

ADAMA



Business Update

Q4 and FY 2015

March 15, 2016

Legal notice

This presentation is for marketing and information purposes only. By this presentation, ADAMA Agricultural Solutions Ltd. (the “Company”) does not intend to give, and the presentation does not constitute, professional or business advice or an offer or recommendation to perform any transaction in the Company’s securities. The accuracy, completeness and/or adequacy of the content of this presentation, as well as any estimation and/or assessment included in this presentation, if at all, is not warranted or guaranteed and the Company disclaims any intention and/or obligation to comply with such content. The Company may make improvements and/or changes in the features or content presented herein at any time. The Company shall not be liable for any loss, claim, liability or damage of any kind resulting from your reliance on, or reference to, any detail, fact or opinion presented herein.

This presentation contains proprietary information of the Company and may not be reproduced, copied, disclosed or utilized in any way, in whole or in part, without the prior written consent of the Company.

The Company’s assessments may not materialize, inter alia, due to factors out of the Company's control, including the risk factors listed in the Company’s annual report, changes in the industry or potential operations of the Company's competitors.

All information included in this presentation relates only to the date which it refers to, and the Company does not undertake to update such information afterwards.

Significant improvement in both profits and profitability in Q4 capping a strong year

Strong finish sees Adama deliver market leading performance in a challenging year

- Sales of \$650 million in Q4 and \$3,064 million in 2015:
 - Growth of 12.6% in Q4 and 7.4% in the full year, at constant exchange rates (CER)
 - US dollar sales declined by 3.6% in Q4, and by 4.9% in the full year, due to strength of the dollar
- Volumes +7% in Q4 and +5.3% in the full year, with volume growth across all regions
- Marked improvement in all Q4 profit and profitability metrics, despite tough market conditions, driving resilient margin performance in the full year:
 - Gross margin +2.6 percentage points in Q4, stable in the full year
 - Operating income tripled in Q4, with EBIT margin +3.2 percentage points; Full year EBIT margin +0.2pp
 - EBITDA in the quarter increased by \$23m, or 44.5%, with EBITDA margin +3.9 percentage points
 - EBITDA in the full year of \$474m, with EBITDA margin increasing from 14.9% to 15.5%
- Continued evolution of the portfolio, launching differentiated, higher-margin products across all regions
- Launch of direct sales in China, with Adama becoming the sole Chinese commercial platform for formulated products of several CNAC companies

