



NUFARM INTERIM RESULTS

6 months to January 31, 2016

March, 2016



Nufarm

Grow a better tomorrow.



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Non-IFRS information

Nufarm Limited results are reported under International Financial Reporting Standards (IFRS) including Underlying EBIT and Underlying EBITDA which are used to measure segment performance. This presentation also includes certain non-IFRS measures including Underlying net profit after tax and Gross profit margin. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review. Certain figures may be subject to rounding differences. Refer to "Supplementary information" for the definition and calculation of non-IFRS information. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated. All amounts are in Australian Dollars unless otherwise stated.



2016 Interim Results Overview

Greg Hunt
Managing Director / CEO

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Headline results

- Revenue in line with last year, but up 4% in constant currency
- Underlying EBIT growth 12%
- Underlying NPAT impacted by foreign exchange losses
- Reported NPAT includes material items
- Good progress on net working capital management
- Net debt slightly higher

(A\$ millions)

	1H16	1H15	Change
Revenue	1,188	1,184	▲ 0%
Underlying EBIT	71.2	63.4	▲ 12%
Underlying NPAT	11.9	26.5	▼ 55%
Reported NPAT	(91.0)	23.2	▼
Average net working capital/sales	40.8%	43.9%	▼
Net debt at 31 January	927	890	▲ 4%
Half Year dividend	4 cents	4 cents	

A solid result that sets us up for a strong second half performance



Highlights

- Good underlying EBIT growth of 12%
- Strong improvement in gross profit margin
- Market share gains in Latin America despite tougher economic conditions
- Good progress towards 40% average net working capital target
- Performance improvement program on track to deliver \$116 million by FY 2018
- Clear strategic growth plan with a focus on core growth areas of our business

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The safety of our people

- In September, 2015 Nufarm had a fatality at the Linz manufacturing site in Austria. We have taken this loss very seriously and are focused on improvements across our global operations
- Nufarm is building a step change in safety performance through our Sustainability Strategy which has safety at its centre
- Our focus is on leading indicators to encourage a culture of reporting, learning from incidents and continuous safety improvement
- Employees are encouraged to raise all unusual and potentially hazardous incidents through the Unusual Incident Reporting system – Nufarm investigates all reported incidents and tracks actions



2016 Interim Results – **Financials**

Paul Binfield
Chief Financial Officer

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2016 Interim results

Solid profit growth in challenging circumstances

- Strong gross profit margin expansion demonstrating performance improvement program delivering gains
- Underlying EBIT growth of 12%. Local currency profit improvement in all businesses
- Reported NPAT impacted by material items of \$102.9m (post tax)
- Underlying NPAT down \$15m due to higher interest expense and net fx losses

(A\$ millions)

	Half year ended 31 January		Change
	2016	2015	
Revenue	1,187.6	1,183.7	0.3% ▲
Underlying gross profit ⁽¹⁾	335.2	316.5	5.9% ▲
Gross profit margin	28.2%	26.7%	148bps ▲
Underlying EBITDA ⁽¹⁾	112.3	102.4	9.6% ▲
EBITDA margin	9.5%	8.7%	81bps ▲
Underlying EBIT ⁽¹⁾	71.2	63.4	12.3% ▲
EBIT margin	6.0%	5.4%	64bps ▲
Reported NPAT	(91.0)	23.2	~ ▼
Underlying NPAT ⁽¹⁾	11.9	26.5	(55.2%) ▼
Return on funds employed (ROFE) ⁽²⁾	10.7%	8.9%	184bps ▲
Dividend (cents per share) ⁽³⁾	4.0¢	4.0¢	

1. Excludes material items in 1H16 of (\$102.9) million (post tax). In 1H15 material items were \$(3.3)million (post tax).

