

RESULTS FOR ANNOUNCEMENT TO THE MARKET

| 12 months ended 31 July 2012 \$000 | | Consolidated | | increase / (decrease) \$000 | increase / (decrease) % |
|---|---|---|---|-----------------------------------|-------------------------------|
| | | 6 months ended 31 Jan 2013 \$000 | 6 months ended 31 Jan 2012 \$000 | | |
| TRADING RESULTS | | | | | |
| 2,181,551 | Revenue from ordinary activities | 934,409 | 862,696 | 71,713 | 8% |
| | Profit/(loss) from ordinary activities after tax attributable to members | | | | |
| 115,440 | - Before material items | 10,613 | 23,933 | (13,320) | (56%) |
| 72,594 | - After material items | 8,389 | 18,022 | (9,633) | (53%) |
| | Net profit/(loss) attributable to members | | | | |
| 115,440 | - Before material items | 10,613 | 23,933 | (13,320) | (56%) |
| 72,594 | - After material items | 8,389 | 18,022 | (9,633) | (53%) |

DIVIDENDS AND DISTRIBUTIONS

| | Amount per security (cents) | Franked amount per security (cents) |
|--|-----------------------------------|--|
| Dividends to shareholders | | |
| Interim dividend paid for the period ended 31 January 2012 | 3.0 | 3.0 |
| Final dividend paid for the period ended 31 July 2012 | 3.0 | 3.0 |
| Interim dividend for the period ended 31 January 2013 | 3.0 | 3.0 |

An interim dividend of 3 cents per share, fully franked, will be paid on 10 May 2013 to all holders of ordinary shares in the company as of 12 April 2013. There is no conduit foreign income attributed to the dividend.

The Dividend Reinvestment Plan (DRP) will be made available to shareholders for the interim dividend.

Directors have determined that the Issue Price will be calculated on the volume weighted average of the company's ordinary shares on the ASX over a period of 10 consecutive trading days commencing after the record date and concluding prior to the date of allotment of ordinary shares under the plan. The last election date for shareholders who are not yet participants in the DRP is 12 April 2013. The Directors have determined that, for this dividend payment, no discount will apply to shares issued under the DRP.

Nufarm Step-up Securities distribution

| | Distribution rate | Total amount \$000 | Payment date |
|--|----------------------|--------------------------|-----------------|
| Nufarm Step-up Securities distribution | 8.11% | 10,146 | 15 Oct 2012 |
| Nufarm Step-up Securities distribution | 6.61% and 8.61% | 10,253 | 16 April 2012 |

OTHER SUMMARY DATA

| 31 July 2012 | Metric | 31 Jan 2013 | 31 Jan 2012 |
|--------------|---|-------------|-------------|
| 24% | Gearing ratio (net debt/net debt plus equity) | 33% | 31% |
| \$2.88 | Net tangible assets per ordinary share | \$2.79 | \$2.91 |
| 3,401 | Staff employed | 3,459 | 3,264 |

Directors' report

The board of directors of Nufarm Limited has pleasure in submitting its report together with the condensed consolidated financial statements as at and for the six month period ended 31 January 2013 and the auditor's review report thereon.

Directors

The names of the directors in office during the period were:

Non-executive directors

DG McGauchie AO (chairman)
AB Brennan
GR Davis
Dr WB Goodfellow
GA Hounsell (retired 8 October 2012)
PM Margin
FA Ford (appointed 10 October 2012)
T Takasaki (appointed 6 December 2012)

Executive director

DJ Rathbone AM (managing director)

Except as noted, all directors held their position as a director throughout the entire period and up to the date of this report.

Principal activities

Nufarm manufactures and supplies a range of agricultural chemicals used by farmers to protect crops from damage caused by weeds, pests and disease. The company has production and marketing operations throughout the world and sells products in more than 100 countries. Nufarm's crop protection products enjoy a reputation for high quality and reliability and are supported by strong brands, a commitment to innovation and a focus on close customer relationships. The company also operates a seeds business focused on canola, sorghum and sunflower seeds.

Nufarm employs in excess of 3,400 people at its various locations in Australia & New Zealand, Asia, the Americas, Europe and Africa. The company is listed on the Australian Stock Exchange (symbol NUF), and its head office is located at Laverton North in Melbourne.

Results

The net profit attributable to members of the group for the six months to 31 January 2013 is \$8.389 million, after including the material items described in note 7. The comparable figure for the six months to 31 January 2012 was a net profit of \$18.022 million.

Review of operations

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

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is enclosed and forms part of the directors' report for the six months ended 31 January 2013.

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 otherwise.

