אדמה פתרונות לחקלאות בע"מ
ADAMA Agricultural Solutions Ltd.

Quarterly Report for March 31, 2015

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Chapter A – Board of Directors' Report on the state of the Company's Affairs

Chapter B – Financial Statements (Unaudited) for March 31, 2015

Chapter C – Report Regarding the Effectiveness of the Internal Auditing of Financial Reporting and Disclosure

The information contained herein constitutes an unofficial translation of the Quarterly Report for the first quarter of 2015 published by the Company in Hebrew.
The Hebrew version is the binding version. This translation was prepared for convenience purposes only.

אדמה פתרונות לחקלאות בע"מ
ADAMA Agricultural Solutions Ltd.

Chapter A

Board of Directors' Report on the state of the Company's Affairs

ADAMA Agricultural Solutions Ltd.

Board of Directors Report for the quarter ended March 31, 2015

The Board of Directors of the Company is pleased to present the Directors' Report on the state of the Company's affairs as of March 31, 2015 and for the cumulative three month period ending on that date ("**the Reporting Period**"). The Directors' Report for the Reporting Period is limited in scope and should be read together with the Periodic Report for 2014 published on March 22, 2015 (Ref: 2015-01-056413) ("**the Periodic Report for 2014**").

A. Board of Directors' remarks on the state of the Company's affairs

1. Brief description of the corporation and its business environment

ADAMA Agricultural Solutions Ltd. and its subsidiaries ("the Company") specialize in the chemical industry and focus primarily on the agriculture-related chemical industry (agrochemicals). In this context, the Company develops, manufactures and markets crop protection products. In addition, the Company has other complementary operations which are based on its core capabilities (in the agricultural and chemical industries), the scope of which is insignificant. As of the reporting date, the Company is the leading off-patent active ingredients crop protection solutions company in the world by sales, and sells its products in approximately 100 countries worldwide. The Company's key success factors are primarily an integrated business model which spans world-wide end market access, local product development, registration expertise in over 100 countries and global research and development and manufacturing capabilities, the Company's broad portfolio of specialty products adapted to the farmer's needs globally, its goodwill, know-how, high level of experience and agronomic ability, excellent technological-chemical capabilities, first-rate research and development capacities, adherence to stringent environmental standards, tight quality control, global marketing and distribution system, comprehensive operating infrastructure from R&D through manufacturing, cooperation with multinational companies for the manufacturing and marketing of the products, financial robustness and available cash resources. A steady and consistent investment in development facilitates the launching of new active products, mixtures and formulations at opportune times.

For a description of the Company's business, see Chapter A of the Periodic Report for 2014 and this report and for details regarding the Company's business strategy and goals, including its plans following the completion of the merger transaction with China National Agrochemical Corporation ("**CNAC**") from the China National Chemical Corporation group ("**ChemChina**") and following the transaction to purchase several companies from CNAC, which was signed by the Company on October 1st. 2014, see section 31 of Chapter A of the Periodic Report for 2014 and this report.

The Company continues to focus its resources in achieving its strategic objectives, execution of the business combination in China, enhancing its product portfolio, differentiating its products and strengthening the new brand.

Brief review of the changes in the industry and in the Company's operations

In the first quarter of 2015 the company presented a slight increase of 0.4% in its sales, excluding currencies' effects, compared to the corresponding quarter last year, while quantitatively, the Company's sales grew by more than 2%, despite the challenging conditions in key agricultural markets around the world including the agrochemicals market which the Company reported on in its 2014 periodic report.

However, due to the decline in exchange rates in the first quarter compared to the corresponding quarter last year against the US Dollar, which is the functional currency of the Company, and particularly the decline in the Euro exchange rate by 18%, the Brazilian Real by 21% and the Australian Dollar by 12%, and net of currency hedging and a certain decrease in the selling prices, the company's sales in dollar terms decreased by 4.7%. Compared to the main competitors in the industry, such decline in sales reflects a moderate decline.

The company reduced its production and procurement expenses, as well as its operating expenses, which enabled it to improve the margin as a percentage of sales of the operating profit and EBITDA with a slight decrease in the operating profit and EBITDA results.

The Company presented improvement in the pre-tax profit alongside with a decrease in its net profit, however, excluding non-recurring expenses related to the revaluation of options to bonds issued by the Company during the quarter and a tax provision on a tax claim from 2011, the company presented stability in the rate of net profit for the quarter a percentage of sales.

In addition, the company presented a significant improvement in its free cash flow, mainly due to the decrease in trade receivables and inventory.

In the first quarter of 2015, the crop protection market and the Company's operations were affected by the following trends:

- Significant weakening of currencies against the US Dollar compared to the corresponding quarter last year**.** Currencies' hedging performed by the Company moderated the negative effect of the stated weakening of currencies.
- Favorable weather conditions at the beginning of the agricultural season in Europe and Australia, enabled the Company to increase the quantities sold in these regions during the quarter.
- Prices of agricultural commodities in major crops and markets were lower than their levels in the corresponding quarter last year and caused a slowdown in demand.
- A significant decrease in the price of oil and its derivatives began to positively affect the Company's production and procurement costs, through the reduction of energy and transportation costs and the raw material and intermediate material costs. However, the Company estimates that such positive effect, will be felt especially in the second half of 2015, due to the lapse of time until selling the current inventory that was produced in the costs environment prior to the stated decrease in oil prices and its derivatives.

The Company's estimations as to the impact on the Company's results in 2015 constitute forward-looking information as it is defined in the Securities Law, which is based on the current trends in the global agrochemical market and on the estimations of the Company's management. The Company's estimation may not materialize, or materialize in a different manner, inter alia, due to factors which are out of the Company's control, such as developments in the crop protection products market, changes in demands to the Company's products, in currencies and in oil prices and other macro-economic trends in the world.

2. Results of Operations –Statement of Income

Statement of Income for the first quarter (in USD millions):

	%	1-3/2015	%	1-3/2014	Change	% of change
Revenue		866.7		909.7	(43.0)	(4.7%)
Gross profit	34.0%	294.8	34.4%	313.1	(18.3)	(5.8%)
Operating expenses	19.5%	169.3	20.1%	182.4	(13.1)	(7.2%)
Operating profit (EBIT)	14.5%	125.5	14.4%	130.7	(5.2)	(4.0%)
Finance expenses, net	1.8%	15.7	2.8%	25.0	(9.3)	(37.3%)
Finance expenses, net-Adjusted*	1.3%	11.7	2.8%	25.0	(13.3)	(53.3%)
Pre-tax profit	12.8%	111.1	11.6%	105.8	5.3	5.0%
Pre-tax profit-Adjusted*	13.3%	115.1	11.6%	105.8	9.3	8.8%
Net Profit	9.9%	85.7	10.9%	98.7	(13.0)	(13.2%)
Net Profit-Adjusted**	10.9%	94.4	10.9%	98.7	(4.3)	(4.4%)
EBITDA	**19.2%**	**166.8**	**18.8%**	**171.5**	**(4.7)**	**(2.7%)**

*Adjusted because of a revaluation of options to bonds issued by the Company in the first quarter.

**Adjusted because of a one-time tax expense as a result of a provision recorded by the Company outside of Israel.

3. Analysis of business results

Company's Sales

The Company's sales in the first quarter of 2015 amounted to USD 866.7 million, compared to USD 909.7 million in the corresponding quarter last year, a decrease of USD 43.0 million.

Quantitatively, the sales grew by approx. USD 20 million and excluding currencies' effects the Company presented a 0.4% growth compared to the corresponding quarter last year.

The decrease in total sales in the first quarter of 2015 stemmed mainly from currencies erosion against the U.S dollar and from a certain decrease in sale prices which were partially offset by currencies' hedging performed by the Company.

See below for a specific description of trends relating to the principal regions of operation.

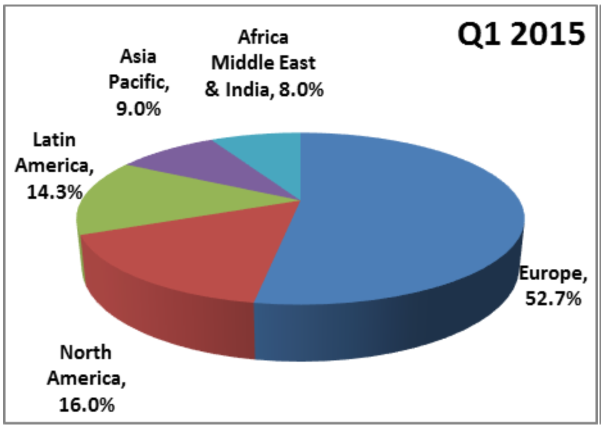
A. Geographical split of revenues

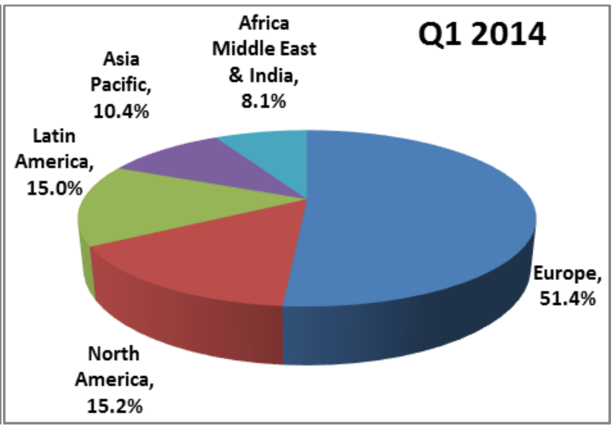
Following are the details regarding the Company's geographical split of revenues of the first quarter of 2015: Due to the change in its organizational structure completed at the end of 2014 (for details see section 1.4.4 to the Periodic Report for 2014), and according to the decision of the Company's Board of Directors from May 14, 2015,as from this report ,the Company is presenting its split of revenues in its reports, according to the following Geographical split: (1) Europe; (2) Africa, Middle East and India (according to the accounting standards the revenues split is also presented separately for Israel); (3) Latin America; (4) North America; and (5) Asia Pacific.

Geographical split of quarterly revenues (in USD millions)

	1-3/2015	1-3/2014	Change	% of Change	% of Change excluding currencies effects
Europe	456.8	467.2	(10.4)	(2.2%)	3.8%
North America	138.4	138.4	0.0	0.0%	1.6%
Latin America	123.9	136.2	(12.3)	(9.0%)	(6.2%)
Asia Pacific	78.0	94.3	(16.3)	(17.3%)	(9.8%)
Africa, Middle east and India	69.6	73.6	(4.0)	(5.4%)	1.5%
of which Israel	*22.8*	*25.1*	*(2.3)*	*(9.3%)*	*1.6%*
Total	**866.7**	**909.7**	**(43.0)**	**(4.7%)**	**0.4%**

Geographical split of quarterly sales by percentage:





Europe:

Sales in Europe in the quarter amounted to USD 456.8 million, compared to USD 467.2 million in the corresponding quarter last year, a decrease of USD 10.4 million.

