 million to account for the difference between the carrying value of the equity investment and the fair value.

2015 asset rationalisation and restructure

The 2015 asset rationalisation and restructuring program resulted in the rationalisation of under-utilised assets and an organisational restructure throughout the Nufarm group. Asset rationalisation and restructure costs amounting to $86.664 million mainly related to the rationalisation of European manufacturing assets, whereby the Botlek manufacturing facilities were closed and manufacturing consolidated. Asset rationalisation costs were tax benefitted to the extent that it is probable that the benefit will be utilised.

6 Items of material income and expense (continued)

Material items are classified by function as follows

Year ended 31 July 2016 $'000s	Cost of sales	Other income	Selling, marketing and distribution expense	General & administrative expense	Research and development expenses	Net financing costs	Total Pre-tax
Asset rationalisation and restructuring	(40,259)	-	(68,574)	(17,381)	(9)	-	(126,223)
Argentina peso devaluation event	15,486	-	-	-	-	(15,450)	36
Gain due to revaluation of investment to fair value	-	27,127	-	-	-	-	27,127
Total material items	(24,773)	27,127	(68,574)	(17,381)	(9)	(15,450)	(99,060)
Total material items included in operating profit	(24,773)	27,127	(68,574)	(17,381)	(9)	-	(83,610)

Year ended 31 July 2015 $'000s	Cost of sales	Other income	Selling, marketing and distribution expense	General & administrative expense	Research and development expenses	Net financing costs	Total Pre-tax
Asset rationalisation and restructuring	(48,349)	-	(5,142)	(33,111)	(62)	-	(86,664)
Total material items	(48,349)	-	(5,142)	(33,111)	(62)	-	(86,664)
Total material items included in operating profit	(48,349)	-	(5,142)	(33,111)	(62)	-	(86,664)

Material items impact operating cash flows as follows	Consolidated 2016 $000	2015 $000
Net cash from operating activities	137,375	228,510
Net cash arising on material items	(51,688)	(19,899)
Net cash from operating activities excluding material items	189,063	248,409

7 Other income

	Consolidated 2016 $000	2015 $000
Dividend income	35	137
Rental income	243	241
Gain arising on revaluation of investment to fair value (a)	27,127	-
Sundry income	12,566	11,332
Total other income	39,971	11,710

(a) Refer to note 19 and 20

8 Other expenses

The following expenses were included in the period result:

	Consolidated 2016 $000	2015 $000
Depreciation and amortisation	(85,024)	(80,208)
Inventory write down	(22,910)	(11,104)
Minimum lease payments recognised as an operating lease expense	(6,476)	(6,204)

9 Personnel expenses

	Consolidated 2016 $000	2015 $000
Wages and salaries	(271,966)	(261,896)
Other associated personnel expenses	(48,237)	(46,583)
Contributions to defined contribution superannuation funds	(13,471)	(15,398)
(Expense)/gain related to defined benefit superannuation funds	(3,991)	2,528
Short-term employee benefits	(8,645)	(9,975)
Other long-term employee benefits	(2,481)	(2,597)
Restructuring	(17,464)	(22,162)
Personnel expenses	(366,255)	(356,083)

The restructure expense relates to the group's asset rationalisation and organisational restructure program.
These costs are included in material items in note 6.

10 Finance income and expense

	Consolidated 2016 $000	2015 $000
Other financial income	15,678	7,423
Financial income	15,678	7,423
Interest expense - external	(104,387)	(73,054)
Interest expense - debt establishment transaction costs	(5,533)	(7,175)
Lease amortisation - finance charges	(2,239)	(2,100)
Net foreign exchange gains/(losses)	(56,966)	(302)
Financial expenses	(169,125)	(82,631)
Net financing costs	(153,447)	(75,208)

11 Income tax expense

	Consolidated 2016 $000	2015 $000
Recognised in the income statement		
Current tax expense		
Current period	30,276	24,567
Tax free income and non-recognition of tax assets on material items	12,538	11,272
Adjustments for prior periods	(2,393)	489
Current tax expense	40,421	36,328
Deferred tax expense		
Origination and reversal of temporary differences and tax losses	(20,433)	(1,602)
Effect of changes in tax rates	(14)	25
Initial (recognition)/derecognition of tax assets	2,187	(2,790)
Deferred tax expense/(benefit)	(18,260)	(4,367)
Total income tax expense/(benefit) in income statement	22,161	31,961
Attributable to:		
Continuing operations	22,161	31,961
Total income tax expense/(benefit) in income statement	22,161	31,961

Numerical reconciliation between tax expense and pre-tax net profit

	Note	2016 $000	2015 $000
Profit/(Loss) before tax		49,639	75,010
Income tax using the Australian corporate tax rate of 30%		14,892	22,503
Increase/(decrease) in income tax expense due to:			
Non-deductible expenses		4,591	5,102
Other taxable income		2,218	2,668
Effect of changes in tax rates		(14)	25
Initial (recognition)/derecognition of tax assets		2,187	(2,790)
Tax free income and non-recognition of tax assets on material items		12,538	11,272
Effect on tax rate in foreign jurisdictions		(5,051)	(2,195)
Tax exempt income		(1,740)	(2,607)
Tax incentives not recognised in the income statement		(5,067)	(2,506)
		24,554	31,472
Under/(over) provided in prior years		(2,393)	489
Income tax expense/(benefit)		22,161	31,961

	2016 $000	2015 $000
Income tax recognised directly in equity		
Nufarm step-up securities distribution	(4,098)	(4,428)
Income tax recognised directly in equity	(4,098)	(4,428)
Income tax recognised in other comprehensive income		
Relating to actuarial gains/(losses) on defined benefit plans	(3,687)	(4,997)
Relating to equity based compensation	(772)	201
Income tax recognised in other comprehensive income	(4,459)	(4,796)

12 Discontinued operations

There were no discontinued operations in the current or prior period.

13 Assets held for sale

There were no assets held for sale in the current or prior period.

14 Acquisition of businesses and acquisition of non-controlling interests

Business acquisitions - 2016

On 1 November 2015 the group acquired 100 percent ownership interest in F&N Agro Polska SP. Z O.O (F&N Poland). As a result the Group's equity interest in F&N Poland increased from 50 to 100 percent, obtaining control of F&N Poland. The acquisition of F&N Poland increases the group's presence in this emerging agriculture chemical market.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Fair value on acquisition $000
Acquiree's net assets at acquisition date	
Cash and cash equivalents	2,665
Receivables	19,694
Inventory	10,673
Property, plant and equipment	326
Deferred tax asset	746
Intangible assets	1
Other assets	404
Trade and other payables	(16,329)
Interest bearing loans and borrowings	(15,052)
Deferred tax liability	(31)
Other liabilities	(3,097)
Net identifiable assets and liabilities	-
Goodwill on acquisition	3,875
Total fair value of assets aquired	3,875

Goodwill arising at the date of acquisition was recognised as follows:	$000
Consideration to be transferred (a)	1,937
Fair value of pre exisiting interest in F&N Poland	1,938
Fair value of identifiable net assets	-
Goodwill	3,875

(a) The total consideration to be transferred represents the fair value at the acquisition date of Nufarm's equity investment in the Czech Republic and Slovakian F&N joint ventures (F&N joint ventures). Under the terms of the acquisition, between 1 June 2016 and 31 December 2016 (at the discretion of the seller), Nufarm will relinquish its equity investment in the F&N joint ventures. At 31 July 2016 Nufarm had not relinquished its equity investment in the F&N joint ventures.

Total goodwill of $3.875 million (2015: $nil) from business acquisitions is attributable mainly to the synergies expected to be achieved from integrating the respective business into the group's existing business. The remeasurement to fair value of the Group's existing 50 percent interest in F&N Poland resulted in a gain of $1.938 million. This amount has been included in other income.

Business acquisitions - 2015

There were no business acquired during the prior period.

Acquisition of non-controlling interest

There was no acquisition of non-controlling interest in the current or prior period.

15 Cash and cash equivalents

	Consolidated 2016 $000	2015 $000
Bank balances	236,511	292,770
Call deposits	44,933	98,648
	281,444	391,418
Bank overdraft	-	(1,282)
Total cash and cash equivalents	281,444	390,136

16 Trade and other receivables

	Consolidated 2016 $000	2015 $000
Current		
Trade receivables	779,318	682,846
Provision for impairment losses	(36,127)	(42,766)
	743,191	640,080
Derivative financial instruments	8,521	7,261
Prepayments	18,298	37,793
Other receivables	49,967	47,257
Current receivables	819,977	732,391
Non-current		
Derivative financial instruments	19,060	17,760
Trade receivables	62,351	32,422
Other receivables	40,270	22,941
Non-current receivables	121,681	73,123
Total trade and other receivables	941,658	805,514

17 Inventories

	Consolidated 2016 $000	2015 $000
Raw materials	202,231	214,682
Work in progress	14,780	26,527
Finished goods	474,613	517,222
	691,624	758,431
Provision for obsolescence of finished goods	(5,791)	(4,741)
Total inventories	685,833	753,690

18 Tax assets and liabilities

Current tax assets and liabilities

The current tax asset for the group of $34.114 million (2015: $39.259 million) represents the amount of income taxes recoverable in respect of prior periods and that which arose from the payment of tax in excess of the amounts due to the relevant tax authority. The current tax liability for the group of $6.524 million (2015: $5.919 million) represents the amount of income taxes payable in respect of current and prior financial periods.

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
Consolidated	$000	$000	$000	$000	$000	$000
Property, plant and equipment	1,838	1,512	(11,961)	(8,750)	(10,123)	(7,238)
Intangible assets	14,121	13,846	(108,337)	(121,070)	(94,216)	(107,224)
Employee benefits	23,361	23,333	-	-	23,361	23,333
Provisions	21,797	27,039	-	-	21,797	27,039
Other items	22,836	22,447	(20,986)	(21,987)	1,850	460
Tax value of losses carried forward	168,105	162,765	-	-	168,105	162,765
Tax assets/(liabilities)	252,058	250,942	(141,284)	(151,807)	110,774	99,135
Set off of tax	-	-	-	-	-	-
Net tax assets/(liabilities)	252,058	250,942	(141,284)	(151,807)	110,774	99,135

Movement in temporary differences during the year

Consolidated 2016	Balance 31.07.15 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.16 $000
Property, plant and equipment	(7,238)	(4,017)	-	1,132	-	(10,123)
Intangibles assets	(107,224)	11,205	-	1,803	-	(94,216)
Employee benefits	23,333	6,136	(3,687)	(2,421)	-	23,361
Provisions	27,039	(5,212)	-	(30)	-	21,797
Other items	460	1,606	(772)	556	-	1,850
Tax value of losses carried forward	162,765	8,542	-	(3,202)	-	168,105
	99,135	18,260	(4,459)	(2,162)	-	110,774

Consolidated 2015	Balance 31.07.14 $000	Recognised in income $000	Recognised in equity $000	Currency adjustment $000	Other movement $000	Balance 31.07.15 $000
Property, plant and equipment	(4,294)	(594)	-	(2,350)	-	(7,238)
Intangibles assets	(93,619)	(1,028)	-	(12,577)	-	(107,224)
Employee benefits	17,703	8,805	(4,997)	1,822	-	23,333
Provisions	17,137	10,775	-	(873)	-	27,039
Other items	1,549	(1,682)	201	392	-	460
Tax value of losses carried forward	172,703	(11,909)	-	1,971	-	162,765
	111,179	4,367	(4,796)	(11,615)	-	99,135

The carrying value of deferred tax assets relating to tax losses and tax credits is largely dependent on the generation of sufficient future taxable income. The carrying value of this asset will continue to be assessed at each reporting date.

Deferred tax assets and liabilities

Unrecognised deferred tax liability

At 31 July 2016, a deferred tax liability of $26,865,351 (2015: $32,099,309) relating to investments in subsidiaries has not been recognised because the company controls the repatriation of retained earnings and it is satisfied that it will not be incurred in the foreseeable future. This amount represents the theoretical withholding tax payable if all overseas retained earnings were paid as dividends.

Unrecognised deferred tax assets

At 31 July 2016, there are unrecognised deferred tax assets in respect of tax losses and timing differences of $42,961,719 (2015: $20,400,996).

19 Investments accounted for using the equity method

The group accounts for investments in associates and joint ventures using the equity method.

The group had the following individually immaterial associates and joint ventures during the year:

	Nature of relationship	Country	Balance date of associate	Ownership and voting interest 2016	Ownership and voting interest 2015	Carrying amount 2016 $000	Carrying amount 2015 $000	Share of profit 2016 $000	Share of profit 2015 $000
Excel Crop Care Ltd	Associate (1)	India	31 March	14.69%	14.69%	-	8,760	2,005	1,737
F&N joint ventures	Joint Ventures (2)	Europe	31 December	50.00%	50.00%	764	1,441	(682)	266
Others	Associates (3)					374	351	74	(883)
						1,138	10,552	1,397	1,120

(1) Excel Crop Care is an Indian crop protection business, in which Nufarm had an equity accounted 14.69 per cent interest. During June 2016, Sumitomo Chemical Company Limited acquired a 45 per cent stake in Excel Crop Care and declared an open market offer for an additional 30 per cent of the company's shares. On 30 June 2016, Nufarm concluded that its ability to exert significant influence was relinquished. Subsequently, the company ceased to account for its investment in Excel Crop Care as an equity accounted investment, and reclassified its investment as 'available-for-sale'. This reclassification resulted in a one-off gain of $27.127 million (note 6) to account for the difference between the carrying value of the equity investment and the fair value.

Up to this date Nufarm's investment in Excel Crop Care was equity accounted due to Nufarm holding 14.69 per cent of voting rights and Nufarm's ability to exert significant influence. The relationship extended to manufacturing and marketing collaborations and the sale/purchase of crop protection products. The share of profits disclosed above for the year ended 31 July 2016 is the share of profits earned from 1 August 2015 to 30 June 2016.

(2) The F&N joint ventures represents the group's interest in joint ventures with FMC Corporation, which operated in Poland until 31 October 2015, and continue to operate in the Czech Republic and Slovakia. The joint ventures sell Nufarm and FMC products within their respective country. On 1 November 2015, the group's equity interest in F&N Poland increased from 50 to 100 per cent and F&N Poland became a subisidary from that date (see note 14).

The share of net profits has been derived from the latest management reports as at 31 July 2016 for the F&N joint ventures.

(3) Aggregate of other individually immaterial associates.

20 Other investments

	Consolidated 2016 $000	2015 $000
Investments - available-for-sale		
Balance at the beginning of the year	-	-
Additions	39,012	-
Net change in fair value gains/(losses) transfered to equity	(448)	-
Balance at the end of the year	38,564	-
Current Investments		
Equity securities - available-for-sale	38,564	-
Total current investments	38,564	-
Non-Current Investments		
Other investments	438	466
Total non-current investments	438	466

Available-for-sale equity securities

As discussed in Note 19, on 30 June 2016 Nufarm ceased to equity account for its investment in Excel Crop Care due to the loss of significant influence, and subsequently recognised a one-off gain of $27.127 million (note 6) due to the difference between the carrying amount of the investment and its fair value. Subsequently Nufarm reclassified its investment as 'available-for-sale'.

21 Other non-current assets

There were no other non-current assets in the current or prior period.

