



Issuer

Nufarm Finance (NZ) Limited
(ARBN 099 125 783)

Corporate Parent

Nufarm Limited (ABN 37 091 323 312)

This Prospectus is an important document and requires your immediate attention. This document contains information on the offer of NSS including an Entitlement offer to Nufarm Finance (NZ) Limited Capital Noteholders. It should be read in its entirety. If, after reading this Prospectus, you are unclear in relation to any matter or if you have any questions about the Offer, you should contact your investment adviser.

NSS PROSPECTUS

RELATING TO AN OFFER OF NUFARM STEP-UP SECURITIES (NSS) AT AN ISSUE PRICE OF A\$100 EACH TO RAISE A\$250 MILLION WITH THE ABILITY TO ACCEPT OVERSUBSCRIPTIONS OF UP TO A\$50 MILLION

AUSTRALIAN JOINT LEAD MANAGERS AND BOOKRUNNERS



AUSTRALIAN CO-MANAGERS

Bell Potter Securities Limited

Merrill Lynch Private (Australia) Limited

Commonwealth Securities Limited

National OnLine Trading Limited

UBS Wealth Management Australia Limited

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IMPORTANT INFORMATION

This Prospectus was lodged with ASIC on, and is dated, 27 October 2006. It is a replacement prospectus which replaces the prospectus dated 10 October 2006 and lodged with ASIC on that date ("**Replacement Prospectus**"). The Replacement Prospectus replaces the prospectus dated 29 September 2006 and lodged with ASIC on that date ("**Original Prospectus**"). None of ASIC, ASX or NZX takes responsibility for the contents of this Prospectus.

No securities will be issued on the basis of this Prospectus later than its expiry date, which is 29 October 2007.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons who come into possession of this Prospectus should seek advice, and observe any restrictions on distributing the Prospectus. Any failure to comply with such restrictions might constitute a violation of applicable securities laws.

The Offer constituted by this Prospectus (whether in hard or electronic form) is not available to New Zealand investors who have not received the Investment Statement.

Some words used in this Prospectus have defined meanings. The Glossary in Appendix B to this Prospectus defines those words.

The information in this Prospectus is not financial product advice and does not take into account your individual investment objectives, financial situation or needs. Applicants should read this Prospectus in its entirety before deciding to participate in the Offer, and, in particular, the risks that could affect the performance of NSS or Nufarm, some of which are outlined in Section 7. If, after reading this Prospectus, you are unclear in relation to any matter or if you have any questions about the Offer, you should contact your investment adviser.

Applications for NSS received under this Prospectus or the New Zealand Investment Statement will not be accepted by the Issuer until after the expiry of the exposure period, being a period of seven (7) days from the lodgement of the Original Prospectus with ASIC, although ASIC may extend this by a further seven (7) calendar days (i.e. exposure period may last up to a total of 14 calendar days). This Prospectus will be made available during the exposure period by being posted on Nufarm's website www.nufarm.com.au. You may obtain a copy of this Prospectus by contacting the **Nufarm Information Line on 1300 652 479 in Australia or +64 9 4888 777 in New Zealand**. No preference will be conferred on Applications received in the exposure period.

If you have any questions in relation to the Offer, please call the **Nufarm Information Line on 1300 652 479 in Australia or +64 9 4888 777 in New Zealand**.

Permanent Trustee Company Limited has been appointed as the trustee in respect of the NSS under the terms of the NSS Trust Deed.

Disclaimer

Except as required by law and only to the extent so required, none of Nufarm, nor the Issuer or any other person warrants the future performance of Nufarm or any return on any investment made pursuant to this Prospectus. No person is authorised to give any information, or to make any representation, in connection with NSS for which Applications are invited under this Prospectus, which is not contained in this Prospectus. Any information or representation not contained or referred to in this Prospectus may not be relied on as having been authorised by Nufarm, the Issuer or their Directors. Neither Merrill Lynch International (Australia) Limited nor UBS AG Australia Branch or any of their officers, employees, agents or advisers make any representation or warranty (express or implied) as to the accuracy, completeness or fairness of the information contained in this document or any other written or oral communication in connection with the Offer. The Offer is being made by the Issuer alone and no other person.

As a disclosing entity under the Corporations Act and subject to regular reporting and disclosure obligations, Nufarm may disclose information to ASX on or after the date of this Prospectus which may be relevant to the Offer or which qualifies statements made in this Prospectus. However, except to the extent required by law, Nufarm does not assume any obligation to supply further information or to amend any statements in connection with the Offer.

Trustee Disclaimer

The NSS Trustee has given and not withdrawn its written consent to be named as NSS Trustee in this Prospectus. The NSS Trustee has not authorised or caused the issue of this Prospectus. Neither the NSS Trustee nor any member of the Trust Company Group makes any representations as to the truth or accuracy of the contents of this Prospectus other than the parts which refer directly to the NSS Trustee. The NSS Trustee does not make any representation regarding or accepting any responsibility for any statements or omissions in or from any other parts of this Prospectus. Other than the parts of this Prospectus which refer directly to the NSS Trustee or which refer to the provisions of the NSS Trust Deed, the NSS Trustee has relied upon the Issuer and Nufarm for the accuracy of the content of this Prospectus. Neither the NSS Trustee nor any member of the Trust Company Group makes any representations as to the performance of the issue, the maintenance of capital or any particular rate of return.

SUMMARY OF KEY DATES

These dates are indicative only and are subject to change. Nufarm has the right in its absolute discretion to close any part of the Offer early, to accept late Applications or to extend an Offer Closing Date for any part of the Offer or choose not to proceed with an Offer, without notice. If an Offer Closing Date is extended, subsequent dates may be extended accordingly. Investors are encouraged to lodge their Applications as soon as possible after the relevant Offer opens.

ISSUE OF NSS

ANNOUNCEMENT OF OFFER AND ORIGINAL PROSPECTUS LODGED WITH ASIC	29 SEPTEMBER 2006
REPLACEMENT PROSPECTUS LODGED WITH ASIC	10 OCTOBER 2006
BOOKBUILD	26 OCTOBER 2006
INITIAL MARGIN ANNOUNCED	26 OCTOBER 2006
THIS PROSPECTUS LODGED WITH ASIC	27 OCTOBER 2006
BROKER FIRM AND GENERAL PUBLIC OFFER OPENING DATE	27 OCTOBER 2006
BROKER FIRM AND GENERAL PUBLIC OFFER CLOSING DATE	17 NOVEMBER 2006
BROKER FIRM AND GENERAL PUBLIC OFFER ISSUE DATE	24 NOVEMBER 2006
COMMENCEMENT OF TRADING OF NSS ON ASX ON A DEFERRED SETTLEMENT BASIS AND NZDX ON A NORMAL SETTLEMENT BASIS	27 NOVEMBER 2006
DESPATCH OF HOLDING STATEMENTS AND REFUNDS	28 NOVEMBER 2006
COMMENCEMENT OF TRADING OF NSS ON ASX ON A NORMAL SETTLEMENT BASIS	1 DECEMBER 2006
FIRST DISTRIBUTION PAYMENT DATE	15 APRIL 2007
FIRST STEP-UP DATE	24 NOVEMBER 2011

KEY DATES FOR ELIGIBLE CAPITAL NOTEHOLDER ENTITLEMENT OFFER

Capital Noteholders currently hold Capital Notes issued by Nufarm Finance (NZ) Limited (formerly Fernz Corporation (NZ) Limited) which have an election date of 24 November 2006. Eligible Capital Noteholders have an Entitlement to NSS pursuant to which they can elect to sell their Capital Notes to the Issuer and reinvest the proceeds of that sale in NSS under the Eligible Capital Noteholder Entitlement Offer. For further information about Entitlements, see Section 3.

ELIGIBLE CAPITAL NOTEHOLDER ENTITLEMENT OFFER OPENING DATE	11 OCTOBER 2006
ELIGIBLE CAPITAL NOTEHOLDER ENTITLEMENT OFFER CLOSING DATE	24 OCTOBER 2006
ELIGIBLE CAPITAL NOTEHOLDER PURCHASE AND ALLOTMENT DATE	26 OCTOBER 2006
FINAL INTEREST PAYMENT ON CAPITAL NOTES	24 NOVEMBER 2006

KERRY HOGGARD



DOUGLAS RATHBONE



CHAIRMAN'S AND MANAGING DIRECTOR'S LETTER



29 September 2006

Dear Investor,

On behalf of the Nufarm Directors, we are pleased to be able to provide you with the opportunity to participate in this Offer of Nufarm Step-up Securities (NSS).

The Offer is being made by our wholly owned subsidiary, Nufarm Finance (NZ) Limited (previously called "Fernz Corporation (NZ) Limited"), and will seek to raise A\$250 million, with the ability to accept oversubscriptions of up to A\$50 million. The proceeds will be used to fund the Purchase of Capital Notes that are currently on issue and for general corporate purposes of the Nufarm Group.

Nufarm is a recognised global leader in the manufacture, development and marketing of crop protection products. These products are used by farmers in more than 100 countries around the world to help them produce high yielding, good quality crops. Nufarm has an excellent track record of profitable growth and sees significant future opportunities to build on that success.

This Offer is being made in both Australia and New Zealand. Full details are contained in this Prospectus and we encourage you to read this Prospectus in its entirety before deciding whether to invest. New Zealand investors should read the Investment Statement as well as the Prospectus in their entirety before deciding whether to invest.

NSS are perpetual, subordinated, unsecured, Redeemable, Exchangeable notes. They offer investors semi-annual, floating rate, non-cumulative Distribution Payments.

Nufarm Finance (NZ) Limited will apply for NSS to be quoted on ASX and has applied for NSS to be quoted on NZDX. Once quoted, you can elect to buy or sell NSS through those exchanges at the prevailing market price.

If you are an Eligible Capital Noteholder, you have an Entitlement to an Allocation of NSS by selling your Capital Notes to Nufarm Finance (NZ) Limited under the Eligible Capital Noteholder Entitlement Offer.

We encourage you to lodge your Application as soon as possible after the Offer opens.

Nufarm has successfully established a global crop protection business and the Nufarm Directors believe that there are further growth opportunities. This investment proposal is an opportunity to be part of Nufarm's future. We commend it to you.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'K. Hoggard'.

Kerry Hoggard
Chairman

A handwritten signature in black ink, appearing to read 'D. Rathbone'.

Douglas J Rathbone
Managing Director





1.

OVERVIEW OF THE OFFER

WHAT ARE NSS?

This Prospectus describes the Offer of NSS, which is being made by the Issuer, Nufarm Finance (NZ) Limited.

NSS are perpetual, subordinated, unsecured, Redeemable, Exchangeable notes.

FLOATING RATE DISTRIBUTION PAYMENTS

NSS offer semi-annual, floating rate, non-cumulative Distribution Payments, based on the Market Rate plus a Margin. The Issuer and Nufarm have a discretion to not pay the Distribution Payments (see "Distribution Payments may not be paid") and if that discretion is exercised, there are consequences to both the Issuer and Nufarm (see "Dividend Restriction").

FIRST DISTRIBUTION RATE

For the first Distribution Period, the Distribution Rate will be the higher of:

- 8.00% per annum (Minimum First Distribution Rate); and
- the Market Rate applying on the Distribution Commencement Date plus the Initial Margin of 1.90% per annum.

The Market Rate is the average mid-rate for bills of a term of six months which is displayed on Reuters page BBSW.

DISTRIBUTION PAYMENTS MAY NOT BE PAID

Distribution Payments will not be paid if the Issuer Directors or the Nufarm Directors declare that a Distribution Payment is not payable. If a Distribution Payment is not paid in full, the Distribution Payment does not accumulate and may never be paid. In these circumstances Holders do not have a right to require the Issuer to make the Distribution Payment or to repay to the Holder the Issue Price in respect of their NSS.

DIVIDEND RESTRICTION

If a Distribution Payment is not paid in full, the Issuer and Nufarm will be prevented from paying dividends, making any other form of capital distribution and from reducing or buying back any share capital. The Dividend Restriction will cease to operate under the circumstances summarised in Section 2 and set out in full in Appendix A, clause 2.5.

NSS ARE UNSECURED

Repayment of the Issue Price (or any other money owing in respect of the NSS) is not secured by a mortgage, charge or other security over the Issuer's assets. NSS are "unsecured notes" for the purposes of the Corporations Act (section 283BH).

NSS ARE SUBORDINATED

NSS are subordinated debt obligations of the Issuer, meaning that in the event of a liquidation or winding up of the Issuer, NSS rank behind the claims of Senior Creditors (which are all creditors of the Issuer other than Holders and other creditors (if any) that are subordinated to rank equally with Holders).

SUBORDINATED GUARANTEE

Nufarm guarantees amounts **payable** but not paid by the Issuer on a subordinated and unsecured basis.

- **When do Distribution Payments become "payable" in respect of the NSS such that the guarantee applies?** Distribution Payments become payable on a Distribution Payment Date. During a Distribution Period, and until the Distribution Payment Date is reached, no amount is payable in respect of the NSS.
- **When are Distribution Payments not "payable" such that the guarantee does not apply?** Distribution Payments will not become "payable", and will not be paid,

if, prior to a Distribution Payment Date, the Issuer Directors or the Nufarm Directors declare that a Distribution Payment is not payable. If a Distribution Payment is not payable, then the guarantee doesn't apply to it as the guarantee only applies to amounts payable but not paid.

If a Distribution Payment is not paid in full, the Distribution Payment does not accumulate and may never be paid. In these circumstances Holders do not have a right to require the Issuer to make the Distribution Payment or to repay to the Holder the Issue Price in respect of their NSS. However, there are consequences to both the Issuer and Nufarm in these circumstances (see "Dividend Restriction" on page 7 of the Prospectus).

Nufarm also guarantees on a subordinated and unsecured basis, repayment of the Issue Price to the extent that NSS are Redeemed. The circumstances in which NSS may be Redeemed are described on page 20 of the Prospectus.

RE-MARKETING PROCESS

The Issuer may initiate a Re-marketing Process prior to a Step-up Date. The first Step-up Date is 24 November 2011.

As a result of the Re-marketing Process, a New Margin may apply from the Step-up Date.

If a New Margin is not set, the Margin on any NSS that are not Redeemed or Exchanged by the Issuer will be increased to the Step-up Margin.

PERPETUAL TERM

NSS are perpetual, unless Redeemed or Exchanged. Holders do not have the right to require Redemption or Exchange except for a right to require Redemption on the occurrence of a Holder Acquisition Event. If Holders wish to realise their investment, they will need to sell their NSS on-market.

ASX/NZDX QUOTATION

The Issuer will apply for NSS to be quoted on ASX under ASX code NFNG.

The Issuer has applied for NSS to be quoted on NZDX under NZDX code NFFHA.

RISKS

There are particular risks associated with investing in NSS as well as general risks associated with investing in the Issuer and Nufarm. Details of risks are contained in Section 7. Some of those risks include:

- distributions – it is possible that Distribution Payments will not be paid. Distribution Payments will not be paid if the Issuer Directors or the Nufarm Directors declare that a Distribution Payment is not payable. Distribution Payments are non-cumulative meaning that, if a Distribution Payment is not paid, it does not accumulate and may never be paid;
- perpetual term – NSS are perpetual and have no fixed maturity. Nufarm has the right to Redeem, Exchange or Resell the NSS in certain circumstances which may not align with the preferences of Holders. Holders do not have the right to require Redemption or Exchange except for a right to require Redemption on the occurrence of a Holder Acquisition Event. If Holders wish to realise their investment, they will need to sell their NSS on-market;
- ranking – NSS are subordinated debt obligations of the Issuer, meaning that they rank behind the claims of all Senior Creditors of the Issuer (being all creditors of the Issuer other than Holders and other creditors (if any) that are subordinated to rank equally with Holders). If a Distribution Payment or the Issue Price upon Redemption of the NSS is payable but not paid, Nufarm guarantees such payment also on a subordinated and unsecured basis;
- market price and liquidity – the market price of NSS may fluctuate and trade below the Issue Price. In addition, the market for NSS may be less liquid than the market for

Ordinary Shares. As a result Holders who wish to sell their NSS may be unable to do so at an acceptable price, if at all;

- floating Distribution Rate – the Distribution Rate is calculated on the basis of the Market Rate plus the Margin. The Market Rate may fluctuate over time meaning there is a risk the Distribution Rate may become less attractive compared to the rate of return on comparable securities;
- tax – changes in tax laws or their interpretation or administration can impact on Holders and can, in certain circumstances, entitle the Issuer to Redeem NSS, which may not align with the preferences of Holders.

TRUSTEE

Permanent Trustee Company Limited has been appointed under the terms of the NSS Trust Deed as the NSS Trustee to enforce rights on behalf of Holders.

OFFER SIZE

A\$250 million of NSS, with the ability to accept oversubscriptions of up to A\$50 million. Applications must be for a minimum of 50 NSS (A\$5,000).

The Issuer reserves the right to issue less than A\$250 million of NSS.

WHO CAN APPLY?

The Offer comprises:

- an Eligible Capital Noteholder Entitlement Offer – you are an Eligible Capital Noteholder if you are a Capital Noteholder with either a registered Australian address or a registered New Zealand address, and:
 - (a) you elected to extend the term of your Capital Notes to 24 November 2006 under the notice given by the Issuer on or around 21 August 2006 and you were the registered holder of Capital Notes as at 28 September 2006; or
 - (b) you purchased Capital Notes which have the new election date of 24 November 2006 and you were the registered holder of Capital Notes as at 28 September 2006;
- a Broker Firm Offer – you are a Broker Firm Offer Applicant if you are an Australian or New Zealand resident retail client of a Co-Manager, Participating Broker or Primary Market Participant and you apply under the Broker Firm Offer;
- an Institutional Investor Offer – Institutional Investors will be invited to participate in the Bookbuild by the Joint Lead Managers and Bookrunners; and
- a General Public Offer – you are a General Public Offer Applicant if you are an Australian or New Zealand resident retail investor Applicant and cannot participate under one of the other Offers, or you are an Eligible Capital Noteholder and you want more NSS than available to you under your Entitlement.

Applications made by General Public Offer Applicants may be scaled back by the Issuer.

WHEN TO APPLY

The key dates for each Offer are summarised on page 1. It is possible that an Offer will close early so you are encouraged to lodge your Application as soon as possible after the relevant Offer opens.

MORE INFORMATION

If, after reading this Prospectus, you are unclear in relation to any matter or if you have any questions about the Offer, you should contact your investment adviser.

If you are an Eligible Capital Noteholder or General Public Offer Applicant and have any questions on how to apply for NSS, please call the **Nufarm Information Line on 1300 652 479 in Australia or +64 9 4888 777 in New Zealand.**

If you are a Broker Firm Offer Applicant and have any questions on how to apply for NSS, you should contact your broker.

WHAT YOU NEED TO DO

If you want to apply for NSS, you need to complete the following four steps:

READ

Read this Prospectus in its entirety, paying particular attention to:

- Important Information on the inside front cover;
- Answers to Key Questions about NSS in Section 2;
- risks that may be relevant to an investment in NSS in Section 7; and
- the Terms of Issue of NSS in Appendix A.

CONSIDER AND CONTACT

Consider all risks and other information about NSS in light of your individual investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Contact your investment adviser if you are uncertain whether you should apply for NSS.

COMPLETE

Complete the relevant Application Form. Applications for NSS may only be made on an Application Form attached to or accompanying this Prospectus.

Eligible Capital Noteholder Entitlement Offer Applicants – if you wish to reinvest the proceeds of the A\$ equivalent of the face value of your Capital Notes Purchased by the Issuer, you must complete the blue personalised Eligible Capital Noteholder Entitlement Offer Application Form (accompanying this Prospectus) and mail or deliver it to the below address (see “Mail or Deliver”).

If you are an Eligible Capital Noteholder Entitlement Offer Applicant, you will only need to submit an Application Payment to the extent that the aggregate Issue Price of NSS you have applied for is in excess of the proceeds from the Purchase of your Capital Notes by the Issuer. For a worked example on calculating your Application Payment under the Eligible Capital Noteholder Entitlement Offer, please see Section 3.4.

Broker Firm Offer Applicants – if you are a Broker Firm Offer Applicant, you should contact your broker for more information about how to complete and submit the white Application Form (attached to this Prospectus) and your Application Payment to your broker.

General Public Offer Applicants – if you are a General Public Offer Applicant, you must complete the white Application Form (attached to this Prospectus) and mail or deliver it together with your Application Payment to the below address (see “Mail or Deliver”).

Cheque(s) or money orders for your Application Payment must be drawn in Australian dollars and made payable to “Nufarm NSS Offer”. Cheques or money orders should be crossed “not negotiable”. Cash payments will not be accepted.

MAIL OR DELIVER

Mail or deliver your completed Application Form together with your Application Payment (unless you are a Broker Firm Offer Applicant) to the Registry:

by mail to:

Australia

Nufarm NSS Offer
Computershare Investor
Services Pty Limited
GPO Box 52
MELBOURNE VIC 8060

New Zealand

Nufarm NSS Offer
Computershare Investor
Services Limited
Private Bag 92119
AUCKLAND 1142

by hand delivery to:

Australia

Nufarm NSS Offer
Computershare Investor
Services Pty Limited
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067

New Zealand

Nufarm NSS Offer
Computershare Investor
Services Limited
Level 2, 159 Hurstmere Road
Takapuna
AUCKLAND

Eligible Capital Noteholder Entitlement Offer Applicants – your completed blue personalised Eligible Capital Noteholder Entitlement Offer Application Form and Application Payment (if applicable) must be received by the Registry no later than the Eligible Capital Noteholder Entitlement Offer Closing Date, which is 2.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 24 October 2006.

Broker Firm Offer Applicants – your completed white Application Form and Application Payment must be received by your broker in time for them to arrange settlement on your behalf by the Broker Firm and General Public Offer Closing Date, which is 3.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 17 November 2006.

General Public Offer Applicants – your completed white Application Form and Application Payment must be received by the Registry no later than the Broker Firm and General Public Offer Closing Date, which is 3.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 17 November 2006.

Investors are encouraged to lodge their Applications as soon as possible after the relevant Offer opens.

For more information on applying for NSS – see Section 4. If you have any questions on how to apply for NSS, please call the **Nufarm Information Line on 1300 652 479 in Australia or +64 9 4888 777 in New Zealand.**

DETAILS OF THE OFFER IN NEW ZEALAND

The Offer to New Zealand resident investors is made pursuant to the Exemption Notice. An Investment Statement which complies with the Exemption Notice, the Securities Act 1978 (NZ) and the Securities Regulations 1983 (NZ), has been prepared in connection with the Offer. If you are a New Zealand resident investor and wish to apply for NSS, you should refer to the Investment Statement for instructions on how to apply. The Application Forms to be used by New Zealand resident investors are attached to or accompany the Investment Statement.

COPIES OF THIS PROSPECTUS

The Issuer will, within five working days of receiving a request, send to the person who requested it, free of charge:

- a copy of this Prospectus; and
- copies of any documents referred to in this Prospectus as requested.

2.

ANSWERS TO KEY QUESTIONS

THIS SECTION CONTAINS ANSWERS TO SOME KEY QUESTIONS ABOUT NSS AND THE OFFER. THE ANSWERS ARE INTENDED AS A GUIDE ONLY AND SHOULD BE READ IN CONJUNCTION WITH ALL OTHER INFORMATION CONTAINED IN THIS PROSPECTUS. THE FULL TERMS OF ISSUE ARE INCLUDED IN APPENDIX A.

OVERVIEW OF NUFARM

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
Who is Nufarm?	Nufarm Limited (ABN 37 091 323 312) is a global leader in the manufacture, development and marketing of crop protection products. Its shares are quoted on ASX and it has a market capitalisation, as at the close of trading on 28 September 2006, of approximately A\$1.69 billion.	6.1, 6.3 and 6.4
Who is Nufarm Finance (NZ) Limited – the Issuer?	The Issuer is Nufarm Finance (NZ) Limited (ARBN 099 125 783) (formerly Fernz Corporation (NZ) Limited), a wholly owned subsidiary of Nufarm Limited (ABN 37 091 323 312), whose only activity is to act as a group financing company for Nufarm.	6.2

OVERVIEW OF NSS

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
What is the security?	Nufarm Step-up Securities (NSS) are perpetual, subordinated, unsecured, Redeemable, Exchangeable notes.	
What is the Offer?	<p>A\$250 million of NSS, with the ability to accept over-subscriptions of up to A\$50 million. The Issuer reserves the right to issue less than A\$250 million of NSS.</p> <p>The Offer comprises:</p> <ul style="list-style-type: none"> an Eligible Capital Noteholder Entitlement Offer – you are an Eligible Capital Noteholder if you are a Capital Noteholder with either a registered Australian address or a registered New Zealand address, and: <ol style="list-style-type: none"> you elected to extend the term of your Capital Notes to 24 November 2006 under the notice given by the Issuer on or around 21 August 2006 and you were the registered holder of Capital Notes as at 28 September 2006; or you purchased Capital Notes which have the new election date of 24 November 2006 and you were the registered holder of Capital Notes as at 28 September 2006; a Broker Firm Offer – you are a Broker Firm Offer Applicant if you are an Australian or New Zealand resident retail client of a Co-Manager, Participating Broker or Primary Market Participant and you apply under the Broker Firm Offer; an Institutional Investor Offer – Institutional Investors will be invited to participate in the Bookbuild by the Joint Lead Managers and Bookrunners; and a General Public Offer – you are a General Public Offer Applicant if you are an Australian or New Zealand resident retail Applicant who cannot participate in one of the other Offers or you are an Eligible Capital Noteholder and you want more NSS than available to you under your Entitlement. <p>Applications made by General Public Offer Applicants may be scaled back by the Issuer.</p>	1

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
What is the term of the securities?	Perpetual unless Redeemed or Exchanged.	
How will the securities be quoted?	The Issuer will apply for NSS to be quoted on ASX under ASX code NFNG. The Issuer has applied to NZX for NSS to be quoted on NZDX under NZDX code NFFHA.	
Are NSS secured?	No. Repayment of the Issue Price (or any other money owing in respect of the NSS) is not secured by a mortgage, charge or other security over the Issuer's assets. NSS are "unsecured notes" for the purposes of the Corporations Act (section 283BH).	
Are NSS guaranteed?	If a Distribution Payment or the Issue Price upon Redemption of the NSS is payable but not paid, Nufarm guarantees such payment on a subordinated and unsecured basis. Distribution Payments become payable on a Distribution Payment Date. During a Distribution Period, and until the Distribution Payment Date is reached, no amount is payable in respect of the NSS. The Issuer and Nufarm have a discretion to not pay the Distribution Payments (see "Distribution Payments may not be paid") and if that discretion is exercised, Distribution Payments will not become payable , and accordingly the Guarantee will not apply. There are consequences to both the Issuer and Nufarm in these circumstances (see "Dividend Restriction"). Claims under the Guarantee rank below the claims of all Senior Creditors (being all creditors of Nufarm other than Holders and other creditors (if any) that are subordinated to rank equally with Holders) and in priority to the claims of Ordinary Shareholders.	9.8.2
Do I have any liability on insolvency of the Issuer or Nufarm?	Holders of NSS or Ordinary Shares would not be required to make any payment as a result of any insolvency of the Issuer. However, it is possible in some circumstances, under the law relating to insolvency, that a Holder of NSS or Ordinary Shares may have to return money they have received from the Issuer.	Appendix A, clauses 10.1 and 10.2
What is my claim if the Issuer or Nufarm is wound up?	Upon a winding up of the Issuer or Nufarm, a Holder may claim in the liquidation or administration of the Issuer or Nufarm for an amount in respect of each NSS it holds, equal to the amount to which the Holder would be entitled to on a Redemption of the NSS (in the case of a winding up of Nufarm, to the extent such amount is unpaid by the Issuer). A Holder's claim in the liquidation or administration of the Issuer or Nufarm is subordinated to the claims of all Senior Creditors (being all creditors of the Issuer other than Holders and other creditors (if any) that are subordinated to rank equally with Holders) and in priority to the claims of Ordinary Shareholders.	Appendix A, clauses 10.1 and 10.2

USE OF PROCEEDS

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
How will the proceeds of the Offer be used?	NSS are being issued to wholly or partially fund the Purchase of Capital Notes that are currently on issue and for general corporate purposes of the Nufarm Group.	