The decrease in sales in the quarter stemmed primarily from currencies' effects partially offset by currencies' hedging effects performed by the Company and by quantitative growth.

Excluding currencies' effects, Sales in the first quarter of 2015, in Europe, amounted to USD 484.9 million, compared to USD 467.2 million in the corresponding quarter last year. An increase of USD 17.7 million.

North America:

Sales in the first quarter of 2015, in North America, amounted to USD 138.4 million, identical to the sales in the corresponding quarter last year. The Company increased the quantities sold in the quarter however these were offset by the erosion of the Canadian Dollar.

Excluding currencies' effects, Sales in the first quarter of 2015, in North America, amounted to USD 140.6 million, compared to USD 467.2 million in the corresponding quarter last year, An increase of USD 2.2 million.

Latin America:

Sales in the first quarter of 2015, in Latin America, amounted to USD 123.9 million compared to USD 136.2 million in the corresponding quarter last year, a decrease of USD 12.3 million.

The decrease in sales in the quarter stemmed mainly from currencies' effects and from a certain decrease in selling prices which were partially offset by quantitative growth.

Excluding currencies' effects, Sales in the first quarter of 2015, in Latin America, amounted to USD 127.8 million, compared to USD 136.2 million in the corresponding quarter last year, A decrease of USD 8.4 million.

Asia Pacific:

Sales in Asia Pacific in the quarter amounted to USD 78.0 million, compared to USD 94.3 million in the corresponding quarter last year, a decrease of USD 16.3 million.

The decrease in sales in the quarter stemmed primarily from currencies' effect, decrease in selling prices and decrease in quantities sold. These effects were partially offset by currencies' hedging performed by the Company.

Excluding currencies' effects Sales in the first quarter of 2015, in Asia Pacific, amounted to USD 85.0 million, compared to USD 94.3 million in the corresponding quarter last year, a decrease of USD 9.3 million.

Africa, Middle East and India:

Sales in the first quarter of 2015 in Africa, Middle East and India amounted to USD 69.6 million (USD 22.8 million of which in Israel) compared to USD 73.6 million (USD 25.1 million of which in Israel) in the corresponding quarter last year, a decrease of USD 4.0 million. The decrease in sales stemmed primarily from currencies' effect.

Excluding currencies' effects, Sales in the first quarter of 2015, in Africa, Middle East and India, amounted to USD 74.8 million, compared to USD 73.6 million in the corresponding quarter last year, An increase of USD 1.2 million.

B. Gross profit

Gross profit in the first quarter of 2015 amounted to USD 294.8 million (34.0% of sales) compared to USD 313.1 million (34.4% of sales) in the corresponding quarter last year.

The decrease in gross profit and gross margin in the quarter stemmed mainly from the negative currencies' effect on the sales which was partially offset by a decrease in production costs and currencies' hedging performed by the Company.

C. Operating income

Operating income in the first quarter of 2015 amounted to USD 125.5 million (14.5% of sales) compared to USD 130.7 million (14.4% of sales) in the corresponding quarter last year.

Operating expenses in the first quarter of 2015 amounted to USD 169.3 million (19.5% of sales) compared to USD 182.4 million (20.1% of sales) in the corresponding quarter last year, a decrease of USD 13.1 million. The decrease in the operating expenses stemmed mainly from control over the expenses and currencies' effect.

R&D expenses: R&D expenses in the first quarter of 2015 amounted to USD 7.9 million (0.9% of sales) compared to USD 10.1 million (1.1% of sales) in the corresponding quarter last year.

Selling expenses: Selling expenses in the first quarter of 2015 amounted to USD 137.7 million (15.9% of sales) compared to USD 145.2 million (16.0% of sales) in the corresponding quarter last year.

General and administrative expenses: General and administrative expenses in the first quarter of 2015 amounted to USD 23.7 million (2.7% of sales) compared to USD 27.5 million (3.0% of sales) in the corresponding quarter last year.

Non-Recurring expenses and income:

In the first quarter of 2015, an income of USD 10 million was recorded from the sale of rights in a non-material product which was offset by an expense of USD 10 million was recorded for the provision for early retirement of employees, in accordance with the last phase of the agreement with the employees from 2010.

D. Financing expenses

Financing expenses (net) in the quarter amounted to USD 15.7 million, compared to USD 25.0 million in the corresponding quarter last year.

The decrease in financing expenses in the quarter was mainly due to a decrease in the Consumer Price Index ("CPI") influencing a significant portion of the Company's debentures that are linked to the CPI, which was partially offset by the revaluation of options to bonds recorded by the Company as stated above.

Financing expenses (net) in the quarter, excluding the expense recorded by the Company regarding the revaluation of options to bonds issued by the Company in the first quarter, amounted to USD 11.7 million compared to USD 25.0 million in the corresponding quarter last year.

E. Pre-Tax Income

Company's operating results in the quarter, before tax, amounted to a profit of USD 111.1 million (12.8% of sales) compared to a profit before tax of USD 105.8 million (11.6% of sales) in the corresponding period last year.

excluding the expense recorded by the Company regarding the revaluation of options to bonds issued by the Company in the first quarter ,operating results before tax in the quarter, amounted to a profit of USD 115.1 million (13.3% of sales) compared to a profit before tax of USD 105.8 million (11.6% of sales) in the corresponding quarter last year.

F. Income tax

Tax expenses in the quarter amounted to USD 25.4 million compared to tax expenses of USD 7.1 million in the corresponding period last year.

The first quarter in general is characterized by a lower tax rate compared to the effective tax rate applicable to the Company and it is so, inter alia, due to profits generated by companies whose tax rates are significantly lower that the effective tax rate applicable to the Company and from the method the tax assets are calculated in inter-company sales pursuant to the IFRS rules.

The increase in tax expenses in the quarter stemmed, inter alia, from the weakening of the Brazilian Real against the U.S. dollar which led to an erosion of tax assets and revaluation of tax reserves in a company subsidiary as well as from a tax provision recorded by the Company outside of Israel.

The tax expenses, adjusted to the tax provision recorded by the Company outside of Israel, amounted in the quarter to USD 20.7 million compared to tax expenses of USD 7.1 million in the corresponding period last year.

G. Net profit

Net profit in the quarter amounted to USD 85.7 million (9.9% of sales), compared to USD 98.7 million (10.9% of sales) in the corresponding quarter last year.

The net profit in the quarter , adjusted to a tax provision as mentioned in section F. and to a revaluation of options to bonds as mentioned in section E, amounted to USD 94.4 million (10.9% of sales) compared to USD 98.7 million (10.9% of sales) in the corresponding period last year.

H. EBITDA

EBITDA in the first quarter of 2015 amounted to USD 166.8 million (19.2% of sales) compared to USD 171.5 million (18.8% of sales) in the corresponding quarter last year.

I. Revenues split by operating segment

Split of sales in the first quarter of 2015 by operating segment (in USD millions)*

	%	1-3/2015	%	1-3/2014	Change	% of Change
Crop protection (Agro)	94.7%	820.4	94.5%	859.3	(38.9)	(4.5%)
Other (Non Agro)	5.3%	46.2	5.5%	50.4	(4.2)	(8.4%)

* The company continues to report its operating segments unchanged despite the remark in section 9 of Chapter A of the Periodic Report for 2014.

4. Financial Condition and Liquidity

According to amendments made to the Receivables financing facility (as defined below) during the first quarter of 2015, the trade receivables within the framework of the Receivables financing facility (amounting to USD 253 million as of March 31, 2015) are no longer included in the balance sheet. De-recognition of the trade receivables in the Receivables financing facility from the balance sheet affects the Company's balance sheet in current liabilities and in accordance effects the calculation of financial covenants and financial ratios, as they are presented in sections A. D. and F. of this chapter.

For more information about the Receivables Financing Facility Agreement and the amendments made during the quarter, see note 6 to the financial statements as of March 31, 2015.

In its financial statements for March 31, 2015, the Company made a non-material adjustment in the comparative figures of March 31, 2014 and of December 31, 2014 in the inventory, deferred tax assets and retained earnings clauses, which are reflected in this report in the current assets, equity and financial ratios sections presented below. For details, see Note 2c to the financial statements as of March 31, 2015.

A. Cash flow

In the first quarter of 2015 the Company's cash flow from operating activities improved significantly and amounted to a negative USD 103.3 million cash flow, compared to a negative cash flow of USD 220.5 million in the corresponding quarter last year.

The improvement in the cash flow from operating activities compared to the corresponding quarter last year stemmed from a decrease in the Company's working capital in the quarter, due to operational streamlining in inventory and due to currencies' effects.

In the first quarter of 2015, the hedging transactions (due to the company's debt in NIS and due to the currency exposure of the operating activities of the Company) had material effect on the Company's cash flow from operating activities;

On March 31, 2015 the company had Debentures in NIS of approx. NIS 4.7 Billion. Since the operating currency of the Company is the USD, the Company conducts hedging transactions with regard to the NIS exposure. Payments made by the Company for such hedging transactions had a negative effect on the

Company’s cash flow from operating activities in the quarter in light of substantial depreciation in the NIS/USD exchange rate in 2014 and the first quarter of 2015, followed by a matching decrease in the Company's USD Indebtedness reflected in the Company's balance sheet.

On the opposite side, due to a significant devaluation of currencies in which the Company operates which are not the US dollar, the Company recorded profits from hedging transactions, which were exercised during the quarter, partly due to accounting in respect of future hedging transactions and partly in respect of future receivables, which made a positive contribution to the free cash flow of the Company in the quarter.

The Company's investments in the first quarter of 2015 amounted to USD 61.1 million, compared to investments of USD 61.6 million in the corresponding quarter last year. These investments included primarily investments in product registrations, intangible assets and fixed assets. The investments in fixed assets, which included investment in plant and equipment, including facilities for the maintenance and protection of environmental standards, amounted to USD 38.7 million, compared to USD 27.0 million in the corresponding quarter last year.

The Company's free cash flow in the first quarter of 2015 improved significantly and amounted to a negative USD 164.4 million cash flow compared to a negative cash flow of USD 282.1 million in the corresponding quarter last year.

B. Current assets

Total current assets as of March 31, 2015 amounted to USD 3,129.0 million compared to USD 3,157.4 million on March 31, 2014 and USD 3,039.5 million on December 31, 2014.

C. Investments in fixed assets

See the section on cash flow above.

D. Cash, current liabilities and long-term loans

The Company's total financial credit (bank loans and debentures) as of March 31, 2015 amounted to USD 1,618.4 million (of which 18.3% was short term), compared to USD 1,989.3 million (of which 31.5% was short term) on March 31, 2014 and USD 1,640.0 million (of which 28.9% was short term) on December 31, 2014.

