

We're looking for
new ways
to create
growth.



Agricultural Technology Partners

(ATP) is a specialized investment fund dedicated to the global agribusiness industry. We aim to achieve significant long-term capital appreciation by investing in companies whose value can be augmented by commercializing new or existing technologies which enhance the production of agricultural and food products.

ATP is a private equity group with strategic resources: agribusiness management experience, agri-sciences expertise and financial capabilities. As an active investor, we leverage the strengths of portfolio companies with our substantial resources to maximize the value of these companies. ATP intends to be the financial/strategic partner of choice for developing agribusiness companies.

ATP focuses on investments in five areas:

- Agribusinesses whose assets can be significantly enhanced by the introduction and management of technology
- Agribusinesses on the forefront of developing technologies essential to the future of the industry, including agricultural biotechnology
- Agribusinesses whose technologies can successfully be introduced to new markets (e.g., Southeast Asia and South America)
- Agribusinesses that have a sustainable technological advantage defensible by patents, proprietary knowledge, market share or other means
- Additional opportunities in agribusiness where ATP's strategic resources place us at a competitive advantage to financial investors or strategic acquirers

Coming Together **for Opportunity**



The global production of agricultural and food products is the world's largest industry, with total revenues of \$5 trillion per year:

Globalization, economic development in emerging markets and technological innovation will continue to significantly alter agribusiness. ATP believes that investors with agribusiness management experience, agri-sciences expertise and financial capabilities can participate in and profit from the challenges facing agriculture.

The forces creating opportunities in agribusiness include:

- A doubling in demand for food and animal proteins over the next fifty years, which must be satisfied by currently available inputs of arable land and water
- Diminishing returns from the use of modern fertilizers, irrigation techniques and pesticides/herbicides
- Reductions in trade barriers, fostering globalization of markets
- Introduction of new technologies – in particular biotechnology – placing new demands on management
- Growing consumer concern about food safety, affecting packaging and handling throughout the production chain

1960-1990: **The Green Revolution**

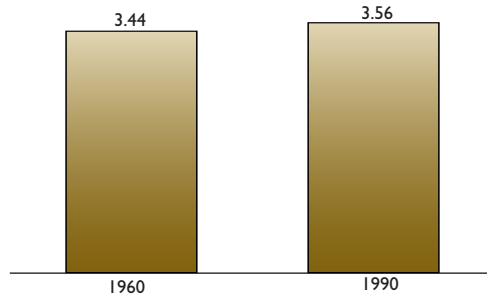
The technological advancements in agriculture between 1960 and 1990 are often referred to as the Green Revolution. These innovations included the development and commercialization of high-yield seeds, the increased application of chemical pesticides and herbicides, and the widespread use of modern fertilizers and irrigation techniques.



Worldwide acreage under cultivation remained essentially unchanged from 1960 to 1990, as any gains in acreage were offset by urbanization and environmental controls.

Acreage Under Cultivation

(Billions of acres)

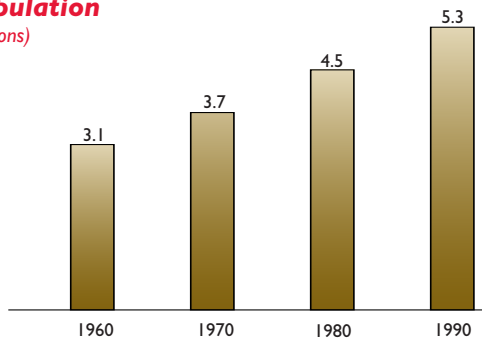


Source: Food and Agricultural Organization (FAO)

From 1960 to 1990, the industry met tremendous demand growth as world population increased by 80%. Per capita demand also increased as diets improved with rising disposable incomes.

World Population

(Billions of persons)

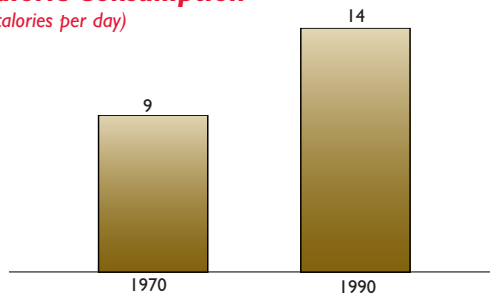


Source: The World Bank, U.S. Census Bureau

The success of the industry, from the farm to the table, is demonstrated by the 65% increase in global kilocalorie consumption in only twenty years, from 1970 to 1990.