	Consolidated 2016 $000	2015 $000
Other non-current assets	-	-
	-	-

22 Property, plant and equipment

	Consolidated				
	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
			2016		
Cost					
Balance at 1 August 2015	213,733	654,148	24,240	28,410	920,531
Additions	2,870	31,130	528	24,681	59,209
Additions through business combinations	-	329	338	-	667
Disposals and write-offs	(17,258)	(112,076)	(21)	(358)	(129,713)
Other transfers	5,771	(42,756)	(18)	(22,872)	(59,875)
Exchange adjustment	(3,311)	(26,324)	(3,155)	(1,991)	(34,781)
Balance at 31 July 2016	201,805	504,451	21,912	27,870	756,038
Depreciation and impairment losses					
Balance at 1 August 2015	(93,416)	(452,733)	(4,499)	-	(550,648)
Depreciation charge for the year	(6,659)	(33,369)	(1,637)	-	(41,665)
Additions through business combinations	-	(278)	(63)	-	(341)
Impairment loss	-	-	-	-	-
Disposals and write-offs	8,024	111,893	14	-	119,931
Other transfers	4,006	49,674	14	-	53,694
Exchange adjustment	1,707	13,536	601	-	15,844
Balance at 31 July 2016	(86,338)	(311,277)	(5,570)	-	(403,185)
Net property, plant and equipment at 31 July 2016	115,467	193,174	16,342	27,870	352,853

22 Property, plant and equipment (continued)

	Land and buildings $000	Plant and machinery $000	Leased plant and machinery $000	Capital work in progress $000	Total $000
	Consolidated				
			2015		
Cost					
Balance at 1 August 2014	213,148	666,612	19,745	25,737	925,242
Additions	821	15,527	540	29,766	46,654
Additions through business combinations	-	-	-	-	-
Disposals and write-offs	(9,153)	(92,955)	(26)	(20)	(102,154)
Other transfers	1,230	28,205	(36)	(30,160)	(761)
Exchange adjustment	7,687	36,759	4,017	3,087	51,550
Balance at 31 July 2015	213,733	654,148	24,240	28,410	920,531
Depreciation and impairment losses					
Balance at 1 August 2014	(87,859)	(463,818)	(2,510)	-	(554,187)
Depreciation charge for the year	(6,637)	(37,199)	(1,424)	-	(45,260)
Additions through business combinations	-	-	-	-	-
Impairment loss	-	(19,347)	-	-	(19,347)
Disposals and write-offs	4,316	89,896	17	-	94,229
Other transfers	1,652	(1,590)	32	-	94
Exchange adjustment	(4,888)	(20,675)	(614)	-	(26,177)
Balance at 31 July 2015	(93,416)	(452,733)	(4,499)	-	(550,648)
Net property, plant and equipment at 31 July 2015	120,317	201,415	19,741	28,410	369,883

Assets pledged as security for finance leases amount to $10.298 million (2015: $12.433 million).

23 Intangible assets

	Goodwill $000	Intellectual Property indefinite life $000	Intellectual Property finite life $000	Capitalised development costs $000	Computer software $000	Total $000
	Consolidated					
				2016		
Cost						
Balance at 1 August 2015	354,661	443,071	134,799	303,880	45,560	1,281,971
Additions	-	-	3,056	58,026	15,438	76,520
Additions through business combinations	3,875	-	-	44	-	3,919
Disposals and write-offs	(5,920)	(34,566)	(2,396)	(41,024)	(828)	(84,734)
Other transfers	(2,518)	(389,333)	394,664	(9,545)	3,714	(3,018)
Exchange adjustment	(14,115)	(17,609)	2,987	(39,359)	(1,939)	(70,035)
Balance at 31 July 2016	335,983	1,563	533,110	272,022	61,945	1,204,623
Amortisation and impairment losses						
Balance at 1 August 2015	(112,578)	(15,743)	(89,586)	(79,384)	(32,216)	(329,507)
Amortisation charge for the year	-	-	(15,185)	(24,408)	(3,766)	(43,359)
Additions through business combinations	-	-	-	(43)	-	(43)
Impairment loss	-	-	-	-	-	-
Disposals and write-offs	-	(258)	1,064	18,506	454	19,766
Other transfers	2,036	13,745	(12,364)	2,093	51	5,561
Exchange adjustment	2,702	693	1,636	9,820	1,146	15,997
Balance at 31 July 2016	(107,840)	(1,563)	(114,435)	(73,416)	(34,331)	(331,585)
Intangibles carrying amount at 31 July 2016	228,143	-	418,675	198,606	27,614	873,038

23 Intangible assets (continued)

	Consolidated					
		Intellectual Property		Capitalised		Total
		indefinite	finite	development	Computer	
	Goodwill	life	life	costs	software	
	$000	$000	$000	$000	$000	$000
			2015			
Cost						
Balance at 1 August 2014	344,560	408,737	147,276	230,122	36,749	1,167,444
Additions	-	-	6,681	52,971	5,412	65,064
Additions through business combinations	-	-	-	-	-	-
Disposals and write-offs	-	-	(35,743)	(11,624)	(99)	(47,466)
Other transfers	(668)	-	-	-	761	93
Exchange adjustment	10,769	34,334	16,585	32,411	2,737	96,836
Balance at 31 July 2015	354,661	443,071	134,799	303,880	45,560	1,281,971
Amortisation and impairment losses						
Balance at 1 August 2014	(117,749)	(16,204)	(87,414)	(59,080)	(27,547)	(307,994)
Amortisation charge for the year	-	-	(11,596)	(20,010)	(3,342)	(34,948)
Impairment loss	-	-	-	-	-	-
Disposals and write-offs	-	-	18,865	8,559	96	27,520
Other transfers	668	-	14	(270)	162	574
Exchange adjustment	4,503	461	(9,455)	(8,583)	(1,585)	(14,659)
Balance at 31 July 2015	(112,578)	(15,743)	(89,586)	(79,384)	(32,216)	(329,507)
Intangibles carrying amount at 31 July 2015	242,083	427,328	45,213	224,496	13,344	952,464

The major intangibles with an indefinite economic life are the product registrations that Nufarm owns. These registrations are considered to have an indefinite life because, based on past experience, they will be renewed by the relevant regulatory authorities, the underlying products will continue to be commercialised and available for sale in the foreseeable future, the company will satisfy all of the conditions necessary for renewal and the cost of renewal is minimal. In determining that the registrations have indefinite useful life, the principal factor that influenced this determination is the expectation that the existing registration will not be subject to significant amendment in the foreseeable future.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" / "CGU").

The group has determined that operating unit by country or region (i.e. Europe) is the appropriate method for determining the cash-generating units (CGU) of the business. This level of CGU aligns with the cash flows of the business and the management structure of the group. The goodwill and intellectual property with an indefinite life are CGU specific, as the acquisitions generating goodwill and the product registrations that are the major indefinite intangibles are country or region specific in nature. There is no allocation of goodwill between CGUs.

The major CGUs and their intangible assets are as follows: North America $208 million (2015: $253 million), Brazil $166 million (2015: $168 million), Seed Technologies $252 million (2015: $245 million), Europe $177 million (2015: $210 million) and Australia and New Zealand (ANZ) $52 million (2015: $36 million). The balance of intangibles is spread across multiple CGUs, with no individual CGU intangible balance being material relative to the total intangibles balance at balance date.

Impairment testing for cash-generating units containing goodwill

For the impairment testing of these assets, the carrying amount of the asset is compared to its recoverable amount at a CGU level. The group uses the value-in-use method to estimate the recoverable amount. In assessing value-in-use, the estimated future cash flows are derived from the three year plan for each cash-generating unit with a growth factor applied to extrapolate a cash flow beyond year three. A perpetuity factor is then applied to the normalised cash flow beyond year five in order to include a terminal value in the value-in-use calculation. The terminal growth rate assumed for each CGU is generally a long term inflation estimate. The cash flow is then discounted to a present value using a discount rate which is the company's weighted average cost of capital, adjusted for country risk and asset-specific risk associated with each CGU.

The range of terminal growth rates and nominal post-tax discount rates applied for impairment testing purposes is as follows:

	Terminal growth rate		Discount rate		Total goodwill and indefinite life assets	
	2016	2015	2016	2015	2016	2015
					$000	$000
Material crop protection CGU's (North America, Brazil, Europe and ANZ)	1.7% to 4.5%	1.7% to 3.5%	7.6% to 13.4%	8.1% to 12.4%	144,341	465,869
Seed Technology CGU	2.2%	2.3%	13.3%	8.9%	68,821	178,195

24 Trade and other payables

	Consolidated 2016 $000	Consolidated 2015 $000
Current payables - unsecured		
Trade creditors and accruals - unsecured	683,854	664,768
Derivative financial instruments	15,415	6,548
Payables - acquisitions	161	167
Current payables	699,430	671,483
Non-current payables - unsecured		
Creditors and accruals	10,623	12,652
Derivative financial instruments	212	4,150
Payables - acquisitions	6,106	5,889
Non-current payables	16,941	22,691

25 Interest-bearing loans and borrowings

	Consolidated 2016 $000	Consolidated 2015 $000
Current liabilities		
Bank loans - secured	288,517	346,751
Bank loans - unsecured	79,026	37,569
Deferred debt establishment costs	(3,696)	(5,003)
Other loans - unsecured	787	543
Finance lease liabilities - secured	196	566
Loans and borrowings - current	364,830	380,426
Non-current liabilities		
Bank loans - secured	83,002	44,593
Bank loans - unsecured	19,965	62,802
Senior unsecured notes	428,800	438,357
Deferred debt establishment costs	(4,546)	(5,895)
Other loans - unsecured	2,752	2,111
Finance lease liabilities - secured	12,075	14,459
Loans and borrowings - non-current	542,048	556,427
Net cash and cash equivalents	(281,444)	(390,136)
Net debt	625,434	546,717

Financing facilities

Refer to the section entitled "Liquidity Risk" in note 31 for detail regarding the group's financing facilities.

	Accessible $000	Utilised $000
2016		
Bank loan facilities and Senior unsecured notes	1,801,589	899,310
Other facilities	3,539	3,539
Total financing facilities	1,805,128	902,849
2015		
Bank loan facilities and Senior unsecured notes	1,804,163	930,072
Other facilities	2,654	2,654
Total financing facilities	1,806,817	932,726

25 Interest-bearing loans and borrowings (continued)

Financing arrangements

Repayment of borrowings (excluding finance leases)	Consolidated 2016 $000	2015 $000
Period ending 31 July, 2016	-	384,863
Period ending 31 July, 2017	368,330	50,158
Period ending 31 July, 2018	66,866	43,550
Period ending 31 July, 2019 or later	467,653	454,155

Finance lease liabilities

Finance leases are entered into to fund the acquisition of plant and equipment.
Lease commitments for capitalised finance leases are payable as follows:

	Consolidated 2016 $000	2015 $000
Not later than one year	1,644	2,117
Later than one year but not later than two years	1,566	2,052
Later than two years but not later than five years	4,962	5,612
Later than five years	88,159	109,751
	96,331	119,532
Less future finance charges	(84,060)	(104,507)
Finance lease liabilities	12,271	15,025

Finance lease liabilities are secured over the relevant leased plant.

Average interest rates	Consolidated 2016 %	2015 %
Nufarm Step-up Securities (refer note 29)	6.36	6.16
Syndicated Bank Facility	2.03	3.54
Group Securitisation Program Facility	2.36	2.38
Other bank loans	12.09	7.30
Finance lease liabilities - secured	12.74	12.57
Senior unsecured notes	6.38	6.38

Average interest rates are calculated using the weighted average of the interest rates for the drawn balances under each facility as at 31 July 2016.

26 Employee benefits

	Consolidated 2016 $000	2015 $000
Current		
Liability for short-term employee benefits	15,563	16,278
Liability for current portion of other long-term employee benefits	3,128	3,274
Current employee benefits	18,691	19,552
Non-current		
Defined benefit fund obligations		
Present value of unfunded obligations	8,409	6,598
Present value of funded obligations	216,495	221,728
Fair value of fund assets - funded	(136,292)	(147,351)
Recognised liability for defined benefit fund obligations	88,612	80,975
Liability for non-current portion of other long-term employee benefits	12,214	13,657
Non-current employee benefits	100,826	94,632
Total employee benefits	119,517	114,184

The group makes contributions to defined benefit pension funds in the UK, the Netherlands, France and Indonesia that provide defined benefit amounts for employees upon retirement.

26 Employee benefits (continued)

Changes in the present value of the defined benefit obligation are as follows:	Consolidated 2016 $000	2015 $000
Opening defined benefit obligation	228,326	176,361
Service cost	1,180	2,861
Interest cost	7,611	7,353
Actuarial losses/(gains)	30,329	26,557
Past service cost	-	(4,469)
Losses/(gains) on curtailment	-	(2,416)
Contributions	41	171
Benefits paid	(7,389)	(6,639)
Exchange differences on foreign funds	(35,194)	28,547
Closing defined benefit obligation	224,904	228,326

Changes in the fair value of fund assets are as follows:		
Opening fair value of fund assets	147,351	121,773
Interest income	4,800	5,857
Actuarial gains/(losses) - return on plan assets excluding interest income	7,011	2,237
Surplus taken to retained earnings	-	-
Contributions by employer	6,472	5,368
Distributions	(7,231)	(6,284)
Exchange differences on foreign funds	(22,111)	18,400
Closing fair value of fund assets	136,292	147,351

The actual return on plan assets is the sum of the expected return and the actuarial gain/(loss).

Expense/(gain) recognised in profit or loss	Consolidated 2016 $000	2015 $000
Current service costs	1,180	2,861
Interest on obligation	7,611	7,353
Interest income	(4,800)	(5,857)
Losses/(gains) on curtailment	-	(2,416)
Past service cost/(gain)	-	(4,469)
Expense recognised in profit or loss	3,991	(2,528)
The expense is recognised in the following line items in the income statement:		
Cost of sales	2,053	2,686
Sales, marketing and distribution expenses	1,177	1,158
General and administrative expenses	515	(6,555)
Research and development expenses	246	183
Expense recognised in profit or loss	3,991	(2,528)

26 Employee benefits (continued)

	2016 $000	2015 $000
Actuarial gains/(losses) recognised in other comprehensive income (net of tax)		
Cumulative amount at 1 August	(52,325)	(33,002)
Recognised during the period	(19,631)	(19,323)
Cumulative amount at 31 July	(71,956)	(52,325)

	Consolidated 2016 %	2015 %
The major categories of fund assets as a percentage of total fund assets are as follows:		
Equities	55.1%	60.2%
Bonds	38.7%	34.5%
Property	1.9%	1.6%
Cash	4.3%	3.7%
Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
Discount rate at 31 July	2.5%	3.6%
Future salary increases	0.6%	0.4%
Future pension increases	2.3%	2.6%

The group expects to pay $4,125,000 in contributions to defined benefit plans in 2016. (2015: $4,187,000)

27 Share-based payments

Nufarm Executive Share Plan (2000)

The Nufarm Executive Share Plan (2000) offered shares to executives. From 1 August 2011, it was decided that there will be no further awards under this share plan and that it would be replaced by the Nufarm Short Term Incentive plan (refer below). Any unvested equities held in the executive share plan will remain and be subject to the vesting conditions under the rules of the plan. The executives may select an alternative mix of shares (at no cost) and options at a cost determined under the Black Scholes' methodology. These benefits are only granted when a predetermined return on capital employed is achieved over the relevant period. The shares and options are subject to forfeiture and dealing restrictions. The executive cannot deal in the shares or options for a period of between three and ten years without board approval. An independent trustee holds the shares and options on behalf of the executives. At 31 July 2016 there were 25 participants (2015: 32 participants) in the scheme and 189,460 shares (2015: 299,978) were allocated and held by the trustee on behalf of the participants. The cost of issuing shares is expensed in the year of issue.

Nufarm Short Term Incentive Plan (STI)

The STI is available to key executives, senior managers and other managers globally. The first awards under the plan were issued in October 2012. The STI is measured on the following metrics, relevant to an individual:

- budget measures of profit before tax or net profit after tax and net working capital; and
- strategic and business improvement objectives

A pre-determined percentage of the STI is paid in cash at the time of performance testing and the balance is deferred into shares in the company for nil consideration. The number of shares granted is based on the volume weighted average price (VWAP) of Nufarm Limited shares in the 5 days subsequent to the results announcement. Vesting will occur after a two year period.

27 Share-based payments (continued)

Nufarm Executive Long Term Incentive Plan (LTIP)

On 1 August 2011, the LTIP commenced and is available to key executives and certain selected senior managers. Awards are granted to individuals in the form of performance rights, which comprise rights to acquire ordinary shares in the company for nil consideration, subject to the achievement of global performance hurdles. Under the plan, individuals will receive an annual award of performance rights as soon as practical after the announcement of results in the preceding year. The performance and vesting period for the awards will be three years. Awards vest in two equal tranches as follows:

- 50 per cent of the LTIP grant will vest subject to the achievement of a relative total shareholder return (TSR) performance hurdle measured against a selected comparator group of companies; and
- the remaining 50 per cent will vest subject to meeting an absolute return on funds employed (ROFE) target.