The Company's balances of cash and short-term investments as of March 31, 2015 amounted to USD 526.5 million, compared to USD 332.8 million on March 31, 2014 and USD 416.3 million on December 31, 2014.

The Company's net debt (short term bank loans, long term bank loans, short term debentures, long term debentures, the effects of hedging transactions attributed to debt, net of cash, short-term investments and long term deposits) as of March 31, 2015 amounted to USD 1,170.8 million, compared to USD 1,595.9 million on March 31, 2014 and USD 1,332.7 million on December 31, 2014.

According to the bank finance documents for the long-term loans of the Company and its subsidiaries, the Company is required to comply with financial covenants towards certain banks ("the Finance Documents"), the principal of which at March 31, 2015 and at the date of publication of this report, are as follows:

(1) The ratio between the Company's interest-bearing financial liabilities (net debt) and its equity will not exceed 1.25. At March 31, 2015, the actual ratio was 0.7.

(2) The ratio between the Company's interest-bearing financial liabilities (net debt) and its earnings before finance expenses, taxes, depreciation and amortization (EBITDA) for 12 months will not exceed 4. As of March 31, 2015, the ratio between the Company's interest-bearing financial liabilities (net debt) and EBITDA for 12 months was 2.5.

(3) The Company's equity will be no less than USD 1.22 billion. As of March 31, 2015, equity totaled USD 1.684 billion.

(4) The Finance Documents of one of the banks further provide that the balance of Company's surpluses or of its retained earnings according to the financial statements for every date shall not be less than USD 700 million. As of March 31, 2015, the Company's surplus balance is USD 1,190.4 million.

The receivables financing facility of the Company and its subsidiaries (as detailed in note 6 to the financial statements as of march 31, 2015) ("the Receivables Financing Facility Agreement") includes undertakings by the Company to comply with financial covenants, of which the key covenants are:

(1) The ratio between the Company's interest-bearing financial liabilities (net debt) and its equity will not exceed 1.25. At March 31, 2015, the ratio was 0.7.

(2) The ratio between the Company's interest-bearing financial liabilities (net debt) and EBITDA for 12 months will not exceed 4. As of March 31, 2015 the ratio was 2.5.

(3) The Company's equity will be no less than USD 1 billion. As of March 31, 2015 the equity totaled USD 1.684 billion.

As of March 31, 2015 and during 2015 and as of the date of this report, the Company was in compliance with the financial covenants applicable to it under the Finance Documents and the Receivables Financing Facility Agreement.

For more information, see section 23.4 in Chapter A of the Periodic Report for 2014, and Note 20 to the financial statements as of December 31, 2014.

E. Equity

The Company's Equity as of March 31, 2015 amounted to USD 1,684.0 million, compared to USD 1,506.0 million on March 31, 2014 and USD 1,591.0 million on December 31, 2014. Equity as a proportion of the total assets was 35.0% as of March 31, 2015, 30.8% as of March 31, 2014 and 33.6% as of December 31, 2014.

The Company's issued and paid-up share capital as of March 31, 2015 is 137,990,881 ordinary shares of NIS 3.12 par value each.

F. Financial ratios

	March 31 2014	March 31 2015
Ratio of current assets to current liabilities (current ratio)	1.68	1.87
Ratio of current assets, excluding inventory, to current liabilities (quick ratio)	1.02	1.15
Ratio of financial liabilities to total assets	40.7%	33.6%
Ratio of financial liabilities to total equity, gross	132.1%	96.1%

G. Financing sources

The Company finances its business operations from its equity and from external funding sources. For details please see section 23-Financing and Credit, and also section 22.2-Customer Credit and section 22.5-Supplier Credit in Chapter A of the Periodic Report for 2014.

H. Warning Signs

The Board of Directors of the Company reviewed the existence of Warning Signs in the Company, as these are defined in Article 10B(4) of the Securities regulations (Periodic and Immediate Reports), 1970. In view of the consolidated financial structure of the Company and its subsidiaries and based on the financial data appearing in the Company's consolidated financial statements as reviewed by the Company's management, the Board of Directors determined that the fact that the Company's separate reports indicate an ongoing negative cash flow from operating activities does not point to a liquidity problem, and accordingly, as of the date of the report, there are no Warning Signs in the Company.

The main considerations behind the resolution of the Board of Directors include, inter alia, the following:

1. The Company's consolidated financial statements reflect a positive level of working capital. Furthermore, the consolidated annual financial statements reflect consistent positive cash flow from operating activities. This positive working capital, which includes, at the reporting date, a cash balance of USD 517.4 million, is the principal source for the repayment of the Company's liabilities.
2. Based on the structure of the operations of the Group, the manufacturing subsidiaries in Israel, ADAMA Makhteshim and ADAMA Agan ("the Manufacturing Companies") are the principal manufacturers of the Group's products that are sold by the Group's marketing companies all over the world, so that there is a current liability of the marketing companies towards the Manufacturing Companies.
3. The proceeds from the debentures issued by the Company were granted as loans to the manufacturing Companies on the same terms as the terms of the debentures, including the dates of payment.

B. Market Risks – Exposure and Risk Management

1. General

The Company conducts its business in environments that operate in various currencies. Due to its activities, the Company is exposed to market risks, primarily exchange rate fluctuations, partial adjustment of the prices of products to reflect the prices of raw materials, change in the level of the CPI, and changes in the LIBOR interest rate. The Company's Board of Directors has approved the use of accepted financial instruments (such as options, forward contracts and swaps) for hedging against exposure to exchange rate fluctuations and a rise in the CPI stemming from the Company's operations. The Company effects these transactions only through banks and stock exchanges which must comply with capital adequacy requirements or maintain a level of collateral based on various scenarios.

For details relating to credit risk and liquidity risk, see Note 29 to the consolidated financial statements of the Company as of December 31, 2014.

Exchange rate data for the Company's principal functional currencies vis-à-vis the US dollar and LIBOR:

	March 31			1-3 average		
	2015	**2014**	**Change**	**2015**	**2014**	**Change**
EUR/USD	1.074	1.380	(22.2%)	1.128	1.370	(17.7%)
USD/BRL	3.208	2.263	(41.8%)	2.863	2.364	(21.1%)
USD/PLN	3.813	3.034	(25.6%)	3.721	3.055	(21.8%)
USD/ZAR	12.22	10.60	(15.4%)	11.728	10.847	(8.1%)
AUD/USD	0.760	0.923	(17.7%)	0.787	0.896	(12.1%)

GBP/USD	1.478	1.665	(11.2%)	1.516	1.655	(8.4%)
USD/ILS	3.980	3.487	(14.1%)	3.940	3.488	(13.0%)
USD L 3M	0.23%	0.23%	0.0%	0.26%	0.24%	10.1%

The exchange rate fluctuations of these currencies during the first quarter impact various sections in the Company's financial statements. The net impact of the changes in currency exchange rates in the period after the date of the financial statements on the balance sheet exposure is not material, due to the high rate of balance sheet hedging carried out by the Company as noted above.

2. Risk Management Officer

The Company's Chief Financial Officer ("CFO"), Mr. Aviram Lahav, is responsible for the Company's market risk management. For information about his education, qualifications and business experience, see section 26A in Chapter D of the Periodic Report for 2014.

3. Description of Market Risks

For details of the Company's exposure to market risks and how they are managed, see the Directors' report of the Company as of December 31, 2014 and Note 29 to the Company's financial statements as of December 31, 2014.

C. Corporate Governance

Approval process of the financial statements

The members of the Financial Statements Review Committee (the "Committee") are the members of the Audit Committee – Messrs. Gustavo Traiber (an independent external director with accounting and financial expertise) who acts as Chairman of the Committee, Dalit Braun (independent external director with accounting and financial expertise), and Jiashu Cheng (independent director with accounting and financial expertise) ("the Committee Members"). All the Committee Members gave a declaration prior to their appointment, concerning their education and experience, as noted in section 26 of Chapter D of the Periodic Report for 2014, based on which the Company regards them as having accounting and financial expertise. As part of the process for approval of the financial statements as of March 31, 2015, the CFO presented to the Committee a detailed presentation of the financial results, and the committee discussed them as reflected in the financial statements, as well as the assessments and estimates made in connection with them, the internal controls relating to the financial statements, the integrity and appropriateness of the disclosure in them, and the accounting policy adopted and the accounting treatment applied in matters that are material to the Company. The committee also discussed other material issues. The committee met on May 11, 2015 to review the financial statements for the year ended March 31, 2015. Other than the Committee Members, the meeting was attended by interested parties and senior officers Aviram Lahav (CFO), Michal Arlosoroff – SVP and General Counsel, and Keren Yonayov (Controller).

The Committee Members and the members of the Board of Directors received a draft of the financial statements several days prior to the meeting.

Representatives of the Company's auditors, who are invited to the meetings of the Committee and of the Board of Directors at which the financial statements are discussed and approved, provided their comments and responded to questions from the Committee Members and members of the Board of Directors on material issues arising from the data presented in the financial statements under discussion,. The Company's Internal Auditor was notified of the Committee's and of the Board of Directors meetings and invited to attend. After discussing the financial statements, the Committee drafted its recommendations concerning their approval of the financial statements and submitted them in writing to the Board of Directors three business days prior to the date of the Board's discussions.

On May 14, 2015, when presenting the financial statements to the Board of Directors, the Company's Chief Executive Officer ("CEO"), Mr. Chen Lichtenstein, presented the main results of the Company's operations during the period under review and referred to key initiatives and material events that occurred during the period. In addition, the CFO, Mr. Aviram Lahav, gave a detailed presentation of the Company's financial results in the period under review, while comparing them with prior periods and highlighting material issues arising from them. During the reviews, the Company's management responded to questions from the members of the Board of Directors on all areas of the Company's operations.

The Board of Directors of the Company discussed the Company's financial statements as of March 31, 2015 and resolved to approve them.

D. Disclosure relating to the financial reporting of the Company

1. Critical accounting estimates

As of the reporting date, no material changes occurred during the first quarter of 2015 in the critical accounting estimates used by the Company for its financial statements.

2. Events Occurring Subsequent to the Date of the Financial Statements

For events after the reporting date, see the chapter Material Changes and New Information in the Company's Business.

E. Information pertaining to the Company's Debentures

See the table attached herewith as an appendix.

