



**NUFARM** LIMITED ACN 091 323 312

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11 April 2003

Company Announcements  
Australian Stock Exchange

On Thursday, 27 March, Nufarm lodged its half-year accounts (Appendix 4B) with the ASX.

We now **attach** our statutory half-year accounts, which include:

- Auditor's Review
- Directors' Report
- Directors' Declaration

We anticipate mailing our half-year report to shareholders after Easter and at that time will give copies to the ASX pursuant to LR 3.17.

Yours faithfully

**ROD HEATH**  
Company Secretary

# Nufarm Limited

Half Year Report 2003



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## Key events

- Impact of drought on Australian crop protection sales
- Acquisition of:
  - Crop Care Australasia Pty Ltd
  - proprietary herbicide for Germany and Belgium
- Sale of Fernz chemicals trading business

## Facts in brief

| 12 months<br>ended<br>31.7.2002 |                                                 | Consolidated                   |                                |
|---------------------------------|-------------------------------------------------|--------------------------------|--------------------------------|
|                                 |                                                 | 6 months<br>ended<br>31.1.2003 | 6 months<br>ended<br>31.1.2002 |
|                                 | Trading results (\$000)                         |                                |                                |
| 56,834                          | Operating profit after income tax               | (3,990)                        | 5,558                          |
| 1,429,275                       | Sales revenue                                   | 509,633                        | 556,272                        |
|                                 | Ratios                                          |                                |                                |
| 44.0%                           | Capital funds<br>(Total equity & capital notes) | 40.0%                          | 44.5%                          |
| 29.5%                           | Equity ratio                                    | 26.1%                          | 26.4%                          |
| 1.2                             | Current ratio                                   | 1.5                            | 1.2                            |
|                                 | Issued capital                                  |                                |                                |
|                                 | 155,696,843 ordinary shares fully paid          |                                |                                |
|                                 | 513,250 ordinary shares paid to 1c              |                                |                                |
|                                 | 1,554,022 options expiring on various dates     |                                |                                |
|                                 | Distribution to shareholders                    |                                |                                |
| –                               | Dividends proposed per ordinary share           | 7.0c                           | –                              |
| 18.0c                           | Dividends paid or provided per ordinary share   | –                              | 7.0c                           |
| 2,345                           | Staff employed                                  | 2,403                          | 2,247                          |

# Directory

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## Directors

KM Hoggard (Chairman)  
DJ Rathbone (Managing Director and  
Chief Executive)  
GDW Curlewis  
Dr WB Goodfellow  
GW McGregor AO  
Sir Dryden Spring  
Dr JW Stocker AO  
RFE Warburton

## Company Secretary

R Heath

## Solicitors

Arnold Bloch Leibler & Co  
333 Collins Street  
Melbourne Victoria 3000 Australia  
  
Sylvia Miller & Associates  
Locked Bag 50  
Toorak Victoria 3142 Australia

## Auditors

Ernst & Young  
120 Collins Street  
Melbourne Victoria 3000 Australia

## Trustee for capital note holders

New Zealand Permanent Trustees Ltd

## Share registrar

### Australia

Computershare Investor Services Pty Ltd  
GPO Box 2975EE  
Melbourne Victoria 3001 Australia  
Telephone: (61) 3 9611 5711

## Capital notes registrar

### New Zealand

Computershare Registry Services Limited  
Private Bag 92119  
Auckland NZ 1020  
Telephone: (64) 9 488 8777

## Registered office

103-105 Pipe Road  
Laverton North Victoria 3026 Australia  
Telephone: (61) 3 9282 1000  
Facsimile: (61) 3 9282 1001

## New Zealand branch office

2 Sterling Avenue  
Manurewa, Auckland NZ  
Telephone: (64) 9 268 2920  
Facsimile: (64) 9 267 8444

## Website

[www.nufarm.com](http://www.nufarm.com)

## Nufarm Limited

ABN 37 091 323 312

# Report to shareholders

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## Review of operations for the six months ended 31 January 2003

Nufarm Limited has generated an unaudited tax paid loss of \$3.9 million for the half year period ending on 31 January 2003. This result is marginally ahead of previous guidance provided by the company and compares to an interim profit of \$5.6 million for the corresponding period last year.

The company reaffirmed its confidence that – with good recent rains and a continued improvement in seasonal conditions over the next few months in Australia's major cropping regions – it can achieve growth on its 2002 full year profit.

The interim dividend has been maintained at seven cents (fully franked) and will be paid on 2 May 2003 to all holders of ordinary shares in the company as of 11 April 2003.