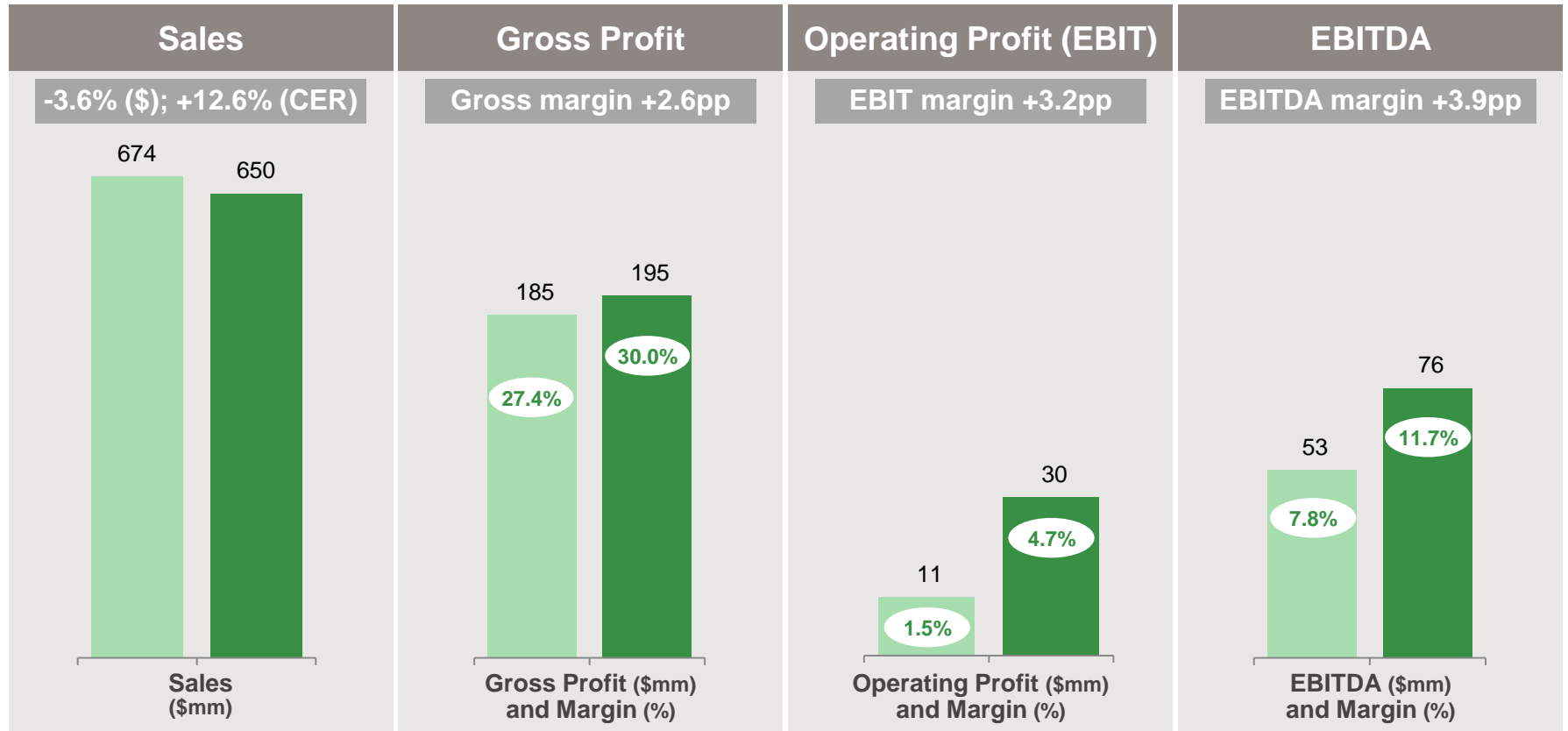
Financial highlights

<i>Adjusted, (\$ million)</i>	Q4 2015	Q4 2014	% Change CER	%Change USD	FY 2015	FY 2014	% Change CER	%Change USD
Sales	650	674	+12.6	-3.6	3,064	3,221	+7.4	-4.9
Gross Profit	195	185		+5.8	970	1,025		-5.4
<i>As % of Sales</i>	<i>30.0%</i>	<i>27.4%</i>			<i>31.6%</i>	<i>31.8%</i>		
Operating Expenses	165	174		-5.4	667	712		-6.4
Operating Income (EBIT)	30	11		+193.0	303	313		-3.3
<i>As % of Sales</i>	<i>4.7%</i>	<i>1.5%</i>			<i>9.9%</i>	<i>9.7%</i>		
Net Income	-20	-33		+37.7	124	151		-17.9
<i>As % of Sales</i>	<i>-3.1%</i>	<i>-4.8%</i>			<i>4.1%</i>	<i>4.7%</i>		
EBITDA	76	53		+44.5	474	480		-1.2
<i>As % of Sales</i>	<i>11.7%</i>	<i>7.8%</i>			<i>15.5%</i>	<i>14.9%</i>		

Note:

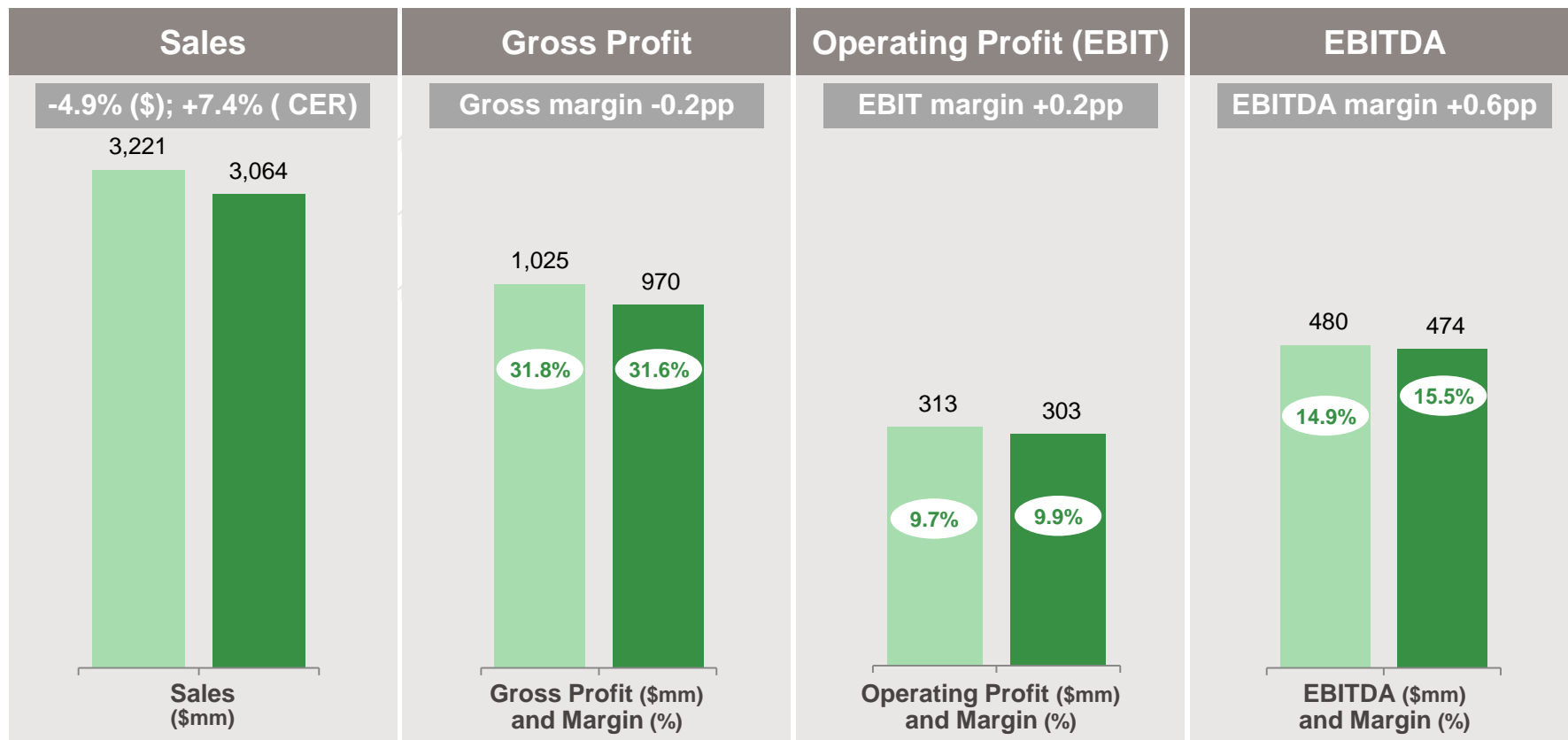
CER: Change in Constant Exchange Rate terms, estimated
 Net income and EBITDA have been adjusted for certain one-time expenses

Q4 2015: Significant growth in revenues in constant currencies; improvement in all key profit and profitability metrics



