

**COMPANY ANNOUNCEMENT**

24 December, 2013

**Brazilian tax cases**

Nufarm has elected to participate in a Brazilian government program that will resolve a number of outstanding tax cases in Brazil.

The company previously disclosed a contingent liability of \$74.6 million in respect of potential pre-acquisition tax liabilities of its Brazilian business, which was acquired in 2007. The agreements relating to the purchase of the business included indemnities which allow Nufarm to recover the majority of any such tax liabilities from the previous owners. These indemnities have been confirmed via an independent arbitration process.

As disclosed in the company's 2013 financial year accounts, Nufarm's share of the contingent liability – after applying the former owner's indemnities – is estimated to be \$31.1 million. The liabilities relate to numerous individual tax cases that may take some years to be finally determined.

The company has elected to participate in a federal tax program instigated by the Brazilian government that allows taxpayers to reduce their liabilities by offering discounts on claims applying to a period ending on 30 November, 2008. The decision to participate in the program will reduce the company's potential liability and provide a final resolution of the cases involved.

In respect of the cases involved, there is expected to be no income statement impact in Nufarm's accounts, given that any expense relating to settlement of these cases is planned to be offset by a combination of previously unrecognised tax assets, and the entitlement that Nufarm has to recover amounts from the previous owner of the business under the indemnities.

Settlement of the cases will amount to a cash outflow of approximately \$300,000 per month for five years commencing January 2014, in addition to the utilisation of tax losses. As previously disclosed, cash inflows from the previous owner, via the indemnities, will follow the settlement of the cases.

The balance of potential tax liabilities in Brazil – which involve claims not covered by the program – is approximately \$9.2 million, some of which could also be recovered via the indemnities. These cases will continue to be prosecuted.

The company noted that there remains some uncertainty in relation to the timing and outcome of matters that are the subject of the Brazilian administrative process.

-- end --

Further information: Robert Reis  
robert.reis@au.nufarm.com  
Corporate Affairs  
☎ (61 3) 9282 1177