

Business Update

Q4 and FY 2016

March 30, 2016



ADAMA

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Public Shareholders Overwhelmingly Approve Sanonda Combination

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Sanonda combination update

Recent progress:

- November 2016 – final appraiser valuation report submitted to SASAC ✓
- Final material asset restructuring (MAR) report – submitted to Sanonda board ✓
- January 6, 2017 – second Sanonda board approval – obtained ✓
- February 2017 – release of EXIM Bank pledge on Adama’s shares – obtained ✓
- March 22, 2017 – SASAC approval – obtained ✓
- March 27, 2017 – Sanonda shareholders meeting approval – obtained ✓
- March 28, 2017 – MAR submitted to CSRC ✓

Still to go:

- May-June 2017 – CSRC approval and closing



Strong Q4 Concludes Record Year for Adama

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Strong fourth quarter concludes record year for Adama

Crosses \$1bn gross profit and \$500m EBITDA marks

Robust sales growth and significant increases in all profit and profitability metrics, driving best ever cash flow generation

Sales \$3,070m

FY: +3.2% (CER); +0.2% (USD)
Volumes: +6.0%

Record Gross Profit \$1.04bn

FY: GP +7.3%; margin +2.3 pp
Q4: GP +9.0%; margin +1.9 pp

Net Income \$183m (+\$59m)

FY: NI +46.8%; margin +1.9 pp
Q4: NI +60.5%; margin +1.9 pp

Record EBITDA \$524m (+\$50m)

FY: EBITDA +10.6%; margin +1.6 pp
Q4: EBITDA +2.4%; margin flat

Record Cash Flow

Operating CF: \$502m (+\$395m)
Free CF: \$312m (+\$398m)

Reduced leverage

Net Debt: \$899m (\$285m lower)
Net Debt / EBITDA: 1.7x

Third straight year of sector leading performance

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Financial highlights

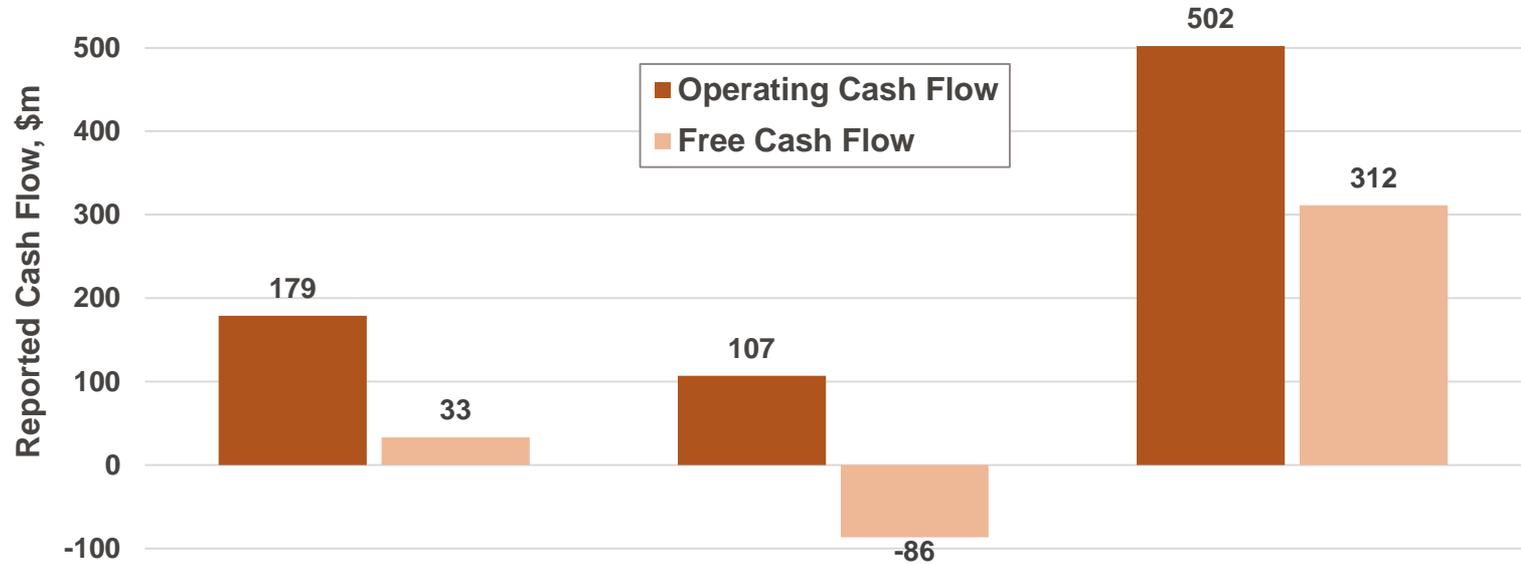
<i>Adjusted, (\$ million)</i>	FY 2016	FY 2015	% Change CER	%Change USD	Q4 2016	Q4 2015	% Change CER	%Change USD
Sales	3,070	3,064	+3.2%	+0.2%	668	650	-0.1%	+2.8%
Gross Profit	1,040	970		+7.3%	213	195		+9.0%
<i>As % of Sales</i>	<i>33.9%</i>	<i>31.6%</i>			<i>31.9%</i>	<i>30.0%</i>		
Operating Expenses	693	667			179	165		
Operating Income (EBIT)	347	303		+14.7%	34	30		+11.3%
<i>As % of Sales</i>	<i>11.3%</i>	<i>9.9%</i>			<i>5.1%</i>	<i>4.7%</i>		
Net Income	183	124		+46.8%	-8	-20		+60.5%
<i>As % of Sales</i>	<i>6.0%</i>	<i>4.1%</i>			<i>-1.2%</i>	<i>-3.1%</i>		
EBITDA	524	474		+10.6%	78	76		+2.4%
<i>As % of Sales</i>	<i>17.1%</i>	<i>15.5%</i>			<i>11.7%</i>	<i>11.7%</i>		

Note:

CER: Change in Constant Exchange Rate terms, estimated

Net income and EBITDA have been adjusted for certain one-time expenses

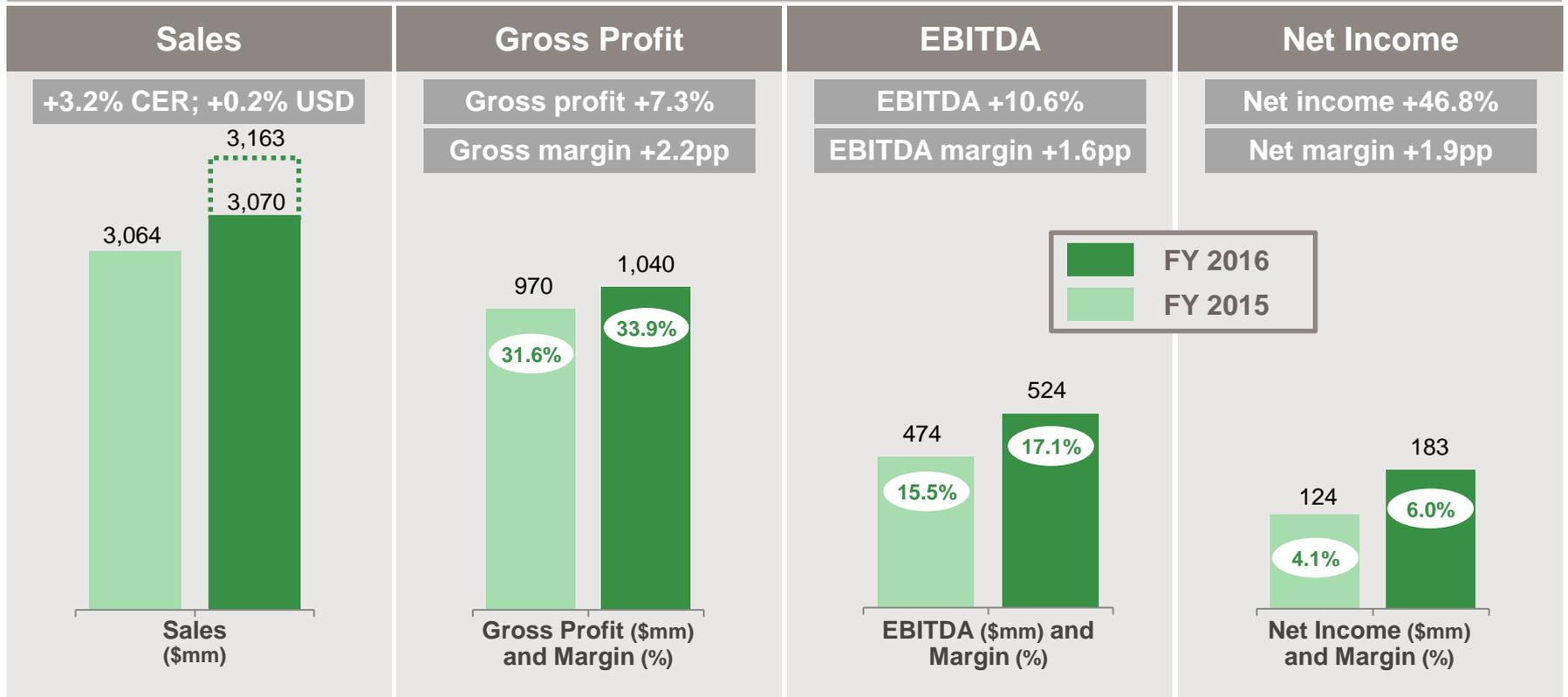
Strongest ever cash flow generation leads to lowest leverage levels in a decade



	2014	2015	2016
Balance Sheet Net Debt	\$1,333m	\$1,184m	\$899m
Net Debt / EBITDA	2.8x	2.5x	1.7x

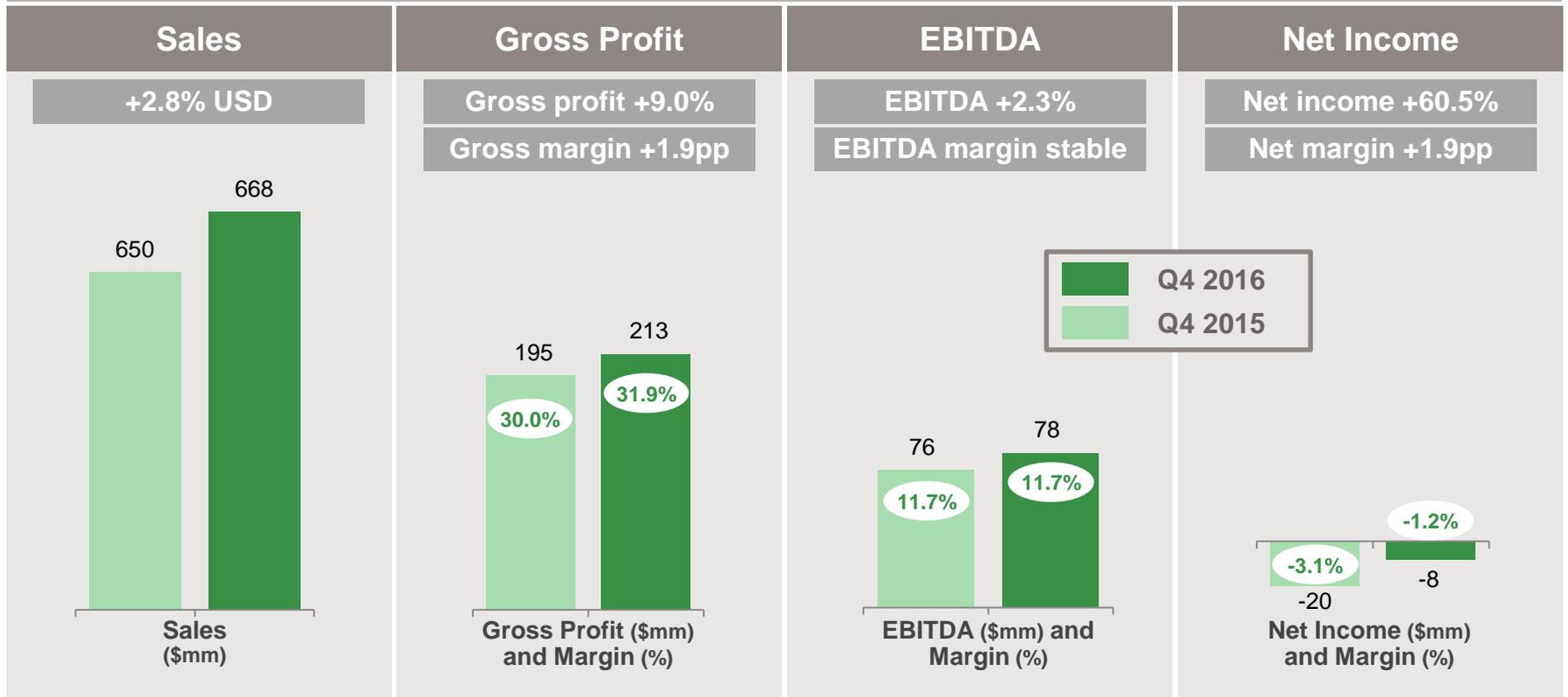
Note: 2014 Balance Sheet Net Debt includes receivables of the securitization facility of \$155m