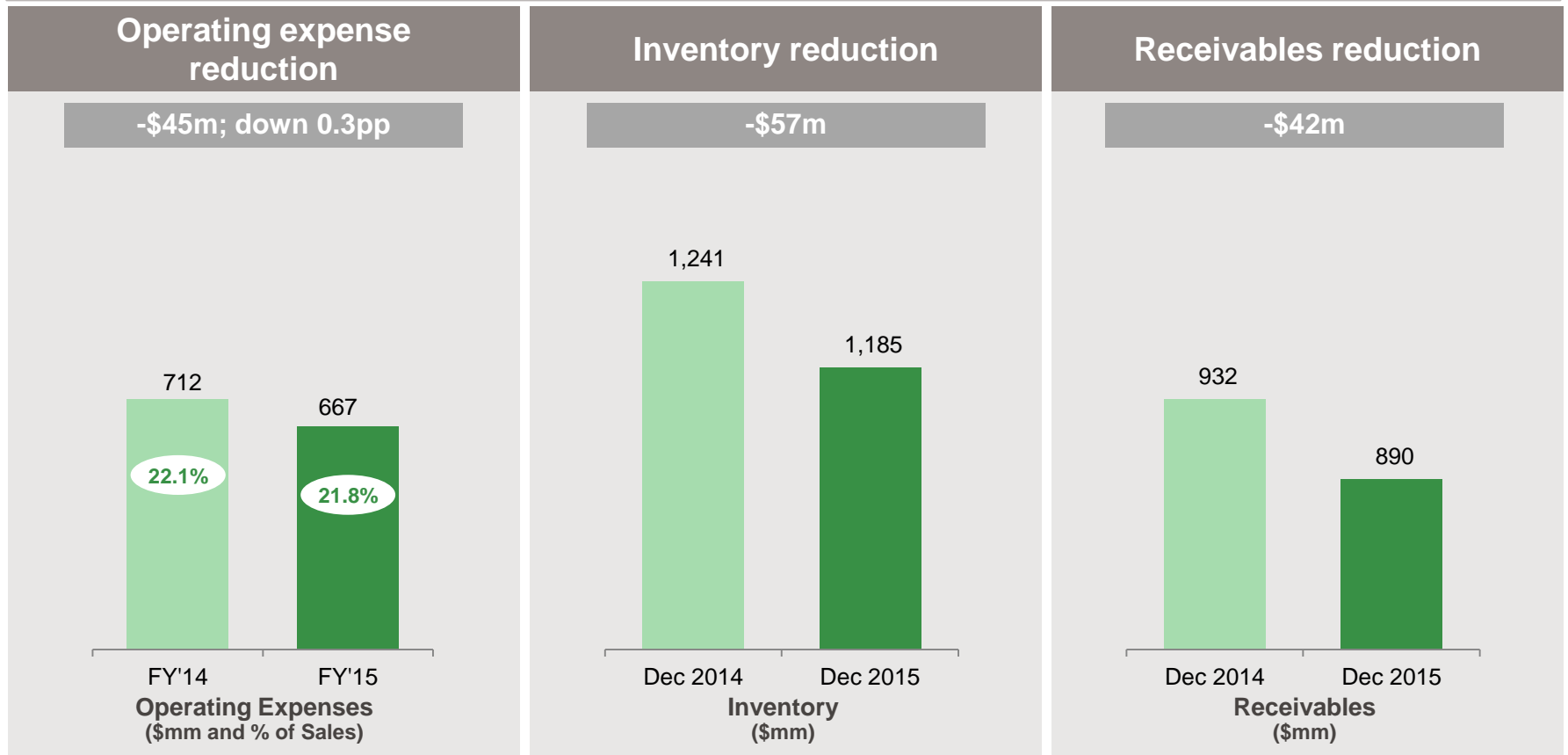
■ Q4 2015
■ Q4 2014

FY 2015: Sector-leading growth in revenues at constant currency; Significant improvement in EBITDA margin even in a tough year



■ FY 2015
■ FY 2014

Tight focus on operating cost control, inventory and receivables management



FY 2015
FY 2014

2015 Business highlights

Portfolio Transformation

- Further portfolio differentiation and increased direction of R&D and registration resources towards value-added, unique and differentiated products
- Launch of innovative, proprietary products such as NIMITZ™ and BREVIS™ in several key countries in the Americas, Australia, Europe, and Israel
- Hundreds of new registrations worldwide



Marketing & Product Strategy

- New go-to-market approach, increasing proximity to farmers, already implemented in several key markets
 - Expanding to 20 more countries over the next two years
- Marketing and Product Strategy functions recently combined into a single division, headed by Walter Costa
 - To ensure optimal coordination of demand creation, portfolio and demand fulfilment arms going forward



Operations

- Two main manufacturing sites in Israel connected to natural gas power stations
 - Expected to lead to improvement in environmental footprint and reduction in energy costs
- Launch of key facilities at Neot Hovav, including the NIMITZ™ production facility and new production lines for RIMON™



China commercial and operational integration

China market access

Launching our direct sales in China through a leading commercial platform

- Launch of direct sales and recruitment of dozens of new sales people
- Adama becoming the sole Chinese commercial platform for marketing formulated products of several CNAC companies

Launch pad for differentiated offering

Launching advanced off-patent products

- Launched R&D center in Nanjing
- Will serve as a channel to introduce advanced technologies within and outside of China

Competitive cost position

Backward-integrated cost position in key agrochemical molecules

- Registering China Business products worldwide
- Launched CNAC entities' products through Adama's commercial network in key markets, incl. US, India and Australia

