2010 Financial Results

17/03/2011

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Highlights

- 2010 marks a year of considerable progress for Makhteshim Agan
  - Important achievements in the execution of our comprehensive action plan announced in the beginning of 2010
  - Our overall restructuring efforts involved significant one-time charges that lead us to record net loss for FY 2010
  - Expected gradual improvement in financial results in 2011
- Sales growth driven by strong organic growth in all regions, apart from Brazil
- Gross profit improvement (despite weak performance in Brazil) underscores our capabilities in the commercial, development and operational areas

Aviram Lahav
Chief Financial Officer

Financial Results - FY 2010

$mm	2010 As reported	2009 As reported	2010 Non- GAAP	2009 Non- GAAP
Sales	2,362.2	2,214.6	2368.2	2,214.6
Gross Profit	649.2 (27.5%)	581.9 (26.3%)	673.1 (28.4%)	602.1 (27.2%)
Operating Income	6.2	119.7	147.9	146.4
Net Income (Loss)	(132.2)	32.7	20.8	67.3
EBITDA	141.7	217.7	258.1	244.4
Inventories	1,002.2	1,000.6	1,002.2	1,000.6
Cash flow provided by operating activities	162.4	209.6	162.4	209.6

Non-GAAP figures exclude nonrecurring items in Q3 2010, Q4 2010 and Q2 2009

Non Recurring Items 1-12/2010

	$mm
Operations restructuring:	
Employees retirement in Israel	58.2
Tax in respect of employees retirement	(8.6)
	49.6
Impairment of fixed assets in Israel	5.0
Milenia's turnaround:	
Employees retirement	5.1
Impairment of fixed assets, other assets and long term investments	26.2
Impairment of current assets	27.8
Tax asset impairment	19.9
	79.0
Albaugh Transaction	4.9
Impairment of registration assets and duty in USA	14.5
Total non recuring items	**153.0**