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



DG McGauchie
Director



DJ Rathbone
Director

Nufarm Limited

Condensed consolidated income statement

for the six months ended 31 January 2013

| | Note | 31 Jan 2013 \$000 | 31 Jan 2012 \$000 |
|---|------|----------------------|----------------------|
| Revenue | 6 | 934,409 | 862,696 |
| Cost of sales | | (681,856) | (630,847) |
| Gross profit | | 252,553 | 231,849 |
| Other income | | 11,383 | 5,944 |
| Sales, marketing and distribution expenses | | (124,298) | (115,082) |
| General and administrative expenses ^(a) | | (77,158) | (73,133) |
| Research and development expenses | | (17,957) | (18,071) |
| Share of net profits/(losses) of associates | 11 | (377) | (612) |
| Operating profit | | 44,146 | 30,895 |
| Financial income excluding foreign exchange gains/(losses) ^(a) | | 3,177 | 3,847 |
| Net foreign exchange gains/(losses) ^(a) | | (9,213) | 22,415 |
| Net financial income | | (6,036) | 26,262 |
| Financial expenses ^(a) | | (28,002) | (32,568) |
| Net financing costs | 17 | (34,038) | (6,306) |
| Profit before tax | | 10,108 | 24,589 |
| Income tax benefit/(expense) | | (1,263) | (6,592) |
| Profit for the period | | 8,845 | 17,997 |
| Attributable to: | | | |
| Equity holders of the parent | 14 | 8,389 | 18,022 |
| Non-controlling interest | 14 | 456 | (25) |
| Profit for the period | | 8,845 | 17,997 |
| Earnings per share attributable to ordinary equity holders | | | |
| Basic earnings per share (cents) | 14 | 0.4 | 4.4 |
| Diluted earnings per share (cents) | 14 | 0.4 | 4.4 |

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

(a) Comparative amounts have been reclassified to align with current classification. Refer to note 3(b) for details.

Nufarm Limited

Condensed consolidated statement of comprehensive income

for the six months ended 31 January 2013

| | 31 Jan 2013 \$000 | 31 Jan 2012 \$000 |
|--|----------------------|----------------------|
| Net profit/(loss) for the period | 8,845 | 17,997 |
| Other comprehensive income | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | |
| Foreign exchange translation differences for foreign operations | 47,310 | (64,705) |
| Effective portion of changes in fair value of cash flow hedges | (4,918) | - |
| Effective portion of changes in fair value of net investment hedges | (3,480) | - |
| <i>Items that will not be reclassified to profit or loss:</i> | | |
| Actuarial gains/(losses) on defined benefit plans | (1,572) | (4,006) |
| Income tax on share based payment transactions | 80 | - |
| Other comprehensive income/(loss) for the period, net of income tax | <u>37,420</u> | <u>(68,711)</u> |
| Total comprehensive income/(loss) for the period | <u>46,265</u> | <u>(50,714)</u> |
| Attributable to: | | |
| Shareholders of the company | 45,809 | (50,689) |
| Non-controlling interest | 456 | (25) |
| Total comprehensive income/(loss) for the period | <u>46,265</u> | <u>(50,714)</u> |

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

Condensed consolidated balance sheet

As at 31 January 2013

| | Note | 31 Jan 2013 \$000 | 31 July 2012 \$000 | 31 Jan 2012 \$000 |
|--|------|----------------------|-----------------------|----------------------|
| Current assets | | | | |
| Cash and cash equivalents | 16 | 216,528 | 191,317 | 206,926 |
| Trade and other receivables | | 808,831 | 730,496 | 790,449 |
| Inventories | | 812,564 | 515,254 | 649,820 |
| Current tax assets | | 60,786 | 37,664 | 52,957 |
| Assets held for sale | 15 | - | - | 8,976 |
| Total current assets | | 1,898,709 | 1,474,731 | 1,709,128 |
| Non-current assets | | | | |
| Receivables | | 40,320 | 41,095 | 14,335 |
| Equity accounted investments | | 4,134 | 4,126 | 5,991 |
| Other investments | | 5,952 | 6,213 | 6,148 |
| Deferred tax assets | | 170,757 | 181,633 | 158,344 |
| Property, plant and equipment | | 384,226 | 370,780 | 367,259 |
| Intangible assets | | 766,654 | 722,690 | 744,226 |
| Total non-current assets | | 1,372,043 | 1,326,537 | 1,296,303 |
| TOTAL ASSETS | | 3,270,752 | 2,801,268 | 3,005,431 |
| Current liabilities | | | | |
| Bank overdraft | 16 | - | - | 8,940 |
| Trade and other payables | | 588,693 | 474,991 | 475,147 |
| Loans and borrowings | 16 | 254,014 | 292,323 | 261,638 |
| Employee benefits | | 17,940 | 18,167 | 20,309 |
| Current tax payable | | 13,895 | 14,834 | 4,587 |
| Provisions | | 4,218 | 6,742 | 4,597 |
| Total current liabilities | | 878,760 | 807,057 | 775,218 |
| Non-current liabilities | | | | |
| Payables | | 36,999 | 10,246 | 13,186 |
| Loans and borrowings | 16 | 705,099 | 366,798 | 592,822 |
| Deferred Tax Liabilities | | 100,330 | 95,823 | 75,075 |
| Employee Benefits | | 48,676 | 44,542 | 41,732 |
| Total non-current liabilities | | 891,104 | 517,409 | 722,815 |
| TOTAL LIABILITIES | | 1,769,864 | 1,324,466 | 1,498,033 |
| NET ASSETS | | 1,500,888 | 1,476,802 | 1,507,398 |
| Equity | | | | |
| Issued capital | | 1,063,355 | 1,059,522 | 1,058,920 |
| Reserves | | (302,502) | (326,915) | (258,096) |
| Retained Earnings | | 488,210 | 496,663 | 458,894 |
| Equity attributable to equity holders of the parent | | 1,249,063 | 1,229,270 | 1,259,718 |
| <i>Non-controlling interest:</i> | | | | |
| Nufarm Step-up Securities | | 246,932 | 246,932 | 246,932 |
| Other | | 4,893 | 600 | 748 |
| TOTAL EQUITY | | 1,500,888 | 1,476,802 | 1,507,398 |