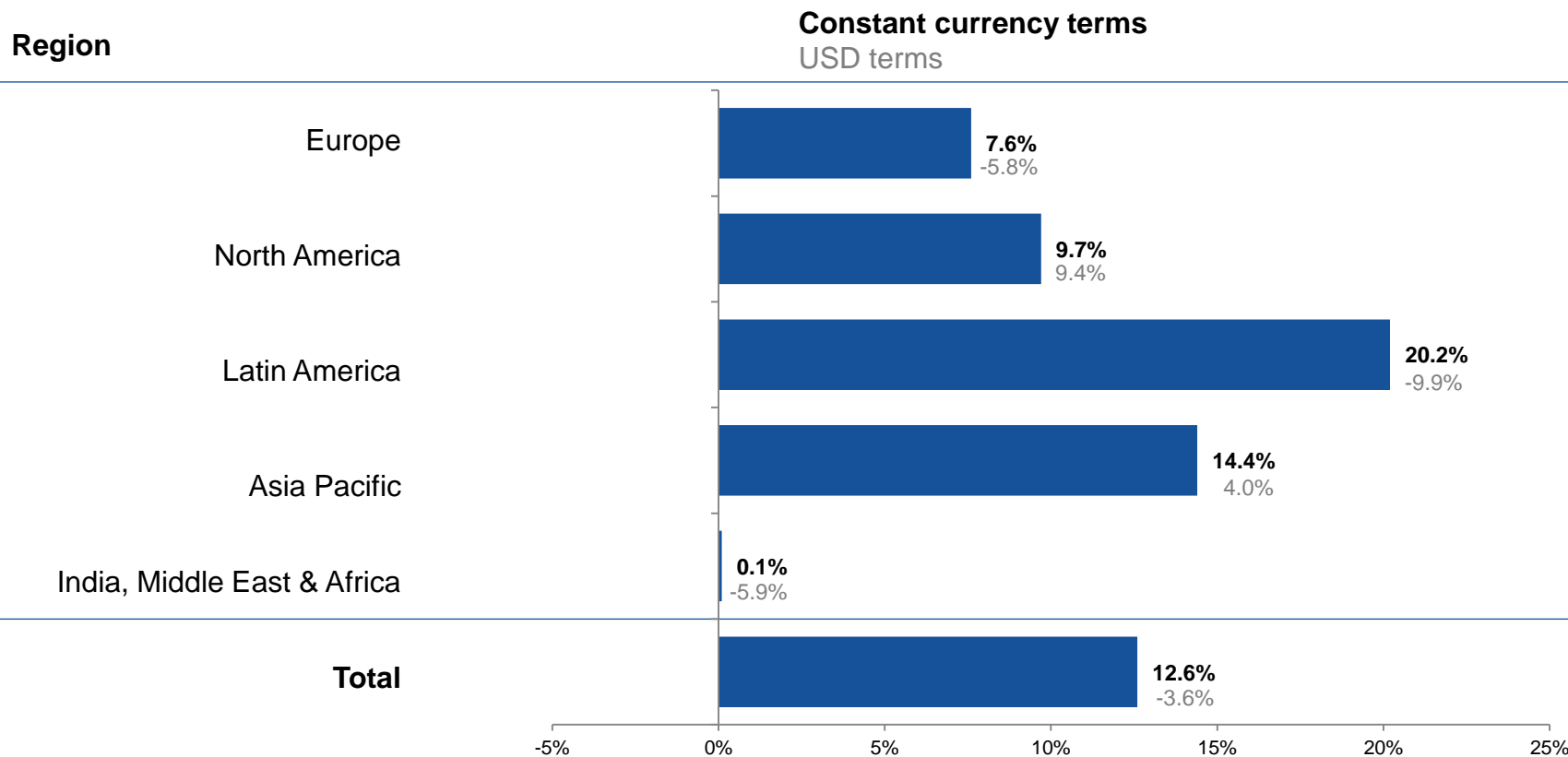
Operational optimization

Creating global production, formulation, packaging and logistics center in China

- State-of-the-art formulation center in Huai'An construction underway

Quarterly regional sales performance Q4 2015 vs. Q4 2014

Sales change by region



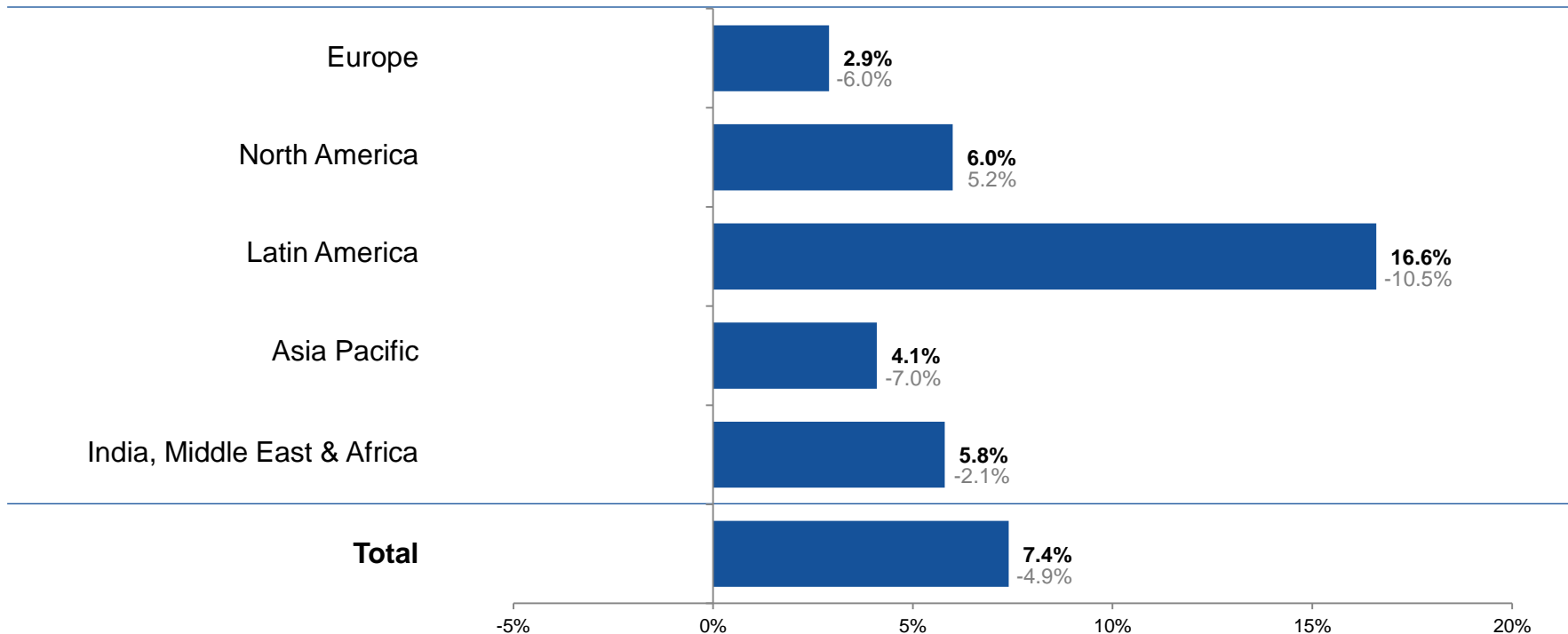
Full year regional sales performance FY 2015 vs. FY 2014

Sales change by region

Constant currency terms

USD terms

Region



Regional highlights

Europe

- Growth of 7.6% in Q4 and 2.9% in the full year, at CER, driven by the significant volume growth stemming from the launch of new products and deepening of commercial activities, despite very dry weather conditions in certain countries
- Results negatively impacted by reduced sugar beet quotas in northern Europe, as well as drought in parts of central Europe
- Strong performances in South Eastern Europe and in Italy and Ukraine, due to increasing focus on differentiated products and key customers
- Launch of BREVIS™ in selected key markets



North America

- Growth of 9.7% in Q4 and 6.0% in the full year, at CER, stemming from continued focus on increasing engagement with key customers and from the launch of additional products, which led to significant volume growth
- NIMITZ™ launched in the US
- Positive momentum in its Consumer and Professional Solutions business in the US, driven by strengthening of direct access to market and launch of differentiated products such as ENCLAVE®



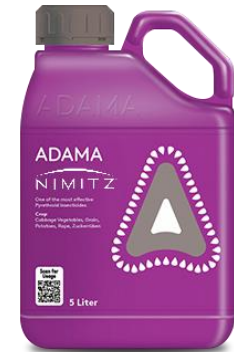
Regional highlights (cont'd.)