FY16: Sales growth, all time record high gross profit and EBITDA

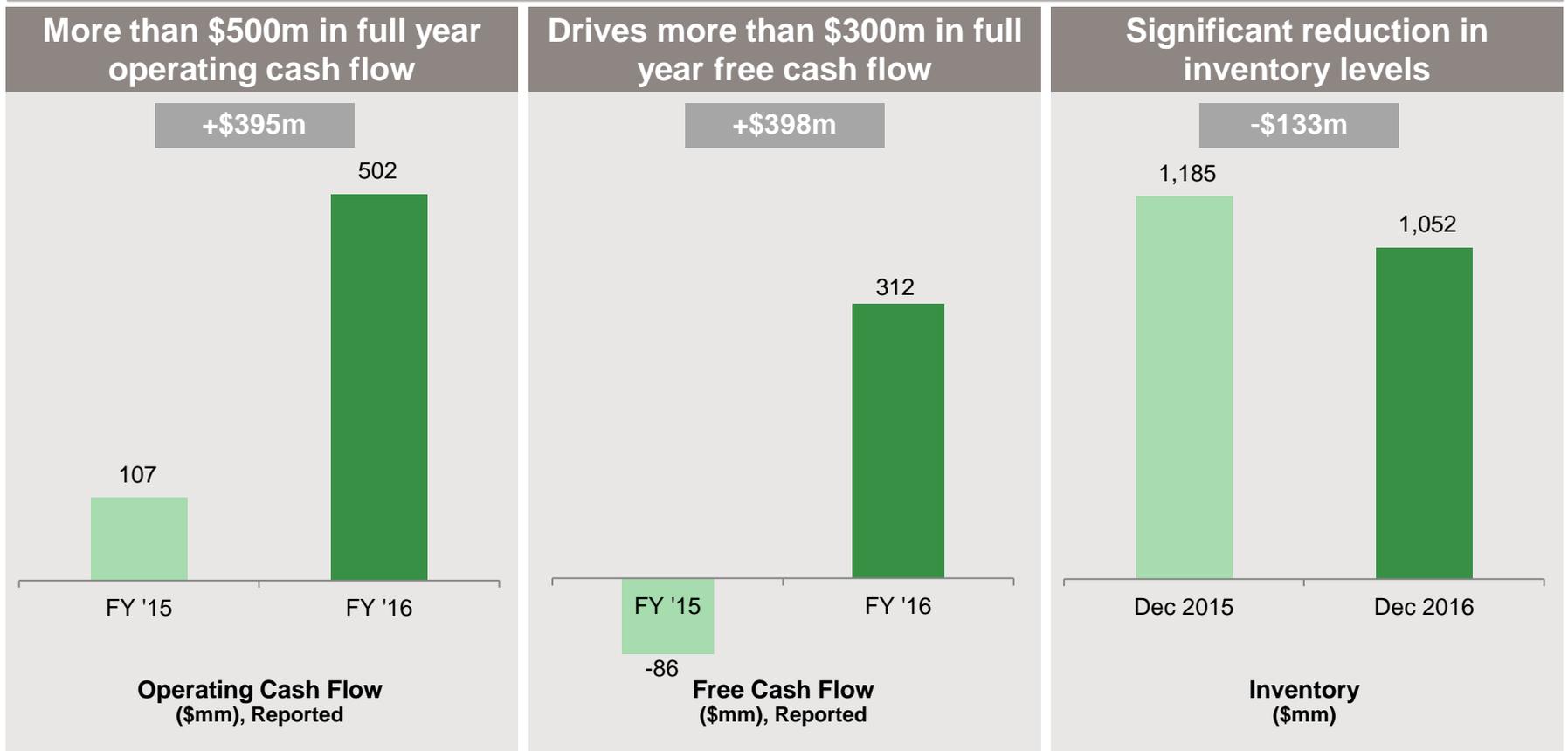


Significant volume growth, improved product mix, cost reduction drive all time record high gross profit and EBITDA, dramatically increased net income

Q4 2016: Robust volume growth and cost reduction concludes record year



Strong profit growth and reduction in inventory lead to best-ever reported cash flow generation



Note: The above cash flow graphs reflect the figures as reported. After adjusting for the effect of securitization of receivables, Adjusted Operating Cash Flow would have been \$206m in 2015 and \$444m in 2016, while Adjusted Free Cash Flow would have been \$12m in 2015 and \$253m in 2016



General Business Update

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2016 Business highlights

Marketing & Product Strategy

- New organizational structure established
- 242 new registrations and 223 renewals obtained globally
- Launches of new products contributed significantly to annual sales

Innovation, Development, Research and Registration (IDR)

- Expansion of R&D infrastructure in operational hubs in Israel and China
- Key senior leaders joined the Company, particularly in research and regulatory affairs

Operations

- Reduction of production and procurement costs
- Alignment of supply/demand, focus on inventory health, yielded marked decrease in inventory days
- Development of Israel production facilities



Global R&D Center, Neot Hovav



Launch of LRH facility, Ashdod

China build-up and integration

Market Access



Agricultural exhibition in China

- Cementing of commercial operations infrastructure
- Sales in China increasing significantly in 2016

Integration



Customer appreciation conference in Kunming

- Sales teams from Adama and CNAC are fully integrated as of 2017
- Adama's global commercial network expanded its sourcing of active ingredients from CNAC companies, with such sourcing more than doubling during 2016

Operations



Formulation center in Huai'an

- Expanded R&D center in Nanjing to take on additional products, adding team members
- Nearing completion of construction of new, state-of-the-art global formulation and packaging center in Huai'An

Nimitz® Pro G, a unique formulation for golf courses

Leveraging AgChem products and expertise to drive non-crop business growth



- Launched this year, Nimitz® Pro G, Adama's proprietary nematicide, a granular formulation for golf courses, residential lawns, sports fields and sod farms
- Nimitz® Pro G is significantly safer for the applicator and the environment than other nematicides, all while providing plant health benefits for accelerated recovery of the turf



Golf course before and after Nimitz Pro G



Cronnos®

Entering into a new era of Soybean Rust combat in Brazil

- Rust, the most highly resistant fungus, is a key disease affecting close to 35m hectares of Soybean, in LATAM, mainly in Brazil
- Close to 100% of area is treated with fungicide
- Brazil market size of soybean fungicides is \$2bn

Cronnos®: creating a new segment

- The first ever mixture of 3 active ingredients (Tebuconazole, Picoxystrobin, Mancozeb) that includes a multi-site protectant
- Full solution and the best resistance management alternative in the market
- Expected Brazil launch - H2/2017
- Strengthens our brand and relationship with dealers

Cronnos®
Entre numa **nova era**
de combate à ferrugem.