Financial Results - Q4 2010

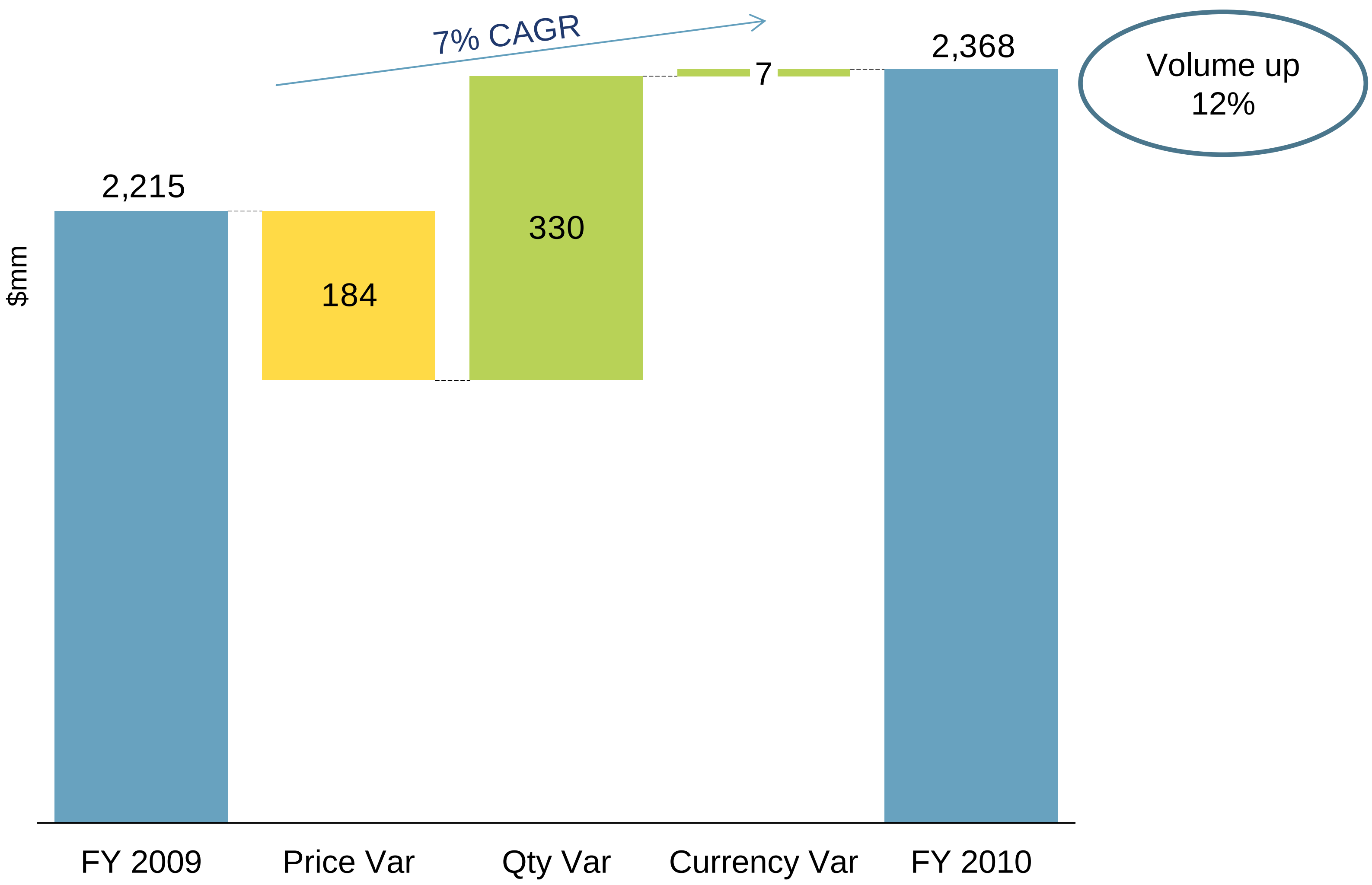
$mm	Q4 2010 As reported	Q4 2009 As reported	Q4 2010 Non- GAAP	Q4 2009 As reported
Sales	505.1	496.2	511.1	496.2
Gross Profit	106.1 (21.0%)	100.9 (20.3%)	121.5 (23.8%)	100.9 (20.3%)
Operating Loss	(139.7)	(17.4)	(11.6)	(17.4)
Net Loss	(159.2)	(29.8)	(39.7)	(29.8)
EBITDA	(85.4)	8.7	17.4	8.7
Inventories	1,002.2	1,000.6	1,002.2	1,000.6
Cash flow provided by operating activities	(5.8)	(10.0)	(5.8)	(10.0)