The severe drought conditions experienced in Australia in the first half had a significant impact on performance. With recent rains, however, February and March sales in Australia have been extremely strong and the outlook for sales for the remainder of the second half is now very positive.

Nufarm's earnings are highly seasonal, with its global crop protection business generating virtually all of its profit in the last six months of the company's financial year, coinciding with the major planting/cropping periods in Australia (winter broad acre cropping), Europe and North America (summer broad acre cropping).

This weighting has become even more pronounced with the acquisition of Crop Care Australasia Pty Ltd and the sale of the Fernz speciality chemicals business. Both transactions were completed within the reporting period.

The first half result was generated on group sales of \$509.6 million, which compared with \$556.2 million for the interim period last year. Last year's interim sales included some \$82 million attributable to the Fernz speciality chemicals business, which was sold to Orica in November and only contributed three months of sales in the 2003 interim period (\$50 million).

On a like for like basis, crop protection sales in Australia were some 14 per cent down on the corresponding period last year.

49 per cent of turnover was generated in Australasia, 28 per cent was generated in Europe and 23 per cent in the Americas. The period also saw increased costs associated with new businesses acquired in the period. Both of those acquisitions – Crop Care Australasia Pty Ltd and a proprietary herbicide for the German and Belgian markets – are expected to be earnings per share positive for the full year.

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Working capital as at 31 January 2003 was \$528 million, which is 16 per cent higher than for the same period last year. An increase in inventories is largely attributable to the Crop Care acquisition, with other increases due to the impact of the Australian drought and global stocking programs to meet anticipated second half sales.

### Crop protection

The crop protection business accounted for 74 per cent of group sales (\$375.1 million) and generated a pre-tax operating profit \$16.4 million.

While the Australian business suffered due to the drought conditions, the performance of Nufarm's other global crop protection businesses was generally in line with budget and, as a whole, ahead of last year's performance for the first six months.

There was very little summer cropping activity in Australia due to the drought. While Nufarm's sales were significantly down on both budget and the same period last year, the business achieved some improvement in margins, which should help produce a stronger profit result in the second half.

The Crop Care acquisition was completed in November 2002. This business, which gives Nufarm a stronger position in a number of market sectors, is budgeted to generate in excess of \$100 million in sales for the full year. The integration of Crop Care is proceeding on schedule and forecast synergy benefits are expected to be realised in the current financial year.

The New Zealand business is ahead of budget at the half year and will generate strong growth over its 2002 performance for the full year.

In Asia, Nufarm's Indonesian business continues to achieve both sales and profit growth and above budget sales were generated in Japan in the first six months. The Asian regional marketing office was relocated to Kuala Lumpur from Singapore during the period, providing a lower cost base and closer proximity to the Malaysian manufacturing operations.

Crop protection sales into the United States agriculture sector are in line with expectations, with growth on the 2002 sales result confidently predicted for the full year. Nufarm has established strong relationships with all major distributors in the US and is now benefiting from a major investment in marketing of the Nufarm brand and product portfolio expansion. First half sales into the US turf and specialty sector (Riverdale division of Nufarm Americas) were slightly down on the same period last year, with depressed economic conditions continuing to impact the market.

# Report to shareholders continued

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In Europe, branded sales in all of Nufarm's markets showed positive growth.

Nufarm completed the acquisition of a proprietary herbicide for the German and Belgian markets in late 2002. The product is a market leader in its sector and will facilitate access to distribution in Germany, Europe's second largest country market behind France. A sales and marketing operation has been established in Cologne to support sales of this product and to develop opportunities for Nufarm's other products.

Nufarm's methyls business, which includes manufacturing plants in the UK and Holland, involves the supply of both Nufarm branded product and bulk technical active to other suppliers. Some large sales of technical active, which were previously recorded in the first half, will now be realised in the second half of the year. The company is also implementing measures to improve the margins associated with the technical supply component of the business.

## Chemicals division

This division generated sales of \$133.4 million and an operating profit of \$8 million for the first half period.

During the period, Nufarm completed the sale of its Australian and New Zealand based Fernz chemicals trading business to Orica Ltd. The sale is consistent with Nufarm's strategy of focusing on its global crop protection operations and divesting non-core businesses which have no strategic value to the group.

The SEAC pharmaceutical intermediates subsidiary in France generated revenues below the same period last year and slightly down on budget. The business is expected to produce a stronger second half performance.