Global Share Plan (2001)

The Global Share Plan commenced in 2001, and is available to all permanent employees. Participants contribute a proportion of their salary to purchase shares. The company will contribute an amount equal to 10% of the number of ordinary shares acquired with a participant's contribution in the form of additional ordinary shares. Amounts over 10% of the participant's salary can be contributed but will not be matched. For each year the shares are held, up to a maximum of five years, the company contributes a further 10% of the value of the shares acquired with the participant's contribution. An independent trustee holds the shares on behalf of the participants. At 31 July 2016 there were 766 participants (2015: 823 participants) in the scheme and 1,780,842 shares (2015: 1,938,372) were allocated and held by the trustee on behalf of the participants.

The power of appointment and removal of the trustees for the share purchase schemes is vested in the company.

	2016	2015
Employee expenses	$000	$000
Total expense arising from share-based payment transactions	3,956	4,304

Measurement of fair values

The fair value of performance rights granted through the LTIP and deferred shares granted through the STIP were measured as follows:

Plan	Nufarm STI 2016 Deferred shares	Nufarm LTI 2016 Performance rights Oct 2015	Nufarm LTI 2016 Performance rights Dec 2015	Nufarm STI 2015 Deferred shares	Nufarm LTI 2015 Performance rights Sept 2014
Weighted average fair value at grant date	$8.07	$6.72	$6.61	$4.85	$3.87
Share price at grant date	$8.07	$8.28	$8.25	$4.93	$4.93
Grant date	30 Sep 2015	15 Oct 2015	3 Dec 2015	30 Sep 2014	30 Sep 2014
Earliest vesting date	31 Jul 2017	31 Jul 2018	31 Jul 2018	31 Jul 2016	31 Jul 2017
Exercise price	-	-	-	-	-
Expected life	1 year	2.9 years	2.8 years	1 year	2.8 years
Volatility	n/a	31%	31%	n/a	35%
Risk free interest rate	n/a	1.8%	2.1%	n/a	2.7%
Dividend yield	n/a	1.5%	1.5%	n/a	2.3%

The fair values of awards granted were estimated using a Monte-Carlo simulation methodology and a Binomial Tree methodology.

27 Share-based payments (continued)

Reconciliation of outstanding share awards	Nufarm LTI number of performance rights 2016	Nufarm STI number of deferred shares 2016	Nufarm LTI number of performance rights 2015	Nufarm STI number of deferred shares 2015
Outstanding at 1 August	1,208,112	978,653	996,934	841,942
Forfeited during the year	(368,789)	(3,765)	(182,901)	(49,859)
Exercised during the year	(110,483)	(237,162)	-	(161,850)
Expired during the year	-	-	-	-
Granted during the year	248,561	443,433	394,079	348,420
Outstanding at 31 July	977,401	1,181,159	1,208,112	978,653
Exercisable at 31 July	374,220	715,552	-	571,767

The performance rights outstanding at 31 July 2016 have a $nil exercise price and a weighted average contractual life of 3 years (2015: 3 years). All performance rights granted to date have a $nil exercise price.

28 Provisions

	Consolidated 2016 $000	2015 $000
Current		
Restructuring	18,842	29,481
Other	1,494	3,693
Current provisions	20,336	33,174

Movement in provisions	Consolidated		
	Restructuring $000	Other provisions $000	Total $000
Balance at 1 August 2015	29,481	3,693	33,174
Provisions made during the year	11,016	959	11,975
Provisions used during the year	(21,944)	(2,775)	(24,719)
Exchange adjustment	289	(383)	(94)
Balance at 31 July 2016	18,842	1,494	20,336

The provision for restructuring is mainly relating to the asset rationalisation and restructuring being undertaken by the group.

The other provision consists of liabilities of the group.

29 Capital and reserves

Share capital	Parent Company Number of ordinary shares 2016	Number of ordinary shares 2015
Balance at 1 August	265,067,424	264,021,627
Issue of shares	831,871	1,045,797
Balance at 31 July	265,899,295	265,067,424

The Company does not have authorised capital or par value in respect of its issued shares.

On 9 October 2015, 489,833 shares at $8.0669 were issued under the Nufarm short term incentive plan and Nufarm executive long term incentive plan.

On 13 November 2015, 107,788 shares at $8.3691 were issued under the dividend reinvestment program.

On 4 December 2015, 27,221 shares at $8.0669 were issued under the Nufarm short term incentive plan and Nufarm executive long term incentive plan.

On 5 January 2016, 85,586 shares at $8.2343 were issued under the global share plan.
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

On 8 May 2016, 121,443 shares at $7.1736 were issued under the dividend reinvestment program.

29 Capital and reserves (continued)

Nufarm Step-up Securities

In the year ended 31 July 2007 Nufarm Finance (NZ) Limited, a wholly owned subsidiary of Nufarm Limited, issued a new hybrid security called Nufarm Step-up Securities (NSS). The NSS are perpetual step up securities and on 24 November 2006, 2,510,000 NSS were allotted at an issue price of $100 per security raising $251 million. The NSS are listed on the ASX under the code 'NFNG' and on the NZDX under the code 'NFFHA'. The after-tax costs associated with the issue of the NSS, totalling $4.1 million, were deducted from the proceeds.

Distributions on the NSS are at the discretion of the directors and are floating rate, unfranked, non-cumulative and subordinated. However, distributions of profits and capital by Nufarm Limited are curtailed if distributions to NSS holders are not made, until such time that Nufarm Finance (NZ) Limited makes up the arrears. The first distribution date for the NSS was 16 April 2007 and on a six-monthly basis after this date. The floating rate is the average mid-rate for bills with a term of six months plus a margin of 3.9% (2015: 3.9%). On 23 September 2011, Nufarm announced that it would 'step-up' the NSS. This resulted in the interest margin attached to the NSS being stepped up by 2.0 per cent, with the new interest margin being set at 3.9 per cent as at 24 November 2011. No other terms were adjusted and there are no further step-up dates. Nufarm retains the right to redeem or exchange the NSS on future distribution dates.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different from the presentation currency of the reporting entity.

Capital profit reserve

This reserve is used to accumulate realised capital profits.

Other reserve

This reserve represents the accrued employee entitlements to share awards that have been charged to the income statement and have not yet been exercised. This reserve also holds the debit balance related to the written put option of the 49% interest held by the non-controlling shareholders of Altantica Sementes Ltda (Atlantica). As the non-controlling shareholders still have present access to the economic benefits with their underlying ownership interest, their non controlling interest continues to be recognised. In the event the written put option is exercised, this debit reserve will be utilised to complete the transaction. This reserve also holds the balances related to hedging.

Dividends

An interim dividend of 4 cents per share, totalling $10,631,114 was declared on 23 March 2016, and was paid (net of dividend re-investment program) on 6 May 2016 (2015: 4 cents per share, totalling $10,570,585).

A final dividend of 7 cents per share, totalling $18,612,951 was declared on 21 September 2016, and will be paid on 11 November 2016 (2015: 6 cents per share, totalling $15,933,435).

Distributions

Distributions recognised in the current year by Nufarm Finance (NZ) Ltd on the Nufarm Step-up Securities* are:	Distribution rate	Consolidated Total amount $000	Payment date
2016			
Distribution	6.12%	7,702	15-Apr-16
Distribution	6.16%	7,754	15-Oct-15
		15,456	
2015			
Distribution	6.64%	8,350	15-Apr-15
Distribution	6.63%	8,339	15-Oct-14
		16,689	

* Refer to discussion titled "Nufarm Step-up Securities" above.

The distribution on the Nufarm Step-up Securities reported on the equity movement schedule has been reduced by the tax benefit on the gross distribution, giving an after-tax amount of $11.358 million (2015: $12.261 million).

Franking credit/(debit) balance	2016	2015
The amount of franking credits available for the subsequent financial year are:	$000	$000
Franking account balance as at the end of the year at 30% (2015: 30%)	529	3,503
Franking credits/(debits) that will arise from the payment of income tax payable/(refund) as at the end of the year	(1,440)	(4,437)
Credit/(debit) balance at 31 July	(911)	(934)

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the company as the head entity in the tax-consolidated group has also assumed the benefit/(obligation) of ($910,825) (2015: $934,467) franking credits/(debits).

30 Earnings per share

	Consolidated 2016 $000	Consolidated 2015 $000
Net profit for the year	27,478	43,049
Net profit attributable to non-controlling interest	41	171
Net profit attributable to equity holders of the parent	27,519	43,220
Nufarm Step-up Securities distribution	(11,358)	(12,261)
Earnings used in the calculations of basic and diluted earnings per share	16,161	30,959
Earnings from continuing operations	16,161	30,959
Subtract items of material income/(expense) (refer note 6)	(81,399)	(73,839)
Earnings excluding items of material income/(expense) used in the calculation of earnings per share excluding material items	97,560	104,798

For the purposes of determining basic and diluted earnings per share, the after-tax distributions on NSS are deducted from net profit.

	Number of shares 2016	Number of shares 2015
Weighted average number of ordinary shares used in calculation of basic earnings per share	265,635,463	264,727,654
Weighted average number of ordinary shares used in calculation of diluted earnings per share	266,527,407	266,019,789

There have been no conversions to, calls of, or subscriptions for ordinary shares or issues of ordinary shares since the reporting date and before the completion of this financial report.

Earnings per share for continuing and discontinued operations	Cents per share 2016	Cents per share 2015
Basic earnings per share		
From continuing operations	6.1	11.7
	6.1	11.7
Diluted earnings per share		
From continuing operations	6.1	11.6
	6.1	11.6
Earnings per share (excluding items of material income/expense - see note 6)		
Basic earnings per share	36.7	39.6
Diluted earnings per share	36.6	39.4

31 Financial risk management and financial instruments

The group has exposure to the following financial risks:
- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the group's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has responsibility to identify, assess, monitor and manage the material risks facing the group and to ensure that adequate identification, reporting and risk minimisation mechanisms are established and working effectively. To support and maintain this objective, the audit committee has established detailed policies on risk oversight and management by approving a global risk management charter that specifies the responsibilities of the general manager global risk management (which includes responsibility for the internal audit function). This charter also provides comprehensive global authority to conduct internal audits, risk reviews and system-based analyses of the internal controls in major business systems operating within all significant company entities worldwide.

The general manager global risk management reports to the chairman of the audit committee and functionally to the chief financial officer. He provides a written report of his activities at each meeting of the audit committee. In doing so he has direct and ongoing access to the chairman and members of the audit committee.

31 Financial risk management and financial instruments (continued)

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and other financial assets.

Exposure to credit risk

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk.

The group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers before the group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring further management approval.

The group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
Carrying amount	2016	2015
	$000	$000
Trade and other receivables	914,077	780,493
Cash and cash equivalents	281,444	391,418
Derivative contracts:		
Assets	27,581	25,021
	1,223,102	1,196,932

The group's maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Consolidated	
Carrying amount	2016	2015
	$000	$000
Australia/New Zealand	153,584	98,591
Asia	34,940	39,148
Europe	217,319	214,423
North America	38,283	80,299
South America	469,951	348,032
Trade and other receivables	914,077	780,493

The group's top five customers account for $113.0 million of the trade receivables carrying amount at 31 July 2016 (2015: $94.7 million). These top five customers represent 15 per cent (2015: 15 per cent) of the total receivables.

31 Financial risk management and financial instruments (continued)

Impairment losses

The ageing of the group's customer trade receivables at the reporting date was:

Consolidated	Consolidated	
Receivables ageing	2016	2015
	$000	$000
Current	684,317	544,919
Past due - 0 to 90 days	73,652	79,158
Past due - 90 to 180 days	7,572	27,373
Past due - 180 to 360 days	17,137	11,624
Past due - more than one year	58,991	52,194
	841,669	715,268
Provision for impairment	(36,127)	(42,766)
Trade receivables	805,542	672,502

Some of the past due receivables are secured by collateral from customers such as director's guarantees, bank guarantees and charges on fixed assets. The past due receivables not impaired relate to customers that have a good credit history with the group.

In the crop protection industry, it is normal practice to vary the terms of sales depending on the climatic conditions experienced in each country.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Consolidated	
	2016	2015
	$000	$000
Balance at 1 August	42,766	26,591
Provisions made during the year	3,967	18,447
Provisions used during the year	(10,076)	(821)
Provisions acquired through business combinations	-	-
Exchange adjustment	(530)	(1,451)
Balance at 31 July	36,127	42,766

The allowance account for trade receivables is used to record the impairment losses unless the group is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off against the receivable directly.

31 Financial risk management and financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

As at 31 July 2016, the key group facilities include a group trade receivables securitisation facility, a US$325 million senior unsecured notes offering due in October 2019, and a senior secured bank facility of $485 million (31 July 2015: $540 million).

On the 29 January 2016, the senior secured bank facility (SFA) was refinanced such that the total facility amount decreased to $485 million (31 July 2015: $540 million), of which $30 million is due in January 2018, $415 million is due in January 2019, and $40 million is due in January 2021 (31 July 2015: $150 million due in February 2018, $30 million due in December 2017, $350 million due in December 2016, and $10 million due in December 2015). The SFA includes covenants of a type normally associated with facilities of this kind, and the group was in compliance with these covenants throughout the financial year. The amount drawn down under the facility at 31 July 2016 is $4 million (2015: $10 million).

On 23 August 2011, Nufarm executed a A$300 million group trade receivables securitisation facility. The facility provides funding that aligns with the working capital cycle of the company. Subsequent to execution, on 15 April 2015, a monthly facility limit was introduced for the group trade receivables securitisation facility to reflect the cyclical nature of the trade receivables being used to secure funding under the program. The monthly facility limit is set at $300 million for four months of the financial year, $375 million for three months of the financial year, and at $225 million for five months of the financial year (31 July 2015: facility limit was set at $300 million for four months of the financial year, $375 million for three months of the financial year, and at $225 million for five months of the financial year).

The US$325 million senior unsecured notes (the 'notes') due in October 2019 were completed on 8 October 2012.

The majority of debt facilities that reside outside the notes, SFA and the group trade receivables securitisation facility are regional working capital facilities, primarily located in Brazil and Europe, which at 31 July 2016 totalled $588 million (2015: $526 million).

At 31 July 2016, the group had access to debt of $1,805 million (2015: $1,807 million) under the notes, SFA, group trade receivables securitisation facility and with other lenders.

A parent guarantee is provided to support working capital facilites in Europe, South America and the notes.

