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# Monsanto-Evogene

## Expansion of Collaboration on Yield & Stress

*November 29<sup>th</sup>, 2011*



*This presentation contains "forward-looking statements" relating to future events. These statements may be identified by words such as "may", "expects", "intends", "anticipates", "plans", "believes", "scheduled", "estimates" or words of similar meaning. Such statements are based on current expectations, estimates, projections and assumptions, describe opinions about future events, involve certain risks and uncertainties which are difficult to predict and are not guarantees of future performance. Therefore, actual future results, performance or achievements of Evogene may differ materially from what is expressed or implied by such forward-looking statements due to a variety of factors, many of which beyond Evogene's control, including, without limitation, those risk factors contained in Evogene's reports filed with the Israeli Securities Authority. Evogene disclaims any obligation or commitment to update these forward-looking statements to reflect future events or developments or changes in expectations, estimates, projections and assumptions.*

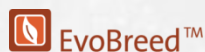
# Complementary Capabilities Create Opportunity



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## Evogene

- World leading developer of improved plant traits using plant genomics
- Cutting edge, proprietary computational technologies, uniquely designed to discover genes & molecular markers to enhance plant traits



- To date, >2,500 genes discovered; 100's being validated in partners' pipelines
- High throughput plant validation systems & diverse data from field experiments



## Monsanto Company

- World's leading agriculture company, focused on seeds and traits
- Outstanding trait development pipeline with high-throughput capacity and advanced evaluation capabilities
- Broad commercialization experience – producer of world leading herbicide tolerance technology, Roundup Ready®



### Key Financial Data\*

- Market cap (23/11): \$36B
- Net sales seed and traits 2010: \$7.6B

Source: Yahoo Finance

# Evogene – Monsanto Collaboration Goal



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***Enhance research efforts to discover and deliver novel, yield-enhancing technologies at a time of increasing demand for grain globally***



# Extension of 2008 Collaboration



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	2008 Collaboration	2011 Extension
<b>Traits</b>	Yield, environmental stress, fertilizer utilization	Same
<b>Main Crops</b>	Corn, Soybean, Cotton, Canola	Same
<b>Collaboration Term</b>	5 years 9/2008-8/2013	1 year added extended to 8/2014
<b>Evogene Activities</b>	Gene discovery using ATHLETE™	Gene discovery using ATHLETE™ Optimizing trait efficacy using Gene2Product™
<b>Monsanto Activities</b>	Evaluate genes in R&D pipeline for further development & commercialization	Evaluate genes including means for trait efficacy optimization in R&D pipeline for further development & commercialization
<b>Research payments to Evogene</b>	\$35M	Additional \$12M in research payments
<b>Additional payments to Evogene</b>	Success based milestones & royalties	Increased success based milestones & royalties
<b>Investment by Monsanto</b>	<ul style="list-style-type: none"> <li>• \$18M at \$5.50 per share +</li> <li>• \$12M PUT Option at approx. \$7 per share – exercisable Sep 2011 to Nov 2011</li> </ul>	<ul style="list-style-type: none"> <li>• \$12M PUT Option at approx. \$7 per share replaced with new \$12M PUT Option at \$12 per share - exercisable from Feb 2014 to Aug 2014</li> </ul>
<b>Option to extend collaboration</b>	None	<p>Monsanto has option to extend for additional 2 years If extended:</p> <ul style="list-style-type: none"> <li>• Additional \$26M research payments to Evogene</li> <li>• Above PUT Option for \$12M at \$12 per share replaced with one time payment of \$6M and new \$6M PUT Option at \$14 per Evogene share</li> </ul>

# The Expanded Collaboration – Structure



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- 6 year collaboration for improving Yield, Drought Tolerance & Fertilizer Utilization (initiated 2008)
- Crops - Corn, Soybean, Cotton, Canola
- Total \$47M research funding by Monsanto
- Milestone payments + royalties based on sales
- Monsanto's option to extend collaboration for additional 2 years for one time payment of \$6M and \$26M research payments

## Gene Discovery & Trait Optimization by Evogene

## Development & Commercialization by Monsanto



# Successful Completion of 3<sup>rd</sup> Year of Collaboration (Sept 2011)



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***“By partnering with research companies like Evogene, we hope to bring more tools to farmers faster than we could solely through our own internal research. We view collaborations such as the one with Evogene as central to our future success in helping farmers increase productivity. And ultimately, their success is our success.”***

**(Bob Reiter, Vice President and Global Lead of Biotechnology for Monsanto Company )**





***“Our relationship with Monsanto has been a substantial and important component of our company’s trait research and discovery activities during these past three years. Therefore, we are extremely pleased to see both the promising results to date and the excellent collaborative environment that has been established by our two companies.”***

**(Ofer Haviv, Evogene's President and CEO)**

**Utilizing computational genomics for improving trait efficacy and product development process through optimization of gene 'Mode of Use'**

## Key technological components to improve trait efficacy



<b>Gene Regulation</b>	 RePack	Gene regulation features
<b>Gene Stacking</b>	 PlaNet	Gene stacking to impact trait
<b>Best Allele</b>	 GeneSpec	Preferred allele to impact trait
<b>Gene Stability</b>	 GeneDex	Assessing trait stability to environment



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