The fine and performance chemicals businesses were ahead of last year's first half performance and the full year outlook for most product lines is positive, especially the US-based fine chemicals operation in Lobeco, which is expected to generate strong growth over its 2002 result.

The company's chlor alkali plants (80 per cent owned) in Western Australia generated good returns in the first half and are tracking in line with budget. An increase in the world indicator price for caustic soda will improve the second half performance of these assets.



## Outlook

Widespread rains received throughout Australia during February helped generate record sales for the Australian crop protection business that month as the distribution sector and farmers prepare for the planting of winter crops. March has seen a continuation of strong sales. Follow-up rains during the next three months will encourage a high level of cropping activity and Nufarm remains in an excellent position to capitalise on the business that will be generated by that activity.

The Australian business should show strong sales growth for the full year, assisted by the addition of both the Crop Care business and a full season of Roundup glyphosate sales.

In other crop protection markets, the company is expecting sales growth for the full year, with several new product introductions contributing to that outcome.

In overall terms, the retained businesses within the chemicals division should generate a result at least in line with the 2002 outcome.

With seasonal conditions continuing to improve in Australia, the company is in an excellent position to achieve profit growth on its 2002 full year result.



DJ Rathbone  
Managing Director and Chief Executive

Melbourne  
27 March 2003

# Directors' report

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The board of directors of Nufarm Limited has pleasure in submitting its report in respect of the six months period ended 31 January 2003.

## Directors

The names of the directors in office during or since the end of the period are:

KM Hoggard (Chairman)

D J Rathbone

GDW Curfewis

Dr WB Goodfellow

GW McGregor AO

Sir Dryden Spring

Dr JW Stocker AO

RFE Warburton

All directors held their position as a director throughout the entire period and up to the date of this report.

## Principal activities

Nufarm Limited is an Australian science-based company, operating in two core business sectors: crop protection; and fine and performance chemicals.

It has manufacturing and marketing operations in Asia, Australia, Europe, New Zealand and North America.

Nufarm Limited also has an important strategic position in agricultural biotechnology.

## Results

The consolidated loss of the economic entity for the period was \$3,990,000 after income tax and outside equity interests.

## Review of Operations

The review of the operations forms part of the report to shareholders.

## Rounding of amounts

The parent entity is a company of the kind specified in Australian Securities and Investments Class order 98/0100. In accordance with that class order, amounts in the consolidated financial statements and the directors' report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

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



KM Hoggard  
Director

Melbourne  
27 March 2003



DJ Rathbone  
Director

## INDEPENDENT REVIEW REPORT

To the members of Nufarm Limited

### Scope

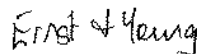
We have reviewed the financial report of Nufarm Limited for the half-year ended 31 January 2003, as set out on pages 8 to 16, including the Directors' Declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising Nufarm Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have conducted an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. Our review was limited primarily to inquiries of the disclosing entity's personnel and analytical review procedures applied to financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

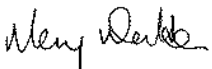
### Review Statement

As a result of our review, we have not become aware of any matter that makes us believe that the half-year financial report of Nufarm Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 January 2003 and its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting", and the Corporations Regulations 2001;
- (b) other mandatory professional reporting requirements in Australia.



Ernst & Young



Mary Waldron  
Melbourne  
27 March 2003

# Condensed statement of financial performance

for the six months ended 31 January 2003

|                                                                                                                                   | Note | Consolidated       |                    |
|-----------------------------------------------------------------------------------------------------------------------------------|------|--------------------|--------------------|
|                                                                                                                                   |      | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 |
| Sales revenue                                                                                                                     |      | 509,633            | 556,272            |
| Cost of sales                                                                                                                     |      | (261,204)          | (299,646)          |
| Consolidated earnings from trading                                                                                                |      | 248,429            | 256,626            |
| Interest income                                                                                                                   |      | 487                | 351                |
| Other revenue                                                                                                                     | 3    | 61,702             | 2,617              |
| Expenses                                                                                                                          |      |                    |                    |
| Depreciation and amortisation                                                                                                     |      | (37,078)           | (26,234)           |
| Borrowing costs                                                                                                                   |      | (19,135)           | (18,954)           |
| Operating expenses                                                                                                                | 3    | (262,006)          | (207,171)          |
| Total expenses                                                                                                                    |      | (318,219)          | (252,359)          |
|                                                                                                                                   |      | (7,601)            | 7,235              |
| Share of net profits of associates                                                                                                |      | 1,483              | 1,160              |
| <b>Profit (loss) from ordinary activities before income tax expense</b>                                                           |      | (6,118)            | 8,395              |
| Income tax expense (credit) relating to ordinary activities                                                                       |      | (2,820)            | 2,589              |
| <b>Net profit (loss)</b>                                                                                                          |      | (3,298)            | 5,806              |
| Net profit attributable to outside equity interest                                                                                |      | 692                | 248                |
| <b>Net profit (loss) attributable to members of the parent entity</b>                                                             |      | <b>(3,990)</b>     | <b>5,558</b>       |
| Net exchange differences arising on translation of opening net investment in foreign operations, net of related hedges            |      | 4,617              | 2,400              |
| Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity |      | 4,617              | 2,400              |
| <b>Total changes in equity other than those resulting from transactions with owners as owners</b>                                 |      | <b>627</b>         | <b>7,958</b>       |
| Basic earnings per share (cents per share)                                                                                        |      | (2.6)              | 3.6                |
| Diluted earnings per share (cents per share)                                                                                      |      | (2.5)              | 3.6                |