Com Cronnos, o tempo da ferrugem acabou:

- **Cronnos para o tempo**
Formulação inovadora, com 3 ingredientes ativos, que não permite que a doença entre na lavoura ou evolua.
- **Cronnos prolonga o tempo**
Aumenta a eficácia de manejo das principais doenças por muito mais tempo.
- **Cronnos economiza o tempo**
Composto por um poderoso protetor e com formulação de fácil aplicação, substitui as misturas irregulares de tanque.

Solução que resiste ao tempo. | Cronnos®

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Bringing innovative Ag-tech and digital solutions to markets worldwide

10 new apps launched in 2016



Top 5

- 1º ADAMA
- 2º MONSANTO
- 3º ALGARAGRO
- 4º SÃO MARTINHO
- 5º COOPERCITRUS

Adama Wings



- Unique technology for the improvement of sugar cane yields (2% planting gaps vs. 23% without the technology)
- Using drones which identify weeds, planting failures, and exposed soil
- Captures and analyzes images of sugarcane plantations

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SwarmFarm



- Small, lightweight robots work in groups to perform key agricultural tasks such as the application of crop protection
- Innovative solution launched in Australia, to be expanded worldwide

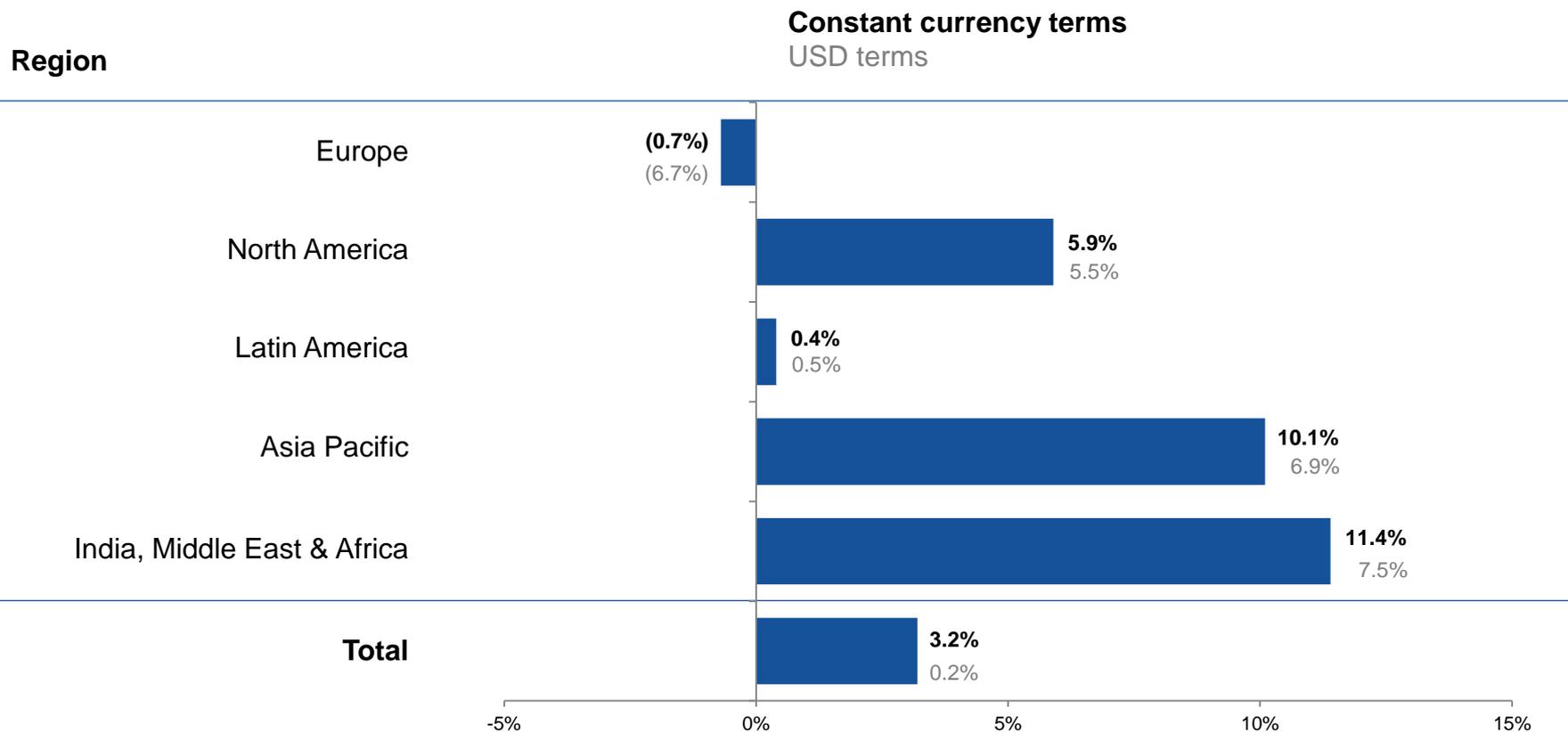


Regional Update

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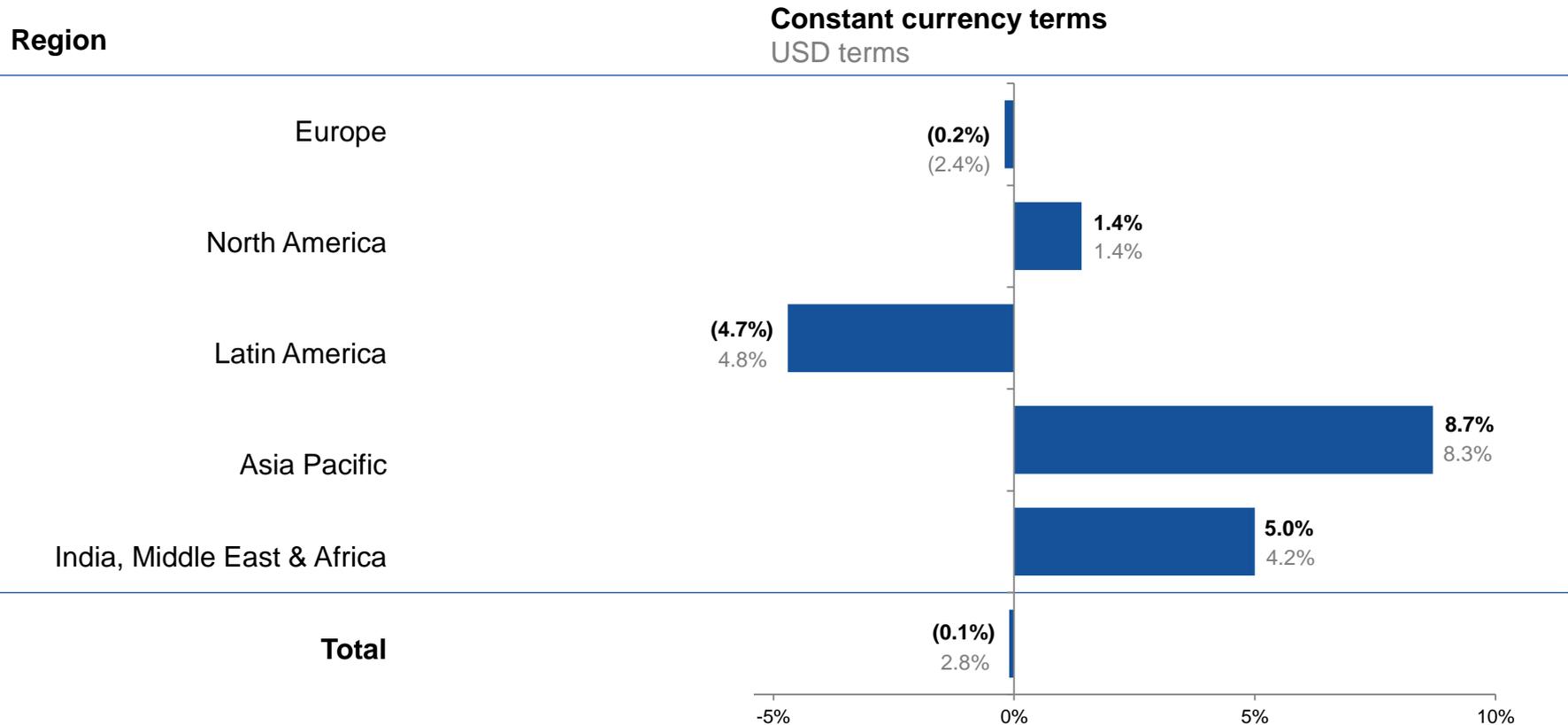
Full year regional sales performance FY 2016 vs. FY 2015

Sales change by region



Quarterly regional sales performance Q4 2016 vs. Q4 2015

Sales change by region



Regional highlights

Europe

- Adama outperformed the majority of European markets in the full year, despite challenging weather conditions, poor harvest in Western Europe and ongoing subdued agricultural market conditions
- Continued to introduce new and differentiated products
- Strong demand for herbicides in Q4 in Eastern European oilseed rape and cereals
