



Helping the world to grow More with Less

Presentation to EU diplomats :
Commercial and Scientific Counselors
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Agenda

- **Global trends**
- Netafim at a glance
- Government role
- Summary

Increasing Challenges in Global Food and Water Security

Growing Demand for Food

By 2050:



+2.4bn people
(+32%)



Calories consumption per capita from 2,950 to **3,130**



Food production will need to **increase by >50%**

Limited Resources

By 2050:



20% less arable land per person



25% water deficit
(demand-supply gap)

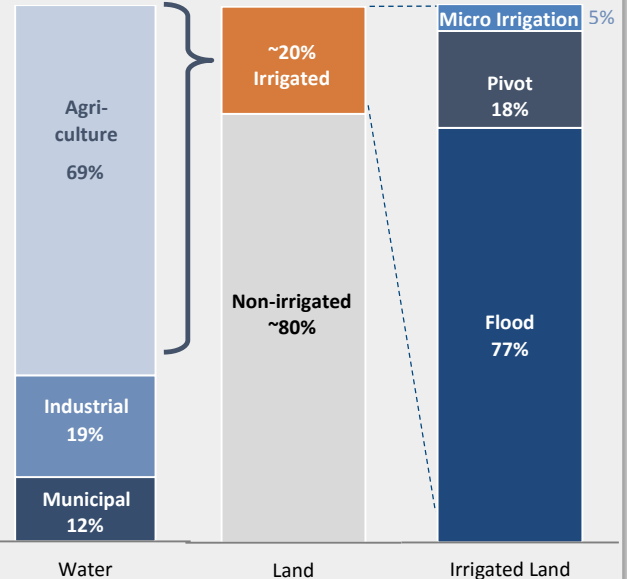


4bn people will live under **severe water stress**

Inefficient Use of Water

~70% of the world's water is used to irrigate only ~20% of the land

Irrigation is mostly inefficient



Water-Efficient Solutions Needed to Help the World Grow More With Less

Source: FAO – How to feed the world 2050, FAO stat; 2030 Water Resources Group, OECD outlook; ICID data

Summary – The smart irrigation is an attractive market

Growing demand for food

Global population growth and increasing consumption



Limited supply factors

Scarcity of arable land and water



Inefficient use of water

In the agriculture sector



Increased demand for water-efficient solutions and higher productivity



Smart irrigation solutions are key for addressing global food security challenges

Drip is the most efficient irrigation method increasing yields, while using less water, nutrients and energy

Pivot - inefficient land & energy use



Surface - inefficient water use



Guns - inefficient energy & water use



Drip Irrigation – most efficient cost-effective technology : 90-95% efficiency



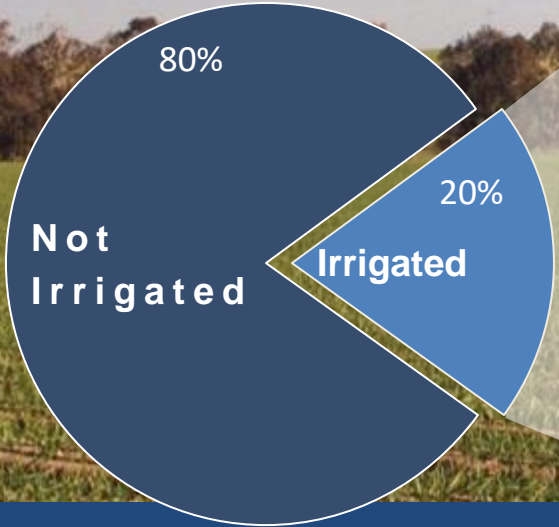
Source: Netafim Internal Research

Efficiency is defined as the maximum output per unit of area and input.