The accompanying notes form an integral part of these condensed financial statements.

# Condensed statement of financial position

|                                                     | Note             | Consolidated     |                  |
|-----------------------------------------------------|------------------|------------------|------------------|
|                                                     | 31.1.2003        | 31.7.2002        | 31.1.2002        |
|                                                     | 5000             | 5000             | 5000             |
| <b>Current assets</b>                               |                  |                  |                  |
| Cash assets                                         | 27,057           | 15,780           | 22,383           |
| Receivables                                         | 361,296          | 354,034          | 326,085          |
| Inventories                                         | 459,250          | 333,406          | 384,517          |
| Tax assets                                          | 18,665           | 7,756            | 9,796            |
| <b>Total current assets</b>                         | <b>866,268</b>   | <b>710,976</b>   | <b>742,781</b>   |
| <b>Non-current assets</b>                           |                  |                  |                  |
| Receivables                                         | 4,747            | 3,013            | —                |
| Equity accounted investments                        | 29,317           | 28,005           | 33,503           |
| Other financial assets                              | 8,524            | 8,053            | 10,818           |
| Property, plant and equipment                       | 389,855          | 385,692          | 370,364          |
| Intangible assets                                   | 160,608          | 146,647          | 129,661          |
| Deferred tax assets                                 | 24,556           | 25,324           | 31,339           |
| Other                                               | 20,272           | 18,512           | 12,124           |
| <b>Total non-current assets</b>                     | <b>637,879</b>   | <b>615,246</b>   | <b>587,809</b>   |
| <b>TOTAL ASSETS</b>                                 | <b>1,504,147</b> | <b>1,326,222</b> | <b>1,330,590</b> |
| <b>Current liabilities</b>                          |                  |                  |                  |
| Payables                                            | 282,694          | 241,598          | 252,062          |
| Interest bearing liabilities                        | 270,598          | 297,790          | 336,475          |
| Tax liabilities                                     | 6,180            | 14,296           | 5,166            |
| Provisions                                          | 16,104           | 36,366           | 20,896           |
| <b>Total current liabilities</b>                    | <b>575,576</b>   | <b>590,050</b>   | <b>614,599</b>   |
| <b>Non-current liabilities</b>                      |                  |                  |                  |
| Interest bearing liabilities                        | 497,898          | 313,590          | 337,070          |
| Deferred tax liabilities                            | 28,020           | 22,904           | 19,478           |
| Provisions                                          | 9,589            | 8,639            | 7,916            |
| <b>Total non-current liabilities</b>                | <b>535,507</b>   | <b>345,133</b>   | <b>364,464</b>   |
| <b>TOTAL LIABILITIES</b>                            | <b>1,111,083</b> | <b>935,183</b>   | <b>979,063</b>   |
| <b>NET ASSETS</b>                                   | <b>393,064</b>   | <b>391,039</b>   | <b>351,527</b>   |
| <b>Equity</b>                                       |                  |                  |                  |
| Contributed equity                                  | 148,757          | 147,333          | 147,105          |
| Reserves                                            | 24,695           | 24,751           | 24,653           |
| Retained profits                                    | 213,332          | 212,670          | 178,600          |
| Equity attributable to members of the parent entity | 386,784          | 384,754          | 350,358          |
| Outside equity interests                            | 6,280            | 6,285            | 1,169            |
| <b>TOTAL EQUITY</b>                                 | <b>393,064</b>   | <b>391,039</b>   | <b>351,527</b>   |

The accompanying notes form an integral part of these condensed financial statements.