31 Financial risk management and financial instruments (continued)

Liquidity risk (continued)

The following are the contractual maturities of the group's financial liabilities:

Consolidated	Carrying amount $000	Contractual cash flows $000	Less than 1 year $000	1-2 years $000	More than 2 years $000
			2016		
Non-derivative financial liabilities					
Bank overdrafts	-	-	-	-	-
Trade and other payables	700,744	700,744	684,015	6,325	10,404
Bank loans - secured	371,519	394,252	301,001	58,483	34,768
Bank loans - unsecured	98,991	107,472	86,697	12,582	8,193
Senior unsecured notes	428,800	524,203	27,258	27,258	469,687
Other loans - unsecured	3,539	3,539	787	2,752	-
Finance lease liabilities - secured	12,271	96,331	1,644	1,566	93,121
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	3,081	39,345	39,345	-	-
Inflow	-	(35,929)	(34,222)	(772)	(935)
Other derivative contracts:					
Outflow	12,546	433,768	433,768	-	-
Inflow	-	(421,004)	(421,004)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	153,662	7,643	7,643	138,376
Inflow	(19,060)	(180,828)	(9,569)	(9,569)	(161,690)
Other derivative contracts:					
Outflow	-	396,197	396,197	-	-
Inflow	(8,521)	(404,782)	(404,782)	-	-
	1,603,910	1,806,970	1,108,778	106,268	591,924
			2015		
Non-derivative financial liabilities					
Bank overdrafts	1,282	1,282	1,282	-	-
Trade and other payables	683,476	683,476	664,935	1,083	17,458
Bank loans - secured	391,344	405,326	357,381	3,050	44,895
Bank loans - unsecured	100,371	117,313	48,294	51,880	17,139
Unsecured note issues	438,357	565,483	28,250	28,250	508,983
Other loans - unsecured	2,654	2,654	543	2,111	-
Finance lease liabilities - secured	15,025	119,532	2,117	2,052	115,363
Derivative financial liabilities					
Derivatives used for hedging:					
Outflow	7,861	73,183	73,183	-	-
Inflow	-	(78,473)	(72,012)	(2,012)	(4,449)
Other derivative contracts:					
Outflow	2,837	267,238	267,238	-	-
Inflow	-	(264,458)	(264,458)	-	-
Derivative financial assets					
Derivatives used for hedging:					
Outflow	-	211,937	13,252	12,353	186,332
Inflow	(17,760)	(232,466)	(10,494)	(10,390)	(211,582)
Other derivative contracts:					
Outflow	-	313,734	313,734	-	-
Inflow	(7,261)	(320,745)	(320,745)	-	-
	1,618,186	1,865,016	1,102,500	88,377	674,139

31 Financial risk management and financial instruments (continued)

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the group. This provides an economic hedge and no derivatives are used to manage the exposure.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The group uses derivative financial instruments to manage specifically identified foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the individual group entity. The currencies giving rise to this risk include the US Dollar, the Euro, the British Pound, the Australian Dollar, the New Zealand Dollar and the Brazilian Real. The group uses foreign exchange contracts, cross currency interest rate swaps and options to manage currency risk. The group designates select derivatives for hedge accounting as cash flow hedges where it is deemed appropriate to do so.

In October 2012, the group completed a US$325 million senior unsecured notes offering due in October 2019 (the "notes"). Currency risk related to the principal amount of the notes has been hedged using cross currency interest rate swap contracts that mature on the same date as the notes are due for repayment. These contracts have been designated for hedge accounting.

The group uses derivative financial instruments to manage foreign currency translation risk arising from the group's net investments in foreign currency subsidiary entities. These contracts are designated as net investment hedges for hedge accounting purposes. No ineffectiveness was recognised from net investment hedges during the reporting periods.

For accounting purposes, other than the contracts referred to previously, the group has not designated any other derivatives in hedge relationships and all movements in fair value are recognised in profit or loss during the period. The net fair value of derivative contracts in the group, not designated as being in a hedge relationship, used as economic hedges of forecast transactions at 31 July 2016 was a $4.025 million liability (2015: $4.424 million asset) comprising assets of $8.521 million (2015: $7.261 million) and liabilities of $12.546 million (2015: $2.837 million).

Exposure to currency risk

The group's exposure to major foreign currency risks at balance date are as follows. The exposures are calculated based on locally reported net foreign currency exposures, and are presented net of open derivative financial instruments. The analysis is performed on the same basis as the previous financial year.

	Net financial assets/(liabilities) - by currency of denomination			
Consolidated	AUD	USD	Euro	GBP
2016	$000	$000	$000	$000
Functional currency of Group operation				
Australian dollars	-	21,631	3,232	(6,114)
US dollars	(1,362)	-	-	-
Euro	3,908	13,759	-	2,202
UK pounds sterling	(268)	19,227	(255)	-
	2,278	54,617	2,977	(3,912)

	Net financial assets/(liabilities) - by currency of denomination			
Consolidated	AUD	USD	Euro	GBP
2015	$000	$000	$000	$000
Functional currency of Group operation				
Australian dollars	-	16,723	18,181	(13,598)
US dollars	(69,342)	-	754	-
Euro	18,526	22,122	-	8,240
UK pounds sterling	-	16,036	(13,271)	-
	(50,816)	54,881	5,664	(5,358)

31 Financial risk management and financial instruments (continued)

Currency risk (continued)

Sensitivity analysis

Based on the aforementioned Group's net financial assets/(liabilities) at 31 July 2016, a 1 percent strengthening or weakening of the following currencies at 31 July 2016 would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes all other variables, including interest rates, remain constant. The analysis is performed on the same basis for 31 July 2015.

	Strengthening	Weakening	Strengthening	Weakening
	Profit or (loss) after tax 2016	Profit or (loss) after tax 2016	Profit or (loss) after tax 2015	Profit or (loss) after tax 2015
Currency movement	$000	$000	$000	$000
1% change in the Australian dollar exchange rate	(114)	115	(500)	505
1% change in the US dollar exchange rate	392	(388)	864	(856)
1% change in the Euro exchange rate	(118)	117	(303)	300
1% change in the GBP exchange rate	(158)	157	(57)	56

The Group's financial asset and liability profile may not remain constant, and therefore these sensitivities should be used with care.

The following significant exchange rates applied during the year:

	Average rate		Reporting date	
AUD	2016	2015	2016	2015
US Dollar	0.727	0.811	0.760	0.733
Euro	0.658	0.693	0.680	0.665
GBP	0.496	0.519	0.573	0.469
BRL	2.692	2.266	2.462	2.489

Interest rate risk

The group has the ability to use derivative financial instruments to manage specifically identified interest rate risks. Interest rate swaps, denominated in AUD, are entered into to achieve an appropriate mix of fixed and floating rate exposures.

The majority of the group's debt is raised under central borrowing programs. The A$485 million syndicated bank facility and the group trade receivables securitisation facility are considered floating rate facilities. On 8 October 2012, the Group completed a US$325 million notes issue with a fixed coupon component. Concurrent with the completion of the US$325 million notes issue, the group entered into interest rate swaps to manage specifically identified interest rate risks associated with the fixed coupon component of the notes. These swaps effectively converted a majority of the fixed interest payable on the notes to floating interest, and are designated for hedge accounting. The group also uses interest rate swaps to manage the level of floating rate debt held by the group. These swaps effectively convert a portion of floating rate debt to fixed rate debt, and are predominately designated for hedge accounting. The group's earnings are sensitive to changes in interest rates on the floating interest rate component of the group's net borrowings.

Interest rate risk on Nufarm step-up securities

The distribution rate is the average mid-rate for bank bills with a term of six months plus a margin of 3.90% (2015: 3.90%).

Profile

At the reporting date the interest rate profile of the group's interest-bearing financial instruments were:

	Consolidated Carrying amount	
	2016	2015
	$000	$000
Variable rate instruments		
Financial assets	44,933	98,648
Financial liabilities	(790,576)	(713,377)
	(745,643)	(614,729)
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	(124,544)	(234,374)
	(124,544)	(234,374)

31 Financial risk management and financial instruments (continued)

Sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The sensitivity is calculated on the debt at 31 July 2016.
Due to the seasonality of the crop protection business, debt levels can vary during the year. This analysis is performed on the same basis for 31 July 2015.

	Profit or loss	
	100bp increase	100bp decrease
2016	$000	$000
Variable rate instruments	(7,456)	7,456
Total sensitivity	(7,456)	7,456
2015		
Variable rate instruments	(6,147)	6,147
Total sensitivity	(6,147)	6,147

Fair values
All financial assets and financial liabilities, other than derivatives, are initially recognised at the fair value of consideration paid or received, net of transaction costs as appropriate, and subsequently carried at fair value or amortised cost, as indicated in the tables below. Derivatives are initially recognised at fair value on the date the contract is entered into and are subsequently remeasured at their fair value.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate to the fair values. In the case of the centrally managed fixed rate debt not swapped to floating rate totalling $131.6m (2015: $136.4m), the fair value at 31 July 2016 is $128.484 million (2014: $136.439m).

Consolidated

2016	Note	Available for sale $000	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Total $000
Cash and cash equivalents	15	-	-	-	281,444	281,444
Trade and other receivables	16	-	-	-	914,077	914,077
Equity securities - available-for-sale	20	38,564	-	-	-	38,564
Forward exchange contracts:						
Assets	16	-	8,521	-	-	8,521
Liabilities	24	-	(5,250)	-	-	(5,250)
Interest Rate Swaps:						
Assets	16	-	-	19,060	-	19,060
Liabilities	24	-	(7,296)	(3,081)	-	(10,377)
Trade and other payables excluding derivatives	24	-	-	-	(700,744)	(700,744)
Bank overdraft	15	-	-	-	-	-
Secured bank loans	25	-	-	-	(371,519)	(371,519)
Unsecured bank loans	25	-	-	-	(98,991)	(98,991)
Senior unsecured notes [(a)]	25	-	-	-	(428,800)	(428,800)
Other loans	25	-	-	-	(3,539)	(3,539)
Finance leases	25	-	-	-	(12,271)	(12,271)
		38,564	(4,025)	15,979	(420,343)	(369,825)

Consolidated

2015	Note	Available for sale $000	Carried at fair value through profit or loss $000	Derivatives used for hedging $000	Financial assets / liabilities at amortised cost $000	Total $000
Cash and cash equivalents	15	-	-	-	391,418	391,418
Trade and other receivables	16	-	-	-	780,493	780,493
Equity securities - available-for-sale	20	-	-	-	-	-
Forward exchange contracts:						
Assets	16	-	6,384	-	-	6,384
Liabilities	24	-	(2,837)	(2,839)	-	(5,676)
Interest Rate Swaps:						
Assets	16	-	877	17,760	-	18,637
Liabilities	24	-	-	(5,022)	-	(5,022)
Trade and other payables excluding derivatives	24	-	-	-	(683,476)	(683,476)
Bank overdraft	15	-	-	-	(1,282)	(1,282)
Secured bank loans	25	-	-	-	(391,344)	(391,344)
Unsecured bank loans	25	-	-	-	(100,371)	(100,371)
Senior unsecured notes [(a)]	25	-	-	-	(438,357)	(438,357)
Other loans	25	-	-	-	(2,654)	(2,654)
Finance leases	25	-	-	-	(15,025)	(15,025)
		-	4,424	9,899	(460,598)	(446,275)

(a) Includes $297.2 million (2015: $301.9 million) of centrally managed fixed rate debt swapped to floating rate under fair value hedges, and is consequently fair valued for interest rate risk.

31 Financial risk management and financial instruments (continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

* Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
* Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
* Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Consolidated			
2016	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Equity securities - available-for-sale	38,564	-	-	38,564
Derivative financial assets	-	27,581	-	27,581
	38,564	27,581	-	66,145
Derivative financial liabilities	-	(15,627)	-	(15,627)
	-	(15,627)	-	(15,627)

	Consolidated			
2015	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Equity securities - available-for-sale	-	-	-	-
Derivative financial assets	-	25,021	-	25,021
	-	25,021	-	25,021
Derivative financial liabilities	-	(10,698)	-	(10,698)
	-	(10,698)	-	(10,698)

There have been no transfers between levels in either 2016 or 2015.

Valuation techniques used to derive fair values

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the group's return on funds employed (ROFE). Return is calculated on the group's earnings before interest and tax and adjusted for any material items. Funds employed is defined as shareholder's funds plus total interest bearing debt. The Board of Directors determines the level of dividends to ordinary shareholders and reviews the group's total shareholder return with similar groups.

The Board believes ROFE is an appropriate performance condition as it ensures management is focused on the efficient use of capital and the measure remains effective regardless of the mix of equity and debt, which may change from time to time. ROFE objectives are set by the Board at the beginning of each year. There is a target and a stretch hurdle. These numbers will based on the budget and growth strategy. The ROFE return for the year ended 31 July 2016 was 13.1 per cent (2015: 11.0 per cent).

There were no changes in the group's approach to capital management during the year.

32 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Consolidated 2016 $000	Consolidated 2015 $000
Not later than one year	12,247	12,954
Later than one year but not later than two years	9,033	9,327
Later than two years but not later than five years	19,969	23,259
Later than five years	134,418	163,534
	175,667	209,074

Operating leases are generally entered to access the use of shorter term assets such as motor vehicles, mobile plant and office equipment. Rentals are fixed for the duration of these leases. There is a small number of leases for office properties. These rentals have regular reviews based on market rentals at the time of review.

33 Capital commitments

The Group had contractual obligations to purchase plant and equipment for $7.713 million at 31 July 2016 (2015: $3.787 million).

34 Contingencies

The directors are of the opinion that provisions are not required in respect of the following matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	Consolidated 2016 $000	Consolidated 2015 $000
Guarantee facility for Eastern European joint ventures with FMC Corporation.	-	9,626
Environmental guarantee given to the purchaser of land and buildings at Gennevilliers for EUR 8.5 million.	12,500	12,782
Insurance bond for EUR 2.789 million established to make certain capital expenditures at Gaillon plant in France.	4,102	4,195
Brazilian taxation proceedings	23,699	20,114
Other bank guarantees	775	-
Contingent liabilities	41,076	46,717

Brazilian taxation proceedings

As at 31 July 2016, the total contingent liability relating to future potential tax liabilities in Brazil is $23.7 million (2015: $20.1 million). The group considers that it is not probable that a liability will arise in respect of these cases and it continues to defend the cases.

Brazilian business acquisition

The group has previously disclosed an ongoing arbitration related to indemnities held in respect of the purchase of the Brazilian business in 2007. The arbitration was completed in November 2015 and upon conclusion of this matter, no significant tax liabilities are expected to be deemed as indemnified in the foreseeable future. No material income statement impact arose on the conclusion of the November 2015 arbitration.

Contingent asset

The group holds a contingent asset in respect of potential pre-acquisition tax credits of its Brazilian business acquired in 2007. Whilst the credits are deemed to be valid, the Brazilian courts are currently deliberating the value of the credits and therefore the full amount of this contingent asset is yet to be established. Such credits can be used to offset future federal tax payable.

35 Group entities

	Notes	Place of incorporation	Percentage of shares held 2016	2015
Parent entity				
Nufarm Limited - ultimate controlling entity				
Subsidiaries				
Access Genetics Pty Ltd	(a)	Australia	100	100
Agcare Biotech Pty Ltd	(a)	Australia	100	100
Agchem Receivables Corporation		USA	100	100
Agryl Holdings Limited	(a)	Australia	100	100
Ag-seed Research Pty Ltd	(a)	Australia	100	100
Agturf Inc		USA	100	100
AH Marks (New Zealand) Limited		New Zealand	100	100
AH Marks Australia Pty Ltd	(a)	Australia	100	100
AH Marks Holdings Limited		United Kingdom	100	100
AH Marks Pensions Scottish Limited Partnership		United Kingdom	100	100
Artfern Pty Ltd	(a)	Australia	100	100
Atlantica Sementes SA		Brazil	51	51
Australis Services Pty Ltd	(a)	Australia	100	100
Bestbeech Pty Ltd	(a)	Australia	100	100
Chemicca Limited	(a)	Australia	100	100
CNG Holdings BV		Netherlands	100	100
Crop Care Australasia Pty Ltd	(a)	Australia	100	100
Crop Care Holdings Limited		New Zealand	100	100
Croplands Equipment Limited		New Zealand	100	100
Croplands Equipment Pty Ltd	(a)	Australia	100	100
Danestoke Pty Ltd	(a)	Australia	100	100
Edgehill Investments Pty Ltd	(a)	Australia	100	100
Fchem (Aust) Limited	(a)	Australia	100	100
Fernz Canada Limited		Canada	100	100
Fidene Limited		New Zealand	100	100
First Classic Pty Ltd	(a)	Australia	100	100
Framchem SA		Egypt	100	100
Frost Technology Corporation		USA	100	100
Greenfarm Hellas Trade of Chemical Products SA		Greece	100	100
Growell Limited		United Kingdom	100	100
Grupo Corporativo Nufarm SA		Guatemala	100	100
Laboratoire European de Biotechnologie s.a.s		France	100	100
Le Moulin des Ecluses s.a		France	100	100
Lefroy Seeds Pty Ltd	(a)	Australia	100	100
Manaus Holdings Sdn Bhd		Malaysia	100	100
Marman (Nufarm) Inc		USA	100	100
Marman de Guatemala Sociedad Anomima		Guatemala	100	100
Marman de Mexico Sociedad Anomima De Capital Variable		Mexico	100	100
Marman Holdings LLC		USA	100	100
Masmart Pty Ltd	(a)	Australia	100	100
Mastra Corporation Pty Ltd	(a)	Australia	100	100
Mastra Corporation Sdn Bhd		Malaysia	100	100
Mastra Corporation USA Pty Ltd	(a)	Australia	100	100
Mastra Holdings Sdn Bhd		Malaysia	100	100
Mastra Industries Sdn Bhd		Malaysia	100	100
Medisup International NV		N. Antillies	88	88
Medisup Securities Limited	(a)	Australia	100	100
Midstates Agri Services Inc		USA	100	100