2. ROFE is underlying EBIT for 12 months ended 31 January divided by the average of opening and closing funds employed (total equity plus net debt)

3. Unfranked

Significant impact of foreign exchange

Devaluation of BRL has had significant adverse impact in 1H16

(A\$ millions)

	Half year ended 31 January			
	2016 Reported currency	2016 Constant currency ⁽¹⁾	2015 Reported currency	Constant currency %
Revenue	1,187.6	1,231.6	1,183.7	4.0%
Underlying SG&A expenses ⁽²⁾	251.5	249.6	240.4	3.8%
Underlying EBITDA ⁽²⁾	112.3	121.4	102.4	18.6%
Underlying EBIT ⁽²⁾	71.2	83.6	63.4	31.9%
Net Underlying FX gain/(loss) (inc. in financing costs)	(17.1)	N/A	7.9	

A\$1 =	Average exchange rates 1H16 v 1H15		
	1H16	1H15	%
BRL	2.708	2.138	26.7%
USD	0.718	0.855	-16.0%
EUR	0.654	0.691	-5.4%
GBP	0.472	0.539	-12.4%

(1) 2016 reported results converted at 2015 foreign currency exchange rates

(2) Excludes material items

- Impact of FX on revenue and underlying EBIT

- Volatile and depreciating BRL has had a significant adverse impact on trading result. Stronger USD, Euro and GBP has partially offset this in 1H

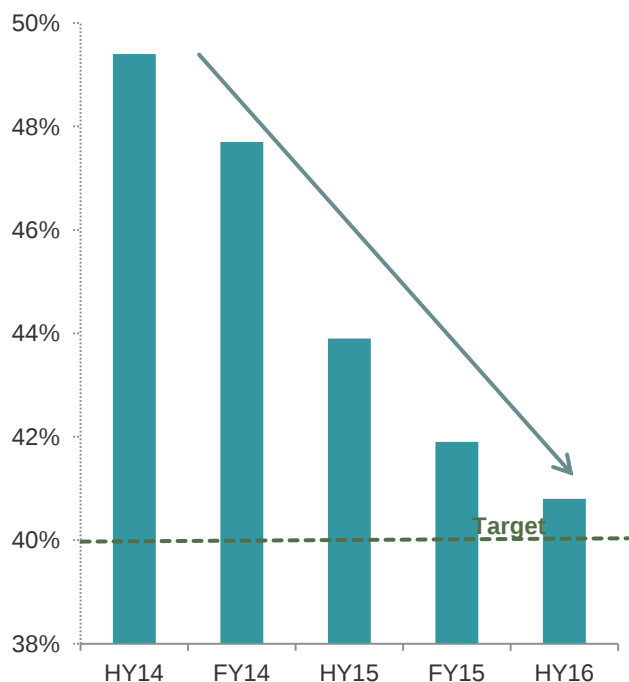
- Impact of FX on net financing costs

- Actively seek to hedge FX exposures on foreign-denominated loan balances and trading balances such as receivables and payables
- Some exposures are uneconomic to hedge so there are unhedged exposures to FX movements
- FX loss of \$17.1 million in 1H16, derived almost exclusively in Latin America, compared with a gain of \$7.9 million in 1H15
- Significant currency volatility has made effective hedging more challenging
- A change in industry practice in Brazil with less revenue pegged to USD has increased currency exposures resulting in higher hedging costs, higher interest cost and higher FX losses. Initiatives being established to increase the proportion of USD sales

Continued improvement in average net working capital

On-track to meet target of ANWC/Sales of 40% by end FY16

ANWC / Sales⁽²⁾



- Average NWC lower by \$53m driven by focus on capital discipline and favourable fx impact
- All components of NWC improved over the prior year
- Investment in improved processes and procedures across the supply chain has commenced

Net working capital

(A\$ millions)

	Half year ended 31 January		
	2016	2015	Change
Receivables	972	1,012	(40) ▼
Inventories	880	884	(4) ▼
Payables	(816)	(731)	(85) ▲
Net working capital	1,036	1,165	(129) ▼
ANWC	1,119	1,172	(53) ▼
ANWC/sales ⁽²⁾	40.8%	43.9%	(310bps) ▼

(1) ANWC is the average net working capital (NWC) balance calculated over each of the 12 months