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

Condensed consolidated statement of changes in equity

for the six months ended 31 January 2013

| | Attributable to equity holders of the Company | | | | | Non-controlling interest | | | Total equity \$000 |
|---|---|-------------|----------|----------------|----------|--------------------------|----------------|-------|-----------------------|
| | Share | Translation | Other | Capital Profit | Retained | Total \$000 | Nufarm Step-up | Other | |
| | Capital | Reserve | Reserves | Reserve | Earnings | | Securities | | |
| | \$000 | \$000 | \$000 | \$000 | \$000 | | \$000 | \$000 | |
| Balance at 1 August 2011 | 1,058,151 | (227,551) | 714 | 33,627 | 451,472 | 1,316,413 | 246,932 | 773 | 1,564,118 |
| Profit/(loss) after taxation | - | - | - | - | 18,022 | 18,022 | - | (25) | 17,997 |
| Other comprehensive income: | | | | | | | | | |
| Actuarial gains/(losses) on defined benefit plans | - | - | - | - | (4,006) | (4,006) | - | - | (4,006) |
| Foreign exchange translation differences for foreign operations | - | (64,705) | - | - | - | (64,705) | - | - | (64,705) |
| Income tax on share based payment transactions | - | - | - | - | - | - | - | - | - |
| Total comprehensive income/(loss) for the period | - | (64,705) | - | - | 14,016 | (50,689) | - | (25) | (50,714) |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Shares issued and accrued to employees | 769 | - | (181) | - | - | 588 | - | - | 588 |
| Distributions to Nufarm Step-up Security holders | - | - | - | - | (6,594) | (6,594) | - | - | (6,594) |
| Balance at 31 January 2012 | 1,058,920 | (292,256) | 533 | 33,627 | 458,894 | 1,259,718 | 246,932 | 748 | 1,507,398 |
| Balance at 1 August 2012 | 1,059,522 | (363,410) | 2,868 | 33,627 | 496,663 | 1,229,270 | 246,932 | 600 | 1,476,802 |
| Profit/(loss) after taxation | - | - | - | - | 8,389 | 8,389 | - | 456 | 8,845 |
| Other comprehensive income: | | | | | | | | | |
| Actuarial gains/(losses) on defined benefit plans | - | - | - | - | (1,572) | (1,572) | - | - | (1,572) |
| Foreign exchange translation differences for foreign operations | - | 47,310 | - | - | - | 47,310 | - | - | 47,310 |
| Gains/(losses) on cash flow hedges taken to equity | - | - | (4,918) | - | - | (4,918) | - | - | (4,918) |
| Gains/(losses) on net investment hedges taken to equity | - | - | (3,480) | - | - | (3,480) | - | - | (3,480) |
| Income tax on share based payment transactions | - | - | 80 | - | - | 80 | - | - | 80 |
| Total comprehensive income/(loss) for the period | - | 47,310 | (8,318) | - | 6,817 | 45,809 | - | 456 | 46,265 |
| Transactions with owners, recorded directly in equity | | | | | | | | | |
| Accrued employee share award entitlement | - | - | 2,047 | - | - | 2,047 | - | - | 2,047 |
| Issuance of shares under employee share plans | 3,495 | - | (3,495) | - | - | - | - | - | - |
| Acquisition of non-controlling interests | - | - | (13,131) | - | - | (13,131) | - | 3,837 | (9,294) |
| Dividends paid to shareholders | - | - | - | - | (7,817) | (7,817) | - | - | (7,817) |
| Dividend reinvestment plan | 338 | - | - | - | - | 338 | - | - | 338 |
| Distributions to Nufarm Step-up Security holders | - | - | - | - | (7,453) | (7,453) | - | - | (7,453) |
| Balance at 31 January 2013 | 1,063,355 | (316,100) | (20,029) | 33,627 | 488,210 | 1,249,063 | 246,932 | 4,893 | 1,500,888 |

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

Condensed consolidated statement of cash flows

for the six months ended 31 January 2013

| | Note | 31 Jan 2013 \$000 | 31 Jan 2012 \$000 |
|---|------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Cash receipts from customers | | 947,370 | 788,314 |
| Cash paid to suppliers and employees | | (1,028,167) | (827,252) |
| Cash generated from operations | | (80,797) | (38,938) |
| Interest received | | 3,177 | 3,847 |
| Dividends received | | 55 | 151 |
| Interest paid | | (17,716) | (23,590) |
| Income tax paid | | (6,275) | (12,529) |
| Class action settlement | | (46,677) | - |
| Net cash used in operating activities | | (148,233) | (71,059) |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | | 135 | 227 |
| Proceeds from sales of business and investments | | 1,818 | 3,482 |
| Payments for plant and equipment | | (22,908) | (18,724) |
| Purchase of businesses, net of cash acquired | 10 | (23,422) | (53,274) |
| Payments for acquired intangibles and major product development expenditure | | (22,583) | (15,676) |
| Net investing cash flows | | (66,960) | (83,965) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | 851,372 | 757,514 |
| Repayment of borrowings | | (585,564) | (615,434) |
| Debt establishment transaction costs ^(a) | | (13,952) | (23,791) |
| Distribution to NSS holders | | (10,146) | (8,957) |
| Dividends paid | 14 | (7,479) | - |
| Net financing cash flows | | 234,231 | 109,332 |
| Net increase/(decrease) in cash and cash equivalents | | 19,038 | (45,692) |
| Cash and cash equivalents at the beginning of the period | | 191,317 | 246,825 |
| Exchange rate fluctuations on foreign cash balances | | 6,173 | (3,147) |
| Cash and cash equivalents at the end of the period | 16 | 216,528 | 197,986 |

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

(a) Comparative amounts have been reclassified to align with current classification. Refer to note 3(b) for details.

