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COMPANY ANNOUNCEMENT

May 15 2009

Nufarm announces capital raising

Nufarm Limited ("Nufarm") announced today that it will raise approximately \$300 million via a fully underwritten institutional placement of 26.7 million ordinary shares at \$11.25 per share ("Institutional Placement"). All new shares issued under the Institutional Placement will rank equally with existing shares.

The outlook for the global agriculture industry remains highly attractive and Nufarm is extremely well-placed to capitalise on additional opportunities as it pursues its growth strategy.

Over the past three years, Nufarm has experienced significant growth, demonstrated by sales and EBITDA CAGR of 17% and 14%, respectively. The Institutional Placement aligns Nufarm's capital structure with its increased business scale and scope and ensures the company is in a sound position to fund organic growth and participate in further industry consolidation.

Nufarm's Managing Director, Doug Rathbone, said it is important that Nufarm remains well-positioned to fund future growth on both an organic and acquisition basis.

"In a period of ongoing industry consolidation, we see a number of potential opportunities to acquire assets that will add further value to Nufarm. Today's initiative places us in a stronger position to participate in that activity."

"While the nature of our business means we will always have high seasonal working capital requirements, the increased size and continued growth of the company is also reflected in the increased level of base funding required to support the business."

Mr. Rathbone said the completion of the capital raising will result in lower debt, increased headroom under existing credit facilities, a stronger balance sheet and a reduced reliance on short-term financing requirements.

In the short-term, proceeds from the capital raising will be used to repay debt. Post the Institutional Placement, Nufarm's forecast FY09 net debt and gearing (net debt/equity) ratio are expected to be approximately \$550 million and 25-30%, respectively, on a pro forma basis.

Nufarm also announced today that Managing Director, Doug Rathbone, will sell down 1.75 million shares in a fully underwritten secondary offering at \$11.25 per share to raise approximately \$19.7 million to be run in parallel to the Institutional Placement. The share sale represents approximately 6.8% of Mr Rathbone's total shareholding in Nufarm and he will remain the company's largest shareholder with a relevant interest in approximately 24.2 million shares, representing an estimated 11.3% of issued capital, following the sell-down and Institutional Placement.



Trading update

Current trading conditions and the outlook for the balance of fiscal year 2009 are generally consistent with the company's commentary at the time of interim results release in late March. The company believes that its current full year profit guidance (approximately \$220 million operating NPAT) can be achieved, recognising that the final three months of the period are expected to see strong sales demand.

Share Purchase Plan

Following the Institutional Placement, Nufarm will also offer eligible shareholders the opportunity to participate in a non-underwritten Share Purchase Plan ("SPP"). The SPP will provide eligible shareholders with the opportunity to subscribe for up to \$15,000¹ worth of Nufarm shares without incurring brokerage or other transaction costs.

Further details of the SPP will be provided to eligible shareholders shortly. The Record Date for participation will be May 20 2009.

All new shares issued under the SPP will rank equally with existing shares.

Trading halt

It is anticipated that the trading halt currently in place will be lifted prior to the commencement of trading on May 18 2009, pending successful completion of the Institutional Placement.

Key dates

Event	Date
Trading halt	May 15 2009
Institutional Placement	May 15 2009
Shares recommence trading	May 18 2009
Institutional Placement settlement date	May 20 2009
Institutional Placement trading date	May 21 2009

-- end --

Further information: Robert Reis
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¹ Subject to ASIC and ASX relief

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Capital raising

Doug Rathbone

Managing Director and Chief Executive Officer

Kevin Martin

Chief Financial Officer

Robert Reis

Group GM - Corporate Strategy & External Affairs



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The pro forma historical financial information included in this presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission.

This presentation includes references to EBITDA and EBIT. These references to EBITDA and EBIT should not be viewed in isolation or considered as an indication of, or as an alternative to, measures reported in accordance with AIFRS or as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity.