(2) ANWC/sales is ANWC divided by the last 12 months sales revenue

Material items relate largely to the performance improvement program

Benefits of performance improvement program already being delivered

- One-off costs total \$122m (pre-tax), of which \$36m is cash and \$86m is non-cash
- Useful life of product related intangible assets re-assessed – capped at 30 years – estimated higher annual amortization cost of between \$13m to \$16m
- On track to deliver at least \$20m of benefits in FY16 and \$116m of net benefits by FY18
- Manufacturing footprint review completed. Excellence programs well progressed at all major sites
- Optimising the portfolio through deletion or de-emphasis of certain sku's has resulted in impairment of product related assets – non-cash in nature
- Devaluation of Argentine Peso resulted in FX loss on unhedged portion of USD payables. Offset by profits earned on USD sales of 'lower cost' inventory. Expect a breakeven position for full year

NPAT reconciliation

(A\$ millions)

	Half year ended 31 January	
	2016	2015
Underlying NPAT	\$11.9	\$26.4
<i>Material items</i>		
Manufacturing excellence	\$26.4	-
Portfolio rationalisation program	\$80.9	-
Asset rationalisation and restructure	\$8.8	\$4.5
Performance improvement program	\$116.1	\$4.5
Argentina Peso devaluation event	\$5.4	-
Total material items, pre-tax	\$121.5	\$4.5
(-) Tax	(\$18.6)	(\$1.2)
Total material items after tax	\$102.9	\$3.3
Reported NPAT	(\$91.0)	\$23.1

Operating expenses and tax expense

Control of operating expenses remains an important management objective

(A\$ millions)

	Half year ended 31 January	
	2016	2015
Underlying sales, marketing & distribution expenses ⁽¹⁾	166.0	157.9
Underlying general & administrative expenses ⁽¹⁾	85.5	82.5
Total underlying SG&A	251.5	240.4
SG&A/revenue	21.2%	20.3%
Corporate costs ⁽²⁾	20.7	19.9
Underlying effective tax rate	16.4%	30.1%

- In constant currency the expense ratio in line with prior year at 20.3%
- Corporate costs well controlled
- Expect long term effective tax rate to be around 30%

(1) Excludes material items: Material item of \$(102.9)m (post tax) in 1H16; material items of \$(3.3)m in 1H15

(2) Included within underlying general and administrative expenses above. Represents corporate segment EBIT

Net debt & financing costs

Working capital improvements drive stronger balance sheet

(A\$ millions)

	Half year ended 31 January	
	2016	2015
Interest income	(8.1)	(4.2)
Interest expense	43.8	33.3
Lease interest expense	1.1	1.0
Net interest expense	36.8	30.1
Debt establishment costs	3.2	3.4
Net interest expense	40.0	33.5
Net FX (gains)/losses ⁽¹⁾	17.1	(7.9)
Total financing costs ⁽¹⁾	57.1	25.6
Net debt at period end	927.0	889.6
Net debt in constant currency⁽²⁾	892.4	889.6
Average net debt for period⁽³⁾	857.2	792.9
Leverage at balance date	2.86x	3.15x

(1) Excludes material item of \$15.4m due to Argentina Peso devaluation.

(2) 31 January 2016 Actual converted at 31 January 2015 foreign currency exchange rates.

(3) Average net debt is the average of the month end net debt over the preceding six months.

- Net debt in constant currency flat on prior year
- Net finance expense driven higher due to challenging trading conditions in Brazil
 - Higher interest rates
 - More BRL denominated debt
 - Higher hedging costs
- Favourable credit conditions has permitted the renegotiation of the revolving credit facility with extended maturities and lower credit margins