APPLICATIONS

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
How can I apply for NSS?	Application Forms and a guide on how to complete them accompany this Prospectus. If you are a New Zealand resident investor and wish to apply, you should refer to the Investment Statement for Application Forms and a guide on how to complete them.	4
What am I required to pay for each NSS?	The Issue Price of each NSS is A\$100.	4.4.1
Do I have an Entitlement if I am a Capital Noteholder?	<p>Yes, if you are an Eligible Capital Noteholder, you are entitled to an allocation of NSS equal to the aggregate A\$ equivalent of the face value of your Capital Noteholding in return for agreeing to sell your Capital Notes to the Issuer. You are an Eligible Capital Noteholder if you are a Capital Noteholder with either a registered Australian address or a registered New Zealand address, and:</p> <p>(a) you elected to extend the term of your Capital Notes to 24 November 2006 under the notice given by the Issuer on or around 21 August 2006 and you were the registered holder of Capital Notes as at 28 September 2006; or</p> <p>(b) you purchased Capital Notes which have the new election date of 24 November 2006 and you were the registered holder of Capital Notes as at 28 September 2006.</p> <p>The Eligible Capital Noteholder Entitlement Offer Closing Date is 24 October 2006.</p>	3.2 and 3.3
Do I have an Entitlement or preferential allocation if I am an Ordinary Shareholder?	No. Ordinary Shareholders will not be entitled to a preferential allocation of NSS over other Applicants.	3.2 and 3.3
Do I need to apply for a minimum number of NSS?	Yes. The minimum number of NSS that you may apply for is 50 (a minimum investment of A\$5,000).	4.4.1
Will I be required to pay brokerage or stamp duty on my Application?	No. You will not be required to pay brokerage or stamp duty on your Application.	4.4.3
What fees and expenses are payable out of the proceeds of the Offer?	For a description of fees and expenses payable by the Issuer, see Sections 9.8.4 and 9.10.	9.8.4 and 9.10

DISTRIBUTION PAYMENTS

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
<p>How will Distribution Payments be calculated?</p>	<p>Each Distribution Payment is calculated according to the following formula:</p> $\frac{\text{Distribution Rate} \times \text{A\$100} \times \text{N}}{365}$ <p>where: N means:</p> <ul style="list-style-type: none"> • in respect of the first Distribution Period, the number of days from (and including) the Distribution Commencement Date until (but not including) the first Distribution Payment Date; and • in respect of each subsequent Distribution Period, the number of days from (and including) the preceding Distribution Payment Date until (but not including) the relevant Distribution Payment Date. <p>By way of example, if the Distribution Rate is 7.90%, the Issue Price is A\$100 and there are 182 days in a Distribution Period, you will receive $(0.0790 \times 100 \times (182/365))$ which equals A\$3.9392 per NSS.</p>	<p>Appendix A, clause 2.1</p>
<p>What is the Distribution Rate?</p>	<p>The Distribution Rate for each Distribution Period is calculated as:</p> <p>Distribution Rate = Market Rate + Margin</p> <p>For the first Distribution Period, the Distribution Rate will be the higher of:</p> <ul style="list-style-type: none"> • 8.00% per annum (Minimum First Distribution Rate); and • the Market Rate applying on the Distribution Commencement Date plus the Initial Margin of 1.90% per annum. <p>For each subsequent Distribution Period, the Distribution Rate will be the Market Rate applying on the first Business Day of each Distribution Period (expressed as a percentage per annum) plus the Margin.</p>	<p>Appendix A, clause 2.1</p>
<p>What is the Market Rate?</p>	<p>The Market Rate is the average mid-rate for bills of a term of six months which is displayed on Reuters page BBSW. The Market Rate is a benchmark interest rate in the Australian money market commonly used by Australian banks to lend cash to each other over a six month period.</p>	<p>Appendix A, clause 2.1</p>

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
What is the Margin?	<ul style="list-style-type: none"> For each Distribution Period prior to the first Step-up Date, the Margin will be the Initial Margin of 1.90% per annum. For each Distribution Period after a Step-up Date which follows a Successful Re-marketing Process, the Margin will be the New Margin set under the Successful Re-marketing Process. For each Distribution Period after a Step-up Date which does not immediately follow a Successful Re-marketing Process, the Margin will be the Step-up Margin. 	Appendix A, clause 2.1
What is the Step-up Margin?	The Step-up Margin is the Margin which prevailed immediately before the relevant Step-up Date plus the Step-up Percentage.	Appendix A, clause 15.2
What is the Step-up Percentage?	The Step-up Percentage is 2.00%.	Appendix A, clause 15.2
Will Distribution Payments always be paid?	It is possible that Distribution Payments will not be paid. Distribution Payments will not be paid if the Issuer Directors or the Nufarm Directors declare that a Distribution Payment is not payable. Distribution Payments are non-cumulative meaning that, if a Distribution Payment is not paid, it does not accumulate and may never be paid.	Appendix A, clauses 2.2 and 2.3
Are there any consequences for Nufarm and the Issuer if a Distribution Payment is not paid?	If a Distribution Payment is not paid in full within 20 Business Days after the relevant Distribution Payment Date, a Dividend Restriction will prevent the Issuer and Nufarm from paying dividends, making any other form of capital distribution and from redeeming, reducing, cancelling or buying back or acquiring for any consideration any share capital, unless the approval of a Special Resolution of Holders is obtained.	Appendix A, clause 2.5
When does the Dividend Restriction cease to operate?	<p>The Dividend Restriction will cease to operate if any of the following circumstances apply:</p> <ul style="list-style-type: none"> two consecutive Distribution Payments scheduled to be paid on NSS after the Distribution Payment Date of the Distribution Payment that has not been paid, have been paid in full; an Optional Distribution Payment has been paid equal to the aggregate unpaid amount of any unpaid Distribution Payments which were scheduled to be paid in the 12 months prior to the date of payment of the Optional Distribution Payment; or all NSS have been Redeemed or Exchanged. <p> Holders, may, by Special Resolution approve the payment of a dividend or other activity that would otherwise have been prevented by the Dividend Restriction.</p>	Appendix A, clause 2.5
Will Distribution Payments be franked or imputed?	The Distribution Payments will not be franked with Australian franking credits or imputed with New Zealand imputation credits.	8

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
When will Distribution Payments be paid?	<p>Distribution Payments will be payable on:</p> <ul style="list-style-type: none"> • each 15 April and 15 October until the first to occur of the Redemption Date and the Exchange Date; • the Redemption Date; and • the Exchange Date. <p>The first Distribution Payment Date will be 15 April 2007.</p>	Appendix A, clause 2.6
How will Distribution Payments be paid?	<p>Distribution Payments will be paid by the Issuer in any manner the Issuer decides including by direct credit. A notice of the payment will be mailed to your registered address. Shortly after the Broker Firm and General Public Offer Issue Date, Holders will receive a direct credit election form with their Holding Statement.</p> <p>To be entitled to a Distribution Payment, you must be recorded as a Holder on the relevant Record Date. The Record Date for a Distribution Payment is 5.00pm (Melbourne time) on the date seven days before the Distribution Payment Date for that Distribution Payment.</p>	Appendix A, clause 7.5

RE-MARKETING PROCESS

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
What is the Re-marketing Process?	<p>Prior to a Step-up Date, the Issuer may issue a Re-marketing Process Invitation to Holders, notifying them that it would like to change all or some of the following Terms of Issue with effect from the Step-up Date:</p> <ul style="list-style-type: none"> • the Market Rate; • the Step-up Percentage; • the Exchange Discount; • the frequency and timing of Distribution Periods and Distribution Payment Dates; • the timing of the next Step-up Date; and • certain notice periods required for the purposes of Redeeming or Exchanging NSS, having regard to changes proposed in the Re-marketing Process Invitation to the frequency and timing of Distribution Periods, Distribution Payment Dates and the timing of the next Step-up Date. 	Appendix A, clause 6.1
When is the Step-up Date?	<p>The first Step-up Date is 24 November 2011, and after that, on each fifth anniversary of that date. However, a new Step-up Date may be set through a Successful Re-marketing Process.</p>	Appendix A, clause 15.2

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
<p>How do I participate in the Re-marketing Process?</p>	<p>The Re-marketing Process Invitation will invite Holders to respond within the requisite period with one of the following:</p> <ul style="list-style-type: none"> • a Step-up Notice – indicating that the Holder does not wish to continue to hold NSS unless the Step-up Margin applies with effect from the Step-up Date; • a Bid Notice – indicating that the Holder does not wish to continue to hold NSS unless the New Margin is at least equal to a rate specified by the Holder (which must be less than the Step-up Margin) with effect from the Step-up Date; or • a Hold Notice – indicating that the Holder wishes to continue to hold NSS irrespective of the Margin which applies with effect from the Step-up Date. <p>If a Holder does not respond within the requisite period, the Holder is deemed to have given a Hold Notice.</p>	<p>Appendix A, clause 6.3</p>
<p>What happens if the Issuer does not issue a Re-marketing Process Invitation?</p>	<p>If the Issuer does not issue a Re-marketing Process Invitation within the requisite period, the Step-up Margin will apply from the Step-up Date, no Terms of Issue will be adjusted and there will be no further Step-up Dates.</p>	<p>Appendix A, clause 6.2</p>
<p>What is the result of the Re-marketing Process?</p>	<p>Subject to certain conditions (see Appendix A, clause 6.4 (b)), the Issuer may set a New Margin which, together with the other changed Terms of Issue notified to Holders, will apply with effect from the Step-up Date.</p> <p>If the Issuer sets a New Margin, the Issuer must Redeem, Exchange or Resell NSS of a Holder who responds with a Step-up Notice or Bid Notice specifying a margin higher than the New Margin. Otherwise, the New Margin applies to all other Holders.</p> <p>The Issuer may decide not to set a New Margin, in which case the Step-up Margin will apply from the Step-up Date, no Terms of Issue will be adjusted and there will be no further Step-up Dates.</p> <p>The Issuer may decide to Redeem or Exchange all or some NSS on issue on a Step-up Date.</p>	<p>Appendix A, clause 6.4</p>

REDEMPTION, EXCHANGE AND RESALE

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
<p>Do Holders have a right to require Redemption or Exchange of their NSS?</p>	<p>Holders do not have a right to require a Redemption or Exchange of their NSS except for a right to require Redemption (but not Exchange) of their NSS if a Holder Acquisition Event occurs. A Holder Acquisition Event is an Acquisition Event which has been recommended by the Nufarm Directors and approved by the Issuer Directors.</p> <p>The occurrence of an Acquisition Event also allows the Issuer to Redeem or Exchange NSS. If the Issuer elects to Redeem or Exchange NSS as a consequence of the Acquisition Event, the election of the Issuer prevails to the extent of any inconsistency unless:</p> <ul style="list-style-type: none"> • the Redemption Date or Exchange Date for the purposes of the Issuer’s election is later than that which applies by virtue of the Holder’s exercise of its right to require Redemption; and/or • the Issuer’s election is revoked pursuant to the operation of the Terms of Issue. 	<p>Appendix A, clause 3.5</p>
<p>When can the Issuer Redeem, Exchange or Resell?</p>	<p>The Issuer may Redeem or Exchange:</p> <ul style="list-style-type: none"> • all or some NSS on a Step-up Date; • all or some NSS on a Distribution Payment Date after a Step-up Date if the Step-up Margin applies with effect from the Step-up Date; • all (but not some only) NSS at any time on the occurrence of a Regulatory, Accounting, Tax or Acquisition Event; • all (but not some only) NSS at any time if there are less than 650,000 NSS on issue; or • all (but not some only) NSS at any time held by Retiring Holders following a Successful Re-marketing Process. <p>The Issuer may Resell NSS instead of Redeeming or Exchanging NSS of Retiring Holders.</p>	<p>Appendix A, clauses 3.1 and 6.5</p>
<p>What is the amount payable on Redemption?</p>	<p>The Issuer must Redeem the relevant NSS by paying the Issue Price together with any Distribution Payment scheduled to be paid on the Redemption Date.</p>	<p>Appendix A, clause 4</p>

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
<p>How many Ordinary Shares will I receive upon Exchange?</p>	<p>Upon Exchange, the Issuer must Exchange the relevant NSS for a number of Ordinary Shares equal to the Exchange Number. The Exchange Number is the number of Ordinary Shares received by a Holder on Exchange of each NSS calculated as:</p> $\frac{100}{\text{VWAP} \times (1-\text{ED})}$ <p>where:</p> <p>VWAP = the average of the daily volume weighted average sale prices per Ordinary Share sold on ASX (VWAP) during the 20 Business Days immediately before the Exchange Date; and</p> <p>ED = Exchange Discount (expressed as a decimal).</p> <p>If the total number of Ordinary Shares to be issued to a Holder includes a fraction, that fraction will be disregarded.</p>	<p>Appendix A, clauses 5.2 and 5.3</p>
<p>What is the Exchange Discount?</p>	<p>The Exchange Discount is 2.50%.</p>	<p>Appendix A, clause 5.2</p>
<p>What are the consequences of Resale?</p>	<p>Instead of Redeeming or Exchanging NSS after a Successful Re-marketing Process, the Issuer may sell or procure the sale of the NSS to a third party for an amount such that the net proceeds of sale are at least equal to the amount which would have been paid on Redemption of the NSS (determined as if the NSS were being Redeemed on the date which would have otherwise have been the Redemption Date) (the Resale Date), and remit the net proceeds to the Holder on the Resale Date.</p> <p>If the Issuer elects to Resell and NSS are not Resold on or before the Resale Date, the NSS must be Redeemed or Exchanged on the Resale Date.</p>	<p>Appendix A, clause 6.5</p>
<p>Will Ordinary Shares received upon Exchange rank equally with other Ordinary Shares?</p>	<p>Yes.</p>	<p>Appendix A, clause 5.5</p>

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
How will I be able to realise my investment in NSS?	<p>The Issuer will apply for NSS to be quoted on ASX under ASX code NFNG and has applied for NSS to be quoted on NZDX under NZDX code NFFHA. Quotation is not guaranteed. Once quoted, NSS can be bought or sold on ASX through any broker and NZDX through any Organising Participant at the prevailing market price. That price may be higher or lower than the Issue Price and will depend, among other things, on the level of supply and demand for NSS and the amount of unpaid Distribution Payments.</p> <p>If ASX does not grant permission for NSS to be quoted within three months after the date of the Original Prospectus (or any other period permitted by law), NSS will not be issued, or any issue of NSS which has been completed (such as the issue of NSS under the Eligible Capital Noteholder Entitlement Offer) will be void by operation of law, and Application Payments will be refunded (without interest) within 10 Business Days of the Broker Firm and General Public Offer Closing Date.</p>	

PARTICIPATION AND VOTING RIGHTS

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
Do NSS carry any participation rights?	No, NSS do not carry a right to participate in any offering of new securities in the Issuer or Nufarm.	
Do NSS carry any voting rights?	No. NSS do not carry any voting rights in the Issuer or Nufarm. Ordinary Shares issued on Exchange carry the same voting rights as other Ordinary Shares.	

FINANCIAL INFORMATION

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
What financial information relating to the Issuer and Nufarm should I take into account in making a decision to invest?	Section 6.7 sets out historical and pro forma historical financial information in relation to Nufarm.	6.7

RISKS

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
What are the risks of investing in NSS?	There are particular risks associated with investing in NSS as well as general risks associated with investing in the Issuer and Nufarm. Section 7 provides a summary of these risks.	7

TAXATION

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
What are the taxation implications of holding or selling NSS?	The taxation implications of holding or selling NSS will depend on your individual circumstances. A summary of some of the relevant taxation consequences for Holders is provided in the taxation letter from Ernst & Young contained in Section 8. However, you should obtain your own taxation advice based on your individual circumstances before investing in NSS.	8

OTHER

TOPIC	SUMMARY	WHICH SECTION TO FIND MORE INFORMATION
Where are the terms and conditions that apply to the NSS set out?	NSS will be issued under the terms of the NSS Trust Deed, and the Terms of Issue. The NSS Trustee has been appointed as trustee under the terms of the NSS Trust Deed to enforce rights on behalf of the Holders.	1, 9.8, Appendix A
Where can I get more information about NSS?	The Issuer will, within five working days of receiving a request, send to the person who requested it, free of charge: <ul style="list-style-type: none"> • a copy of this Prospectus; and • copies of any documents referred to in this Prospectus as requested. Some of these documents, for example, the NSS Trust Deed and Nufarm's Constitution, are summarised in Section 9.8. If, after reading this Prospectus and the documents, you are unclear in relation to any matter, you should contact your investment adviser.	1, 9.8
Contact details	For further contact details, see the Corporate Directory at the back of this Prospectus.	Inside back cover

You should read this Prospectus in its entirety. If, after reading this Prospectus, you are unclear in relation to any matter or you have any questions about the Offer, you should contact your investment adviser.





3.

OPTIONS FOR CAPITAL NOTEHOLDERS

THIS SECTION CONTAINS IMPORTANT INFORMATION REGARDING THE OPTIONS AVAILABLE TO CAPITAL NOTEHOLDERS IN RELATION TO THE PURCHASE OF THEIR CAPITAL NOTES. THIS SECTION SHOULD BE READ IN CONJUNCTION WITH ALL OTHER INFORMATION CONTAINED IN THIS PROSPECTUS (AND, FOR NEW ZEALAND RESIDENT CAPITAL NOTEHOLDERS, THE INVESTMENT STATEMENT).

3.1 WHY ARE THE CAPITAL NOTES BEING PURCHASED?

The Capital Notes are being replaced by an instrument more suitable to the long-term management of the Nufarm Group capital structure.

3.2 AM I AN ELIGIBLE CAPITAL NOTEHOLDER?

You are an Eligible Capital Noteholder if you are a Capital Noteholder with either a registered Australian address or a registered New Zealand address, and:

- (a) you elected to extend the term of your Capital Notes to 24 November 2006 under the notice given by the Issuer on or around 21 August 2006 and you were the registered holder of Capital Notes as at 28 September 2006; or
- (b) you bought Capital Notes which have the new election date of 24 November 2006 and you were the registered holder of Capital Notes as at 28 September 2006.

If you became the registered holder of Capital Notes after 28 September 2006, you will not be an Eligible Capital Noteholder and will not be entitled to participate in the Eligible Capital Noteholder Entitlement Offer. However, you may apply for NSS under the Broker Firm Offer or General Public Offer.

3.3 WHAT IS MY ENTITLEMENT?

As an Eligible Capital Noteholder, you are entitled to an allocation of NSS if you agree to sell your Capital Notes to the Issuer and reinvest the proceeds of that sale in NSS. Your Entitlement is equal to the A\$ equivalent of the NZ\$ proceeds from the Purchase of your Capital Notes by the Issuer, rounded down to the nearest whole number of NSS. However, as the minimum number of NSS that you may apply for under the Offer is 50 (a minimum investment of A\$5,000), only those Eligible Capital Noteholders with an A\$ equivalent holding of Capital Notes greater than or equal to A\$5,000 will have an Entitlement. The exchange rate that will be utilised for the conversion of the NZ\$ proceeds from the Purchase of your Capital Notes by the Issuer into an A\$ amount for the purpose of reinvestment in NSS will be calculated by using the NZ\$/A\$ wholesale rate at 5.00pm (Melbourne Time) on 25 October 2006 as displayed on Reuters page AUDNZD=R.

3.4 WHAT ARE THE OPTIONS FOR ELIGIBLE CAPITAL NOTEHOLDERS?

Option 1: You wish to have all, or part, of the proceeds from the Purchase of your Capital Notes by the Issuer reinvested in NSS

If you are an Eligible Capital Noteholder, you may apply through the Eligible Capital Noteholder Entitlement Offer to have all, or part, of the proceeds from the Purchase of your Capital Notes by the Issuer reinvested in NSS.

You must complete the blue personalised Eligible Capital Noteholder Entitlement Offer Application Form (attached to or accompanying this Prospectus or, for New Zealand investors, the Investment Statement) and mail or deliver it to the Registry. You will only need to submit an Application Payment to the extent that the aggregate Issue Price of NSS you have applied for is in excess of the value of the proceeds from the Purchase of your Capital Notes by the Issuer. The blue personalised Eligible Capital Noteholder Entitlement Offer Application Form has a separate section for you to complete if you wish to apply for NSS in excess of your Entitlement.

By way of example, if you hold 10,000 Capital Notes, the relevant NZ\$/A\$ wholesale rate is 0.85 and the aggregate Issue Price of NSS you have applied for is A\$12,500, your Application Payment under the Eligible Capital Noteholder Entitlement Offer is:

$$\text{A\$12,500} - (10,000 \times 0.85) = \text{A\$4,000}$$

An Application under the Eligible Capital Noteholder Entitlement Offer constitutes an irrevocable offer by you on the following terms:

- (a) to sell, which upon acceptance would be a Purchase by the Issuer of, all or some of your Capital Notes as is specified in the Eligible Capital Noteholder Entitlement Offer Application Form on the Eligible Capital Noteholder Purchase and Allotment Date for proceeds being an amount stated in NZ\$;
- (b) you agree to pay the Issue Price on the Eligible Capital Noteholder Purchase and Allotment Date to the Issuer in respect of the NSS for which you have applied pursuant to your Entitlement (which does not include any additional NSS you have applied for in excess of the value of your Entitlement). The value of NSS you have applied for, and the obligation to pay it, is stated in A\$ and, in terms of the NSS for which you have applied, represents the A\$ equivalent of the amount referred to in paragraph (a) calculated by using the NZ\$/A\$ wholesale rate at 5.00pm (Melbourne Time) on 25 October 2006 as displayed on Reuters page AUDNZD=R;
- (c) the NSS for which you have applied pursuant to your Entitlement (which does not include any additional NSS you have applied for in excess of the value of your Entitlement) will be Allotted and issued to you on the Eligible Capital Noteholder Purchase and Allotment Date, and you will be entered on to the register of Holders on that date. However, Holding Statements will not be despatched until after the Broker Firm and General Public Offer Closing Date, and you agree not to sell or trade NSS until the Broker Firm and General Public Offer Issue Date, notwithstanding that such Allotment has taken place;

- (d) your obligation to pay the Issue Price in respect of the NSS for which you have applied pursuant to your Entitlement (which does not include any additional NSS you have applied for in excess of the value of your Entitlement) will be satisfied by the application of the proceeds of the Purchase of your Capital Notes referred to above in paragraph (a), in full and final settlement of your obligation, and of any and all obligations of the Issuer and Nufarm in respect of your Capital Notes referred to above in paragraph (a), subject to paragraph (e) below. Your signed Eligible Capital Noteholder Entitlement Offer Application Form will constitute an irrevocable direction by you to apply the proceeds referred to above in paragraph (a) in this manner;
- (e) even though your Capital Notes will have been Purchased by the Issuer, the Issuer will still pay to you on 24 November 2006, a cash amount equivalent to the interest which would have been payable to you on that date had you continued to hold your Capital Notes. The Distribution Period in respect of the NSS Allotted to you on the Eligible Capital Noteholder Purchase and Allotment Date will not commence until 24 November 2006; and
- (f) once signed, the Eligible Capital Noteholder Entitlement Offer Application Form will constitute an irrevocable offer by you in favour of the Issuer and Nufarm. The Issuer and Nufarm may accept that offer by countersigning the Eligible Capital Noteholder Entitlement Offer Application Form or by Allotting NSS to you on the Eligible Capital Noteholder Purchase and Allotment Date. Once the offer has been accepted, there will be constituted a legal binding agreement between you, the Issuer and Nufarm in relation to the set-off arrangements described above, and all other matters stated in that Application Form. The legal binding agreement constituted by the Eligible Capital Noteholder Entitlement Offer Application Form is effective as and from the earlier of the countersigning of the Eligible Capital Noteholder Application Form and the Eligible Capital Noteholder Purchase and Allotment Date.

The Eligible Capital Noteholder Entitlement Offer closes at 2.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 24 October 2006. Your completed blue personalised Eligible Capital Noteholder Entitlement Offer Application Form and Application Payment (if applicable) must be received by the Registry by 2.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 24 October 2006.

If you apply under the Eligible Capital Noteholder Entitlement Offer, it is your responsibility to ensure that you do not dispose of any of those Capital Notes that are the subject of your Eligible Capital Noteholder Entitlement Offer Application.

Option 2: You do not wish to invest in NSS

If you are an Eligible Capital Noteholder and you do not wish to apply for NSS through the Eligible Capital Noteholder Entitlement Offer, you do not need to take any further action at this time.

Under the current terms of the Capital Notes, you will be sent an Election Notice on or about 30 October 2006. You should note that Nufarm currently intends to Purchase for cash any Capital Notes outstanding. The Election Notice scheduled to be sent to you on or about 30 October 2006 will provide further information in this regard.

You may choose to sell your Capital Notes on-market through your broker at the prevailing market price. The price you receive for your Capital Notes may be greater or less than the face value of the Capital Notes (NZ\$1.00). You may also be required to pay brokerage fees to your broker.

3.5 IS MY ENTITLEMENT TRANSFERABLE?

No. You may not transfer your Entitlement to any other person. Eligible Capital Noteholders must apply under the Eligible Capital Noteholder Entitlement Offer in the same name in which their Capital Notes are registered.

3.6 WHAT ARE THE OPTIONS FOR NON ELIGIBLE CAPITAL NOTEHOLDERS?

Non Eligible Capital Noteholders are Capital Noteholders that were not registered holders of Capital Notes on 28 September 2006 and/or Capital Noteholders without either a registered Australian address or a registered New Zealand address. If you are a Non Eligible Capital Noteholder, you may either:

- continue to hold your Capital Notes and under the current terms of the Capital Notes you will be sent an Election Notice on or about 30 October 2006, which will provide further information (you should note that Nufarm currently intends to Purchase for cash any Capital Notes outstanding); or
- sell your Capital Notes on-market through your broker at the prevailing market price. The price you receive for your Capital Notes may be greater or less than the face value of the Capital Notes (NZ\$1.00). You may also be required to pay brokerage fees to your broker.

3.7 WHAT ARE THE TAXATION IMPLICATIONS OF PARTICIPATING UNDER THE ELIGIBLE CAPITAL NOTEHOLDER ENTITLEMENT OFFER?

The taxation implications of holding or selling NSS will depend on your individual circumstances. A summary of some of the relevant taxation consequences for Holders is provided in the taxation letter from Ernst & Young contained in Section 8. However, you should obtain your own taxation advice based on your individual circumstances before investing in NSS.

A summary guide on the taxation consequences for Eligible Capital Noteholders in respect of participating in the Eligible Capital Noteholder Entitlement Offer, is set out below.

NEW ZEALAND RESIDENT ELIGIBLE CAPITAL NOTEHOLDERS

Eligible Capital Noteholders who elect to invest in NSS will have their Capital Notes Purchased by the Issuer. The Capital Notes are “financial arrangements” for New Zealand tax purposes. New Zealand resident investors will be subject to the financial arrangement rules and will need to perform a “base price adjustment” calculation on the Purchase of their Capital Notes. New Zealand investors will be taxable on any gain on the Purchase of their Capital Notes to the extent this has not previously been taxed.

Since the Capital Notes were issued and will be Purchased at their face value, there should be no gain or loss for Holders who acquired Capital Notes on their issue (other than accrued interest). However, where Capital Notes were acquired in the secondary market, any difference between the price paid to acquire the Capital Notes and any amount paid on Purchase by the Issuer will be taxable if it is a gain and should be deductible if it is a loss.

Resident withholding tax will be deducted from any interest component of the Purchase payment and the payment on 24 November 2006.

Where Eligible Capital Noteholders have elected to have all or part of the proceeds from the Purchase of their Capital Notes reinvested in NSS, those proceeds will be applied in Australian dollars to the investment in NSS. The “consideration paid” for the NSS (for the purposes of the financial arrangement rules) will be the NZ\$ face value of the Capital Notes (not including accrued interest). Further information on the New Zealand tax consequences of the NSS is included in Section 8.

AUSTRALIAN RESIDENT ELIGIBLE CAPITAL NOTEHOLDERS

The Capital Notes should be treated as “traditional securities” for the purposes of Australian income tax law. Accordingly, the Capital Notes should be subject to those specific provisions relating to the taxation of gains and deductions of losses arising from the disposal or redemption of traditional securities.

As a result of the new election date, or depending upon when the Capital Notes were acquired (as well as the particular circumstances of the Eligible Capital Noteholder), a foreign currency gain or loss may arise on the Purchase of the Capital Notes. Further, as the Capital Notes constitute “CGT Assets”, they are also subject to the Australian Capital Gains Tax (CGT) provisions. The CGT provisions should

apply on the Purchase of the Capital Notes, except that any assessable capital gain should be reduced by the amount included in the Eligible Capital Noteholder’s assessable income under the specific provisions relating to traditional securities and foreign currency gains and losses.

3.8 IS BROKERAGE OR STAMP DUTY PAYABLE?

No. You will not be required to pay brokerage or stamp duty on the Purchase of your Capital Notes by the Issuer or the application of those proceeds to investment in NSS. You may have to pay brokerage on any subsequent transfer of your NSS on ASX or NZDX.

3.9 WHAT HAPPENS IF NSS ARE NOT ISSUED UNDER THE OTHER OFFERS?

If you have chosen to participate in the Eligible Capital Noteholder Entitlement Offer and in the unlikely event that the balance of the Offer does not proceed, the Issuer may still Allot NSS to you on the Eligible Capital Noteholder Purchase and Allotment Date. The NSS will be issued at a margin equal to the Minimum First Distribution Rate less the Market Rate applying on 26 October 2006.

If the number of NSS on issue is less than 650,000, all of the Allotted NSS may, but will not necessarily, be Redeemed or Exchanged by the Issuer under the Terms of Issue at any time. Also, if quotation of NSS on ASX or NZDX is not granted within three months from the date of the Original Prospectus (for example, because there is an insufficient number of NSS on issue), the Allotment of NSS will be void by operation of law, and all Application Payments will be refunded to Applicants within 10 Business Days of the Broker Firm and General Public Offer Closing Date. No interest will be paid on Application Payments refunded.

The Issuer may withdraw the Offer in its entirety prior to the Eligible Capital Noteholder Purchase and Allotment Date, in which case the Eligible Capital Noteholder Entitlement Offer will no longer be available. In this case, the Election Notice scheduled to be sent to you on or about 30 October 2006 will provide details of the options available to you at that time. These options may, without limitation, include the rollover of Capital Notes and/or the Purchase of Capital Notes, which the Issuer or Nufarm may undertake using its existing facilities.

You should read this Prospectus in its entirety. If, after reading this Prospectus, you are unclear in relation to any matter or you have any questions about the Offer, you should contact your investment adviser.

4.

APPLYING FOR NSS

4.1 WHO MAY APPLY

The Offer is available to persons with an Australian address receiving this Prospectus in Australia, including by downloading a copy of this Prospectus from Nufarm's website **www.nufarm.com**. Applicants using an Application Form accompanying either the electronic or printed version of this Prospectus must have a registered Australian address on 28 September 2006.

This Offer is also available to persons with a New Zealand address receiving this Prospectus and the Investment Statement in New Zealand. Applicants using the Application Form accompanying either the electronic or printed version of the Investment Statement must have a registered New Zealand address on 28 September 2006.

No action has been, or will be, taken to register this Prospectus in any jurisdiction outside of Australia. This Prospectus does not constitute an offer or invitation to potential investors where such an offer or invitation would be unlawful.

4.2 WHEN TO APPLY

The Eligible Capital Noteholder Entitlement Offer opens at 9.00am (Melbourne Time) on 11 October 2006 and closes at 2.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 24 October 2006. The Broker Firm and General Public Offers will open at 9.00am (Melbourne Time) on 27 October 2006 and are expected to close at 3.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 17 November 2006. Nufarm reserves the right to accept or reject late Applications.

Nufarm may, in its absolute discretion, choose not to proceed with an Offer, close any part of an Offer early or extend an Offer Closing Date for any part of an Offer, without notice. Investors are encouraged to submit their Applications as soon as possible after the relevant Offer opens. If an Offer Closing Date is extended, subsequent dates may also be extended accordingly.

4.3 HOW TO APPLY

Persons who receive the electronic version of this Prospectus should ensure that they download and read the Prospectus in its entirety. Applications cannot be made online.