Non-GAAP figures exclude nonrecurring items

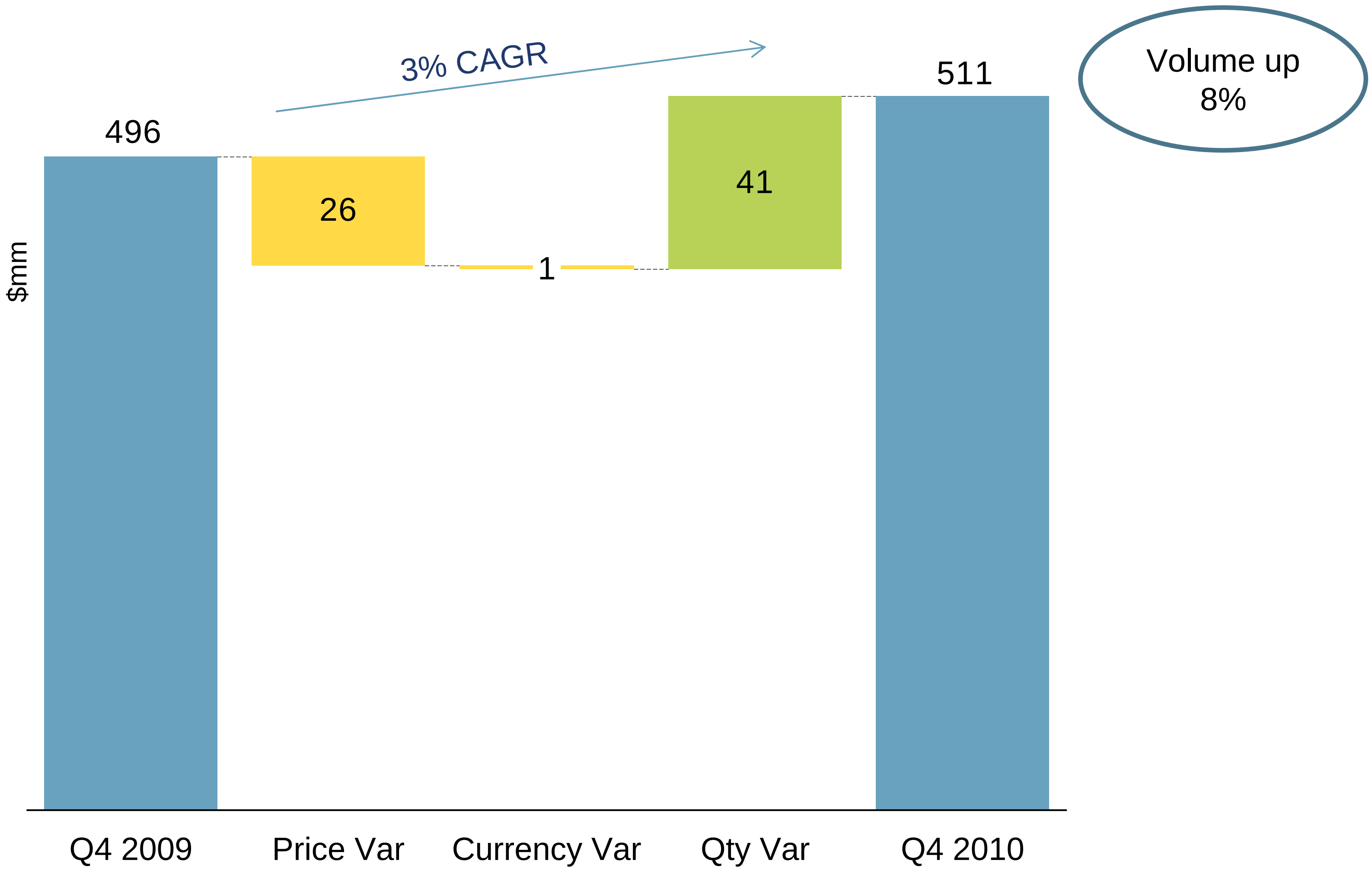
Non Recurring Items Q4/2010

	$mm
Operations restructuring:	
Employees retirement in Israel	58.2
Tax in respect of employees retirement	(8.6)
	49.6
Impairment of fixed assets in Israel	5.0
Milenia's turnaround:	
Employees retirement	5.1
Impairment of fixed assets, other assets and long term investments	26.2
Impairment of current assets	18.3
	49.6
Albaugh transaction	0.8
Impairment of registration assets and duty in USA	14.5
Total non recurring items	**119.5**