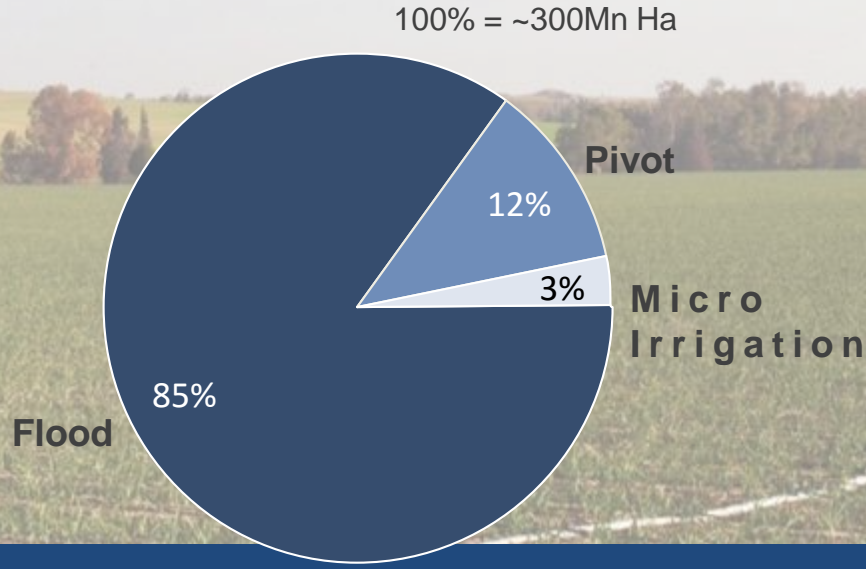
GLOBAL IRRIGATION

Around 5% of all irrigated agricultural land uses drip technology.

Global Irrigated vs. Non-Irrigated Areas, %



Global Irrigated Area by Type, %



Source: ICID annual report 2012-13, The Environmental Food Crisis, UNEP 2009

“Grow More With Less” – Drip advantages to growers

- ✓ Generates much higher and better quality yields
- ✓ Saves significant water vs. traditional irrigation
- ✓ Reduces cost of other inputs:
 - Crop protection
 - Fertilizers
 - Manpower requirements
- ✓ High ROI and long system life-time
- ✓ Stability and better yield control - Lower dependency on weather
- ✓ Supports environmental and land sustainability
- ✓ Greater peace of mind

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Netafim - 50 years of shaping the future of agriculture

Founded in 1965 by Farmers for Farmers

In the desert area of kibbutz Hatzerim, which suffered from a severe lack of water. Introduced Drip Irrigation to the world



The Largest Irrigation Company in the world

Continues to lead the Drip Irrigation revolution, offering end-to-end smart irrigation solutions

Unique position in the Israeli eco-system of water technologies

The Israeli story:

From **Water Scarcity**
to **Water Security**
and advanced agriculture

Innovation
Agriculture
best practices
Advanced
Technology
Water
management

Driven by a concrete need, Israel has become the global leader in water technologies

Israeli companies are at the forefront, leading various markets such as:

- Water treatment
- Advanced irrigation
- Smart agriculture
- Advanced High-Tech industry

Netafim emerged in this eco-system, leveraging the unique Israeli capabilities and cutting edge technology, offering the most advanced smart irrigation solutions

Global leader with broad geographical coverage

4,300
Employees



Over 110
countries



Millions
of farmers



Over 300
Engineers &
agronomists



Hundreds
Of worldwide large scale
projects



29 Subsidiaries and

17 Manufacturing
plants worldwide



Netafim's backbone – Purpose, Vision and Values

Purpose

Helping the world
grow more with less

Vision

As the world's
leading irrigation company
we will drive mass adoption
of smart irrigation solutions
to fight scarcity of
food, water and land

Values

Dare

Make it happen

Create an impact

Partner for success



Worldwide collaboration and recognition

Netafim is a member of the **UN CEO Water Mandate** and **UN Global Compact (UNGC)**, partnering in a global effort to address long-term water challenges affecting the entire world.

Netafim was named the 2013 **Stockholm Industry Water Award (SIWA)** Laureate for our contribution to sustainable water management.