- Strong performances for autumn cereal herbicides, including CODIX®, TRINITY®, and HEROLD®
- Early demand in Q4 for RACER®, OPTIMUS®, and MAVRIK®
- Notable performance in Ukraine, where Adama helps farmers by providing financial solutions that assist them in achieving stability and predictability in a volatile soft commodity and currency market



Ukraine team wins Adama's global competition for their innovative financial solution for farmers

Regional highlights (cont'd.)

North America

- Sales growth driven by significant increase in volumes of higher margin products
- Continued progress on portfolio development, obtaining a number of new registrations for products to be launched in 2017, e.g. CORMORAN
- Robust growth in crop protection over the year in the US and Canada
- Improving quality of business, transforming product mix towards higher value-added products and driving market share growth by focusing on key customers and crops, while reducing local formulation costs
- Continued expansion of sourcing from Sanonda and Anpon for the US market – now preparing to launch ACEPHATE 97, in addition to the currently marketed PARAZONE® and ETHEPHON
- Consumer and Professional Solutions delivered a gratifying year, with further growth in Q4
- Adama's proprietary nematocide Nimitz® Pro G launched in US in a unique formulation for golf courses

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Thank a Retailer
COMMUNITY CONTEST

CONGRATULATIONS TO THIS YEAR'S WINNERS

ADAMA is awarding these outstanding ag retails grand prizes of **\$15,000** each to spend on worthy causes in their community. [See why we're saying thanks.](#)

Eastern Canada	Alberta & British Columbia	Manitoba	Saskatchewan
 Huron Perth Ag Service Inc. Woodham, ON	 Bashaw Crop Services Bashaw, AB	 Foster Ag. Services Arborg, MB	 Richardson Pioneer Strasbourg, SK

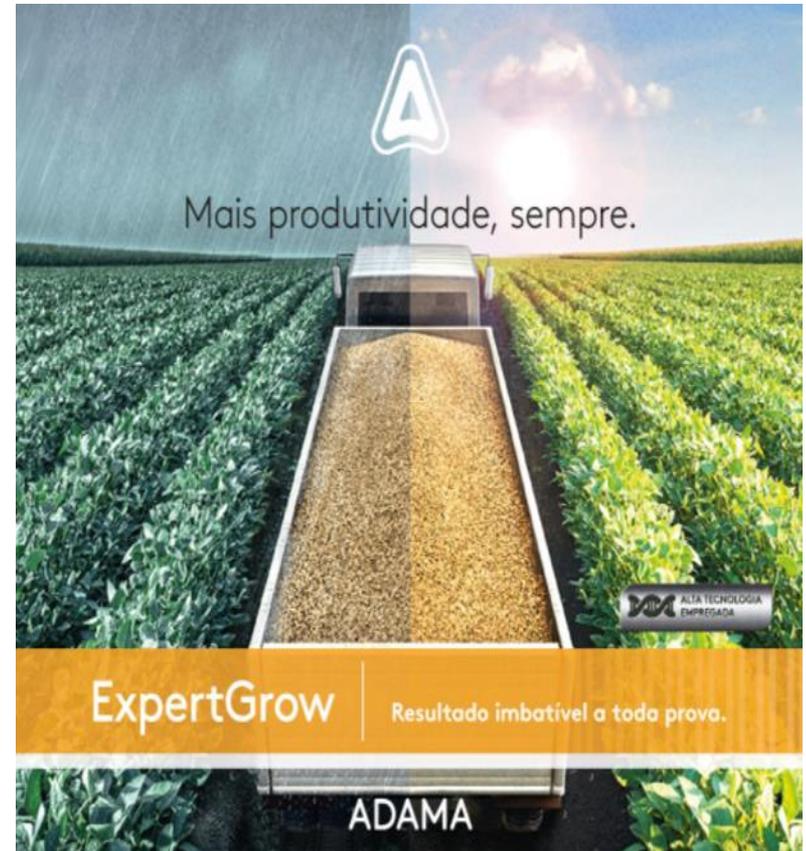
Thank a Retailer campaign in Canada



Regional highlights (cont'd.)