2010 Sales Analysis

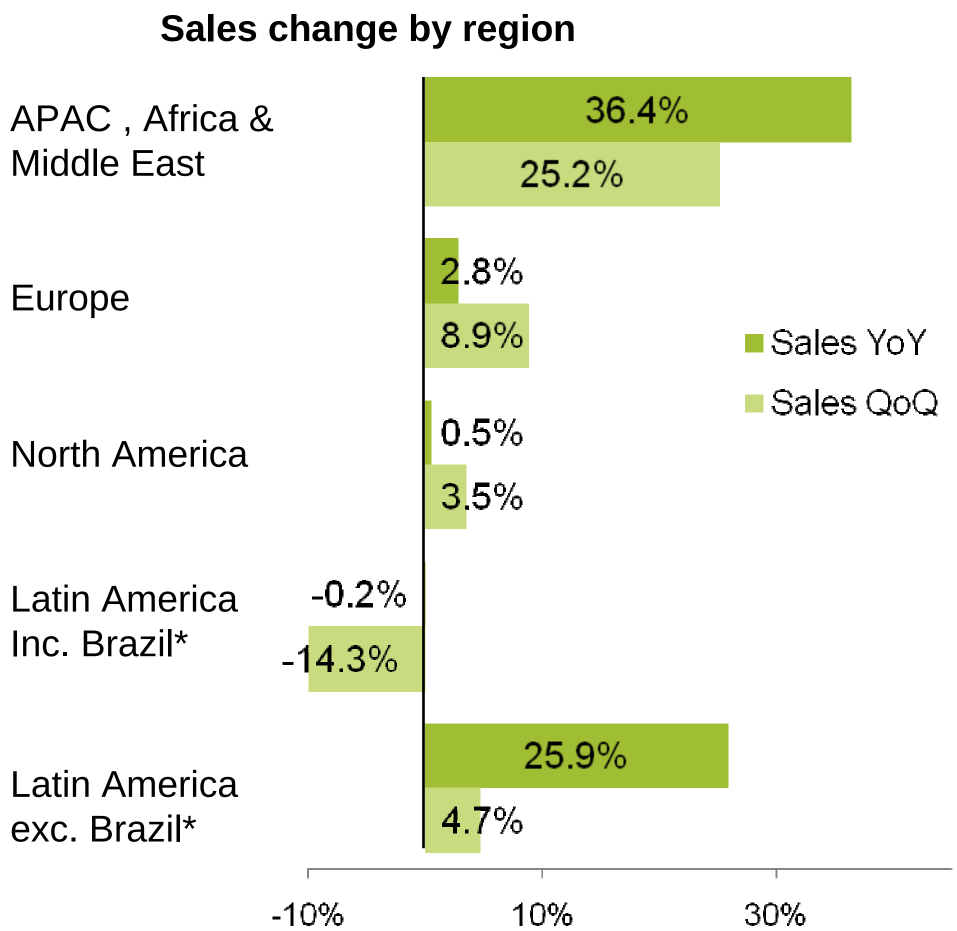


Q4 2010 Sales analysis



Regional Sales Performance

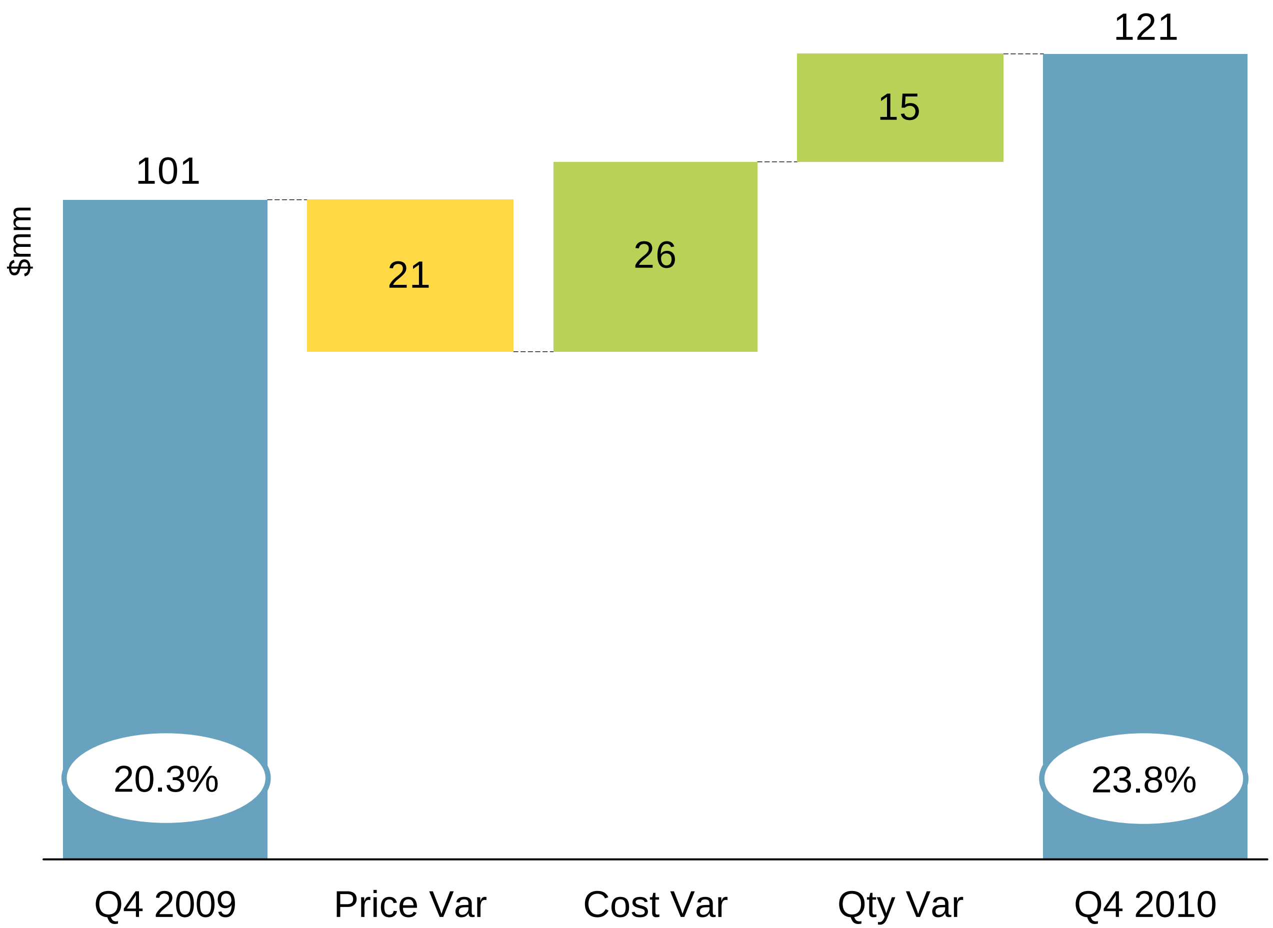
- Significant growth in **APAC & Africa.**
  - Continued momentum in India and Australia, supported by strong AUD
- Market share gains in **Europe**, overcoming competitive pressure in the region
  - Challenging weather conditions and high inventory levels in 1H of 2010
- Apart from Brazil, strong business performance across **Latin America** supported by new product launches