Total Caloric Consumption

(Trillion kilocalories per day)



Source: U.S. Census Bureau, Klein, Goldewijk and Battjes (1995) and Raskin, et. al. (1996)

Today: **A Second Green Revolution**

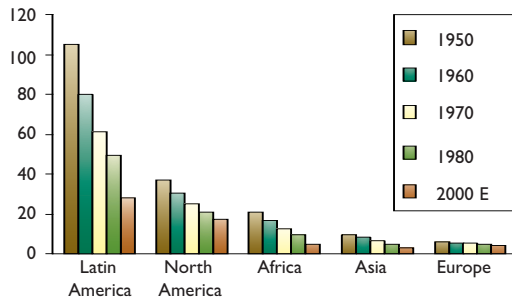
The global agribusiness industry will face a new set of challenges as the advances of the Green Revolution approach the point of diminishing returns. Novel technologies must be developed to meet future global demand for sustainable food quantity and quality.



Urbanization and industrialization will decrease water availability for agriculture. Acreage under cultivation will continue to remain near 1960 levels.

Water Availability per Capita

('000 m³)

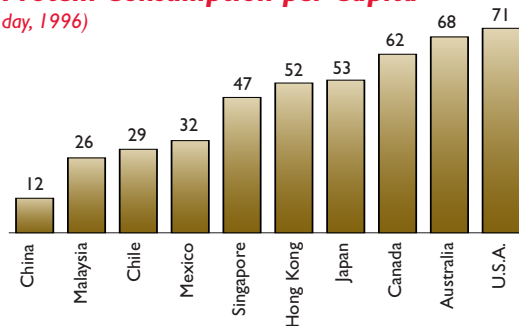


Source: FAO, based on Ayibotele (1992)

Demand will be driven not only by population growth but also increasingly by improving diets. Rising disposable incomes in the developing world will push per capita animal protein consumption toward levels of industrialized countries.

Animal Protein Consumption per Capita

(Grams per day, 1996)

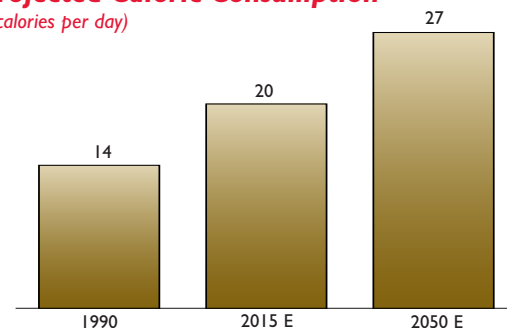


Source: World Perspectives Inc.

The agribusiness industry will have to double its total current kilocalorie output while simultaneously increasing the complexity of these calorie sources as the developing world moves to higher per capita levels of animal protein consumption.

Total Projected Caloric Consumption

(Trillion kilocalories per day)



Source: u.s. Census Bureau, Klein, Goldewijk and Battjes (1995) and Raskin, et. al. (1996)

Changing the Face **of Farming**



ATP seeks companies that, by commercializing, developing or acquiring new or existing technology, will redefine the agribusiness industry.

ATP invests in agribusiness companies whose value can be dramatically increased by the introduction and management of technologies. We commit our unique agribusiness resources to fully develop the value of its portfolio companies.

Opportunities include companies active in:

- Sector consolidation
- Cost rationalization
- Consumer-focused value-added products
- Food safety improvements
- Food storage/preservation enhancements
- Food packaging/logistics improvements
- Novel agriculture-based products or processes

Investing for Growth

It is not enough for a company to possess innovative technology. Technology is an asset, but it does not guarantee success. ATP believes only companies with one or more of the following qualifications are ripe for investment.

- Agribusinesses whose assets can be significantly enhanced by the introduction and management of technology
- Agribusinesses on the forefront of developing technologies essential to the future of the industry, including agricultural biotechnology
- Agribusinesses whose technologies can successfully be introduced to new markets (e.g., Southeast Asia and South America)
- Agribusinesses that have a sustainable technological advantage defensible by patents, proprietary knowledge, market share or other means

Even among qualifying companies, ATP narrows its focus. We believe that the best way to leverage our expertise is to focus on a limited segment of agribusiness opportunities.