# Condensed statement of cash flows

for the six months ended 31 January 2003

| Inflows/(Outflows)                                                                    | Note | Consolidated       |                    |
|---------------------------------------------------------------------------------------|------|--------------------|--------------------|
|                                                                                       |      | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 |
| Cash flows from operating activities                                                  |      |                    |                    |
| Receipts from customers                                                               |      | 580,607            | 521,515            |
| Dividends received                                                                    |      | —                  | 519                |
| Interest received                                                                     |      | 2,765              | 351                |
| Payments to suppliers and employees                                                   |      | (602,637)          | (551,398)          |
| Interest paid                                                                         |      | (21,113)           | (16,398)           |
| GST paid                                                                              |      | (6,573)            | (6,517)            |
| Income tax paid                                                                       |      | (14,525)           | (14,466)           |
| <b>Net operating cash flows</b>                                                       |      | <b>(61,476)</b>    | <b>(66,394)</b>    |
| Cash flows from investing activities                                                  |      |                    |                    |
| Proceeds from sale of property, plant and equipment                                   |      | 2,085              | 2,017              |
| Proceeds from sale of investments                                                     |      | 1,241              | —                  |
| Proceeds from business sale                                                           | 6    | 59,408             | —                  |
| Payments for plant and equipment                                                      |      | (27,811)           | (28,095)           |
| Payments for investments                                                              |      | (1,832)            | (15,030)           |
| Payments for major projects development expenditure, trademarks and technology rights |      | (3,575)            | (1,492)            |
| Foreign currency investments hedges                                                   |      | 6,944              | 784                |
| Purchase of businesses, net of cash acquired                                          | 6    | (97,770)           | (5,792)            |
| <b>Net investing cash flows</b>                                                       |      | <b>(61,310)</b>    | <b>(47,608)</b>    |
| Cash flows from financing activities                                                  |      |                    |                    |
| Proceeds from issue of shares                                                         |      | 1,424              | 1,512              |
| Proceeds from borrowings (net)                                                        |      | 155,970            | 168,692            |
| foreign Currency Loans Hedges                                                         |      | 160                | —                  |
| Dividends paid                                                                        |      | (17,421)           | (16,993)           |
| <b>Net financing cash flows</b>                                                       |      | <b>140,133</b>     | <b>153,211</b>     |
| Net increase (decrease) in cash held                                                  |      |                    |                    |
| Cash at the beginning of the period                                                   |      | (40,228)           | (31,162)           |
| Exchange rate fluctuations on foreign cash balances                                   |      | (1,417)            | (1,606)            |
| <b>Cash at the end of the period</b>                                                  |      | <b>(24,298)</b>    | <b>6,441</b>       |

The accompanying notes form an integral part of these condensed financial statements.

# Notes

## Notes to the half-year financial statements

### 1. Basis of preparation

These general purpose condensed financial statements have been prepared for the half year ended 31 January 2003 in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards including AASB1029 'Interim Financial Reporting' and Urgent Issues Group Consensus Views. It is recommended that this report be read in conjunction with the 31 July 2002 Annual Report and any public announcements made by Nufarm Limited during the half year in accordance with the continuous disclosure obligations of the Corporations Act 2001 and Australian Stock Exchange Listing Rules. The notes to the condensed financial statements do not include all information normally contained with the notes to an annual financial report.

The consolidated entity has adopted the new Accounting Standard AASB 1044 'Provisions, Contingent Liabilities and Contingent Assets' which has resulted in a change of accounting for dividend provisions. Previously, the consolidated entity recognised a provision for dividend based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the new standard, a provision for dividend will only be recognised at the reporting date where the dividends are declared, determined or publicly recommended prior to the reporting date. No such provision has been recognised for the half-year ended 31 January 2003. The change in accounting policy has had no effect on basic and diluted EPS.

The consolidated entity has also adopted the revised Accounting Standard AASB 1012 'Foreign Currency Translation'. In accordance with the requirements of the standard, foreign currency contracts are recognised on the statement of financial position. The revised policy has had no impact on the net profit of the consolidated entity.

The other accounting policies used are consistent with those applied to the 31 July 2002 Annual Report. This condensed financial report has been prepared in accordance with the historical cost convention and does not take account of changes in either general purchasing power of the dollar or in the prices of specific assets.