The Corporations Act prohibits any person from passing an Application Form on to another person unless it is attached to or accompanying a paper copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

4.3.1 ELIGIBLE CAPITAL NOTEHOLDERS

If you are an Eligible Capital Noteholder Entitlement Offer Applicant wishing to apply for NSS, you must complete the blue personalised Eligible Capital Noteholder Entitlement Offer Application Form (accompanying this Prospectus).

4.3.2 BROKER FIRM OFFER APPLICANTS

If you are a Broker Firm Offer Applicant wishing to apply for NSS, you should contact your broker for more information about how to complete and submit the white Application Form (attached to this Prospectus) and your Application Payment to your broker.

The Application process for Broker Firm Offer Applicants differs in two important respects from the process described for Eligible Capital Noteholders and for General Public Offer Applicants:

- your Application Payment must be made payable to your broker (not to "Nufarm NSS Offer"); and
- your completed Application Form and Application Payment must be delivered to your broker directly (not to the Registry).

These differences and any other requirements can be explained to you by a broker.

If you are a Broker Firm Offer Applicant in New Zealand and wish to apply for NSS, you should refer to the Investment Statement for details on how to apply for NSS.

4.3.3 GENERAL PUBLIC OFFER APPLICANT

If you are a General Public Offer Applicant, you must complete the white Application Form attached to this Prospectus and mail or deliver it together with your Application Payment to the address in Section 4.5.

If you are a General Public Offer Applicant in New Zealand and wish to apply for NSS, you should refer to the Investment Statement for details and instructions on how to apply for NSS.

4.4 HOW TO PAY

4.4.1 MINIMUM APPLICATION

The Issue Price of each NSS is A\$100. Applications must be for a minimum of 50 NSS (A\$5,000) and thereafter in multiples of 1 NSS (A\$100). However, you may be Allocated a lesser number of NSS, including zero, in the event that there is excess demand for the Offer.

4.4.2 APPLICATION PAYMENT FOR NSS

4.4.2.1 Eligible Capital Noteholders

If you are an Eligible Capital Noteholder Entitlement Offer Applicant you will only need to submit an Application Payment to the extent that the aggregate amount of NSS you have applied for is in excess of the value of your Entitlement under the Eligible Capital Noteholder Entitlement Offer. For a worked example on calculating your Application Payment under the Eligible Capital Noteholder Entitlement Offer, please see Section 3.4.

Should an Application Payment be required, the completed blue personalised Application Form must be accompanied by cheque(s) or money order(s) for the relevant Application Monies in Australian dollars. Cheque(s) or money order(s) should be crossed “not negotiable” and made payable to “Nufarm NSS Offer”.

4.4.2.2 Broker Firm Offer Applicants

If you are a Broker Firm Offer Applicant, then you should make your Application Payment under arrangements made between you and your broker – see Section 4.3.2.

4.4.2.3 General Public Offer Applicant

If you are a General Public Offer Applicant, the completed white Application Form must be accompanied by cheque(s) or money order(s) for the relevant Application Monies in Australian dollars. Cheque(s) or money order(s) should be crossed “not negotiable” and made payable to “Nufarm NSS Offer”.

4.4.3 BROKERAGE AND STAMP DUTY

You do not have to pay brokerage or stamp duty on your Application. You may have to pay brokerage on any subsequent transfer of your NSS on ASX or NZDX.

4.4.4 REFUNDS

Nufarm reserves the right to reject any Applications or to allocate Applicants, excluding Applicants under the Eligible Capital Noteholder Entitlement Offer and the Broker Firm Offer, a lesser number of NSS than those applied for, including less than the minimum A\$5,000 worth of NSS and zero NSS.

If you are allotted less than the number of NSS you applied for, you will receive a refund cheque within 10 Business Days of the Broker Firm and General Public Offer Closing Date. No interest will be paid to Applicants on any monies refunded.

If a cheque you have provided has not cleared by 3.00pm (Melbourne Time) and 5.00pm (New Zealand Time) on 17 November 2006, your Application for NSS may be rejected and in this case your Application Payment will be refunded.

4.5 RETURN OF FORMS

Completed Application Forms (other than Broker Firm Offer Application Forms), and accompanying Application Payments must be mailed or delivered to Computershare at:

Mail address:

Australia

Nufarm NSS Offer
Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 8060

New Zealand

Nufarm NSS Offer
Computershare Investor Services Limited
Private Bag 92119
AUCKLAND NZ 1142

OR

Delivery address:

Australia

Nufarm NSS Offer
Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067

New Zealand

Nufarm NSS Offer
Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
AUCKLAND

Application Forms and Application Payments will not be accepted at any Nufarm office.

By returning these forms, you acknowledge, among other things, that you have received and read this Prospectus.

4.6 TAX FILE NUMBERS (TFN) AND AUSTRALIAN BUSINESS NUMBERS (ABN)

A TFN/ABN form will be provided to all Australian resident Holders with their first Holding Statement. You do not have to provide your Tax File Number (TFN) or Australian Business Number (ABN), as relevant, on this form. However, if you do not provide your TFN or ABN, Nufarm may be required to deduct tax at the highest marginal tax rate (currently 45%) plus the Medicare Levy from the amount of any Distribution Payments on your NSS.

4.7 INLAND REVENUE DEPARTMENT (IRD) NUMBERS

New Zealand resident Holders who do not provide an Inland Revenue Department (IRD) Number will have resident withholding tax deducted from any Distribution Payments at the non-declaration rate of 39%. Holders, other than companies, that provide an IRD number can elect to have resident withholding tax deducted at the rate of 19.5%, 33% or 39%.

4.8 ENQUIRIES

If you require assistance to complete your form, or require additional copies of either this Prospectus or any of the accompanying Application Forms, you should call the **Nufarm Information Line on 1300 652 479 in Australia or +64 9 4888 777 in New Zealand.**

If you have questions regarding NSS generally, you should refer to Section 2 where the answers to some key questions about NSS are provided. If you are unclear on any matter referred to in this Prospectus, you should call the **Nufarm Information Line on 1300 652 479 in Australia or +64 9 4888 777 in New Zealand.** If you are uncertain if NSS are a suitable investment for your purposes, you should contact your investment adviser.

4.9 PRIVACY

When making an Application, Applicants will be required to provide personal information to Nufarm, the Issuer and Computershare. Nufarm, the Issuer and Computershare will collect, hold and use an Applicant's personal information in order to assess the Application, service the Applicant's needs as an investor, provide facilities and services that an Applicant requests and carry out appropriate administration.

Company and tax law requires some of the information to be collected. If an Applicant does not provide the information requested, the Application may not be processed efficiently, or at all.

Nufarm, the Issuer and Computershare may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act 1988 (Cth):

- Joint Lead Managers and Bookrunners in order to assess the Application; Computershare, in order to assess and process Applications; and
- printers and mailing houses for the purpose of preparation and distribution of statements and for handling of mail.

Under the Privacy Act 1988 (Cth), an Applicant may request access to personal information held by or on behalf of Nufarm, the Issuer or Computershare. An Applicant can request access to personal information by writing to, or telephoning, Nufarm's Registry:

NUFARM LIMITED

Australia

C/- Computershare Investor Services Pty Limited
452 Johnston Street
ABBOTSFORD VIC 3067

New Zealand

C/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
AUCKLAND

Nufarm Information Line:

1300 652 479 in Australia

+64 9 4888 777 in New Zealand

By returning a valid Application Form, the Applicant acknowledges having received and read a copy of this Prospectus.

5.

ALLOTMENT AND ALLOCATION OF NSS

5.1 ALLOTMENT

Other than in respect of the Eligible Capital Noteholder Entitlement Offer, the Issuer intends to issue NSS on 24 November 2006. The Issuer will not issue any NSS (other than in respect of the Eligible Capital Noteholder Entitlement Offer) until it has been granted approval for NSS to be quoted on ASX and NZDX and Nufarm has received all proceeds for accepted Applications.

The Issuer proposes to issue A\$250 million of NSS, with the ability to accept oversubscriptions of up to A\$50 million. The Issuer reserves the ability to change dates, accept late Applications and the right to withdraw the Offer or issue a lesser number of NSS at its absolute discretion.

In respect of the Eligible Capital Noteholder Entitlement Offer, the Issuer intends to issue NSS on the Eligible Capital Noteholder Purchase and Allotment Date.

5.2 ALLOCATION POLICY

5.2.1 BOOKBUILD

The Bookbuild was a process conducted by the Joint Lead Managers and Bookrunners immediately before this Prospectus was lodged with ASIC and before the Broker Firm and General Public Offer Opening Date in both Australia and New Zealand. In this process, Co-Managers, Institutional Investors, Participating Brokers and Primary Market Participants were invited to lodge bids for a number of NSS within an indicative margin range that was determined by the Joint Lead Managers and Bookrunners and Nufarm before the Bookbuild opened.

On the basis of those bids, Nufarm, the Issuer and the Joint Lead Managers and Bookrunners determined the Initial Margin until the first Step-up Date of 1.90% per annum and Firm Allocations to Co-Managers and Institutional Investors. Those brokers participating in the Bookbuild that were not selected as Co-Managers may act as Participating Brokers or Primary Market Participants.

The Bookbuild was conducted under the terms and conditions agreed by the Issuer and the Joint Lead Managers and Bookrunners under the Offer Management Agreement.

5.2.2 ALLOCATIONS

Nufarm, the Issuer and the Joint Lead Managers and Bookrunners will agree, and have absolute discretion in determining, the method and extent of Allocation of NSS. However, Nufarm, the Issuer and the Joint Lead Managers and Bookrunners will have the objective of achieving an orderly and successful secondary market and a wide distribution of NSS.

Allocations to Broker Firm Offer Applicants by a broker will be at the discretion of that broker. That Allocation will be subject to the terms and conditions of the Bookbuild.

Depending on the overall level of subscriptions from General Public Offer Applicants, Applications may be scaled back. This may include scaling back to below the minimum individual Application of 50 NSS. Some Applications may be rejected.

In respect of any Application where the number of NSS Allocated is less than the number applied for, or where no

Allocation is made, any surplus monies will be refunded within 10 Business Days of the Broker Firm and General Public Offer Closing Date. No interest will be payable on any monies refunded.

5.3 CHESS AND THE PROVISION OF HOLDING STATEMENTS

The Issuer will apply for NSS to participate in the Clearing House Electronic Subregister System (CHESS) and, if official quotation is granted by ASX, no certificates will be issued. Following Allotment, Holders of NSS will be sent an initial Holding Statement that sets out the number of NSS they have been Allotted. Holders of NSS will receive subsequent Holding Statements showing any changes to their Holding.

5.4 ASX AND NZDX LISTING

The Issuer will make an application to ASX within seven (7) days of the date of the Original Prospectus for the Issuer to be admitted to the official list of ASX, and for quotation of NSS on ASX. Application will be made for NSS to trade under ASX code NFNG, but this code has not as yet been confirmed. If quotation of NSS on ASX is not granted within three months from the date of the Original Prospectus, NSS will not be issued, or any issue of NSS which has been completed will be void by operation of law, and all Application Payments will be refunded to Applicants within 10 Business Days of the Broker Firm and General Public Offer Closing Date. No interest will be paid on Application Payments refunded.

Application has been made to NZX for permission to list NSS on NZDX and all requirements of NZX relating thereto that can be complied with on or before the date of distribution of this Prospectus have been duly complied with. However, NZX accepts no responsibility for any statement in this Prospectus. If NZX does not grant permission for NSS to be quoted within three months after the date of the Original Prospectus (or any other period permitted by law), NSS will not be issued, or any issue of NSS which has been completed will be void by operation of law, and Application Payments will be refunded within 10 Business Days of the Broker Firm and General Public Offer Closing Date. No interest will be paid on Application Payments refunded.

5.5 DEFERRED SETTLEMENT TRADING

It is expected that trading of NSS on NZDX will commence on a normal settlement basis on 27 November 2006. It is expected that trading of NSS on ASX will commence on a deferred settlement basis on 27 November 2006, and will continue on that basis until (and including) 30 November 2006. This is because trading will take place before entries are made in respect of holdings of NSS and before Holding Statements are sent out to successful Applicants.

It is the responsibility of Applicants to determine their allocation before trading in NSS on a deferred settlement basis. Information regarding the allocation of NSS can be obtained on or after 24 November 2006 by calling the **Nufarm Information Line on 1300 652 479 in Australia or +64 9 4888 777 in New Zealand**. Applicants who sell NSS before they receive their Holding Statements will do so at their own risk.





6.

OVERVIEW OF NUFARM AND THE ISSUER

6.1 CORPORATE OVERVIEW

Founded in New Zealand in 1916, Nufarm is a leading international agricultural company with a market capitalisation, as at the close of trading on 28 September 2006, of approximately A\$1.69 billion. Nufarm specialises in the manufacture and supply of agricultural chemicals. These products help farmers protect their crops against damage caused by weeds, insects and fungal disease. Nufarm is a development, manufacturing and marketing company with a proven capability to manage brands and grow businesses in global markets.

Nufarm is listed on the Australian Stock Exchange and is included in the S&P/ASX 200 and All Ordinaries indices.

6.2 OVERVIEW OF NUFARM FINANCE (NZ) LIMITED

Nufarm Finance (NZ) Limited (formerly Fernz Corporation (NZ) Limited) is a company incorporated in New Zealand whose principal activity is to act as a financing company for the Nufarm Group. This has been its principal activity since December 1999.

It has been the issuer of the existing Capital Notes for the last five years and has on-lent money to other Nufarm entities.

6.3 BUSINESS OF NUFARM

Nufarm is strongly focused on business activity within the crop protection industry. Nufarm employs over 2,200 people and has manufacturing and marketing operations based in Australia, New Zealand, Asia, Europe and the Americas.

CROP PROTECTION

Nufarm is Australia's leading manufacturer and supplier of crop protection products and has a number one market share position in both Australia and New Zealand. The company is ranked ninth largest (by annual sales) in the global crop protection industry. The company manufactures and supplies herbicides, fungicides, insecticides and other products that are sold into the agricultural, turf and specialty markets. Nufarm is 86% exposed to herbicides, 10% exposed to fungicides and 4% exposed to insecticides.

Nufarm has over 2,500 global product registrations and its core products include glyphosate and the phenoxy herbicides, a class of herbicides used to control and eradicate broad-leafed weeds. Nufarm is the leading global supplier of branded phenoxy herbicide products. These key products are manufactured by Nufarm in Australia, England, Austria and the Netherlands, and continue to gain market share and provide a solid platform for the company's global growth.

With operations in Australia, New Zealand, Asia, Europe, North America and South America, including the 49.9% interest in Agripec, a top 10 crop protection company in Brazil, Nufarm is truly a global player in the crop protection industry, selling products in over 100 countries around the world.

In the USA, the world's largest crop protection market, Nufarm has continued to strengthen its position through

market share gains and an expanding product portfolio. Similarly in South America, the acquisition of Agrogen (Colombia) and the investment in Agripec (Brazil) have provided a strong platform for growth in this important emerging agricultural region.

Nufarm's positions in the key European markets of France, Germany and the UK have improved through the expansion of its cereal fungicides market in Germany, the introduction of new higher margin products in the UK, and the restructuring of the French operations from a third-party sales business to a branded products business.

INDUSTRIAL CHEMICALS

The industrial chemicals segment of Nufarm now represents a small proportion of the company's overall business and mainly involves Nufarm's 80% interest in the Nufarm Coogee joint venture. Nufarm Coogee is a joint venture between Nufarm Limited (80%) and Coogee Chemicals Pty Ltd (20%) and manufactures and supplies chlorine and caustic soda from its two chlor alkali plants in Western Australia.

Nufarm announced on 29 September 2006 that it has signed a binding and unconditional sale agreement to sell its 80% interest in the Nufarm Coogee joint venture to its joint venture partner. The transaction involves selling Nufarm's interest in the joint venture on or around 31 July 2007. Nufarm will book a full 12 months earnings contribution from the joint venture for the financial year ending 31 July 2007, albeit with lower profit expectations due to an expected downturn in caustic prices. The consideration on the sale will be at least A\$48 million, with the final price determined based on principles set out in the agreement. The profit on the sale will be approximately A\$24 million.

6.4 BUSINESS STRATEGY

Nufarm has a clear strategy to be a focused crop protection company operating in global markets.

In recent years, Nufarm has divested a number of industrial and specialty chemicals businesses – considered to be non-core – and has redeployed that capital into the expansion of the crop protection operations.

Nufarm has strong capabilities in manufacturing, development and marketing and exploits those strengths to build long-term relationships with distribution customers in the various markets in which it operates.

Nufarm is focused on the supply of off-patent crop protection products, the largest and fastest growing segment of the industry when measured in global sales. Product differentiation (new formulations, mixture products, innovative packaging), brand management and customer relationships are all critical components of the broader marketing skills that Nufarm brings to the business.

For further information on Nufarm and its business strategy refer to Nufarm's 2006 Annual Report available on Nufarm's website www.nufarm.com.

6.5 STRATEGIC GROWTH PLANS

Nufarm has established a solid track record of consistent earnings growth and has a strategy in place to achieve ongoing growth in the medium to long term.

This strategy is based on a determination to be a focused crop protection business that enables Nufarm to exploit its experience, relationships and strengths and positions the company to take advantage of future growth opportunities.

Nufarm aims to achieve continued growth via a broader geographic presence and an expanded product portfolio.

Nufarm has a marketing and operational presence in many of the world's key agricultural markets, with established businesses in Australia, New Zealand, Asia, the Americas and the major markets of Western Europe. The company is viewed in those markets as a credible, long-term supplier of quality crop protection products.

In Australia and New Zealand, Nufarm has a clear leadership position in the crop protection industry and has led sector consolidation over recent years. Growth in these markets will come via the introduction of new products and expansion in growing areas of agriculture, such as horticulture.

Nufarm has also established a seeds business in Australia, providing a logical extension of its strengths in chemistry to the pursuit of new opportunities in the development and marketing of seeds. Increasingly, growers are accessing value-added seeds incorporating specific properties that bring benefits in terms of more efficient production or enable the crops to be positioned in higher value markets. Nufarm is able to leverage its strong brand awareness in the rural sector and its access to distribution to build a profitable extension of its crop protection business in seeds.

In large agricultural and crop protection markets such as the USA, Germany, France and the UK, Nufarm has existing infrastructure in the form of production facilities, regulatory resources, sales and marketing personnel and/or distributor relationships. Unlike Nufarm's strong leadership position in Australia, the company has relatively modest market shares (in terms of total industry sales) in these markets and a much narrower product range. There exists substantial opportunity to continue to build the sales and profitability of these businesses through expansion of the product portfolio.

In emerging geographic markets, such as India, Latin America and Eastern Europe, Nufarm is carefully building a presence to take advantage of future opportunities. While Nufarm has businesses in some of these markets, it is also involved in joint ventures or selling activity via third parties. As agriculture continues to develop in emerging markets, so too will the opportunities for crop protection companies to service demand for increased levels of inputs.

A key element of Nufarm's growth strategy is to continue to expand the company's product range. Nufarm's product portfolio is dominated by herbicides, reflecting the Australian origins of the company. While the herbicides segment constitutes approximately 50% of global crop protection sales, some 86% of Nufarm's product sales are herbicides. Diversification into fungicides and insecticides will help facilitate selling opportunities for Nufarm in additional crops and markets.

Nufarm is accelerating the regulatory approval of new products in various markets and continues to access

products via co-marketing and distribution deals with other companies, as well as strategic product acquisitions.

As a specialist marketing company, Nufarm is ideally placed to take advantage of the fact that an increasing proportion of global crop protection sales are coming off-patent. Nufarm has a major competitive strength in positioning and managing brands. The ability to establish and broaden brand recognition and the associated values of quality, flexibility, innovation and strong customer relationships, are strengths that Nufarm will leverage to facilitate further profitable growth.

Nufarm has been a key player in the consolidation of the crop protection market in Australia and continues to evaluate opportunities to take advantage of further consolidation opportunities in other markets. The company might be a direct participant in further industry consolidation, or might seek partnering or acquisition opportunities that result from the consolidation or rationalisation of other businesses and industry players.

Nufarm regularly evaluates acquisition opportunities ranging from single products for a specific market, to larger businesses with complementary product portfolios and positions in several geographic markets.

Nufarm employs a range of financial and strategic criteria to evaluate acquisition opportunities and remains confident that a combination of sustainable organic growth and value-enhancing acquisitions will continue to drive profitable growth in the business.

6.6 CREDIT RATING

Nufarm has been rated by Standard & Poor's. As at the date of this Prospectus, the rating is as follows:

RATINGS AGENCY	NUFARM LONG-TERM SENIOR DEBT RATING
Standard & Poor's	BBB- Positive Outlook

An issuer credit rating is an opinion of the obligor's overall capacity to meet its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. The opinion is not specific to any particular financial obligation, as it does not take into account the specific nature or provisions of any particular obligations.

Issuers rated BBB- or above by Standard & Poor's are generally considered to be investment grade.

Standard & Poor's has assigned a credit rating of BB to NSS. Issues rated BB are generally considered to be non-investment grade. The NSS issue rating of 'BB' is two notches below Nufarm's 'BBB-' issuer rating and reflects the standard notching practice S&P applies to similar instruments. The notching difference reflects the subordinated position of the NSS in Nufarm's consolidated capital structure and the ability of the Issuer Directors or the Nufarm Directors at their discretion to declare that a Distribution Payment on the NSS is not payable.

These ratings are not a "market" rating, nor a recommendation by Standard & Poor's to buy, hold or sell NSS. Ratings are subject to revision or withdrawal at any time.

6.7 SUMMARY FINANCIAL INFORMATION

6.7.1 2006 HISTORICAL INCOME STATEMENT

NUFARM LIMITED
Income statement for the year ended 31 July 2006

	CONSOLIDATED	
	2006 A\$000	2005 A\$000
Revenue	1,676,746	1,573,988
Cost of sales	(1,049,849)	(1,003,762)
Gross profit	626,897	570,226
Other income	9,914	8,366
Other operating expenses	(460,486)	(443,407)
PROFIT FROM OPERATING ACTIVITIES	176,325	135,185
Financial income	7,995	8,278
Financial expenses	(57,241)	(46,579)
NET FINANCING COSTS	(49,246)	(38,301)
Share of net profits of associates	10,545	33,402
Profit before tax	137,624	130,286
Income tax expense	34,459	26,464
PROFIT AFTER TAX BUT BEFORE PROFIT AND LOSS OF DISCONTINUED OPERATIONS AND GAIN ON SALE OF DISCONTINUED OPERATIONS	103,165	103,822
Profit and loss of discontinued operations and gain on sale of discontinued operations (after tax)	18,567	22,812
PROFIT FOR THE YEAR	121,732	126,634
Attributable to:		
Equity holders of the parent	121,153	125,045
Minority interest	579	1,589
PROFIT FOR THE PERIOD	121,732	126,634

The above financial information has been extracted from the audited consolidated financial report for the year ended 31 July 2006 that was adopted by the Nufarm Directors on 29 September 2006 and released to the market on that date.

The above statement, and all financial information in Section 6.7, should be read in conjunction with the significant accounting policies note in the audited consolidated financial report which specifies the basis of preparation. A copy of the full report can be downloaded from Nufarm's website www.nufarm.com

As noted in Section 6.3, Nufarm has signed a contract to sell its chlor alkali operations with completion being scheduled on or around 31 July 2007. The net profit after tax from these chlor alkali operations was A\$9.1 million in the 2006 financial year and A\$6.9 million in the 2005 financial year. This profit is included in the profit and loss of discontinued operations above, and has been shown in the reconciliation of operating profit to reported statutory profit detailed in Section 6.7.6.

6.7 SUMMARY FINANCIAL INFORMATION

6.7.2 2006 HISTORICAL CASH FLOWS

NUFARM LIMITED
Statement of cash flows for the year ended 31 July 2006

	CONSOLIDATED	
	2006 A\$000	2005 A\$000
Cash flows from operating activities		
Cash receipts from customers	1,750,257	1,836,426
Cash paid to suppliers and employees	(1,605,543)	(1,683,511)
Cash generated from operations	144,714	152,915
Interest received	8,132	8,469
Dividends received	2,599	2,964
Interest paid	(57,325)	(46,821)
Income tax paid	(35,221)	(54,915)
NET CASH FROM OPERATING ACTIVITIES	62,899	62,612
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	573	772
Proceeds from business sale	8,797	75,066
Payments for plant and equipment	(40,156)	(58,505)
Purchase of businesses, net of cash acquired	(37,408)	(21,715)
Payments for investments in associates	–	(162,469)
Payments for acquired intangibles and major product development expenditure	(44,583)	(5,823)
NET INVESTING CASH FLOWS	(112,777)	(172,674)
Cash flows from financing activities		
Proceeds from issue of shares	–	226
Proceeds from call on partly paid shares	–	44
Proceeds from borrowings	402,539	490,293
Repayment of borrowings	(318,858)	(278,152)
Repayment of finance lease principal	(897)	(1,578)
Dividends paid	(46,429)	(41,044)
NET FINANCING CASH FLOWS	36,355	169,789
Net increase (decrease) in cash and cash equivalents	(13,523)	59,727
Cash at the beginning of the year	45,393	(15,472)
Exchange rate fluctuations on foreign cash balances	426	1,594
Movement in cash reclassified as assets held for sale	(967)	(456)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	31,329	45,393

As noted in Section 6.3, Nufarm has signed a contract to sell its chlor alkali operations with completion being scheduled on or around 31 July 2007. In the 2006 financial year, the chlor alkali business generated a net increase in cash of A\$5.4 million (and a net decrease in cash of A\$0.3 million in the prior year.)

The above financial information has been extracted from the audited consolidated financial report for the year ended 31 July 2006 that was adopted by the Nufarm Directors on 29 September 2006 and released to the market on that date.

A copy of the full report can be downloaded from Nufarm's website www.nufarm.com

6.7 SUMMARY FINANCIAL INFORMATION

6.7.3 HISTORICAL AND PRO FORMA BALANCE SHEET

NUFARM LIMITED
Consolidated balance sheet as at 31 July 2006

	HISTORICAL 2006 A\$000	SALE OF CHLOR ALKALI	ADJUSTED HISTORICAL	PRO FORMA ADJUSTMENTS			PRO FORMA 2006 A\$000
				ISSUE NSS	REPAY CAPITAL NOTES	REPAY DEBT	
Current assets							
Cash and cash equivalents	51,269		51,269	243,725	(181,892)	(61,833)	51,269
Trade and other receivables	524,164	33,516	557,680				557,680
Inventories	432,023		432,023				432,023
Income tax receivable	6,172		6,172				6,172
Assets classified as held for sale	23,909	(22,772)	1,137				1,137
TOTAL CURRENT ASSETS	1,037,537	10,744	1,048,281	243,725	(181,892)	(61,833)	1,048,281
Non-current assets							
Receivables	17,738		17,738				17,738
Equity accounted investments	228,130		228,130				228,130
Other financial assets	503		503				503
Deferred tax assets	61,073		61,073				61,073
Property, plant and equipment	285,738		285,738				285,738
Intangible assets	296,406		296,406				296,406
TOTAL NON-CURRENT ASSETS	889,588	–	889,588	–	–	–	889,588
TOTAL ASSETS	1,927,125	10,744	1,937,869	243,725	(181,892)	(61,833)	1,937,869
Current liabilities							
Bank overdraft	19,940		19,940				19,940
Trade and other payables	474,762		474,762				474,762
Interest bearing loans and borrowings	495,807		495,807		(181,892)	(61,833)	252,082
Employee benefits	14,389		14,389				14,389
Income tax payable	9,999	10,251	20,250				20,250
Provisions	3,700		3,700				3,700
Liabilities classified as held for sale	13,425	(13,425)	–				–
TOTAL CURRENT LIABILITIES	1,032,022	(3,174)	1,028,848	–	(181,892)	(61,833)	785,123
Non-current liabilities							
Interest bearing loans and borrowings	107,012		107,012				107,012
Deferred tax liabilities	28,088		28,088				28,088
Employee benefits	38,738		38,738				38,738
Payables	11,899		11,899				11,899
TOTAL NON-CURRENT LIABILITIES	185,737	–	185,737	–	–	–	185,737
TOTAL LIABILITIES	1,217,759	(3,174)	1,214,585	–	(181,892)	(61,833)	970,860
NET ASSETS	709,366	13,918	723,284	243,725	–	–	967,009
Equity							
Issued capital	240,760		240,760				240,760
Reserves	23,891		23,891				23,891
Retained earnings	443,707	13,918	457,625				457,625
Equity attributable to equity holders of the parent	708,358	13,918	722,276	–	–	–	722,276
NSS Equity				243,725			243,725
Minority interest	1,008		1,008				1,008
TOTAL EQUITY	709,366	13,918	723,284	243,725	–	–	967,009

The above historical financial information has been extracted from the audited consolidated financial report for the year ended 31 July 2006 that was adopted by the Nufarm Directors on 29 September 2006 and released to the market on that date.

A copy of the full report can be downloaded from Nufarm's website www.nufarm.com

A description of the pro forma adjustments is set out in Section 6.7.4.

6.7 SUMMARY FINANCIAL INFORMATION

6.7.4 SELECTED RATIOS AND DESCRIPTION OF PRO FORMA ADJUSTMENTS

SELECTED RATIOS

	HISTORICAL	PRO FORMA
Gearing (net debt/total equity) (net debt comprises interest bearing loans and liabilities + bank overdraft – cash)	81%	34%
Earnings before interest, tax, depreciation and amortisation (EBITDA) (excludes any profit from discontinued operations)	A\$230,483,000	A\$230,483,000
Net Debt/EBITDA	2.5 times	1.4 times
Net Debt (excluding Capital Notes)/EBITDA	1.7 times	1.4 times
Interest Coverage (EBITDA/net finance expense ¹)	4.7 times	6.8 times
Distribution Coverage ² (EBITDA/(net finance expense ¹ + Distribution Payment))	4.7 times	4.3 times

1. Net finance expense

The interest costs associated with the Capital Notes in the year ended 31 July 2006 was approximately A\$15.56 million. The interest has been deducted from the 2006 actual interest costs to approximate the “pro forma” interest cost. No pro forma adjustment has been made for interest savings associated with repaying debt with the excess cash arising from the NSS issue.

2. Distribution coverage

It has been assumed that the Distribution Rate is 8% on the A\$250,000,000 NSS issued in the pro forma balance sheet set out in Section 6.7.3. The actual Distribution Rate and value of NSS issued will be determined in the Offer process, and may differ from these assumptions.