Netafim is active in several ISO technical committees



The CEO Water Mandate



Global Compact
LEAD
PARTICIPANT



Superior technology across the entire irrigation system

Automation
(CMT)

Turn key project capabilities
Including bulk water supply

Filters

Sprinklers

Valves

Services

- Design and engineering
- Technical services
- Agronomical services

Unique
Drippers &
Driplines

Connectors
& Fittings

Flexible
Pipes

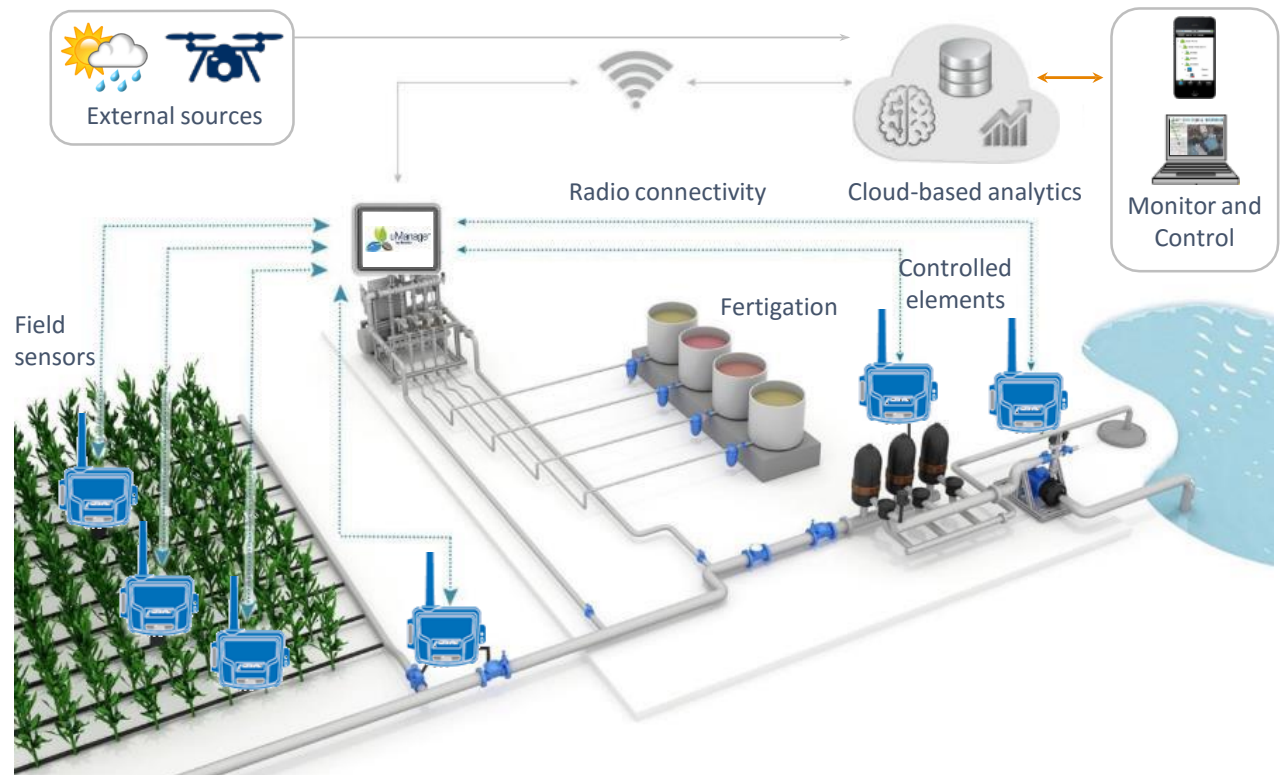
Netafim is the only company that offers full end-to-end solutions: From the water source to the plant roots

Digital farming smart automated system

Benefits for the Grower

- ✓ Increased yields, higher quality and consistency
- ✓ Reduced costs and improved use of resources
- ✓ Reduced risk of irregular irrigation/fertigation
- ✓ Easy to use and modularly adjust/expand
- ✓ Cost-effective alternative