35 Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 2016	2015
NF Agriculture Inc		USA	100	100
Nufarm Africa SARL AU		Morocco	100	100
Nufarm Agriculture (Pty) Ltd		South Africa	100	100
Nufarm Agriculture Inc		Canada	100	100
Nufarm Agriculture Zimbabwe (Pvt) Ltd		Zimbabwe	100	100
Nufarm Americas Holding Company		USA	100	100
Nufarm Americas Inc		USA	100	100
Nufarm Asia Sdn Bhd		Malaysia	100	100
Nufarm Australia Limited	(a)	Australia	100	100
Nufarm Bulgaria		Bulgaria	100	100
Nufarm BV		Netherlands	100	100
Nufarm Canada Receivables Partnership		Canada	100	100
Nufarm Chemical (Shanghai) Co Ltd		China	100	100
Nufarm Chile Limitada		Chile	100	100
Nufarm Colombia S.A.		Colombia	100	100
Nufarm Crop Products UK Limited		United Kingdom	100	100
Nufarm Cropcare Private Limited		India	100	100
Nufarm Costa Rica Inc. SA		Costa Rica	100	100
Nufarm de Guatemala SA		Guatemala	100	100
Nufarm de Mexico Sa de CV		Mexico	100	100
Nufarm de Panama SA		Panama	100	100
Nufarm de Venezuela SA		Venezuela	100	100
Nufarm del Ecuador SA		Ecuador	100	100
Nufarm Deutschland GmbH		Germany	100	100
Nufarm do Brazil Ltda		Brazil	100	100
Nufarm Espana SA		Spain	100	100
Nufarm Europe GmbH		Germany	100	100
Nufarm Finance BV		Netherlands	-	-
Nufarm Finance (NZ) Limited		New Zealand	100	100
Nufarm GmbH		Austria	100	100
Nufarm GmbH & Co KG		Austria	100	100
Nufarm Grupo Mexico S DE RL DE CV		Mexico	100	100
Nufarm Holdings (NZ) Limited		New Zealand	100	100
Nufarm Holdings BV		Netherlands	100	100
Nufarm Holdings s.a.s		France	100	100
Nufarm Hong Kong Investments Ltd		Hong Kong	100	100
Nufarm Hungaria Kft		Hungary	100	100
Nufarm Inc		USA	100	100
Nufarm Industria Quimica e Farmaceutica SA		Brazil	100	100
Nufarm Insurance Pte Ltd		Singapore	100	100
Nufarm Investments Cooperatie WA		Netherlands	100	100
Nufarm Italia srl		Italy	100	100
Nufarm KK		Japan	100	100
Nufarm Korea Ltd		Korea	100	100
Nufarm Labuan Pte Ltd		Malaysia	100	100
Nufarm Limited		United Kingdom	100	100
Nufarm Malaysia Sdn Bhd		Malaysia	100	100
Nufarm Materials Limited	(a)	Australia	100	100
Nufarm NZ Limited		New Zealand	100	100
Nufarm Pensions General Partner Ltd		United Kingdom	100	100
Nufarm Pensions Scottish Limited Partnership		United Kingdom	100	100
Nufarm Peru SAC		Peru	100	100
Nufarm Platte Pty Ltd	(a)	Australia	100	100
Nufarm Polska SP.Z O.O	(b)	Poland	100	50
Nufarm Portugal LDA		Portugal	100	100
Nufarm Romania SRL		Romania	100	100
Nufarm s.a.s		France	100	100
Nufarm SA		Argentina	100	100
Nufarm Services (Singapore) Pte Ltd		Singapore	100	100
Nufarm Services Sdn Bhd		Malaysia	100	100
Nufarm Suisse Sarl		Switzerland	100	100
Nufarm Technologies (M) Sdn Bhd		Malaysia	100	100
Nufarm Technologies USA		New Zealand	100	100
Nufarm Technologies USA Pty Ltd	(a)	Australia	100	100
Nufarm Treasury Pty Ltd	(a)	Australia	100	100
Nufarm Turkey Import & Trade of Chemical Products LLP		United Kingdom	100	100

35 Group entities (continued)

	Notes	Place of incorporation	Percentage of shares held 2016	2015
Nufarm UK Limited		United Kingdom	100	100
Nufarm Ukraine LLC		Ukraine	100	100
Nufarm Uruguay SA		Uruguay	100	100
Nufarm USA Inc		USA	100	100
Nugrain Pty Ltd	(a)	Australia	100	100
Nuseed Americas Inc		USA	100	100
Nuseed Europe Holding Company Ltd		United Kingdom	100	100
Nuseed Europe Ltd		United Kingdom	100	100
Nuseed Global Innovation		United Kingdom	100	100
Nuseed Holding Company		USA	100	100
Nuseed Mexico SA De CV		Mexico	100	100
Nuseed Pty Ltd	(a)	Australia	100	100
Nuseed SA		Argentina	100	100
Nuseed Serbia d.o.o.		Serbia	100	100
Nuseed South America Sementes Ltda		Brazil	100	100
Nuseed Ukraine LLC		Ukraine	100	100
Nuseed Uruguay		Uruguay	100	100
Nutrihealth Grains Pty Ltd	(a)	Australia	100	100
Nutrihealth Pty Ltd	(a)	Australia	100	100
Opti-Crop Systems Pty Ltd		Australia	75	75
Pharma Pacific Pty Ltd	(a)	Australia	100	100
PT Agrow		Indonesia	100	100
PT Crop Care		Indonesia	100	100
PT Nufamindo Agro Mukmur		Indonesia	100	-
PT Nufarm Indonesia		Indonesia	100	100
Richardson Seeds Ltd		USA	100	100
Seeds 2000 Argentina SRL		Argentina	100	100
Selchem Pty Ltd	(a)	Australia	100	100
Societe Des Ecluses la Garenne s.a.s		France	100	100

(a): These entities have entered into a deed of cross guarantee dated 21 June 2006 with Nufarm Limited which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company. As a result of a class order issued by the Australian Securities and Investment Commission, these companies are relieved from the requirement to prepare financial statements.

(b): Formerly known as F&N Argo Polska SP.Z O.O and operated under a joint venture agreement with FMC Corporation.

36 Deed of cross guarantee

Under ASIC Class Order 98/1418, the Australian wholly-owned subsidiaries referred to in note 35 are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and director's reports.

It is a condition of the class order that the company and each of the subsidiaries enter into a deed of cross guarantee. The parent entity and all the Australian controlled entities have entered into a deed of cross guarantee dated 21 June 2006 which provides that all parties to the deed will guarantee to each creditor payment in full of any debt of each company participating in the deed on winding-up of that company.

A consolidated income statement and consolidated balance sheet, comprising the company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, at 31 July 2016 is set out as follows:

36 Deed of cross guarantee (continued)

	Consolidated 2016 $000	Consolidated 2015 $000
Summarised income statement and retained profits		
Profit/(loss) before income tax expense	88,017	(17,961)
Income tax expense	(4,824)	(1,689)
Net profit attributable to members of the closed group	83,193	(19,650)
Retained profits at the beginning of the period	(6,273)	37,165
Adjustments for entities entering the Deed of Cross Guarantee	-	-
Dividends paid	(26,564)	(23,788)
Retained profits at the end of the period	50,356	(6,273)
Balance sheet		
Current assets		
Cash and cash equivalents	50,541	73,607
Trade and other receivables	645,435	582,276
Inventories	177,121	202,553
Current tax assets	7,512	8,989
Other Investments	38,564	-
Total current assets	919,173	867,425
Non-current assets		
Trade and other receivables	21,553	19,401
Investments in equity accounted investees	374	9,111
Other investments	1,216,126	1,200,606
Deferred tax assets	63,624	65,072
Property, plant and equipment	122,095	114,616
Intangible assets	124,600	110,911
Total non-current assets	1,548,372	1,519,717
TOTAL ASSETS	2,467,545	2,387,142
Current liabilities		
Trade and other payables	695,241	729,289
Loans and borrowings	-	5,748
Employee benefits	8,876	9,626
Current tax payable	1,560	4,030
Provision	5,745	3,735
Total current liabilities	711,422	752,428
Non-current liabilities		
Payables	212	5,150
Loans and borrowings	424,237	432,547
Deferred tax liabilities	16,212	13,828
Employee benefits	7,332	9,003
Total non-current liabilities	447,993	460,528
TOTAL LIABILITIES	1,159,415	1,212,956
NET ASSETS	1,308,130	1,174,186
Equity		
Share capital	1,147,259	1,074,119
Reserves	110,515	106,340
Retained earnings	50,356	(6,273)
TOTAL EQUITY	1,308,130	1,174,186

37 Parent entity disclosures

	Company 2016 $000	2015 $000
Result of the parent entity		
(Loss)/Profit for the period	19,927	8,866
Other comprehensive income	2,527	1,841
Total comprehensive profit/(loss) for the period	22,454	10,707
Financial position of the parent entity at year end		
Current assets	1,067,008	1,087,435
Total assets	1,424,788	1,459,583
Current liabilities	190,012	225,978
Total liabilities	188,838	224,804
Total equity of the parent entity comprising of:		
Share capital	1,080,768	1,074,119
Reserves	42,988	41,829
Accumulated losses	(31,536)	(31,536)
Retained Earnings [a]	143,730	150,367
Total equity	1,235,950	1,234,779

(a) Retained earnings comprises the transfer of net profit for the year and are characterised as profits available for distribution as dividends in future years. Dividends amounting to $26.564 million (2015: $23.788 million) were distributed from the retained earnings during the year.

Parent entity contingencies

The parent entity is one of the guarantors of the senior secured bank facility (SFA) and would be obliged, along with the other guarantors, to make payment on the SFA in the unlikely event of a default by one of the borrowers. The parent entity also provides guarantees to support several of the regional working capital facilities located in South America and Europe, and the senior unsecured notes.

Parent entity capital commitments for acquisition of property, plant and equipment

There are no capital commitments for the parent entity in 2016 or 2015.

38 Reconciliation of cash flows from operating activities

	Consolidated	
	2016	2015
	$000	$000
Cash flows from operating activities		
Profit/(Loss) for the period	27,478	43,049
Adjustments for:		
Dividend from associated company	473	401
Amortisation	43,359	34,948
Depreciation	41,665	45,260
Non-cash material items	59,173	43,955
Inventory write down excluding material items	-	6,633
Gain on disposal of non current assets and investments	4,036	(1,623)
Share of (profits)/losses of associates net of tax	(1,397)	(1,120)
Financial expense	112,159	82,329
Interest paid	(106,626)	(73,182)
Tax expense	22,161	31,961
Taxes paid	(22,262)	(43,149)
	180,219	169,462
Movements in working capital items:		
(Increase)/decrease in receivables	(114,742)	(6,404)
(Increase)/decrease in inventories	61,841	(131,954)
Increase/(decrease) in payables	(20,984)	163,258
Exchange rate change on foreign controlled entities working capital items	31,041	34,148
	(42,844)	59,048
Net operating cash flows	137,375	228,510

39 Related parties

a) Transactions with related parties in the wholly-owned group

The parent entity entered into the following transactions during the year with subsidiaries of the group:
- loans were advanced and repayments received on short term intercompany accounts; and
- management fees were received from several wholly-owned controlled entities.

These transactions were undertaken on commercial terms and conditions.

b) Transactions with associated parties

		Consolidated 2016 $000	2015 $000
Excel Crop Care Ltd	purchases from	4,189	6,677
	trade payable	3,355	4,573
F&N joint ventures	sales to	19,551	50,756
	trade payable	2	167
	trade receivable	12,660	34,767
Sumitomo Chemical Company Ltd	sales to	34,900	32,535
	purchases from	136,181	110,894
	trade receivable	17,261	20,843
	trade payable	48,529	40,260
Lotus Agrar GmbH	sales to	-	20,390
	trade receivable	-	3,590
	trade payable	-	-

These transactions were undertaken on commercial terms and conditions.

On 1 November 2015, the F&N joint venture involving FMC Corporation and Nufarm operating in Poland was acquired by Nufarm (refer Note 14). At this point this joint venture ceased to be an associated party and became a 100% owned subsidiary. The amounts disclosed for the F&N joint ventures only includes amounts up to 31 October 2015 with respect to the F&N joint venture operating in Poland.

During the year ended 31 July 2015, Nufarm divested its interest the Lotus Agrar GmbH joint venture and ceased to recognise Lotus Agrar GmbH as an associated party.

c) Key management personnel compensation

The key management personnel compensation included in personnel expenses (see note 9) are as follows:

	Consolidated 2016 $	2015 $
Short term employee benefits	5,565,176	6,982,311
Post employment benefits	452,243	362,186
Equity compensation benefits	1,233,768	689,581
Termination benefits	-	3,265,747
Other long term benefits	-	281,275
	7,251,187	11,581,100

Individual directors and executives compensation disclosures

Information regarding individual directors and executives compensation is provided in the remuneration report section of the director's report.

d) Other key management personnel transactions with the company or its controlled entities

Apart from the details disclosed in this note, no director has entered into a material contract with the company or entities in the group since the end of the previous financial year and there were no material contracts involving director's interest existing at year-end.

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

From time to time, key management personnel of the company or its controlled entities, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

e) Loans to key management personnel and their related parties

There were no loans to key management personnel at 31 July 2016 (2015: nil).

40 Auditors' remuneration

	Consolidated 2016 $	2015 $
Audit services		
KPMG Australia		
Audit and review of group financial report	510,000	498,000
Overseas KPMG firms		
Audit and review of group and local financial reports	1,470,122	1,250,000
	1,980,122	1,748,000
Other auditors		
Audit and review of financial reports	222,788	159,680
Audit services remuneration	2,202,910	1,907,680
Other services		
KPMG Australia		
Other assurance services	21,000	-
Other advisory services	-	-
Overseas KPMG firms		
Other assurance services	16,667	62,296
Other advisory services	75,000	159,486
Other services remuneration	112,667	221,782

41 Subsequent events

A final dividend of 7 cents per share, totalling $18,612,951 was declared on 21 September 2016, and will be paid on 11 November 2016 (2015: 6 cents per share, totalling $15,933,435).

On 30 June 2016, Sumitomo Chemicals Company Limited acquired a 45 per cent stake in Excel Crop Care and declared an open market offer for an additional 30 per cent stake which subsequently closed on 9 September 2016. Nufarm has registered to participate in the open market offer proposed by Sumitomo Chemicals Company Limited. Nufarm is awaiting confirmation from the Bombay Securities Exchange regarding the sale of its interest in Excel Crop Care.

Directors' declaration

1 In the opinion of the directors of Nufarm Limited (the company):

(a) the consolidated financial statements and notes, and the Remuneration report in the Directors' report, are in accordance with the Corporations Act 2001 including:

(i) giving a true and fair view of the group's financial position as at 31 July 2016 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the company and the group entities identified in note 36 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

3 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 31 July 2016.

4 The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated at Melbourne this 21st day of September 2016

DG McGauchie AO
Director

GA Hunt
Director

DIRECTORS' REPORT

The directors present their report together with the financial report of Nufarm Limited ('the company') and of the group, being the company and its subsidiaries and the group's interests in associates and jointly controlled entities, for the financial year ended 31 July 2016 and the auditor's report thereon.

Directors

The directors of the company at any time during or since the end of the financial year are:

DG McGauchie AO (Chairman)
GA Hunt (Managing Director)
AB Brennan
GR Davis
FA Ford
Dr WB Goodfellow
PM Margin
T Takasaki

All directors held their position as a director throughout the entire period and up to the date of this report. Details of the qualifications, experience and responsibilities and other directorships of the directors are set out in the Company's 2016 Annual Report.