6.7 SUMMARY FINANCIAL INFORMATION

6.7.4 SELECTED RATIOS AND DESCRIPTION OF PRO FORMA ADJUSTMENTS (CONTINUED)

DESCRIPTION OF PRO FORMA ADJUSTMENTS

The pro forma adjustments set out in Section 6.7.3 reflect the impact of selling the chlor alkali operations, and the impact of NSS being issued, as of 31 July 2006.

Sale of chlor alkali operations

As discussed in Section 6.3, Nufarm has signed a contract to sell its 80% interest in two chlor alkali plants in Western Australia for at least A\$48,000,000.

The assets and liabilities directly related to these operations are shown in the historical balance sheet as “Assets / Liabilities classified as held for sale”.

The expected profit after tax on this transaction is approximately A\$24 million.

The net profit after tax from these chlor alkali operations was A\$9.1 million in the 2006 financial year and A\$6.9 million in the 2005 financial year. This profit is included in the profit and loss of discontinued operations in Section 6.7.1, and has been shown in the reconciliation of operating profit to reported statutory profit detailed in Section 6.7.6.

Issue NSS

It is assumed that A\$250,000,000 of NSS are issued for cash, less issue expenses of A\$6,275,000, giving net cash proceeds of A\$243,725,000. The pro forma adjustment assumes no oversubscriptions.

Repayment of capital notes

The existing Capital Notes have a face value of NZ\$225,000,000 which is equivalent to A\$181,892,000 at the 31 July 2006 exchange rate. The adjustment assumes that all Capital Notes are repaid in cash.

Repay debt

The difference between the net cash received from the NSS issue, less the repayment of the Capital Notes is used to repay existing bank borrowings.

6.7.5 SIGNIFICANT CONTINGENT LIABILITY

A non-trading subsidiary of Nufarm, Fchem (Aust.) Limited, is one of a number of parties served with an application and statement of claim on behalf of the ACCC. The application relates to alleged price fixing and other activities involving the timber protection industry in the period 1998 to 2000. The Nufarm Group is no longer involved in the timber protection industry, having sold its timber treatment business in 2001. Nufarm and its legal advisers are examining the application and statement of claim and will conduct a thorough investigation of the allegations made.

6.7 SUMMARY FINANCIAL INFORMATION

6.7.6 ANALYSIS OF PROFIT AFTER TAX

The following information has been compiled from information contained in the Nufarm Directors Report dated 29 September 2006 and the commentary Nufarm released to the market at that date. This information has not been audited.

ANALYSIS OF OPERATING AND STATUTORY PROFIT AFTER TAX

The following table shows the core operating results after allowing for the impact in the last two financial years of restructuring costs and gains on sale of businesses. The normal operating results of the chlor alkali operations (and other minor businesses) that have been classified as discontinued in the historical income statement have been reclassified into operating profit.

The non operating items include the gain or loss recognised on the sale of the businesses as well as the costs associated with structural changes in the individual years. In 2006 the costs were primarily associated with changes in the French operating structure, whilst in 2005 the costs were primarily incurred in changing the manufacturing activities in the United Kingdom, where a significant part of the manufacturing facility was closed.

Reconciliation of operating profit to statutory profit

	CONSOLIDATED – 2006		
	OPERATING A\$000	MATERIAL (NON- OPERATING) ITEMS A\$000	STATUTORY A\$000
Profit after tax but before profit and loss of discontinued operations and gain on sale of discontinued operations	103,165	–	103,165
Discontinued businesses	10,152	8,415	18,567
Other restructuring items	8,368	(8,368)	–
Profit for the year	121,685	47	121,732
Minority interest	(579)	–	(579)
Operating profit attributable to equity holders of the parent	121,106	47	121,153

	CONSOLIDATED – 2005		
	OPERATING A\$000	MATERIAL (NON- OPERATING) ITEMS A\$000	STATUTORY A\$000
Profit after tax but before profit and loss of discontinued operations and gain on sale of discontinued operations	103,822	–	103,822
Discontinued businesses	10,076	12,736	22,812
Other restructuring items	9,351	(9,351)	–
Profit for the year	123,249	3,385	126,634
Minority interest	(1,589)	–	(1,589)
Operating profit attributable to equity holders of the parent	121,660	3,385	125,045

6.7 SUMMARY FINANCIAL INFORMATION

6.7.6 ANALYSIS OF PROFIT AFTER TAX (CONTINUED)

The Nufarm Directors announced on 29 September 2006 a net profit of A\$121.2 million for the year ended 31 July 2006. After allowing for non-operating items, the tax paid operating profit of A\$121.1 million is slightly below the previous year's net operating profit of A\$121.7 million.

Total group sales from continuing operations were A\$1.68 billion, up just over 6.5% on the 2005 year.

An excellent performance from Nufarm's wholly owned crop protection businesses, which generated net profit growth of some 26%, was offset by a substantially lower contribution from Nufarm's 49.9% equity interest in Brazilian crop protection company, Agripec.

Negative farm sector economics in Brazil and a conservative risk management approach resulted in Agripec generating a net profit of A\$1.9 million, after financing costs of A\$9.7 million (2005 A\$5.1 million). This is well below the A\$26.9 million contribution booked from this investment in the 2005 year.

Nufarm's North American and European operations posted strong growth in revenues and profit, with the European businesses also benefiting from efficiency gains in several manufacturing locations.

Nufarm's Australian business capitalised on sales of new products into higher margin segments and was able to achieve a solid performance despite very mixed seasonal conditions across Australia's major cropping regions in the last few months of the financial year.

Australasia accounted for 45% of total sales, the Americas 32% and Europe 23%. Nufarm's interest in Agripec is equity accounted and the sales are therefore not included in the above revenue splits.

Earnings per share (on an operating basis, excluding discontinued operations) were 60.3 cents, in line with last year's 60.5 cents.

Net debt to equity was up slightly at year end (81% versus 78% at 31 July 2005), due to an increase of A\$108 million in working capital requirements. Trading receivables were A\$42 million higher due to increased June/July sales in North America and Europe (June/July group sales up A\$61 million on the previous year). Trade creditors were some A\$59 million lower in 2006, associated with earlier purchasing of inventory to meet anticipated sales demand in Australia. Seasonal conditions meant that demand was lower than expected.

Return on funds employed was 17.8%.

Net interest costs increased from A\$38.3 million to A\$49.2 million due to a full year of interest on debt associated with the Agripec investment (an additional A\$5 million in interest) and a combination of higher debt utilisation for working capital and increased interest rates in the United States of America and Australia.

While the overall tax rate was consistent with the previous year, total taxes were higher due to the increased profitability of the wholly owned businesses.



6.8 BOARD OF DIRECTORS

The Nufarm Board of Directors includes:

1. KERRY HOGGARD – CHAIRMAN

Kerry Hoggard, 65, joined the board in 1987. He has a financial background, beginning his career with the company in 1957 as office junior and rising, through a number of accounting, financial and commercial promotions, to be Chief Executive Officer in 1987. On his retirement in October 1999, he was appointed Chairman of the board.

Kerry is a member of the Audit and Remuneration Committees.

Kerry lives in Auckland, New Zealand.

2. DOUG CURLEWIS – DEPUTY CHAIRMAN

GDW (Doug) Curlewis, 65, joined the board in January 2000. He has a master of business administration and was formerly managing director of National Consolidated Ltd. He is also a director of Pacifica Group Ltd, GUD Holdings Ltd and Graincorp Limited. In the past three years Doug has been a director of National Foods Ltd (six years), Hamilton Island Ltd (five years) and Remunerator Australia Pty Ltd (seven years)

Doug is Deputy Chairman of the board, Chairman of the Nomination Committee, and a member of the Audit and Remuneration Committees.

Doug lives in Beaufort, Australia.

3. DOUG RATHBONE – MANAGING DIRECTOR AND CEO

Doug Rathbone AM, 60, joined the board in 1987. His background is chemical engineering and commerce and he has worked for Nufarm Australia Limited for 32 years. Doug was appointed Managing Director of Nufarm Australia in 1982 and Managing Director of Nufarm Limited in October 1999.

Doug lives in Melbourne, Australia.

4. BRUCE GOODFELLOW

Dr WB (Bruce) Goodfellow, 54, joined the board representing the holders of the “C” shares in 1991. Following the conversion of the “C” shares into ordinary shares, he was elected a director in 1999. He has a doctorate in chemical engineering and experience in the chemical trading business and financial and commercial business management experience. He is a director of Sanford Ltd, Sulkem Co Ltd, Refrigeration Engineering Co Ltd, SH Lock (NZ) Ltd and Cambridge Clothing Co Ltd.

Bruce lives in Auckland, New Zealand.

5. GARRY HOUNSELL

GA (Garry) Hounsell, 51, joined the board in October 2004. He has a bachelor of business (accounting) and is a former senior partner with Ernst & Young and a former Australian country managing partner with Arthur Andersen. He has extensive experience across a range of areas, relating to management and corporate finance and has worked with some of Australia’s leading companies in consulting and audit roles, with a particular emphasis in the manufacturing sector. He is Chairman of emitch Ltd and a director of Qantas Airways Limited and Orica Ltd.

Garry is Chairman of the Audit Committee.

Garry lives in Melbourne, Australia.

6. DONALD McGAUCHIE

DG (Donald) McGauchie AO, 56, joined the Board in 2003. He has wide commercial experience within the food processing, commodity trading, finance and telecommunication sectors. He also has extensive public policy experience, having previously held several high-level advisory positions to the government including the Prime Minister’s Supermarket to Asia Council, the Foreign Affairs Council and the Trade Policy Advisory Council. He is currently chairman of Telstra Limited; a member of the Board of the Reserve Bank of Australia, and a director of James Hardie Industries NV.

In the prior three years Donald has been a director of National Foods Ltd (five years), Ridley Corporation Limited (six years), and Graincorp Limited (four years).

Donald is a member of both the Remuneration and Nomination Committees.

Donald lives in Prairie, Australia.

7. JOHN STOCKER

Dr JW (John) Stocker AO, 61, joined the board in 1998. He has a medical, scientific and management background and was formerly Chief Scientist of the Commonwealth of Australia. He is a principal of Foursight Associates Pty Ltd and Chairman of Sigma Pharmaceuticals Ltd. He is a director of Telstra Corporation Ltd and Circadian Technologies Ltd.

In the prior three years John has been a director of Sigma Company Limited (eight years) and Cambridge Antibody Technology Group plc (eleven years).

John is a member of both the Remuneration and Nomination Committees.

John lives in Melbourne, Australia.

8. DICK WARBURTON

RFE (Dick) Warburton AO, 65, joined the board in 1993. He has a business management background and is chairman of Caltex Australia Ltd, and Tandou Ltd. He is a director of Tabcorp Holdings Ltd, Note Printing Australia Ltd and Citibank Pty Ltd. Dick is chairman of the board of Taxation and a past national president of the Australian Institute of Company Directors.

In the prior three years Dick has been a director of Southcorp Limited (10 years).

Dick is Chairman of the Remuneration Committee and a member of the Nomination Committee.

Dick lives in Sydney, Australia.

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6.9 SENIOR MANAGEMENT

The Nufarm senior management team includes:**1. DOUG RATHBONE****Managing Director and CEO**

Doug Rathbone AM, 60, joined the board in 1987. His background is chemical engineering and commerce and he has worked for Nufarm Australia Limited for 32 years. Doug was appointed managing director of Nufarm Australia in 1982 and managing director of Nufarm Limited in October 1999.

2. BRIAN BENSON**Group General Manager Commercial**

Brian Benson has a Masters of Business Administration and joined Nufarm in 2000, bringing with him extensive experience in the crop protection industry in the areas of international marketing and strategy. He has degrees in agricultural science and business administration. Brian is responsible for Nufarm's regional sales operations and commercial strategy.

3. RODNEY HEATH**Group General Manager Corporate Services and Company Secretary**

Rod Heath is a Bachelor of Law and joined the company in 1980, initially as legal officer, later becoming assistant company secretary.

In 1989, Rod moved from New Zealand to Australia to become company secretary of Nufarm Australia Limited. In 2000, Rod was appointed company secretary of Nufarm Limited.

4. KEVIN MARTIN**Chief Financial Officer**

Kevin Martin is a chartered accountant with over 25 years of experience in the professional and commercial arena. After joining Nufarm in 1994, he was responsible initially for the financial control of the crop protection business.

Since 2000, Kevin has been responsible for all financial, treasury and taxation matters for the Group.

5. DALE MELLODY**Group General Manager Global Marketing**

Dale Mellody joined Nufarm as a territory manager in 1995 having completed his Bachelor of Agricultural Science. Promoted to head office in 1997, he has had various roles in the global marketing group and has assisted with a number of company acquisitions. Dale was promoted to the senior management group in July 2005 and is now responsible for Nufarm's strategy development and implementation.

6. BOB OOMS**Group General Manager Chemicals**

Bob Ooms joined the company in 1999. An industrial chemist by training, he has more than 40 years experience in the chemical industry in a variety of positions, including many years in senior management.

Bob is responsible for the company's industrial chemicals business and has executive management responsibility for global supply chain issues.

7. DAVID PULLAN**Group General Manager Operations**

David Pullan joined the company in 1985. A mechanical engineer, David has extensive experience in chemical synthesis and manufacturing, having held a variety of operational and management positions in the oil and chemical industries. He is responsible for all of Nufarm's global manufacturing and production sites.

8. ROBERT REIS**Group General Manager Corporate Affairs**

A former journalist, political adviser and lobbyist, Robert joined Nufarm in 1991 and is responsible for global issues management, investor relations, media, government and stakeholder relations.

Robert also has executive management responsibility for human resources and organisational development and plays a key role in corporate strategy.

6.11 ISSUER DIRECTORS

The Directors of the Issuer are Kerry Hoggard, Doug Rathbone, Bruce Goodfellow and Dick Warburton, who are listed above in the Board of Directors.

7. RISKS

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT THERE ARE RISKS ASSOCIATED WITH ANY INVESTMENT IN SECURITIES. SOME OF THESE RISKS ARE PARTICULAR TO NSS. OTHER RISKS ARE ASSOCIATED WITH THE INDUSTRY IN WHICH NUFARM DOES BUSINESS, OR WITH THE OPERATIONS OF NUFARM ITSELF.

GENERAL RISKS

7.1 ECONOMIC, POLITICAL AND SHARE MARKET CONDITIONS

General factors such as economic activity, inflation, currency exchange fluctuations, interest rate movements, industrial disruption, commodity prices, stock market fluctuations, changes in government policy, political instability, terrorist acts, new regulations and changes to legislation may have an impact on all companies, including Nufarm and its future operating performance. The geographic diversity of Nufarm's business to some extent mitigates some of these risks.

RISKS ASSOCIATED WITH THE INVESTMENT

7.2 DISTRIBUTIONS

The Issuer Directors or the Nufarm Directors may declare that a Distribution Payment is not payable, giving rise to a risk that a Distribution Payment will not be paid. Distribution Payments are non-cumulative, and therefore if a distribution is not declared in any period it may not be made up in subsequent periods.

7.3 PERPETUAL TERM

NSS are effectively a perpetual security. You do not have a right to require the Issuer to Redeem or Exchange your NSS except for a right to require Redemption on the occurrence of a Holder Acquisition Event. Therefore, if you want to realise your investment, you will have to sell your NSS on-market.

7.4 REDEMPTION, EXCHANGE OR RESALE

The Issuer has the right to Redeem, Exchange or Resell all or some of a Holder's NSS for Ordinary Shares on such dates as determined in accordance with clauses 3.1 and 6.5 of the Terms of Issue in Appendix A, including if certain events associated with certain cost, regulatory, accounting, taxation or other specified implications occur. Further, there are several methods by which the Issuer could undertake the Exchange. As such, if the Issuer is entitled to Redeem, Exchange or Resell NSS, the method and date by which the Issuer elects to do so may not accord with the preference of individual Holders. This may be disadvantageous in light of market conditions or individual circumstances.

7.5 RANKING

NSS are subordinated to the Senior Creditors of Nufarm and the Issuer (being all creditors of Nufarm and the Issuer other than Holders and other creditors (if any) that are subordinated to rank equally with Holders). There is a risk that on the occurrence of a Winding Up Event, there will be insufficient funds to provide a return of capital to Holders of NSS.

The Issuer is entitled to issue further NSS that rank equally with NSS issued under this Prospectus without the approval of the Holders. In addition, the Issuer may also issue other securities that rank equally with, ahead of, or behind NSS for distributions or payment on the occurrence of a Winding Up Event.

7.6 MARKET PRICE

NSS may fluctuate in market price due to various factors, including:

- Australian and international economic conditions including inflation and interest rates and equity market conditions;
- investor perceptions;
- movements in the market price of Ordinary Shares;
- the market for NSS being less liquid than the market for Ordinary Shares; and
- movements in global equity markets as a result of hostilities, including, in particular, recent global terrorist activity and instability in the Middle East.

The market price of NSS may be more sensitive than Ordinary Shares to changes in interest rates, and it is possible that NSS may trade below the Issue Price.

7.7 LIQUIDITY

The market for NSS may be less liquid than the market for Ordinary Shares. Holders who wish to sell their NSS may not be able to do so at an acceptable price or at all if insufficient liquidity exists in the market for NSS.

7.8 FLOATING DISTRIBUTION RATE

Distribution Payments will be calculated for each Distribution Period until the first Step-up Date by reference to the Market Rate, which is influenced by a number of factors and varies over time. The rate of Distribution Payments will fluctuate (both increasing and decreasing) over time with movement in the Market Rate.

7.9 TAX

A general description of the Australian and New Zealand tax consequences of investing in NSS is set out in the letter by Ernst & Young to Nufarm Limited and Nufarm Finance (NZ) Limited in Section 8. The information contained in the letter is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular investor. Accordingly, investors should seek independent advice in relation to their personal circumstances.

The Australian Government is in the process of a major review of the taxation of financial arrangements. If a change is made to the taxation laws in this area and that change increases the cost to Nufarm of having the NSS on issue, a Tax Event may occur, which will enable the Issuer to Redeem the NSS. The review of the taxation of financial arrangements may affect the Australian taxation consequences to Holders of the NSS, for example, by changing the time at which the Distribution Payments should be included in assessable income. Although the NSS and other similar instruments may not be subject to the proposed new taxation of financial arrangements regime, this will not be known until the relevant legislation is enacted by the Australian Parliament.

Changes in tax laws or their interpretation or administration can impact upon Holders. Nufarm has not obtained a tax ruling from the Australian Taxation Office or the New Zealand Inland Revenue in relation to the income tax treatment of the NSS for Holders.

7.10 ACCOUNTING CLASSIFICATION OF NSS

A written accounting opinion has been obtained from Ernst & Young to confirm that NSS will be classified as equity in the Nufarm Group accounts under AIFRS. However, there is a possibility that the applicable accounting standards could be amended, revised or subject to interpretation by the accounting standard setting bodies which could result in NSS being reclassified as a financial liability. If NSS were reclassified as a financial liability as a result of any such regulatory changes, this would result in the reclassification of Distribution Payments for accounting purposes as an interest expense in arriving at the net profit or loss after tax attributable to Ordinary Shareholders on a consolidated basis. In this event, Nufarm would be entitled to Redeem or Exchange NSS. As such, if Nufarm is entitled to Redeem or Exchange NSS, the method and date by which Nufarm elects to do so may not accord with the preference of individual Holders. This may be disadvantageous in light of market conditions or your individual circumstances.

RISKS ASSOCIATED WITH THE CROP PROTECTION INDUSTRY

7.11 CLIMATE

As an input supplier to global agriculture, demand for crop protection products is influenced by climatic conditions that help determine the timing and extent of cropping activity as well as weed, pest and disease pressures. Climatic conditions

will vary from region to region. While certain conditions may increase demand for crop protection products, extreme climatic conditions, such as prolonged drought, may reduce demand for those products. Nufarm operates a globally diverse business, with operations in all major agricultural regions. This geographic diversity reduces the impact of adverse climatic conditions in any one market on Nufarm's overall performance.

7.12 COMMODITY PRICES

International commodity prices can have some impact on the profitability of crop protection companies. This relates to fluctuations in the prices of commodities that are associated with chemical intermediates used in the manufacture of crop protection products, and to international prices for various crops ("soft" commodities) that can affect demand for those crops and growers' decisions to plant them.

7.13 REGULATORY

The crop protection industry is highly regulated with government controls and standards imposed on all aspects of the industry's operations. Crop protection products are subject to regulatory review and approval in all markets in which they are sold, with the requirements of regulatory authorities varying from country to country. Regulatory policies can have an impact on the availability and usage of crop protection products and, in some cases, can result in the restriction or removal of certain products from the market.

7.14 TECHNOLOGY RISK

Growers evaluate a number of options when determining how best to address their crop protection needs. Products supplied by Nufarm might be assessed alongside products supplied by other crop protection companies and other forms of crop protection conferred by alternative technologies such as biological controls and biotechnology. The introduction of genetically modified (GM) seeds has, in some instances, either reduced the need for crop protection products or resulted in a change in the crop protection products used. Nufarm's major herbicide products have a complementary fit with the major herbicide resistance traits that have been introduced in the form of GM seeds.

RISKS PERTAINING TO NUFARM

7.15 INTEREST RATES

Nufarm as a borrower of money is exposed to movements in interest rates. Nufarm seeks to mitigate this risk by using interest rate hedging instruments to cover a portion of its floating rate interest exposures.

7.16 COMPETITION

The markets in which Nufarm does business are competitive, with Nufarm facing competition from both existing and new competitors. Most of the products supplied by Nufarm can also be purchased from other crop protection companies.

7.17 ENVIRONMENTAL

Nufarm operates in a regulatory environment that establishes high standards in terms of environmental compliance. Any material failure by Nufarm to adequately control hazardous substances and manufacturing operations, including the discharge of waste material, or to meet its various statutory and regulatory environmental responsibilities, could result in significant liabilities. Nufarm has an excellent track record in these areas. Through its internal policies and procedures, Nufarm has demonstrated its commitment to meet relevant government regulatory requirements and various industry and community standards in this regard.

7.18 QUALITY

Nufarm manufactures and supplies a range of crop protection products used by farmers to protect crops against damage caused by weeds, insects and disease. These products must be manufactured, formulated and packaged to exact standards, with strict quality controls. The performance of those products would be negatively impacted if those quality standards are not met and this could, in turn, have an adverse impact on the reputation and success of Nufarm. Nufarm makes every effort to consistently meet quality standards and has a range of policies and procedures in place to support those efforts. Nufarm has an excellent reputation for producing high quality crop protection products.

7.19 FOREIGN EXCHANGE

Global crop protection companies such as Nufarm purchase inputs and determine selling prices in a range of international currencies, reflecting the geographic reach of their operations and are therefore exposed to fluctuations in exchange rates. Nufarm manages its foreign exchange risk to minimise the adverse impact of foreign exchange movements on its reported consolidated results and cash flows.

The translation of profits in overseas jurisdictions into Australian currency also mitigates some of the inherent transactional foreign exchange risks.

7.20 PEOPLE

Nufarm has an experienced and highly regarded management team and general group of employees. Many of those people have been employed by the company for a long period of time, with their knowledge of the industry, their relationships and their capabilities directly contributing to Nufarm's success. There is a risk that certain employees, in key roles, will leave the company. Nufarm has policies and programs in place to develop talent and leadership qualities and to keep employees positively motivated.

7.21 LITIGATION

Like most companies, Nufarm may, from time to time, be involved in litigation. That litigation might involve actions taken by aggrieved former employees; product related complaints; or issues of a regulatory nature. Nufarm pays close regard to all of its legal and statutory responsibilities and obligations, seeks legal advice when appropriate, and carries various forms of liability insurance.

Certain entities within the Nufarm Group, along with a number of other parties, are currently the subject of proceedings involving a subsidiary business that was sold in early 2001. The proceedings have been instigated by both the New Zealand Commerce Commission (NZCC) and the Australian Competition and Consumer Commission (ACCC) and relate to alleged price fixing and anti-competitive business activities in the timber treatment industry in the period from 1998 to January 2001. In the proceedings both the NZCC and the ACCC are seeking declarations, injunctions and pecuniary penalties.

The Nufarm Group is no longer involved in the timber protection industry and the NZCC and ACCC have not alleged any contraventions by current Nufarm management.

The outcome of these proceedings is yet to be determined.

The above summary is not exhaustive and prospective investors should read the whole of this Prospectus carefully. If an investor is unclear in relation to any matter or is uncertain if NSS are a suitable investment, the investor should contact their investment adviser.

8. TAXATION

29 September 2006



The Directors
Nufarm Finance (NZ) Limited
6 Manu Street
Otahuhu Auckland
NEW ZEALAND

The Directors
Nufarm Limited
103 Pipe Road
LAVERTON NORTH VICTORIA 3026
AUSTRALIA

Dear Sirs

**Nufarm Step-up Securities
Australian and New Zealand Taxation Consequences for Holders**

This letter has been prepared at the request of Nufarm Limited for inclusion in a prospectus (“the Prospectus”) dated 29 September 2006 in relation to the issue of Nufarm Step-up Securities (“NSS”) by Nufarm Finance (NZ) Limited (“the Issuer”).

This letter provides an overview of the likely Australian and New Zealand taxation consequences for certain Holders that are residents of Australia or New Zealand, as relevant, for income tax purposes.

1.0 INTRODUCTION

The purpose of this letter is to provide a guide as to the potential Australian and New Zealand taxation consequences, as applicable, to a Holder from acquiring, holding and selling NSS.

The information contained in this letter:

- Relates only to Australian resident individuals who do not hold NSS through a New Zealand fixed establishment and who hold NSS on capital account for income tax purposes and does not apply to Australian resident Holders who hold NSS on revenue account (for example, Holders who are traders, banks or insurance companies);
- Relates to New Zealand resident Holders, who do not hold NSS through an Australian branch or permanent establishment; and
- Does not apply to Holders who are not residents of Australia nor residents of New Zealand.

The information contained in this letter is a general outline of the Australian taxation consequences for Australian resident Holders of NSS based on the *Income Tax Assessment Act 1936*, the *Income Tax Assessment Act 1997* and the *New Tax System (Goods and Services Tax) Act 1999* at the date of this letter. In relation to New Zealand resident Holders, the information in this letter is a general outline based on the New Zealand *Income Tax Act 2004*. Taxation law may change at any time and therefore the taxation consequences of acquiring, holding and selling NSS may change accordingly.

The Australian Government is in the process of a major review of the taxation of financial arrangements. The review of the taxation of financial arrangements may affect the Australian taxation consequences to Holders of NSS, for example, by changing the time at which the Distribution Payments should be included in assessable income. Although NSS and other similar instruments may not be subject to the proposed new taxation of financial arrangements regime, this will not be known until the relevant legislation is enacted by the Australian Parliament.

This letter is concerned only with the general taxation consequences for New Zealand resident Holders, and Australian resident individual Holders who hold NSS on capital account. This letter is not intended to provide an exhaustive or definitive statement as to all the possible taxation outcomes for Holders.

Taxation is a complex area of law and taxation consequences for a Holder may differ from those detailed in this letter, depending on the Holder’s particular circumstances. Accordingly, potential investors should not rely on this letter as a substitute for professional advice. Potential investors should obtain their own independent professional advice, in light of their own circumstances, before deciding to invest in NSS.

This letter should be read with the remainder of the Prospectus. Capitalised terms in this letter have the same meaning as ascribed to them in the Prospectus, unless indicated otherwise.

This letter sets out the likely Australian and New Zealand taxation consequences of:

- Distribution Payments on NSS;
- Sale of NSS;
- Redemption, Exchange or Resale of NSS;
- Distributions on Ordinary Shares received upon Exchange;
- Sale of Ordinary Shares after Exchange of NSS; and
- GST implications for Holders.

This letter does not consider the taxation consequences associated with any other events that may occur in relation to NSS. Holders should seek advice from their taxation advisers if any event arises in relation to NSS that they hold.

2.0 DISTRIBUTION PAYMENTS

2.1 AUSTRALIAN RESIDENT HOLDERS

2.1.1 Australian Assessable Income

Distribution Payments paid by the Issuer to Australian resident Holders of NSS should be interest income for Australian income tax purposes. Holders should include the amount of any Distribution Payment received in their assessable income.

The Distribution Payment received by the Holder should be included as income on a cash basis (when received) or accruals basis (when receivable), depending on the Holder's particular circumstances.

As the Issuer should be a non-resident entity for Australian income tax purposes, and will not make a New Zealand franking choice under the Income Tax Assessment Act 1997, franking credits should not be attached to the Distribution Payments received by the Holders. Accordingly, these Distribution Payments should not be franked for Australian income tax purposes.

2.1.2 New Zealand Withholding Tax

Distribution Payments on NSS will be paid by the Issuer, a New Zealand resident company. As a result, any Distribution Payment should be characterised as foreign source income for Australian income tax purposes when received by the Holder.

We understand that the Issuer will register NSS as a 'Registered Security' under New Zealand taxation law (specifically, the Approved Issuer Levy provisions in Part VIB of the *Stamp and Cheque Duties Act 1971 (New Zealand)*). Following the registration of NSS, New Zealand non-resident withholding tax should not be deducted from the Distribution Payments, provided the Issuer pays a levy in relation to the Distribution Payments. We understand that the Approved Issuer Levy will be paid by the Issuer.

A foreign tax credit should not be available to Australian resident Holders for the Approved Issuer Levy, as the Holders are not personally liable to pay this levy.

Holders should seek independent professional advice in relation to how the foreign loss quarantining provisions might apply to their particular circumstances.

2.1.3 Tax File Number Withholding Tax

We understand that Australian resident Holders will be provided with the opportunity to disclose their tax file number ("TFN") to the Issuer. Although disclosure of their TFN is not compulsory at law, Holders should be aware that unless they are exempt from the TFN provisions, failure to disclose their TFN may result in tax being deducted from the Distribution Payments paid by the Issuer at the top marginal tax rate (currently 45%) plus the Medicare Levy.