Netafim's Automated Irrigation System on Demand

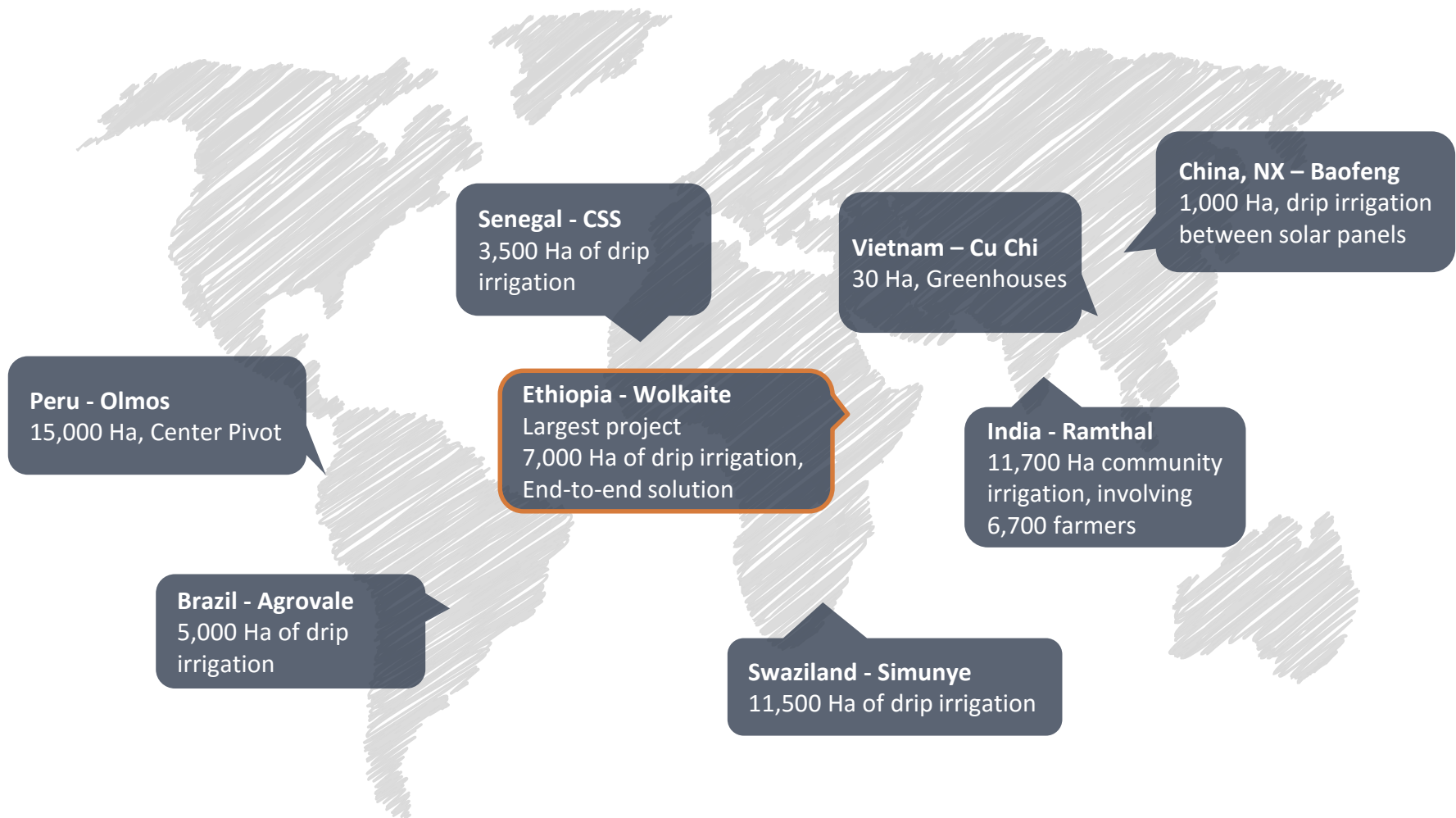


Leading end-to-end smart irrigation Projects solutions

- ✓ **Netafim supports a wide range of customers in turning their project vision to a reality**
 - Governments, Private and Public investors, Corporate enterprises, Farmers
- ✓ **Provides un-matched end-to-end solutions, that cover all the projects needs**
 - **Full turnkey project capabilities** – From the water source to the plant's roots
 - **Covers the entire Project life-cycle** –
Feasibility assessment ⇨ Planning & Design ⇨ Execution ⇨ Operation & Aftersales
 - **Technical and Agronomic knowhow with on-going support**
 - **Creative Financing solutions** that fits the customer business needs

