

ADAMA



Q1 2016 Business Update

May 22, 2016

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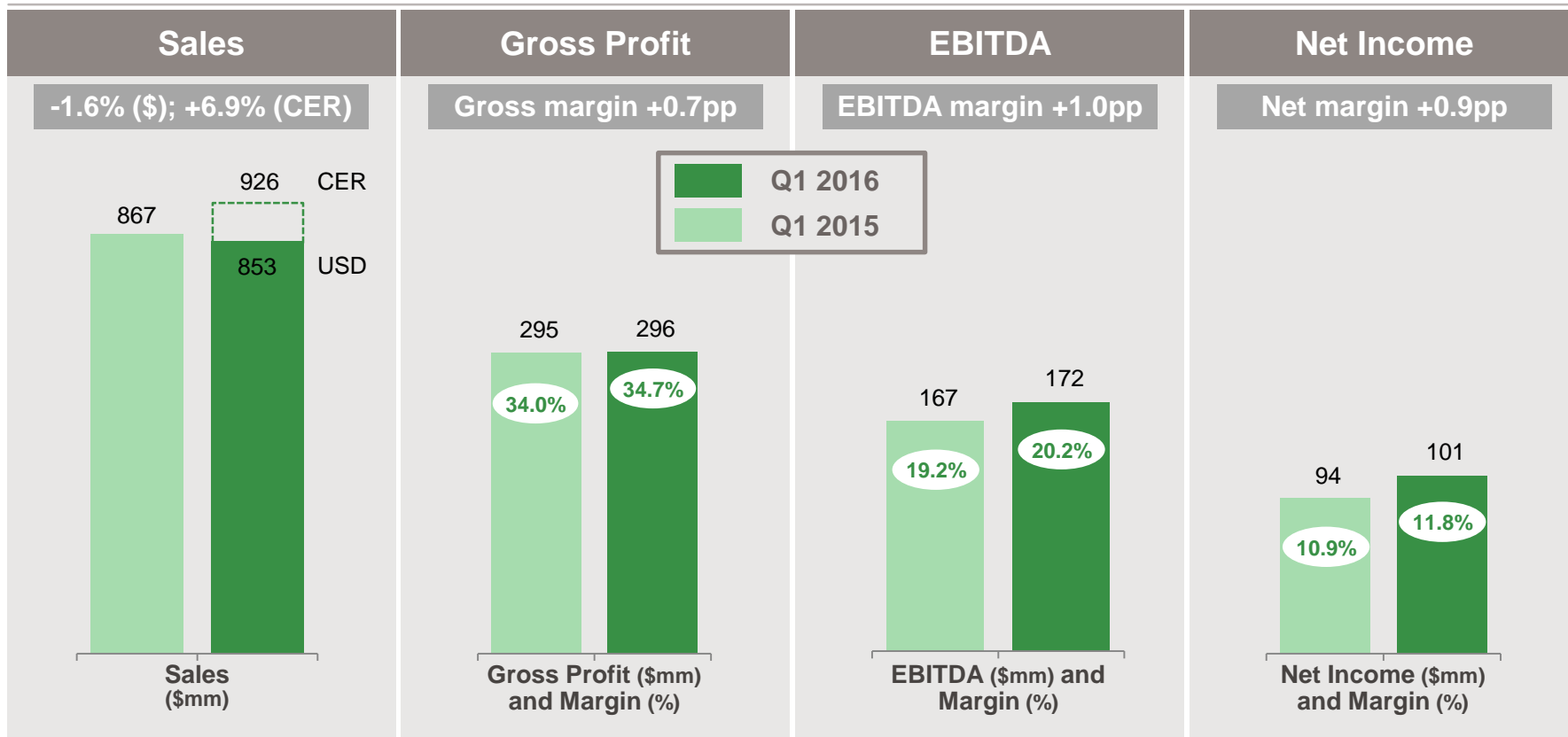
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Q1 2016: Strong growth, increased profits and profitability in the face of tough market conditions



