

Capturing the China Opportunity

**Becoming World's Most Competitive, Largest
Off-Patent Crop Protection Provider**



ADAMA

A close-up photograph of several young green seedlings with purple stems growing out of dark, rich soil. The background is softly blurred, showing more plants and a bright light source creating a lens flare effect. The overall scene conveys growth and agricultural development.

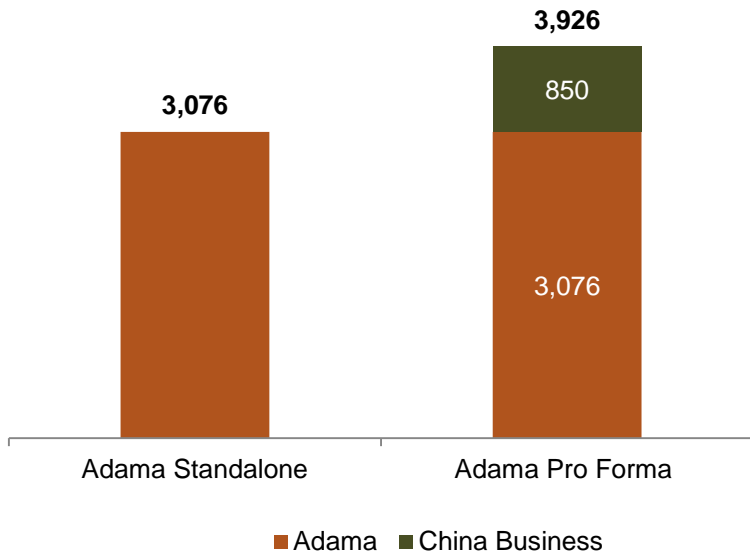
The China Business is a vital and distinct building block for Adama to capture the China opportunity and become the world's most competitive and largest provider of off-patent, differentiated crop protection and yield enhancing solutions

Acquiring China Business Enables Unmatched Global Off-Patent Competitive Leadership and Creates a Strong Position in China's Rapidly Growing Market

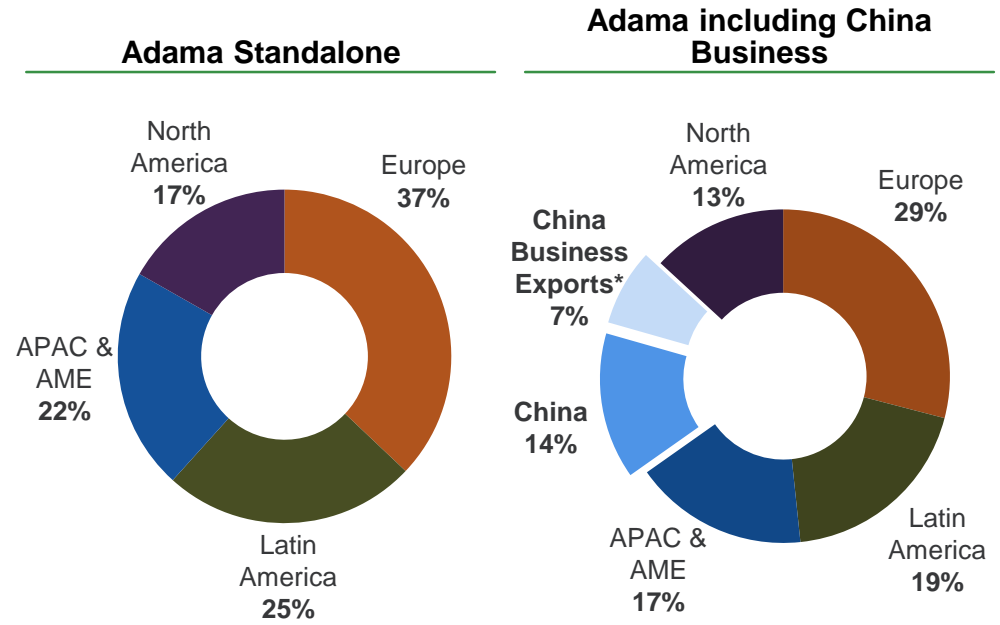
- Becoming the only integrated **Global-China** player creates unmatched off-patent competitive leadership
 - Approximately **\$4bn** of combined revenues
 - China Business sales of approximately \$850m and EBITDA of approximately \$140m
 - Cash consideration of \$323m; net financial debt of approximately \$300m
 - Product development, launch, manufacturing and operations in China, the world's most important AgChem production location, fully and uniquely connected to our global market access, distribution and registration
- Gaining a leading position in China's rapidly growing, yet fragmented, approximately \$5bn AgChem market
 - Domestic China sales of above \$550m
 - Provides first mover opportunity, over time, to consolidate the market