Condensed notes to the consolidated interim financial report

1 Reporting entity

Nufarm Limited (the 'company') is domiciled in Australia. The condensed consolidated interim financial statements of the company as at and for the six months ended 31 January 2013 comprises the company and its subsidiaries (together referred to as the 'group') and the group's interest in associates and jointly controlled entities.

The consolidated annual financial statements of the group as at and for the year ended 31 July 2012 are available upon request from the company's registered office at 103-105 Pipe Road, Laverton North, Victoria, Australia or at <http://www.nufarm.com>.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with AASB 134: *Interim Financial Reporting*, the Corporations Act 2001 and IAS 34: *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 31 July 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 27 March 2013.

3 Accounting policies

(a) Significant accounting policies

Except as described below, the accounting policies applied by the group in these condensed consolidated interim financial statements are the same as those applied by the group in its consolidated financial statements as at and for the year ended 31 July 2012.

From 1 July 2012 the Group applied amendments to AASB 134 *Interim Financial Reporting* outlined in AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The change in accounting policy only relates to disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss.

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 2012, and have not been applied in preparing these interim 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, which becomes mandatory for the group's 2016 consolidated financial statements and could change the classification and measurement of financial assets. The group does not plan to adopt this standard early and the extent of the impact has not been determined.

(b) Reclassification

Debt establishment transaction costs of \$4.177 million (2012: \$8.978 million) are classified within net financing costs in the income statement and attached notes having previously been disclosed within general and administrative expense. Debt establishment cash outflows of \$13.952 million (2012: \$23.791 million) are classified within cash flows from financing activities having previously been disclosed within cash flows from operating activities.

Net foreign exchange gains on proceeds from Nufarm step-up securities financing (2012: \$8.025 million) remain classified within net financing costs in the income statement and attached notes, but are now within net foreign exchange gains/(losses), having previously been disclosed separately on the face of the income statement.

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

Condensed notes to the consolidated interim financial report

4 Estimates

The preparation of the interim financial report 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.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 July 2012.

5 Financial risk management

The group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 July 2012.

During the period the group entered into a number of derivative contracts to manage its exposure to foreign currency and interest rate risk. A selection of these derivative contracts were designated and accounted for as net investment, cash flow and fair value hedges as at and for the six months ended 31 January 2013.

The movement in the foreign currency translation reserve relates to the translation differences from converting the net assets of overseas subsidiaries from their functional currencies to the presentation currency of the group, which is Australian dollars.

6 Segment reporting

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, USA, Mexico and the Central American countries. The South America region includes Brazil, Argentina, Chile, Uruguay, Paraguay, Bolivia, Colombia and the Andean 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 corporate segment comprises mainly corporate expenses, interest-bearing loans, borrowings and corporate assets.

Change in operating segments

As at 31 January 2012, the group's operating segments were presented purely on a geographic basis. In July 2012 and for this reporting period, the group's operating segments were presented on a crop protection and seed technologies basis. The change is an evolution of our segmental reporting reflecting the relative size of our seed technologies business.

Condensed notes to the consolidated interim financial report

6 Segment reporting (continued)

| 2013 Operating segments | Australia and New Zealand \$000 | Crop Protection | | | South America \$000 | Total \$000 | Seed Technologies | Corporate | Group |
|---|---------------------------------------|-----------------|-----------------|---------------------------|---------------------------|----------------|----------------------|-----------------|----------------|
| | | Asia \$000 | Europe \$000 | North America \$000 | | | Global \$000 | \$000 | Total \$000 |
| Revenue | | | | | | | | | |
| Total segment revenue | 235,783 | 62,722 | 153,604 | 170,265 | 272,056 | 894,430 | 39,979 | - | 934,409 |
| Results | | | | | | | | | |
| Underlying EBITDA ^(a) | 20,915 | 9,786 | 24,266 | 5,787 | 36,274 | 97,028 | 5,900 | (20,144) | 82,784 |
| Depreciation & amortisation excluding material items | (10,635) | (2,301) | (12,951) | (6,133) | (1,413) | (33,433) | (1,537) | (491) | (35,461) |
| Underlying EBIT ^(a) | 10,280 | 7,485 | 11,315 | (346) | 34,861 | 63,595 | 4,363 | (20,635) | 47,323 |
| Material items included in operating profit (refer note 7) | | | | | | | | | (3,177) |
| Material items included in net financing costs (refer note 7) | | | | | | | | | - |
| Net financing costs (excluding material items) | | | | | | | | | (34,038) |
| Profit/(loss) before tax | | | | | | | | | 10,108 |