Reduction of inventories by \$79m alongside improved free cash flow

Financial highlights

<i>Adjusted, (\$ million)</i>	Q1 2016	Q1 2015	% Change CER	% Change USD
Sales	853	867	+6.9%	-1.6%
Gross Profit	296	295		+0.4%
<i>As % of Sales</i>	<i>34.7%</i>	<i>34.0%</i>		
Operating Expenses	167	169		-1.2%
Operating Income (EBIT)	129	126		+2.6%
<i>As % of Sales</i>	<i>15.1%</i>	<i>14.5%</i>		
Net Income	101	94		+6.8%
<i>As % of Sales</i>	<i>11.8%</i>	<i>10.9%</i>		
EBITDA	172	167		+3.2%
<i>As % of Sales</i>	<i>20.2%</i>	<i>19.2%</i>		

Note:

CER: Change in Constant Exchange Rate terms

The Income Statement items for Q1 2016 that appear in the above table include adjustments for redeployment of employees' options granted in 2014. The Income Statement items for Q1 2015 that appear in the above table include adjustments for: revaluation of options on debentures issued by the Company in Q1 2015, a capital gain from the sale of intellectual property, a provision due to a tax-related event from 1985, and expenses due to the early retirement of employees under an agreement from 2010.

Q1 2016 Business Summary

Strong volume growth and increased profits and profitability in the quarter, in face of tough AgChem and currency conditions

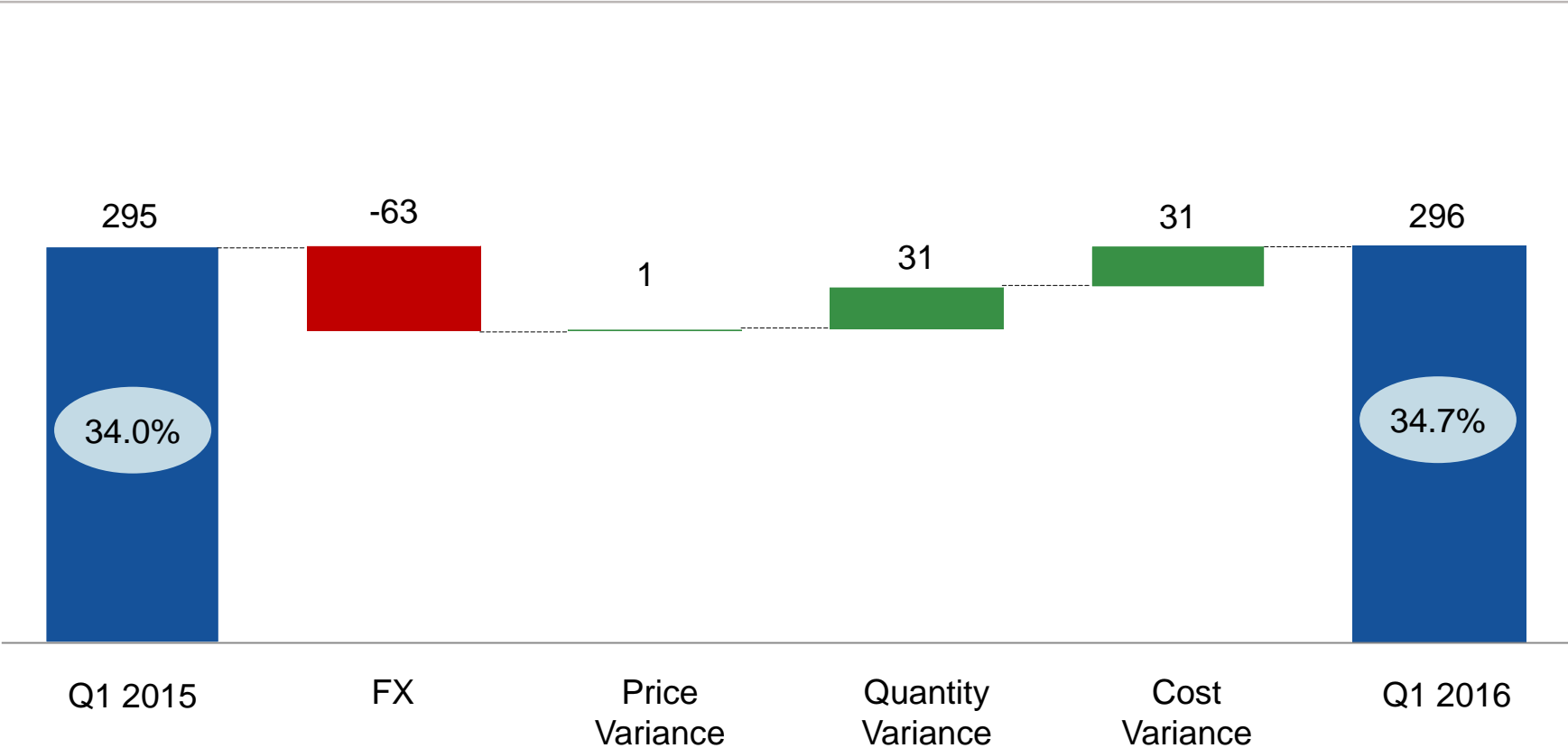
- First quarter sales of \$853m:
 - Growth of 6.9% at constant exchange rates, across all geographies, driven by 6.7% increase in volumes, higher prices and improved mix
 - USD sales 1.6% lower due to strength of US dollar
- Growth in all profit and profitability metrics:
 - Gross profit higher at \$296m, an increase of 0.7 percentage points in gross margin to 34.7% – the highest gross margin in the last eight years
 - Operating income increased by 2.6% reaching \$129 million, an increase of 0.6 percentage points in operating margin to 15.1%
 - Net income grew by 6.8% reaching \$101 million, an increase of 0.9 percentage points in net margin to 11.8%
 - EBITDA up by 3.2% reaching \$172 million, a full percentage point increase in EBITDA margin to 20.2%
- Improved free cash flow in the quarter, with markedly reduced inventory level