### 2. Seasonality

The profitability and cash flow of the business remains seasonal with a strong weighting towards the second half. This reflects the key selling period for the crop protection business, particularly in Europe and North America. Refer to the report to shareholders for further commentary on operations.

### 3. Profit from ordinary activities

|  | Consolidated |           |
|--|--------------|-----------|
|  | 31.1.2003    | 31.1.2002 |
|  | \$000        | \$000     |

Profit from ordinary activities after charging the following revenues and expenses

#### Other revenue

|                                                |        |       |
|------------------------------------------------|--------|-------|
| Sundry income                                  | 2,539  | 600   |
| Gross proceeds from sale of non-current assets | 59,163 | 2,017 |
| Total other revenue                            | 61,702 | 2,617 |

#### Operating expenses

|                                                 |         |         |
|-------------------------------------------------|---------|---------|
| Carrying cost of non-current assets disposed of | 51,606  | 2,946   |
| Staff related expenses                          | 102,555 | 94,793  |
| Occupancy expenses                              | 14,117  | 12,149  |
| Plant related expenses                          | 30,259  | 29,549  |
| Sales and distribution expenses                 | 21,387  | 25,137  |
| Research and development costs                  | 5,283   | 2,549   |
| Travel                                          | 10,444  | 10,414  |
| Other operating expenses                        | 26,355  | 29,634  |
| Total operating expenses                        | 262,006 | 207,171 |

# Notes

Notes to the half-year financial statements continued

## 4 Segments

|                   | Crop<br>protection |                    | Industrial<br>chemicals |                    |
|-------------------|--------------------|--------------------|-------------------------|--------------------|
| Business segments | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 | 31.1.2003<br>\$000      | 31.1.2002<br>\$000 |

### Revenue

|                            |         |         |         |         |
|----------------------------|---------|---------|---------|---------|
| Sales to outside customers | 375,090 | 374,295 | 133,339 | 181,259 |
| Inter segment sales        | 59      | 39      | 8       | 517     |

|               |         |         |         |         |
|---------------|---------|---------|---------|---------|
| Sales revenue | 375,149 | 374,334 | 133,347 | 181,776 |
|---------------|---------|---------|---------|---------|

|               |       |       |        |       |
|---------------|-------|-------|--------|-------|
| Other revenue | 1,651 | 1,080 | 58,410 | 1,038 |
|---------------|-------|-------|--------|-------|

|                                    |       |       |   |   |
|------------------------------------|-------|-------|---|---|
| Share of net profits of associates | 1,483 | 1,160 | — | — |
|------------------------------------|-------|-------|---|---|

|                       |         |         |         |         |
|-----------------------|---------|---------|---------|---------|
| Total segment revenue | 378,283 | 376,574 | 191,757 | 182,814 |
|-----------------------|---------|---------|---------|---------|

Unallocated revenue

Total consolidated revenue

### Results

|                |        |        |       |        |
|----------------|--------|--------|-------|--------|
| Segment result | 16,409 | 24,371 | 8,008 | 15,680 |
|----------------|--------|--------|-------|--------|

Unallocated expenses

Profit (loss) from ordinary activities before taxation

Income tax expense (credit)

Net profit (loss)

### Assets

|                |           |         |         |         |
|----------------|-----------|---------|---------|---------|
| Segment assets | 1,198,782 | 940,969 | 203,085 | 305,457 |
|----------------|-----------|---------|---------|---------|

Unallocated assets

Total assets

### Liabilities

|                     |         |         |        |        |
|---------------------|---------|---------|--------|--------|
| Segment liabilities | 234,901 | 196,277 | 58,725 | 71,287 |
|---------------------|---------|---------|--------|--------|

Unallocated liabilities

Total liabilities

### Other segment information

Equity accounted investments

included in segment assets

|                                               |        |        |     |     |
|-----------------------------------------------|--------|--------|-----|-----|
| Acquisition of property, plant and equipment, | 28,565 | 32,751 | 752 | 752 |
|-----------------------------------------------|--------|--------|-----|-----|

|                                                |        |        |        |       |
|------------------------------------------------|--------|--------|--------|-------|
| intangible assets and other non-current assets | 72,039 | 44,138 | 12,530 | 4,693 |
|------------------------------------------------|--------|--------|--------|-------|

|              |        |        |       |       |
|--------------|--------|--------|-------|-------|
| Depreciation | 17,077 | 13,595 | 5,356 | 5,245 |
|--------------|--------|--------|-------|-------|

|              |       |       |       |     |
|--------------|-------|-------|-------|-----|
| Amortisation | 6,608 | 6,241 | 7,842 | 991 |
|--------------|-------|-------|-------|-----|

|                         |       |       |    |     |
|-------------------------|-------|-------|----|-----|
| Other non-cash expenses | 4,173 | 2,102 | 69 | 218 |
|-------------------------|-------|-------|----|-----|

|                     | Australasia        |                    |
|---------------------|--------------------|--------------------|
| Geographic segments | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 |