| 2012 Operating segments | Australia and New Zealand \$000 | Crop Protection | | | South America \$000 | Total \$000 | Seed Technologies | Corporate | Group |
|---|---------------------------------------|-----------------|-----------------|---------------------------|---------------------------|----------------|----------------------|-----------------|----------------|
| | | Asia \$000 | Europe \$000 | North America \$000 | | | Global \$000 | \$000 | Total \$000 |
| Revenue | | | | | | | | | |
| Total segment revenue | 303,894 | 64,606 | 139,173 | 144,175 | 179,390 | 831,238 | 31,458 | - | 862,696 |
| Results | | | | | | | | | |
| Underlying EBITDA ^(a) | 52,148 | 10,318 | 10,035 | 1,331 | 10,594 | 84,426 | 6,594 | (22,857) | 68,163 |
| Depreciation & amortisation excluding material items | (10,380) | (1,311) | (12,293) | (4,940) | (286) | (29,210) | (855) | (256) | (30,321) |
| Underlying EBIT ^(a) | 41,768 | 9,007 | (2,258) | (3,609) | 10,308 | 55,216 | 5,739 | (23,113) | 37,842 |
| Material items included in operating profit (refer note 7) | | | | | | | | | (6,947) |
| Material items included in net financing costs (refer note 7) | | | | | | | | | (953) |
| Net financing costs (excluding material items) | | | | | | | | | (5,353) |
| Profit/(loss) before tax | | | | | | | | | 24,589 |

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

Condensed notes to the consolidated interim financial report

6 Segment reporting (continued)

| Geographical information | Revenue by location of customer | |
|--------------------------|---------------------------------|----------------|
| | 2013 | 2012 |
| | \$000 | \$000 |
| Australia | 202,200 | 274,874 |
| New Zealand | 37,951 | 33,756 |
| Asia | 69,373 | 70,811 |
| Europe | 162,417 | 144,151 |
| USA | 168,059 | 142,940 |
| Rest of North America | 13,288 | 12,216 |
| Brazil | 215,245 | 132,620 |
| Rest of South America | 65,876 | 51,328 |
| Total | 934,409 | 862,696 |

7 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 half year are detailed below.

| | Consolidated | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 2013 | 2013 | 2012 | 2012 |
| | \$000 | \$000 | \$000 | \$000 |
| | Pre-tax | After-tax | Pre-tax | After-tax |
| <i>Material items by category:</i> | | | | |
| Class action settlement | (3,177) | (2,224) | - | - |
| Restructuring costs | - | - | (2,203) | (1,518) |
| Debt re-financing costs | - | - | (9,931) | (6,952) |
| Due diligence and litigation costs | - | - | (1,801) | (1,229) |
| Intangibles write off - Brazil | - | - | (1,990) | (1,990) |
| Net foreign exchange gains/(losses) on Nufarm Step-up Securities financing | - | - | 8,025 | 5,778 |
| | (3,177) | (2,224) | (7,900) | (5,911) |

Class action settlement

During the half year, the Federal Court gave final approval to the settlement of the class action brought against the company in early 2011. The settlement agreement was amended to cover an expanded number of claims, with Nufarm agreeing to pay a total of \$46.6 million (previously \$43.5 million). Consistent with previous treatment, the additional settlement amount and related costs have been reported as a material item.

Restructuring costs

No material restructuring costs were incurred during the half year ended 31 January 2013. The prior year restructuring costs mainly relate to the reorganisation of the European business.

Debt re-financing costs

Whilst we have incurred and capitalised material debt establishment transaction costs during the half year associated with the US\$325 million bond issuance, debt establishment transaction costs expensed during the half year ended 31 January 2013 were not material or unusual in nature. The prior year debt refinancing costs relate to the establishment of a 12 month facility that was put in place in December 2010. These costs were treated as a material item and were partially recognised in the year ended 31 July 2011 with the balance recognised in the half year ended 31 January 2012 (\$6.952 million).

Due diligence and litigation costs

No material due diligence and litigation costs were incurred during the half year ended 31 January 2013.

The 2012 financial year due diligence and litigation costs largely relate to the class action proceedings, the Seeds 2000 acquisition and arbitration proceedings against the previous owner of the Brazilian business.

Intangibles write off - Brazil

Several older insecticide products have been phased out of the Brazilian product portfolio due to regulatory requirements. The company took a write down in the carrying value of the intangible assets associated with these products in the prior year (\$1.990 million) with the balance written down as at 31 July 2012. No further charges were incurred during the half year ended 31 January 2013.

Net foreign exchange gains/(losses) on Nufarm Step-up Securities financing

No material foreign exchange gains/(losses) on the Nufarm Step-up Securities were incurred during the half year ended 31 January 2013.

In 2012, the company benefited from a net after tax gain of \$5.778 million associated with the mark-to-market revaluation of proceeds from Nufarm Step-up Securities.

Condensed notes to the consolidated interim financial report

7 Items of material income and expense (continued)

Material items are classified by function as follows:

| Six months ended 31 January 2013 \$'000s | Cost of sales | Selling, marketing and distribution expense | General & administrative expense | Net financing costs | Total Pre-tax |
|---|---------------|--|--|------------------------|------------------|
| Class action | - | - | (3,177) | - | (3,177) |
| | - | - | (3,177) | - | (3,177) |
| Total material items included operating profit | - | - | (3,177) | - | (3,177) |

| Six months ended 31 January 2012 \$'000s | Cost of sales | Selling, marketing and distribution expense | General & administrative expense | Net financing costs | Total Pre-tax |
|--|---------------|--|--|------------------------|------------------|
| Restructuring costs | (618) | (1,585) | - | - | (2,203) |
| Debt re-financing costs | - | - | (953) | (8,978) | (9,931) |
| Due diligence and legal costs | - | - | (1,801) | - | (1,801) |
| Intangibles write off - Brazil | - | - | (1,990) | - | (1,990) |
| Net foreign exchange gains/(losses) on Nufarm Step-up Securities financing | - | - | - | 8,025 | 8,025 |
| | (618) | (1,585) | (4,744) | (953) | (7,900) |
| Total material items included operating profit | (618) | (1,585) | (4,744) | - | (6,947) |

8 Seasonality of operations

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 Australia, Europe and North America.