Results reflect Adama's continued sector-leading performance

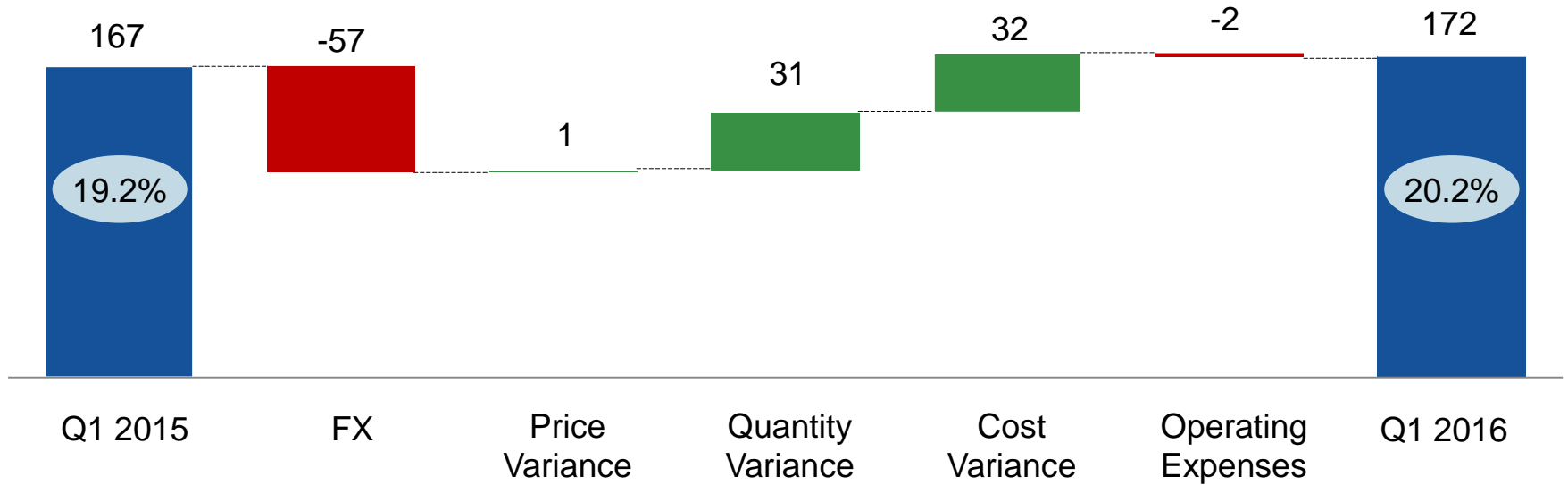
Q1 Sales bridge analysis



Q1 Gross profit bridge analysis

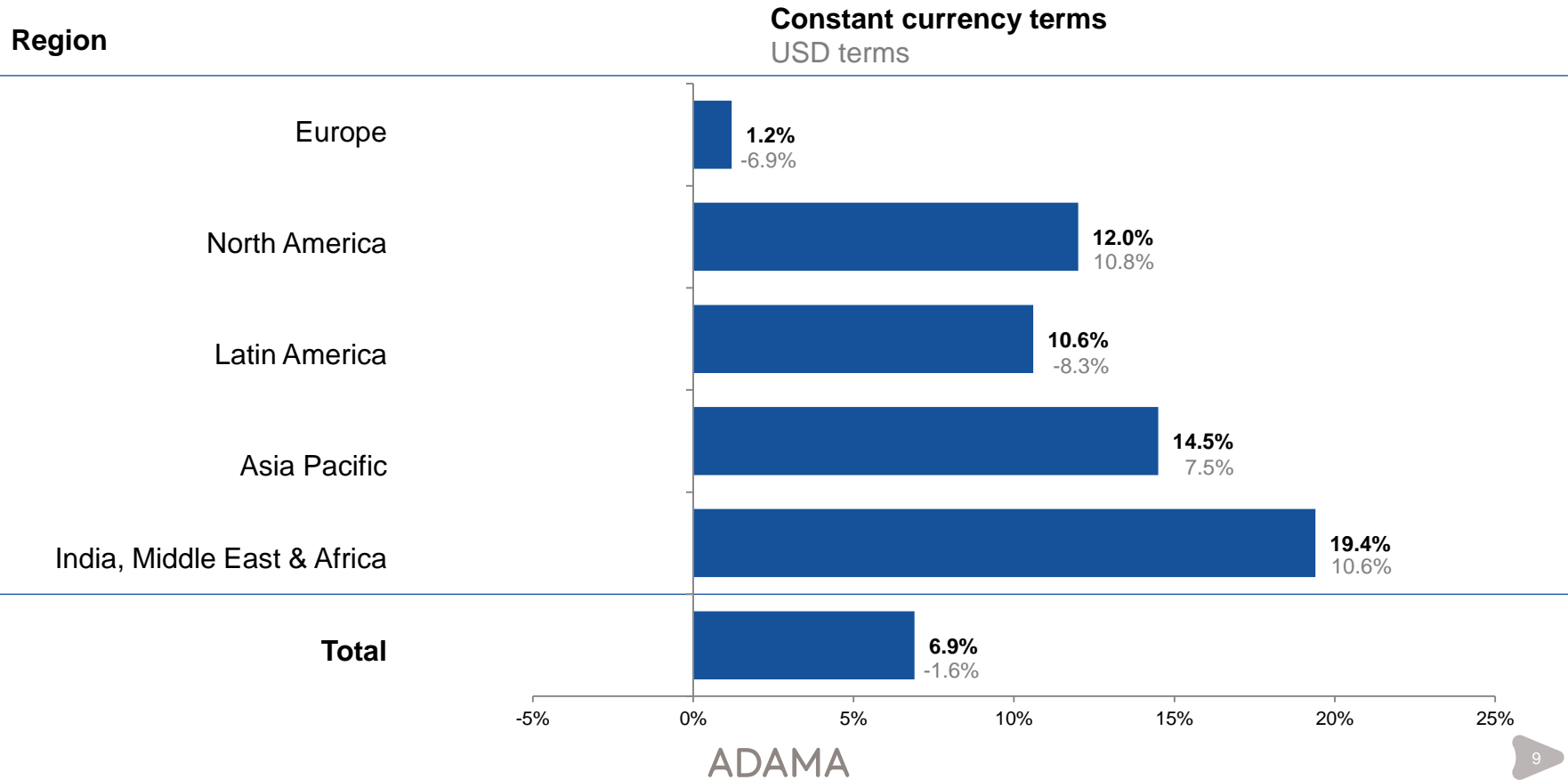


Q1 EBITDA bridge analysis



Quarterly regional sales performance Q1 2016 vs. Q1 2015

Sales change by region



Regional highlights

Europe

- Growth of 1.2% at CER, due to significant volume growth driven by the launch of new products and the deepening of commercial activity, supported by increased sales of high value-added products
- Delayed start to the season due to extended cold weather
- Launches of differentiated products, including the cereal and corn herbicide ELEGANT™ in Ukraine and the broad-spectrum cereal fungicide KANTIK® in Germany



North America

- Growth of 12.0% at CER, due to US focus on key customers and territories, as well as high value-added crops, and the launch of new products
- Canadian business delivered robust performance, achieved through strong product demand driven by business alignment and a focused approach with retail and distribution customers. Successfully launched three new products: the insecticide seed treatment SOMBRERO™, the herbicide SQUADRON™ and the herbicide HOTSHOT™, a unique and powerful mixture of two active ingredients used to combat glyphosate-resistant weeds
- Good performance of Consumer and Professional Solutions, driven by developing new customer segments and high demand for recently launched products



India, Middle East & Africa

- Growth of 19.4% at CER, due to significant growth of high-value products, led by Turkey
- In India, further investment in the differentiation of Adama's portfolio, with new registrations for unique products, among them the herbicides TAMAR™, for use in sugarcane, DEKEL™ for use in onions, and SHAKED™ for use in soybeans
- Severe drought in India and South Africa

Regional highlights (cont'd.)

Latin America

- Growth of 10.6% at CER, driven by price increases, mainly in Brazil, and stable volumes
- Marked growth in Brazil, in both local currency and USD