Latin America

- Strong growth of 20.2% in Q4 and 16.6% in the full year, at CER, despite the challenging conditions in the region, including El Niño and macroeconomic crisis in Brazil
- US dollar-denominated sales impacted by significant depreciation of currencies in the region, mainly the Real
- Particularly good performances in Colombia and other countries of the Andean region, as well as in Mexico, despite the depreciation of the local currencies and difficult weather conditions
- Crisis in Brazil led to Adama taking proactive steps to reduce its exposure to the crisis, including the decision not to fulfill certain orders. Alongside these steps, Adama continued to invest in strengthening its marketing activities in Brazil and in the further differentiation of its portfolio, and launched four unique products during the year

Asia Pacific

- Growth of 14.4% in Q4 and 4.1% in the full year, at CER, due to significant volume growth as a result of the launch of new products and increased marketing activities, despite drought in several countries in Southeast Asia
- Launch of 10 unique products during the year, including NIMITZ™ in Australia
- Continued positive momentum in Australia and New Zealand, supported by its new brand, a range of differentiated products and increasing proximity to the farmers



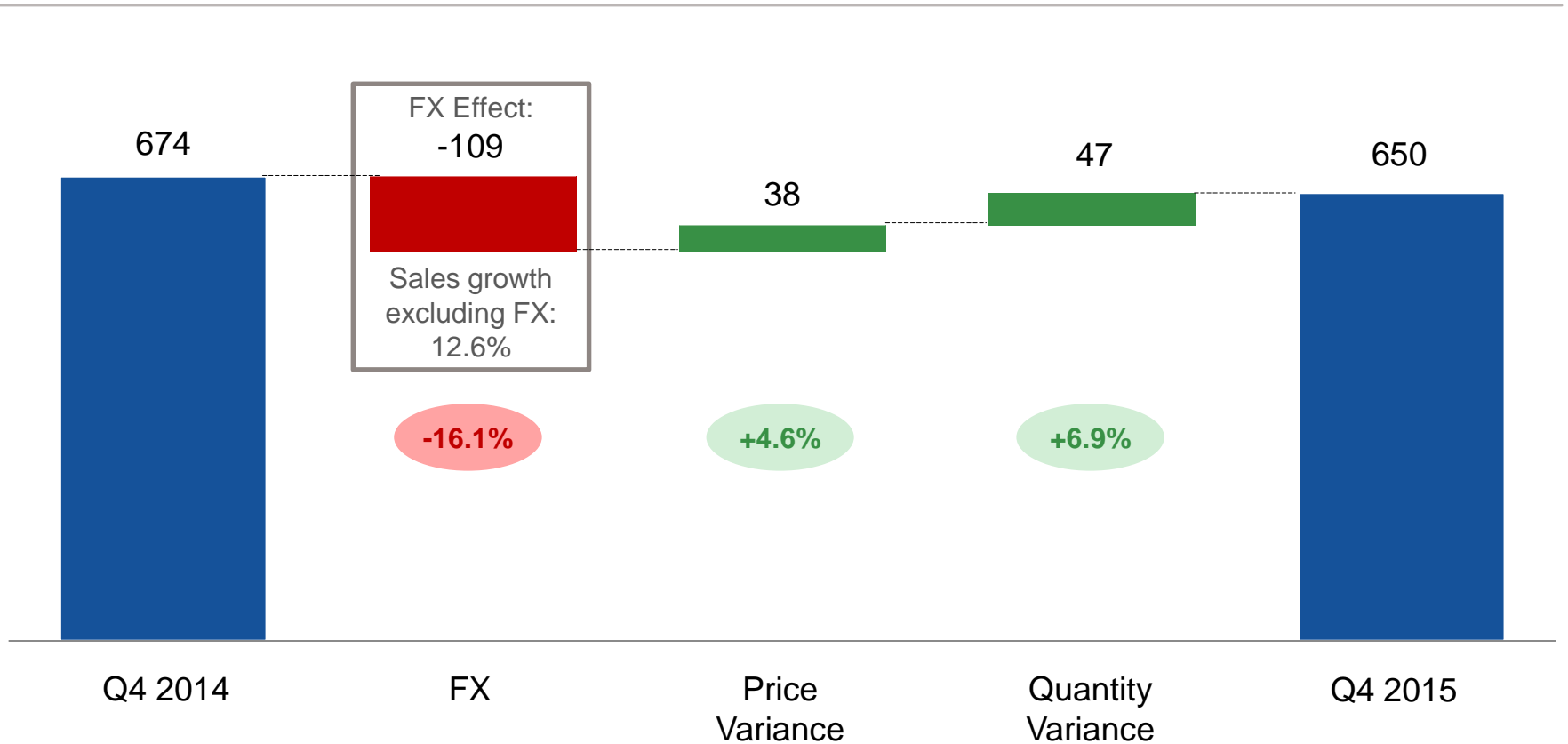
Regional highlights (cont'd.)