Yang Xingqiang	Chen Lichtenstein	Aviram Lahav
Chairman of the Board	President & CEO	CFO

May 14, 2015

Appendix – Details of the Company's Debentures as to March 31, 2015

Series	Date of issue	Rating	Total par value on date of issue (in NIS millions)	Type of interest	Nominal interest rate	Effective interest rate at reporting date	Market value on March 31, 2015 (NIS)	Dates of interest payments	Dates of principal payments	Linkage basis	Nominal par value at March 31, 2015 (in NIS millions)	CPI-linked nominal par value at March 31, 2015 (in NIS millions)	Carrying value of debenture balances at March 31, 2015 (in USD millions)	Carrying value of interest payable on March 31, 2015 (in USD millions)	Fair value at March 31, 2015 (in USD millions)
Series B (1)(3)(4)(5)(8)	Dec. 06	ilAA- (9)	1,650	CPI-linked annual interest	5.15%	3.7%	4,594.0 (10)	Twice a year on May 31 and on Nov, 30 in each of the years 2006-2036	Nov. 30 of each of the years 2020-2036	CPI for October 2006	3,282.8 (10)	3,895.5 (10)	956.8 (10)	16.6 (10)	1,154.5 (10)
	Jan. 12		514												
	Jan. 13		600												
	Feb. 15		533												
	Feb. – March 15		66												
Series D (2)(3)(5)(6)(7)	Dec. 06	-ilAA (9)	235	Annual interest	6.50%	0.8%	845.1	Twice a year on May 31 and Nov. 30 of each of the years 2006-2016	Nov. 30 of each of the years 2011-2016	Unlinked	777.1	777.1	198.6	4.2	212.3
	Mar. 09		472												
	Jan.12		541												
	Feb.14		488												

(1) The trustee for Debentures (Series B) is Aurora Fidelity Trust Company Ltd., 12 Menachem Begin Road, Ramat Gan (Tel: 03-6005946; Fax: 03-6120675). Contact person: Adv. Iris Shlevin, CEO. E-mail: ishlevin@aurorafidelity.com. **Series B is considered a material liability of the Company.**

(2) The trustee for Debentures (Series D) is Hermetic Trust (1975) Ltd., 113 Hayarkon Street, Tel Aviv, Israel; (Tel: 03-5274867, Fax: 03-5271736). Contact person: Dan Avnon or Meirav Ofer. Email: hermetic@hermetic.co.il. **Series D is considered a material liability of the Company.**

(3) At the date of the report, the Company was in compliance with all the terms and undertakings under the Deed of Trust and no conditions existed giving rise to a cause of action for immediate repayment of the debentures.

(4) On January 9, 2013 the Company issued, in a private placement by way of series expansion, NIS 600,000,000 par value of Debentures (Series B). For details, see the Company's immediate reports dated January 6 and 8, 2013 (Refs. 2013-01-004971 and 2013-01-008559).

(5) On January 16, 2012 the Company issued, by way of series expansion under a shelf prospectus published by the Company in May 2010, NIS 513,527,000 par value debentures (Series B) and NIS 540,570,000 par value of debentures (Series D). For more details, see the Company's immediate report dated January 17, 2012 (Ref: 2012-01-017373) and the amending report of the same date (Ref: 2012-01-018225).

(6) On March 25, 2009 the Company issued, by way of series expansion under a shelf prospectus published by the Company in May 2008, NIS 472,000,000 par value of debentures (Series D). For more details, see the Company's immediate report dated March 26, 2009 (Ref: 2009-01-067944).

(7) On February 11, 2014 the Company issued, in a private placement by way of series expansion, NIS 487,795,000 par value of debentures (Series D). For more details, see the Company's immediate report dated February 12, 2014 (Ref: 2014-01-038191).

(8) On February 2, 2015 the Company issued, in a private placement by way of series expansion, NIS 533,330,000 par value of debentures (Series B). For more details, see the Company's immediate report dated February 2, 2015 (Ref: 2015-01-023371).in addition, within the scope of the said private placement the Company issued 2,666,650 options convertible to up to NIS 266,666,650 par value of debentures (Series B). As of March 31, 2015, 664,020 options were exercised and converted into NIS 66,402,000 par value of Debentures (Series B) of the Company and as of the publication of this report all options were exercised.

(9) On September 15, 2013 Maalot confirmed a rating of ilA+ for the Company's Debentures (Ref. 2013-01-146784). On February 3, 2014, Maalot confirmed a rating of ilA+ for the Company's Debentures (series D) issued upon a private placement of up to NIS 550 million (Ref. 2014-01-030130). On July 1, 2014, Maalot announced that it has raised the rating for the Company's Debentures (B and D series) from ilA+ to a rating of ilAA- with stable outlook (ref. 2014-01-104136). On January 22, 2015, Maalot confirmed a rating of ilAA- for the Company's Debentures (series B) issued upon a private placement of up to NIS 800 million (Ref. 2015-01-017026).

(10) Net of debentures purchased by a wholly-owned subsidiary, which holds 67,909,858 debentures (Series B), which as to March 31, 2015, accounts for 2.03% of total issued debentures (Series B).

Material changes or new information relating to matters described in Chapter A – Description of the Corporation's Business in the Periodic Report as of December 31, 2014

1. **Section 1.4.2 – Agreement to acquire companies in China**

   Pursuant to the provisions of the agreement for the acquisition of the Chinese Companies (as such term is defined in the Periodic Report for 2014), and since the transaction was not consummated by March 31, 2015, the parties are discussing alternatives for the consummation of the transaction. In this framework, the Company and its shareholders are examining different possibilities regarding the execution of the business combination between the Company and the Chinese Companies, whether by consummating the Transaction, Mutatis mutandis, or in a different manner.

2. **Section 22.3 – Receivables financing Customer Debt Securitization**

   In September 2004, the Company and certain of its subsidiaries entered into a securitization transaction with Rabobank International for sale of customer receivables (hereinafter – "the Receivables financing facility"). Pursuant to the Receivables financing facility, the companies will sell their customer receivables, in various different currencies, to a foreign company that was set up for this purpose and this is a third party not related to the Company (hereinafter – "the Acquiring Company").

   During March 2015 amendments were made to the Receivables financing facility, the major changes of which are: (1) increasing the credit risk of customers whose debts were sold, which are carried by the acquiring company; (2) Appointment of a policy manager by the acquiring company, which conducts on its behalf the credit risk of the customers being sold, including the engagement with an insurance company; and (3) raising the cash proceeds received on the following month to the date of the sale of the trade receivables. As a result of these changes, in accordance with the IFRS rules the balance of the trade receivables within the framework of the Receivables financing facility is no longer included in the balance sheet. For additional information about the Receivables financing facility and the amendments thereto, see Note 6 to the financial statements as of March 31, 2015.

אדמה פתרונות לחקלאות בע"מ

ADAMA Agricultural Solutions Ltd.

Chapter B

Financial Statements (Unaudited) for March 31, 2015

Adama Agricultural Solutions Ltd.

Condensed Consolidated Interim
Financial Statements
(Unaudited)
As at March 31, 2015
In U.S. Dollars

Condensed Consolidated Interim Financial Statements as at March 31, 2015 (Unaudited)

Contents

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Review Report to the Shareholders of Adama Agricultural Solutions Ltd.

Introduction

We have reviewed the accompanying financial information of Adama Agricultural Solutions Ltd. and its subsidiaries (hereinafter – "the Group") comprising of the condensed consolidated interim statement of financial position as of March 31, 2015 and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 "*Interim Financial Reporting*", and are also responsible for the preparation of financial information for this interim period in accordance with Section D of the Securities Regulations (Periodic and Immediate Reports), 1970. Our responsibility is to express a conclusion on this interim financial information based on our review.

We did not review the condensed interim financial information of certain consolidated subsidiaries whose assets constitute 5.1% of the total consolidated assets as of March 31, 2015, and whose revenues constitute 6.3% of the total consolidated revenues for the three-month period then ended. Furthermore, we did not review the condensed interim financial information of equity-accounted investees, the investment in which amounted to $73,269 thousand as at March 31, 2015, and the Group's share in their profits amounted to $1,628 thousand for the three-month period then ended. The condensed interim financial information of those companies was reviewed by other auditors whose review reports thereon were furnished to us, and our conclusion, insofar as it relates to amounts emanating from the financial information of such companies, is based solely on the said review reports of the other auditors.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 1, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying financial information was not prepared, in all material respects, in accordance with IAS 34.

In addition to that mentioned in the previous paragraph, based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not comply, in all material respects, with the disclosure requirements of Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.

Sincerely,

Somekh Chaikin
Certified Public Accountants (Isr.)

May 14, 2015

Condensed Consolidated Interim Statement of Financial Position as at

	March 31 2015	March 31 2014	December 31 2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Current assets			
Cash and cash equivalents	**517,449**	315,714	405,276
Short-term investments	**9,005**	17,088	11,008
Trade receivables	**928,642**	1,432,707	1,073,735
Trade receivables as part of securitization transaction not yet eliminated	**43,805**	–	–
Subordinated note in respect of sale of trade receivables	**122,691**	–	–
Prepaid expenses	**19,953**	18,990	18,268
Financial and other assets, including derivatives	**266,584**	121,498	298,297
Tax deposits less provision for taxes	**15,980**	10,915	13,720
Inventories	**1,204,863**	*1,240,457	*1,219,191
Total current assets	**3,128,972**	3,157,369	3,039,495
Long-term investments, loans and receivables			
Investments in equity-accounted investee companies	**77,555**	74,381	76,993
Other financial investments and receivables	**43,513**	85,447	45,143
Other non-financial investments and receivables, including non-current inventory	**23,870**	26,272	22,548
	144,938	186,100	144,684
Fixed assets			
Cost	**1,592,790**	1,510,989	1,574,623
Less – accumulated depreciation	**819,797**	776,408	808,167
	772,993	734,581	766,456
Deferred tax assets	**72,008**	*93,598	*82,623
Intangible assets			
Cost	**1,625,704**	1,569,450	1,609,214
Less – accumulated amortization	**928,777**	850,594	905,323
	696,927	718,856	703,891
Total non-current assets	**1,686,866**	1,733,135	1,697,654
Total assets	**4,815,838**	4,890,504	4,737,149

* Immaterial adjustment of the comparative figures – see Note 2C.

	March 31 2015	March 31 2014	December 31 2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Current liabilities			
Loans and credit from banks and other lenders	**197,455**	511,780	371,206
Current maturities of debentures	**99,296**	114,383	102,022
Trade payables	**659,891**	682,061	650,829
Other payables	**654,006**	496,623	659,814
Current tax liabilities	**29,080**	43,008	34,321
Put options to holders of non-controlling interests	**32,534**	33,699	33,384
Total current liabilities	**1,672,262**	1,881,554	1,851,576
Long-term liabilities			
Long-term loans from banks	**265,532**	247,596	264,139
Debentures	**1,056,103**	1,115,495	902,638
Other long-term liabilities	**31,503**	29,531	29,161
Deferred tax liabilities	**21,684**	18,333	19,695
Employee benefits	**76,089**	84,116	70,457
Put options to holders of non-controlling interests	**8,687**	7,874	8,434
Total long-term liabilities	**1,459,598**	1,502,945	1,294,524
Total liabilities	**3,131,860**	3,384,499	3,146,100
Equity			
Share capital	**125,595**	125,595	125,595
Share premium	**623,829**	623,829	623,829
Capital reserves	**(256,231)**	(296,694)	(265,354)
Retained earnings	**1,190,414**	*1,052,744	*1,106,592
Total equity attributable to the owners of the Company	**1,683,607**	1,505,474	1,590,662
Non-controlling interests	**371**	531	387
Total equity	**1,683,978**	1,506,005	1,591,049
Total liabilities and equity	**4,815,838**	4,890,504	4,737,149

* Immaterial adjustment of the comparative figures – see Note 2C.