2.2 NEW ZEALAND RESIDENT HOLDERS

New Zealand resident investors should be subject to the financial arrangement rules. Distribution Payments in relation to NSS should be treated as interest for New Zealand tax purposes and will need to be converted into New Zealand dollars at the relevant payment date. Those investors within the statutory limits (broadly, natural persons with total financial arrangements of less than NZ\$1 million and income and expenditure from financial arrangements of less than NZ\$100,000 provided the difference between the accrual income/expenditure and the cash basis income/expenditure is less than NZ\$40,000) may be able to return the Distribution Payments on a cash basis. All other New Zealand resident investors will need to spread the income on an accrual basis including any unrealised foreign exchange gains or losses.

Any interest paid to a New Zealand resident Holder will be subject to resident withholding tax (at a rate of 19.5%, 33% or 39% at the election of the note holder). For Holders who do not provide the Issuer with an IRD number, resident withholding tax will be deducted at the non-declaration rate of 39%. Interest payments will be excluded from withholding tax if the Holder has a valid certificate of exemption.

3.0 SALE OF NSS ON-MARKET

3.1 AUSTRALIAN RESIDENT HOLDERS

It is likely that NSS should be treated as “traditional securities” for Australian income tax purposes. Accordingly, NSS should be subject to those specific provisions relating to the taxation of gains and deductions of losses arising from the disposal or redemption of traditional securities.

If an Australian resident Holder sells NSS on-market and the sale proceeds exceed the cost of NSS, the resulting gain should be assessable income of the Australian resident Holder in the income year in which the sale occurs. The gain should be assessable as ordinary income and not as a capital gain. The Australian resident Holder should not be entitled to apply the capital gains discount in respect of this gain and should not be entitled to apply any capital losses against the gain.

Conversely, if the sale proceeds are less than the cost of the NSS, the resulting loss should be deductible to the Australian resident Holder in the income year in which the sale occurs.

Any gains or losses should not be taxable or deductible for New Zealand tax purposes although this will depend on individual circumstances.

3.2 NEW ZEALAND RESIDENT HOLDERS

NSS should be treated as financial arrangements for New Zealand tax purposes. A New Zealand resident Holder will, therefore, need to perform a base price adjustment (“BPA”) on a sale of NSS. If the sale proceeds exceed the cost of acquiring the NSS (all measured in New Zealand dollars), this will result in a positive BPA which will be income to the Holder. Any loss arising on the BPA calculation will be deemed to be an interest expense to the Holder and should be deductible to the Holder.

4.0 REDEMPTION, EXCHANGE OR RESALE OF NSS

Pursuant to the Terms of Issue, any of the following events may occur (at the Issuer’s option) in relation to NSS:

- Redemption of all or some of NSS – the income tax consequences are discussed in 4.1 below;
- An Exchange of all or some of NSS – the income tax consequences are discussed in 4.2 below; or
- A Resale of all or some of NSS to a third party – the income tax consequences are discussed in 4.3 below.

4.1 REDEMPTION OF NSS

4.1.1 Australian Resident Holders

Where NSS are Redeemed by the Issuer, the Australian resident Holder should receive an amount equal to the Issue Price of the NSS and any unpaid Distribution Payments. The Australian tax consequences to the Holder in respect of the Distribution Payment are set out in 2.1 above.

The Australian income tax consequences to the Holder in respect of the Redemption of NSS should be the same as outlined above for a Sale of NSS (refer to 3.1 above). That is:

- If the Issue Price exceeds the Holder’s cost of acquiring the NSS, the resulting gain should be assessable income of the Australian resident Holder in the income year in which the sale occurs. The gain should be assessable as ordinary income and not as a capital gain. The Australian resident Holder should not be entitled to apply the capital gains discount in respect of this gain and should not be entitled to apply any capital losses against the gain;
- Conversely, if the Issue Price is less than the Holder’s cost of acquiring the NSS, the resulting loss should be deductible to the Australian resident Holder in the income year in which the sale occurs.

Holders should also consider any residual operation of the Capital Gains Tax (CGT) provisions.

Any gains or losses should not be taxable or deductible for New Zealand tax purposes although this will depend on individual circumstances.

4.1.2 New Zealand Resident Holders

The New Zealand income tax consequences of Redemption of NSS should broadly be the same as a Sale of NSS. The Redemption of NSS will result in a BPA calculation for the Holder and any amount received on Redemption in excess of the cost of acquisition should be income. Resident withholding tax should be deducted from the Distribution Payment received on Redemption.

4.2 EXCHANGE OF NSS FOR ORDINARY SHARES

4.2.1 Australian Resident Holders

The Exchange of NSS for Ordinary Shares should not give rise to an assessable gain or an allowable deduction for the Australian resident Holders, under the traditional securities provisions.

The additional Distribution Payment paid to the Holders in respect of the Distribution Period ending on Exchange, which will be automatically invested on the Holder's behalf in subscribing for Ordinary Shares, should be assessable interest income to the Holders. The Australian income tax consequences to the Holder in respect of the additional Distribution Payment should be the same as that applicable to Distribution Payments (refer to 2.1.1 above).

The CGT consequences for the Holders of the Exchange of NSS for Ordinary Shares should be as follows:

- Any capital gain or loss that may result from the Exchange of NSS is to be disregarded;
- The cost base of the Ordinary Shares should be equal to the cost base of the NSS at the time of Exchange (this amount should be equal to the Issue Price of the NSS plus any incidental costs of acquisition) and the amount of assessable additional Distribution Payments received on Exchange; and
- The time of acquisition of the Ordinary Shares is when the Exchange of the NSS occurred ("the Exchange Date").

The CGT consequences associated with a subsequent sale of Ordinary Shares are outlined in Section 5.1 below.

Any gains or losses should not be taxable or deductible for New Zealand tax purposes although this will depend on individual circumstances.

4.2.2 New Zealand Resident Holders

The Exchange of NSS for Ordinary Shares will be treated broadly the same as a Sale or Redemption of NSS. The New Zealand dollar value of the shares received should be taken into account in determining the gain or loss made by the Holder on the Exchange of the NSS for Ordinary Shares. The additional Distribution Payment received on Exchange should be treated as an interest payment and taxable to a New Zealand resident Holder. Resident Withholding Tax should be deducted from any additional Distribution Payment.

4.3 RESALE TO A THIRD PARTY

4.3.1 Australian Resident Holders

If the Issuer chooses to arrange for a third party to acquire NSS from the Australian resident Holder, the Holder should receive an amount no less than that payable had the NSS been Redeemed by the Issuer.

The Australian and New Zealand income tax implications for the Holder should be the same as those occurring under a Redemption of NSS (refer to 4.1.1 above).

4.3.2 New Zealand Resident Holders

The Resale of NSS by a New Zealand resident Holder should have the same income tax implications as a Redemption of NSS (refer to 4.1.2 above), except any amount of the sale price representing an unpaid Distribution Payment will not be subject to resident withholding tax.

5.0 DISTRIBUTIONS ON ORDINARY SHARES RECEIVED UPON EXCHANGE

If an Exchange of NSS occurs, any subsequent distributions received by the Holders will be dividends on the Ordinary Shares received by the Holders in Exchange for NSS.

The Ordinary Shares should be considered to be an equity interest for Australian and New Zealand income tax purposes.

5.1 AUSTRALIAN RESIDENT HOLDERS

Australian resident Holders should include any dividends paid in relation to the Ordinary Shares in their assessable income. As the dividends are in relation to an equity interest, they may be franked, partly franked or unfranked by Nufarm.

5.2 FRANKED DIVIDENDS

If a dividend is fully franked, subject to the “holding period rule” (refer to 5.4 below), each Australian resident Holder’s assessable income should be calculated by “grossing-up” the amount of the dividend.

The gross-up amount is calculated by multiplying the cash dividend received by 30/70 (based on a 30% company tax rate and assuming the dividend is fully franked) to take account of the tax already paid by Nufarm. This is referred to as a franking credit. The assessable income of the Australian resident Holder includes the grossed-up distribution amount including the franking credit. The Australian resident Holder may be entitled to a tax (franking) offset equal to the amount of the franking credit included in their assessable income.

If a dividend is partially franked, subject to the “holding period rule” (refer to 5.4 below), the dividend should be grossed-up by the level of franking credits that are attached to the dividend to take account of the tax already paid by Nufarm. The grossed-up dividend should be included in the Australian resident Holder’s assessable income. The Australian resident Holder may also be entitled to a tax (franking) offset equal to the amount of franking credits included in their assessable income.

5.3 UNFRANKED DIVIDENDS

If the dividend paid by Nufarm is unfranked, there is no franking gross-up and the cash dividend received should be included in the Holder’s assessable income. The Australian resident Holder should not be entitled to a tax (franking) offset.

5.4 HOLDING PERIOD RULE

The availability of any franking benefit for Holders, including an entitlement to a tax offset, is subject to the “holding period rule”.

Broadly, this requires the Holder to hold the Ordinary Shares “at risk” for a period of at least 45 days during the primary qualification period. The primary qualification period commences the day after the day of acquisition and ends on the 45th day after the day on which the Ordinary Shares become ex-dividend.

The Holder is required to retain 30% or more of the risks and benefits associated with holding the Ordinary Shares for a continuous period of at least 45 days (as measured by the net delta). This 45 day period does not include the day on which the Holder acquires the Ordinary Shares (as a result of an Exchange of NSS occurring) and also does not include the day on which the Holder disposes of the Ordinary Shares.

Holders who are individuals may qualify for the small shareholder exemption under the “holding period rule”. If the sum of the franking offsets to which the Holder would be entitled, from all sources, does not exceed \$5,000 in the income year, the Holder should be considered to be a qualified person for the purposes of the “holding period rule” without the need to satisfy the minimum 45 day holding period. The small shareholder exemption does not apply if the individual Holder has made or is likely to make a “related payment” in respect of the dividend.

If a Holder does not satisfy the “holding period rule” in relation to the dividend, the franking credit attached to the dividend should not be included in the Holder’s assessable income, and the Holder would not be entitled to the tax offset in relation to the franking credit.

The above is a general summary of the “holding period rule” and it may apply differently depending on each Holder’s particular circumstances. In addition, where a Holder or associate has made or may make a “related payment” in respect of the dividend, different rules may apply to that Holder to deny the benefit of franking. A Holder or an associate is taken to have made a related payment where they have done anything having the effect of passing the benefit of the dividend to one or more other persons.

Investors should obtain their own advice to confirm the application of the holding period and related payments rules, to their particular circumstances.

5.5 TAX FILE NUMBER WITHHOLDING TAX

Again, we understand that Australian resident Holders will be provided with the opportunity to disclose their TFN to Nufarm. Although disclosure of their TFN is not compulsory at law, Holders should be aware that unless they are exempt from the TFN provisions, failure to disclose their TFN may result in tax being deducted from the dividends paid by Nufarm at the top marginal tax rate (currently 45%) plus the Medicare Levy.

5.6 NEW ZEALAND RESIDENT HOLDERS

Dividends received by a New Zealand Holder (other than a company) from an Australian company are taxable as ordinary income and will be subject to tax at the Holder's marginal tax rate. Dividends received by a New Zealand resident company are exempt from income tax but will be subject to a Foreign Dividend Withholding Payment ("FDWP") at a rate of 33% unless the company has at least a 10% interest in the Ordinary Shares.

Dividends paid in Australian dollars need to be converted into New Zealand dollars at the relevant exchange rate on the payment date.

New Zealand resident Holders will not get a credit against their New Zealand tax liability for any Australian franking credits attached to the distribution. However, Nufarm does maintain a New Zealand imputation credit account. To the extent any New Zealand imputation credits are attached to dividends, New Zealand resident Holders should be entitled to a credit against their New Zealand tax liabilities.

To the extent that the dividends are franked, New Zealand resident Holders should not be subject to Australian dividend withholding tax. Further, the New Zealand resident Holders should not be assessable on the dividends for Australian income tax purposes.

To the extent that the dividends are unfranked, New Zealand resident Holders should be subject to Australian dividend withholding tax. The rate of withholding tax should be 15% pursuant to Article 10 of the Australia/New Zealand double tax agreement. The dividend withholding tax is a final tax and therefore, the New Zealand resident Holders should not be subject to any further Australian income tax on the dividends received.

New Zealand resident Holders should be entitled to a credit against their New Zealand income tax or FDWP liability for any non-resident withholding tax deducted from unfranked dividends in Australia.

6.0 SALE OF ORDINARY SHARES AFTER EXCHANGE

6.1 AUSTRALIAN RESIDENT HOLDERS

If the Australian resident Holder disposes of Ordinary Shares after an Exchange occurs, a CGT event should happen.

The Holder should make a capital gain to the extent that the capital proceeds from the sale of the Ordinary Shares exceed the cost base of the Ordinary Shares in the Holder's hands. Similarly, a capital loss should arise to the extent that the reduced cost base of the Ordinary Shares exceeds the capital proceeds from sale.

The Holder's cost base of the Ordinary Shares should be determined in accordance with 4.2.1 above.

A Holder who is an individual may be entitled to discount the amount of the capital gain arising from the disposal of the Ordinary Shares. This discount is only available if the disposal occurs at least twelve months after the acquisition of the Ordinary Shares (ie. at least 12 months after the Exchange of NSS occurs). If the capital gains discount is available, the capital gain (after application of capital losses) may be discounted by 50%.

6.2 NEW ZEALAND RESIDENT HOLDERS

New Zealand does not generally tax capital gains. Any gain on the sale of the Ordinary Shares will be taxable to the New Zealand resident Holder if the shares were acquired for the purpose of resale, the Holder is in the business of dealing in shares or the shares are disposed of as part of a profit making scheme or undertaking.

7.0 GST IMPLICATIONS FOR HOLDERS

7.1 AUSTRALIAN GST

There should be no Australian GST implications for non-resident Holders and Australian resident Holders who are not registered for GST.

No Australian GST should be payable upon any Distribution Payments paid to the Holders.

In respect of all other matters and transactions arising under this Prospectus, the Australian GST implications may vary depending on the Holder's Australian GST status, Australian residency status and the residency status of the recipient of any supply. You should seek independent advice in relation to your individual Australian GST position.

7.2 NEW ZEALAND GST

There should be no New Zealand GST implications for the Holders from the issue of NSS, the payment of Distribution Payments or the exchange of NSS for Ordinary Shares.

The information contained in this letter is of a general nature only and the taxation implications associated with an investment in NSS will depend upon the tax profile of each Holder.

There is no specific Australian Taxation Office or New Zealand Inland Revenue Department private ruling, product ruling, class ruling or determination that has been issued in respect of this transaction. Holders should obtain independent tax advice before investing in NSS.

This letter does not constitute an endorsement of the investment or recommendation by Ernst & Young of any participation in NSS by an intending Holder. Ernst & Young is not required to hold an Australian Financial Services Licence under the *Corporations Act 2001*.

Ernst & Young has given its consent to the inclusion of this letter in the Prospectus. However, it gives no assurance or guarantee in respect of the performance of NSS, and /or Ordinary Shares, and its consent should not be taken as an endorsement or recommendation.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Vik Khanna', with a horizontal line underneath.

Vik Khanna
Partner – Taxation

9.

ADDITIONAL INFORMATION

9.1 TERMS AND CONDITIONS OF THE ISSUE

The rights attaching to NSS will be governed by:

- the Terms of Issue of NSS set out in Appendix A;
- the NSS Trust Deed summarised in Section 9.8; and
- in certain circumstances, the Corporations Act, the ASX Listing Rules, the NZX Listing Rules, ASTC Settlement Rules, the ACH Clearing Rules and the general law.

9.2 NUFARM – A DISCLOSING ENTITY

Nufarm is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and ASX Listing Rules. These obligations require ASX to be continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, Nufarm has an obligation under ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning Nufarm, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its shares. It is also required to prepare and lodge with ASIC both yearly and half-yearly financial statements, a report on the operations of Nufarm during the relevant accounting period together with an audit or review by Nufarm's auditor.

9.3 AVAILABILITY OF DOCUMENTS LODGED WITH ASIC

Copies of documents lodged in relation to Nufarm may be obtained from, or inspected at, an office of ASIC.

9.4 OTHER DOCUMENTS

Nufarm will provide a copy of any of the following documents free of charge to any person who requests a copy prior to the Offer Closing Date in relation to this Prospectus:

- the financial reports of Nufarm for the year ended 31 July 2006 and half-year ended 31 January 2006 (being the most recent annual and half-year financial reports lodged with ASIC before the issue of this Prospectus); and
- any other document or financial report lodged by Nufarm with ASIC or ASX under the continuous disclosure reporting requirements in the period after the lodgement of those financial reports and before lodgement of the Original Prospectus with ASIC.

Copies of these documents may be obtained from Nufarm's website **www.nufarm.com** or inspected by appointment at Nufarm's registered office at:

103-105 Pipe Road
Laverton North VIC 3026

between 9.00am and 5.00pm (Melbourne Time) on each Business Day during the Offer Period.

9.5 RESIDENTS OF THE UNITED STATES

The Offer of NSS has not been and will not be registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and, therefore, subject to certain exceptions, NSS may not be offered, sold, renounced or delivered, directly or indirectly, within the United States. Accordingly, except as described below, the Offer is not being made in the United States or to holders of Ordinary Shares with registered addresses in the United States and neither the Prospectus nor the Application Forms will be sent into the United States or to persons with registered addresses in the United States. Certain exemptions from these limitations may be available in the case of certain defined classes of sophisticated investors.

Envelopes containing Application Forms should not be postmarked or otherwise despatched from the United States and all persons subscribing for NSS must provide addresses within Australia or New Zealand for the return of Holding Statements for NSS. Nufarm reserves the right to treat as invalid any Application Form (i) postmarked in or which otherwise appears to have been despatched from the United States, (ii) that provides an address in the United States for delivery of Holding Statements for NSS or (iii) which, except as otherwise agreed with Nufarm, does not make the representation and warranty set out in the Application Forms that the person acquiring NSS is not in the United States and is not acting for the account or benefit of a person within the United States.

Any person who is unable to make the representation and warranty set out in the Application Forms is not entitled to acquire NSS.

Until 40 days after the commencement of the Offer, an offer, sale or transfer of NSS within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the Securities Act.

For the purposes of this Prospectus and the Application Forms, "United States" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

9.6 SIZE OF OFFER

Although the Issuer proposes to raise A\$250 million through the issue of 2.5 million NSS with the ability to accept oversubscriptions of up to A\$50 million through the issue of 500,000 NSS, it reserves the right to:

- issue additional NSS; or
- raise less than A\$250 million and issue less than 2.5 million NSS if it receives acceptances for less than this number of NSS.

9.7 OFFER MADE BY THE ISSUER

The Offer is being made by the Issuer alone and no other person. Neither Nufarm, Merrill Lynch or UBS are making the Offer.

9.8 SUMMARY OF MATERIAL AGREEMENTS

9.8.1 SUMMARY OF NSS TRUST DEED

Nufarm and the Issuer have entered into a NSS Trust Deed constituted under Victorian law, with Permanent Trustee Company Ltd (“**NSS Trustee**”). Nufarm will provide a copy of the NSS Trust Deed upon request free of charge to potential investors at any time prior to Allotment of the NSS, and thereafter to Holders.

The following is a summary only of the principal provisions of the NSS Trust Deed.

Appointment of NSS Trustee and declaration

The NSS Trustee holds on trust for the Holders:

- the benefit of the NSS Trust Deed;
- the right to enforce the obligations of the Issuer and Nufarm to pay all amounts payable under the Terms of Issue and the NSS Trust Deed;
- the right to enforce any other duties or obligations that the Issuer and/or Nufarm have under the Terms of Issue, the provisions of the NSS Trust Deed and Chapter 2L of the Corporations Act.

Undertakings

The Issuer has undertaken to the NSS Trustee to, amongst other things:

- duly and punctually pay any amounts owing in respect of each NSS to the Holders in accordance with the Terms of Issue;
- comply with its obligations under the NSS Trust Deed, the Terms of Issue, the Corporations Act (including Chapter 2L), and the Securities Act (NZ) 1978; and
- promptly provide the NSS Trustee with all documents and notices given to Holders.

Liability

The NSS Trustee is not liable to the Issuer, Nufarm or the Holders or any other person, in any capacity other than as NSS Trustee of the Trust. Any limitation on the NSS Trustee’s liability under the NSS Trust Deed is subject to the Corporations Act.

Retirement and Removal

The NSS Trustee may retire by giving the Issuer at least 60 days’ notice of its intention to do so. The NSS Trustee must retire if:

- the NSS Trustee becomes subject to an insolvency event;
- it is required to do so by law; or
- the NSS Trustee ceases to carry on business as a professional trustee.

The Holders may remove the NSS Trustee by Special Resolution. The Issuer may remove the NSS Trustee by giving 90 days notice, but only if no Event of Default is continuing at the time it gives the notice. The Issuer must remove the NSS Trustee if required to do so by law.

The Issuer must use best endeavours to appoint a new trustee following the retirement or removal of the Trustee.

Fees and Expenses

Under the NSS Trust Deed the Issuer will pay the NSS Trustee by way of a fee for its services such amounts (inclusive of GST) as may be agreed between the Issuer and the NSS Trustee. The agreed fees are an initial establishment fee of A\$7,500 (exclusive of GST) and an annual fee of A\$47,500 (exclusive of GST) indexed to movements in the consumer price index. The Issuer will also pay the NSS Trustee’s reasonable costs and expenses in connection with the NSS Trust Deed and the Terms of Issue as well as additional fees for any enforcement action that the NSS Trustee takes in relation to the NSS Trust Deed following default by the Issuer or Nufarm.

Meetings

The NSS Trustee and the Issuer may call meetings of the Holders at any time and for any purpose they think fit. Every resolution put to a vote at a meeting must be decided on a show of hands unless a poll is properly demanded and the demand is not withdrawn.

Alteration without consent

Subject to complying with all applicable laws, the Issuer and the NSS Trustee may, by agreement in writing, amend the Terms of Issue if the Issuer and the NSS Trustee are each of the opinion that the amendment is:

- of a formal, minor or technical nature;
- made to cure any ambiguity or correct any manifest error;
- expedient for the purpose of enabling NSS to be listed for quotation or to retain listing on any stock exchange or to be offered for, or subscription for, sale under the laws for the time being in force in any place and it is otherwise not considered by the Issuer and the NSS Trustee to be materially prejudicial to the interests of Holders as a whole;
- necessary to comply with the provisions of any statute or the requirements of any statutory authority;
- to evidence the succession of another person to the Issuer and the assumption by any such successor of the undertakings and obligations of the Issuer under the Terms of Issue; or
- done according to the Issuer’s right in clause 5.4(c) of Appendix A of the Prospectus (“Adjustments to VWAP”).

9.8.2 SUMMARY OF GUARANTEE

The NSS Trust Deed contains provisions governing a payment guarantee, pursuant to which Nufarm guarantees the due and punctual payment of the monies due under the NSS Trust Deed and the Terms of Issue to the Holders.

The following is a summary only of the principal provisions of the Guarantee.

Guarantee

Nufarm irrevocably and unconditionally guarantees to each Holder and the NSS Trustee the due and punctual payment of all monies payable to Holders in respect of the NSS or are due and payable by the Issuer to the NSS Trustee under or in connection with the NSS Trust Deed (“**Guaranteed Money**”). If the Issuer fails for any reason to punctually pay any Guaranteed Money, Nufarm agrees to cause such payment to be made (without the need for demand) at the same time and in the same amounts in respect of the Guaranteed Money as would have been receivable had the payments been made by the Issuer.

Nufarm agrees to pay interest on any amount payable by it under the Guarantee from when the amount becomes due until it is payable in full. The interest rate to be applied is the higher of 2% or the rate fixed or payable under a judgment.

Subordination

The obligations of Nufarm under the Guarantee constitute unsecured and subordinated obligations. Claims under the Guarantee rank below the claims of all Senior Creditors (being all creditors of Nufarm other than Holders and other creditors (if any) that are subordinated to rank equally with Holders) and in priority to the claims of Ordinary Shareholders.

Winding up

In the event that Nufarm is wound up, the Holder has a subordinated claim against Nufarm in an amount and ranking as provided for in the Terms of Issue.

9.8.3 DESCRIPTION OF NUFARM’S CONSTITUTION AND ORDINARY SHARES

The following has been included to provide investors with a summary of the material rights, privileges, restrictions and conditions currently attaching to the Ordinary Shares of Nufarm which may be issued upon conversion of the NSS in the circumstances and in the manner described elsewhere in this Prospectus.

Meetings of Nufarm shareholders

Subject to any restrictions imposed by Nufarm’s Constitution, the Corporations Act and the ASX Listing Rules, each shareholder is entitled to receive notice of, attend and vote at meetings of the shareholders of Nufarm.

Voting at a meeting of Nufarm shareholders

Every shareholder present in person at a meeting of the shareholders of Nufarm or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid ordinary share held.

Dividends

Holders of Ordinary Shares are entitled to dividends as and when declared subject only to the rights of holders of any other shares from time to time entitled to special or prior rights to dividends. No dividend shall carry interest as against Nufarm. The Board of Nufarm may declare dividends out of the profits available to be distributed as dividends. Ordinary

Shares issued on conversion of any NSS will not share in any dividend, other distributions or entitlements in respect of Ordinary Shares declared or paid or made in respect of financial periods or parts of financial periods ending on or prior to the date of issue of those Ordinary Shares.

Transfer of shares

The directors may decline to register a transfer of shares when required by a court order, the ASX Listing Rules or where the transfer would contravene any other Australian law and ASX has agreed in writing that Nufarm may refuse to register the transfer if the directors decline to register a transfer, Nufarm must give the party lodging the transfer written notice of the refusal and the reason for the refusal.

Liquidation

In the event of a Winding Up Event occurring in relation to Nufarm, after payment of outstanding debts and subject to the prior rights attaching to any shares from time to time ranking senior to the Ordinary Shares, the remaining assets of Nufarm would be applied in paying all surpluses to the holders of Ordinary Shares in proportion to the number of such shares they hold.

Appointment and retirement of directors

The Nufarm Directors are elected by the shareholders of Nufarm by ordinary resolution. Nufarm’s Constitution contains the following provisions concerning the appointment and retirement of directors. Directors, other than the Managing Director, shall not hold office for more than three years without submitting for re-election. The directors of Nufarm to retire in each year shall be those who have been longest in office since their last election. Where more than one person became a director of Nufarm on the same day, those to retire shall be determined by lot unless they otherwise agreed amongst themselves. The retiring directors are eligible for re-appointment or re-election.

The Board of Nufarm, or holders of more than 60% of the issued shares that confer voting rights, have the power to appoint any person either to fill a casual vacancy or as an additional director. Such director shall hold office only until the next annual general meeting and shall then be eligible for re-election.

Inconsistency with the ASX Listing Rules

If any provision of Nufarm’s Constitution is or becomes inconsistent with the ASX Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

9.8.4 SUMMARY OF OFFER MANAGEMENT AGREEMENT

Nufarm and the Issuer have entered into the Offer Management Agreement with the Joint Lead Managers and Bookrunners on 29 September 2006. The following is a summary only of the principal provisions of the Offer Management Agreement.

Appointment

Under the Offer Management Agreement, the Joint Lead Managers and Bookrunners have agreed to act as lead managers and bookrunners for the Offer. The obligations of the Joint Lead Managers and Bookrunners under the Offer Management Agreement include to:

- act as Joint Lead Manager and Bookrunner for the Offer;
- conduct the roadshow process to be undertaken as part of the Offer;
- assist in the administration of the Offer; and
- assist in the presentation and marketing of the Offer.

The Joint Lead Managers and Bookrunners may at any time, with the agreement of the Issuer and Nufarm, appoint on behalf of the Issuer, Co-Managers to the Offer.

Fees and expenses of the Offer

The Joint Lead Managers and Bookrunners will be paid a fee for their services, including structuring, management and selling, of up to 1.95% of the total gross proceeds of the Offer. These fees are not payable by Nufarm if the Offer Management Agreement is terminated.

The Issuer is responsible for paying the costs and expenses of the Joint Lead Managers and Bookrunners of, and incidental to, the Offer.

Representations and warranties

The Offer Management Agreement contains various representations and warranties and imposes various obligations on the Issuer and Nufarm, including the obligation to ensure that this Prospectus complies with the Corporations Act and all other laws and regulations applicable to it.

Guarantee

Nufarm unconditionally and irrevocably guarantees to each Joint Lead Manager and Bookrunner the due and punctual performance and observance by the Issuer of its obligations under the Offer Management Agreement.

Indemnity

The Issuer and Nufarm have jointly and severally agreed to indemnify the Joint Lead Managers and Bookrunners and their affiliated parties ("**Indemnified Parties**") from and against all demands, damages, losses, expenses (including legal expenses), liabilities, claims and costs arising from or relating to the Offer, except those arising from any fraud, wilful misconduct or gross negligence, or from a material breach of the Offer Management Agreement by a Joint Lead Manager or Bookrunner (other than and to the extent to which the material breach is caused or contributed to by the Issuer, Nufarm or a third party).

Termination events – no materiality

Each of the Joint Lead Managers and Bookrunners may terminate their obligations under the Offer Management Agreement at any time prior to the date that all the NSS

are allotted by the Issuer ("**Completion Date**") if any of the following events occur:

- Trading in the Ordinary Shares is suspended for three consecutive Business Days or the Ordinary Shares cease to be quoted on ASX.
- The price quoted on ASX for Ordinary Shares falls 15% below the level recorded at the last close of trading on the Business Day prior to the date the Offer Management Agreement is signed ("**Signing Date**") and remains at or below that level for at least four consecutive Business Days.
- Any credit rating assigned to the Issuer, to Nufarm or the NSS at the Signing Date by any ratings agency is withdrawn or downgraded to non-investment grade, or placed on credit watch negative as a result of an announcement made by Nufarm or the Issuer.
- An insolvency event occurs in respect of the Issuer, Nufarm or any entity in the Nufarm Group.
- The Issuer or Nufarm withdraws the Offer Documents (defined to include this Prospectus and the Investment Statement) or the Offer.
- The negative pledge deed between Nufarm and certain other Nufarm Group entities and certain lenders being terminated or amended without the Joint Lead Managers and Bookrunners' consent, or an event occurring which entitles the lenders to call default or accelerate repayment or terminate the deed.
- The completion certificate not being furnished by the Issuer in accordance with the requirements stated in the Offer Management Agreement or a statement in that certificate being untrue or inaccurate in a material respect or that certificate making any disclosure.
- A director of the Issuer or Nufarm:
 - is charged with an indictable offence relating to any financial or corporate matter or any regulatory body commences any public action against the director in his or her capacity as a director of the Issuer or announces that it intends to take any such actions;
 - is disqualified from managing a corporation under certain sections of the Corporations Act; or
 - is prohibited or disqualified from being a director of a company pursuant to certain sections of the Companies Act 1993 of New Zealand ("**NZ Companies Act**").
- The Offer Documents contain a statement or omission which is false, misleading or deceptive or otherwise fails to comply with the Corporations Act, the Securities Act 1978 (NZ) or the Securities Regulations 1983 (NZ) ("**NZ Securities Laws**") or any other applicable law or regulation.
- The Issuer or Nufarm issues or in the reasonable opinion of the Joint Lead Managers and Bookrunners becomes required to issue a supplementary Offer Document, other than as required by Joint Lead Managers and Bookrunners.