India, Middle East & Africa

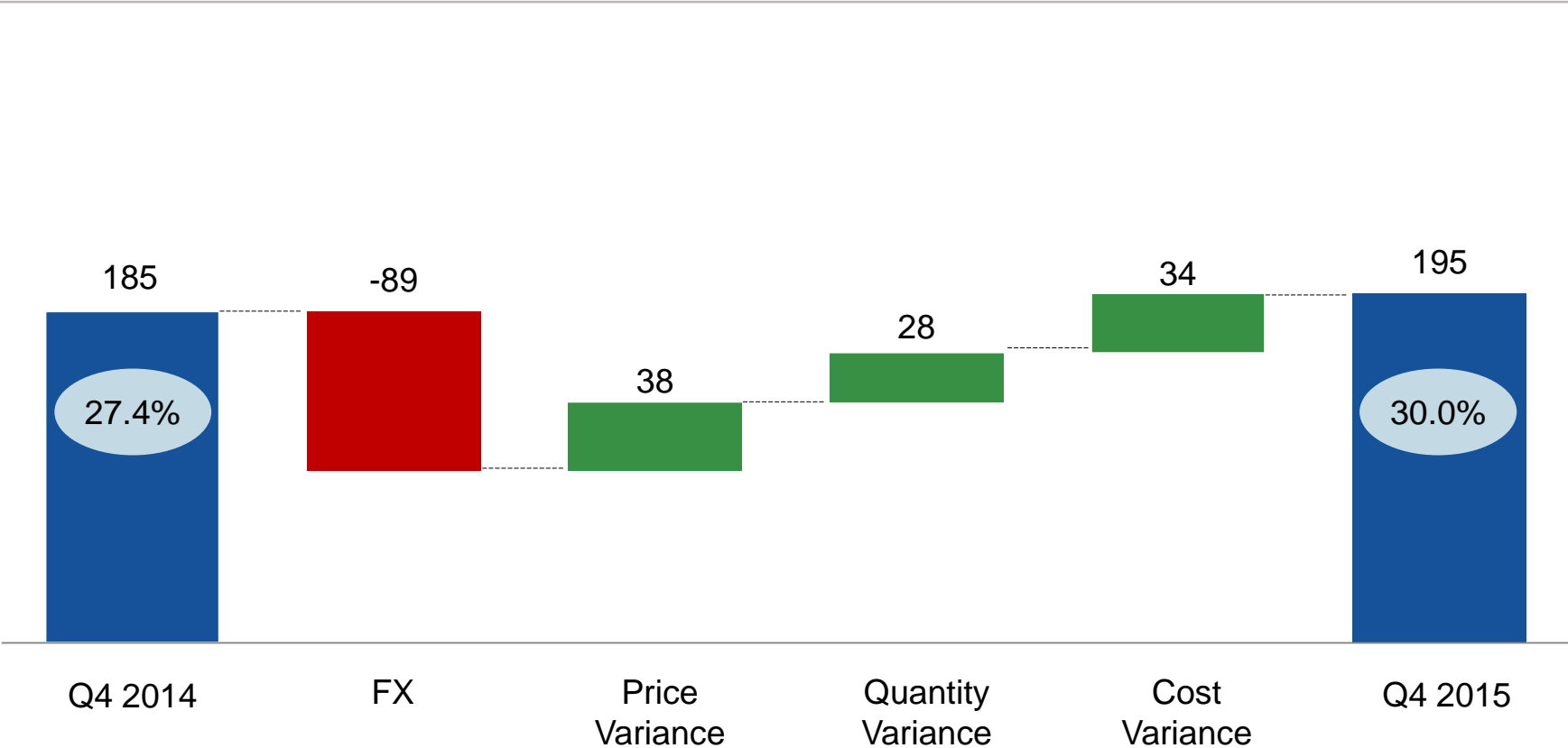
- Growth of 0.1% in Q4 and 5.8% in the full year, at CER, due to significant volume growth driven by launch of differentiated products in 2014 and 2015, and expansion in main focus markets, despite the drought in several key countries, such as India and South Africa
- In India, Adama successfully launched CUSTODIA™, a dual-action fungicide effective against a wide range of diseases
- The Company refocused its activities in all markets in the region, with an emphasis on more profitable sales and a reduction in the sale of less differentiated products, especially in the markets of West Africa
- Activity in Turkey successfully launched



