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COMPANY ANNOUNCEMENT

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**Nufarm agrees to acquire European
herbicide product portfolio from FMC**

- Cash consideration of US\$85 million¹, plus approximately US\$5 million for inventory²
- Portfolio consists of European broadleaf herbicide registrations primarily targeted at cereal crops
- Products complement Nufarm's existing European portfolio and the Century Portfolio (which Nufarm is in the process of acquiring)
- Portfolio offers a strong near term growth profile and generates attractive margins
- Portfolio is expected to contribute net sales of approximately A\$30m and EBITDA of approximately A\$15 million in the 2019 financial year (the first full year of ownership)³
- Acquisition is expected to be earnings per share ("EPS") accretive (pre amortisation) in the first full year of ownership (FY19)⁴ and will be fully funded from existing debt facilities

Nufarm Limited today announced that it has entered into a binding agreement to acquire a European cereal broadleaf herbicide portfolio from FMC Corporation ("FMC") for US\$85 million. Nufarm will also acquire existing product inventory (currently estimated to be US\$5 million) on completion of the transaction. As previously announced on 24 October, Nufarm has been in exclusive discussions to acquire another crop protection portfolio, and the terms of the agreement announced today with FMC are consistent with that previous announcement.

The portfolio is being divested by FMC to meet the European Commission ("EC") requirements relating to FMC's acquisition of certain crop protection assets from DuPont.

The portfolio comprises eight formulations based on four lead active ingredients primarily used in broadleaf weed control applications in cereal crops. No physical assets (apart from inventory) or personnel will be transferred as part of the transaction.

¹ Price excludes transaction costs and working capital

² Represents Nufarm's current estimate. Inventory will be acquired separately at the closing of the transaction

³ The financial projections for the acquired portfolio have been developed by Nufarm based on a review of financial and other information provided by FMC and a range of assumptions including the expected timing of certain product registrations and successful integration of the portfolio. Financial projections are inherently uncertain and investors should have regard to the "Important notice and disclaimer" section of the presentation also provided to the ASX today

⁴ Calculated on a stand-alone basis and assuming completion of the Century transaction. EPS pre amortisation is based on NPATA which excludes the impact of the amortisation associated with identified intangibles recognised at the acquisition date



Completion of the acquisition is subject to European regulatory approval. This is expected to be received within the next few months.

In the first full year of Nufarm ownership (FY19), the portfolio is expected to generate net sales of approximately A\$30 million and contribute EBITDA of approximately A\$15 million.

This portfolio has an attractive near term growth profile supported by a number of formulations which were recently launched in addition to the cross-selling opportunities for existing products and the acquired portfolio. The acquisition is expected to be EPS accretive (pre amortisation) in the first full year of ownership (FY19)⁵ and will be fully funded from existing debt facilities.

Nufarm's Managing Director and CEO, Greg Hunt, said the portfolio is highly complementary to Nufarm's existing product portfolio, as well as the Century Portfolio, which is being acquired from Adama and Syngenta.

"The addition of these important herbicides further strengthens Nufarm's position in cereal crops, which is Europe's largest crop segment.

"These herbicide products from FMC are highly complementary to Nufarm's core phenoxy herbicide franchise with combinations of the two chemistry groups being widely used by growers to manage resistance issues."

The two largest markets for current sales of the FMC portfolio are France and Germany, two of Nufarm's key European strategic hubs.

FMC has granted Nufarm a non-compete undertaking as well as non-exclusive rights to non-cereal uses. The companies have also agreed terms on transitional supply arrangements.

Mr Hunt said the portfolio acquisition was highly aligned to Nufarm's strategy as well as offering attractive economics, further enhancing the benefits announced in relation to the Century Portfolio acquisition on 24 October.

"Both portfolios generate sustainably attractive margins and help strengthen Nufarm's position in the important European market."

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⁵ Calculated on a stand-alone basis and assuming completion of the Century transaction. EPS pre amortisation is based on NPATA which excludes the impact of the amortisation associated with identified intangibles recognised at the acquisition date



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Forward looking statements

This announcement contains forward looking statements, including statements of current intention, statements of opinion and predictions as to possible future events. Forward looking statements can generally be identified by the use of forward looking words such as "believe", "forecast", "projection", "expect", "estimate", "will", "may", "target", "anticipate", "likely", "intend", "should", "could", "predict", "plan", "propose", "potential" and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include but are not limited to the expected outcome of the acquisition of products from FMC. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Such statements are not statements of fact and there can be no certainty of outcome in relation to the matters to which the statements relate. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Those risks, uncertainties, assumptions and other important factors are not all within the control of Nufarm and cannot be predicted by Nufarm and include changes in circumstances or events that may cause objectives to change as well as risks, circumstances and events specific to the industry, countries and markets in which Nufarm operates. They also include general economic conditions, exchange rates, interest rates, competitive pressures, selling price, market demand and conditions in the financial markets which may cause objectives to change or may cause outcomes not to be realised.

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