

CROP PROTECTION
CROP NUTRITION



Beyond Nature Business overview



02	WELCOME
04	THE BACKGROUND OF AGRICULTURE
05	SAPEC GROUP
07	SAPEC AGROBUSINESS
09	CROP PROTECTION
12	CROP NUTRITION
14	BIOLOGICAL PRODUCTS
15	SUSTAINABILITY AND SOCIAL RESPONSIBILITY
16	HIGH INDUSTRIAL POTENTIAL
20	PERFORMANCE REVIEW
24	VALUES

Dear readers,

Taking part in one of the greatest challenges that our planet will have to resolve in the coming decades is for us a source of motivation, responsibility and commitment.

Ensuring all people, present and future inhabitants of this earth, a healthy, balanced and accessible food supply without jeopardizing the environmental balance is not only an obligation but also essential, as failing to do so may revive economic or geopolitical tensions which proved disastrous in the past.

In the face of a growing world population globally we have resources, technology, expertise and the financial means to meet this great challenge for humanity. It will be necessary to improve the management and allocation of resources, to invest in support and transport infrastructures, it will require investing in education and training and also a balanced and sustainable increase in agricultural productivity.

This increase in productivity will be achieved among others through general improvement in plant health. Measured and appropriate nutrition will on the one hand ensure better growth and resistance for the plant, and the targeted application of preventive and curative treatments will on the other hand provide the plant with the essential conditions for a normal life cycle.

Through our two core businesses, at Sapec Agrobusiness we are committed to plant health, both as regards its protection and its nutrition. We strive to find the best solutions for our distribution and farming partners, so that together we can respond to this fundamental challenge.

As Agrobusiness' collaborators we want, above all, to understand, to feel, to see and to be near the reality

of farmers' life. We want to understand our markets, our customers, the crops and the nature around them, and to do this we are always in the field and in constant dialogue with those who work there.

It is through this close presence and this dialogue that the most appropriate and relevant solutions to the many challenges inherent to agricultural reality are born.

We are motivated and proud to contribute positively to this great challenge facing humanity and to work for this primary sector to which the world owes its past and future survival. This we do by respecting, now and in the future, a framework of values and responsibilities that has always been present in our Group.

CEO, Sapec Agrobusiness
Eric van Innis





I. THE BACKGROUND OF AGRICULTURE

Feeding a growing population

• Producing more and better food

The exponential growth of the world population, associated with the prosperity of the populations of the emerging markets, requires a corresponding increase in food production.

- According to FAO, agricultural production in 2050 must be 60% higher.

Given the limited resources (agricultural area and water), the growth of agricultural production will have to be obtained by increasing productivity, as a result of technological improvements. A huge challenge for humanity!

- Resources Management
- Biotechnological Developments
- Agricultural Efficiency
- Sustainability

• Maximizing the productive potential

The genetic potential of a plant is determined by its DNA and the expression of this potential is influenced by external factors. These include abiotic factors such as water, light and climate, as well as stress factors caused by poor nutrition, disease, weeds or insect damage.

Within this scenario, appropriate protection, nutrition and biostimulation of crops play a key role. It is estimated that on average, the farmer exploits only 30% of the genetic potential of the plant and that 50% of agricultural production would be ruined if no crop protection products and nutrients were used.

- Protect, so as not to limit resources
- Nourish, in order to maximize them



II. SAPEC GROUP

Since 1926

- **Sapec Group - Industrial and services holding company**

Founded in Belgium in 1926, the Sapec Group was initially linked to the fertilizer and mining sectors in Portugal, but gradually evolved to produce a comprehensive product range for agriculture. The internationalization trend of the Sapec Group was manifested at an early stage. The Group has been present in Spain for over 50 years and today continues its rapid growth in a large number of countries.

Throughout its nearly 100 years of existence the Group has evolved by entering new businesses such as the chemical industry, environment, agro-food products distribution and logistics, among others.

This Group maintains its familiar profile, despite being listed on NYSE Euronext Brussels since its foundation. Today, it takes the form of an industrial holding, investing in long-term development of different industries, but keeping the agricultural business as its core business.