9 Other expenses

The following expenses were included in the operating result:

Consolidated
31 Jan 2013 31 Jan 2012
\$000 \$000

Depreciation and amortisation (35,461) (32,311)

10 Acquisition of businesses

Business acquisitions - 2013

On 1 January 2013, the group purchased the turf and ornamental business of US based Cleary Chemical Corporation for US\$10 million plus working capital adjustments of US\$2.5 million. The acquisition has provided a wider product offering for the group and is expected to complement and result in synergies with the existing turf and ornamental business in the region.

On 23 January 2013, the group acquired 51% of the equity in Atlantica Sementes Ltda., a Brazilian business specialising in sorghum and sunflower seeds. The 51% stake, purchased at a cost of 25 million Brazilian reais, will allow Nuseed to supply a number of existing Nuseed hybrids through the Atlantica distribution network and leverage other development programs in Australia, Argentina and the USA. The acquisition has been made to expand the seeds business in South America and is expected to complement the existing seeds business and grow our market share.

Business acquisitions - 2012

On 1 December 2011, the group acquired 100% of the shares in Seeds 2000 Inc. at a total cost of US\$55.2 million. Seeds 2000 is a sunflower seed research and production company based in Minnesota, USA and has activities in the USA, Canada, China, Argentina, and a number of European markets. The group also acquired the breeding and germplasm assets of the Super Seeds sunflower business in Serbia on 24 October 2011.

| | Fair value on acquisition 31 Jan 2013 \$000 | Fair value on acquisition 31 Jan 2012 \$000 |
|--|--|--|
| Acquiree's net assets at acquisition date | | |
| Cash and cash equivalents | 643 | 1,382 |
| Receivables | 8,446 | 1,733 |
| Inventory | 5,226 | 12,493 |
| Property, plant and equipment | 451 | 1,726 |
| Deferred tax asset | - | 684 |
| Pre-acquisition intangible assets | 21 | 1,879 |
| Other assets | 50 | 164 |
| Trade and other payables | (3,452) | (1,041) |
| Interest bearing loans and borrowings | - | (2,074) |
| Deferred tax liability | (2,689) | (14,392) |
| Other liabilities | (275) | (4,675) |
| Net identifiable assets and liabilities | 8,421 | (2,121) |
| Intangibles acquired on acquisition | 8,420 | 37,265 |
| Non controlling interest | (3,837) | - |
| Goodwill on acquisition | 11,061 | 19,512 |
| Consideration paid | 24,065 | 54,656 |
| Cash acquired | (643) | (1,382) |
| Net cash outflow | 23,422 | 53,274 |

Total goodwill of \$11,061,000 (2012: \$19,512,000) from business acquisitions is attributable mainly to the synergies expected to be achieved from integrating the respective businesses into the group's existing business.

Condensed notes to the consolidated interim financial report

11 Equity accounted investments

The group has the following equity accounted investments:

| | Country | Ownership and voting interest | | Share of after tax profit/(loss) | |
|---|-------------|-------------------------------|-------------|----------------------------------|--------------|
| | | 31 Jan 2013 | 31 Jan 2012 | 31 Jan 2013 | 31 Jan 2012 |
| | | \$000 | \$000 | \$000 | \$000 |
| Excel Crop Care Ltd | India | 14.69% | 14.69% | 207 | (61) |
| F&N joint ventures | East Europe | 50% | 50% | (548) | (535) |
| Other | | | | (36) | (16) |
| Share of after tax profits/(losses) of equity accounted investments | | | | <u>(377)</u> | <u>(612)</u> |

The 14.69% investment in Excel Crop Care Ltd is equity accounted as Nufarm has the ability to appoint two directors to the board and, together with an unrelated partner, has significant influence over nearly 34% of the shares of the company. The relationship also extends to manufacturing and marketing collaborations.

The F&N joint ventures represents the group's interest in three joint ventures with FMC Corporation, which operate in Poland, Czech Republic and Slovakia. The joint ventures sell Nufarm and FMC products within their country.

12 Property plant and equipment

Acquisition and disposals

During the six months ended 31 January 2013, the group acquired assets with a cost of \$23.359 million (six months ended 31 January 2012: \$20.450 million), of which assets acquired through business combinations in the six months to 31 January 2013 were \$0.451 million (six months ended 31 January 2012: \$1.726 million). Assets with a book value of \$0.200 million were disposed of during the six months ended 31 January 2013 (six months ended 31 January 2012: \$0.255 million). There were no assets disposed of through the sale of discontinued operations in the six month period to 31 January 2013 or in the comparative period for 2012.

Capital commitments

During the six months ended 31 January 2013, the group entered into contracts to purchase property, plant and equipment for \$10.477 million (six months ended 31 January 2012: \$13.414 million).

13 Contingent liabilities

The group has a contingent liability for an amount of \$92.479 million (July 2012: \$86.163 million) in respect of potential pre-acquisition tax liabilities of its Brazilian business acquired in 2007. In June 2010 the group commenced arbitration proceedings against the previous owners of the Brazilian business that sought to confirm that the tax indemnification clauses contained in the initial Investment Agreement and the subsequent Share Purchase Agreement ("the Agreements") were effective in allowing Nufarm to recover amounts from the previous owners.