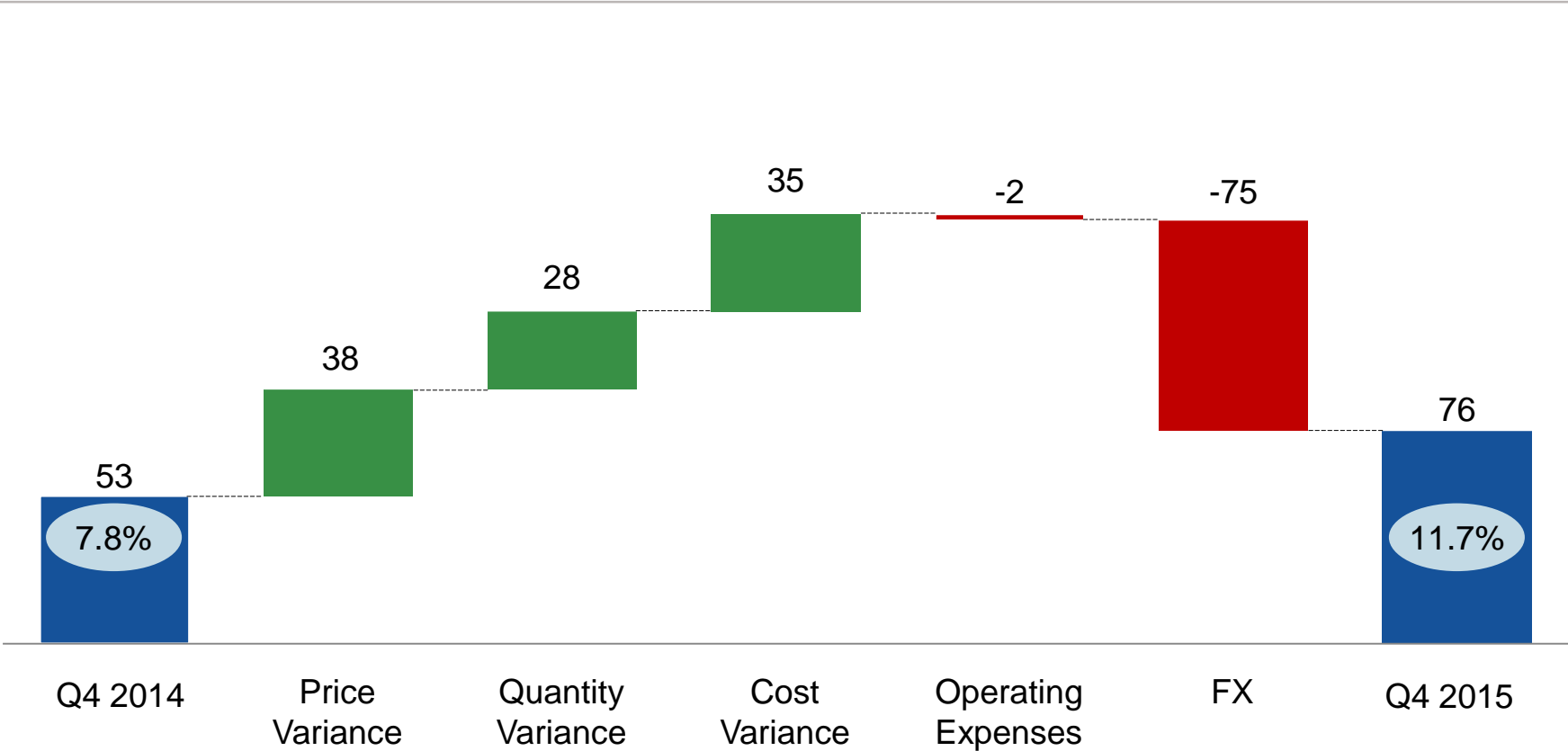
Q4 Sales bridge analysis



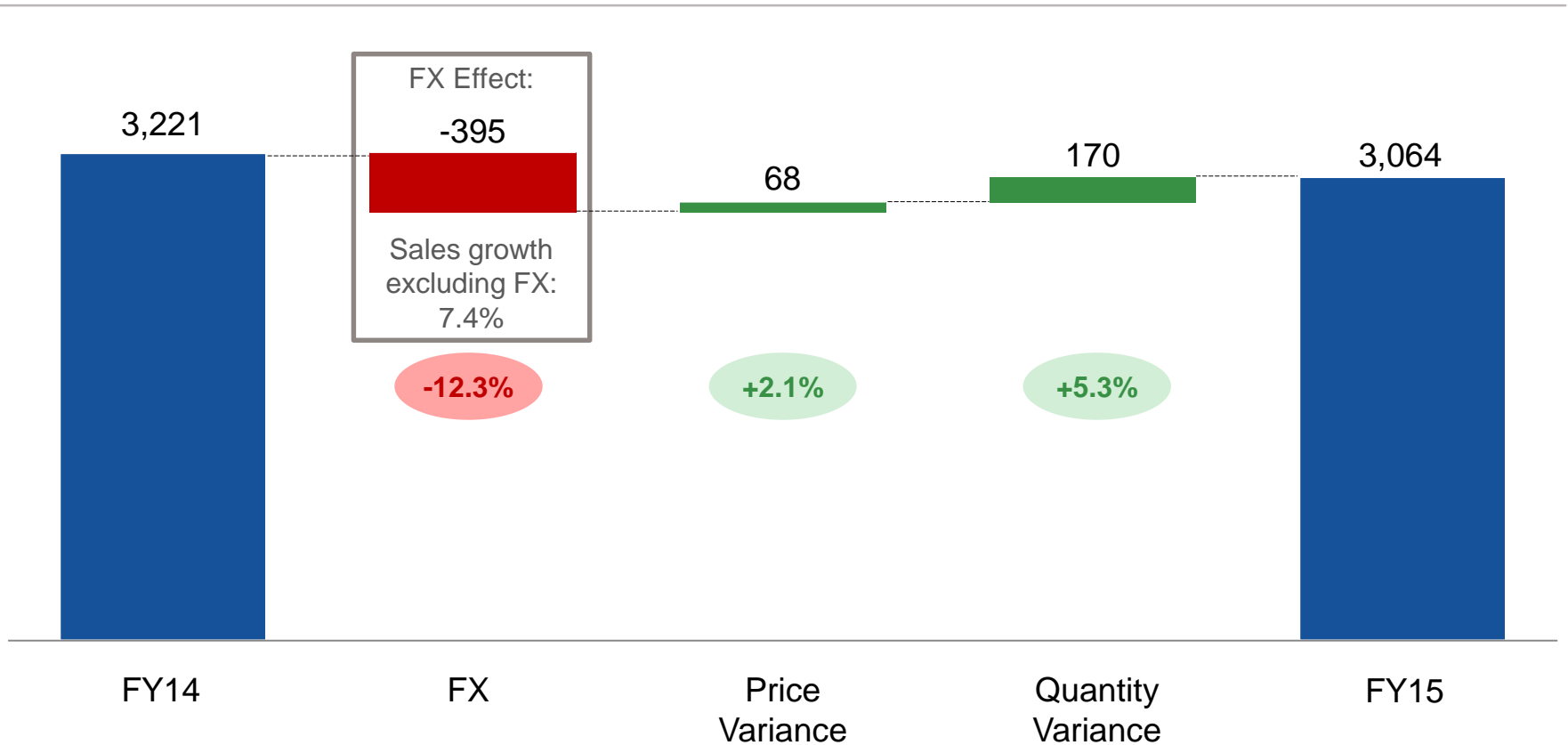
Q4 Gross profit bridge analysis



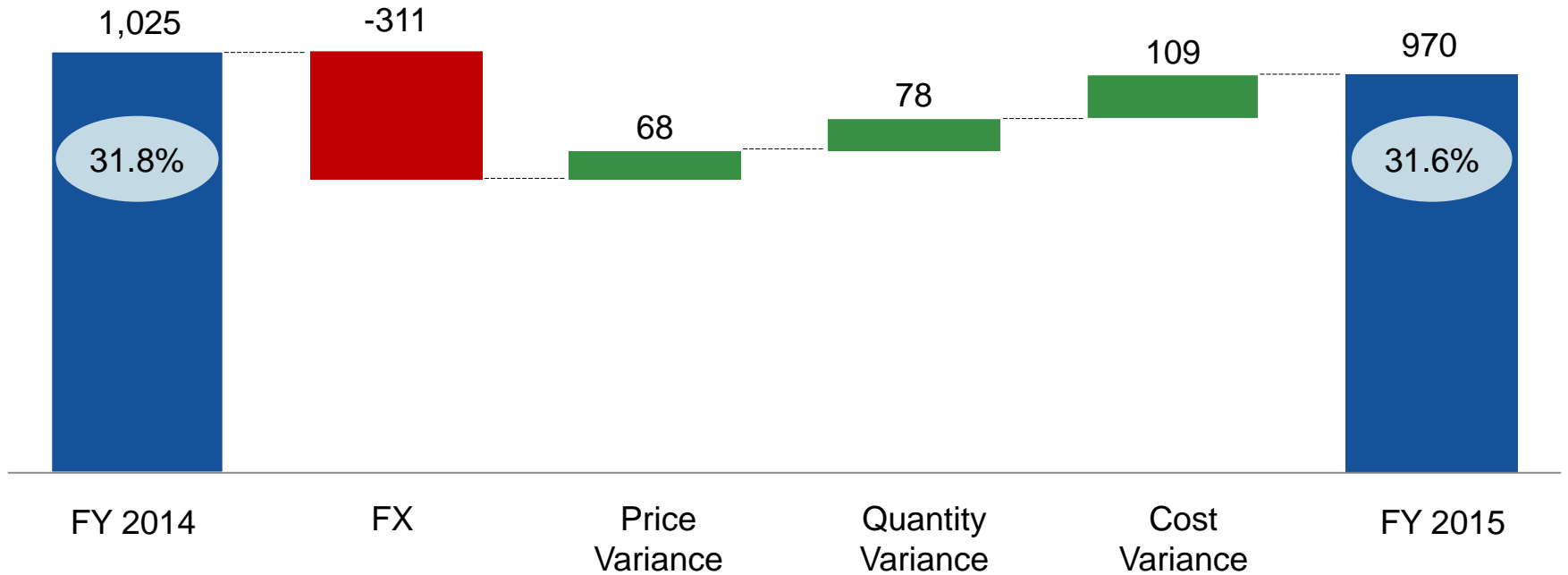