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Executive summary



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- Institutional Placement to raise approximately \$300 million
- Share Purchase Plan (“SPP”) of up to \$15,000¹ per eligible shareholder
- Capital raising to position Nufarm to pursue strategic acquisition opportunities, enhance financial flexibility, and strengthen the Company’s balance sheet
- Managing Director Doug Rathbone sell-down of approximately \$19.7 million
- Institutional placement and sell-down fully underwritten at \$11.25 per share

¹ Subject to ASIC and ASX relief

Capital raising rationale



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Capital raising will position Nufarm strongly for the future

- Nufarm has demonstrated significant growth over the past three years - sales and EBITDA CAGR of 17% and 14% respectively
- Enhanced financial flexibility to execute the Company's growth strategy
 - Fund organic growth
 - Help facilitate participation in global industry consolidation
- Strengthen balance sheet
 - Prudent approach in uncertain economic environment
 - Enhanced credit metrics – forecast FY09 gearing¹ (post Institutional Placement) reduces from 50-55% to approximately 25-30%
 - Ongoing working capital requirements
 - Consistent with commitment to maintain an investment grade credit rating

¹ Net debt/equity

Range of attractive growth opportunities



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- Existing growth strategy (geographic diversification and portfolio extension) is on track and delivering
- Industry consolidation expected to continue
 - Possibility of very large and medium-sized industry consolidation moves
 - Opportunities range from continued small 'bolt-on' activity to more substantial assets
- Nufarm remains alert to value-adding acquisitions
- Enlarged business will require additional funding support for seasonal working capital requirements

Offer details



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Institutional Placement

- Fully underwritten Institutional Placement of primary and secondary shares
- Primary component – proceeds to Nufarm
 - 26.7 million shares at \$11.25 per share to raise approximately \$300 million
 - Represents approximately 14% of existing shares on issue
 - New shares will rank equally with existing shares
- Secondary component – proceeds to Doug Rathbone
 - 1.75 million shares at \$11.25 per share to raise approximately \$19.7 million
 - Represents approximately 1% of existing shares on issue
 - Doug Rathbone holding of 24.2 million shares (11.3% of issued capital) post Institutional Placement and sell-down
- Offer price of \$11.25 per share represents a 9.9% discount to the last closing price on 14 May 2009 and a 15.6% discount to the 5 day VWAP

Offer details (cont'd)



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Share Purchase Plan

- Eligible shareholders in Australia and New Zealand have the opportunity to subscribe for up to \$15,000¹ worth of Nufarm shares per shareholder
- Pricing: lower of 2.5% discount to the five day VWAP prior to the close of the SPP or the Institutional Placement price of \$11.25
- Record date of 20 May 2009
- Not underwritten
- New shares will rank equally with existing shares

¹ Subject to ASIC and ASX relief

Impact of capital raising



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- Capital raising proceeds to be used to reduce debt in the short-term
- Following the Institutional Placement, forecast FY09 gearing¹ reduces from 50-55% to approximately 25-30%
- Through the application of the funds raised in the Institutional Placement, the Company will further increase headroom under existing credit facilities to pursue strategic opportunities as they arise
- Improved credit metrics demonstrate Nufarm's commitment to maintaining an investment grade rating

¹ Net debt/equity

Business update



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Record 1H09 result

- Record result, with strong fundamentals across the business
- **Australia:** excellent summer cropping conditions; margin uplift from improved product mix
- **North America:** significant business uplift through organic growth and contribution from Etigra
- **South America:** continued challenges due to ongoing credit issues
- **Europe:** strong result, underpinned by impact from new products and contribution from AH Marks

Outlook

- Fundamental demand drivers in agriculture are still in place
- Growers in most regions have strong economic incentive to plant
- North America and Europe expected to be 'star' performers over the next 12 months
- Reaffirming guidance of forecast FY09 operating NPAT of approximately \$220 million
- Current dividend policy (payout ratio of 40-60%) maintained

Nufarm well-positioned for the future



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Leading market positions

- Company has leading market and/or product positions across Australasia, North and South America and Europe
- Achieving industry leading growth in fastest growing segment (post patent)
- Well-positioned to capitalise on strong underlying trends in soft commodities globally

Continuing strong performance

- Reported record 1H09 result, with revenue of \$1,235 million and operating NPAT of \$65 million
- Organic growth across most major markets, with attractive returns generated from recent acquisitions and new products

Positioned for growth

- Through the application of the funds raised in the Institutional Placement, the Company will further increase headroom under existing credit facilities to pursue strategic opportunities as they arise
- Positions Nufarm to participate in the continued global consolidation of the crop protection industry
- Increased capital base to support working capital requirements of an enlarged business

Strengthened balance sheet

- Pro forma forecast FY09 gearing¹ (post Institutional Placement) of approximately 25-30%
- Committed to maintaining an investment grade credit rating

¹ Net debt/equity

Key dates



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Announcement and trading halt	15 May 2009
Institutional Placement and sell-down	
Books open	15 May 2009 – 10.30am
Books close	15 May 2009 – 1.00pm
Institutional Placement Settlement	20 May 2009
Institutional Placement trading commences	21 May 2009
Share Purchase Plan	
Record date	20 May 2009

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Questions