By leveraging its technology, comprehensive portfolio and 50 years of hands-on experience, Netafim is the **World's #1 Smart Irrigation Projects provider**

Selected Examples from Recent Years



Global presence for best support to our customers

Global capabilities and knowledge

Knowledge sharing to leverage scale and experience

Strong distribution network

28 subsidiaries
Strong channel network

Teams on the ground

- Deep market knowledge
- Wide range of services

Local production plants

In most key markets, enables on time delivery

Beyond the best technology, Netafim brings its customers a unique offering

By leveraging its leading Global Strengths and Local Capabilities, Netafim provides its customers with tailor made solutions, for best results and maximum returns:

- ✓ Maximize yields
- ✓ Optimize system cost
- ✓ Reduce cost of inputs – Energy, Water, Fertilizers, Labor

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Netafim's proposal for strategic collaboration with Governments

Advise the gov. on national scale irrigation schemes

- Design initial plans & pre-feasibility studies
- Build bankable financial models

Create attractive financing solutions

- Lucrative interest rates
- Flexible payment terms

Provide one-stop-shop for implementation

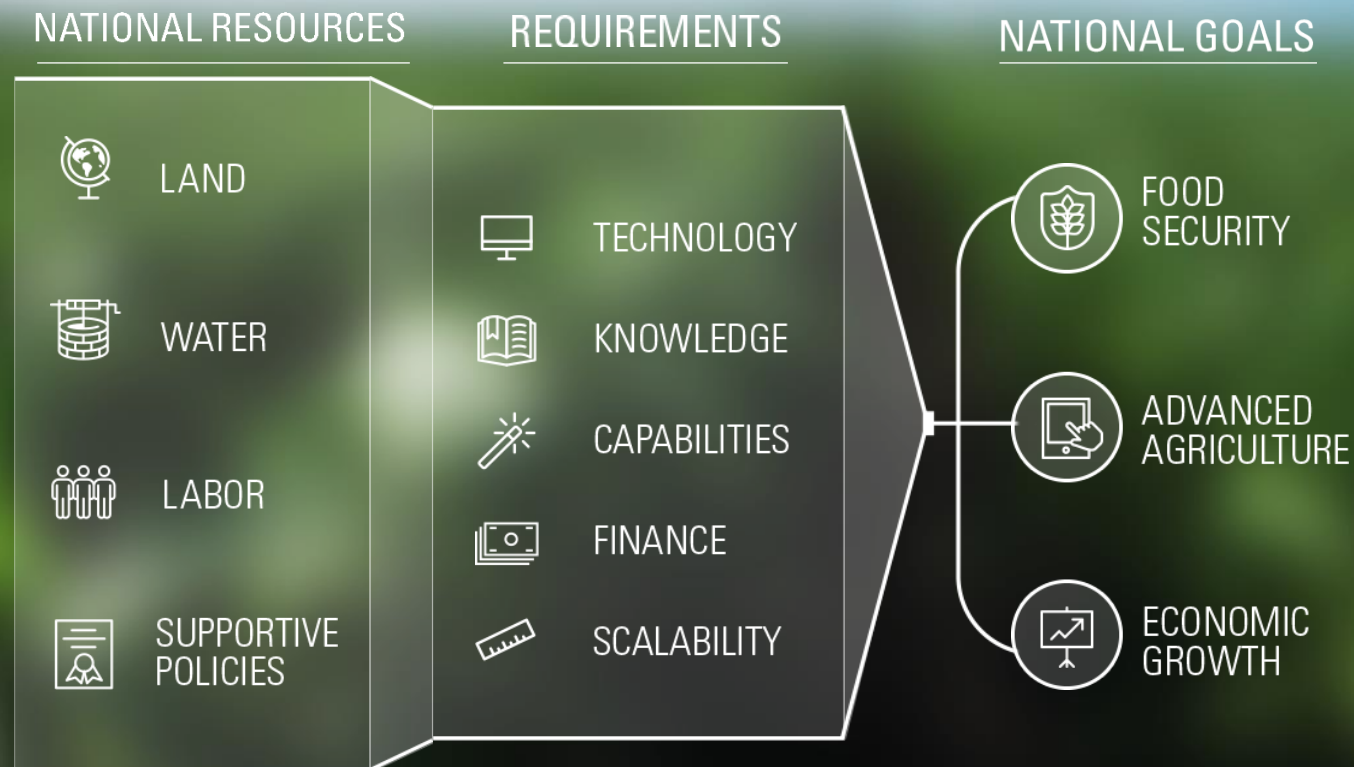
- Water infrastructure
- Civil works
- Irrigation schemes
- Long term warranty & maintenance