- **SAPEC AGROBUSINESS - A historical stake in agriculture**

With a well-defined strategic vision, combined with values such as excellence, rigor and professionalism, the Sapec Group actively contributes to the sustainability of the agricultural world.

Since its foundation the Group has had a strong vocation in businesses linked to agriculture, through fertilizers, specialty nutrients, crop protection and seeds, among others. As the core business of the Group, Agrobusiness has accumulated a wealth of know-how, image and reputation, and is a reference in all the markets in which it operates.

Today, Sapec Agrobusiness is essentially present in two businesses with strong growth, Crop Protection and Crop Nutrition. Strong investments in Industry, Regulatory and R&D, together with the synergies between the two businesses, allow Sapec Agrobusiness to position itself as a key player in the development of differentiated products and high-value services in the markets where it operates.





III. SAPEC AGROBUSINESS

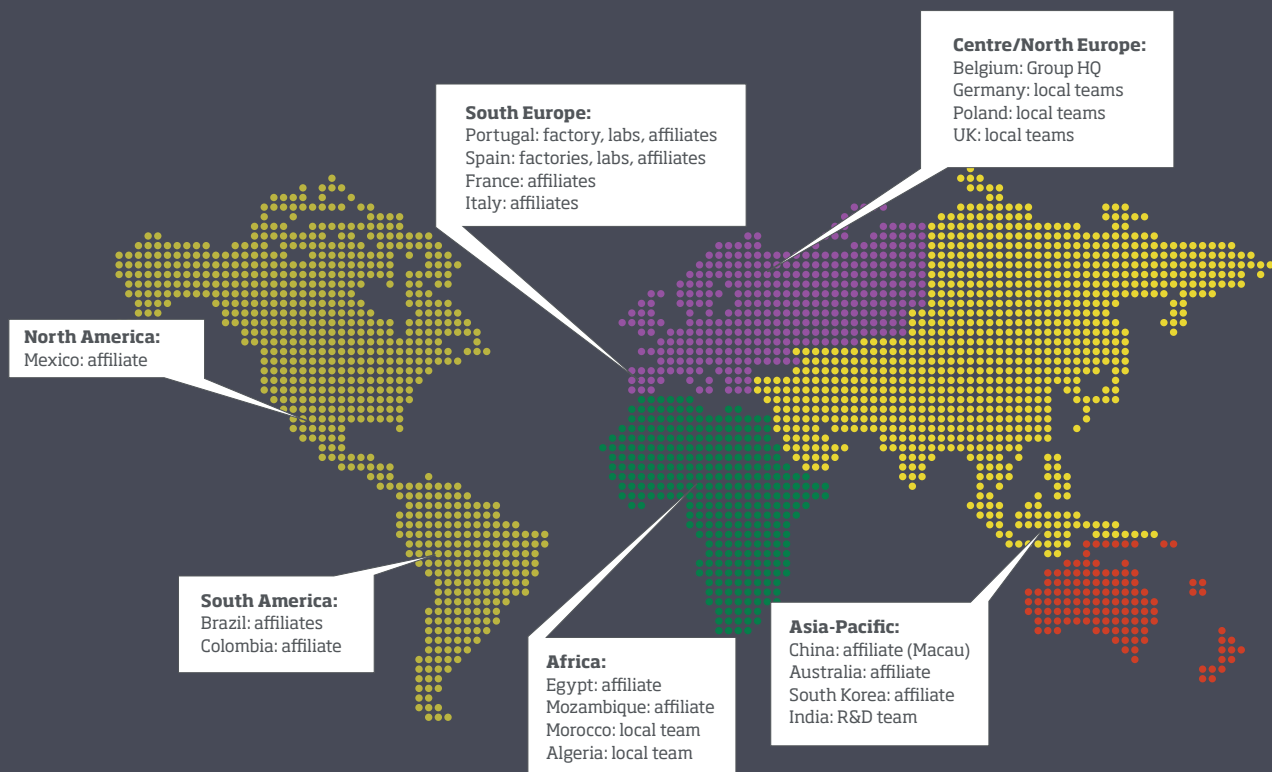
A world of synergies

Four pillars constitute the foundations of the company's strategy, both in Crop Protection and in Crop Nutrition:

- **Highly professional and multinational staff**
- **Priority given to R&D, innovation and regulatory (5% turnover/year)**
- **High quality and differentiation in products and services**
- **International expansion**

• A Global Presence

As service and proximity to the market are key elements of the company's strategy the Group is present around the world, with affiliates, offices, plants and above all its experienced staff adapted to local markets.