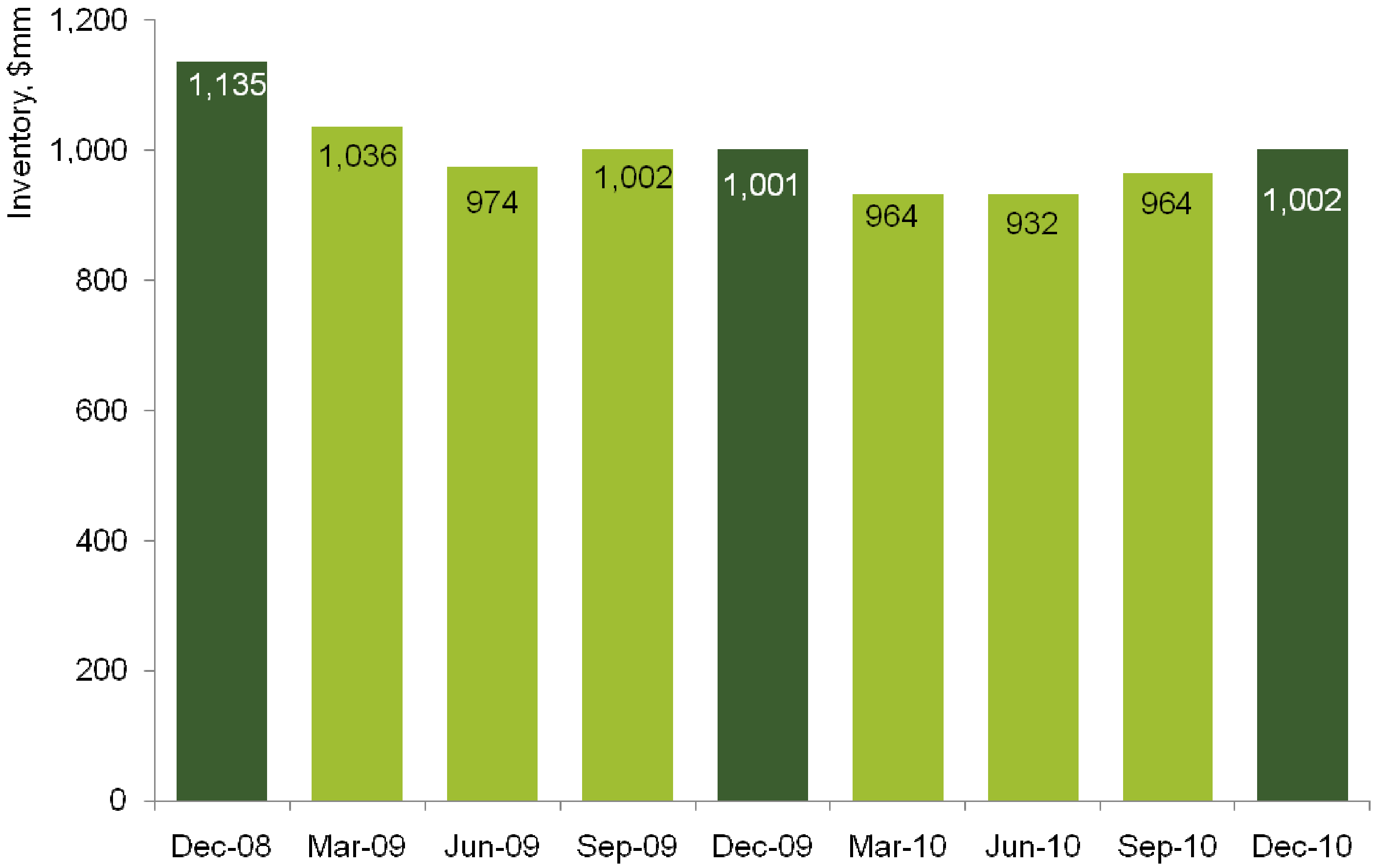
*Latin America sales breakdown is not disclosed in the Company's annual filings