The China Business Adds a Major New Growth Engine to Adama

2013 Sales (\$mm)

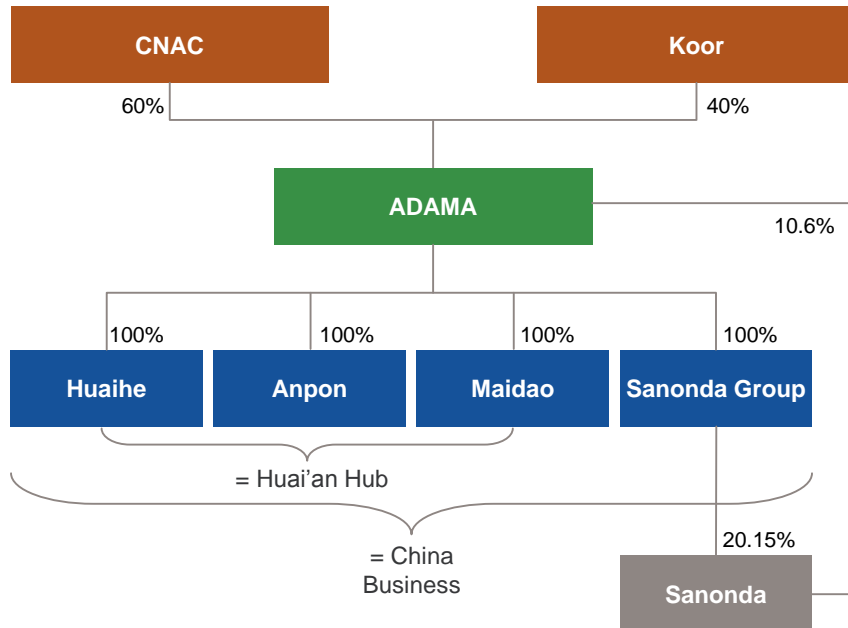


Sales by Geography



* China Business Exports to be incorporated in relevant international regions post-Closing

Key Highlights and Structure



- Adama to acquire the China Business from CNAC
 - The China Business is made up of:
 - 100% of Huai'an Hub (includes Anpon, Maidao and Huaihe)
 - 100% of Sanonda Group
 - Sanonda Group holds 20.15% of Sanonda
 - Adama holds 10.6% of Sanonda
- Total of 31% post transaction
- The acquisition is expected to add approximately \$850m to Adama's annual revenues

Creating the only true China-Global integrated player

The Opportunity: Global Perspective

- **Manufacturing dependence on China**
 - The world's largest manufacturer of off-patent crop protection products
 - Few non-Chinese companies have meaningful manufacturing in China, therefore limited control over sourcing and quality
- **Under-exploited China market potential**
 - Highly fragmented domestic market
 - Western companies find it difficult to penetrate the Chinese market, achieving limited market share

The Opportunity: China Perspective

- **Lack of direct global market access**
 - Although China is the leading off-patent product development and manufacturing hub, its companies lack global market access and commercialization know-how
- **Significant demand for advanced, quality solutions**
 - Food security is a major national priority
 - Demand for yield-enhancing products and technologies

Adama's Unique Positioning

Best positioned to:

- ✓ Bring state-of-the-art global technology to China
- ✓ Capitalize on the industry's next global growth engine
- ✓ Provide China with worldwide direct market access
- ✓ Collaborate with international companies in the Chinese market

The Potential:

Creation of the largest and most competitive, differentiated, largest off-patent provider worldwide



Overview of China Business and its Benefits for Adama

China Business Provides Unique China Market Access and Increases Adama's Global Cost-Competitiveness

- Sales of approximately \$850m
- Two hubs:
 - **Huai'an**, Jiangsu province
 - **Sanonda**, Hubei province
- Distinctive cost position in key molecules
 - Acephate/DMPAT, glyphosate/PMIDA, paraquat, ethaphon
- Backward integrated manufacturing facilities, globally cost-competitive
- Established registration and formulation capabilities
- 4,672 employees



Adama's Unique Positioning In, and Access to, China

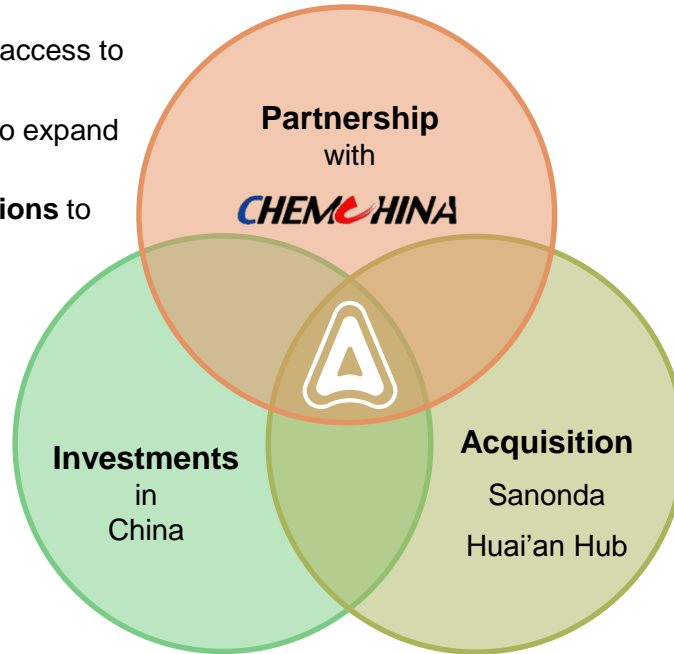
Adama is positioned to be the only global crop protection company with significant commercial and operational infrastructure both within and outside China