Establish training hubs across the country

- Deploy large local teams for training
- Deliver cross sector courses for SH
- Hand-in-hand follow up

Netafim proposes a Public-Private Partnership with governments, whereby it will provide and manage a HOLISTIC SOLUTION supporting agricultural development plans

Netafim a partner for governments to bridge the gap between resources and national security goals



Powerful impact for individuals & governments

Impact for Individuals

Water Impact

- Sustain water supply
- Decrease manual water delivery
- Enable farmer to focus on growing crops

Water Impact

- Conservation of precious water resources
- Save energy

Irrigation Impact

- Increase profits and livelihood
- Decrease labour
- Liberate time

Irrigation Impact

- Secure food supply
- Decrease dependency on food import
- Reduce risks of drought and harsh weather conditions

Farmer Level Impact

- Self-sufficient
- Develop commercial orientation
- Enable private consumption
- Individual and family stability

National-Scale Impact

- Increase tax payments, boost local economy
- Grow middle-class
- Expand business and private sector
- Strengthen national stability

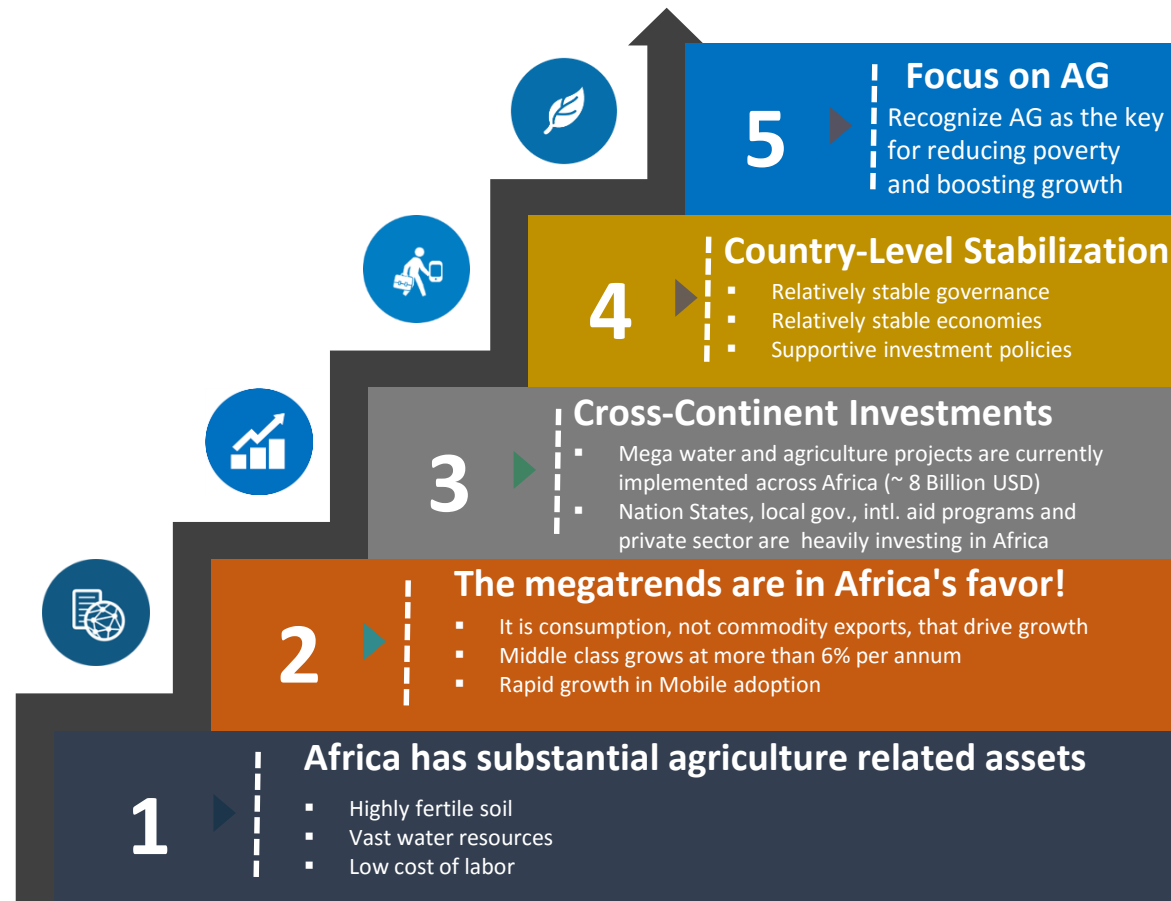