2010 GP analysis
Non GAAP

Q4 2010 GP analysis
Non GAAP

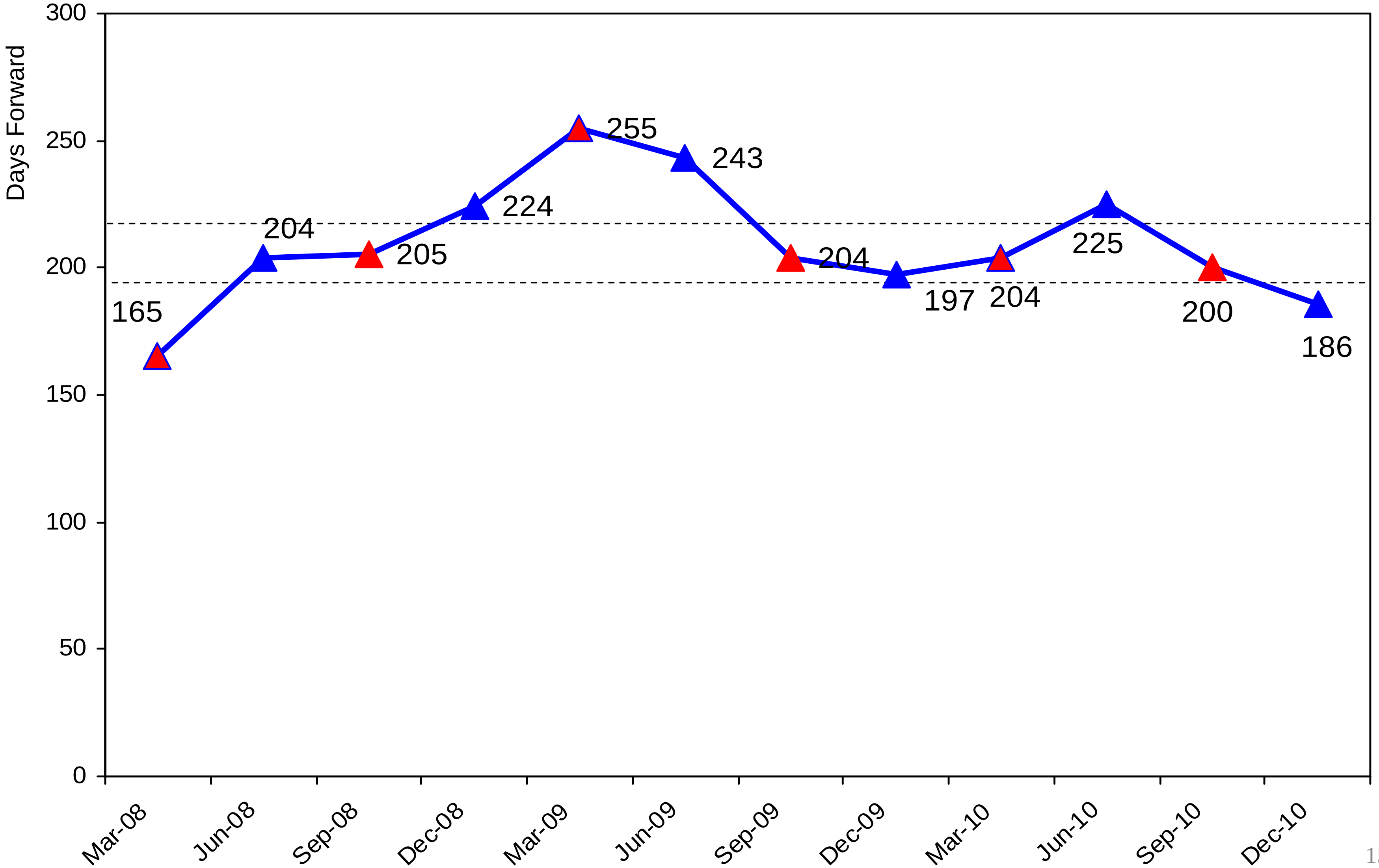


Inventory



Inventory, $mm
1,200
1,000
800
600
400
200
0
1,135
1,036
974
1,002
1,001
964
932
964
1,002
Dec-08
Mar-09
Jun-09
Sep-09
Dec-09
Mar-10
Jun-10
Sep-10
Dec-10

MAI Inventory Level by Quarter
Days Forward



Cash Flow

$mm	2010	2009
Cash flows provided by operating activities	162.4	209.6
Cash flows used in investing activities	(196.8)	(153.8)
Free cash flow	**(34.3)**	**55.8**

Balance Sheet

$mm	31/12	
	2010	2009
Cash & ST Investments	423.1	562.9
Trade receivables	650.4	610.0
Other receivables	155.8	172.6
Inventories	972.4	959.6
Current Assets	**2,201.7**	**2,305.0**
LT Trade receivables	30.7	25.4
LT Inventories	29.8	41.0
Other LT Investments	109.9	106.9
LT Investments	**170.4**	**173.3**
Deferred tax	**73.5**	**86.5**
Fixed assets cost	1,228.8	1,138.3
Depreciation	609.1	558.4
Fixed assets, net	**619.7**	**579.9**
Other assets, cost	1,212.2	1,104.7
Amortization	558.7	489.7
Other assets, net	**653.5**	**615.0**
Total	**3,718.7**	**3,759.8**

	31/12	
	2010	2009
Credit from banks and others	442.8	237.0
Bonds	123.5	83.5
Trade payables	503.4	501.7
Other payables	414.7	322.3
Put options	19.8	24.1
Current Liabilities	**1,504.3**	**1,168.6**
Long term Put options	4.9	-
Long term loans	74.4	303.2
Bonds	848.0	896.6
Deferred tax	28.3	39.6
Other LT liabilities	111.0	75.2
Shareholders Equity	**1,147.8**	**1,276.8**
	3,718.7	**3,759.8**

Financial Debt Status

$mm

	31/12/2010			31/12/2009
	Short Term	**Long Term**	**Total**	**Total**
Banks	442.8	74.4	517.2	540.1
Bonds	123.5	848.0	971.5	980.0
Bonds hedge			(86.4)	(98.7)
Total Balance Sheet Debt			1,402.3	1,421.4
Cash & ST Investments			423.1	562.9
Total Net Balance Sheet Debt			**979.3**	**858.5**