In November 2012 Nufarm received the award from the Arbitral Tribunal. Whilst the award confirmed the validity of the indemnities provided by the previous owners of the Brazilian business, Nufarm continues to work through the application of the award to the many specific tax cases. In December 2012 Nufarm returned to the Arbitral process to seek clarification of aspects of the award.

Nufarm will only be liable to the extent that the tax authorities are ultimately successful in pursuing the claims for primary tax, penalties and interest. In which case, Nufarm will seek to enforce the tax indemnities provided by the former owners in order to recover, to the extent possible under the Agreements, the tax paid.

The group has a number of other contingent liabilities totalling \$22.574 million (July 2012: \$20.118 million).

Condensed notes to the consolidated interim financial report

14 Capital and reserves

| | 31 Jan 2013 | 31 Jan 2012 |
|--|-------------|-------------|
| | \$000 | \$000 |

Dividends

Dividends paid during the period:

There was a 3 cent (2012: nil) prior year final dividend declared and paid by the group during the six months ended 31 January 2013:
\$0.03 per ordinary share (2012: \$Nil)

| | | |
|--|---------|---|
| | (7,817) | - |
|--|---------|---|

Dividends declared in respect of the period:

Subsequent to the half year end on 27 March 2013, the company declared an interim dividend of 3 cents per share (\$7.884 million) which will be paid on 10 May 2013 (31 January 2012: 3 cents per share). In accordance with Australian Accounting Standards, dividends declared are not recorded as a liability at the end of the period to which they relate.

Distributions on the Nufarm Step-up Securities

The following distributions were paid by Nufarm Finance (NZ) Ltd.

Nufarm Step-up Securities distribution rate 8.11% (2012: 6.94%)

| | | |
|--|--------|-------|
| | 10,146 | 8,829 |
|--|--------|-------|

The distribution on the Nufarm Step-up Securities reported in the statement of changes in equity has been reduced by the tax benefit on the distribution, giving an after-tax amount of \$7,453 million (six months ended 31 January 2012 \$6.594 million).

Earnings/(loss) per share

Net profit/(loss) for the six months ended 31 January
Net (profit)/loss attributable to non-controlling interests
Net profit/(loss) attributable to equity holders of the parent
Nufarm Step-up Securities distribution (net of tax)
Earnings/(loss) used in the calculations of basic and diluted earnings per share

| | | |
|--|---------|---------|
| | 8,845 | 17,997 |
| | (456) | 25 |
| | 8,389 | 18,022 |
| | (7,453) | (6,594) |
| | 936 | 11,428 |

Earnings/(loss) from continuing operations

| | | |
|--|-----|--------|
| | 936 | 11,428 |
|--|-----|--------|

(Add)/subtract after tax impact of material items profit/(loss) (refer note 7)

| | | |
|--|---------|---------|
| | (2,224) | (5,911) |
|--|---------|---------|

Earnings/(loss) excluding material items used in the calculation of underlying earnings per share

| | | |
|--|-------|--------|
| | 3,160 | 17,339 |
|--|-------|--------|

| | Number of shares | |
|--|------------------|-------------|
| | 31 Jan 2013 | 31 Jan 2012 |

Weighted average number of ordinary shares used in calculation of basic earnings per share
Weighted average number of ordinary shares used in calculation of diluted earnings per share

| | | |
|--|-------------|-------------|
| | 262,485,880 | 261,866,692 |
| | 263,291,162 | 261,866,692 |

Earnings/(loss) per share

| | Cents per share | |
|--|-----------------|-------------|
| | 31 Jan 2013 | 31 Jan 2012 |

Basic earnings / (loss) per share - from continuing operations
Diluted earnings / (loss) per share - from continuing operations

| | | |
|--|-----|-----|
| | 0.4 | 4.4 |
| | 0.4 | 4.4 |

Basic earnings per share - excluding items of material income and expense from note 7
Diluted earnings per share - excluding items of material income and expense from note 7

| | | |
|--|-----|-----|
| | 1.2 | 6.6 |
| | 1.2 | 6.6 |

15 Assets held for sale

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

Assets held for sale as at 31 January 2012 represents land and manufacturing facilities at Belvedere, UK. The sale of this property was completed and settlement proceeds received on 10 February 2012.

Condensed notes to the consolidated interim financial report

| 16 Net debt | 31 Jan 2013 | 31 Jan 2012 |
|---|------------------|------------------|
| | \$000 | \$000 |
| Current | | |
| Bank loans - secured | 179,725 | 147,213 |
| Bank loans - unsecured | 82,056 | 118,816 |
| Deferred debt establishment costs | (8,304) | (5,413) |
| Finance lease liabilities - secured | 308 | 73 |
| Other loans - unsecured | 229 | 949 |
| Loans and borrowings - current | 254,014 | 261,638 |
| Non current | | |
| Bank loans - secured | 396,786 | 585,250 |
| Bank loans - unsecured | 311,816 | 6,061 |
| Deferred debt establishment costs | (15,459) | (9,400) |
| Finance lease liabilities - secured | 10,749 | 10,172 |
| Other loans - unsecured | 1,207 | 739 |
| Loans and borrowings - non current | 705,099 | 592,822 |
| Cash and cash equivalents | (216,528) | (206,926) |
| Bank overdraft | - | 8,940 |
| Net cash and cash equivalents | (216,528) | (197,986) |
| Net debt | 742,585 | 656,474 |

On 23 August 2011, Nufarm executed a \$300 million trade receivables securitisation facility. Subsequent to execution the facility size has been reduced to \$250 million to reflect the current value of trade receivables being used to secure funding under this program. As at 31 January 2013, the amount of funding drawn under the securitised facility by the participating Nufarm entities was \$141.837 million (2012: \$147.213 million).