- Any person whose consent to the issue of the Offer Documents is required by section 720 of the Corporations Act or the NZ Securities Laws, who has previously consented to the issue of the Offer Documents withdraws such consent or any person otherwise named in the Offer Documents with their consent (other than a Joint Lead Manager or Bookrunner) withdraws such consent.
- Any of the following notifications or exercise of powers are made:
 - ASIC holding a hearing under section 739(2) of the Corporations Act or issuing an order (including an interim order) under section 739 of the Corporations Act;
 - an application is made by ASIC for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Offer Documents;
 - ASIC commences any Inquiry or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 in relation to the Offer or the Offer Documents;
 - any person gives a notice under section 733(3) of the Corporations Act or any person (other than a Joint Lead Manager) who has previously consented to the inclusion of their name or any statement in the Offer Documents withdraws that consent;
 - any person gives a notice under section 730 of the Corporations Act in relation to the Offer Documents or NZSC exercises any of its powers pursuant to Section 38F of the Securities Act; or
 - NZSC exercises any of its powers under Part 3 of the Securities Act 1978 (NZ) in relation to the Offer or the Offer Documents.
- The UBS Composite Bond Index closes on 2 consecutive Business Days at a level that is 2% or more, or is at any time at a level which is 5% or more, below its closing level on the last market close prior to 29 September 2006.
- The Market Rate is 2% or more above its level as at the close of business on the Business Day immediately before 29 September 2006 and remains at or above that level for three consecutive Business Days or until the end of the date when all NSS are issued.
- The All Ordinaries Index of ASX or NZX 50 falls for 2 consecutive Business Days by an amount that is 5% or more of the level, or is at any time at a level which is 10% or more below the level, as at the close of trading on 29 September 2006.
- has, or is likely to have, a material adverse effect on, amongst other things, the financial prospects of the Issuer or Nufarm or the success of the Offer; or
- leads, or is likely to lead to a contravention by a JLM of, or a liability for a JLM under, an applicable law.

These events are:

- A representation or warranty made or given by the Issuer or Nufarm under the Offer Management Agreement proves to be, or has been, or becomes untrue or incorrect.
- The Issuer or Nufarm fails to perform or observe any of its obligations under the Offer Management Agreement.
- There is a change in the senior management or the board of directors of Nufarm or the Issuer.
- The information supplied by or on behalf of the Issuer or Nufarm to the Joint Lead Managers and Bookrunners in relation to the Nufarm Group or the Offer is misleading or deceptive.
- A contravention by the Issuer, Nufarm or of any entity controlled by the Issuer, of the Corporations Act, the NZ Companies Act, any of the NZ Securities Laws, its constitution, any of the Listing Rules, or of any requirement of ASX, NZX or any other applicable law.
- Any term of a material contract is varied, terminated, rescinded or altered without the prior consent of the Joint Lead Managers or Bookrunners or a material contract is found to be void or voidable.
- There is an adverse change in the assets, liabilities, financial position or performance, profits and losses, business, operations, management or prospects of the Issuer, Nufarm or the Nufarm Group (in so far as the position in relation to any entity in the Nufarm Group affects the overall position of the Issuer), including any adverse change in the assets, liabilities, financial position or performance, profits, losses or business, operations, management prospects of the Nufarm Group from those respectively disclosed in the Offer Document or public information.
- There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of New Zealand, the Parliament of Australia or any State of Australia a new law, the Reserve Bank of Australia, the Reserve Bank of New Zealand or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before 29 September 2006), any of which does or is likely to prohibit or regulate the issue of the NSS, capital issues or stock markets.
- Hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, any member state of the European Union, the United Kingdom,

Termination Events – materiality

Each of the Joint Lead Managers and Bookrunners may terminate their obligations under the Offer Management Agreement at any time prior to the date when all NSS are issued if any one or more of the following events occurs and that event, in the opinion of the terminating Joint Lead Manager and Bookrunner acting in good faith:

North or South Korea, Indonesia, Japan, Russia or the Peoples Republic of China, or a national emergency is declared by any of those countries, or a major terrorist act is perpetrated on any major financial centre or any diplomatic, military, commercial or political establishment with any of those countries.

- All or a part of any provision of the Offer Management Agreement, the NSS Trust Deed and/or the Replacement Capital Deed (the “**Transaction Documents**”) is breached, ceases to have effect, otherwise than in accordance with its terms as permitted by the Transaction Documents, or is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance by the Issuer becomes illegal, or the Issuer or Nufarm alleges or claims that one of these events has occurred.
- Trading of all securities quoted on ASX, NZSX, NZDX, NYSE or LSE is suspended or limited in a respect.
- A general moratorium on commercial banking activities in Australia, the United Kingdom or the United States of America is declared by the relevant central banking authority in any of those countries and remains in force for two consecutive Business Days, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries, the effect of which is such as to make it, in the reasonable opinion of the Joint Lead Managers and Bookrunners, impractical to manage the Offer or to enforce contracts to issue and allot the NSS.
- There occurs an adverse change or disruption to the political or economic conditions or financial markets of Australia, New Zealand, the United Kingdom, the United States of America or any change or development involving a prospective adverse change in any of these conditions or markets.

Any rights or powers of the Joint Lead Managers and Bookrunners to terminate the Offer Management Agreement may be exercised severally. If one Joint Lead Manager and Bookrunner terminates, the remaining Joint Lead Manager and Bookrunner may elect to take up the rights and obligations of the terminating Joint Lead Manager and Bookrunner.

The issue of this Prospectus in replacement of the Replacement Prospectus does not constitute a termination event for the purposes of the Offer Management Agreement.

9.8.5 SUMMARY OF REPLACEMENT CAPITAL DEED

The NSS Trustee and Nufarm have entered into the Replacement Capital Deed (“**RCD**”) for the benefit of the holders of senior debt of, and the providers of bank guarantees issued at the request of, the Nufarm Group (“**Beneficiaries**”).

The following is a summary only of the principal provisions of the RCD.

Appointment of NSS Trustee and declaration

The NSS Trustee enters into the RCD as trustee for the benefit of the Beneficiaries. The NSS Trustee holds the benefit of:

- the RCD;
- the right to enforce any duties or obligations that Nufarm has to the Beneficiaries under the RCD; and
- any other property which the NSS Trustee receives or which vests in the NSS Trustee in accordance with the RCD,

in trust for the Beneficiaries subject to the terms of the RCD.

Undertaking by Nufarm

Nufarm covenants in favour of the NSS Trustee (for the benefit of each Beneficiary) that it will not, and it will procure that the Issuer or any other member of the Nufarm Group, will not Redeem, buy-back, cancel or procure a related entity to purchase (“**Repurchase**”) any NSS, except to the extent that Nufarm or another member of the Nufarm Group has received during the preceding 12 months before the date of Repurchase of the NSS proceeds from the issue of:

- Ordinary Shares; or
- any security, whether debt or equity, ranking equal to the NSS and with substantially the same terms and conditions regarding maturity, ranking, deferral or redemption of the NSS,

in an amount sufficient for those shares or securities to carry at least the same equity credit weighting assigned by Standard & Poor’s on the date the NSS were issued as the NSS being Repurchased.

This requirement does not apply if Nufarm reasonably believes that the Repurchase of the NSS will not cause Nufarm’s credit rating assigned to it by Standard & Poor’s to fall from the credit rating applying on the Business Day immediately before the day on which Nufarm publicly announces that it, the Issuer or any other member of the Nufarm Group is to Repurchase the NSS.

Remuneration

Nufarm must pay to the NSS Trustee such amounts by way of remuneration as may be agreed between the NSS Trustee and Nufarm from time to time.

Liability

The NSS Trustee is not liable to any person in any capacity other than as trustee of the trust. The NSS Trustee’s liability is limited in the same manner as under the NSS Trust Deed.

Retirement and Removal

The NSS Trustee may retire by giving the Issuer at least 60 days’ notice of its intention to do so. The NSS Trustee must retire if:

- (a) the NSS Trustee becomes insolvent;
- (b) it is required to do so by law; or

(c) the NSS Trustee ceases to carry on business as a professional trustee.

Nufarm must use best endeavours to appoint a new trustee following the retirement or removal of the NSS Trustee.

9.9 CONSENTS

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below. Each of these parties, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements or omissions from this Prospectus, other than the reference to its name and a statement or report included in this Prospectus with the consent of that party as specified below.

- Arnold Bloch Leibler has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Dawson Harford and Partners has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Merrill Lynch International (Australia) Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Merrill Lynch Private (Australia) Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- UBS AG Australia Branch has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- UBS New Zealand Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- UBS Wealth Management Australia Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Bell Potter Securities Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- ABN AMRO Craigs Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- ASB Securities Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Commonwealth Securities Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- First NZ Capital Securities Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Forsyth Barr Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- National OnLine Trading Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. National OnLine Trading Limited is a wholly owned subsidiary of National Australia Bank Limited, but National Australia Bank Limited does not guarantee the obligations or performance of its subsidiary or the services it offers.
- KPMG has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Ernst & Young has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.
- Standard & Poor's (Australia) Pty Ltd has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. Other than giving this consent, Standard & Poor's has had no involvement in the preparation of this Prospectus.
- Computershare Investor Services Pty Limited and Computershare Investor Services Limited has each given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. Neither Computershare Investor Services Pty Limited nor Computershare Investor Services Limited has had any involvement in the preparation of any part of the Prospectus other than being named as the Registry to the Issuer. Neither Computershare Investor Services Pty Limited nor Computershare Investor Services Limited has authorised or caused the issue of, and each expressly disclaims and takes no responsibility for, any part of the Prospectus.

- Permanent Trustee Company Limited has given and has not, before the lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named.

9.10 INTERESTS OF ADVISERS

Arnold Bloch Leibler has acted as Australian legal adviser to the Issuer and Nufarm in relation to the Offer. In respect of this work, Nufarm estimates that it will pay approximately A\$450,000 (excluding disbursements and GST) to Arnold Bloch Leibler. Further amounts may be paid to Arnold Bloch Leibler in accordance with its normal time based charges.

Dawson Harford & Partners has acted as solicitors for Nufarm in New Zealand and has performed work in relation to the preparation of the New Zealand Investment Statement. In respect of this work, Nufarm estimates that it will pay approximately NZ\$393,862 (excluding disbursements and GST) to Dawson Harford & Partners. Further amounts may be paid to Dawson Harford & Partners in accordance with its normal time based charges.

Merrill Lynch International (Australia) Limited and UBS AG Australia Branch have acted as Joint Lead Managers and Bookrunners for the Offer, in respect of which they are entitled to receive fees and commissions under the Offer Management Agreement as described above. The Joint Lead Managers and Bookrunners are responsible for the commissions or selling fees payable to the Co-Managers, Participating Brokers or Primary Market Participants. Such fees are to be paid from the fees payable to the Joint Lead Managers and Bookrunners.

KPMG has performed work in relation to the historical and pro forma historical financial information included in Section 6.7. In respect of KPMG’s work, Nufarm estimates that it will pay approximately A\$100,000 (excluding disbursements and GST) to KPMG. Further amounts may be paid to KPMG in accordance with its normal time based charges.

Ernst & Young has provided taxation advice and an accounting opinion in relation to the Offer. In respect of Ernst & Young’s work, Nufarm estimates that it will pay approximately A\$410,000 to Ernst & Young. Further amounts may be paid to Ernst & Young in accordance with its normal time based charges.

Except as set out above, no:

- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- broker or underwriter to this Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Nufarm; or
- the Offer; or

- any property acquired or proposed to be acquired by Nufarm in connection with its formation or promotion or the Offer,

nor has anyone paid or agreed to pay or given or agreed to give any benefit to such persons in connection with the formation or promotion of Nufarm or the Offer.

9.11 DIRECTORS’ INTERESTS

No Director or proposed Director holds, at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of Nufarm; or
- the Offer; or
- any property acquired or proposed to be acquired by Nufarm in connection with its formation or promotion or the Offer.

No one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce a person to become, or qualify as, a Director; or
- for services provided by a Director or proposed Director in connection with the formation or promotion of Nufarm or the Offer.

9.11.1 INTERESTS IN NUFARM SECURITIES

The relevant interests of each Director in Ordinary Shares and Capital Notes as at the date of this Prospectus are detailed in the following table:

NUFARM DIRECTORS	ORDINARY SHARES	CAPITAL NOTES
KM Hoggard ¹	2,379,426	
DJ Rathbone	29,912,610	
GDW Curlewis	42,787	
Dr WB Goodfellow ^{1,2}	661,257	2,270,000
GA Hounsell ¹	60,302	
DG McGauchie ¹	14,719	
Dr JW Stocker ¹	30,314	
RFE Warburton ¹	65,281	

1 The holdings of Ordinary Shares of KM Hoggard, Dr WB Goodfellow, GA Hounsell, DG McGauchie, Dr JW Stocker and RFE Warburton include Ordinary Shares issued under the company’s non-executive director share plan and held by Pacific Custodian Pty Ltd as trustee of the plan.

2 The holdings of Ordinary Shares and Capital Notes of Dr WB Goodfellow includes his relevant interest in:

- St Kentigern Trust Board (429,855 Ordinary Shares and 2,270,000 Capital Notes) – Dr Goodfellow is Chairman of Trust Board. Dr Goodfellow does not have a beneficial interest in these Ordinary Shares or Capital Notes.
- Waikato Investment Company Limited (113,616 Ordinary Shares).

9.11.2 DIRECTORS' FEES

Nufarm's Constitution provides that the Nufarm Directors (other than executive Directors) will be entitled to remuneration out of the funds of Nufarm as determined by the Nufarm Directors. Under the ASX Listing Rules, the aggregate remuneration of non-executive Directors may not exceed in aggregate, in any year, the amount fixed by holders of Ordinary Shares in a general meeting for that purpose. The amount last fixed by holders of Ordinary Shares in a general meeting for that purpose was A\$900,000 (excluding superannuation). It is proposed that the aggregate amount be increased to A\$1.2 million, inclusive of superannuation. Any such proposal will be put to the holders of Ordinary Shares at a general meeting, in accordance with the law and the ASX Listing Rules.

9.11.3 PARTICIPATION IN THE ISSUE

Nufarm Directors and Issuer Directors (and their associates) may participate in the issue of NSS under this Prospectus.

9.12 ASX WAIVERS

The Issuer has sought, but at the date of this Prospectus has not yet received, confirmation from ASX that ASX will classify NSS as debt securities for the purposes of Condition 1 of Listing Rule 1.8.

Each of the Issuer and Nufarm has no reason to believe that ASX will not grant the confirmation that have been sought.

The Issuer has sought and received a waiver from ASX from Listing Rule 10.11 such that NSS can be issued to Nufarm Directors and their spouses and defacto spouses, and the parents and children of any of them, and the related entities of any of them ("Related Parties") in response to applications for NSS received from Related Parties under the Offer, provided that the Nufarm Directors and their Related Parties are collectively restricted to applying for no more than 0.2% of the total NSS issued under the Offer and that they participate in the Offer on the same terms and conditions as other Applicants without the approval of Nufarm's Ordinary Shareholders.

Nufarm has sought and received, a waiver from ASX from Listing Rule 7.1 such that:

- any equity securities issued or agreed to be issued by Nufarm will not be included in the number of equity securities issued or agreed to be issued for the purposes of variable "C" in the formula in Listing Rule 7.1; and
- the NSS are deemed not to be equity securities issued or agreed to be issued for the purposes of the opening operative words of Listing Rule 7.1.

However, NSS issued in excess of NZ\$225 million (being the aggregate face value of Capital Notes issued with shareholder approval for the purposes of Listing Rule 7.1 in 2001) will be included for the purposes of variable "C" in the formula and will be equity securities issued or agreed to be issued for the purposes of the opening operative words in Listing Rule 7.1.

9.13 NZX WAIVERS

NZX Regulation has ruled that NSS are to be treated as Debt Securities for the purposes of the NZDX Listing Rules.

NZX Regulation has granted the Issuer waivers from the following NZDX Listing Rules:

- NZDX Listing Rule 10.4 in relation to the requirement to prepare preliminary half-year and full year announcements in accordance with the NZDX Listing Rules on the condition that the Issuer complies with the corresponding requirements of ASX;
- NZDX Listing Rule 10.5.1 in relation to the requirement to send annual reports to Holders within three months of the end of the financial year on the condition that annual reports are sent to Holders within four months after the balance date;
- NZDX Listing Rule 10.5.2 in relation to the requirement to prepare and send half-yearly reports to Holders on the condition that the Issuer announces to the market that a half-yearly report for the Issuer will not be supplied, the reasons for this and how Holders of NSS can obtain access to the Issuer's preliminary half-year announcements and the Issuer continues to exist with no other substantive business except in respect of the offer and maintenance of NSS; and
- NZDX Listing Rule 10.5.3, which prescribes content requirements for annual reports, on the condition that annual reports of the Issuer are prepared in accordance with the requirements of the ASX Listing Rules.

9.14 AUTHORISATION OF LODGEMENT OF THIS PROSPECTUS

Every Director has given, and not withdrawn, his consent to the lodgement of this Prospectus with ASIC.

9.15 GOVERNING LAW

This Prospectus and the contracts that arise from the acceptance of Applications are governed by the laws of Victoria. Each Applicant submits to the exclusive jurisdiction of the courts of Victoria.

APPENDIX A: TERMS OF ISSUE

THE FOLLOWING ARE THE TERMS WHICH APPLY TO ALL NSS.

1. FORM, ISSUE PRICE AND RANKING

1.1 FORM

NSS are perpetual notes that are Redeemable and Exchangeable by the Issuer into Ordinary Shares according to these Terms of Issue. NSS are debt obligations in registered uncertificated form constituted under and issued according to the NSS Trust Deed and take the form of entries in the Register. No certificate will be issued to a Holder unless the Issuer determines that a certificate should be available or is required by any applicable law or regulation.

1.2 ISSUE PRICE

Each NSS will be issued fully paid at an Issue Price of \$100.

1.3 RANKING

- (a) NSS are unsecured subordinated debt obligations of the Issuer, ranking equally among themselves and equally with all other unsecured and subordinated obligations of the Issuer.
- (b) NSS are unsecured notes for the purposes of section 283BH of the Corporations Act.
- (c) All NSS are treated, on and from the Distribution Commencement Date, as being of the one class and confer on the Holder the same rights and obligations regardless of their Issue Date.

1.4 GUARANTEE

NSS are issued with the benefit of the Subordinated Guarantee granted by Nufarm.

2. DISTRIBUTION PAYMENTS

2.1 DISTRIBUTION PAYMENTS

Subject to these Terms of Issue, each NSS entitles the Holder on a Record Date to receive in respect of a Distribution Period on the relevant Distribution Payment Date a distribution payment (**Distribution Payment**) calculated according to the following formula:

Distribution Payment =

$$\frac{\text{Distribution Rate} \times \text{Issue Price} \times \text{N}}{365}$$

where:

Distribution Rate (expressed as a percentage per annum) is calculated according to the following formula:

$$\text{Distribution Rate} = \text{Market Rate} + \text{Margin}$$

where:

Market Rate + Margin (expressed as a percentage per annum) means:

- (a) for the first Distribution Period from (and including) the Distribution Commencement Date until (but not including) the first Distribution Payment Date, the higher of:
 - (i) 8.00% per annum (**Minimum First Distribution Rate**); and
 - (ii) the Market Rate applying on the Distribution Commencement Date plus the Margin determined under the Bookbuild (**Initial Margin**);
- (b) for each subsequent Distribution Period, the Market Rate for that Distribution Period plus the Margin for that Distribution Period.

Market Rate (expressed as a percentage per annum) means, for a Distribution Period, the average mid-rate for bills of a term of six months which average rate is displayed on Reuters page BBSW (or any page which replaces that page) on:

- (a) in the case of the first Distribution Period, the Distribution Commencement Date; and
- (b) in the case of any other Distribution Period, the first Business Day of that Distribution Period,

or if there is a manifest error in the calculation of that average rate or that average rate is not displayed by 10.30am (Melbourne Time) on that date, the rate specified in good faith by the Issuer at or around that time on that date having regard, to the extent possible, to:

- (c) the rates otherwise bid and offered for bills of a term of six months or for funds of that tenor displayed on Reuters page BBSW (or any page which replaces that page) at that time on that date; and
- (d) if bid and offer rates for bills of a term of six months are not otherwise available, the rates otherwise bid and offered for funds of that tenor at or around that time on that date.

Margin (expressed as a percentage per annum) means in respect of each Distribution Period:

- (a) to (but not including) the first Step-up Date, the Initial Margin;
- (b) from and including a Step-up Date which follows a Successful Re-marketing Process (and with effect from and including the Step-up Date but excluding the next Step-up Date), the New Margin; and
- (c) from and including the Step-up Date which does not immediately follow a Successful Re-marketing Process (and with effect from the Step-up Date but excluding the next Step-up Date), the Step-up Margin.

N means in respect of:

- (a) the first Distribution Period, the number of days from (and including) the Distribution Commencement Date until (but not including) the first Distribution Payment Date; and
- (b) each subsequent Distribution Period, the number of days from (and including) the preceding Distribution Payment Date until (but not including) the relevant Distribution Payment Date.

A Holder is not entitled to a Distribution Payment in respect of a Distribution Period until the relevant Distribution Payment Date and then only subject to clause 2.2 (“Conditions to Distribution Payments”).

2.2 CONDITIONS TO DISTRIBUTION PAYMENTS

A Distribution Payment will not be made in full if either the Directors of the Issuer or the Nufarm Directors declare that the Distribution Payment or any part of it is not payable.

This clause 2.2 (“Conditions to Distribution Payments”) does not apply to the Distribution Payment scheduled to be made on a Redemption Date.

2.3 DISTRIBUTION PAYMENTS ARE NON-CUMULATIVE

If a Distribution Payment has not been paid in full on a Distribution Payment Date because of clause 2.2 (“Conditions to Distribution Payments”), the Issuer has no liability to pay the unpaid amount of the Distribution Payment and, notwithstanding the Issuer’s discretion to pay an Optional Distribution Payment according to clause 2.4 (“Optional Distribution Payments”), the Holder has no claim in respect of such non-payment.

2.4 OPTIONAL DISTRIBUTION PAYMENTS

If all or any part of a Distribution Payment is not paid on a Distribution Payment Date because of clause 2.3 (“Distribution Payments are non-cumulative”), the Issuer may, in its absolute discretion, on a date which is notified to Holders (which date must be at least 15 Business Days before the payment), pay the Distribution Payment (**Optional Distribution Payment**). Despite the Issuer’s discretion to pay an Optional Distribution Payment under this clause 2.4, a Holder has no claim in respect of an Optional Distribution Payment. An Optional Distribution Payment is only payable to those persons registered as Holders on the Record Date in respect of the Optional Distribution Payment.

2.5 RESTRICTIONS IN THE CASE OF NON-PAYMENT

If a Distribution Payment has not been paid in full for any reason within 20 Business Days after the relevant Distribution Payment Date, neither the Issuer nor Nufarm may, without approval of a Special Resolution:

- (a) declare or otherwise determine to pay, or pay, a dividend or make any distribution on any share capital; or

(b) redeem, reduce, cancel, buy-back or acquire for any consideration any share capital of the Issuer or Nufarm, unless:

- (c) two consecutive Distribution Payments scheduled to be paid on NSS after the Distribution Payment Date of the Distribution Payment that has not been paid have been paid in full;
- (d) an Optional Distribution Payment has been paid to all Holders equal to the aggregate unpaid amount of any unpaid Distribution Payments which were scheduled to be paid in the 12 months prior to the date of payment of the Optional Distribution Payment; or
- (e) all NSS have been Redeemed or Exchanged.

2.6 DISTRIBUTION PAYMENT DATES

Subject to this clause 2.6, Distribution Payments (other than Optional Distribution Payments) will be payable on the following dates (each a **Distribution Payment Date**):

- (a) each 15 April and 15 October commencing on 15 April 2007 until, in respect of a NSS, the first to occur of the Redemption Date and the Exchange Date;
- (b) the Redemption Date in respect of any NSS to be Redeemed on that date; and
- (c) the Exchange Date, in respect of any NSS to be Exchanged on that date.

If a Distribution Payment Date is a day which is not a Business Day, then the Distribution Payment Date will be the next day which is a Business Day.

2.7 WHERE ONLY ELIGIBLE CAPITAL NOTEHOLDER ENTITLEMENT OFFER PROCEEDS

If only the Eligible Capital Noteholder Entitlement Offer proceeds and an Initial Margin has not been determined under a Bookbuild, the definition in clause 2.1 (“Distribution Payments”) of **Market Rate + Margin** shall be taken to read:

“**Market Rate + Margin** (expressed as a percentage per annum) means, for each Distribution Period, the Market Rate for that Distribution Period plus the Margin equal to the Minimum First Distribution Rate less the Market Rate on 26 October 2006 (**Initial Margin**).”

3. ISSUER REDEMPTION OR EXCHANGE

3.1 REDEMPTION OR EXCHANGE BY ISSUER

The Issuer may elect to Redeem or Exchange:

- (a) all or some NSS on a Step-up Date;
- (b) all or some NSS on any Distribution Payment Date after a Step-up Date, if the Step-up Margin applies with effect from the Step-up Date;

- (c) all (but not some only) NSS at any time, if a Regulatory Event, an Accounting Event, a Tax Event, or an Acquisition Event has occurred;
- (d) all (but not some only) NSS at any time, if there are less than 650,000 NSS on issue; or
- (e) all (but not some only) NSS held by Retiring Holders, where clause 6.4(a)(i) (“Result of Re-marketing Process”) applies.

3.2 ISSUER NOTICE

To elect to Redeem or Exchange according to clause 3.1 (“Redemption or Exchange by Issuer”), the Issuer must give a notice (**Issuer Notice**) according to this clause 3.2. The Issuer Notice must:

- (a) state whether the Issuer will Redeem or Exchange NSS or Redeem some NSS and Exchange the other NSS the subject of the Issuer Notice;
- (b) in the case of a Redemption or Exchange under clause 3.1(a) (“Redemption or Exchange by Issuer”), be given no less than 35 Business Days (but no more than three months) before the Step-up Date, and state the Step-up Date as the Redemption Date or Exchange Date (as the case may be);
- (c) in the case of a Redemption or Exchange under clause 3.1(e) (“Redemption or Exchange by Issuer”), within five Business Days after the last date for receipt of responses from Holders to a Re-marketing Process Invitation in accordance with clause 6.3 (“Holder participation in Re-marketing Process”), and state the Step-up Date as the Redemption Date or Exchange Date (as the case may be);
- (d) in any other case, state as the Redemption Date or Exchange Date (as the case may be), the last Business Day of the month following the month in which the Issuer Notice was given unless the Issuer determines an earlier date having regard to the best interests of Holders (collectively) and the relevant event (provided that, in the case of an Exchange, the Exchange Date must be at least 20 Business Days after the date of the Issuer Notice); and
- (e) if less than all NSS are being Redeemed or Exchanged, state the proportion of NSS to be Redeemed or Exchanged for each Holder.

3.3 PARTIAL REDEMPTION OR EXCHANGE

If some but not all NSS are Redeemed or Exchanged, the Issuer must, in each case, endeavour to treat all Holders on an approximately proportionate basis but may adjust to take account of the effect on marketable parcels and other logistical considerations.

3.4 EFFECT OF ISSUER NOTICE

Subject to clause 3.6 (“Exchange and Ordinary Shares”), an Issuer Notice is irrevocable and, once given, constitutes a promise by the Issuer (in the case of Redemption) and by the Issuer and Nufarm (in the case of Exchange) to Redeem or Exchange the NSS as stated in that notice.

3.5 HOLDER REDEMPTION RIGHTS

- (a) Subject to this clause 3.5, a Holder may request that the Issuer Redeem all the Holder’s NSS if an Acquisition Event occurs which has been recommended by the Nufarm Directors and approved by the Directors (**Holder Acquisition Event**).
- (b) The Issuer must give notice of a Holder Acquisition Event (**Holder Acquisition Event Notice**) within 5 Business Days of the event occurring by issuing a market release to ASX and NZX describing the event, sending a copy of the market release to each Holder on the Register on the day the market release is made and by publishing a notice in Australia in The Australian Financial Review and in New Zealand in The New Zealand Herald or any other daily financial newspaper of national circulation in Australia or New Zealand (as the case may be), which notice describes the event.
- (c) To request Redemption the Holder must give a notice (**Holder Redemption Notice**) no later than 15 Business Days after a Holder Acquisition Event Notice is given. A failure by the Issuer to give a Holder Acquisition Event Notice does not affect the Holder’s right to give a Holder Redemption Notice.
- (d) If a Holder requests Redemption in accordance with this clause:
 - (i) the Holder must not deal with, transfer or dispose of or otherwise encumber its NSS (unless the Issuer fails to Redeem the NSS in accordance with this clause);
 - (ii) the Redemption Date will be the day which is 55 Business Days after the Holder Acquisition Event occurs, unless the Issuer determines an earlier date having regard to the best interests of Holders requesting Redemption and notifies those Holders accordingly; and
 - (iii) the Issuer must Redeem those Holders’ NSS on that date.
- (e) If a Holder gives a Holder Redemption Notice in accordance with this clause but the Issuer:
 - (i) has already given an Issuer Notice under clause 3.2 (“Issuer Notice”); or

(ii) after the Holder Redemption Notice is given gives an Issuer Notice stating a Redemption Date or Exchange Date which is no later than the Redemption Date applicable in accordance with clause 3.5(d),

to the extent of any inconsistency the Issuer Notice prevails, and the Holder Acquisition Event Notice is taken to be of no effect, except to the extent that the Issuer Notice is revoked by the operation of clause 3.6.

