

American Vanguard Investor Presentation

This presentation contains, in addition to historical information, forward-looking statements. Such statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that may cause such a difference include, but are not limited to, those described in the Company's Annual Report on Form 10-K and other SEC filings.

March 2010

Presentation Objectives

2009. . . What Happened?

AVD. . . What did you do about it?

2010. . . What still needs to be done?

Future. . . Why is it better than the recent past?

Q2 Wake-Up Call

End-Use Demand (*Growers/Farmers*)

- ▶ Credit Crisis Impact
- ▶ Commodity Price Volatility

Purchasing Restraint

Distribution Channel Demand (*Distributors & Mid-West Retailers*)

- ▶ End-User Purchasing Restraint
- ▶ High-Cost Fertilizer & Herbicide Write-Offs

Working Capital Restraint

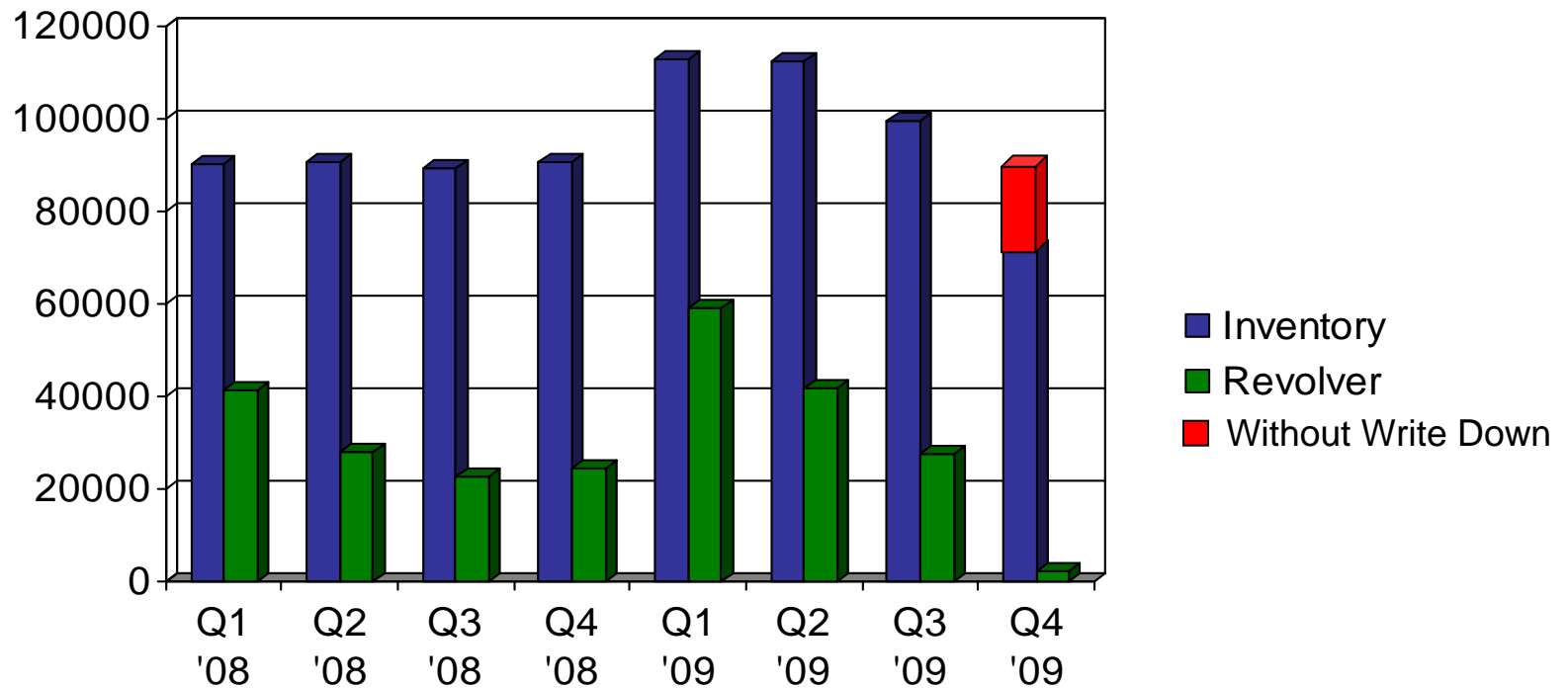
Chemical Supplier Consequences (*AgChem Suppliers*)

- ▶ Sales & Marketing Competitiveness
- ▶ Production “Scale Back” Manufacturing Impact

Financial Performance
Ramifications

Balance Sheet Strengthening

- ▶ Drive down inventory
- ▶ Simultaneously drive down debt



Income Statement Impact

As we scaled back production, in response to soft demand, it was appropriate to adopt a more conservative accounting method

- ▶ Expense unabsorbed fixed manufacturing overhead as opposed to charging it to inventory
- ▶ Resulted in lower profit in the current period (2009)
- ▶ Prudent valuation assessment (net realizable value) resulted in a one time write down of existing inventories

2009/2010 Organizational Changes

▶ Sales & Marketing

- National Accounts Manager and 2 New Regional Managers
- New incentive compensation program instituted
- New Marketing Tools

