

ISAGRO AS OF JUNE 30TH, 2015

Isagro SpA

Conference Call

Milan, August 5th, 2015



ISAGRO AS OF JUNE 30TH, 2015

Executive Summary

INTERIM OPERATING RESULTS GROWING

- **Revenues** at 82.1 €M (+13% vs. 1H 2014)
- **EBITDA** at 7.5 €M (+9% vs. 1H 2014)
- **Result before taxes** at 1.4 €M (+65% vs. 1H 2014), negatively affected by the 12-month full impact of USD/EUR hedging, with less than 20% of expected USD annual turnover in 1H
- **Net result** of 1H 2015 at break-even vs. 0.8 €M profit in 1H 2014, due to a different mix of fiscal items
- **Net fin. debts** at ~43 €M (with ~59 €M NWC) vs. ~27 €M of Jun. 30, 2014 (with ~46 €M NWC) and vs. ~30 €M of dec. 31, 2014 (with ~46 NWC)

12-MONTH EBITDA EXPECTED IN LINE WITH BUSINESS PLAN (~18 €M)

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3 PERSPECTIVES

4 ISAGRO STOCK PRICES EVOLUTION

1H 2015 vs. 1H 2014 AT A GLANCE

- Increase of turnover (+13%), mainly thanks to higher sales of proprietary products (copper products, biostimulants, deltamethrin) in EU and South America
- Positive contribution from exchange rates variations at the EBITDA level, but negative at the Result before taxes level, due to hedging of 12-month sales

	<u>At EBITDA</u>	<u>At Result before taxes</u>	
From USD ⁽¹⁾ /€ variations	+0.3	-0.9	Interim effect of 12-month USD sales hedging at I/SPA level
From INR ⁽²⁾ /€ variations	+0.6	+0.5	
Total exch. rates impact vs. 1H14	+0.9	-0.4	

- Improvement of Result before taxes, excluding the impact of exchange rate variations

	<u>1H'14</u>	<u>1H'15</u>	<u>Δ</u>
Result before taxes	0.8	1.4	+0.6
Add back of exchange rate impact vs. 2014	<i>n.a.</i>	+0.4	+0.4
Result before taxes adjusted	0.8	1.8	+1.0

(1) Currency of I/USA and of part of I/SPA turnover

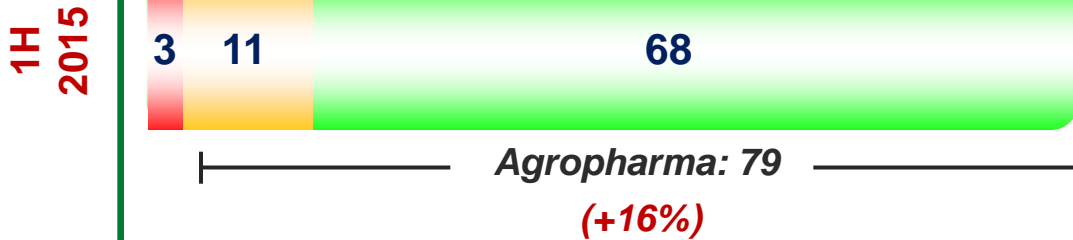
(2) Currency of I/Asia

CONSOLIDATED REVENUES

REVENUES BREAKDOWN BY PRODUCT CATEGORY

€ million

Total Revenues = 82 €M (+13%)

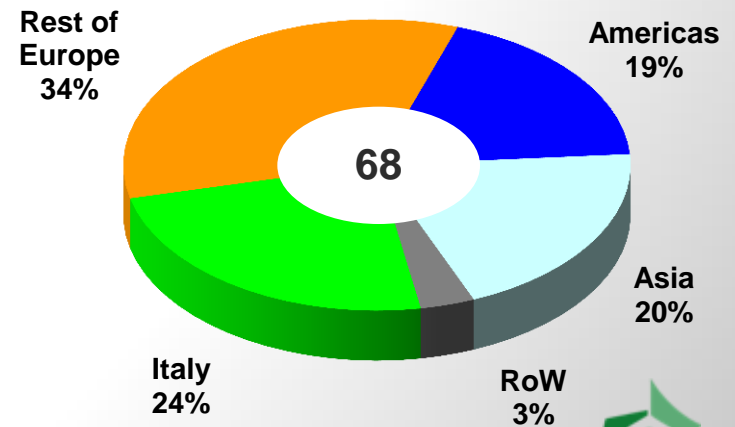
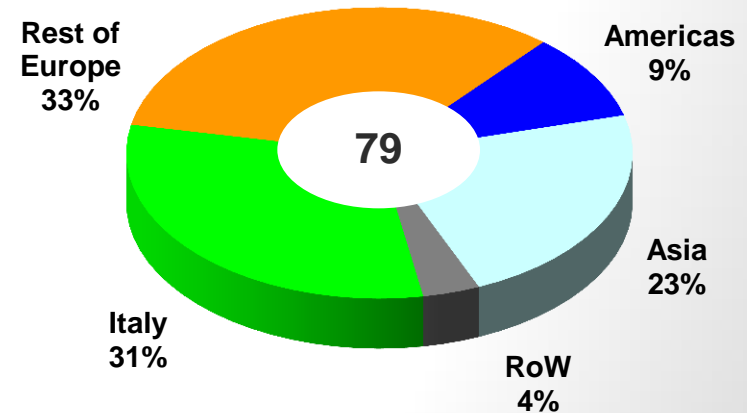