2016 Interim Results

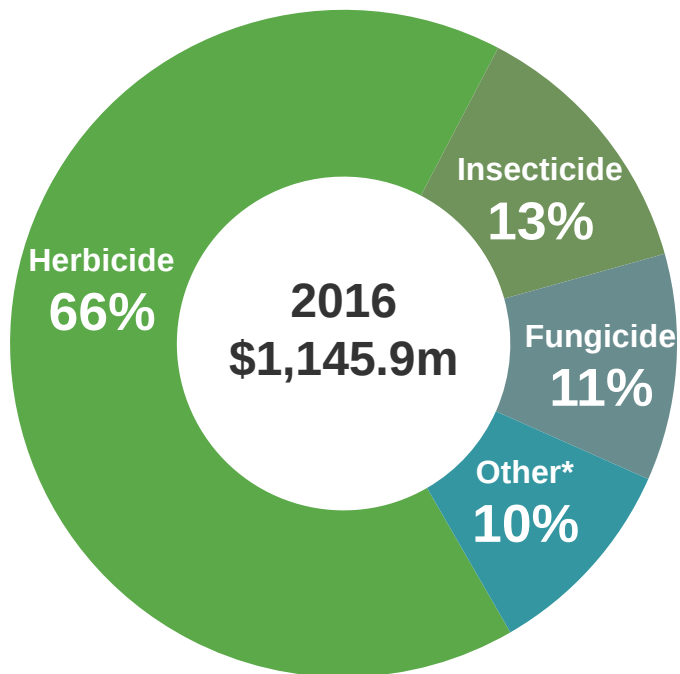
Crop Protection

Greg Hunt
Managing Director / CEO

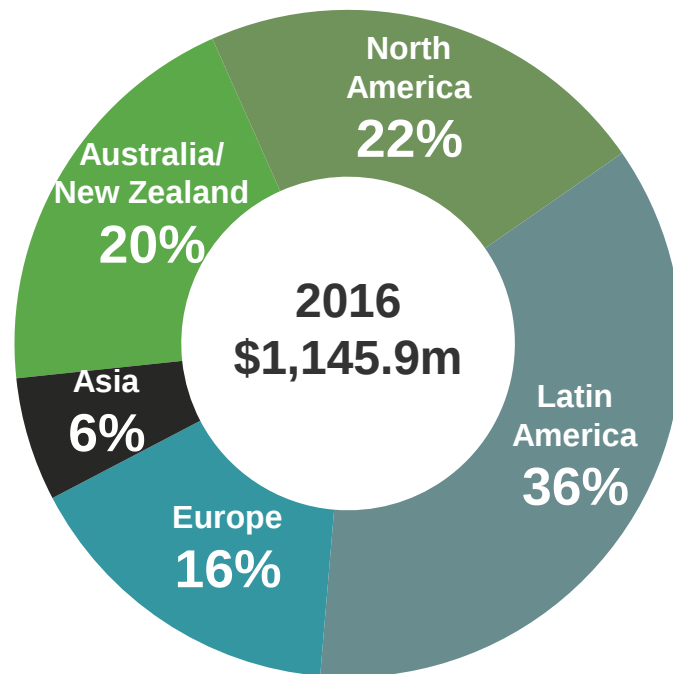
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Major crop protection segments

Product



Geographic



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

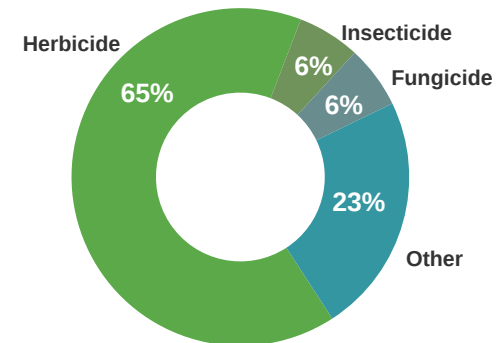
Regional review

Australia/New Zealand

(A\$ millions)

	Reported currency			Constant currency	
	1H16	1H15	%	1H16	%
Sales	231.6	238.3	-2.8%	231.2	-3.0%
Underlying EBIT	14.6	11.2	30.4%	14.2	26.8%
Underlying EBITDA	22.1	19.9	11.1%	21.8	9.5%
Underlying EBITDA margin	9.5%	8.4%		9.4%	

Regional revenues by major product segment



- Focus on quality sales, with improved selling discipline and benefits of cost-out program
- Lytton and Otahuhu plants closed. New insecticide and fungicide facility being commissioned. Full run rate benefits in FY17.
- Very dry start to the period – but good summer rains in late December/January
- NZ experienced good summer rainfall, but dairy sector remains challenged