CROP PROTECTION

A success story

In the mid-1960s the Group started its Crop Protection business.

Initially it was an accessory business in Portugal, representing third-party brands. Later it created a growing portfolio of generic products, in which area the Group specialized, making Sapec a market leader in Portugal in the late 1990s.

A new strategic option arose at the beginning of this century, marking the Group's position regarding the future, expanding its presence throughout Southern Europe.

In a regulatory scenario of Crop Protection molecules review at European level and with the guideline of the Sapec Group's focus on its business, it was redefined a new vision for the future:

- **To become a benchmark Group in the differentiated, independent and international generic products market**

The Group aims to double turnover in 5 years and the reasons for the company's way forward lie in the internationalization strategy, the robustness of its portfolio and its manufacturing and regulatory potential.

- **SAPEC's Team**

Crop Protection has about 400 employees motivated and committed to the project, who are the lifeblood of the business, and who hail from different countries such as Portugal, Brazil, Spain, India, Italy, China and France, adding value with creativity, proximity to the market and personal and social responsibility.

- **An exceptional portfolio**

In technical and regulatory terms, the Group is supported by cutting-edge laboratories, ranging from residues to microbiology. People and technology are combined as a key asset. From several different nationalities, around 40 professionals dedicated to the regulatory area, provide a diversified technical and scientific know-how.

Today Sapec has reached 90% self-sufficiency in generating top quality, faster and more efficient registration dossiers, which translates into a key competitive advantage.

After an investment of over 50 Million Euro in the last decade, Sapec Agrobusiness is one of the three European generic companies which invested the most in the European registration of generic products and the first in Southern Europe.

By focusing its action on the generic segment, innovation, differentiation and the search for new markets become a challenge, but also a priority. The company develops an intense process of research and development that differentiates its supply and places it at the head of Portuguese companies with more patent applications.



• Much more than a regional player

Although the business was born in Portugal, its internationalization was a logical path and a catalyst for growth. The Sapec Agrobusiness, which in the late twentieth century operated exclusively in Portugal, currently exports over 70% of its turnover in the area of Crop Protection.

In the Iberian Peninsula, where it has more than 12% of the market, Sapec Agrobusiness is the leader of the generics segment through two companies in each market, Sapec Agro and Tradecorp in Spain, and Sapec Agro and Selectis, which lead the Portuguese market with over 30% market share.

In active growth, are the French and Italian projects (1st and 3rd largest European markets). These markets will be the future growth engine for the Group, which will result in the affirmation of Sapec Agrobusiness as an independent reference player in the Southern European zone. Through these affiliates its products reach other South European markets.

More recently, Sapec has entered the Brazilian market (world's largest market) where the Group has an ongoing process of intense registrations through its affiliate Sapec Agro Brazil.

Leveraging the asset that is the European regulatory registration, "Made by Sapec" products will soon conquer the Central European markets, through a strategy of partnerships with local players.

In the wake of internationalization Sapec Agro Macau was created, a key business platform with Asian suppliers, which is the result of the accumulated experience of two decades of relationships with the leading global chemical industry.

• Animal and public health

Fully aware of its potential, as well as its internal and external assets, Sapec Group decided to diversify its activity by creating a new business area, focusing on veterinarian medicine and biocide products.

Having defined a strategy, the intention is to take advantage of the synergies resulting from Crop Protection molecules support at European level and all the company's know-how, ensuring that veterinarian medicine and biocide products enter the various rural and urban markets.

This involves on one side producing and commercializing veterinarian medicine, targeting livestock producers in terms of animal health needs, as well as pet owners' needs. On the other side the intention is to control major public health pests through biocides.