- (f) A Holder has no right to request Exchange.
- (g) For the purposes of clause 3.5(a) if an Acquisition Event has been recommended by the Nufarm Directors:
- (i) Nufarm agrees promptly to seek the approval of the Directors; and
- (ii) in considering whether to give their approval the Directors shall have regard to the interests of the Nufarm Group (as far as permitted by applicable law).

3.6 EXCHANGE AND ORDINARY SHARES

If the Issuer gives an Issuer Notice stating the Issuer will Exchange NSS but on the Exchange Date the Ordinary Shares are not quoted on ASX, the Issuer Notice shall be taken to have been revoked and NSS will not be Exchanged on that date.

4. REDEMPTION

If NSS are to be Redeemed, on the Redemption Date, the Issuer must pay to the Holder in respect of each NSS which is Redeemed, the Issue Price together with any Distribution Payment scheduled to be paid on that date in accordance with clause 2.6(b) (“Distribution Payment Dates”).

5. EXCHANGE

5.1 MEANING OF EXCHANGE

Exchange means, in respect of a NSS:

- (a) the Issuer pays an amount to the Holder equal to the Issue Price plus a Distribution Payment equal to such further amount as would be needed to be paid to subscribe for a number of fully paid Ordinary Shares equal to the Exchange Number at an issue price equal to VWAP as determined in accordance with clause 5.2 (“Number of Ordinary Shares”); and

- (b) that amount together with the Distribution Payment referred to in clause 5.1(a) (“Meaning of Exchange”) is applied in payment to Nufarm for fully paid Ordinary Shares which are issued to the Holder by Nufarm.

Each Holder is taken to have irrevocably directed that any amount payable under clause 5.1(a) (“Meaning of Exchange”) is applied as provided in clause 5.1(b) (“Meaning of Exchange”). For the avoidance of doubt the Distribution Payment referred to in clause 5.1(a) (“Meaning of Exchange”) is in addition to the Distribution Payment payable in cash in accordance with clause 2.6(c) (“Distribution Payment Dates”) on the Exchange Date and is to be applied only in accordance with clause 5.1(b) (“Meaning of Exchange”) and will not be paid in cash to the Holder.

5.2 NUMBER OF ORDINARY SHARES

On the Exchange Date in respect of each NSS which is Exchanged, the number of Ordinary Shares to be issued for each such NSS (**Exchange Number**) is calculated according to the following formula:

$$\text{Exchange Number} = \frac{\text{Issue Price}}{\text{VWAP} \times (1 - \text{Exchange Discount})}$$

where:

VWAP (expressed as a dollar value) means VWAP during the VWAP Period; and

Exchange Discount means 0.025 or the discount changed according to clause 6 (“Re-marketing Provisions”).

5.3 FRACTIONS OF ORDINARY SHARES TO BE DISREGARDED

If the total number of Ordinary Shares to be issued to a Holder on an Exchange Date in respect of their aggregate holding of NSS being Exchanged includes a fraction of an Ordinary Share, that fraction will be disregarded.

5.4 ADJUSTMENTS TO VWAP

For the purposes of calculating VWAP under clause 5.2 (“Number of Ordinary Shares”):

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and the issue of Ordinary Shares will occur after that date and those Ordinary Shares no longer carry that dividend or other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (**Cum Value**) equal to:
- (i) (in the case of a dividend or other distribution), the amount of that dividend or other distribution;
- (ii) (in the case of any other entitlement which is traded on ASX on any of those Business Days), the volume

weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or

(iii) (in the case of an entitlement not traded on ASX during the VWAP Period), the value of the entitlement as reasonably determined by the Nufarm Directors;

- (b) where on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and Ordinary Shares which are to be issued would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value; and
- (c) where the Ordinary Shares are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities during the VWAP Period, the VWAP shall be adjusted by the Directors as they consider appropriate and these Terms of Issue will be construed accordingly.

Any such adjustment will promptly be notified to Holders.

5.5 RANKING OF ORDINARY SHARES

Each Ordinary Share issued on Exchange ranks equally with all other Ordinary Shares.

5.6 HOLDER TO BECOME MEMBER

Each Holder irrevocably:

- (a) upon an Exchange, consents to becoming a member of Nufarm and agrees to be bound by the constitution of Nufarm; and
- (b) agrees it is obliged to accept the Ordinary Shares upon an Exchange, notwithstanding anything which might otherwise affect Exchange, including:
- (i) any change in the financial position of any Nufarm Entity since the Issue Date;
 - (ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally; or
 - (iii) any breach by any Nufarm Entity of any Transaction Document.

5.7 CANCELLATION OF NSS

A NSS which is Exchanged in accordance with this clause 5 is cancelled.

5.8 FAILURE TO EXCHANGE

If on an Exchange Date, Ordinary Shares are not issued in respect of a NSS (including because a Winding Up Event has occurred in respect of Nufarm), that NSS remains on issue until the Holder receives the Ordinary Shares in respect of

that NSS or the NSS is Redeemed. This clause 5.8 (“Failure to Exchange”) does not affect the obligation of Nufarm to issue the Ordinary Shares.

6. RE-MARKETING PROVISIONS

6.1 NOTIFICATION OF RE-MARKETING PROCESS

No earlier than six months and not later than 45 Business Days prior to a Step-up Date, the Issuer may issue a Re-marketing Process Invitation that will include the terms of NSS, if any, that will be adjusted with effect from the Step-up Date following a Successful Re-marketing Process. Those terms that may be adjusted are:

- (a) the Market Rate;
- (b) the Step-up Percentage;
- (c) the Exchange Discount;
- (d) the frequency and timing of Distribution Periods;
- (e) the frequency and timing of Distribution Payment Dates;
- (f) the timing of the next Step-up Date (which must coincide with the beginning of a Distribution Period); and
- (g) the notice periods required under clause 3.2 (“Issuer Notice”) or clause 6.3 (“Holder participation in Re-marketing Process”), having regard to the changes specified in the Re-marketing Process Invitation in respect of clause 6.1(d), (e) or (f) (“Notification of Re-marketing Process”).

6.2 STEP-UP MARGIN TO APPLY

If the Issuer does not issue a Re-marketing Process Invitation within the period prescribed by clause 6.1 (“Notification of Re-marketing Process”), the Step-up Margin will apply with effect from the Step-up Date, no other terms will be adjusted and there will be no further Step-up Dates.

6.3 HOLDER PARTICIPATION IN RE-MARKETING PROCESS

Each Holder may, within 20 Business Days of the issue of a Re-marketing Process Invitation or such longer time period (ending not less than 25 Business Days before the Step-up Date) which the Issuer nominates, give one of the following types of written notice to the Issuer:

- (a) a **Step-up Notice** indicating that they do not wish to continue to hold NSS unless the Step-up Margin applies with effect from the Step-up Date;
- (b) a **Bid Notice** indicating that they do not wish to continue to hold NSS unless the New Margin is at least equal to a rate specified by the Holder (which must be less than the Step-up Margin) with effect from the Step-up Date; or
- (c) a **Hold Notice** indicating that they wish to continue to hold NSS irrespective of the Margin which applies with effect from the Step-up Date.

If a Holder does not respond within 20 Business Days, or the longer time period nominated by the Issuer, the Holder is deemed to have given a Hold Notice.

6.4 RESULT OF RE-MARKETING PROCESS

- (a) If the Issuer issues a Re-marketing Process Invitation, it may, at its election, within five Business Days after the last date for receipt of responses from Holders:
- (i) set a New Margin which, together with the revised terms referred to in clause 6.1 (“Notification of Re-marketing Process”) (if any), will apply with effect from the Step-up Date and must give an Issuer Notice in respect of NSS held by Retiring Holders in accordance with clause 3.2(c) (“Issuer Notice”) or a notice of Resale as provided in clause 6.5 (“Issuer Notice of Resale”); or
 - (ii) not set a New Margin, in which case it may or may not give an Issuer Notice in respect of all or some NSS in accordance with clause 3.2(a) (“Issuer Notice”) or a notice of Resale as provided in clause 6.5 (“Issuer Notice of Resale”).
- (b) The Issuer may set a New Margin under clause 6.4(a)(i) (“Result of Re-marketing Process”) only where Holders gave:
- (i) Hold Notices under clause 6.3(c) (“Holder participation in Re-marketing Process”) (and for the purposes of this clause 6.4(b)(i) (“Result of Re-marketing Process”), a deemed Hold Notice must not be counted); or
 - (ii) Bid Notices under clause 6.3(b) (“Holder participation in Re-marketing Process”) specifying a margin equal to or less than the New Margin,

and notices under (i) and (ii) were cumulatively in respect of at least 10% of NSS on issue at the time the Re-marketing Process Invitation was issued.
- (c) If clause 6.4(a)(ii) (“Result of Re-marketing Process”) applies, the Step-up Margin will apply to any NSS which remain on issue with effect from the Step-up Date, no other terms will be adjusted and there will be no further Step-up Dates.

6.5 ISSUER NOTICE OF RESALE

Where clause 6.4(a) (“Result of Re-marketing Process”) applies, instead of Redeeming or Exchanging NSS in accordance with that clause, the Issuer may give a notice (an **Issuer Notice of Resale**) which states that it will sell or procure the sale of NSS the subject of that notice to a third party for an amount such that the net proceeds of sale are at least equal to the amount which would have been paid on Redemption of NSS (determined as if NSS were being Redeemed on the date which would otherwise have been the Redemption Date) (the **Resale Date**) and remit the net proceeds to the Holder on the Resale Date.

If the Issuer elects to Resell and NSS are not Resold on or before the Resale Date, the NSS must be Redeemed or, at the Issuer’s election, Exchanged on the Resale Date. In this case the Issuer Notice of Resale will be taken to be an Issuer Notice stating the Issuer will Redeem or Exchange (as the case may be) on the date which is the Resale Date given in accordance with clause 3.2(c).

6.6 HOLDER AGREEMENT TO RESALE

If the Issuer elects to procure Resale under clause 6.5 (“Issuer Notice of Resale”), each Holder is irrevocably taken to offer to sell the NSS the subject of that notice to the relevant third party.

6.7 POWER OF ATTORNEY

Each Holder irrevocably appoints the Issuer, Nufarm and each of their Authorised Officers (each an **Appointed Person**) severally to be the attorney of the Holder and the agent of the Holder with power in the name and on behalf of the Holder to do all such acts and things including signing all documents or transfers as may in the opinion of the Appointed Person be necessary or desirable to be done in order to record or perfect the transfer of the NSS held by the Holder when required according to clause 6.5 (“Issuer Notice of Resale”).

7. PAYMENTS AND OTHER MATTERS

7.1 CALCULATION OF DISTRIBUTION PAYMENTS

All calculations of payments will be rounded to four decimal places. For the purposes of making any payment in respect of a Holder’s aggregate holding of NSS, any fraction of a cent will be disregarded.

7.2 DEDUCTIONS AND GROSS-UP

The Issuer may deduct from any payment payable to a Holder the amount of any withholding or other tax, duty or levy required by law to be deducted in respect of such payment (**Tax**).

If any deduction is required for New Zealand non-resident withholding tax:

- (a) the Issuer must pay the full amount required to be deducted to the relevant revenue authority within the time allowed for such payment without incurring penalty under the applicable law and will, if required by the Holder, deliver to the Holder the relevant receipt issued by the revenue authority without delay after it is received by the Issuer; and
- (b) the Issuer must pay an additional amount (**Additional Amount**) to the Holder so that the Holder receives the same amount in respect of that payment as if no such deduction had been made from the payment. However no Additional Amount is payable in relation to any

payment in respect of a NSS to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not avoided) the deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar cause for exemption to any tax authority in the place where payment under that NSS is made.

This obligation in clause 7.2 is not subject to clause 2.2 (“Conditions to Distribution Payments”).

7.3 NO SET-OFF

The Holder has no right to set-off any amounts owing by it to the Issuer against any claims owing by the Issuer.

7.4 TIME LIMIT FOR CLAIMS

A claim against the Issuer for payment according to these Terms of Issue is void unless made within five years of the due date for payment.

7.5 MANNER OF PAYMENT TO HOLDERS

Monies payable by the Issuer or the NSS Trustee to a Holder may be paid in any manner the Issuer or NSS Trustee (as the case may be) decides, including:

- (a) by any method of direct credit determined by the Issuer or NSS Trustee (as the case may be) to the Holder or Holders shown on the Register or to such person or place directed by them;
- (b) by cheque sent through the post directed to the physical or postal address of the Holder as shown in the Register or, in the case of joint Holders, to the physical or postal address notified to the Registrar for receipt of such monies (and in default of notification, to the physical or postal address shown in the Register as the address of the joint Holder first named in that Register); or
- (c) by cheque sent through the post directed to such other physical or postal address as the Holder or joint Holders in writing direct.

7.6 UNPRESENTED CHEQUES

Cheques issued by the Issuer that are not presented within six months of being issued or such lesser period as determined by the Issuer may be cancelled. Where a cheque which is cancelled was drawn in favour of a Holder, the monies are to be held by the Issuer for the Holder as a non-interest bearing deposit or paid by the Issuer according to the legislation relating to unclaimed monies.

7.7 UNSUCCESSFUL TRANSFERS

Subject to applicable law and the Listing Rules, where the Issuer or NSS Trustee:

- (a) decides that an amount is to be paid to a Holder by a method of direct credit and the Holder has not given

a direction as to where amounts are to be paid by that method;

- (b) attempts to pay an amount to a Holder by direct credit, electronic transfer of funds or any other means and the transfer is unsuccessful; or
- (c) has made reasonable efforts to locate a Holder but is unable to do so,

the amount is to be held by the Issuer for the Holder as a non-interest bearing deposit until the Holder or any legal personal representative of the Holder claims the amount or the Issuer is otherwise entitled to deal with the money by applicable law.

7.8 PAYMENT TO JOINT HOLDERS

A payment to any one of joint Holders will discharge the Issuer’s liability in respect of the payment.

7.9 CESSATION OF RIGHTS

Upon Redemption or Exchange and payment of any Distribution Payment due in respect of a NSS on the Redemption Date or Exchange Date (as the case may be), all other rights conferred, or restrictions imposed, by that NSS will no longer have effect.

8. ISSUE AND TRANSFER

8.1 EFFECT OF ENTRIES IN REGISTER

Each entry in the Register in respect of a NSS constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to make all payments of principal and interest in respect of that NSS according to these Terms of Issue; and
- (b) an entitlement to the other benefits given to the Holder under these Terms of Issue in respect of that NSS.

8.2 REGISTER CONCLUSIVE

An entry in the Register in relation to a NSS constitutes conclusive evidence that the person so entered is the absolute owner of that NSS subject to correction for fraud or error. Except as required by law, the Issuer must treat the person entered in the Register in respect of a NSS as the absolute owner of that NSS.

8.3 TRANSFER

A Holder may, subject to this clause 8 (“Issue and Transfer”), transfer any NSS:

- (a) by a proper ASTC transfer according to the ASTC operating rules;

- (b) by a proper transfer under any other computerised or electronic system recognised by the Corporations Act;
- (c) by a proper transfer under any other computerised or electronic system recognised by the Companies Act and the Securities Transfer Act;
- (d) under any other method of transfer which operates in relation to the trading of securities on any securities exchange outside Australia or New Zealand on which notes are quoted and which is applicable to the Issuer; or
- (e) by any proper or sufficient instrument of transfer of marketable securities under applicable law.

The Issuer must not charge any fee on the transfer of a NSS.

8.4 MARKET OBLIGATIONS

The Issuer must comply with Applicable Regulation and any other relevant obligations imposed on it in relation to the transfer of a NSS.

8.5 DELIVERY OF INSTRUMENT

If an instrument is used to transfer NSS according to clause 8.3 (“Transfer”), it must be delivered to the Registrar, together with such evidence (if any) as the Registrar reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the NSS.

8.6 REFUSAL TO REGISTER

The Issuer may only refuse to register a transfer of any NSS if such registration would contravene or is forbidden by Applicable Regulation or the Terms of Issue.

If the Issuer refuses to register a transfer, the Issuer must give the lodging party notice of the refusal and the reasons for it within five Business Days after the date on which the transfer was delivered to the Registrar.

8.7 TRANSFEROR TO REMAIN HOLDER UNTIL REGISTRATION

A transferor of a NSS remains the Holder in respect of that NSS until the transfer is registered and the name of the transferee is entered in the Register.

8.8 NO TRANSFERS BEFORE DISTRIBUTION COMMENCEMENT DATE

Notwithstanding the other provisions in this clause 8 (“Issue and Transfer”), an NSS may not be transferred before the Distribution Commencement Date.

9. SUBORDINATED GUARANTEE

- (a) By the Subordinated Guarantee, Nufarm irrevocably and unconditionally guarantees to each Holder among other

things, the punctual payment by the Issuer of amounts payable under the NSS.

- (b) The obligations of Nufarm under the Subordinated Guarantee constitute unsecured and subordinated obligations of Nufarm, and rank equally among themselves and equally with all other unsecured and subordinated obligations of Nufarm.

10. LIQUIDATION, WINDING UP AND SUBORDINATION

10.1 EFFECT OF LIQUIDATION OF ISSUER

Where a Winding Up Event occurs in respect of the Issuer, subject to clause 10.3 (“Subordination”), a Holder may claim in the liquidation or administration of the Issuer for an amount in respect of each NSS it holds equal to the amount to which the Holder would be entitled on Redemption of NSS (determined as if NSS were being Redeemed on the date of commencement of the Winding Up Event).

10.2 EFFECT OF LIQUIDATION OF NUFARM

Where a Winding Up Event occurs in respect of Nufarm, subject to clause 10.3 (“Subordination”), a Holder may claim in the liquidation or administration of Nufarm for an amount in respect of each NSS it holds equal to the amount to which the Holder would be entitled on Redemption of NSS (determined as if NSS were being Redeemed on the date of commencement of the Winding Up Event (to the extent such amount is unpaid by the Issuer)).

10.3 SUBORDINATION

The rights of a Holder to receive payments of amounts payable under these Terms of Issue to a Holder if a Winding Up Event has occurred in respect of the Issuer or Nufarm are subordinated to the claims of all Senior Creditors of the Issuer or Nufarm (as the case may be) in that:

- (a) all claims of Senior Creditors must be paid in full before the claims of the Holders are paid; and
- (b) until the Senior Creditors have been paid in full, and subject to the *pari passu* rights of creditors subordinated so as to rank equally with Holders, the Holders must not claim in the winding up or administration of the Issuer or Nufarm (as the case may be) in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

10.4 AGREEMENTS OF HOLDERS

Each Holder agrees:

- (a) not to exercise any voting rights as a creditor in the winding up or administration of the Issuer or Nufarm:
 - (i) until after all Senior Creditors have been paid in full; or

- (ii) otherwise in a manner inconsistent with the subordination contemplated by clause 10.3 (“Subordination”);
- (b) that it must pay or deliver to the liquidator of the Issuer or Nufarm any amount or asset received on account of its claim in the winding up of the Issuer in respect of its NSS in excess of its entitlement under clause 10.3 (“Subordination”);
- (c) that it must pay in full all liabilities it owes the Issuer or Nufarm before it may receive any amount or asset on account of its claim in the winding up in respect of a NSS; and
- (d) that the debt subordination effected by clause 10.3 (“Subordination”) is not affected by any act or omission of the Issuer or a Senior Creditor which might otherwise affect it at law or in equity.

10.5 NO CHARGE

Nothing in clause 10.3 (“Subordination”) or clause 10.4 (“Agreements of Holders”) shall be taken to:

- (a) create a charge or security interest on or over any right of the Holders; or
- (b) require the consent of any Senior Creditor to any amendment of clause 10.3 (“Subordination”) or clause 10.4 (“Agreements of Holders”) made in accordance with clause 11 (“Amendment of these Terms of Issue”).

11. AMENDMENT OF THESE TERMS OF ISSUE

11.1 AMENDMENT WITHOUT CONSENT

Subject to complying with all applicable laws, the Issuer and the NSS Trustee may, by agreement in writing, amend these Terms of Issue:

- (a) if the Issuer and NSS Trustee are each of the opinion that the amendment is:
 - (i) of a formal, minor or technical nature;
 - (ii) made to cure any ambiguity or correct any manifest error;
 - (iii) expedient for the purpose of enabling NSS to be listed for quotation or to retain listing on any stock exchange or to be offered for, or subscription for, sale under the laws for the time being in force in any place and it is otherwise not considered by the Issuer and the NSS Trustee to be materially prejudicial to the interests of Holders as a whole;
 - (iv) necessary to comply with the provisions of any statute or the requirements of any statutory authority;
 - (v) to evidence the succession of another person to the Issuer and the assumption by any such successor of the undertakings and obligations of the Issuer under these Terms of Issue; or
 - (vi) done according to the Issuer’s right in clause 5.4(c) (“Adjustments to VWAP”); or

- (b) generally in any case where such amendment is considered by the Issuer and the NSS Trustee not to be materially prejudicial to the interests of Holders as a whole.

11.2 AMENDMENT WITH CONSENT

Without limiting clause 11.1 (“Amendment without consent”), the Issuer and the NSS Trustee may amend these Terms of Issue if the amendment has been approved by a Special Resolution.

11.3 MEANINGS

In this clause 11 (“Amendments of the Terms of Issue”), **amend** includes modify, cancel, alter or add to and **amendment** has a corresponding meaning.

12. NOTICES

12.1 FORM

All notices, certificates, consents, approvals, waivers and other communications in connection with NSS must be given in writing, signed by or on behalf of the sender and marked for attention as set out or referred to in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified.

12.2 DELIVERY

They must be:

- (a) left at the address set out or referred to in the Details;
- (b) sent by prepaid post (airmail, if appropriate) to the address set out or referred to in the Details;
- (c) sent by fax to the fax number set out or referred to in the Details; or
- (d) given in any other way permitted by law.

However, if the intended recipient has notified a changed postal address or changed fax number, then the communication must be to that address or number.

12.3 WHEN EFFECTIVE

They take effect from the time they are received unless a later time is specified in them.

12.4 RECEIPT – POSTAL

If sent by post, they are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia or New Zealand).

12.5 RECEIPT – FAX

If sent by fax, they are taken to be received at the time shown in the transmission report as the time that the whole fax was sent.

12.6 RECEIPT – GENERAL

Despite clauses 12.4 (“Receipt-postal”) and 12.5 (“Receipt-fax”), if they are received after 5.00pm in the place of receipt or on a day which is not a Business Day, they are taken to be received at 9.00am on the next Business Day.

12.7 NON-RECEIPT OF NOTICE BY A HOLDER

The non-receipt of a notice by a Holder or an accidental omission to give notice to a Holder will not invalidate the giving of that notice either in respect of that Holder or generally.

13. QUOTATION AND FOREIGN HOLDERS

13.1 QUOTATION ON ASX AND NZDX

The Issuer must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, quotation of NSS on ASX and NZDX.

13.2 FOREIGN HOLDERS

Where NSS held by a Foreign Holder are to be Exchanged, unless Nufarm is satisfied that the laws of the Foreign Holder’s country of residence (as shown in the Register) permit the issue of Ordinary Shares to the Foreign Holder (but as to which Nufarm is not bound to enquire), either unconditionally or after compliance with conditions which Nufarm in its absolute discretion regards as acceptable and not unduly onerous, the Ordinary Shares which the Foreign Holder is obliged to accept will be issued to a nominee who will sell those Ordinary Shares and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to that Foreign Holder.

14. GOVERNING LAW AND JURISDICTION

14.1 GOVERNING LAW

These Terms of Issue are governed by the law in force in the State of Victoria, Australia.

14.2 JURISDICTION

The Issuer and each Holder submits to the non-exclusive jurisdiction of the courts of the State of Victoria, Australia for the purpose of any legal proceedings arising out of these Terms of Issue or the NSS Trust Deed.

15. INTERPRETATION AND DEFINITIONS

15.1 INTERPRETATION

- (a) Unless otherwise specified, a reference to a clause or paragraph is a reference to a clause or paragraph of these Terms of Issue.
- (b) If a calculation is required under these Terms of Issue, unless the contrary intention is expressed, the calculation will be rounded to four decimal places.
- (c) Headings and boldings are for convenience only and do not affect the interpretation of these Terms of Issue.
- (d) The singular includes the plural and vice versa.
- (e) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (f) If an event under these Terms of Issue must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the next Business Day.
- (g) A reference to dollars, A\$, \$ or cents is a reference to the lawful currency of Australia.
- (h) Calculations, elections and determinations made by the Issuer under these Terms of Issue are binding on Holders in the absence of manifest error.
- (i) The terms “ASTC operating rules”, “proper ASTC transfer”, “takeover bid”, “related body corporate”, “relevant interest”, “scheme of arrangement” and “subsidiary”, when used in these Terms of Issue have the meaning given in the Corporations Act.
- (j) A reference to a party to an agreement includes a reference to a replacement or substitute of the party according to that agreement.
- (k) A reference to an agreement or deed includes a reference to that agreement or deed as amended or restated from time to time.

15.2 DEFINITIONS

The following expressions have the following meanings:

Accounting Event means any change in Australian equivalents to International Financial Reporting Standards or their interpretation or implementation, as confirmed with the Issuer’s auditors, which has the effect that the NSS would be treated as a liability for the purposes of the accounts or consolidated accounts of the Issuer or the Nufarm Group.

Acquisition Event means:

- (a) a takeover bid is made to acquire all or some of the Ordinary Shares and the offer is, or becomes, unconditional and:
 - (i) the bidder has a relevant interest in more than 50% of the Ordinary Shares on issue; or
 - (ii) the Nufarm Directors issue a statement recommending acceptance of the offer; or

(b) a court approves a scheme of arrangement which, when implemented, will result in a person having a relevant interest in more than 50% of the Ordinary Shares.

Additional Amount has the meaning given in clause 7.2(b) (“Deductions and gross-up”).

Administrative Action means any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations).

Applicable Regulation means such provisions of the ASX Listing Rules, the ASTC Operating Rules, the Corporations Act, the NZX Listing Rules, the Companies Act, the Securities Transfer Act, the Securities Act 1978 (NZ), the Securities Markets Act 1988 (NZ) and any regulations passed under or pursuant to any of the above statutes, as well as the Issuer’s constitution, as may be applicable to the transfer.

Appointed Person has the meaning given in clause 6.7 (“Power of Attorney”).

ASTC means ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

ASX Listing Rules means the listing rules of ASX with any modifications or waivers in their application to the Issuer or Nufarm which ASX may grant.

ASX Market Rules means the market rules of ASX.

Authorised Officer means a person appointed by the party to act as an Authorised Officer for the purposes of these Terms of Issue.

Bid Notice has the meaning given in clause 6.3 (“Holder participation in Re-marketing Process”).

Bookbuild means the process conducted by Nufarm or its agents prior to the opening of the Offer whereby certain investors and brokers lodge bids for NSS and, on the basis of those bids, Nufarm determines the Initial Margin and announces its determination prior to the opening of the Offer.

Business Day has the meaning given in the ASX Listing Rules and the NZX Listing Rules (as applicable).

Companies Act means the Companies Act 1993 (NZ).

Corporations Act means the Corporations Act 2001 (Cth).

Cum Value has the meaning given in clause 5.4 (“Adjustments to VWAP”).

Details means the section of the Trust Deed headed “Details”.

Directors means some or all of the directors of the Issuer acting as a board.

Distribution Commencement Date means 24 November 2006.

Distribution Payment has the meaning given in clause 2.1 (“Distribution Payments”).

Distribution Payment Date has the meaning given in clause 2.6 (“Distribution Payment Dates”).

Distribution Period means in respect of:

- (a) the first Distribution Period, the period from (and including) the Distribution Commencement Date until (but not including) the first Distribution Payment Date; and
- (b) each subsequent Distribution Period, the period from (and including) the preceding Distribution Payment Date until (but not including) the next Distribution Payment Date.

Distribution Rate has the meaning given in clause 2.1 (“Distribution Payments”).

Eligible Capital Noteholder Entitlement Offer has the meaning given in the prospectus issued in respect of NSS dated 29 September 2006.

Exchange has the meaning given in clause 5.1 (“Meaning of Exchange”) and **Exchanged** and **Exchangeable** have corresponding meanings.

Exchange Date means, in respect of a NSS, the date on which Exchange is to occur in accordance with clause 5 (“Exchange”).

Exchange Discount has the meaning given in clause 5.2 (“Number of Ordinary Shares”).

Exchange Number has the meaning given in clause 5.2 (“Number of Ordinary Shares”).

Foreign Holder means a Holder whose address in the Register is a place outside Australia or New Zealand.

Holder means the person whose name is registered in the Register as the holder of a NSS.

Holder Acquisition Event, Holder Acquisition Event Notice and Holder Redemption Notice each has the meaning given in clause 3.5 (“Holder Redemption Right”).

Hold Notice has the meaning given in clause 6.3 (“Holder participation in Re-marketing Process”).

Initial Margin has the meaning given in clause 2.1 (“Distribution Payments”).

Issue Date means in relation to an NSS the date on which the NSS is issued.

Issue Price has the meaning given in clause 1.2 (“Issue Price”).

Issuer means Nufarm Finance (NZ) Limited (ARBN 099 125 783, New Zealand Co. No. 107147).

Issuer Notice means a notice given by the Issuer according to clause 3.2 (“Issuer Notice”).

Issuer Notice of Resale has the meaning given in clause 6.5 (“Issuer Notice of Resale”).

Listing Rules means each of:

- (a) the ASX Listing Rules; and
- (b) the NZX Listing Rules.

Margin has the meaning given in clause 2.1 (“Distribution Payments”).

Market Rate has the meaning given in clause 2.1 (“Distribution Payments”).

Meetings Provisions means the provisions which regulate the holding and conduct of meetings of the Holders according to the NSS Trust Deed.

Minimum First Distribution Rate has the meaning given in clause 2.1 (“Distribution Payments”).

New Margin means a new margin set in accordance with clause 6.4 (“Result of Re-marketing Process”).

NSS or Nufarm Step-up Security means a perpetual note as described in clause 1.1 (“Form”) and issued by the Issuer according to these Terms of Issue.

NSS Trust Deed means the NSS Trust Deed executed by the Issuer, Nufarm and the NSS Trustee on 29 September 2006.