On 22 November 2011, the company executed a \$625 million senior secured syndicated bank facility with a term of 3 years. On 8 October 2012, the group completed a US\$325 million Senior Unsecured Notes offering due in October 2019 (the "Notes"). Concurrent with the issuance of the Notes, US\$250 million of the commitments under the A\$625 million senior secured syndicated bank facility was cancelled. Subsequently, upon the admission of an additional financial institution to the syndicate on 25 January 2013, the syndicated bank facility was increased by \$25 million. As at 31 January 2013, the amount of funding drawn under the syndicated bank facility of A\$406 million was \$339 million (2012: \$582 million) with loans being advanced in multiple currencies.

The Notes, the syndicated bank facility and trade receivables securitisation facility provide access to committed lines of credit to support the group's seasonal working capital demands and general corporate financing requirements. Total net debt at 31 January 2013 is \$742.6 million (2012: \$656.5 million).

| 17 Finance income and expense | 31 Jan 2013 | 31 Jan 2012 |
|---|-----------------|-----------------|
| | \$000 | \$000 |
| Net foreign exchange gains/(losses) ^{(a)(b)} | (9,213) | 22,415 |
| Financial income excluding foreign exchange gains/(losses) ^(a) | 3,177 | 3,847 |
| Net financial income | (6,036) | 26,262 |
| Interest expense - external | (23,097) | (22,884) |
| Interest expense - debt establishment transaction costs ^(a) | (4,177) | (8,978) |
| Lease expense - finance charges | (728) | (706) |
| Financial expenses | (28,002) | (32,568) |
| Net financing costs | (34,038) | (6,306) |

(a) Refer note 3(b) for an explanation of the prior year reclassification

(b) In 2012, net foreign exchange gains on Nufarm step-up securities financing totalled \$8.025 million. Refer note 7.

Condensed notes to the consolidated interim financial report

18 Class action

In January 2011, Maurice Blackburn and Slater & Gordon issued class actions for unspecified damages on behalf of shareholders who purchased shares in Nufarm in the period September 2009 to August 2010.

On 1 August 2012 the company announced that it had entered into a conditional settlement agreement in relation to the class action proceedings originally issued in January 2011 by Maurice Blackburn and Slater & Gordon. The company agreed to pay \$43.5 million, which covered the claims, interest, costs of the litigation funders and the applicants' legal fees. During the half year, the Federal Court gave final approval to the settlement of the class action however, the settlement agreement was amended to cover an expanded number of claims, with the company agreeing to pay a total of \$46.6 million (previously \$43.5 million). In accordance with Accounting Standards the original settlement amount, along with related legal costs (\$43.5 million) was provided for in the financial statements in the FY12 year. The additional settlement amount and related costs of \$3.177 million have been reported as a material item in the FY13 half year.

19 Subsequent events

On 5 March 2013 the company announced that it has received notice that agreements relating to the exclusive distribution of Roundup branded glyphosate in Australia and New Zealand are to be terminated. The notice states that Nufarm may continue to sell Roundup branded product in Australia and New Zealand until 28 August 2013.

Directors' declaration

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

1. the financial statements and notes set out in this report are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the group's financial position as at 31 January 2013 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the Corporations Regulations 2001 and IAS 34: *Interim Financial Reporting*
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



DG McGauchie
Director



DJ Rathbone
Director

Melbourne
27 March 2013

Directory

Directors

DG McGauchie AO - chairman
DJ Rathbone AM - managing director
AB Brennan
GR Davis
FA Ford
Dr WB Goodfellow
PM Margin
T Takasaki

Company secretary

R Heath

Solicitors

Arnold Bloch Leibler & Co
333 Collins Street
Melbourne Victoria 3000 Australia

Auditors

KPMG
147 Collins Street
Melbourne Victoria 3000 Australia

Trustee for Nufarm Step-up Securities

Permanent Trustee Company Limited
35 Clarence Street
Sydney NSW 2000 Australia

Share registrar

Australia

Computershare Investor Services Pty Ltd
GPO Box 2975EE
Melbourne Victoria 3001 Australia
Telephone: 1300 85 05 05
Outside Australia: 61 3 9415 4000

Facsimile: 61 3 9282 1001

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Website

www.nufarm.com

Nufarm Limited
ACN 091 323 312



Independent auditor's review report to the members of Nufarm Limited

We have reviewed the accompanying half-year financial report of Nufarm Limited (the "Company"), which comprises the condensed consolidated balance sheet as at 31 January 2013, the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes 1 to 19 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 half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 January 2013 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As auditor of Nufarm Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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


Conclusion

Based on our review, which is not an audit, 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 the Corporations Act 2001, including:

- (a) giving a true and fair view of the Group's financial position as at 31 January 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

KPMG

KPMG


BW Szentirmay
Partner

Melbourne

27 March 2013



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 review for the half-year ended 31 January 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

BW Szentirmay
Partner

Melbourne

27 March 2013