Yang Xingqiang	Chen Lichtenstein	Aviram Lahav
Chairman of the Board of Directors	President & Chief Executive Officer	Chief Financial Officer

Date the financial statements were approved: May 14, 2015

The notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statement of Income for the

	Three-month period ended March 31		Year ended December 31
	2015	2014	2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Revenues	**866,660**	909,701	3,221,298
Cost of sales	**571,829**	596,608	2,195,993
Gross profit	**294,831**	313,093	1,025,305
Other income	**(10,471)**	(437)	(4,711)
Selling and marketing expenses	**137,739**	145,179	570,581
General and administrative expenses	**23,669**	27,473	111,933
Research and development expenses	**7,857**	10,051	33,554
Other expenses	**10,478**	155	2,947
	169,272	182,421	714,304
Operating income	**125,559**	130,672	311,001
Financing expenses	**59,465**	47,685	252,693
Financing income	**(43,813)**	(22,648)	(128,724)
Financing expenses, net	**15,652**	25,037	123,969
Share of income of equity-accounted investee companies	**1,232**	173	5,885
Profit before taxes on income	**111,139**	105,808	192,917
Taxes on income	**25,408**	7,127	46,902
Profit for the period	**85,731**	98,681	146,015
Attributable to:			
The owners of the Company	**85,816**	98,744	146,405
Non-controlling interests	**(85)**	(63)	(390)
Profit for the period	**85,731**	98,681	146,015

The notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statement of Comprehensive Income for the

	Three-month period ended March 31		Year ended December 31
	2015	2014	2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Profit for the period	**85,731**	98,681	146,015
Other comprehensive income items that after initial recognition in comprehensive income were or will be transferred to the statement of income			
Foreign currency translation differences in respect of foreign operations	**(12,784)**	2,727	(25,499)
Effective portion of change in fair value of cash flow hedges	**71,302**	(405)	56,426
Net change in fair value of cash flow hedges transferred to the statement of income	**(45,209)**	8,412	14,356
Taxes in respect of other comprehensive income items that were or will be transferred to the statement of income in succeeding periods	**(4,117)**	3	(3,023)
Total other comprehensive income that after initial recognition in comprehensive income were or will be transferred to the statement of income, net of tax	**9,192**	10,737	42,260
Components of other comprehensive income that will not be transferred to the statement of income			
Re-measurement of defined benefit plan	**(2,561)**	(981)	935
Taxes in respect of items of comprehensive income that will not be transferred to the statement of income	**276**	117	(53)
Total components of other comprehensive income (loss) for the period that will not be transferred to the statement of income, net of tax	**(2,285)**	(864)	882
Total comprehensive income for the period	**92,638**	108,554	189,157
Total comprehensive income attributable to:			
The owners of the Company	**92,729**	108,625	189,592
Non-controlling interests	**(91)**	(71)	(435)
Total comprehensive income for the period	**92,638**	108,554	189,157

The notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statement of Changes in Equity

	Share capital	Share premium	Capital reserves (1)	Retained earnings	Total equity attributable to the owners of the Company	Non-controlling interests	Total equity
	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands
For the three-month period ended March 31, 2015 (unaudited)							
Balance as at January 1, 2015	125,595	623,829	(265,354)	*1,106,592	1,590,662	387	1,591,049
Comprehensive income for the period							
Profit for the period	–	–	–	**85,816**	**85,816**	**(85)**	**85,731**
Components of other comprehensive income							
Foreign currency translation differences in respect of foreign operations	–	–	**(12,778)**	–	**(12,778)**	**(6)**	**(12,784)**
Effective portion of change in fair value of cash flow hedges	–	–	**71,302**	–	**71,302**	–	**71,302**
Net change in fair value of hedged cash flows transferred to the statement of income	–	–	**(45,209)**	–	**(45,209)**	–	**(45,209)**
Re-measurement of defined benefit plan	–	–	–	**(2,561)**	**(2,561)**	–	**(2,561)**
Taxes on components of other comprehensive income	–	–	**(4,117)**	**276**	**(3,841)**	–	**(3,841)**
Other comprehensive income for the period, net of tax	–	–	**9,198**	**(2,285)**	**6,913**	**(6)**	**6,907**
Total comprehensive income for the period	–	–	**9,198**	**83,531**	**92,729**	**(91)**	**92,638**
Dividends to holders of non-controlling interests holding a put option	–	–	–	**(1,958)**	**(1,958)**	–	**(1,958)**
Transactions with holders of non-controlling interests	–	–	**(75)**	–	**(75)**	**75**	–
Share-based payments	–	–	–	**2,249**	**2,249**	–	**2,249**
Balance as at March 31, 2015	**125,595**	**623,829**	**(256,231)**	**1,190,414**	**1,683,607**	**371**	**1,683,978**

* Immaterial adjustment of the comparative figures – see Note 2C.

(1) Including treasury shares that were cancelled in the amount of $245,548 thousand.

The notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statement of Changes in Equity

	Share capital	Share premium	Capital reserves (1)	Retained earnings	Total equity attributable to the owners of the Company	Non-controlling interests	Total equity
	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands
For the three-month period ended March 31, 2014 (unaudited)							
Balance as at January 1, 2014	125,595	623,829	(307,096)	*953,423	1,395,751	1,001	1,396,752
Comprehensive income for the period							
Profit for the period	–	–	–	98,744	98,744	(63)	98,681
Components of other comprehensive income							
Foreign currency translation differences in respect of foreign operations	–	–	2,735	–	2,735	(8)	2,727
Effective portion of change in fair value of cash flow hedges	–	–	(405)	–	(405)	–	(405)
Net change in fair value of hedged cash flows transferred to the statement of income	–	–	8,412	–	8,412	–	8,412
Re-measurement of defined benefit plan	–	–	–	(981)	(981)	–	(981)
Taxes on components of other comprehensive income	–	–	3	117	120	–	120
Other comprehensive income (loss) for the period, net of tax	–	–	10,745	(864)	9,881	(8)	9,873
Total comprehensive income (loss) for the period	–	–	10,745	97,880	108,625	(71)	108,554
Share-based payments	–	–	–	1,876	1,876	–	1,876
Dividends to holders of non-controlling interests holding a put option	–	–	–	(327)	(327)	–	(327)
Elimination of non-controlling interests due to loss of control of subsidiary	–	–	–	–	–	(659)	(659)
Transactions with holders of non-controlling interests	–	–	(260)	–	(260)	260	–
Exercise of options granted to employees in a subsidiary	–	–	(83)	(108)	(191)	–	(191)
Balance as at March 31, 2014	125,595	623,829	(296,694)	*1,052,744	1,505,474	531	1,506,005

* Immaterial adjustment of the comparative figures – see Note 2C.

(1) Including treasury shares that were cancelled at the amount of $245,548 thousand.

The notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statement of Changes in Equity

	Share capital	Share premium	Capital reserves (1)	Retained earnings	Total equity attributable to the owners of the Company	Non-controlling interests	Total equity
	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands
For the year ended December 31, 2014							
Balance as of January 1, 2014	125,595	623,829	(307,096)	*953,423	1,395,751	1,001	1,396,752
Total comprehensive income for the year							
Profit for the year	–	–	–	146,405	146,405	(390)	146,015
Components of other comprehensive income							
Foreign currency translation differences in respect of foreign operations	–	–	(25,454)	–	(25,454)	(45)	(25,499)
Effective portion of change in fair value of cash flow hedges	–	–	56,426	–	56,426	–	56,426
Net change in fair value of cash flow hedges transferred to the statement of income	–	–	14,356	–	14,356	–	14,356
Re-measurement of defined benefit plan	–	–	–	935	935	–	935
Taxes on other comprehensive income	–	–	(3,023)	(53)	(3,076)	–	(3,076)
Other comprehensive income (loss) for the year, net of tax	–	–	42,305	882	43,187	(45)	43,142
Total comprehensive income (loss) for the year	–	–	42,305	147,287	189,592	(435)	189,157
Dividends to holders of non-controlling interests holding a put option	–	–	–	(1,994)	(1,994)	–	(1,994)
Transactions with holders of non-controlling interests	–	–	(480)	–	(480)	480	–
Share-based payments	–	–	–	7,984	7,984	–	7,984
Elimination of non-controlling interests due to loss of control of subsidiary	–	–	–	–	–	(659)	(659)
Exercise of options granted to employees of a subsidiary	–	–	(83)	(108)	(191)	–	(191)
Balance as of December 31, 2014	125,595	623,829	(265,354)	*1,106,592	1,590,662	387	1,591,049

* Immaterial adjustment of the comparative figures – see Note 2C.

(1) Including treasury shares that were cancelled in the amount of $245,548 thousand.

The notes to the condensed consolidated interim financial statemets are an integral part thereof.

Condensed Consolidated Interim Statement of Cash Flows for the

	Three month period ended March 31		Year ended December 31
	2015	**2014**	**2014**
	(Unaudited)	**(Unaudited)**	**(Audited)**
	$ thousands	**$ thousands**	**$ thousands**
Cash flows from operating activities			
Profit for the period	**85,731**	98,681	146,015
Adjustments			
Depreciation and amortization	**41,285**	40,801	167,180
Capital loss (gain) on realization of fixed and other assets, net	**(10,010)**	(13)	258
Amortization of discount/premium and issuance expenses	**(444)**	(427)	(2,813)
Share of income of equity-accounted investee companies, net	**(1,232)**	(173)	(5,885)
Expenses in respect of share-based payments	**2,249**	1,876	7,984
Revaluation of put options held by holders of non-controlling interests	**(597)**	75	3,185
Adjustment of long-term liabilities	**(40,527)**	(8,921)	(132,639)
SWAP transactions	**(120)**	–	(481)
Change in provision for taxes and advance tax deposits, net	**2,293**	5,053	(7,395)
Decrease (increase) in deferred taxes, net	**8,632**	(9,571)	(370)
Changes in assets and liabilities			
Increase in trade and other receivables	**(217,458)**	(449,302)	(252,736)
Decrease (increase) in inventories	**3,077**	(28,461)	(22,668)
Increase in trade and other payables	**19,037**	131,565	299,319
Change in employee benefits	**4,794**	(1,699)	(19,834)
Net cash provided by (used in) operating activities	**(103,290)**	(220,516)	179,120
Cash flows for investing activities			
Acquisition of fixed assets	**(38,746)**	(27,042)	(100,525)
Increase in intangible assets	**(26,501)**	(26,637)	(101,009)
Short-term investments, net	**2,020**	(7,184)	(1,136)
Long-term investment, net	**–**	(701)	52,208
Proceeds from realization of fixed and intangible assets	**1,622**	249	3,925
Dividend from equity-accounted investee	**460**	–	7,288
Investment in equity-accounted investee	**–**	–	(6,528)
Transition from consolidation to the equity method	**–**	(261)	(261)
Net cash used in investing activities	**(61,145)**	(61,576)	(146,038)

The notes to the condensed consolidated interim financial statements are an integral part thereof.