Latin America

- Particularly noteworthy results in Brazil, both in Q4 and over the full year, with robust sales growth complemented by an improved portfolio mix
- Good performances in Q4 from key products in Brazil, including GALIL® and ExpertGrow®
- Full implementation of SOMAR distribution program in Brazil, supporting distributors and strengthening customer intimacy while promoting sales of key products
- BREVIS™ performed well in Chile, while NIMITZ™ showed good results in Mexico
- Despite overall Q4 decline in sales in the region, Adama grew in Argentina, Ecuador, Chile, Colombia and Costa Rica, in the face of ongoing challenging market conditions



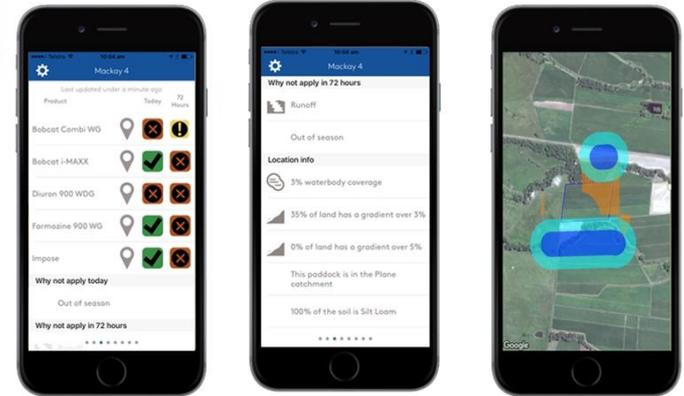
Regional highlights (cont'd.)

Asia Pacific (incl. China)

- Significant volume growth over the year, most notably in Australia and New Zealand
- Also strong growth in parts of south-east Asia in Q4
- Achieved despite adverse weather conditions in the region in the first nine months of the year and high inventories in the distribution channel
- 40 new products launched in FY16, with eight new registrations obtained in Q4 alone, among them:
 - SKOPE® and CORMORAN™ in Australia
 - PLETHORA® in South Korea
 - BREVIS® in New Zealand
- Successfully launched the Adama Reef Aware app in Australia
 - Contributed to strong performance of new differentiated sugarcane herbicide BOBCAT® i-MAXX™



Unique digital decision support and weed management tool for sugarcane farmers

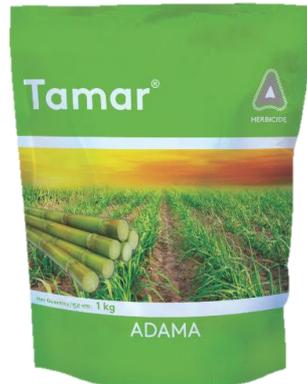


- Allows canegrowers to map their own paddocks on their own device and get instant, location-based information
- Provides a simple stop-go indication to assess the suitability and timing of herbicide applications:
 - Takes into account current and short term weather conditions, site soil type and topography
 - Maximises efficacy (increasing the growers benefit from each spray)
 - Minimises the chance of run-off which may cause damage to the Great Barrier Reef

Regional highlights (cont'd.)

India, Middle East & Africa

- Significant volume growth, particularly in India
 - Driven by ongoing launches of new and differentiated products
 - Achieved despite challenging weather conditions
- Continued improvement in portfolio mix, with the launch of TAMAR®, a differentiated herbicide, in sugar cane
- Adama continues to do well in Turkey, with a strong sugar beet portfolio and positive momentum achieved since 2015 launch