As a result of the actions undertaken, Sapec Group has obtained international GMP (Good Manufacturing Practices) certificates and authorization to manufacture ectoparasiticide veterinary medicines and veterinary products at its manufacturing facilities in Setúbal. Sapec Group is thus the single holder of such certification in Portugal. In 2014 it is expected to obtain GMP certification for the synthesis of active ingredients for veterinary medicines.

This activity is supported by an extensive team which covers throughout the Sapec Agrobusiness organization not only aspects relating to manufacturing, quality control and development, but also logistics and marketing.

European Registration Dossiers

**Active substances
Formulated Products**

**>40
>100**

Brazilian Registration Dossiers (4 years forecast)

**Active substances
Formulated products**

**>65
>50**



CROP NUTRITION

Global player in specialty nutrition markets

Saptec Group has operated for a long time in the fertilizer business, with a strong presence in Portugal and Spain. Since 2001, with the acquisition of Tradecorp in Spain, Saptec Agrobusiness developed the business of specialized nutrition and biostimulation, through strong international expansion. In fact, since then, the company has continually expanded with a two-digit growth figure every year.

This business is characterized by the development and production of different plant nutrients, focused on reducing nutritional deficiencies and improving agricultural production, seeking to expand the utilization of the maximum genetic potential of crops.

• Saptec's mission is to be a leading reference for both distributors and growers as a producer of innovative specialty products.

This is achieved through the commercialization of high quality, differentiated products and services, while maximizing value for its customers, employees and shareholders.



- **SAPEC's team**

Today, the Crop Nutrition team has more than 300 professionals focused on developing, producing and marketing products and services and providing its broad experience in the agriculture sector.

In each relevant market, the Group counts on local technical and sales teams with the specific responsibility of acknowledging client needs and adapting its products and services to local agronomical conditions. The company has affiliates in Spain, Colombia, Mexico, Brazil, Belgium, Italy, Australia and Egypt, as well as regional offices in other parts of the world. Today, the nutrition products of Sapec Agrobusiness can already be found in more than 70 countries on the 5 continents.

- **Complete catalogue with differentiated and top quality products**

The Crop Nutrition catalogue is focused on high added value specialty plant nutrition products providing a wide range of solutions for all kind of crops, according to local farming conditions.

The main pillars of our catalogue are suitable for many different application systems: chelates, foliar fertilizers, humic, biostimulants, concentrated suspensions, special correctors, NPK and starter fertilizers.

The focus on farmers, delivering top quality products and services, is a fundamental element of the strategy.

- **R&D policy**

Since its foundation, innovation has been one of the topmost priorities for Sapec Agrobusiness. The Group's strong investments in R&D have placed it among the big players, filing new patents and launching new and innovative products on the market.

The research team has also developed a strong partnership with a wide international network of Universities and Research Centres. This dynamic and systematic approach has led to the launch of new and innovative products on the market every year. For more than a decade the product portfolio has increased by 15% on a yearly basis.



IV. BIOLOGICAL PRODUCTS

Emerging trend

Differentiation and innovation are key elements for a company who wants to be at the forefront, as is the capacity to look forward to new trends.

The IPM (Integrated Pest Management) concept is today a wider concept that combines the basic foundations of organic farming with the driving motive of conventional agriculture mainly focused on productivity.

In this recent IPM concept biopesticides and biostimulants, together with conventional Crop Protection products, will play an important role in maximizing quality and productivity, while reducing to a needful limit the environmental impact.

Taking into account this scenario, natural origin products, such as microbial pesticides, plant extracts, pheromones and others, will show growing potential in the future.

Predicting this trend and its opportunities, Sapec Agrobusiness is developing this emerging business area, benefiting from the complementarity of its business lines. Crop Protection and Crop Nutrition portfolios are being revamped to offer a complete range of solutions that will contribute to better sustainability of the farming world.



V. SUSTAINABILITY AND SOCIAL RESPONSIBILITY

A commitment to future generations

The Sapec Group is highly committed to protecting the environment and promoting its sustainability. Besides all the environmental safety of its industrial facilities, the intense registration process and the strict legislation Sapec's products need to fulfil before entering the market are a guarantee of their safety and their compliance with the environment. Amongst these regulations is the European registration process for Crop Protection products, REACH compliance to ensure the safe use of chemicals, the Ecocert approval for Organic Agriculture for many of its products, etc. Sapec's companies work together with organizations that are responsible for managing, collecting and processing agricultural packaging residues.