Condensed Consolidated Interim Statement of Cash Flows for the (cont'd)

	Three month period ended March 31		Year ended December 31
	2015	2014	2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Cash flows from financing activities			
Receipt of long-term loans from banks	**17,620**	27,466	97,237
Repayment of long-term loans and liabilities from banks	**(16,180)**	(29,115)	(109,974)
Repayment of debentures	**–**	–	(99,909)
Increase (decrease) in short-term liabilities to banks and others	**81,459**	108,781	(1,426)
Dividend to holders of non-controlling interests	**(1,958)**	(518)	(2,185)
Issuance of debentures less issuance expenses	**191,908**	146,806	146,806
Issuance of options for debentures	**4,505**	–	–
Acquisition of non-controlling interests	**–**	(30,000)	(30,000)
Payment of contingent consideration in respect of business combination	**–**	(5,000)	(5,000)
Expenses in respect of raising of capital	**(746)**	–	(2,471)
Net cash provided by (used in) financing activities	**276,608**	218,420	(7,192)
Increase (decrease) in cash and cash equivalents	**112,173**	(63,672)	25,890
Cash and cash equivalents at the beginning of the period	**405,276**	379,386	379,386
Cash and cash equivalents at the end of the period	**517,449**	315,714	405,276
Additional information:			
Interest paid in cash	**(8,605)**	(7,504)	(96,384)
Interest received in cash	**4,284**	2,265	29,786
Taxes paid in cash, net	**(13,705)**	(11,606)	(47,798)

The notes to the condensed consolidated interim financial statements are an integral part thereof.

Note 1 - Reporting Principles and Accounting Policies

A. The reporting entity

(1) Adama Agricultural Solutions Ltd. (hereinafter – "the Company") is an Israel-resident company that was incorporated in Israel, and its official address is the Arava Building in Airport City Park. The condensed consolidated financial statements of the Company as at March 31, 2015 include those of the Company and its subsidiaries (hereinafter together – "the Group") as well as the Company's rights in an associated company and in joint ventures. The Group operates in Israel and abroad and is engaged in the development, manufacture and marketing of agrochemicals, intermediate materials for other industries, food additives and synthetic aromatic products, mainly for export.

(2) Sales of agrochemical products are directly impacted by the agricultural seasons (in each of the different markets), the weather in each region and the cycles of the growing seasons. Therefore, the Company's income is not uniform or the same during the quarters of the year. The agricultural seasons in countries located in the northern hemisphere (mainly the United States and Europe) take place in the first two quarters of the year, and therefore in these countries the highest sales are usually in the first half of the year. On the other hand, in the southern hemisphere, the seasonal trends are the opposite and most of the local sales are made in the second half of the year, except for Australia where most of the sales are made in April through July.
In the Company's estimation, the Company's worldwide operations along with the dispersement of the markets in which it operates, moderates part of the seasonal impacts, even though the Company's sales are higher in the northern hemisphere.

Note 2 - Basis for Financial Statement Preparation

A. Declaration of compliance with International Financial Reporting Standards (IFRS)

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting* and do not include all the information required for full annual financial statements. They should be read in conjunction with the financial statements as at and for the year ended December 31, 2014 (hereinafter – "the Annual Financial Statements"). Furthermore, these financial statements have been prepared in accordance with the Section D of the Securities Regulations (Periodic and Immediate Reports), 1970.
The condensed consolidated interim financial statements were authorized for issue by the Group's Board of Directors on May 14, 2015.

B. Use of estimates and judgment

When preparing the condensed consolidated interim financial statements in conformance with IFRS, Company management is required to use judgment when making assessments, estimates and assumptions that affect the implementation of the policies and amounts of assets and liabilities, revenues and expenses. It is clarified that the actual results are likely to be different than these estimates.

Management's judgment when applying the Group's accounting policies and the key assumptions used in estimates that involve uncertainty are consistent with those used in the Annual Financial Statements.

Note 2 - Basis for Financial Statement Preparation (cont'd)

C. Immaterial adjustment of the comparative figures

During the quarter, an immaterial error was found in calculation of the balance of the unrealized income in respect of inventory sold between the Group's subsidiaries. The impact of the correction on the comparative figures is in the following categories: retained earnings, in the amount of $7.4 million, constituting 0.7% of the retained earnings as previously report, inventory, in the amount of $10.4 million, and deferred tax assets, in the amount of $3 million.

Note 3 - Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its annual financial statements.

Note 4 - Information on Business Segments

A. Products and services:

The Company presents its segment reporting according to a format that is based on a breakdown by business segments:

- <u>Activity in the agrochemical products market (Agro)</u>
  This is the main area of the Company's operations and includes the manufacture and marketing of conventional agrochemical products and activities in the seeds' sector.

- <u>Other (Non Agro)</u>
  This field of activity includes a large number of sub-fields, including: Lycopan (an oxidization retardant), aromatic products, and other chemicals. It combines all the Company's activities not included in the agro-products segment.

Segment results reported to the chief operating decision maker include items directly attributable to a segment as well at those that can be allocated on a reasonable basis. Unallocated items comprise mainly financing expenses, net.

Note 4 - Information on Business Segments (cont'd)

A. Products and services: (cont'd)

	For the three-month period ended March 31, 2015 (Unaudited)			
	Crop protection	Other	Reconciliation	Consolidated
	$ thousands	$ thousands	$ thousands	$ thousands
Statement of income information:				
Revenues				
Sales outside the Group	**820,469**	**46,191**	**–**	**866,660**
Inter-segment sales	**–**	**476**	**(476)**	**–**
Total revenues	**820,469**	**46,667**	**(476)**	**866,660**
Results				
Segment's results	**125,196**	**361**	**2**	**125,559**
Financing expenses, net				**(15,652)**
Share of income of equity accounted in investees, net				**1,232**
Income taxes				**(25,408)**
Non-controlling interests				**85**
Net income for the period attributable to the owners of the Company				**85,816**

	For the three-month period ended March 31, 2014 (Unaudited)			
	Crop protection	Other	Reconciliation	Consolidated
	$ thousands	$ thousands	$ thousands	$ thousands
Statement of income information:				
Revenues				
Sales outside the Group	859,257	50,444	–	909,701
Inter-segment sales	–	360	(360)	–
Total revenues	859,257	50,804	(360)	909,701
Results				
Segment's results	125,321	5,337	14	130,672
Financing expenses, net				(25,037)
Share of income of equity accounted investees, net				173
Income taxes				(7,127)
Non-controlling interests				63
Net income for the period attributable to the owners of the Company				98,744

	For the year ended December 31, 2014 (Audited)			
	Crop protection	Other	Reconciliation	Consolidated
	$ thousands	$ thousands	$ thousands	$ thousands
Statement of income information:				
Revenues	3,028,790	192,508	–	3,221,298
Sales outside the Group				
Inter-segment sales	–	1,320	(1,320)	–
Total revenues	3,028,790	193,828	(1,320)	3,221,298
Results				
Segment's results	304,108	7,106	(213)	311,001
Financing expenses, net				(123,969)
Share of income of equity accounted investees, net				5,885
Income taxes				(46,902)
Non-controlling interests				390
Net income for the year attributable to the owners of the Company				146,405

Note 4 - Information on Business Segments (cont'd)

B. Sales distribution by geographic regions

As a result of the organizational change that was completed at the end of 2014, the breakdown of the sales was conformed to geographical segments based on the location of the customer. The Asia Pacific and Africa segment was split into two segments: (1) Asia Pacific; and (2) Africa, the Middle East and India.

The information for prior periods was restated.

	Three month period ended		Year ended
	March 31	March 31	December 31
	2015	2014	2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Europe	**456,750**	467,224	1,186,714
North America	**138,447**	138,390	544,825
Latin America	**123,899**	136,198	822,537
Asia Pacific	**77,986**	94,306	294,048
Africa, the Middle East and India	**46,788**	48,456	269,969
Israel	**22,790**	25,127	103,205
	866,660	909,701	3,221,298

Note 5 - Financial Instruments

Fair value

The fair value of forward contracts on foreign currency is based on their listed market price, if available. In the absence of market prices, the fair value is estimated based on the discounted difference between the stated forward price in the contract and the current forward price for the residual period until redemption, using an appropriate interest rate.

The fair value of foreign currency options and CPI and currency swaps (CCS) is based on bank quotes. The reasonableness of the quotes is evaluated through discounting future cash flow estimates, based on the conditions and duration to maturity of each contract, using the market interest rates of a similar instrument at the measurement date and in accordance with the Black & Scholes model.

(1) Financial instruments measured at fair value for disclosure purposes only

The carrying value of certain financial assets and financial liabilities, including cash and cash equivalents, trade receivables, other receivables, other short-term investments, derivatives, bank overdrafts, short-term loans and credit, trade payables and other payables, are the same as or proximate to their fair value.

The following table details the carrying amount in the books and fair value of groups of non-current financial instruments presented in the financial statements not in accordance with their fair value:

Note 5 - Financial Instruments (cont'd)

(1) Financial instruments measured at fair value for disclosure purposes only (cont'd)

	March 31, 2015		March 31, 2014		December 31, 2014	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Audited
	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands	$ thousands
Financial assets						
Long-term loans and other receivables (a)	**15,906**	**12,402**	81,166	79,841	17,281	14,254
Financial liabilities						
Long-term loans (b)	**344,357**	**343,379**	354,794	372,598	337,403	345,978
Debentures (c)	**1,155,399**	**1,366,836**	1,229,878	1,419,732	1,004,660	1,139,653

(a) The fair value of the long-term loans granted is based on a calculation of the present value of cash flows, using the acceptable interest rate for similar loans having similar characteristics (Level 2).

(b) The fair value of the long-term loans received is based on a calculation of the present value of cash flows, using the acceptable interest rate for similar loans having similar characteristics (Level 2).

(c) The fair value of the debentures is based on stock exchange quotes (Level 1).

(2) Fair value hierarchy

The table below presents an analysis of the financial instruments measured at fair value, in accordance with the valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in an active market for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3: Inputs that is not based on observable market data (unobservable inputs).

The Company's financial instruments carried at fair value are evaluated by observable inputs and therefore are concurrent with the definition of Level 2.