▶ Manufacturing

- Tailoring production to meet sales forecasts
- Identifying additional contract manufacturing opportunities
- Established process engineering and logistic teams

▶ Administration

- Human resource leadership change and reorganization
- Objectives/goals . . . performance management system
- Establishing better internal company-wide communications

▶ Technical

- Monsanto veteran – John Killmer – As interim head of technology
- Recent hiring of 5 new experienced chemists
- Focus on formulations, process chemistry, yield enhancement and waste minimization

2010 Perspectives

- ▶ Distribution channel inventories lowered
 - Replenishment will be needed
- ▶ End-use demand improving, particularly cotton & peanuts
- ▶ Better credit availability and stronger commodity prices
- ▶ Ample water supplies in Western US Region
- ▶ Market demand will require increased production thru-puts
 - Reduce unabsorbed fixed manufacturing costs
- ▶ Additional manufacturing volume should result from new opportunities being negotiated presently

Sales & Marketing Initiatives

- ▶ Aggressively promote **SmartChoice**[®] (*granular soil insecticide*)
 - A dual ingredient, general purpose, economical new product
- ▶ Aggressively promote **Counter**[®] (*granular soil insecticide*)
 - For secondary soil insect control in corn & sugar beets
- ▶ Aggressively promote **Impact**[®] (*post-emergent herbicide*)
 - Best performer on Glyphosate resistant weeds and grasses
- ▶ Aggressively promote **suite of cotton insecticides**
 - Bidrin[®], Discipline[®], Orthene[®]
- ▶ Capitalize on major competitor dropping cotton defoliant
- ▶ Aggressively promote **Thimet**[®] (*phorate insecticide*) for peanuts

Manufacturing Efficiency

Reduce under absorption of fixed manufacturing costs by increasing capacity utilization via great thru-put; improving processes and minimizing waste generation

▶ **Los Angeles, California**

- Volume relatively unchanged

▶ **Axis, Alabama**

- Metam/Vapam® production increase, Folex® to begin 2H 10

▶ **Hannibal, Missouri**

- Increased Counter & Thimet volumes

▶ **Marsing, Idaho**

- Additional flowable fungicide production

Operating Expenses

Selling:	Slight increases from marketing promotional programs and sales incentive payments
General Administration:	Compensation restraint to continue, maintain HR benefits costs
RAD/Registration:	Modest increases reflect new product development and re-registration costs
Freight:	Continued logistics efficiency improvements

Management Discipline

- Inventories: Reduce further from \$72 million
- Cap Ex: Maintain \$6-8 million range with all necessary regulatory/environmental/safety requirements
- Debt: Reduce term debt on schedule (\$2 million/quarter) plus revolver maintenance tightly managed

Amvac Business Model

Two Prong Approach

▶ **Organic Growth**

Label expansion, packaging improvement, new formulations, improved marketing programs, field research

▶ **Acquisitions/Licensing**

Acquire mature brand name products from majors who are focusing on new innovations, license products to expand use beyond current activities

AG CHEMICAL RESEARCH PROJECTS

	Introduced 1993-2008	R&D Pipeline
Bayer	36	6
Syngenta	18	5*
BASF	20	4
Dow	21	1
Sumitomo	16	3*
DuPont	7	3*
Monsanto	1	0
Other Japanese	43	18
Rest	21	5
Total	183	45**

* Some in co-development with other companies

** Some licensed products counted twice

New Product Development

(Third Leg of the Stool)



- ▶ New product development “Pipeline” more than a dozen candidates, including insecticides, fungicides, herbicides, and growth regulators
- ▶ Additional candidates being discussed with others
 - For shared development funding
- ▶ All are targeted at high-valued, niche market applications
 - Gross profit margins are often 50% or better
- ▶ World-wide market potential for most of these compounds will be \$10 million to \$50 million

Proven Experience

- ▶ Impact – Post Emergent Corn Herbicide
 - Licensed from BASF in 2005, prior to development completion. Amvac has completed development, formulations, registration, and successful market introduction

- ▶ Nuvan[®] – Board Spectrum Pest Control Insecticide
 - Existing molecule, Amvac has repositioned to address domestic and commercial pest management demand

- ▶ SmartBlock[®] – Potato/Vegetable Sprout Inhibitor
 - Licensed University Research, Amvac has completed development, testing, formulation, and is preparing for product launch

Investment Premise

- ▶ Strong, solid **balance sheet**
- ▶ Reasonable, sustainable **cash-flow**
- ▶ **Improving market** conditions
- ▶ Disciplined approach to **cost/expense control**
- ▶ **Diminishing fixed manufacturing cost issue** with higher thru-put

Take-Away Message

We are going to:

- ▶ Sell more effectively
- ▶ Manufacture more efficiently
- ▶ Manage more economically
- ▶ Expand through collaborative arrangements
- ▶ Incremental growth with our three legged approach
 - Organic growth
 - Acquisition-licensing potential
 - New product pipeline

This strong base . . . sets the stage for steady, solid, sustainable financial performance and improved enterprise value.