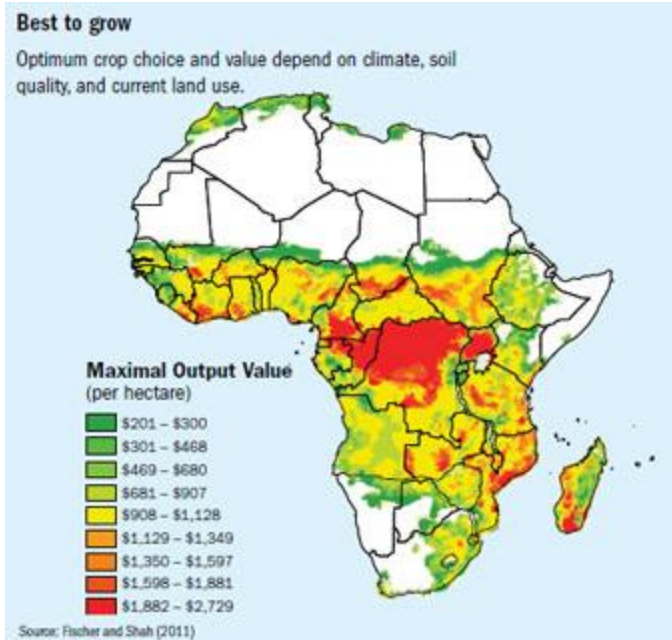
Impact on Water

Irrigation

Use of Smart Water and Irrigation Solutions

Impact from National/ State Aspect

...for us Africa is an agriculturally-rich continent...



Water & Irrigation infrastructure are the key foundations for self sufficiency & sustainable development

Training and education are keys for success



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We want to develop impact investments (in Europe & in Africa) thanks to our smart irrigation solutions and your involvement

Europe is a key strategic market where we have a long lasting & strong presence

Supportive government Policies are essential

- Farmers will improve livelihoods
- Women will be better empowered
- Young people will stay in agriculture

From charity to impact investment: Providing agriculture infrastructure & training, bridge the gap between national resources & national goals

India, China, Morocco, invest in modern agriculture practices, by doing that they save national resources, secure food supply, boost the economy, reduce risks of extreme weather and strengthen national stability...

we still have a lot of work to do in Europe & Africa

THANK
YOU