	March 31, 2015	March 31, 2014	December 31, 2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Derivatives used for hedging:			
Forward contracts and options	**59,508**	(28,479)	36,187
Derivatives not used for hedging:			
Forward contracts and options	**(93,903)**	17,108	(160,170)
	(34,395)	(11,371)	(123,983)

Note 6 - Additional Information

(1) On February 1, 2015, the Company issued 533,330 units composed of NIS 533.3 million par value debentures (Series B), which were issued by means of an expansion of the Series, in exchange for 103.59 of their par value and 2,667 non-marketable options. Each option is exercisable for NIS 100 par value debentures (Series B) in exchange for a consideration of NIS 127, and in total NIS 266.7 million par value debentures (Series B) are exercisable.

The options were not registered for trading on the stock exchange and were exercisable up to May 10, 2015.

The total net proceeds from the issuance amounted to about $175 million, of which about $4.5 million is in respect of the options.

The debentures (Series B) are linked to the CPI and bear base annual interest of 5.15%. The principal of the debentures is to be repaid in 17 equal payments in the years 2020 through 2036. The issuance expenses in respect of the issuance amounted to about $599 thousand.

In the period of the report, about 664 thousand options had been exercised for NIS 66.4 million par value debentures (Series B). The total net proceeds amounted to about $21.3 million. The issuance expenses in respect of the issuance amounted to about $65 thousand.

Subsequent to the balance sheet date, about 2,003 thousand options, constituting the remaining options, were exercised for NIS 200.3 million par value debentures (Series B). The total net proceeds amounted to about $64.9 million. The issuance expenses in respect of exercise of the options for the debentures issued amounted to about $200 thousand.

(2) In September 2004, the Company and certain of its subsidiaries entered into a securitization transaction with Rabobank International for sale of customer receivables (hereinafter – “the Securitization Agreement” and/or “the Securitization Transaction”).

Pursuant to the Securitization Agreement, the companies will sell their customer receivables, in various different currencies, to a foreign company that was set up for this purpose and that is not owned by the Adama Agricultural Solutions Group (hereinafter – “the Acquiring Company”). Acquisition of the customer receivables by the Acquiring Company is financed by a U.S. company, Nieuw Amsterdam Receivables Corporation for the Rabobank International Group.

The customer receivables included as part of the Securitization Transaction are customer receivables that meet the criteria provided in the agreement.

Every year the credit facility is re-approved in accordance with the Securitization Agreement. As at the date of the report, the Securitization Agreement was approved up to July 31, 2015.

The maximum scope of the securitization is adjusted for the seasonal changes in the scope of the Company’s activities, as follows: during the months April through June the maximum scope of the securitization is $350 million, during the months July through September the maximum scope of the securitization is $300 million and during the months October through March the maximum scope of the securitization is $250 million. The proceeds received from those customers whose debts were sold are used for acquisition of new customer receivables.

Note 6 - Additional Information (cont'd)

(2) (cont'd)

The price at which the customer receivables are sold is the amount of the debt sold less a discount calculated based on, among other things, the expected length of the period between the date of sale of the customer receivable and its anticipated repayment date.

In the month following acquisition of the debt, the Company pays the Acquiring Company in cash most the price of the debt while the remainder is recorded as a subordinated liability that is paid after collection of the debt sold. If the customer does not pay its debt on the anticipated repayment date, the Company bears interest up to the earlier of the date on which the debt is actually repaid or the date on which the Acquiring Company is indemnified by the insurance company (the actual costs are not significant and are not expected to be significant).

The Acquiring Company will not have a right of recourse to the Company in respect of the amounts paid in cash, except regarding debts with respect to which a commercial dispute arises between the companies and their customers, that is, a dispute the source of which is a claim of non-fulfillment of an obligation of the seller in the supply agreement covering the product, such as: a failure to supply the correct product, a defect in the product, delinquency in the supply date, and the like.

Pursuant to the Receivables Servicing Agreement, the Group companies handle collection of the customer receivables as part of the Securitization Transaction for the benefit of the Acquiring Company.

The loss from sale of the customer receivables is recorded at the time of sale in the statement of income in the "financing expenses" category.

As part of the agreement, the Company committed to comply with certain financial covenants, mainly the ratio of the liabilities to equity and profit ratios.

Up to March 26, 2015, the companies bore the full amount of the losses incurred by the Acquiring Company as a result of non-payments of the customer receivables included as part of the Securitization Transaction, up to the amount of the total balance of the price of the unpaid debt. In addition, the Company undertook with an insurance company in an insurance policy for the benefit of the Acquiring Company insuring the customer receivables included in the Securitization Transaction.

On March 26, 2015, the Securitization Agreement was amended. The main changes are as follows:

- The Acquiring Company bears 90% of the credit risk in respect of the customers whose debts were sold.
- The Acquiring Company appointed a policy manager who will manage for it the credit risk involved with the customer receivables sold, including an undertaking with an insurance company.
- Increase of the proceeds received in cash in the month following the date of sale of the customer receivables.

Note 6 - Additional Information (cont'd)

(2) (cont'd)

The accounting treatment of sale of the customer receivables included as part of the Securitization Transaction is: the Company continues to recognize the customer receivables included in the Securitization Transaction based on the extent of its continuing involvement therein.

Up to March 2015, the Acquiring Company is included in the Group's financial statements since control over the Acquiring Company existed.

Commencing from March 2015, as a result of amendment of the Securitization Agreement, as described above, the Company ceased controlling the Acquiring Company.

In respect of the part of the trade receivables included in the securitization transaction with respect to which cash proceeds were not received, however regarding which the Company has transferred the credit risk, a subordinated note is recorded in an amount equal to the difference between the balance of the trade receivables included in the securitization transaction regarding which the credit risk has been transferred and the consideration.

Adama Agricultural Solutions Ltd.

Condensed Separate Interim
Financial Data
(Unaudited)
As of March 31, 2015
In U.S. Dollars

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To the Shareholders of Adama Agricultural Solutions Ltd.

Subject: Special Auditors' report on separate interim financial information according to Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) – 1970

Introduction

We have reviewed the separate interim financial information presented in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) – 1970 of Adama Agricultural Solutions Ltd. (hereinafter – "the Company") as of March 31, 2015 and for the three-month period then ended. The separate interim financial information is the responsibility of the Company's Board of Directors and of its Management. Our responsibility is to express a conclusion on the separate interim financial information based on our review.

We did not review the separate interim financial information of investee companies the investment in which amounted to $181,671 thousand as of March 31, 2015, and the profit (loss) from these investee companies amounted to $1,876 thousand for the three-month period then ended. The financial statements of those companies were reviewed by other auditors whose review reports thereon were furnished to us, and our conclusion, insofar as it relates to amounts emanating from the financial statements of such companies, is based solely on the said review reports of the other auditors.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements 1, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Institute of Certified Public Accountants in Israel. A review of separate interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards in Israel and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying separate interim financial information was not prepared, in all material respects, in accordance with Regulation 38D of the Securities Regulations (Periodic and Immediate Reports) – 1970.

Somekh Chaikin
Certified Public Accountants (Isr.)

May 14, 2015

Condensed Interim Information on Financial Position

	March 31 2015	March 31 2014	December 31 2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Current assets			
Cash and cash equivalents	**23,772**	1,315	575
Prepaid expenses	**531**	560	451
Other receivables	**75,337**	73,649	97,287
Receivables from investee companies	**256,031**	163,394	243,245
Derivatives	**2,571**	16,422	22,476
Total current assets	**358,242**	255,340	364,034
Long-term investments, loans and receivables			
Investments in investee companies	**1,765,544**	*1,586,733	*1,671,478
Loans to investee companies	**853,173**	966,720	725,570
	2,618,717	2,553,453	2,397,048
Fixed assets, net	**2,915**	2,886	2,900
Intangible assets, net	**4,829**	2,711	4,419
Total non-current assets	**2,626,461**	2,559,050	2,404,367
Total assets	**2,984,703**	2,814,390	2,768,401

* Immaterial adjustment of the comparative figures.

Condensed Interim Information on Financial Position

	March 31 2015	March 31 2014	December 31 2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Current liabilities			
Current maturities of debentures	**99,296**	114,383	102,022
Other payables	**40,092**	50,224	16,800
Derivatives	**81,389**	1,047	131,470
Total current liabilities	**220,777**	165,654	250,292
Long-term liabilities			
Debentures	**1,076,305**	1,138,801	923,656
Employee benefits	**4,014**	4,461	3,791
Total non-current liabilities	**1,080,319**	1,143,262	927,447
Total liabilities	**1,301,096**	1,308,916	1,177,739
Equity			
Share capital	**125,595**	125,595	125,595
Share premium	**623,829**	623,829	623,829
Reserves	**(256,231)**	(296,694)	(265,354)
Retained earnings	**1,190,414**	*1,052,744	*1,106,592
Total equity attributable to the owners of the Company	**1,683,607**	1,505,474	1,590,662
Total liabilities and equity	**2,984,703**	2,814,390	2,768,401

* Immaterial adjustment of the comparative figures.

Yang Xingqiang	Chen Lichtenstein	Aviram Lahav
Chairman of the Board of Directors	President & Chief Executive Officer	Chief Financial Officer

Date the financial statements were approved: May 14, 2015

The attached additional information to the separate interim information is an integral part thereof.

Condensed Interim Information on Income

	Three-month period ended		Year ended
	March 31 2015	March 31 2014	December 31 2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Revenues			
Management fees from investee companies	**12,689**	10,291	47,003
Expenses			
General and administrative	**14,123**	11,530	48,183
Operating loss	**(1,434)**	(1,239)	(1,180)
Financing expenses	**52,445**	17,173	232,016
Financing income	**(52,442)**	(17,168)	(229,460)
Financing expenses, net	**(3)**	(5)	(2,556)
Loss after financing expenses, net	**(1,437)**	(1,244)	(3,736)
Income from investee companies	**87,533**	100,224	150,536
Profit before tax on income	**86,096**	98,980	146,800
Taxes on income	**280**	236	395
Profit for the period attributable to the owners of the Company	**85,816**	98,744	146,405

The attached additional information to the separate interim information is an integral part thereof.

Condensed Interim Information on Comprehensive Income

	Three-month period ended March 31 2015 (Unaudited) $ thousands	Three-month period ended March 31 2014 (Unaudited) $ thousands	Year ended December 31 2014 (Audited) $ thousands
Income for the period attributable to the owners of the Company	**85,816**	98,744	146,405
Components of other comprehensive income where after the initial recognition as part of the comprehensive income were transferred or will be transferred to the statement of income			
Net change in fair value of cash flow hedges transferred to the statement of income	**(120)**	(120)	(482)
Other comprehensive income in respect of investee companies, net of tax	**9,307**	10,865	42,743
Taxes on the components of other comprehensive income that were transferred or will be transferred to the statement of income	**11**	–	44
Total other comprehensive income for the period where after the initial recognition as part of the comprehensive income were transferred or will be transferred to the statement of income, net of tax	**9,198**	10,745	42,305
Components of other comprehensive income that will not be transferred to the statement of income			
Re-measurement of defined benefit plan	**(159)**	–	331
Other comprehensive income (loss) in respect of investee companies, net of tax	**(2,126)**	(864)	551
Total components of other comprehensive income (loss) for the period that will not be transferred to the statement of income, net of tax	**(2,285)**	(864)	882
Total comprehensive income for the period attributable to the owners of the Company	**92,729**	108,625	189,592

The attached additional information to the separate interim information is an integral part thereof.