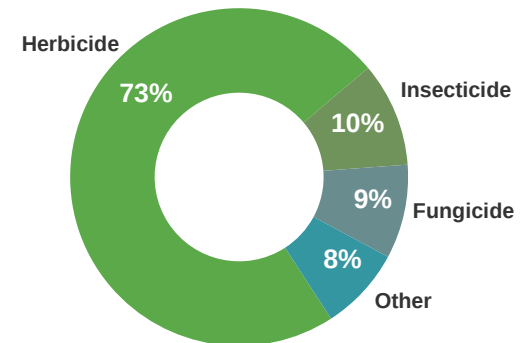
Regional review

North America

(A\$ millions)

	Reported currency			Constant currency	
	1H16	1H15	%	1H16	%
Sales	251.0	227.9	10.1%	218.2	-4.3%
Underlying EBIT	7.4	0.5		6.7	
Underlying EBITDA	15.5	8.3	86.7%	13.6	63.8%
Underlying EBITDA margin	6.2%	3.6%		6.2%	

Regional revenues by major product segment



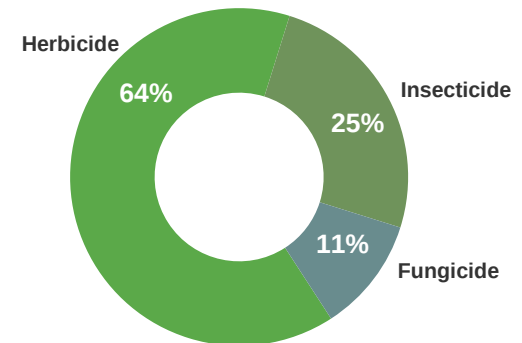
- Improved margins with better pricing discipline, and a more focused product portfolio
- Restructured sales team brings improved focus and better alignment to our customers
- Planned implementation of Salesforce.com (CRM tool) across the business
- Calgary plant closure in June. Investment in Chicago plant has lifted capacity and provided more flexibility
- Climatic conditions normal with good moisture levels

Regional review

Latin America

	Reported currency			Constant currency	
	1H16	1H15	%	1H16	%
Sales	415.0	422.2	-1.7%	502.5	19.0%
Underlying EBIT	57.7	65.0	-11.2%	70.3	8.2%
Underlying EBITDA	59.1	66.6	-11.3%	71.9	8.0%
Underlying EBITDA margin	14.2%	15.8%		14.3%	

Regional revenues by major product segment



- Tougher market conditions but Brazil sales growth 22% in local currency
- BRL weakness impacts margins, but procurement savings help reduce the impact
- Focus on portfolio enhancement, customer excellence and risk management
- Channel inventory under control with 'product on ground' growth in line with sales
- Argentina business performs well, despite political and economic instability
- Foreign exchange losses in Brazil exacerbated by change in industry practice – less USD invoicing – and cost of hedging USD exposure

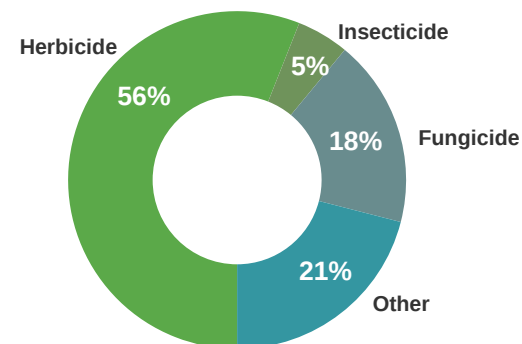
Regional review

Europe

(A\$ millions)

	Reported currency			Constant currency	
	1H16	1H15	%	1H16	%
Sales	176.7	169.4	4.3%	167.4	-1.2%
Underlying EBIT	7.1	3.2	121.9%	6.3	96.9%
Underlying EBITDA	25.9	18.9	37.0%	23.1	22.2%
Underlying EBITDA margin	14.7%	11.2%		13.8%	

Regional revenues by major product segment



- Improved margins with better pricing discipline
- Expanded portfolio with a concentration on differentiated offerings
- Botlek plant closed, and efficiency programs delivering benefits
- Nufarm moves to 100% owned operation in Poland (November 2015) to fully exploit growth potential
- Mild winter with potential for early start to the major season