*Excluding securitization of $179.8mm and $157.2mm for 31.12.2010 and 31.12.2009 respectively

Erez Vigodman
Chief Executive Officer

Defining the Key Challenges (January 2010)

- Cost Structure of AI's and Products
- Global Supply Chain
- U.S. Ag Chem Penetration
- Brazilian Operation
- Business Model
- New Vision, Purpose and Clear Direction

2010 Execution

New organizational structure		
Optimizing manufacturing network	Global supply chain optimization	
Brazil restructuring	Enhancing business model in the US	
Tapping the potential in APAC & Africa	Focus on major registrations and product launches	Add on acquisitions in Mexico and Korea
MAI way - core purpose, core values, visionary goals (2015), our brand		
Transformational transaction		

Chen Lichtenstein

Head of Global Resources and Corporate Development

Optimizing Manufacturing Network

Thorough end-to-end cost structure analysis of MAI’s leading AIs, launched in March 2010 and concluded in H2 2010

Execution highlights:

1. Gradually focus on manufacturing activities where MAI holds a sustainable competitive advantage
2. Adjust manufacturing platform to reduce overhead, logistics, and other manufacturing costs
3. Clear direction which we started to implement in our plants in Israel and Brazil
4. 2011-2012 - departure of 250 employees in Israel (150 in 2011) and more than 200 employees in Brazil
5. Expected cost savings of $13mm in 2011 and $20mm in 2012
6. Shift to natural gas is already in Ramat Hovav, Agan is expected in several months time
7. Management of Global Resources realigned, reduction of 35 additional employees

Global Supply Chain Optimization

- Roll out of group wide sales and operations planning process in advanced phase
- Inventory days under control
- Quality control lab in Nanjing, China launched
- Formulation network strengthening and deployment in US (Bold sites) and India (launch of formulation site)

Brazilian Restructuring Plan – Timeline

	Q3 2010	Q4 2010	2011
Activity	Construct detailed plan	Management changes	New CEO and CFO appointed
			Step 2 in workforce realignment completed
		Step 1 in workforce realignment completed	Create sustainable platform for future profitable growth
		Closing manufacturing activities that are not financially viable	Accelerate introduction of new products
Financial Impact	**Total nonrecurring expenses = $28.4m** 1. Tax assets impairment =$19.9mm 2. Assets impairment =$8.5mm	**Total nonrecurring expenses = ~$50mm**	Expected annual saving app.: $30mm in G&A related costs and $7mm in manufacturing costs
			Milenia sales decrease by $30mm-$50mm
			Expect Milenia to return to profitability

Yoav Zeif
Head of Global Products and Marketing

Enhancing the Business Model in the US

- **Enhanced organizational structure in the Americas region**
  - Changed management in North America, shifting MAI's business model

- **Monsanto commercial collaboration**

- **Use MAI global capabilities in product development to address regional customer needs**
  - Gradual replacement of phased out and less profitable products
  - Innovation through new and existing mixtures

- **Bravo Ag deal in Mexico** signed and closed in January 2011, consolidation expected in Q1 2011

Tap the Potential in Asia, Pacific & Africa

- Focus on product development
- Leveraging global registration capabilities
- Penetration to additional markets: West Africa and Korea in 2011, further markets in 2012
- J.K Korea deal signed and closed in October 2010, consolidation expected in Q1 2011

Product Launches and Extension of Registration Underline our Growth

2011 launches:

5 New AI's

20 New formulations & mixtures

Target markets:

EU, US, LATAM

Main crops:

Cereals, Grape,
Orchards, Soybean,
Non crop

Estimated target market of ~$800mm

New registrations*

* New Registrations excluding label extensions and re-registrations
Source: iMap 2009-2010 data, AI market value

Outlook

- Organizational change initiatives will positively impact our operational performance starting in 2011

- Favorable market conditions
  - High crop prices
  - Low inventory levels
  - The season began with favorable weather conditions in the Northern Hemisphere

- ChemChina business combination approval progressing in-line with earlier indications

Thank you