Condensed Interim Information on Cash Flows

	Three-month period ended		Year ended
	March 31 2015	March 31 2014	December 31 2014
	(Unaudited)	(Unaudited)	(Audited)
	$ thousands	$ thousands	$ thousands
Cash flows from operating activities			
Profit for the period attributable to the owners of the Company	**85,816**	98,744	146,405
Adjustments			
Income in respect of investee companies	**(87,533)**	(100,224)	(150,536)
Depreciation and amortization	**454**	379	1,564
Amortization of discount/premium and issuance costs	**(444)**	(427)	(2,813)
Expenses in respect of share-based payment	**865**	886	3,974
Adjustment of long-term liabilities	**(40,914)**	(9,221)	(132,142)
SWAP transactions	**(120)**	(120)	(482)
Change in deferred taxes, net	**11**	–	44
Changes in assets and liabilities			
Decrease (increase) in accounts receivable and current assets	**49,522**	12,488	(46,639)
Increase (decrease) in accounts payable and other liabilities	**(31,377)**	18,915	115,636
Change in provisions and employee benefits	**329**	(158)	(219)
Net cash used in operating activities in respect of transactions with investee companies	**(13,596)**	(22,461)	(104,603)
Net cash used in operating activities	**(36,987)**	(1,199)	(169,811)
Cash flows from investing activities			
Acquisition of fixed assets	**(154)**	(280)	(712)
Additions to intangible assets	**(725)**	(848)	(3,323)
Net cash provided by (used in) operating activities in respect of transactions with investee companies	**(135,350)**	(147,406)	125,829
Net cash provided by (used in) investing activities	**(136,229)**	(148,534)	121,794
Cash flows from financing activities			
Issuance of debentures net of issuance costs	**191,908**	146,806	146,806
Issuance of options for debentures	**4,505**	–	–
Repayment of debentures	**–**	–	(99,909)
Costs of raising capital	**–**	–	(2,547)
Net cash provided by financing activities	**196,413**	146,806	44,350
Increase (decrease) in cash and cash equivalents	**23,197**	(2,927)	(3,667)
Cash and cash equivalents at beginning of the period	**575**	4,242	4,242
Cash and cash equivalents at end of the period	**23,772**	1,315	575
Supplementary information:			
Interest paid in cash	**–**	(1)	(66,271)
Interest received in cash	**285**	291	1,769
Taxes paid in cash, net	**(267)**	(271)	(387)

The attached additional information to the separate interim information is an integral part thereof.

Additional Information

1. General

Presented herein is condensed financial data from the Group's condensed consolidated interim financial statements as at March 31, 2015 (hereinafter – "the Consolidated Financial Statements"), which are published as part of the Periodic Reports, relating to the Company itself hereinafter – "the Condensed Interim Separate Financial Data"), presented in accordance with the provisions of Regulation 38D ("the Regulation") and Addendum 10 to the Securities Regulations (Periodic and Immediate Reports) – 1970 ("Addendum 10") regarding Condensed Interim Separate Financial Data of the Corporation.

The Condensed Interim Separate Financial Data should be read in conjunction with the separate financial information as at and for the period ended December 31, 2014 and in conjunction with the interim condensed consolidated financial statements.

In this interim financial information:

(1) The Company – Adama Agricultural Solutions Ltd.

(2) Subsidiaries – Companies, including partnerships, whose financial statements are fully consolidated, directly or indirectly, with the financial statements of the Company.

(3) Investee companies – Subsidiaries and companies, including partnerships or joint ventures, the Company's investment in which is included in the financial statements, directly or indirectly, based on the equity method of accounting.

2. Significant Accounting Policies Applied in the Condensed Separate Financial Data

The accounting policies in these condensed interim financial data conform to the accounting principles detailed in the separate financial information as of December 31, 2014.

אדמה פתרונות לחקלאות בע"מ
ADAMA Agricultural Solutions Ltd.

Chapter C

Report Regarding the Effectiveness of the Internal Auditing of Financial Reporting and Disclosure

Periodic report regarding the effectiveness of the internal auditing of financial reporting and disclosure according to Regulation 38C(a):

The Management, under the supervisions of the Board of Directors of ADAMA Agricultural Solutions Ltd. (hereafter: the corporation) is responsible for determining and maintaining appropriate internal auditing of financial reporting and of disclosure in the corporation.

In this matter, the members of the Management are as follows:
1. Chen Lichtenstein, President and CEO
2. Aviram Lahav, CFO
3. Ignacio Dominguez, CCO
4. Shaul Friedland, CCO
5. Elhanan Abramov, EVP, Global Operations
6. Michal Arlosoroff, SVP, General Legal Counsel
7. Dani Harari, SVP, Strategy and Resources

The internal auditing of financial reporting and disclosure includes the existing controls and procedures in the corporation, which were designed by the Chief Executive Officer and the senior corporate financial officer or under their supervision, or by someone who in practice carries out these functions, under the supervision of the corporation's Board of Directors and which are intended to provide a reasonable degree of confidence regarding the reliability of financial reporting and the preparation of the reports according to the instructions of the law and to ensure that the information which the corporation is required to disclose in the reports that it publishes according to the instructions of the law is gathered, processed, summarized and reported on the dates and in the format dictated by law.

The internal auditing includes, among other things, audits and procedures that were designed to ensure that the information which the corporation is required to disclose was accumulated and submitted to the corporation's Management, including the Chief Executive Officer and the senior corporate financial officer or someone who in practice fulfills these functions, in order to facilitate decision making at the appropriate time, with regard to the disclosure requirements.

Due to its structural constraints, internal auditing of financial reporting and disclosure is not intended to fully guarantee that a biased presentation or the omission of information in the reports will be avoided or discovered.

In the annual report on the effectiveness of the internal auditing of the financial reports and disclosure which was attached to the periodic report for the period ended on December 31, 2014 (hereinafter: the last annual report on internal auditing), the Board of Directors and the Management assessed the corporation's internal auditing. Based on that assessment, the Board of Directors and the Management of the corporation reached the conclusion that the aforementioned internal auditing, as of December 31, 2014 is effective.

Up to the date of the report, the Board of Directors and the Management were not made aware of any event or matter that would have changed their assessment of the effectiveness of internal auditing, as it was presented in the annual report on internal auditing.
As of the date of the report and based on the assessment of the effectiveness of the internal auditing in the last annual report on internal auditing and on the information brought to the attention of the Management and the Board of Directors as mentioned above, the internal auditing is effective.

Officers' Certification
Certification of CEO

I, Chen Lichtenstein, certify that:

(1) I have reviewed the quarterly report of ADAMA Agricultural Solutions Ltd. (hereinafter – "the Company") for the first quarter of 2015 (hereinafter – "the reports").

(2) Based on my knowledge, the reports do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the reports.

(3) Based on my knowledge, the financial statements and other financial information included in the reports, fairly present in all material respects, the financial condition, results of operations and cash flows of the Company as of the dates and for the periods presented in the reports.

(4) I have disclosed, based on my most recent evaluation regarding internal control over financial reporting and disclosure, to the Company's Auditors, Board of Directors and Audit Committee and Financial Statements Committee of the Board of Directors:

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure, which could reasonably adversely affect the Company's ability to record, process, summarize and report financial data so as to cast doubt on the reliability of financial reporting and the preparation of financial statements in accordance with law; and –

(b) Any fraud, whether or not material, that involves the CEO or anyone directly subordinated to the CEO or that involves other employees who have a significant role in internal control over financial reporting and disclosure.

(5) I, alone or together with others in the Company, state that:

(a) I have designed such controls and procedures, or caused such controls and procedures to be designed under my supervision, to ensure that material information relating to the Company, including its consolidated corporations within their meaning in the Securities Law (Annual Financial Statements) – 2010, is made known to me by others in the Company and within those corporations, particularly during the period in which the reports are being prepared; and –

(b) I have designed such controls and procedures, or caused such controls and procedures to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with law, including in accordance with generally accepted accounting principles;

(c) No event or matter during the course of the period between the date of the last periodic report and the date of this report has been brought to my attention that would change the conclusion of the Board of Directors and the Management with respect to the effectiveness of the internal auditing of the Company's financial reporting and disclosure.

Nothing in the aforesaid derogates from my responsibility or from the responsibility of any other person under the law.

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Chen Lichtenstein
CEO   14 May 2015

Officers' Certification
Certification of Chief Financial Officer

I, Aviram Lahav, certify that:

(1) I have reviewed the quarterly report of ADAMA Agricultural Solutions Ltd. (hereinafter – "the Company") for the first quarter of 2015 (hereinafter – "the reports" or "the interim period reports").

(2) Based on my knowledge, the interim financial statements and other financial information included in the interim period reports do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the reports.

(3) Based on my knowledge, the interim financial statements and other financial information included in the interim period reports, fairly present in all material respects, the financial condition, results of operations and cash flows of the Company as of the dates and for the periods presented in the reports.

(4) I have disclosed, based on my most recent evaluation regarding internal control over financial reporting and disclosure, to the Company's Auditors, Board of Directors and Audit committee and Financial Statements Committee of the Board of Directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and disclosure to the extent it relates to the interim financial statements and other financial information included in the interim period reports, which could reasonably adversely affect the Company's ability to record, process, summarize and report financial data so as to cast doubt on the reliability of financial reporting and the preparation of financial statements in accordance with law; and –

   (b) Any fraud, whether or not material, that involves the CEO or anyone directly subordinated to the CEO or that involves other employees who have a significant role in internal control over financial reporting and disclosure.

(5) I, alone or together with others in the Company, state that:

   (a) I have designed such controls and procedures, or caused such controls and procedures to be designed under my supervision, to ensure that material information relating to the Company, including its consolidated corporations within their meaning in the Securities Law (Annual Financial Statements) – 2010, to the extent it relates to the financial statements and other financial information included in the reports, is made known to me by others in the Company and within those corporations, particularly during the period in which the reports are being prepared; and –

   (b) I have designed such controls and procedures, or caused such controls and procedures to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with law, including in accordance with generally accepted accounting principles;

(c) No event or matter has been brought to my attention which occurred during the course of the period between the date of the last report (quarterly or periodic, as the case may be) and the date of this report that relates to the interim financial statements and any other financial information that is included in the interim period reports, that would change the conclusion of the Board of Directors and the Management with respect to the effectiveness of the internal auditing of the Company's financial reporting and disclosure.

Nothing in the aforesaid derogates from my responsibility or from the responsibility of any other person under the law.

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Aviram Lahav
CFO 14 May 2015