From the beginning, the Sapec Group has shown growing concern with social responsibility. Since the start of its business, the Group has tried to assign a part of its profits for the benefit of its employees and the surrounding communities. In 1959, Sapec participated in the construction of Setúbal Hospital and on that same principle over the years it has organized an extensive series of actions of solidarity, mainly to encourage the collaboration with associations committed to solidarity causes.

Social & Environmental responsibility is the cornerstone of the company and represents a transversal commitment throughout the organization.



VI. HIGH INDUSTRIAL POTENTIAL

To add value

The Group's production and laboratory capacity, associated with processes of excellence, quality, safety and environmental protection, are Sapec Agro-business' key differentiators and assets.

In Setúbal, Portugal, the company runs modern facilities, mainly dedicated to the Crop Protection business but also to Crop Nutrition. These units are fully adapted to business needs, with conditions that are flexible, efficient, environmentally safe and ensure maximum safety for its employees.

In the Crop Nutrition area, the Group runs two production plants in Spain.

The factory in Ávila is devoted to the synthesis and production of microgranulated chelates, in particular the EDDHA molecule, and other solid products. The other factory is in Albacete where other products of the range are manufactured: humic acids (liquid and microgranule), liquid fertilizers but also biostimulants, highly concentrated specialty suspensions and special soil conditioners/correctors.

These industrial hubs, where more than 30% value is added to the products formulated there, also benefit from logistics platforms that efficiently serve the markets where the Group operate.





• Quality Standards

Quality, process, safety and environmental protection excellence procedures are proof of a successful business.

A commitment supported by an enlarged set of quality standards:

- ISO 9001 - Quality Management System
- ISO 14001 - Environmental Management System
- OHSAS 18001 - Occupational Health and Safety Management System
- NP 4457 - Research, Development and Innovation Management System
- ISO 17025 - Accreditation of Quality Control Laboratory

- GLP Certification Physical-Chemical Laboratory
- GLP Certification Residues Laboratory
- GLP Certification Microbiology Laboratory
- GLP Certification Residues Trial Unit
- GEP Certification Efficacy Trial Unit for Crop Protection Products
- GMP Certification Veterinary Medicinal Products Manufacture