✓ **Partner of choice:**

- for Western companies seeking access to China
- for Chinese companies looking to expand globally

✓ Pursue **strategic JVs and acquisitions** to bolster China platform

- ✓ Building **advanced formulation hub and R&D center** in Nanjing
- ✓ **Attractive cost position** for introduction of new products



- ✓ Develop **Chinese distribution network** for Adama's products
- ✓ **Launch new and advanced AIs** and intermediates with higher R&D content
- ✓ **Export** Chinese products via Adama's global channels

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Three Key Value Drivers

1. China market access

- **Build a leading Chinese domestic commercial platform through:**
 - Benefit from the development, registration and distribution capabilities of China Business
 - Leverage Adama's global registration, marketing and distribution know-how and experience

2. Enhanced global product offering

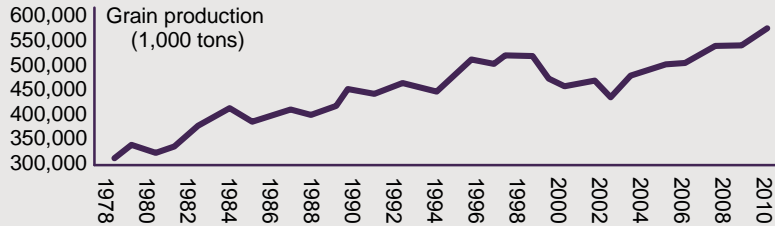
- **Develop and launch advanced off-patent products** utilizing the new global R&D hub, with nearby modern synthesis facilities and global formulation center
- **Unique access to, and a competitive, backward-integrated cost position in, certain key agrochemical molecules** that the company currently purchases from third parties, increasing both sales and profitability on a global basis

3. Operational optimization

- **Creation of a global production, formulation, packaging and logistics center in China**
 - Optimizing operations, shortening supply lines, thereby increasing flexibility and reducing inventory and working capital, shipping, and other logistics costs

Capturing China's Domestic Crop Protection Market Opportunity

China food production expansion



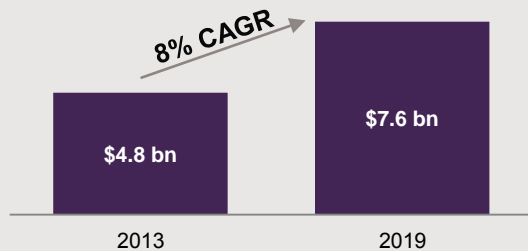
Source: National Bureau of Statistics, National Trust, NDRC, CCPIA, Broker Research

China AgChem is expecting structural change

- Increasing Ag productivity is key to China's national security
 - China accounts for ~20% of world's population but just ~8% of world's arable land
- Government consolidating and restructuring the crop protection industry to create internationally competitive market leaders
- Existing fragmented Chinese market structure underpins combined Adama-China Business leadership potential

China AgChem market forecast

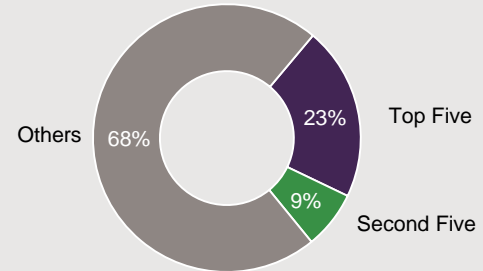
2-3x Global Growth



Source: Phillips McDougall, Nomura Equity Research, ADAMA analysis

Fragmented market with potential for consolidation

2013 China Crop Protection Market Share



Advanced New Sites

Sanonda



Huai'an Hub



Backward integrated manufacturing facilities, supported by two salt mines, Chlor-Alkali membrane technology, and power stations

- Huai'an hub in Jiangsu Province, the ultimate location for global Agchem production
- Within new industrial zone, designated for production of new products and expansion of current capacities
- Adama's new formulation center to accommodate formulation needs in China and beyond, to be established adjacent to the new Huai'an facility plant
- Integrated operational hub enables improved production efficiency, increased inventory turns, access to competitive raw materials and intermediates and smooth disposal of by-products
- Excess production capacity in several Agchem products to be utilized for increased global sales

New R&D Center in China to Lead China Product Development

- R&D chemical center to be established in 2015 in Nanjing (Jiangsu Province) to strengthen and serve our R&D product development needs
- The R&D Center will be part of Adama's global R&D
 - Will serve as a channel to introduce advanced technologies within and outside of China
 - Key focus on new off-patent APIs as well as formulation and mixtures
- The R&D center will also benefit from other R&D resources within ChemChina



Nanjing Biotech and
Pharmaceutical Valley

Thank You



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