### Revenue

|                            |         |         |
|----------------------------|---------|---------|
| Sales to outside customers | 249,315 | 288,900 |
|----------------------------|---------|---------|

|               |        |     |
|---------------|--------|-----|
| Other revenue | 60,554 | 891 |
|---------------|--------|-----|

|                       |         |         |
|-----------------------|---------|---------|
| Total segment revenue | 309,869 | 289,791 |
|-----------------------|---------|---------|

### Assets

|                |         |         |
|----------------|---------|---------|
| Segment assets | 627,190 | 487,141 |
|----------------|---------|---------|

### Other segment information

Acquisition of property, plant and equipment,

|                                                |        |        |
|------------------------------------------------|--------|--------|
| intangible assets and other non-current assets | 39,084 | 27,492 |
|------------------------------------------------|--------|--------|



| Corporate and other |                    | Eliminations       |                    | Consolidated       |                    |
|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 31.1.2003<br>\$000  | 31.1.2002<br>\$000 | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 |
| 1,204               | 718                | -                  | -                  | 509,633            | 556,272            |
| -                   | -                  | (67)               | (556)              | -                  | -                  |
| 1,204               | 718                | (67)               | (556)              | 509,633            | 556,272            |
| 1,641               | 499                | -                  | -                  | 61,702             | 2,617              |
| -                   | -                  | -                  | -                  | 1,483              | 1,160              |
| 2,845               | 1,217              | (67)               | (556)              | 572,818            | 560,049            |
|                     |                    |                    |                    | 487                | 351                |
|                     |                    |                    |                    | 573,305            | 560,400            |
| (364)               | (1,855)            | -                  | -                  | 24,053             | 38,196             |
|                     |                    |                    |                    | (30,171)           | (29,801)           |
|                     |                    |                    |                    | (6,118)            | 8,395              |
|                     |                    |                    |                    | (2,820)            | 2,589              |
|                     |                    |                    |                    | (3,298)            | 5,806              |
| 59,059              | 43,029             | -                  | -                  | 1,460,926          | 1,289,455          |
|                     |                    |                    |                    | 43,221             | 41,135             |
|                     |                    |                    |                    | 1,504,147          | 1,330,590          |
| 14,761              | 13,310             | -                  | -                  | 308,387            | 280,874            |
|                     |                    |                    |                    | 802,896            | 698,189            |
|                     |                    |                    |                    | 1,111,083          | 979,063            |
| -                   | -                  | -                  | -                  | 29,317             | 33,503             |
| 23                  | 86                 | -                  | -                  | 84,592             | 48,917             |
| 20                  | 162                | -                  | -                  | 22,453             | 19,002             |
| 175                 | -                  | -                  | -                  | 14,625             | 7,232              |
| 1,190               | 26                 | -                  | -                  | 5,432              | 2,346              |

| Europe             |                    | Americas           |                    | Consolidated       |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 31.1.2003<br>\$000 | 31.1.2002<br>\$000 | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 | 31.1.2003<br>\$000 | 31.1.2002<br>\$000 |
| 142,944            | 142,257            | 117,374            | 125,115            | 509,633            | 556,272            |
| 291                | 3,019              | 2,340              | (133)              | 63,185             | 3,777              |
| 143,245            | 145,276            | 119,714            | 124,982            | 572,818            | 560,049            |
| 570,041            | 474,884            | 306,916            | 368,565            | 1,504,147          | 1,330,590          |
| 40,356             | 11,614             | 5,152              | 9,811              | 84,592             | 48,917             |

