

## **Mexichem completes acquisition of 80% stake in Netafim based on company value of US\$1.895 billion**

**February 7, 2018** – Mexichem, a global leader in plastic piping and one of the world’s largest chemical and petrochemical companies, announced that it has completed the acquisition of an 80% stake in Netafim, Ltd. (“Netafim”) after all the governmental authorizations and all the precedent conditions required by the Share Purchase Agreement have been obtained and completed. The total enterprise value of the transaction is US\$1.895 billion. Kibbutz Hatzerim retains 20% ownership in the Netafim. Mexichem is publicly traded on the Mexican Stock Exchange and has a market value in excess of US \$6 billion.

Founded in 1965 by Kibbutz Hatzerim, Netafim is the global pioneer of drip irrigation. After decades of growth, Netafim is now the world leader in precision irrigation. Netafim’s solutions help millions of farmers to significantly increase their yields, while saving on water and other agricultural input costs such as fertilizers, crop-protection and labor.

Over the last several years, Netafim has shown impressive financial results, including significant sales growth and improved profitability, while investing to penetrate new markets and to expand solutions and services for customers. Due to the company’s strong foundation, good financial results, and high growth potential, Mexichem decided to invest in Netafim and expand its activity in the agricultural sector.

The transaction strengthens Netafim’s global leadership position in precision irrigation, while leveraging Mexichem’s resources, geographic reach, product portfolio and extensive experience in operations.

Netafim will retain its headquarters and core operations in Israel. Netafim CEO Ran Maidan will continue to lead the company.

Mexichem Chairman Juan Pablo del Valle said. “I am very excited about establishing a strong presence in Israel with Netafim and to partner with Kibbutz Hatzerim for the future, as I truly believe that having a long-term vision and a deeper sense of purpose and community is the perfect combination to win. I have full confidence that our respective management teams will successfully integrate our combined offerings to provide the best solutions to the agricultural and industrial markets we serve.”

Netafim President and CEO Ran Maidan said that “This transaction demonstrates Mexichem’s recognition of Netafim’s strength and its appreciation of Israeli industry, which is characterized by daring, innovation and creativity. The partnership with Mexichem will create a major step forward for Netafim, and will enable us to accelerate growth, while providing a more comprehensive set of solutions and services to our customers. We are proud that Netafim will maintain its Israeli identity, while keeping our headquarters and core activities in Israel for many years to come.”

Daniel Martínez-Valle, Mexichem’s Chief Executive Officer, continued, “Netafim adds an important element to Mexichem’s strategic profile. In addition to making us the leader in the fast-growing micro irrigation market, Netafim brings R&D and technology to transform existing products in our portfolio into smart solutions that can

assist our end customers in managing their networks and operating sites. We look forward to benefitting from Netafim's great talent and purpose-driven culture."

"We are proud of the significant path that Netafim has undertaken from the company's founding at Kibbutz Hatzerim in Israel's Negev desert over 50 years ago to our global leadership position today," said Eli Ben Simon, Kibbutz Hatzerim's Netafim Portfolio Manager. "We believe in the continued growth potential and cooperation with Mexichem, and are confident that the combination will lead to further development and prosperity. As such, Hatzerim decided to retain 20% of Netafim's shares and continue to be an inseparable part of the company's activities."

### **About Mexichem**

Mexichem is a world leader in plastic piping, one of the most cost-efficient PVC producers, and one of the world's largest chemical and petrochemical companies. Mexichem contributes to global development by delivering an extended portfolio of products to high-growth sectors such as infrastructure, housing, datacom, water management, and more. With operations in over 30 countries, Mexichem has more than 18,000 employees, as well as 120 plants, two fluorite mines, 15 R&D laboratories and eight training academies. Mexichem has annual revenues of more than US\$5.35 billion, over 50 years of history and more than 30 years trading on the Mexican Stock Exchange. The company is member of the Mexican Stock Exchange Sustainability Index and the FTSE4Good emerging markets sustainability index. For more information, visit [www.mexichem.com](http://www.mexichem.com).

### **About Netafim**

Netafim is the global leader in precision irrigation for a sustainable future. With 29 subsidiaries, 17 manufacturing plants and 4,500 employees worldwide, Netafim delivers innovative, tailor-made solutions to millions of farmers, from smallholders to large-scale agricultural producers, in over 110 countries. Founded in 1965, Netafim pioneered the drip revolution, creating a paradigm shift toward precision irrigation. Today, Netafim provides diverse precision irrigation solutions for agriculture, greenhouses, landscaping and mining, accompanied by expert agronomic, technical and operational support. Netafim is also leading the way in digital farming for irrigation, integrating monitoring, analysis and automation into one state-of-the-art system. Specializing in end-to-end solutions from the water source to the root zone, Netafim delivers turnkey irrigation and greenhouse projects, supported by engineering, project management and financing services. See how Netafim's solutions are changing the economics of agriculture and helping the world grow more with less at [www.netafim.com](http://www.netafim.com).