NSS Trustee means Permanent Trustee Company Limited (ACN 000 000 993) in its capacity as trustee for Holders under the NSS Trust Deed.

Nufarm means Nufarm Limited (ABN 37 091 323 312).

Nufarm Directors means the directors of Nufarm acting as a board.

Nufarm Entity means Nufarm and each of its related bodies corporate.

Nufarm Group means Nufarm and its controlled entities.

NZDX means the NZX’s trading market for debt securities.

NZX means New Zealand Exchange Limited (New Zealand Co. No. 1266120).

NZX Listing Rules means the listing rules of NZX (including the rules of the NZDX) with any modifications or waivers in their application to the Issuer or Nufarm which NZX may grant.

Offer means the invitation made by the Issuer according to the prospectus issued in respect of NSS dated 29 September 2006.

Optional Distribution Payment has the meaning given in clause 2.4 (“Optional Distribution Payments”).

Ordinary Share means a fully paid ordinary share in the capital of Nufarm and **Ordinary Shares** means all of them.

Record Date means for payment of:

- (a) a Distribution Payment, the date which is 7 days before the Distribution Payment Date for that Distribution Payment; or
- (b) an Optional Distribution Payment, the date prior to the payment of the Optional Distribution Payment that is determined by the Issuer,

or such other date as may be required by ASX or NZX.

Redemption means the redemption of a NSS in accordance with clause 4 (“Redemption”) and **Redeem** and **Redeemable** have corresponding meanings.

Redemption Date means the date on which Redemption is to occur according to clause 3.2 (“Issuer Notice”) or clause 3.5 (“Holder Redemption Right”).

Register means the register of NSS maintained by the Registrar.

Registrar means Computershare Investor Services Limited or any other registrar that maintains the Register.

Regulatory Event means the receipt by the Issuer or Nufarm of an opinion from a reputable legal counsel that, as a result of:

- (a) any amendment to, clarification of, or change (including any announced prospective change) in the laws or any regulations of a Relevant Jurisdiction or any political subdivision of a Relevant Jurisdiction;
- (b) any Administrative Action; or
- (c) any amendment to, clarification of, or change in an Administrative Action that provides for a position that differs from the current generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective or such pronouncement or decision is announced on or after the Distribution Commencement Date, there is more than an insubstantial risk that Nufarm or the Issuer would be exposed to more than a de minimis increase in its costs in respect of the NSS.

Relevant Jurisdiction means any one of Australia or New Zealand.

Re-marketing Process means the process described in clause 6 (“Re-marketing provisions”).

Re-marketing Process Invitation means an invitation given by the Issuer to Holders when initiating a Re-marketing Process.

Resale has the meaning given in clause 6 (“Re-marketing provisions”) and **Resell** and **Resold** have corresponding meanings.

Resale Date has the meaning given in clause 6.5 (“Issuer Notice of Resale”).

Retiring Holders means a Holder who, in a Re-marketing Process, provides a Step-up Notice or a Bid Notice specifying a margin higher than the resulting New Margin.

Securities Transfer Act means the Securities Transfer Act 1991 (NZ).

Senior Creditors means all present and future senior and subordinated creditors of the Issuer or Nufarm whose claims are:

- (a) entitled to be admitted in the liquidation of the Issuer or Nufarm (as the case may be); and
- (b) not expressed to rank equally with, or subordinated to, the claims of Holders.

Special Resolution means a resolution passed at a meeting of Holders or by postal ballot (where allowed under the Meetings Provisions of the NSS Trust Deed) by a majority of not less than 75% of the votes cast on it.

Step-up Date means:

- (a) the date which is the fifth anniversary of the Distribution Commencement Date; and
- (b) each fifth anniversary after that date, or such other time period as may be specified as an adjustment to that date following a Successful Re-marketing Process.

Step-up Margin means the margin which prevailed immediately before the relevant Step-up Date plus the Step-up Percentage.

Step-up Percentage means 2.00%.

Step-up Notice has the meaning given in clause 6.3 (“Holder participation in Re-marketing Process”).

Subordinated Guarantee means the subordinated guarantee and indemnity given by Nufarm in the NSS Trust Deed.

Successful Re-marketing Process means the Re-marketing Process which results in a New Margin being set by the Issuer pursuant to clause 6.4(a)(i) (“Result of Re-marketing Process”).

Tax has the meaning given in clause 7.2 (“Deductions and gross-up”).

Tax Event means the receipt by the Issuer or Nufarm of an opinion from a reputable legal counsel or other tax adviser that, as a result of:

- (a) any amendment to, clarification of, or change (including any announced prospective change) in the laws, treaties, or any regulations affecting taxation of a Relevant Jurisdiction or any political subdivision or taxing authority of a Relevant Jurisdiction;
- (b) any Administrative Action; or
- (c) any amendment to, clarification of, or change in an Administrative Action that provides for a position that differs from the current generally accepted position,

in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective or such pronouncement or decision is announced on or after the Distribution Commencement Date:

- (d) the Issuer is required to pay an Additional Amount in accordance with clause 7.2 (“Deductions and gross-up”); or
- (e) there is more than an insubstantial risk that Nufarm or the Issuer would be exposed to more than a de minimis increase in its costs in respect of the NSS.

Terms of Issue means these terms of issue of NSS.

Transaction Documents means:

- (a) the Trust Deed (including in schedule 1 of these NSS Terms); and
- (b) any other instrument entered into in connection with any of them.

VWAP means, subject to any adjustments under clause 5.4 (“Adjustments to VWAP”), the average of the daily volume weighted average sale prices (rounded to the nearest full cent) of Ordinary Shares sold on ASX during the relevant period or on the relevant days but does not include any “crossing” transacted outside the “Open Session State” or any “special crossing” transacted at any time, each as defined in the ASX Market Rules or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares.

VWAP Period means the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding the relevant Exchange Date.

Winding Up Event means in respect of a party:

- (a) where an order is made, or an effective resolution is passed, for the winding up of the party or for putting the party into liquidation;
- (b) a liquidator, provisional liquidator, an interim liquidator, administrator or similar official is appointed in respect of the party.

APPENDIX B: GLOSSARY

VARIOUS TERMS USED IN THIS PROSPECTUS ARE DEFINED IN THE TERMS OF ISSUE. THOSE DEFINITIONS CAN BE FOUND IN CLAUSE 15.2 OF THE TERMS OF ISSUE, IN APPENDIX A OF THIS PROSPECTUS. THOSE DEFINED TERMS ARE LISTED HERE IN THIS GLOSSARY, BUT THE DEFINITIONS REFER TO THE MEANINGS GIVEN TO THOSE TERMS IN CLAUSE 15.2 OF THE TERMS OF ISSUE. WHERE A WORD OR PHRASE IS DEFINED, ITS OTHER GRAMMATICAL FORMS HAVE A CORRESPONDING MEANING.

ABN means Australian Business Number

ACH Clearing Rules means the rules of Australian Clearing House Pty Ltd

Accounting Event has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Acquisition Event has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Administrative Action has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

AIFRS means Australian Equivalent to International Reporting Standards

Agripec means Nufarm's 49.9% owned subsidiary in Brazil, Agripec Química E Farmacêutica S.A.

Agrogen means Nufarm's 100% owned subsidiary in Colombia, Agroquímicos Genéricos S.A.

All Ordinaries indices means weighted indices of stocks listed on ASX

Allocation means the number of NSS allocated to successful Applicants, and "Allocate" has a corresponding meaning

Allotment means the number of NSS allotted to successful Applicants, and "Allot" has a corresponding meaning

Applicant means a person who submits an Application under this Prospectus

Application means a valid application made under this Prospectus by using the applicable Application Form to apply for a specified number of NSS

Application Form means each of the application forms attached to, or accompanying this Prospectus upon which an Application for NSS may be made, being:

- the blue Eligible Capital Noteholder Entitlement Offer Application Form; and
- the white General Public Offer Application Form

Application Monies means the monies used for the Application Payment

Application Payment means the monies payable on Application, calculated by multiplying the number of NSS applied for by the Issue Price

ASIC means Australian Securities & Investments Commission

ASTC has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

ASTC Settlement Rules means clearing and settlement rules made by ASX Settlement and Transfer Corporation Pty Limited, as amended from time to time

ASX means Australian Stock Exchange Limited ABN 98 008 624 691

ASX Listing Rules has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Bid Notice has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Bookbuild has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Broker Firm Offer means the invitation made by the Issuer to Australian and New Zealand resident retail clients of Co-Managers, Participating Brokers or Primary Market Participants to apply for a broker firm Allocation of NSS under this Prospectus

Broker Firm Offer Applicant means an Australian or New Zealand retail client of Co-Managers, Participating Brokers or Primary Market Participants who applies for NSS under the Broker Firm Offer

Broker Firm and General Public Offer Closing Date means the final day on which Applications under the Broker Firm Offer and General Public Offer will be accepted, being 17 November 2006 (unless extended by Nufarm)

Broker Firm and General Public Offer Opening Date means the first day on which Applications under the Broker Firm Offer and General Public Offer will be accepted, being 27 October 2006 (unless brought forward by Nufarm)

Broker Firm and General Public Offer Issue Date means the date on which NSS are issued to Applicants other than Eligible Capital Noteholder Applicants, under this Prospectus

Business Day has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Capital Noteholder means a holder of Capital Notes

Capital Notes means Capital Notes issued in 2001 by the Issuer (then called "Fernz Corporation (NZ) Limited") and guaranteed by Nufarm

CHESS means Clearing House Electronic Subregister System operated by ASTC and Australian Clearing House Pty Ltd

Co-Managers means ABN AMRO Craigs Limited, ASB Securities Limited, Bell Potter Securities Limited (ABN 25 006 390 772, AFSL No. 243480), Commonwealth Securities Limited (ABN 60 067 254 399, AFSL No. 238814), First NZ Capital Securities Limited, Forsyth Barr Limited, Merrill Lynch Private (Australia) Limited (ABN 25 004 620 026, AFSL No. 241062), National OnLine Trading Limited (ABN 83 089 718 249, AFSL No. 230 704) and UBS Wealth Management Australia Limited (ABN 50 005 311 937, AFSL No. 231127)

Computershare means Computershare Investor Services Pty Limited (ACN 078 279 277) (in Australia) and Computershare Investor Services Limited (in New Zealand)

Corporate Directory means the contact details on the inside back cover of this Prospectus

Corporations Act means the Corporations Act 2001 (Cth)

Distribution Commencement Date means 24 November 2006

Distribution Payment has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Distribution Payment Date has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Distribution Period has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Distribution Rate has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Dividend Restriction means the restrictions set out in clause 2.5 of the Terms of Issue on the Issuer and Nufarm that result from a Distribution Payment not being paid in full within 20 Business Days of the relevant Distribution Payment Date

EBIT means earnings before interest and tax

EBITDA means earnings before interest, tax, depreciation and amortisation

Election Notice means a Notice sent by the Issuer to Capital Noteholders on or around 21 August 2006 providing information with respect to the future management of Capital Notes

Eligible Capital Noteholder means a Capital Noteholder who has either a registered Australian address or a registered New Zealand address, and

- elected to extend the term of their Capital Notes to 24 November 2006 under the notice given by the Issuer on or around 21 August 2006 and was the registered holder of Capital Notes as at 28 September 2006; or
- bought Capital Notes which have the new election date of 24 November 2006 and was the registered holder of Capital Notes as at 28 September 2006

Eligible Capital Noteholder Entitlement Offer means the invitation to Eligible Capital Noteholders in this Prospectus to sell their Capital Notes to the Issuer and take up an Entitlement of NSS equal to the Australian dollar equivalent of the New Zealand dollar proceeds from the Purchase of their Capital Notes

Eligible Capital Noteholder Entitlement Offer Applicant means an Eligible Capital Noteholder who applies for NSS under the Eligible Capital Noteholder Entitlement Offer

Eligible Capital Noteholder Entitlement Offer Application means a valid application made by an Eligible Capital Noteholder under this Prospectus using the applicable Application Form to apply for a specified number of NSS

Eligible Capital Noteholder Entitlement Offer Application Form means the blue Application Form attached to, or accompanying, this Prospectus upon which an Application for NSS may be made by Eligible Capital Noteholders

Eligible Capital Noteholder Entitlement Offer Closing Date means the last day on which Applications will be accepted from investors applying under the Eligible Capital Noteholder Entitlement Offer, expected to be 17 October 2006 2.00pm (Melbourne Time) and 5.00pm (New Zealand Time)

Eligible Capital Noteholder Entitlement Offer Opening Date means the first day on which Applications under the Eligible Capital Noteholder Entitlement Offer will be accepted, being 11 October 2006 (unless brought forward by Nufarm)

Eligible Capital Noteholder Purchase and Allotment Date means the date on which Capital Notes of an Eligible Capital Noteholder will be Purchased by the Issuer and NSS will be Allotted to that Eligible Capital Noteholder in respect of Eligible Capital Noteholder Entitlement Offer Applications, to the extent of their respective Entitlements (but not including any additional NSS applied for in excess of their respective Entitlements)

Entitlement means an Eligible Capital Noteholder's entitlement described in Section 3 to take up NSS equal to the A\$ equivalent of the NZ\$ proceeds from the Purchase of their Capital Notes where their A\$ equivalent holding of Capital Notes is greater than or equal to A\$5,000 (using the NZ\$/A\$ wholesale rate at 5.00pm (Melbourne Time) on 25 October 2006 as displayed on Reuters page AUDNZD=R)

Exchange has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Exchange Date has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Exchange Discount has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Exchange Number has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Exemption Notice means Securities Act (Australian Issuers) Exemption Notice 2002 (NZ)

Final Interest Payment means in respect of the Capital Notes not Purchased by the Issuer under the Eligible Capital Noteholder Entitlement Offer, the last interest payment made on those Capital Notes, and in respect of the Capital Notes Purchased by the Issuer under the Eligible Capital Noteholder Entitlement Offer, the cash amount equivalent to the interest that would have been payable on those Capital Notes had they not been Purchased scheduled to be paid on 24 November 2006

Firm Allocations means NSS reserved for subscription by clients of the Joint Lead Managers and Bookrunners, Co-Managers, Institutional Investors and other participants in the Bookbuild determined by the Joint Lead Managers and Bookrunners

First Distribution Rate means the higher of:

- 8.00% per annum; and
- the Market Rate applying on the Distribution Commencement Date plus the Initial Margin of 1.90% per annum.

Foreign Holder has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

General Public Offer means the invitation made by the Issuer to Australian and New Zealand resident retail investors to apply for an Allocation of NSS under this Prospectus and in New Zealand, the Investment Statement

General Public Offer Applicant means a person who applies for NSS under the General Public Offer

General Public Offer Application Form means the white Application Form attached to, or accompanying, this Prospectus upon which an Application for NSS may be made by General Public Offer Applicants

Guarantee means the Guarantee made by Nufarm that Distribution Payments will be paid on a subordinated basis to the extent they are due and payable and repayment of the Issue Price to the extent that the Issuer elects to Redeem NSS

Hold Notice has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Holder means a person whose name is entered in the Register as a holder of NSS

Holder Acquisition Event has the meaning given in clause 15.2 of the Terms of Issue (Appendix A)

Holding Statement means the Statement issued to each Holder by the Registry setting out details of their NSS holding

Initial Margin means 1.90% per annum, determined in accordance with clause 15.2 of Terms of Issue (Appendix A)

Institutional Investor Offer means the invitation made by the Joint Lead Managers and Bookrunners to certain Institutional Investors to bid for NSS in the Bookbuild and apply for NSS under the Prospectus. The Issuer and the Joint Lead Managers and Bookrunners reserve the right to treat any Application in excess of A\$250,000 as part of the Institutional Investor Offer

Institutional Investors means investors to whom NSS are able to be offered under applicable laws without the need for any Prospectus, Investment Statement, Registration or formality, including, in New Zealand, persons whose principal business is the investment of money or who in the course of, and for the purposes of their business, habitually invest money

Investment Statement means the investment statement for the purposes of the Securities Act 1978 (NZ) in respect of the Offer in New Zealand pursuant to the Exemption Notice

Issue Price means A\$100 per NSS

Issuer means Nufarm Finance (NZ) Limited ARBN 099 125 783, formerly called Fernz Corporation (NZ) Limited (New Zealand Co. No. 107147)

Issuer Directors means some or all of the directors of the Issuer

Issuer Notice has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Issuer Notice of Resale has the meaning given in clause 6.5 of Terms of Issue (Appendix A)

Joint Lead Managers and Bookrunners means Merrill Lynch International (Australia) Limited, UBS AG Australia Branch and UBS New Zealand Limited

Margin has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Market Rate has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Medicare Levy means levy paid by taxpayers to receive Medicare services

Melbourne Time means the time in Melbourne, Victoria, Australia

Minimum First Distribution Rate means 8.00% per annum

New Margin has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

New Zealand Time means Auckland Daylight Saving Time

Non-Eligible Capital Noteholders means Capital Noteholders that do not qualify as Eligible Capital Noteholders

NSS or Nufarm Step-up Security means perpetual, subordinated, unsecured, Redeemable, Exchangeable notes issued by the Issuer under the Terms of Issue and the NSS Trust Deed

NSS Trustee means Permanent Trustee Company Limited ACN 000 000 993

NSS Trust Deed has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Nufarm means Nufarm Limited ABN 37 091 323 312

Nufarm Directors means some or all of the directors of Nufarm

Nufarm Group has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Nufarm Information Line means telephone information line where potential Applicants are able to request further details on the Offer

Nufarm's Constitution means the Constitution of Nufarm

NZDX means NZX's trading market for debt securities

NZX means New Zealand Exchange Limited (New Zealand Co. No. 1266120)

NZX Listing Rules has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

NZX Participant Rules means the NZX Participant Rules made by NZX from time to time

Offer means the invitation made by the Issuer according to this Prospectus issued in respect of NSS consisting of the Eligible Capital Noteholder Entitlement Offer, Broker Firm Offer, Institutional Investor Offer and General Public Offer

Offer Closing Date means, as the context requires, either or both of the Broker Firm and General Public Offer Closing Date and the Eligible Capital Noteholder Entitlement Offer Closing Date

Offer Management Agreement means the offer management agreement entered into between the Issuer, Nufarm and the Joint Lead Managers and Bookrunners

Offer Opening Date means, as the context requires, either or both of the Broker Firm and General Public Offer Opening Date and the Eligible Capital Noteholder Entitlement Offer Opening Date

Optional Distribution Payment has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Ordinary Share means a fully paid ordinary share in the capital of Nufarm

Ordinary Shareholder means the registered holder of an Ordinary Share

Original Prospectus means the prospectus in relation to the Offer that was lodged with ASIC on 29 September 2006 and that is replaced by this Prospectus.

Organising Participant means UBS New Zealand Limited

Participating Brokers means any participating organisation of ASX selected by the Joint Lead Managers and Bookrunners to participate in the Broker Firm Offer

Primary Market Participant means any company, firm, organisation or corporation designated as a Primary Market Participant from time to time by NZX pursuant to rule 3.18 of the NZX Participant Rules

Prospectus means this replacement prospectus in relation to the Offer that was lodged with ASIC on 27 October 2006 and replaces the Replacement Prospectus.

Purchase – means a purchase of Capital Notes:

- (a) in the case of a Purchase by Nufarm – pursuant to the terms of the Trust Deed for the Capital Notes; and
- (b) in the case of a Purchase by the Issuer – in the manner described in Section 3.4 of this Prospectus

Record Date has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Redemption has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Redemption Amount means the Issue Price together with any Distribution Payment scheduled to be paid on a Redemption Date

Redemption Date has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Register means the register of NSS maintained by the Registry

Registry means Computershare or any other registrar that maintains the Register

Regulatory Event has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Re-marketing Process has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Re-marketing Process Invitation has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Replacement Prospectus means the Replacement Prospectus in relation to the Offer that was lodged with ASIC on 10 October 2006 and replaced the Original Prospectus

Resale has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Resale Date has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Retiring Holders has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Senior Creditors has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Special Resolution has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Standard & Poor's means Standard & Poor's (Australia) Pty Limited

Step-up Date has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Step-up Margin has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Step-up Notice has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Step-up Percentage has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Subordinated Guarantee has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Successful Re-marketing Process has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Tax has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Tax Event has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

Terms of Issue means the terms under which the NSS are issued, attached as Appendix A

TFN means Tax File Number

Trust means the trust constituted in accordance with the NSS Trust Deed

UBS Composite Bond Index means the index covering fixed interest bonds of all maturities issued in the Australian debt market, as published on a restricted basis on Bloomberg

VWAP has the meaning given in clause 15.2 of Terms of Issue (Appendix A)

HOW TO COMPLETE THIS FORM

A. NSS APPLIED FOR

Enter the number of NSS you wish to apply for. The Application must be for a minimum of 50 NSS.

B. APPLICATION MONIES

Enter the amount of Application Monies. To calculate the amount, multiply the number of NSS by the price per NSS.

C. APPLICANT NAME(S)

Enter the full name you wish to appear on the Holding Statement. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table overleaf for the correct forms of registrable title. Applications using the wrong form of names may be rejected.

D. POSTAL ADDRESS

Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E. DISTRIBUTION PAYMENTS

Distribution Payments under NSS will be received in Australian dollars if a Holder has provided details of an account with an Australian branch of a financial institution. A form for you to provide these details will be sent to you with your first Holding Statement. However, if you wish to have your Distribution Payment paid in New Zealand dollars, please tick box E.

F. CONTACT DETAILS

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

G. CHESS

Nufarm Finance (NZ) Limited (the Company) will apply to the ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited. In CHESS, the Company will operate an electronic CHESS subregister of security holdings and an electronic Issuer Sponsored subregister of security holdings. Together the two subregisters will make up the Company's principal register of securities. The Company will not be issuing certificates to Applicants in respect of NSS allotted. If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold NSS allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

H. PAYMENT

If you are a General Public Offer Applicant make your cheque(s) or money order(s) payable to "Nufarm NSS Offer" in Australian dollars and cross it Not Negotiable. Your cheque(s) or money order(s) must be drawn on an Australian branch of a financial institution.

If you are a Broker Firm Offer Applicant make your cheque payable in accordance with the instructions of your broker.

Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be represented and may result in your Application being rejected. Pin (do not staple) your cheque(s) or money order(s) to the Application Form where indicated. Cash will not be accepted. Receipt for payment will not be forwarded.

Before completing the Application Form the Applicant(s) should read the Prospectus to which this Application relates. By lodging the Application Form, the Applicant agrees that the Application for NSS is upon and subject to the terms of the Prospectus, NSS Terms of Issue and NSS Trust Deed, agrees to take any number of NSS that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. Capitalised words and certain terms used in the Application Form have the same meaning given to them in the Prospectus.

LODGEMENT OF APPLICATION

Application Forms must be received at the Melbourne office of Computershare Investor Services Pty Limited (CIS) by no later than 3.00pm (Melbourne time) on 17 November 2006. Return the Application Form with cheque(s) or money order(s) attached to:

Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 8060

OR

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067

If you are a Broker Firm Offer Applicant submit your Application Form in accordance with the instructions provided by your broker.

QUERIES

If you require further information on how to complete this form please contact the Nufarm Information Line on 1300 652 479.

PRIVACY STATEMENT

Personal information is collected on this form by CIS, as registrar for securities issuers (“the Issuer”), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications.

Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal

information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the Issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this Application Form or E-mail privacy@computershare.com.au

CORRECT FORMS OF REGISTRABLE TITLE(S)

Note that ONLY legal entities are allowed to hold NSS. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable title(s) below.

TYPE OF INVESTOR	CORRECT FORM OF REGISTRATION	INCORRECT FORM OF REGISTRATION
Individual – Use given name(s) in full, not initials	Mr John Alfred Smith	J.A Smith
Joint – Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie
Company – Use company title, not abbreviations	ABC Pty Ltd	ABC P/L ABC Co
Trusts – Use trustee(s) personal name(s) – Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates – Use executor(s) personal name(s) – Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of Late John Smith
Minor (a person under the age of 18) – Use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships – Use partners personal name(s) – Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Names – Use office bearer(s) personal name(s) – Do not use the name of the club etc	Mrs Janet Smith ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds – Use the name of trustee of the fund – Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund



Nufarm Finance (NZ) Limited
ARBN 099 125 783

Registry Use Only

Broker Code

Broker Stamp

APPLICATION FORM

This Application Form is important. If you are in doubt as to how to deal with it, please contact your broker or investment adviser without delay. You should read the entire Prospectus carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus. All references to monetary amounts in the Application Form are to Australian dollars unless otherwise specified.

A. I/WE APPLY FOR

Number of NSS at A\$100 per NSS or such lesser number of NSS which may be allocated to me/us.

B. I/WE LODGE FULL APPLICATION MONIES

A\$

C. INDIVIDUAL/JOINT APPLICATIONS – Refer to naming standards overleaf for correct forms of registrable title(s)

TITLE OR COMPANY NAME / GIVEN NAME(S) / SURNAME

JOINT APPLICANT 2 OR ACCOUNT DESIGNATION

JOINT APPLICANT 3 OR ACCOUNT DESIGNATION

D. ENTER YOUR POSTAL ADDRESS - INCLUDE STATE AND POSTCODE

UNIT / STREET NUMBER / STREET NAME OR PO BOX / OTHER INFORMATION

CITY / SUBURB / TOWN / STATE / POSTCODE

E. DISTRIBUTION PAYMENTS

If you wish to receive your Distribution Payments in New Zealand dollars, please tick this box

F. ENTER YOUR CONTACT DETAILS

CONTACT NAME

TELEPHONE NUMBER - BUSINESS HOURS / AFTER HOURS

G. CHESSE PARTICIPANT

HOLDER IDENTIFICATION NUMBER (HIN)

Please note that if you supply a CHESSE HIN but the name and address details on your form do not correspond exactly with the registration details held at CHESSE, your Application will be deemed to be made without the CHESSE HIN, and any securities issued will be held on the Issuer Sponsored subregister.

Cheque details – If you are a General Public Offer Applicant make your cheque payable to Nufarm NSS Offer
– If you are a Broker Firm Offer Applicant make your cheque payable in accordance with the instructions provided by your broker

H.

DRAWER	CHEQUE NUMBER	BSB NUMBER	ACCOUNT NUMBER	AMOUNT OF CHEQUE
				A\$

DRAWER	CHEQUE NUMBER	BSB NUMBER	ACCOUNT NUMBER	AMOUNT OF CHEQUE
				A\$

By submitting this Application Form, I/we declare that this Application is completed and lodged according to the Prospectus and the declarations/statements on the reverse of this Application Form and I/we declare that all details and statements made by me/us (including the declaration on the reverse of this Application Form) are complete and accurate. I/we agree to be bound by the terms of the Prospectus, NSS Terms of Issue and NSS Trust Deed. I/we declare that I/we am/are not acting for the account or benefit of any person in the United States or a US Person or any other foreign person and will not offer or sell NSS in the United States or to, or for the account or benefit of a US Person.

CORPORATE DIRECTORY

ISSUER

Nufarm Finance (NZ) Limited

6 Manu Street
Otahuhu Auckland
NEW ZEALAND

GUARANTOR

Nufarm Limited

103-105 Pipe Road
Laverton North VIC 3026
AUSTRALIA

TRUSTEE

Permanent Trustee Company Limited (a member of the Trust Group of companies)

35 Clarence Street
Sydney NSW 2000
AUSTRALIA

LEGAL ADVISER TO THE ISSUER IN AUSTRALIA

Arnold Bloch Leibler

Level 21, 333 Collins Street
Melbourne VIC 3000
AUSTRALIA

LEGAL ADVISER TO THE ISSUER IN NEW ZEALAND

Dawson Harford & Partners

Level 4, 48 Courthouse Lane
Chancery Auckland
NEW ZEALAND

AUDITOR TO THE ISSUER

KPMG

147 Collins Street
Melbourne VIC 3000
AUSTRALIA

ACCOUNTING ADVISER TO THE ISSUER

Ernst & Young

Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000
AUSTRALIA

TAX ADVISER TO THE ISSUER

Ernst & Young

Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000
AUSTRALIA

REGISTRY IN AUSTRALIA

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067
AUSTRALIA

REGISTRY IN NEW ZEALAND

Computershare Investor Services Limited

Level 2, 159 Hurstmere Road
Takapuna, Auckland
NEW ZEALAND

AUSTRALIAN JOINT LEAD MANAGERS AND BOOKRUNNERS

Merrill Lynch International (Australia) Limited

Level 38, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
AUSTRALIA

UBS AG Australia Branch

Level 25, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
AUSTRALIA

AUSTRALIAN CO-MANAGERS

Bell Potter Securities Limited

Level 33, Grosvenor Place
225 George Street
Sydney NSW 2000
AUSTRALIA
Telephone: 61 2 9255 7200

Commonwealth Securities Limited

Level 18, 363 George Street
Sydney NSW 2000
AUSTRALIA
Telephone: 131 519

Merrill Lynch Private (Australia) Limited

Level 38, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
AUSTRALIA
Telephone: 61 2 9225 6500

National OnLine Trading Limited

A National Australia Bank Company
Level 26, 255 George Street
Sydney NSW 2000
AUSTRALIA
Telephone: 1800 652 669

UBS Wealth Management Australia Limited

Level 27, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
AUSTRALIA
Telephone: 61 2 9324 3400

NEW ZEALAND JOINT LEAD MANAGER AND ORGANISING PARTICIPANT

UBS New Zealand Limited

Level 17, 188 Quay Street
Auckland 1030
NEW ZEALAND

NEW ZEALAND CO-MANAGERS

ABN AMRO Craigs Limited

ABN AMRO Craigs House
158 Cameron Road
PO Box 13155
Tauranga
NEW ZEALAND
Telephone: 0800 272 442
Facsimile: (07) 571 8624

ASB Securities Limited

Level 13, ASB Centre
135 Albert Street
PO Box 35
Auckland
NEW ZEALAND
Telephone: 0800 272 732
Facsimile: (09) 374 888

First NZ Capital Securities Limited

Level 20, ANZ Centre
23-29 Albert Street
PO Box 5333
Auckland
NEW ZEALAND
Telephone: (09) 302 5500
Facsimile: (09) 375 7947

Forsyth Barr Limited

Level 9, Forsyth Barr House
The Octagon
Private Bag 1999
Dunedin
NEW ZEALAND
Telephone: 0800 367 227
Facsimile: (04) 495 1327