- High inventory levels and ongoing challenging conditions in several countries, including El Niño-related floods and volatile weather, and political and economic instability in Brazil

Asia Pacific

- Growth of 14.5% at CER, due to strong volume growth, mainly in the Pacific, stemming from strengthening of commercial activity
- Challenging conditions in Asia, impacted by serious El Niño-related droughts in Thailand and Vietnam
- Following the successful launch of NIMITZ™ in Australia in 2015, new registration of the product achieved in South Korea; product to be launched later this year
- BOBCAT i-MAXX®, a unique new herbicide for knockdown and long-term weed management in sugarcane, performed well in Australia following its recent launch



Adama's wide portfolio of unique mixtures addresses needs induced by GM seeds

Galil®

- Increased use of caterpillar-resistant genetically modified soybean strains in Brazil has resulted in the proliferation of sucking pests
- Adama was able to offer the farmers GALIL®, a unique insecticide mixture shown to be particularly effective against sucking pests
- Extensive marketing efforts, benefiting from customer proximity, resulting in market leading position



Adama continues to progress towards the realization of its strategic goals in China, especially the establishment of its commercial and operational activities

- At the beginning of the year, Adama launched its direct sales in China, appointed its management team and was joined by dozens of new sales personnel in ten provinces.
 - Performance in Q1 has exceeded plan
- Adama is now the sales platform of formulated products of several CNAC companies
 - Selling higher volumes than planned
- On the operational side, construction of the new, state-of-the-art formulation and packaging center in Huai'an is progressing
 - Expected to come on-stream within the next year
- Adama's shareholders are continuing to progress the Sanonda transaction. In this context, trading in Sanonda's shares has been suspended until August 4th

Adama's new branded products hitting the Chinese market





ADAMA