# Notes

Notes to the half-year financial statements continued

|                                                                                                                                                                                               | Consolidated   |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                                               | 31.1.2003      | 31.1.2002      |
|                                                                                                                                                                                               | \$000          | \$000          |
| <b>5 Retained profits including proposed dividend</b>                                                                                                                                         |                |                |
| Retained profits at the beginning of the period                                                                                                                                               | 212,670        | 183,721        |
| Adjustment arising from adoption of new Accounting Standard AASB 1044 'Provisions, contingent liabilities and contingent assets'                                                              | 17,082         | —              |
| Dividend paid                                                                                                                                                                                 | (17,103)       | —              |
| Net profit (loss) attributable to members of the parent entity                                                                                                                                | (3,990)        | 5,558          |
| Dividends provided                                                                                                                                                                            | —              | (10,863)       |
| Transfers from reserves                                                                                                                                                                       | 4,673          | 184            |
|                                                                                                                                                                                               | <b>213,332</b> | <b>178,600</b> |
| <b>6 Statement of cash flows</b>                                                                                                                                                              |                |                |
| <b>Businesses acquired</b>                                                                                                                                                                    |                |                |
| Acquisition of the Crop Care business in Australia and New Zealand from Orica and Incitec and the German agchem business acquired from Bayer. The amounts of assets and liabilities acquired: |                |                |
| Cash                                                                                                                                                                                          | 3,150          | 72             |
| Receivables                                                                                                                                                                                   | 13,816         | 329            |
| Inventories                                                                                                                                                                                   | 58,767         | 767            |
| Tax assets                                                                                                                                                                                    | 1,177          | —              |
| Property, plant and equipment                                                                                                                                                                 | 14,915         | 1,012          |
| Intangibles                                                                                                                                                                                   | 30,886         | 3,472          |
| Payables                                                                                                                                                                                      | (17,325)       | (325)          |
| Tax liabilities                                                                                                                                                                               | (1,305)        | —              |
| Reduction of investment                                                                                                                                                                       | —              | (173)          |
| Total consideration                                                                                                                                                                           | <b>104,081</b> | <b>5,154</b>   |
| Cash deferred                                                                                                                                                                                 | (9,161)        | —              |
| Amount paid for acquisition in prior period                                                                                                                                                   | 6,000          | 710            |
|                                                                                                                                                                                               | <b>100,920</b> | <b>5,864</b>   |
| Cash included in net assets acquired                                                                                                                                                          | (3,150)        | (72)           |
| Net cash effect                                                                                                                                                                               | <b>97,770</b>  | <b>5,792</b>   |
| <b>Businesses sold</b>                                                                                                                                                                        |                |                |
| Sale of the specialty chemical businesses in Australia and New Zealand to Orica. The amounts of assets and liabilities sold:                                                                  |                |                |
| Receivables                                                                                                                                                                                   | 2,084          | —              |
| Inventories                                                                                                                                                                                   | 41,151         | —              |
| Property, plant and equipment                                                                                                                                                                 | 8,904          | —              |
| Cash gain on disposal                                                                                                                                                                         | 7,269          | —              |
| Net cash effect                                                                                                                                                                               | <b>59,408</b>  | <b>—</b>       |

# Notes

Notes to the half-year financial statements continued

| Consolidated |           |
|--------------|-----------|
| 31.1.2003    | 31.1.2002 |
| \$000        | \$000     |

## 7 Discontinuing operation

Effective 1 November 2002, the group sold its specialty chemicals trading business in Australia and New Zealand to Orica Limited. The disposal of fixed assets and inventories gave rise to the following items of revenue and expense during the half-year.

|                                                |          |    |
|------------------------------------------------|----------|----|
| Revenue from divestment of business            | 57,852   | -- |
| Carrying value of assets sold in divestment    | (49,652) | -- |
| Amortisation of intellectual property          | (6,250)  | -- |
| Other costs of divestment                      | (1,950)  | -- |
| Gain on divestment                             | --       | -- |
| Related income tax                             | --       | -- |
| Gain on divestment (net of income tax expense) | --       | -- |

## 8 Contingent liabilities

Contingent liabilities total \$15.208 million. The reduction of \$4.172 million during the period is the result of there being fewer receivables sold to financiers where there is recourse to the company.

## 9 Subsequent events

On 27 March 2003, the directors declared an interim dividend of 7 cents per share, payable 2 May 2003.

# Directors' declaration

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The directors declare that the financial statements and notes of the consolidated entity:

- (a) give a true and fair view of the financial position as at 31 January 2003 and performance for the half-year then ended of the consolidated entity; and
- (b) comply with Accounting Standard AASB 1029 'Interim Financial Reporting' and the Corporations Regulations 2001; and
- (c) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as when they become due and payable, and the companies and the parent entity who are party to the deed of cross guarantee, will together be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee dated 10 July 2000.

This statement has been made in accordance with the resolution of directors.



KM Hoggard  
Director



D J Rathbone  
Director

Melbourne  
27 March 2003