Company secretary

The company secretary is Mr R Heath.

Details of the qualifications and experience of the company secretary are set in the Company's 2016 Annual Report.

Directors' interests in shares and step-up securities

Relevant interests of the directors in the shares and step-up securities issued by the company and related bodies corporate are, at the date of this report, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, as follows:

	Nufarm Ltd Ordinary shares	Nufarm Finance (NZ) Ltd Step-up securities
AB Brennan	10,000	-
GR Davis	40,000	-
FA Ford	15,000	-
Dr WB Goodfellow [1]	1,170,735	48,423
GA Hunt [2]	143,845	-
DG McGauchie	54,239	-
PM Margin	2,458	-
T Takasaki	-	-

1 The shareholdings of Dr WB Goodfellow include:
(i) 31,585 shares issued under the company's non-executive director share plan and held by Pacific Custodians Pty Ltd as trustee of the plan, and include his relevant interests in:
(ii) St Kentigern Trust Board (430,434 shares and 19,727 step-up securities) – Dr Goodfellow is Chairman of the Trust Board. Dr Goodfellow does not have a beneficial interest in these shares or step-up securities;
(iii) Sulkem Company Limited (128,110 shares);
(iv) 531 Trust (400,861 shares). Dr Goodfellow and R Marshall are trustees of 531 Trust.
(v) Auckland Medical Research Foundation (26,558 step-up securities). Dr Goodfellow does not have a beneficial interest in these step-up securities.
(vi) Trustees of the Goodfellow Foundation (33,854 shares and 1,338 step-up securities). Dr Goodfellow is Chairman of the Foundation and does not have a beneficial interest in these shares or step-up securities.
(vii) Henry Berry Corporation Limited (20,000 shares and 700 step-up securities)

2 GA Hunt's interest in 143,845 ordinary shares includes 58,784 deferred shares granted as remuneration that are not yet exercised or vested.

Directors' meetings

The number of directors' meetings (including meetings of board committees) and number of meetings attended by each of the directors of the company during the financial year are:

					Committees					
Director	Board		Audit & Risk Committee		Human Resources		Nomination & Governance		Health Safety & Environment	
	Meetings Held 1	Meetings Attended	Meetings Held 1	Meetings Attended	Meetings Held 1	Meetings Attended	Meetings Held 1	Meetings Attended	Meetings Held 1	Meetings Attended
AB Brennan	8	7	5	5	3	3	-	-	-	-
GR Davis	8	7	5	5	3	3	-	-	3	3
FA Ford	8	7	5	5	-	-	4	3	-	-
Dr WB Goodfellow	8	8	-	-	-	-	4	4	-	-
GA Hunt	8	8	-	-	-	-	-	-	-	-
DG McGauchie	8	8	-	-	3	3	4	4	-	-
PM Margin	8	8	5	5	3	3	-	-	3	3
T Takasaki	8	8	-	-	-	-	-	-	3	3

1 Number of meetings held during the period the director held office.

Principal activities and changes

Details of Nufarm's principal activities and changes are set out in the Information on the Company section in the Company's 2016 Annual Report.

Nufarm employs approximately 3,200 people at its various locations in Australasia, Africa, the Americas and Europe.
The company is listed on the Australian Securities Exchange (symbol NUF). Its head office is located at Laverton in Melbourne.

Results

The net profit attributable to members of the Group for the 12 months to 31 July 2016 is $27.5 million. The comparable figure for the 12 months to 31 July 2015 was $43.2 million.

Dividends

The following dividends have been paid declared or recommended since the end of the preceding financial year.

	$000
The Final dividend for 2014-2015 of 6 cents paid 13 November 2015.	15,933
The Interim dividend for 2015-2016 of 4 cents paid 6 May 2016.	10,631

The Final dividend for 2015-2016 of 7 cents as declared and recommended by the directors is payable 11 November 2016.

Nufarm Step-up Securities distributions

The following Nufarm Step-up Securities distributions have been paid since the end of the preceding financial year:

	$000
Distribution for the period 16 April 2015 – 15 October 2015 at the rate of 6.1617 per cent per annum paid 15 October 2015	7,754
Distribution for the period 16 October 2015 – 15 April 2016 at the rate of 6.12 per cent paid 15 April 2016	7,702

Review of operations

The review of the operations during the financial year and the results of those operations are set out in the managing director's review and the business review in the Company's 2016 Annual Report.

State of affairs

The state of the group's affairs are set out in the managing director's review in the Company's 2016 Annual Report.

Operations, financial position, business strategies and prospects

Information on the group, which enables an informed assessment of its operations, financial position, strategies and prospects, is contained in the financial accounts, managing director's review, the business review, and the Information on the Company section in the Company's 2016 Annual Report.

Events subsequent to reporting date

On 21 September 2016, the Directors declared a final franked dividend of 7 cents per share payable 11 November 2016.

On 30 June 2016, Sumitomo Chemical Company Limited acquired a 45 per cent state in Excel Crop Care and declared an open market offer for an additional 30 per cent stake which subsequently closed on 9 September 2016. Nufarm has registered to participate in the open market offer proposed by Sumitomo Chemical Company Limited. Nufarm is awaiting confirmation from the Bombay Securities Exchange regarding the sale of its interest in Excel Crop Care.

Likely developments

Likely developments in the group's operations and the expected results of those operations are contained in the managing director's review and the business review.

Environmental performance

Details of Nufarm's performance in relation to environmental regulations are set out in the Company's 2016 Annual Report. The group did not incur any prosecutions or fines in the financial period relating to environmental performance. The group publishes annually a sustainability report (formerly called health, safety and environment report). This report can be viewed on the group's website or a copy will be made available upon request to the company secretary.

Non-audit services

During the year KPMG, the company's auditor, has performed certain other services in addition to their statutory duties. Details of the audit fee and non-audit services are set out in note 40 to the financial report.

The board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the reason that all non-audit services were subject to the corporate governance procedures adopted by the company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor.

Indemnities and insurance for directors and officers

The company has entered into insurance contracts, which indemnify directors and officers of the company, and its controlled entities against liabilities. In accordance with normal commercial practices, under the terms of the insurance contracts, the nature of the liabilities insured against and the amount of premiums paid are confidential.

An indemnity agreement has been entered into between the company and each of the directors named earlier in this report. Under the agreement, the company has agreed to indemnify the directors against any claim or for any expenses or costs, which may arise as a result of the performance of their duties as directors. There are no monetary limits to the extent of this indemnity.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out in the Company's 2016 Annual Report and forms part of the directors' report for the financial year ended 31 July 2016.

Rounding of amounts

The company is of a kind referred to in Australian Securities and Investment Commission Class Order 98/100 dated 10 July 1998 and, in accordance with that class order, amounts in the financial statements and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

2016 Remuneration Report

The remuneration report is designed to provide shareholders with an understanding of Nufarm's remuneration policies and the link between our remuneration strategy and performance. This report details Nufarm's remuneration framework and outcomes for Key Management Personnel (KMP) for the year ended 31 July 2016 (FY16). The report has been prepared in accordance with section 300A of the Corporations Act 2001 (Corporations Act).

1. Remuneration snapshot

1.1 Key Points

The overall structure and philosophy of Nufarm's approach to remuneration remained consistent throughout FY16. The organisation's remuneration philosophy is based on linking financial rewards directly to employee contributions and company performance. As Nufarm continues its three year business transformation journey to deliver growth and build a better Nufarm, the remuneration framework and incentive plans continue to connect the evolving business strategy to leadership behaviours.

The incentive outcomes for FY16 reflect the performance of the business and the value created for shareholders over the past three years.

THE KEY OUTCOMES UNDER OUR INCENTIVE PLANS THIS YEAR WERE:

Short Term Incentive outcomes	Senior Executives received an average of 70.8% of the target opportunity available based on the assessment of financial and individual performance.
Long Term Incentive outcomes	The FY14 LTI plan was tested on 31 July 2016. The outcome was that 89.2% of the maximum opportunity vested as shares. The results of the two plan measures were that the Relative Total Shareholder Return (RTSR) ranked at the 73rd percentile of the comparator group and Nufarm achieved an average ROFE over three years of 11.0% which exceeded the target of 10.7% for the FY14 LTI plan.

1.2 Changes during FY16

Valdemar Fischer ceased to be KMP effective 5 February 2016 as he stepped down from the role of Group Executive, Marketing and Portfolio Strategy and remains in the business as a Strategic Advisor to the CEO, based in Brazil.

Niels Pörksen was appointed Group Executive Portfolio Solutions effective September 2016. He will represent the portfolio function as part of Nufarm's Leadership Team. He will be responsible for the development of a product portfolio pipeline that will meet the needs of customers in key crops.

1.3 Key Management Personnel

Nufarm's KMP comprise the Directors of the company and selected members of the Nufarm Leadership Team (NLT). The term Senior Executives refers to the CEO and those executives with authority and responsibility for planning, directing and controlling the activities of the Company and the Group, directly or indirectly. The Executive KMPs disclosed in this report are:

Name	Position	Term as KMP in FY16
Greg Hunt	Managing Director and Chief Executive Officer	1 August 2015 – 31 July 2016
Paul Binfield	Chief Financial Officer	1 August 2015 – 31 July 2016
Elbert Prado	Group Executive Supply Chain Operations	1 August 2015 – 31 July 2016
Brent Zacharias	Group Executive Nuseed	1 August 2015 – 31 July 2016
Valdemar Fischer	Group Executive Portfolio and Marketing Strategy	1 August 2015 – 5 February 2016

2. Setting Senior Executive remuneration

2.1 Remuneration governance

The HRC is responsible for reviewing and making recommendations to the Nufarm Board on remuneration policies and packages applicable to disclosed executives. The HRC is comprised of four independent non-executive directors and is tasked with ensuring that remuneration policies and packages retain and motivate high calibre executives and have a clear relationship between company performance and executive remuneration. The HRC charter can be found at www.nufarm.com.

During 2016, the HRC reviewed information provided by Godfreys Remuneration Group (GRG) to assess whether existing frameworks remain appropriate. The HRC also sought external general market movement data for the 2016 year from GRG but did not require a remuneration recommendation.

The HRC reviews Executive KMPs' remuneration annually to ensure there is a balance between fixed and at risk pay, and it reflects both short and long term performance objectives aligned to Nufarm's strategy. The Board reviews the CEO's remuneration based on market practice, performance against agreed measures and other relevant factors, while the CEO undertakes a similar exercise in relation to Senior Executives. The results of the CEO's annual review of Senior Executives' performance and remuneration are subject to Board review and approval.

The Board measures financial performance under the STI and LTI plans using audited numbers. The relative total shareholder return (RTSR) is measured by an independent external advisor.

Within the remuneration framework the Board has discretion to 'clawback' LTI plan and deferred STI prior to vesting where:

- payment is contrary to the financial soundness of the company;

- in circumstances where the financial performance of Nufarm over the relevant period (including the initial STI performance period) has been mis-stated; and/or
- for individual gross misconduct.

Executive KMPs are not permitted to hedge any shares issued to them under the STI while those shares remain held in trust.

The Board considered all information in light of company performance, changes during the year to the scope and scale of executive roles, individual performance and the motivation and retention of key individuals, in making its' remuneration decisions.

2.2 Remuneration Strategy

Nufarm's remuneration strategy and reward frameworks reflect the importance of improving the performance of the business and lifting returns on funds employed, as well as supporting a goal to attract, motivate and retain a high performing workforce.

The core elements of Nufarm's remuneration strategy and policy for the disclosed Executive KMPs are as follows:

- An overall framework that supports attraction, motivation and retention of talent, shareholder value creation and reward differentiation.
- An STI program that is biased to growth in profitability and a strong focus on balance sheet management. The program also focuses individuals to achieve innovation and increased business discipline, both of which the company sees as integral to delivering targeted financial outcomes and returning the company to acceptable returns for shareholders.
- An LTI plan that is based on the principle of aligning Executive KMPs' interests and rewards with those of shareholders. With a focus on growth and increased participation in high value markets with sustainable returns, this improvement will be driven by:
  - Continued growth in our revenues.
  - A strengthening of our margins
  - A continued, relentless focus on driving down net working capital; and
  - A cost savings and performance improvement program that is planned to deliver a net benefit of at least $116 million by 2018.

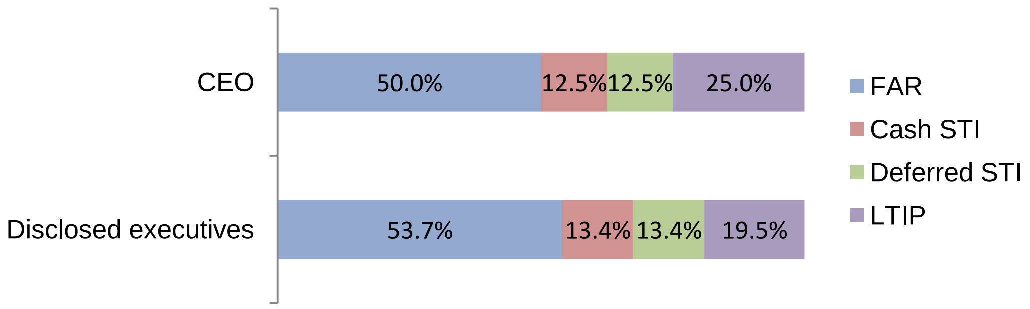
A focus on working capital and improving returns on funds employed is fundamental to the way in which Nufarm operates and where it is heading with its organisational strategy and is therefore a key element of the way performance is measured and assessed at a Group and individual level.

The STI and LTI plans combine shared accountability for financial results with individual reward for strategic changes and improvements within the individual's function or business unit. Each year the Board reviews the financial metrics and individual objectives to ensure they remain appropriate as a basis of reward given the business strategy and the interest of shareholders.

2.3 Remuneration components

In FY15, the Board approved a change to the executive remuneration structure from the Total Target Reward (TTR) model, with fixed and variable components in aggregate equalling 100%, to a more common structure of Fixed Annual Remuneration (FAR) with additional short term and long term incentives (described as a percentage of FAR) available to be earned subject to performance. All Senior Executives are employed on this basis.