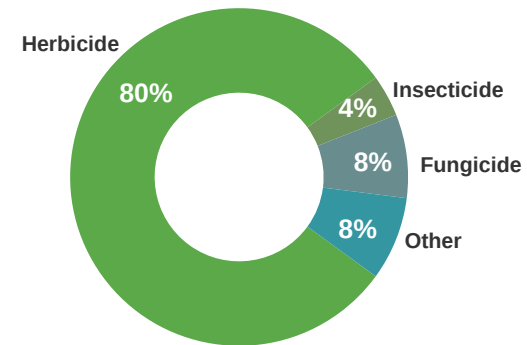
Regional review

Asia

(A\$ millions)

	Reported currency			Constant currency	
	1H16	1H15	%	1H16	%
Sales	71.6	83.0	-13.7%	70.4	-15.2%
Underlying EBIT	9.4	8.6	9.3%	9.5	10.5%
Underlying EBITDA	11.3	10.3	9.7%	11.4	10.7%
Underlying EBITDA margin	15.8%	12.4%		16.2%	

Regional revenues by major product segment



- Lower sales offset by focus on higher margin products and reduced expense levels
- Prolonged dry season in Indonesia delayed planting season and reduced the planted area
- Stronger sales into Japan, Sri Lanka and China

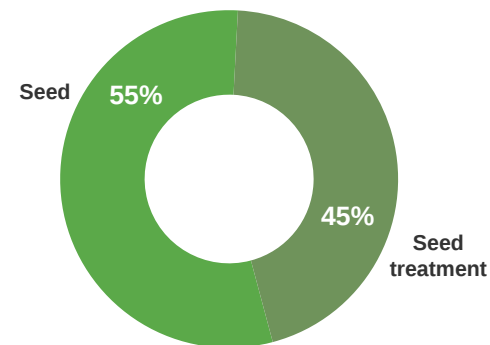
Segment result

Seed technologies

(A\$ millions)

	Reported currency			Constant currency	
	1H16	1H15	%	1H16	%
Sales	41.7	42.9	-2.8%	41.2	-4.0%
Underlying EBIT	-4.4	-5.2	15.4%	-3.3	36.5%
Underlying EBITDA	-1.3	-2.1	38.1%	-0.3	85.7%
Underlying EBITDA margin	-3.1%	-4.9%		-0.7%	

Regional revenues by major product segment



- Dry Australian summer impacted canola yields and summer crop seed sales
- Rationalisation of portfolio to concentrate effort on high growth/high value segments
- Expanding presence in European sunflower segment
- Continued investment in seed treatment portfolio and capabilities
- Omega 3 technical and regulatory pathway on track for 2018-2020 commercialisation