Q4 EBITDA bridge analysis



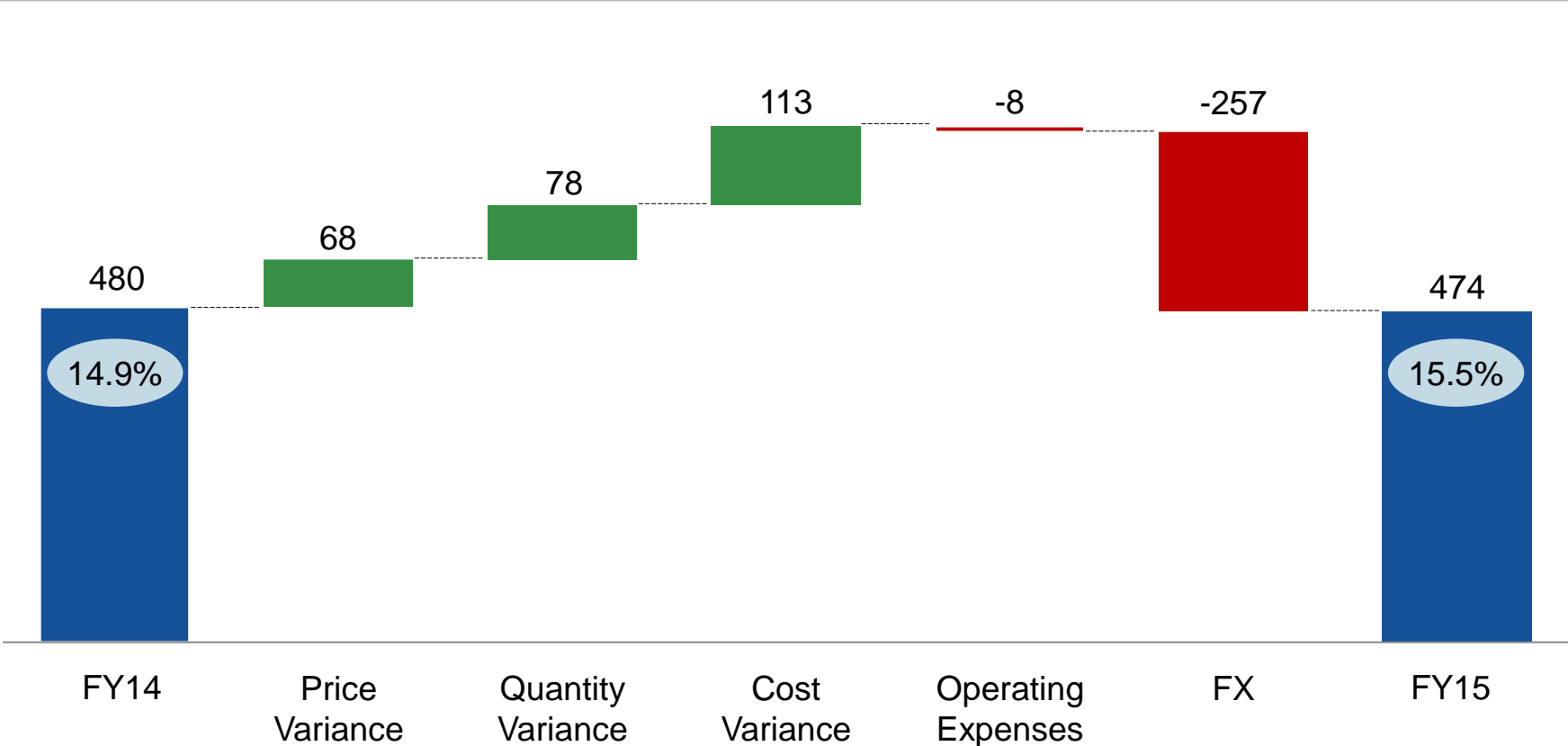
FY15 Sales bridge analysis



FY15 Gross profit bridge analysis



FY15 EBITDA bridge analysis





ADAMA