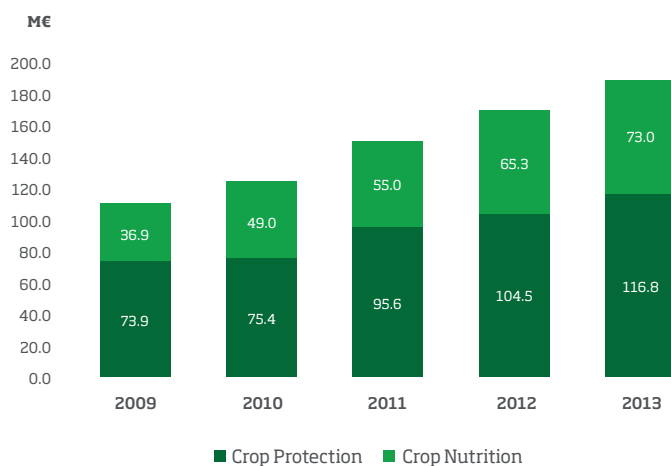




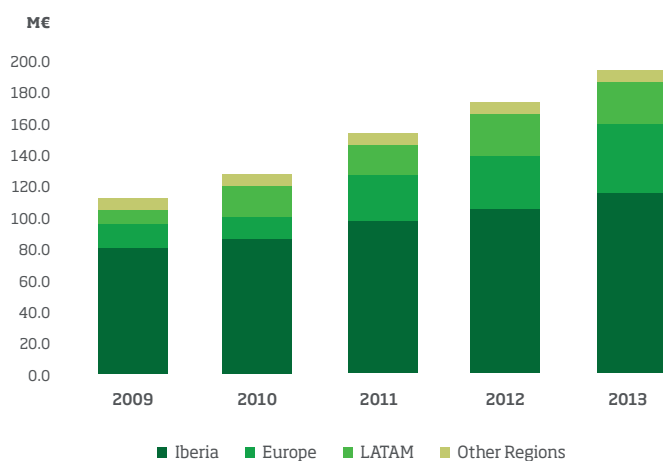
VII.PERFORMANCE REVIEW

Consolidated growth

Sales Evolution



Sales Share by Region



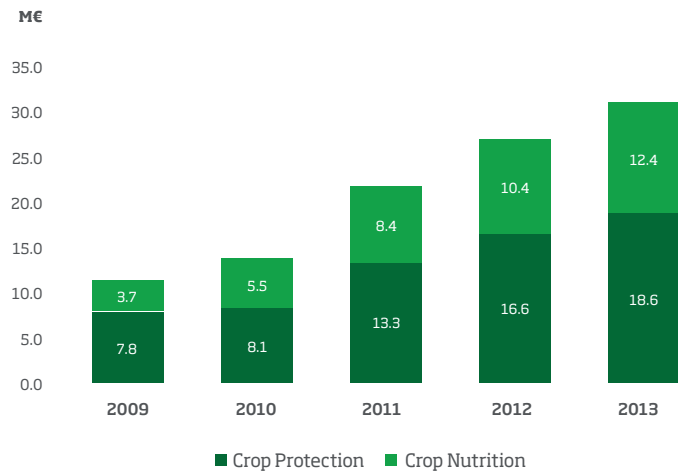
The strong growth of Sapec Agrobusiness' sales reflects the Group's commitment to bring solutions to its customers, the focus on quality and the investment in its dynamic people.

The past 5 years (2009-2013) witnessed the robust growth of its two business units, Crop Protection and Crop Nutrition. Sapec Agrobusiness grew from 111 Million Euro turnover, in 2009, to 190 Million Euro, in 2013, a progression at a compounded

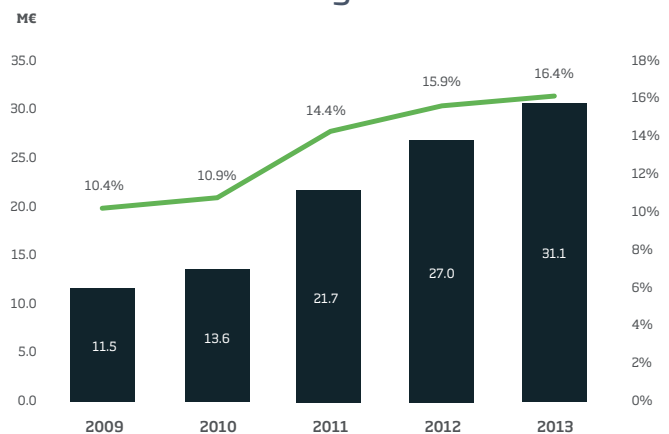
annual rate of 15%.

International expansion is the main reason for this excellent performance with a consistent sales growth of 25% per year, delivering in 2013 40% of total turnover. The main markets responsible for this performance were France and Italy, in Europe, and Brazil and Mexico, in Latin America.