Meeting with orchard farmers in Turkey



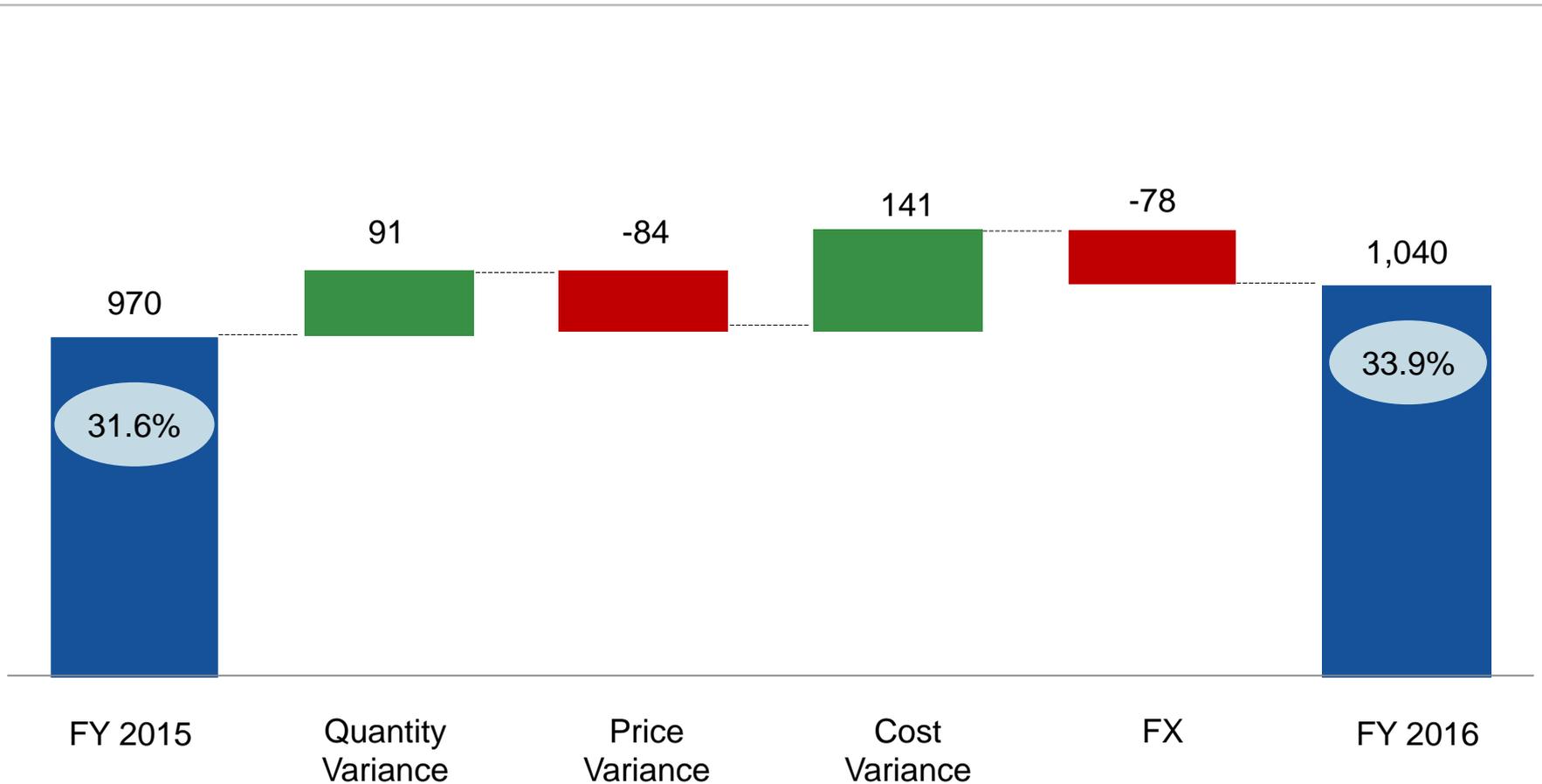
Bridge Analysis

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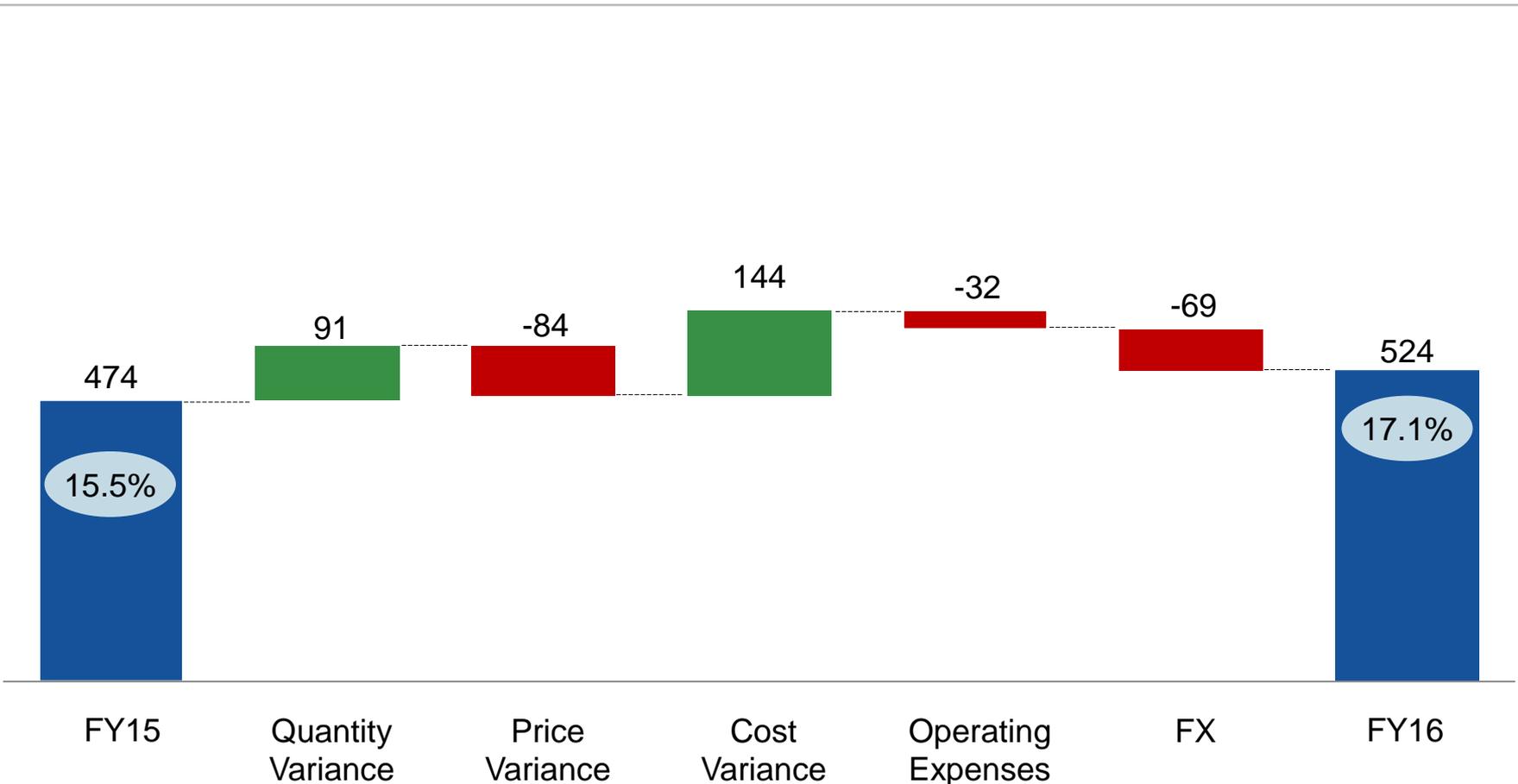
FY16 Sales bridge analysis



