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fruit that are grown for their economic value, with one developed by Sri Bio in industrial crops, such as rice or cotton. All this is made possible thanks to our on-site production capacity, and the synergy between the research and development of Sri Bio and our Italian headquarters. We continue to investigate newer alliances and partnerships to further the R&D program as well as biological capabilities globally.

**In 2016, you have set up your fully owned subsidiary in China. Will this greatly facilitate your business there?**

*Absolutely, because it allows us to be closer to our Chinese customers. We are a customer-centric company and China is very important to us. In the light of this approach, over the years, we have brought to China not only our products but also our expertise. We continue to unveil new programs and are investing heavily in the country through a number of programs such as our Knowledge Management and Valagro Academy initiatives. We continue to address the specific needs and regional experiences of our customers, by offering them highly specialized technical support with an extensive knowledge of the world of plant nutrition and biostimulants. We are very optimistic about China and our business there.*

**Is the building of your Brazilian factory now completed?**

*Our plant in Brazil is essentially complete and will be ready for commissioning later on this year and in full operation in 2018. Brazil is one of our most important markets and we are very well positioned to continue to increase our market share in Brazil.*

**In October of 2016, you announced that it has received a growth equity investment from Metalmark Capital. This appears to be the first investment of this fund in the AG business. What was the motivation for Metalmark Capital to take some equity in Valagro?**

*Metalmark team historically has extensive expertise in the world of ag and chemicals. Metalmark Capital was established in 2004 by the former principals of Morgan Stanley Capital Partners. Over their 20-year history, Metalmark Capital principals have invested \$7 billion of equity capital in over 100 companies. They were interested in supporting Valagro's continued growth as a leading global provider of biostimulants and tailored solutions for growers. Valagro has developed a strong international footprint and a leading position in the natural and sustainable crop input markets. The growth equity investment from Metalmark aligns with its historical investment strategy of developing long-term, valued partnerships with founder-owned businesses and contributing to their continued success. This is the reason way we view Metalmark as a long-term partner and look forward to leveraging their financial and sector expertise and capabilities as we enter this next phase of growth and continue to expand our global footprint.*

**Will you use the proceeds to fund further acquisitions in the biologicals and growth in strategic markets? Anything to announce yet?**

*We have seen a sustained trend of organic growth for Valagro over the last three years and expect that trend to continue. Valagro will use the proceeds of the investment*

## Executives Speak

### Giuseppe Natale, CEO of Valagro

**Has 2016 been a successful business year for Valagro and if so, which products and geographical markets have been the driving forces to the current business?**

*2016 has been another year of positive results for Valagro. The Group exceeded the forecast and achieved its revenue target growing more than 10% during 2016. More than 50% of our revenue was generated from plant biostimulants. Having been a pioneer in the space, we continue to maintain our role as a leader in this market segment. More than 90% of our turnover is generated from EMEA (Europe, Middle East and Africa) region and the Americas. Only 9% is generated in Asia-Pacific, which thus represents a sizable opportunity for our future growth. We continue to see strong prospects for meaningful growth in all of our key geographies.*

**About two and a half years ago, Valagro signed a collaboration agreement with Marrone Bio Innovations. It was meant to focus on three areas of collaboration: Valagro will evaluate combinations of its biostimulants with MBI biologicals for synergistic effects; MBI will utilize its in-house screening program to assess Valagro bioactives for pesticidal activity; and both companies will co-develop MBI late-stage plant health bioactives leveraging Valagro technologies. How is the work progressing?**

*As a leader in the space, Valagro collaborates with a number of companies. We select our partners carefully based on complementary technologies and value addition. We are pleased with the progress we are making across the board and continue to work hard on providing our customers the products and value they will need not only today but also in the future.*

**Is your India acquisition of Sri Biotech initiated in 2015 now completed and the operations smoothly running?**

*Yes, we have substantially improved the business processes in the company and bringing in more accountability while integrating it with the global Valagro operations. From a commercial point of view, we are currently expanding to adjacent states where the demand and opportunities for our products exist. Another priority is to combine the expertise of Valagro in providing solutions for cash crops, crops such as vegetables and*

*to fund organic growth in some strategic markets such as Biologicals and to expand its offer of tailored solutions for farmers. Should a compelling external opportunity present itself, Valagro will certainly consider it.*

**With a new head at the top of EPA in Washington, who is known for his little care about environment and his little trust in some science-based facts such as climate change, do you think that the chances of having a specific legislation on biostimulants in the USA are weakening?**

*The new administration may change aspects of how the EPA will conduct its business, although at this stage it is difficult to predict how this will manifest itself. The good and intelligent regulation of a sector is conducive to supporting a growing industry, from the producers' point of view but also for the farmer. We look forward to a more clear regulatory environment.*

**It seems that BPIA wants to represent the biostimulants industry on top of the biopesticide one. Do you think that a country like Brazil should also go in this direction?**

*Yes. It makes sense to have the two sectors under the same umbrella organization because it can help eliminate confusion between the sector dividing lines, and much of the technology as well as access to the farmer are common to both sectors, and thus any effort can benefit from a bigger critical mass. Both sectors are innovative and a lot of investment is being made in new and sound technology in PBS just as it is in biocontrols.*

**You are the President of EBIC. Do you still see a European legislation on biostimulants coming in force early 2018?**

*Yes. The European Commission has already published the draft Regulation at the beginning of 2016, and it is proceeding now through the European Council and Parliament. This current phase is foreseen to finish in September 2017, and come into force in 2018. It may take a further two years for some implementing acts and Notifying Bodies to be nominated.*