EBITDA Evolution



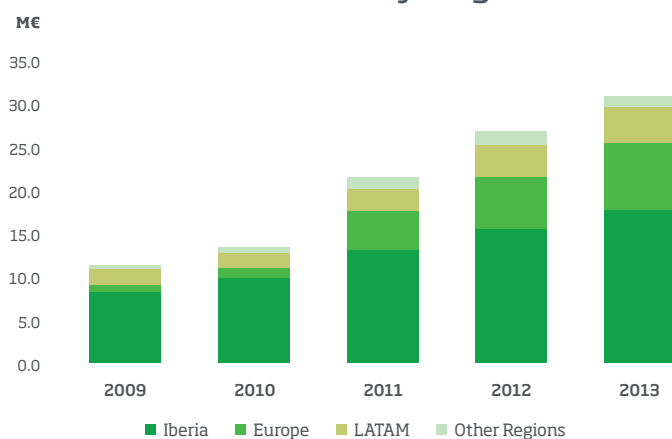
EBITDA Margin Evolution



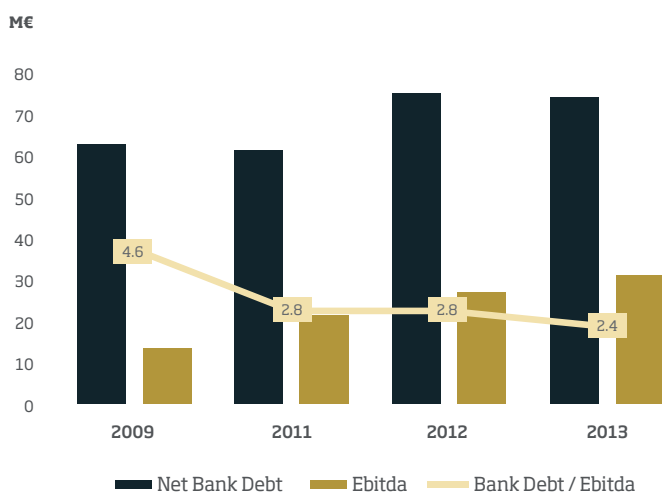
Strong investment in new products, via R&D and regulatory and in new teams, has promoted the consistent improvement of Sapec Agrobusiness profitability. In these 5 years, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) has almost tripled its figure, from 11 Million Euro in 2009 to 31 Million Euro in 2013.

The EBITDA on sales margin has jumped from 10% in 2009 to over 16% in 2013, as new and differentiated products were launched on the market.

EBITDA Share by Region



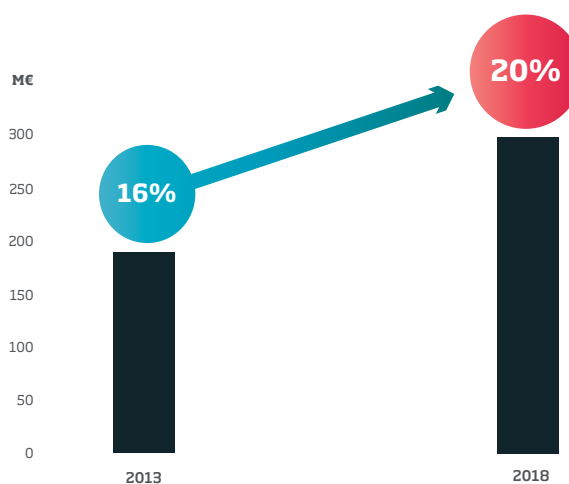
Net Bank Debt / Debt Burden



International expansion and the improved product portfolio have increased the weight of EBITDA generated in the international markets, from 25% in 2009 to close to 50% in 2013.

Strong management control of operational cash flow and capital expenditures has promoted the stabilization of the bank debt and improvement of the debt burden to sustainable levels. From a leverage level of about 5, the Net Bank Debt over EBITDA ratio was reduced to only 2.4 in 2013.

Sales & EBITDA Margin Targets



Over 700 professionals, comprising more than 20 nationalities

Algeria, Australia, Belgium, Brazil, China, Colombia, Egypt, France, Germany, India, Ireland, Italy, Mexico, Morocco, Poland, Portugal, Spain, South Korea, The Netherlands, Turkey, UK.

The Group's people, more than 700 today, are the driving force of its performance and have accompanied the growth of the business, wherever it is. The growth of Sapec's international markets has fuelled the increase of its international teams, which now represent almost a fourth of the total workforce. Sapec Agrobusiness' vocation to be close to farmers has promoted the strong growth of the commercial teams across the globe, today with more than 250 agronomists, comprising more than 20 nationalities.

The Group's ambition is to grow along a path which has proven its sustainability and profitability. The next four years of Sapec business plan open new opportunities, both in the continuation of organic growth and in the acquisition or introduction of new markets or products.

VIII. VALUES

Creating value – A Commitment

Creating value is the commitment to a successful project; it is the commitment of Sapec Agrobusiness.

This company helps to feed a growing world population, in harmony with the surrounding community and ensuring an offer of excellence to the agricultural producer who trusts its solutions:

- **Because it is in Sapec's own nature to be a Group that CREATES SUSTAINABLE VALUE!**

CROP PROTECTION
CROP NUTRITION



SAPEC AGROBUSINESS BEYOND NATURE







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