2016 Interim Results **Strategy update**

Greg Hunt
Managing Director / CEO

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Building a better Nufarm



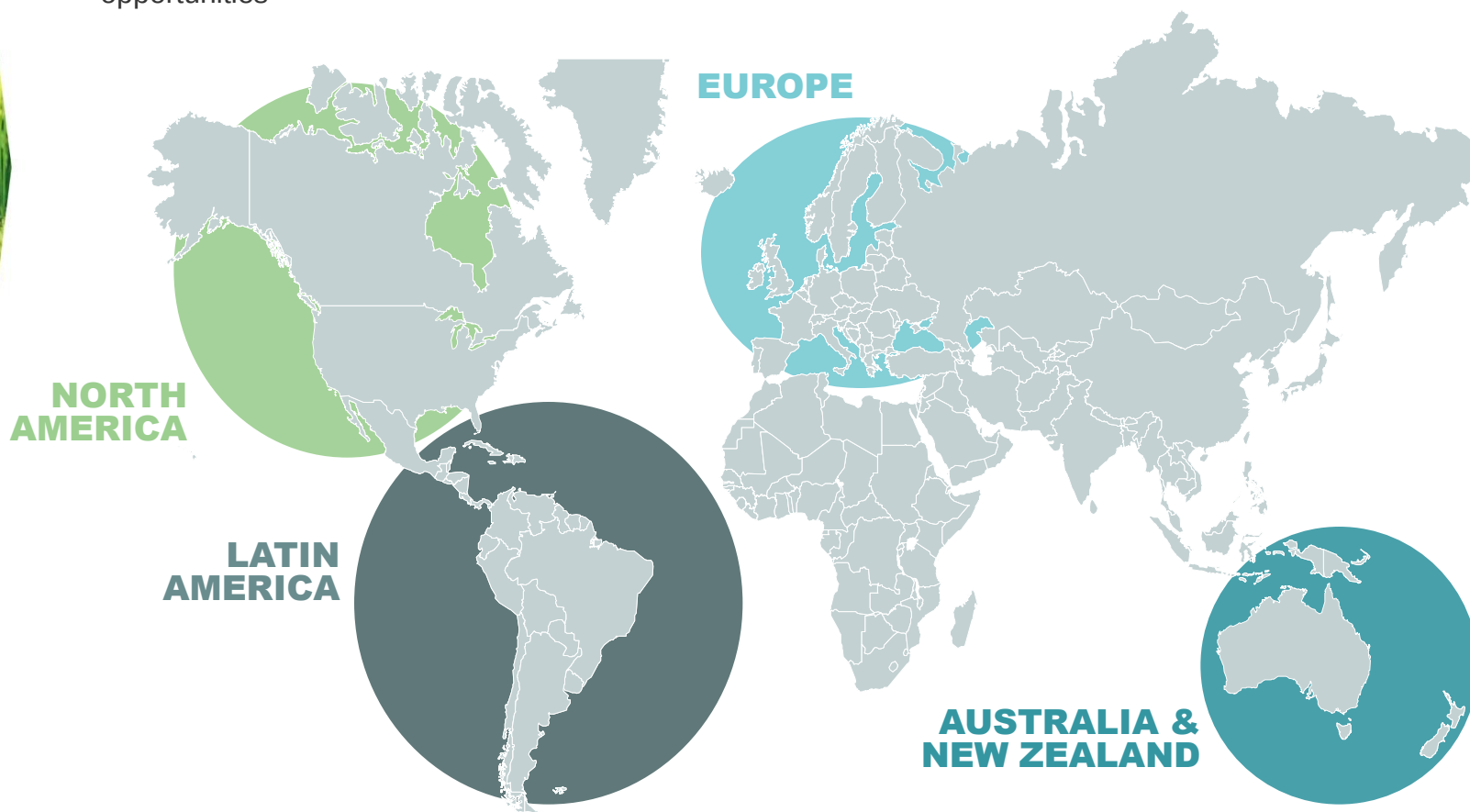
We have more clearly defined our growth strategy by focusing on markets and crops where we can leverage our expertise.

We will grow by focusing on depth, not breadth, and we will invest in developing and supplying solutions that support customers in our focus crops and geographies

Underpinned by safety, systems and processes

Focused on our core markets

- Nufarm has four hubs, Latin America, North America, Australia & New Zealand & Europe.
- From our hubs we access markets where we have the greatest prospects for profitable growth.
- For longer term growth options we have a presence in Asia and other countries that may provide future opportunities



Focused on our core crops

Demand for major crops is projected to increase significantly to feed a growing population. Our opportunity is about depth not breadth. We are prioritising our investments to leverage our deep expertise in these crops:



**PASTURE,
TURF &
ORNAMENTALS**



SOYBEAN



**TREES, NUTS,
VINES &
VEGETABLES**



CORN



CEREAL

Nuseed

- A growth platform in three key crops
- The next wave of value creation in agriculture will come from output traits
- These technologies will fundamentally improve crop value
- Canola: specialty oil platform
 - Monola (high oleic oil) trait expansion
 - Omega 3 on track for 2018/20 commercialisation
- Sunflower: modified oil and food ingredient platforms
 - High Oleic oil trait
 - Proof of concept novel oil project
 - Novel traits for differentiated food ingredients
- Sorghum: feed and food improvement
- Each crop underpinned with core strength in agronomic seed performance and global hybrid pipelines

Focused on customer excellence

Our performance improvement program is focused on leveraging Nufarm's global scale to improve the efficiency of our supply chain and streamline our product portfolio.