The graph below outlines the target remuneration mix for Executive KMPs. The variable components of STI (including potential Restricted Shares) and LTI are expressed at target (which is 50 per cent of the maximum opportunity).



a) Remuneration structure

FAR	STI		LTI
Attract, motivate and retain highly skilled employees	Reinforce values and cultural priorities	Reward achievement of financial and strategic objectives	Align to long term shareholder value creation
Cash		Equity	
Base Salary plus superannuation Set based on market and internal relativities, performance and experience	50% of STI outcome paid in October after the financial year end STI outcome based on financial and individual performance	50% of the STI outcome is deferred as Restricted Shares for a period of 2 years Subject to clawback and forfeiture in circumstances outlined	Indeterminate Rights subject to three year performance period with 50% subject to RTSR and 50% subject to ROFE Subject to clawback and forfeiture in circumstances outlined

b) FY16 STI plan

<table>
<tr><td>Who participates in the STI?</td><td colspan="5">Plan participants include disclosed executives and senior managers globally.</td></tr>
<tr><td>When are awards made?</td><td colspan="5">Awards under the plan are made at the end of the financial year.</td></tr>
<tr><td rowspan="3">What measures are used in the plan?</td><td colspan="5">The Board sets measures at the start of each year focused on profitability and balance sheet management. Noted below are the measures used in 2016.</td></tr>
<tr><td colspan="2">80% of the potential was based on Underlying Net Profit after Tax (NPAT) and Average Net Working Capital (ANWC)/Sales</td><td colspan="3">20% of the potential was based on individual strategic and business improvement objectives aligned to the role and contribution of the executive</td></tr>
<tr><td colspan="5">This structure reflects Nufarm’s strong focus on the use of capital and ensures alignment of reward to business outcomes and shareholder returns.</td></tr>
<tr><td rowspan="4">When and how are the STI payments determined?</td><td colspan="5">Awards are assessed annually at the end of the financial year. Awards are based on the percentage achievement against the budget and strategic measures.</td></tr>
<tr><td>Percentage Budget achievement</td><td><85%</td><td>85%</td><td>100%</td><td>120% Underlying NPAT
110% ANWC/Sales</td></tr>
<tr><td>Percentage of STI Target award realised</td><td>Nil</td><td>25%</td><td>100%</td><td>150%</td></tr>
<tr><td colspan="5">Straight line vesting between 85 per cent and budget and between budget (target) and 120 per cent budget achievement (stretch).
Strategic and business improvement objectives are assessed on a merit basis against stated objectives.</td></tr>
<tr><td>Are payments in cash or shares?</td><td colspan="5">50% of Executive KMPs’ STI is paid in cash at the time of performance testing and 50% deferred into shares in the company for nil consideration.</td></tr>
<tr><td>When do the shares vest?</td><td colspan="5">Vesting will occur on the second anniversary of the grant date of the deferred equity, subject to continued employment or otherwise if the participant has left employment for a qualifying reason.</td></tr>
<tr><td>Is there a clawback provision in the plan?</td><td colspan="5">The rules of the plan provide for clawback of deferred STI prior to vesting with Board discretion where payment is contrary to the financial soundness of the company; in circumstances where the financial performance of Nufarm over the relevant period (including the initial STI performance period) has been misstated; and/or for individual gross misconduct.</td></tr>
<tr><td>What happens if the Executive KMP leaves Nufarm?</td><td colspan="5">If an Executive KMP leaves before the vesting anniversary under ‘qualifying leaver’ provisions the equity will remain in the plan until the vesting date. If the executive leaves under other than ‘qualifying leaver’ circumstances the equity will be forfeited. ‘Qualifying leaver’ provisions include participants who cease employment due to retirement, death, ill health/disability, redundancy, or contract severance without cause by Nufarm.
The rules of the plan provides the flexibility, in special circumstances (e.g. health or severe personal hardship), to accelerate the vesting. This would result in the shares being released from the trust to the executive.</td></tr>
</table>

c) FY16 LTI plan

Why have an LTI plan?	This plan aligns executive interests and earnings with the longer term Nufarm strategy and the interests of shareholders.
Who participates in the LTI plan	The current participants in the plan are disclosed executives and other selected senior managers (together, the LTI plan participants).
Are the awards cash or shares?	The plan rules provide the flexibility to use a number of different instruments provided they comply with local regulations and sound practice. At the time of vesting the Board will determine if the rights convert to ordinary shares or cash or other instruments which may be in use at the time.
When are the awards made?	Under the plan, LTI plan participants receive an annual award of rights as soon as practical after the announcement of results for the preceding year.
How are the number of rights calculated?	The number of rights to be granted is calculated by dividing the individual’s LTI grant opportunity for the performance year by the volume weighted average price of the Company’s shares over the five trading days immediately following the prior year’s annual results announcement.
When do the awards vest?	The performance / vesting period for awards is 3 years. Awards will vest in two equal tranches as follows: - 50% of the LTI plan grant will vest subject to the achievement of RTSR performance hurdle measured against a selected comparator group of companies; and - The remaining 50% of the LTI plan grant will vest subject to the 3 year average of an absolute ROFE target.
Why have ROFE and RTSR been chosen as the hurdles?	ROFE is used to track progress towards the goal to return long-term results back to acceptable levels for Nufarm. Strong RTSR performance ensures Nufarm is an attractive investment for shareholders.
What is the comparator group for the assessment of relative TSR?	Based on the results of research and modelling carried out by Ernst and Young, at the inception of the plan the Board approved the adoption of the ‘S&P ASX 200 excluding those companies in the Financial, Materials and Energy groups’ as the RTSR comparator group. This provides a group which is large enough for sound measurement with exclusions that reduce the volatility by removing companies which are in significantly different industries to Nufarm. Commencing from

<table>
<tr><td></td><td>FY15 the Board approved the inclusion of Dulux (DLX), Incitec Pivot (IPL) and Orica (ORI) on the basis of their similarity as chemical companies even though they appear in the materials index. The RTSR comparator group is also seen as an appropriate representation of Nufarm's competitors for investment.</td></tr>
<tr><td>How is RTSR measured?</td><td>RTSR will be measured over the performance period. For the purposes of this measurement, each company's share price will be measured using the average price over 60 days up to (but excluding) the first day of the performance period, and the average closing price over 60 days up to and including the last day of the performance period</td></tr>
<tr><td>What is the RTSR performance required for vesting?</td><td><table>
<tr><th>TSR of Nufarm relative to the TSR of comparator group companies</th><th>Proportion of RTSR grant vesting</th></tr>
<tr><td>Less than 50th percentile</td><td>0%</td></tr>
<tr><td>50th percentile</td><td>50%</td></tr>
<tr><td>Between 51st percentile and 75th percentile</td><td>Straight line vesting between 50% and 100%</td></tr>
<tr><td>75th percentile</td><td>100% vesting</td></tr>
</table></td></tr>
<tr><td>How is the ROFE target set?</td><td>ROFE objectives are set by the Board at the beginning of each year. There is both a 'target' and a 'stretch' hurdle. These numbers are based on the budget and growth strategy. 'Target' represents a sustainable return to acceptable ROFE levels. Stretch recognises achievement well above budget. This ensures that full vesting of the LTI plan is truly reliant on outstanding performance.</td></tr>
<tr><td>How is ROFE measured?</td><td>Return is calculated on the Group's earnings before interest and taxation and adjusted for any material items. Funds employed are represented by shareholder's funds plus total interest bearing debt. For the purposes of measuring ROFE performance in the LTI plan, ROFE will be averaged over the life of the plan.</td></tr>
<tr><td>What ROFE result is required for vesting?</td><td><table>
<tr><th>Percentage of ROFE target achieved</th><th>Proportion of ROFE grant vesting</th></tr>
<tr><td>Less than Target</td><td>0%</td></tr>
<tr><td>Target</td><td>50%</td></tr>
<tr><td>Between Target and Stretch</td><td>Straight line vesting between 50% and 100%</td></tr>
<tr><td>Stretch</td><td>100%</td></tr>
</table></td></tr>
<tr><td>What was the result for the FY16 year?</td><td>The FY14 award, which matured in 2016, met the ROFE hurdle rate over the three year performance period and performance against the RTSR target was above the 50th percentile over the same period. The three year average ROFE outcome was 11.0% compared with a three year target of 10.7%. Overall, 89.2% of the FY14 award vested at 31 July 2016.</td></tr>
<tr><td>What happens if the awards do not vest?</td><td>To the extent that the RTSR and ROFE performance hurdles are not met at the end of the 3-year performance period and full vesting is not achieved, performance will not be re-tested and the award will lapse. There is no partial vesting of the LTI plan before the 3rd anniversary.</td></tr>
<tr><td>Is there a clawback provision in the plan?</td><td>The rules of the plan provide for clawback of unvested LTI plan rights where: payment is contrary to the financial soundness of the company; in circumstances where the financial performance of Nufarm over the relevant period has been misstated; and/or for individual gross misconduct</td></tr>
<tr><td>What happens if an Executive KMP leaves?</td><td>To be eligible under the LTI plan, the executive must be employed by Nufarm on the 1st anniversary of the allocation. If the executive leaves before this date, the allocation is forfeited. If the executive leaves under 'qualifying leaver' provisions, (refer STI section above for definition of 'qualifying leaver') after the 1st anniversary and before the 3rd anniversary of the plan the allocation will be pro-rated and the pro-rated allocation will remain 'on foot' in the plan subject to certain overriding discretions set out in the plan.

The rules of the plans provide the flexibility, in special circumstances (eg. health or severe personal hardship), to accelerate the vesting. The qualifying allocation will be tested against the hurdles to determine the value (if any) of the allocation.</td></tr>
</table>

3. Executive remuneration outcomes

3.1 Financial Performance

Details of Nufarm's performance, share price and dividends over the past five years are summarised in the table below:

Performance measures		FY16	FY15	FY14	FY13	FY12
Earnings						
Underlying EBIT*	**$m**	**286.7**	**236.9**	**200.6**	**186.8**	**206.0**
ANWC/Sales***	**%**	**39.9**	**41.9**	**47.7**	**46.8**	**45.3**
Underlying NPAT**	**$m**	**108.9**	**117.1**	**86.4**	**83.2**	**115.4**
ROFE achieved	**%**	**13.2**	**11.0**	**9.1**	**8.8**	**10.4**
Shareholder value						
Closing share price 31 July	**$**	**8.28**	**7.72**	**4.35**	**4.50**	**5.47**
RTSR	**%**	**8.7**	**80.2**	**(1.7)**	**(16.5)**	**26.8**
Dividends declared	**cents**	**11.0**	**10.0**	**8.0**	**8.0**	**6.0**

* and **: Underlying EBIT is earnings before net finance costs, taxation and material items. Underlying NPAT is Net Profit after Tax before material items. Underlying NPAT and Underlying EBIT are used internally by management to assess performance of the business and make decisions on the allocation of our resources. NPAT, rather than EBIT, is used to assess management's STI to ensure rewarded business outcomes are aligned with shareholder returns.

***: Average Net Working Capital/Sales is used throughout the business and highlights the strong business-wide focus on the management of working capital over the full year.

3.2 Short Term Incentive outcomes

Based on an Underlying NPAT result of $108.9m, an ANWC/Sales result at 39.9% and performance against individual strategic and business improvement objectives, disclosed executives employed for the performance period FY16 were awarded an incentive in accordance with the rules of the plan.

Individual objectives were driven by Nufarm's strategy and the goals to deliver on sustainable innovation and business discipline across the business. These objectives were specific to the role of each executive and included organisation restructuring, management of risk, efficiency improvements, partnership development, portfolio enhancement, business process and systems improvements and the implementation of initiatives to support growth in higher value segments.

a) FY16 STI plan payment results

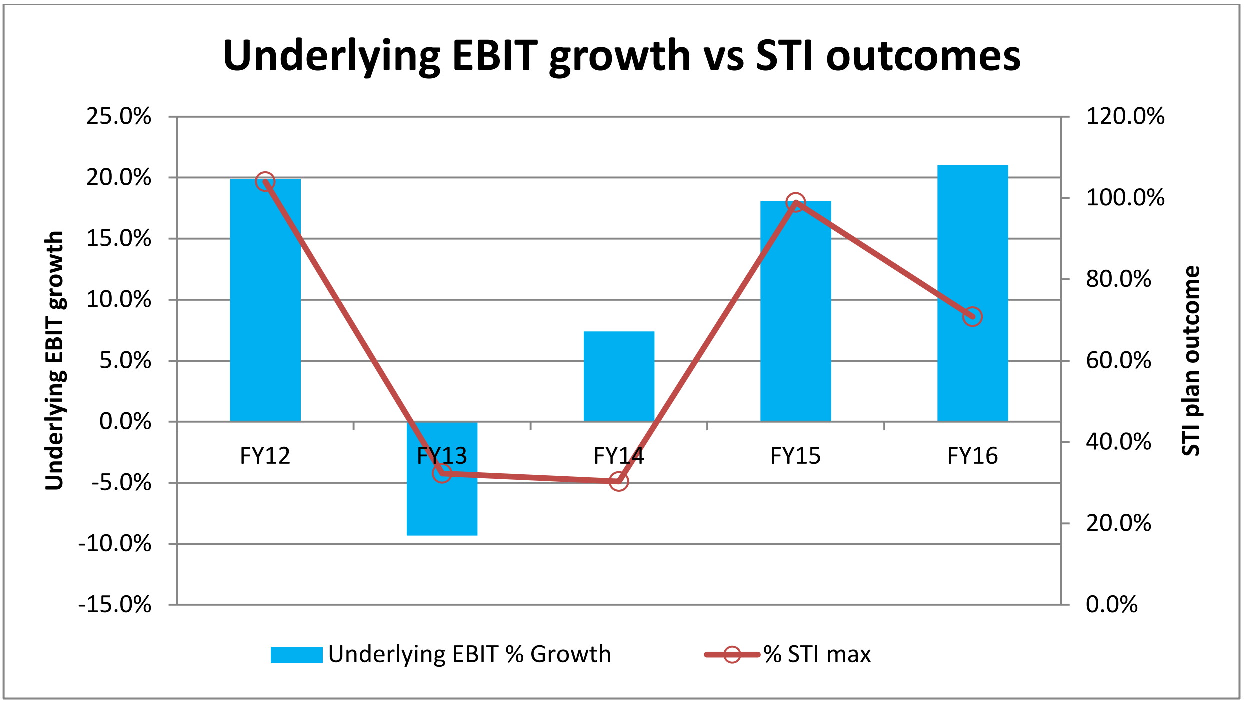
The table below displays FY16 STI payments as a percentage of FAR and also as a percentage of target opportunity

	2016 STI Potential						
	At target	At maximum	Total Award	FY16 STI Award as a % of target potential	FY16 STI as % of FAR	To be paid in cash in October 2016	Retained in shares vesting 2nd anniversary 31.7.18**
Disclosed executive	$	$	$			$	$
Greg Hunt	600,000	900,000	437,684	73%	36%	218,842	218,842
Paul Binfield	391,456	587,183	285,557	73%	36%	142,778	142,778
Elbert Prado	350,000	525,000	255,316	73%	36%	127,658	127,658
Brent Zacharias	216,953	325,429	114,871	53%	26%	57,435	57,435
Valdemar Fischer*	443,535	665,303	323,547	73%	48%	161,774	161,774
Executive KMP average	**400,389**	**600,583**	**283,395**	**71%**	**37%**	**141,697**	**141,697**

***** Amounts shown represent the full year outcome. Note that amounts shown in the remuneration table represent the remuneration earned whilst acting as a key management personnel.
** The portion of FY16 STI payment retained in shares will vest on 31 July 2018, on the second anniversary from effective allocation date.

b) Historical STI plan performance relative to Nufarm's underlying EBIT results

The following chart compares Nufarm's historical STI plan performance results against underlying EBIT for the same period. Nufarm's incentive plans measure performance against a range of financial and non financial metrics with varied weightings. Accordingly, the pay for performance relationship is based on the performance against these metrics as a whole and may not always align with underlying EBIT growth, as was the case in FY16.



3.3 Long Term Incentive outcomes

The performance period for the FY14 LTI plan concluded on 31 July 2016.

The results of Nufarm's RTSR was calculated by an external provider. The RTSR vesting result was based on Nufarm ranking at the 73rd percentile of the comparator group. The Board determined the ROFE outcome to ensure no windfall gains or losses and accordingly adjusted for the net impact of material items. The outcome was reviewed by Nufarm's external auditor KPMG. The Board approved the vesting outcomes in accordance with the LTI plan rules.

a) FY14 LTI plan testing as at 31 July 2016

The vesting table for the FY14 LTI plan is detailed below, reflecting performance up to 31 July 2016 against the two performance measures of RTSR and ROFE.