FY16 Gross profit bridge analysis



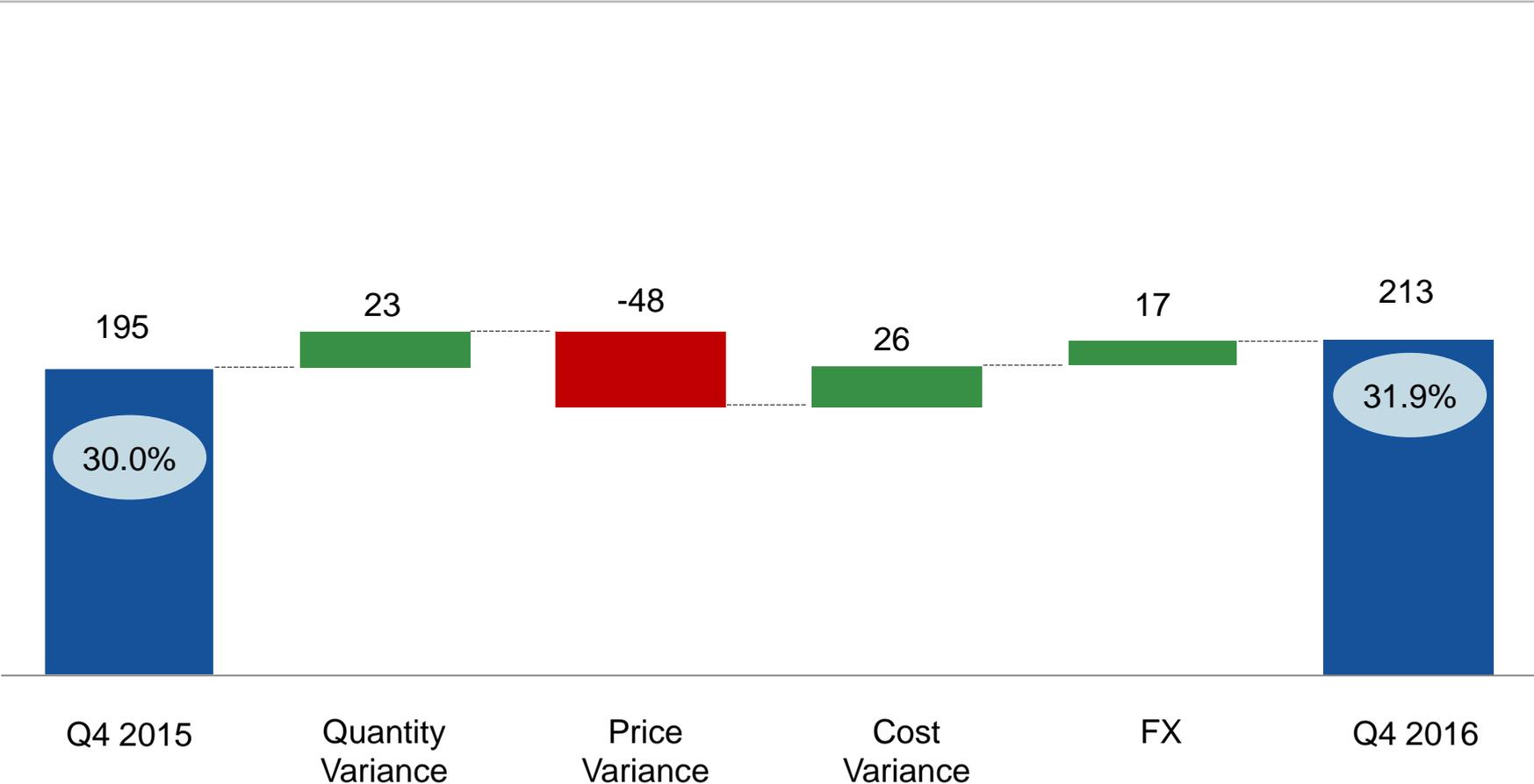
FY16 EBITDA bridge analysis



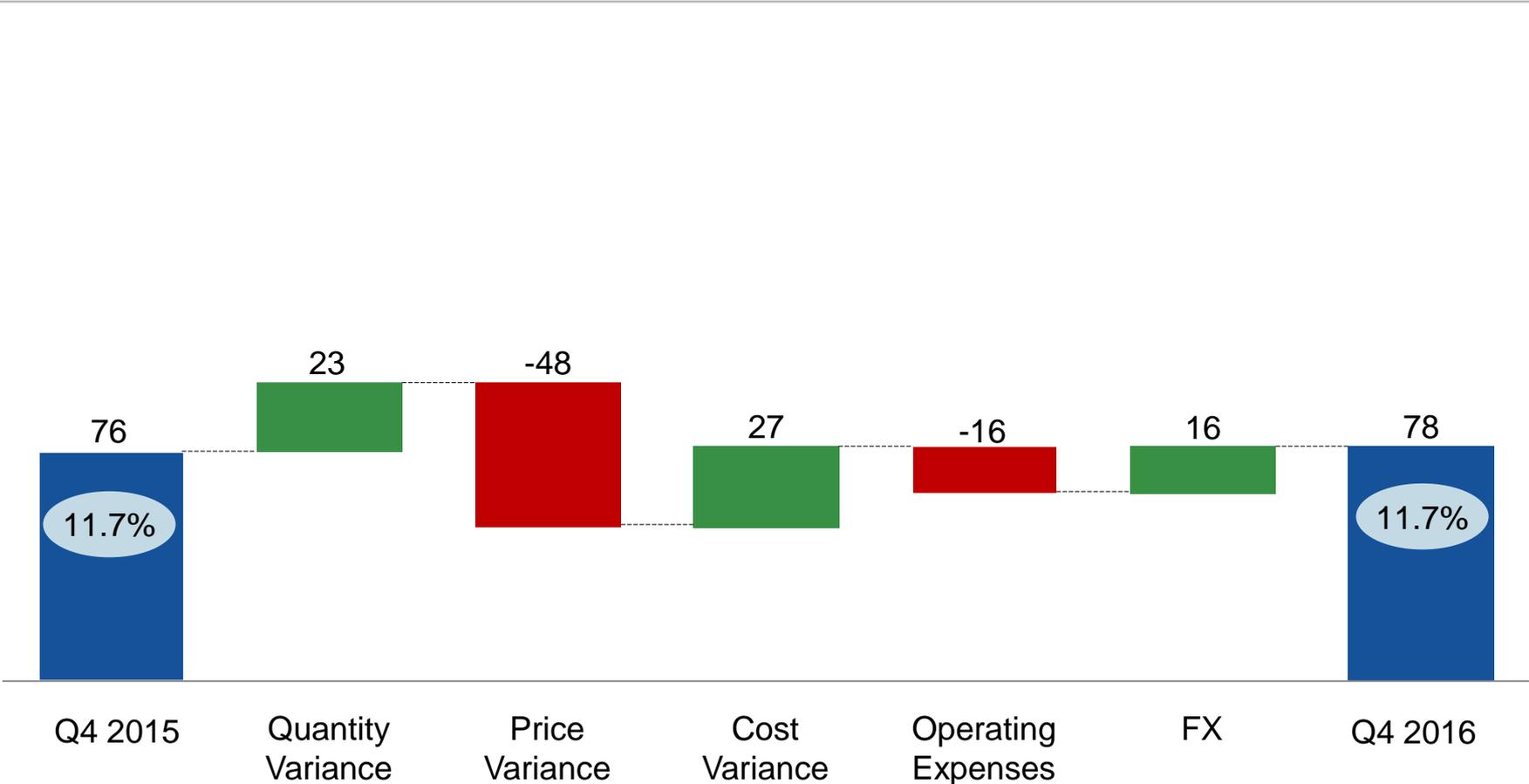
Q4 Sales bridge analysis



Q4 Gross profit bridge analysis



Q4 EBITDA bridge analysis





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