PEOPLE | VALUES | CULTURE

Improvements in these areas and investment into a better customer experience will drive sustainable growth.

Performance improvement program

Initiatives	Targeted savings by FY 2018	Review completed	In progress	Further analysis
Manufacturing footprint	\$40m	✓		
Manufacturing efficiencies	\$17-27m		✓	
Procurement	\$32-64m		✓	
Supply Chain/Logistics	\$10-15m		✓	
SG&A	\$18-25m			✓
Product rationalisation	\$5-10m	✓		

On track to deliver \$20 million savings in FY16

Targeting a net benefit of at least \$116 million and 16% return on funds employed by the end of FY 2018



2016 Interim Results – Outlook

Greg Hunt
Managing Director / CEO

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Group outlook for 2016 financial year

Margin expansion

- Earnings recovery to continue in Australia, driven by lower cost base and stronger margins
- North American business to benefit from expanded portfolio and stronger channel support
- In Brazil, larger safrinha plantings (second corn season) expected, but industry conditions tough
- Continued growth in Europe, aided by new product introductions and a lower cost base
- Seed technologies earnings growth in the second half will be challenging

Performance Improvement program

- Performance improvement program forecast to directly contribute an incremental EBIT benefit of at least \$20 million in this financial year

Net working capital

- On track to achieve 40% average net working target

Outlook

- EBIT growth to be driven by focus on high margin products, core crop segments and geographies, together with the benefits of our performance improvement program
- Exchange loss of \$5 million incurred in February due to further weakness of LATAM currencies. Underlying net profit after tax will be impacted by higher net financing expenses in the second half

Assuming average seasonal conditions in major markets, we expect to achieve another year of solid underlying EBIT growth in FY16



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Supplementary information

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Non IFRS disclosures and definitions

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

Non IFRS information reconciliation

	6 months ended 31 Jan 2016			6 months ended 31 Jan 2015		
	Underlying \$000	Material items \$000	Total \$000	Underlying \$000	Material items \$000	Total \$000
Revenue	1,187,605	-	1,187,605	1,183,730	-	1,183,730
Cost of sales	(852,405)	25,653	(878,058)	(867,182)	-	(867,182)
Gross Profit	335,200	25,653	309,547	316,548	-	316,548
Other income	7,659	-	7,659	5,585	-	5,585
Sales, marketing and distribution expenses	(166,037)	68,383	(234,420)	(157,929)	1,360	(159,289)
General and administrative expenses	(85,510)	12,014	(97,524)	(82,517)	3,179	(85,696)
Research and development expenses	(20,091)	7	(20,098)	(18,004)	-	(18,004)
Share of net profits/(losses) of associates	8	-	8	(257)	-	(257)
Operating profit	71,229	106,057	(34,828)	63,426	4,539	58,887
Financial income excluding fx	8,140	-	8,140	4,188	-	4,188
Net foreign exchange gains/(losses)	(17,088)	15,450	(32,538)	7,881	-	7,881
Net financial income	(8,948)	15,450	(24,398)	12,069	-	12,069
Financial expenses	(48,092)	-	(48,092)	(37,682)	-	(37,682)
Net financing costs	(57,040)	15,450	(72,490)	(25,613)	-	(25,613)
Profit before tax	14,189	121,507	(107,318)	37,813	4,539	33,274
Income tax benefit/(expense)	(2,332)	(18,635)	16,303	(11,396)	(1,219)	(10,177)
Profit for the period	11,857	102,872	(91,015)	26,417	3,320	23,097
Attributable to:						
Equity holders of the parent	11,868	102,872	(91,004)	26,472	3,320	23,152
Non-controlling interest	(11)	-	(11)	(55)	-	(55)
Profit for the period	11,857	102,872	(91,015)	26,417	3,320	23,097

Non IFRS information reconciliation

Six months ended 31 January	2016 \$000	2015 \$000
Underlying EBIT	71,229	63,426
Material items impacting operating profit	(106,057)	(4,539)
Operating profit	(34,828)	58,887
Underlying EBIT	71,229	63,426
add Depreciation and amortisation excluding material items	41,063	39,016
Underlying EBITDA	112,292	102,442