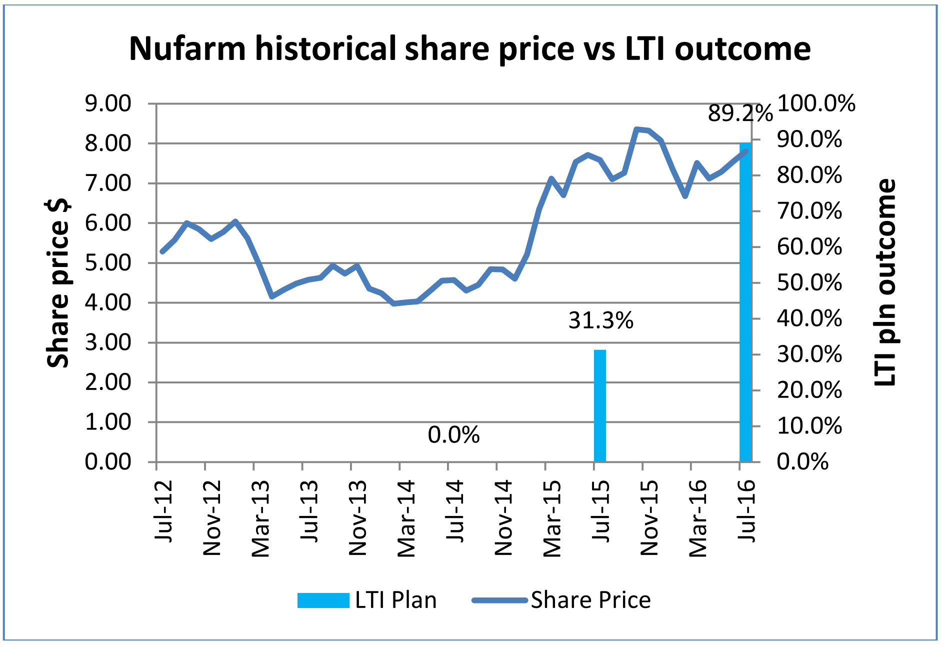
Performance Measure	% of total plan vested
RTSR (97% vesting)	48.5%
ROFE (81.4% vesting)	40.7%
Total	89.2%

b) FY14 LTI award outcome

The table below details the individual outcome for the FY14 LTI plan.

Disclosed executive	Total number of rights available	Total number of rights awarded	Total Award as a % of potential	Average grant date fair value of awarded rights	Total grant date fair value of award $
Greg Hunt	48,865	43,587	89.2%	$2.95	128,733
Paul Binfield	54,341	48,472	89.2%	$2.95	143,161
Elbert Prado	34,786	31,029	89.2%	$2.95	91,643
Brent Zacharias	14,747	13,154	89.2%	$2.95	38,850
Valdemar Fischer	30,547	27,247	89.2%	$2.95	80,473

c) Historical LTI plan performance relative to Nufarm's share price
The following chart compares Nufarm's LTI plan vesting results for the past three LTI plans (as a percentage of plan maximum) to the share price history during the same period:



3.4 Senior Executive contract details

The company has employment contracts with the disclosed Executive KMPs. These contracts formalise the terms and conditions of employment. The contracts are for an indefinite term. The contracts of the CEO and most other disclosed executives have been structured to be compliant with the termination benefits cap under the Corporations Act.

The company may terminate the contract of the CEO and Managing Director by giving 6 months' notice, in which case the CEO would be entitled to a termination payment of 12 months FAR inclusive of any notice paid in lieu. The contract also provides for payment of applicable statutory entitlements.

The CEO may terminate the contract by giving the company 6 months' notice.

The company may terminate the contract of most other executives by 6 months' notice in which case a termination payment equivalent to 12 months FAR will be paid including notice period paid in lieu.

The company may terminate the employment contracts immediately for serious misconduct.

4. Non-Executive Directors (NED) remuneration

The Board's policy with regard to NED remuneration is to position Board remuneration at the market median with comparable sized listed entities. The Board determines the fees payable to non-executive directors within the aggregate amount approved from time to time by shareholders. At the company's 2015 AGM, shareholders approved an aggregate of $1,760,000 per year (including superannuation costs).

The total fees for the 2016 year remained within the approved cap. Board fees are reviewed every 18 months. These fees will be reviewed again in August 2016. Nufarm's NEDs are remunerated with set fees and do not receive any performance based pay. This enables them to maintain independence and impartiality when making decisions affecting the future direction of the company.

	Fees applicable from 1 August 2015 to 31 July 2016 ($) per annum
Chairman*	363,825
General Board	148,838
Audit Committee Chair	30,000
Audit Committee Member	15,000
HSE Risk Committee Chair	17,500
HSE Risk Committee Member	8,750
HR Committee Chair	25,000
HR Committee Member	12,500
Nominations Committee Chair	11,550
Nominations Committee Member	1,500 per meeting

*The chairman receives no fees as a member of any committee

5. Remuneration tables

5.1 Remuneration of directors and disclosed executives

Details follow of the nature and amount of each major element of remuneration in respect of the NED and disclosed Executive KMPs.

		Short Term				Post-employment		Share based payments	Other long term	**Total** [1]		
In AUD		Salary and Fees	Cash Bonus (Vested)	Non - monetary benefits	Total	Super-annuation	Termination benefits	Equity settled		**Total Re-muneration**	Percentage of remuneration performance based	Value of options as a proportion of total remuneration
		$	$	$	$	$	$	$	$	**$**	%	%
Directors' Non-executive												
AB Brennan	2016	160,307	-	-	160,307	16,031	-	-	-	**176,338**		
	2015	151,148	-	-	151,148	15,115	-	-	-	**166,263**		
GR Davis	2016	176,216	-	-	176,216	17,622	-	-	-	**193,838**		
	2015	169,886	-	-	169,886	16,989	-	-	-	**186,875**		
Dr WB Goodfellow	2016	140,762	-	-	140,762	14,076	-	-	-	**154,838**		
	2015	138,852	-	-	138,852	13,885	-	-	-	**152,737**		
DG McGauchie	2016	330,750	-	-	330,750	33,075	-	-	-	**363,825**		
	2015	322,875	-	-	322,875	32,287	-	-	-	**355,162**		
P. Margin	2016	179,625	-	-	179,625	17,963	-	-	-	**197,588**		
	2015	169,120	-	-	169,120	16,912	-	-	-	**186,032**		
F. Ford	2016	168,035	-	-	168,035	16,803	-	-	-	**184,838**		
	2015	165,613	-	-	165,613	16,561	-	-	-	**182,174**		
T. Takasaki	2016	143,262	-	-	143,262	14,326	-	-	-	**157,588**		
	2015	138,688	-	-	138,688	13,869	-	-	-	**152,557**		
Sub total non- executive directors remuneration	2016	1,298,957	-	-	1,298,957	129,896	-	-	-	1,428,853		
	2015	1,256,182	-	-	1,256,182	125,618	-	-	-	1,381,800		
Executive Director DJ Rathbone [2]	2016	-	-	-	-	-	-	-	-	**-**	0%	0%
	2015	828,659	124,265	120,045	1,072,969	17,261	1,643,193	(213,840)	101,717	**2,621,300**	-3%	-8%
Executive Director GA Hunt [4]	2016	1,165,000	218,842	9,095	1,392,937	35,000	-	412,113	-	**1,840,050**	34%	14%
	2015	835,581	219,594	-	1,055,175	34,983	-	175,682	-	**1,265,840**	31%	6%
Total Directors' remuneration	2016	2,463,957	218,842	9,095	2,691,894	164,896	-	412,113	-	3,268,903		
	2015	2,920,422	343,859	120,045	3,384,326	177,862	1,643,193	(38,158)	101,717	5,268,940		
Group Executives												
PA Binfield	2016	747,696	142,778	9,509	899,983	35,000	-	308,798	-	**1,243,781**	36%	15%
	2015	694,369	167,899	-	862,268	34,200	-	170,030	-	**1,066,498**	32%	7%
E. Prado	2016	709,012	127,658	98,604	935,274	2,917		238,449		**1,176,640**	31%	12%
	2015	513,759	136,424	20,031	670,214	30,843	-	139,147	-	**840,204**	33%	6%
V Fischer [7]	2016	338,736	83,539	64,670	486,945	200,414	-	124,410	-	**811,769**	26%	6%
	2015	-	-	-	-	-	-	-	-	**-**		
B Zacharias [6]	2016	487,047	57,435	6,598	551,080	49,016	-	149,998	-	**750,094**	28%	9%
	2015	-	-	-	-	-	-	-	-	**-**		
Group Executives - former KMP												
BF Benson [3]	2016	-	-	-	-	-	-	-	-	**-**	0%	0%
	2015	778,788	254,971	3,785	1,037,544	66,350	1,196,954	372,067	87,904	**2,760,819**	23%	1%
RG Reis [5]	2016	-	-	-	-	-	-	-	-	**-**	0%	0%
	2015	324,815	120,803	23,375	468,993	17,507	-	87,442	22,335	**596,277**	35%	4%
BJ Croft [5]	2016	-	-	-	-	-	-	-	-	**-**	0%	0%
	2015	166,510	-	134,409	300,919	17,917	425,600	(86,857)	-	**657,579**	-13%	-7%
R Heath [5]	2016	-	-	-	-	-	-	-	-	**-**	0%	0%
	2015	162,845	63,428	31,774	258,047	17,507	-	45,910	69,319	**390,783**	28%	3%
Sub total - total executive remuneration	2016	2,282,491	411,410	179,381	2,873,282	287,347	-	821,655	-	3,982,284		
	2015	2,641,086	743,525	213,374	3,597,985	184,324	1,622,554	727,739	179,558	6,312,160		
Total directors and executive remuneration	2016	4,746,448	630,252	188,476	5,565,176	452,243	-	1,233,768	-	7,251,187		
	2015	5,561,508	1,087,384	333,419	6,982,311	362,186	3,265,747	689,581	281,275	11,581,100		

[1] Represents total remuneration paid in the financial year.
[2] D Rathbone ceased employment effective 4 February 2015.
[3] B Benson ceased employment effective 31 July 2015.
[4] G Hunt appointed acting CEO 4 February 2015 and Managing Director and CEO from 5 May 2015.
[5] Ceased acting as KMP's from 4 February 2015.
[6] B Zacharias commenced acting as KMP from 1 August 2015.
[7] V Fischer commenced acting as KMP from 1 August 2015 and ceased acting as KMP from 5 February 2016.

5.2 Equity instruments held by disclosed executives

The following tables show the number of:

- options/performance rights over ordinary shares in the company;
- right to deferred shares granted under the STI scheme; and
- shares in the company

that were held during the financial year by disclosed executives of the Group, including their close family members and entities related to them.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

5.3 Shares held in Nufarm Ltd

Options/rights over ordinary shares in Nufarm Ltd

	Scheme	Balance at 1 August 2015	Granted as remuneration [g]	Exercised	Forfeited or lapsed[d]	Net change other [f]	Balance at 31 July 2016 [e]	Vested during 2016	Vested at 31 July 2016 [a]	Value at date of forfeiture [d]
Directors										
G Hunt	LTI performance	110,627	74,378	(11,984)	(5,278)	-	167,743	43,587	43,587	43,702
	STI deferred [c]	31,563	27,221	-	-	-	58,784	10,018	31,563	-
Executives										
Current KMP										
P Binfield	LTI performance	123,023	34,938	(13,327)	(5,869)	-	138,765	48,472	48,472	48,595
	STI deferred [c]	40,690	20,813	-	-	-	61,503	11,172	40,690	-
E Prado	LTI performance	72,271	31,238	-	(3,757)	-	99,752	31,029	31,029	31,108
	STI deferred [c]	7,145	16,911	-	-	-	24,056	7,145	7,145	-
B Zacharias	LTI performance	34,457	20,082	(3,202)	(1,593)	-	49,744	13,154	13,154	13,190
	STI deferred [c]	36,890	2,569	(8,859)	-	-	30,600	29,218	28,031	-
Former KMP										
V Fischer [b]	LTI performance	68,972	18,594	(7,471)	-	(80,095)	-	-	-	-
	STI deferred [c]	71,442	18,232	-	-	(89,674)	-	-	-	-
Total	**LTI performance**	**409,350**	**179,230**	**(35,984)**	**(16,497)**	**(80,095)**	**456,004**	**136,242**	**136,242**	**136,595**
	STI deferred	**187,730**	**85,746**	**(8,859)**	**-**	**(89,674)**	**174,943**	**57,553**	**107,429**	**-**
Total		**597,080**	**264,976**	**(44,843)**	**(16,497)**	**(169,769)**	**630,947**	**193,795**	**243,671**	**136,595**

(a) All options/rights that are vested are exercisable.
(b) V Fischer ceased acting as KMP from 5 February 2016.
(c) The grant date fair value of deferred shares granted as remuneration in 2016 was $8.07. 100% of STI deferred shares available to vest in 2016 vested as the necessary service condition was satisfied. 100% of non-vested STI deferred shares are due to vest in 2017. Note those deferred shares granted as remuneration during FY16 relate to the FY15 STI outcomes. Deferred shares granted as remuneration on the back of the FY16 STI outcomes will be determined and allocated in October 2016.
(d) LTIP performance rights forfeited due to a failure to satisfy service or performance conditions during 2016 are disclosed in column "Forfeited or lapsed". 11% of rights due to vest in 2016 were forfeited. The value of LTIP performance rights forfeited is expressed in the table above using the share price of the Company at 31 July 2016 of $8.28.
(e) 159,126 of total LTIP performance rights held by KMPs are due to vest in 2017, with the remaining unvested balance due to vest in 2018.
(f) "Net change other" reflects changes to KMP during the period.
(g) The number of LTIP performance rights granted as remuneration during FY16 were determined by dividing the KMP's total LTI grant opportunity by $8.07, being the five-day VWAP post the announcement of the group's 2015 annual results.

Shares held in Nufarm Ltd

		Balance at 1 August 2015	Granted as remun-eration	On exercise of rights	Net change other	Balance at 31 July 2016
Directors						
DG McGauchie		46,239	-	-	8,000	54,239
G Hunt		22,862	-	11,984	50,215	85,061
AB Brennan		10,000	-	-	-	10,000
GR Davis		40,000	-	-	-	40,000
FA Ford		10,000	-	-	5,000	15,000
Dr WB Goodfellow	1	1,148,715	-	-	22,020	1,170,735
PM Margin		2,458	-	-	-	2,458
T Takasaki		-	-	-	-	-
Executives						
Current KMP						
P Binfield		56,000	-	13,327	5,000	74,327
E Prado		-	-	-	-	-
B Zacharias		1,176	-	12,061	(8,859)	4,378
Former KMP						
V Fischer		252,468	-	7,471	(259,939)	-
Total		**1,589,918**	**-**	**44,843**	**(178,563)**	**1,456,198**

1 The holding of Dr WB Goodfellow includes his relevant interest in:

(i) St Kentigern Trust Board (430,434 shares and 19,727 step-up securities) – Dr Goodfellow is Chairman of the Trust Board. Dr Goodfellow does not have a beneficial interest in these shares or step-up securities;
(ii) Sulkem Company Limited (128,110 shares);
(iii) 531 Trust (400,861 shares). Dr Goodfellow and R Marshall are trustees of 531 Trust.
(iv) Auckland Medical Research Foundation (26,558 step-up securities). Dr Goodfellow does not have a beneficial interest in these step-up securities.
(v) Trustees of the Goodfellow Foundation (33,854 shares and 1,338 step-up securities). Dr Goodfellow is Chairman of the Foundation and does not have a beneficial interest in these shares or step-up securities.
(vi) Henry Berry Corporation Limited (20,000 shares and 700 step up securities)
(vii) 31,585 shares issued under the company's non-executive director share plan and held by Pacific Custodians Pty Ltd as trustee of the plan.

Shares issued as a result of the exercise of options

There were 110,483 (2015: nil) shares issued as a result of the exercise of options during the year.

Unissued shares under option

There are 374,220 (2015: 131,681) unissued shares under option. The unissued shares under option have been provided to Nufarm employees as performance rights and the exercise price of such options is nil.

Loans to key management personnel

There were no loans to key management personnel at 31 July 2016 (2015: Nil).

Other key management personnel transactions with the company or its controlled entities

Apart from the details disclosed in this note, no director has entered into a material contract with the company or entities in the Group since the end of the previous financial year and there were no material contracts involving director's interest existing at year-end.

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the company or its subsidiaries in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arms-length basis.

From time to time, key management personnel of the company or its controlled entities, or their related entities, may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

This report has been made in accordance with a resolution of directors.

DG McGauchie AO
Director

GA Hunt
Director

Melbourne
21 September 2016

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Nufarm Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 July 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster
Partner

Melbourne

21 September 2016

Independent auditor's report to the members of Nufarm Limited

Report on the financial report

We have audited the accompanying financial report of Nufarm Limited (the Company), which comprises the consolidated balance sheet as at 31 July 2016, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 41 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 July 2016 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included under the heading "remuneration report" of the directors' report for the year ended 31 July 2016. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Nufarm Limited for the year ended 31 July 2016, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Gordon Sangster
Partner

Melbourne

21 September 2016