- ATP primarily invests in agriculture-related middle-market companies whose ultimate value is driven by technology
- ATP will consider specific early-stage opportunities in new technologies related to agriculture

When opportunities arise, ATP expects to make investments of \$10 to \$20 million. Our minimum investment level is \$5 million. For larger transactions, we will use co-investments and leverage.

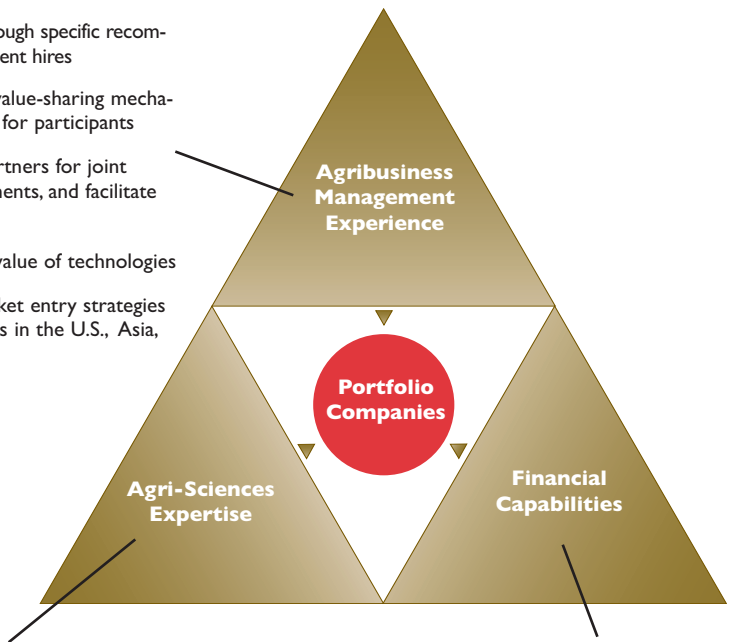


Planting Expertise, Reaping Value

ATP is well positioned to support portfolio companies in all stages of corporate development through its agribusiness management experience, agri-sciences expertise and financial capabilities.

ATP's Value Strategy

- Assist in business plan development/review
- Complement management through specific recommendations and new management hires
- Develop appropriate pricing/value-sharing mechanisms to maximize incentives for participants
- Identify potential strategic partners for joint ventures and licensing agreements, and facilitate negotiations
- Support in determination of value of technologies
- Assist in developing new market entry strategies and provide access to markets in the U.S., Asia, South America and Europe



β Evaluate the viability of technology

β Aid in defining intellectual property rights estate

β Identify and evaluate competing technologies

β Assist in adapting and refining technology

β Preserve autonomy of operating companies

β Provide funding for growth strategies and acquisitions

β Determine timing and method of exit in order to realize maximum value for all shareholders

Hybrid Vigor

Management, Business and Scientific Expertise combine to make ATP Management Group LLC a vital player in this market.

Structure of ATP Management Group LLC



- ① **The ATP Manager identifies investment opportunities and manages the portfolio:**

Jonathan Malkin, Managing Director

Founder and Managing Member of Malkin & Co. LLC

Gunnar Engstrom

Former consultant with Kearney, Inc. and McKinsey & Co

Dr. Diana Horvath, Ph.D.

Six years of post-doctoral research in the Laboratory of Plant Molecular Biology, The Rockefeller University

Tobias Dengel

Senior Business Analyst at America Online

- ② **The ATP Business Board assists in identifying, evaluating and structuring transactions, monitoring operations and exiting portfolio companies:**

Dr. Victor A. Bischoff, Chair

Founder and Vice Chairman of BB Biotech and BB Medtech

Dr. Ray Goldberg

Moffet Professor Emeritus and Chair of Agribusiness at the Harvard Graduate School of Business Administration

Whitney MacMillan

Former Chairman of Cargill, Inc.

Roger Malkin

Chairman and CEO of Delta and Pine Land Company

- ③ **The ATP Science Board assists in evaluating science and technology in prospective transactions:**

Dr. Nam-Hai Chua, Chair

Andrew W. Mellon Professor and Head of the Laboratory of Plant Molecular Biology, The Rockefeller University

Dr. Neal L. First

Professor in the Meat and Animal Sciences Department, College of Agriculture and Life Sciences, University of Wisconsin

Dr. Harley Moon

Professor-in-Charge, Veterinary Medical Research Institute, College of Veterinary Medicine, Iowa State University

Dr. Marc Zabeau

President of PE GenScope, Belgium. Developed AFLP technology at Keygene, a Dutch biotech company



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