Total Revenues = 73 €M



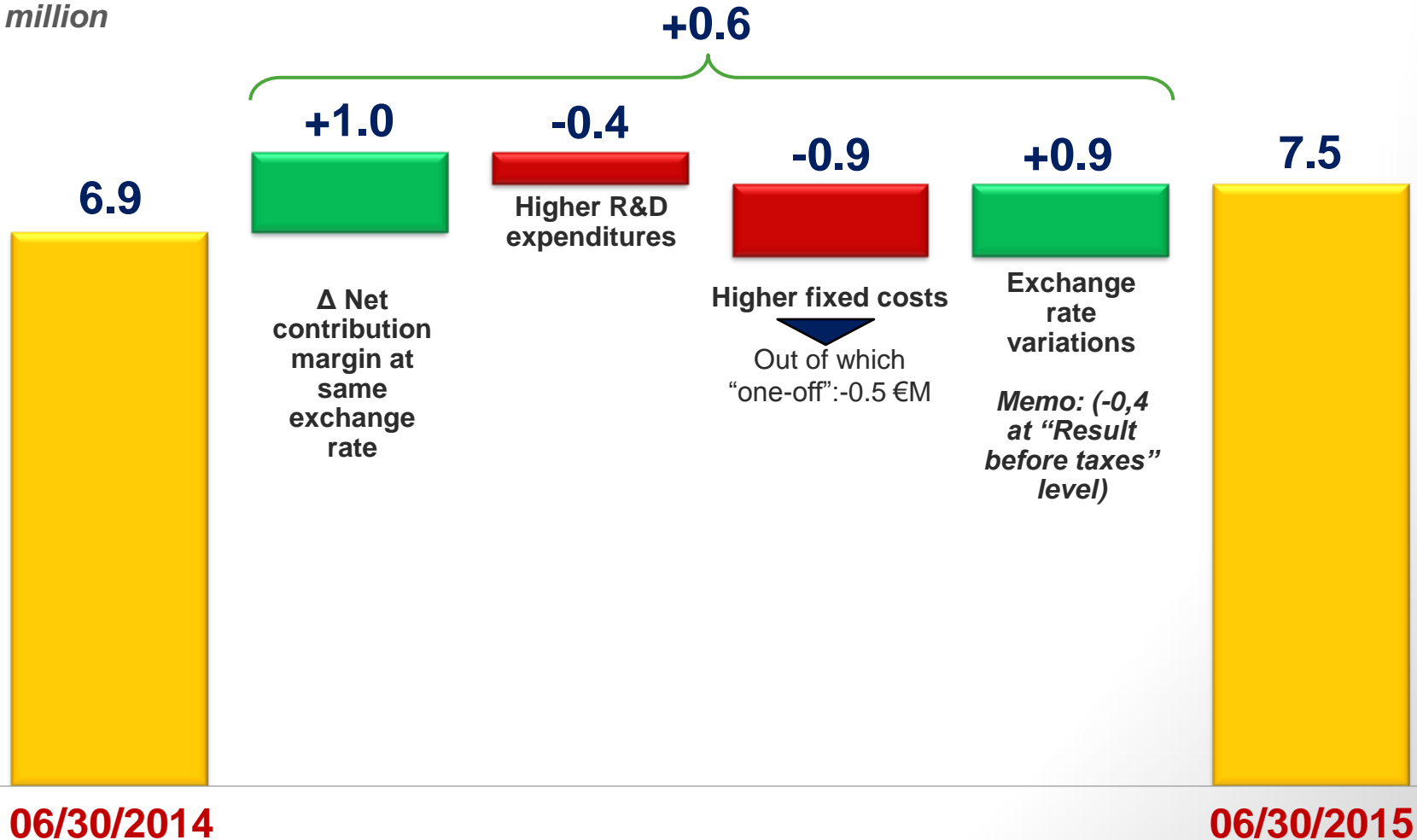
REVENUES BREAKDOWN BY REGION

(AGROPHARMA ONLY)



CHANGES IN CONSOLIDATED EBITDA

€ million



06/30/2014

06/30/2015

CONSOLIDATED P&L

€ million

	1H 2015	1H 2014	<i>Variations</i>	
REVENUES	82.1	72.9	+9.2	+13%
<i>Memo: labor cost</i>	(14.8)	(14.1)		
EBITDA	7.5	6.9	+0.6	+9%
% ON REVENUES	9.2%	9.5%		
Depreciation & amortization	(4.3)	(4.3)	+0.0	
EBIT	3.2	2.6	+0.6	+26%
Financial charges	(0.6)	(1.7)	+1.1	
Gain/(loss) from hedging on copper and EUR/USD*	(1.2)	(0.0)	-1.1	
RESULT BEFORE TAXES	1.4	0.8	+0.6	+65%
Current and deferred taxes	(1.4)	(0.1)	-1.3	
NET RESULT	0.0	0.7	-0.7	N.A.

* Representing the full impact of USD/EUR hedging, with less than 20% of expected USD annual turnover in 1H

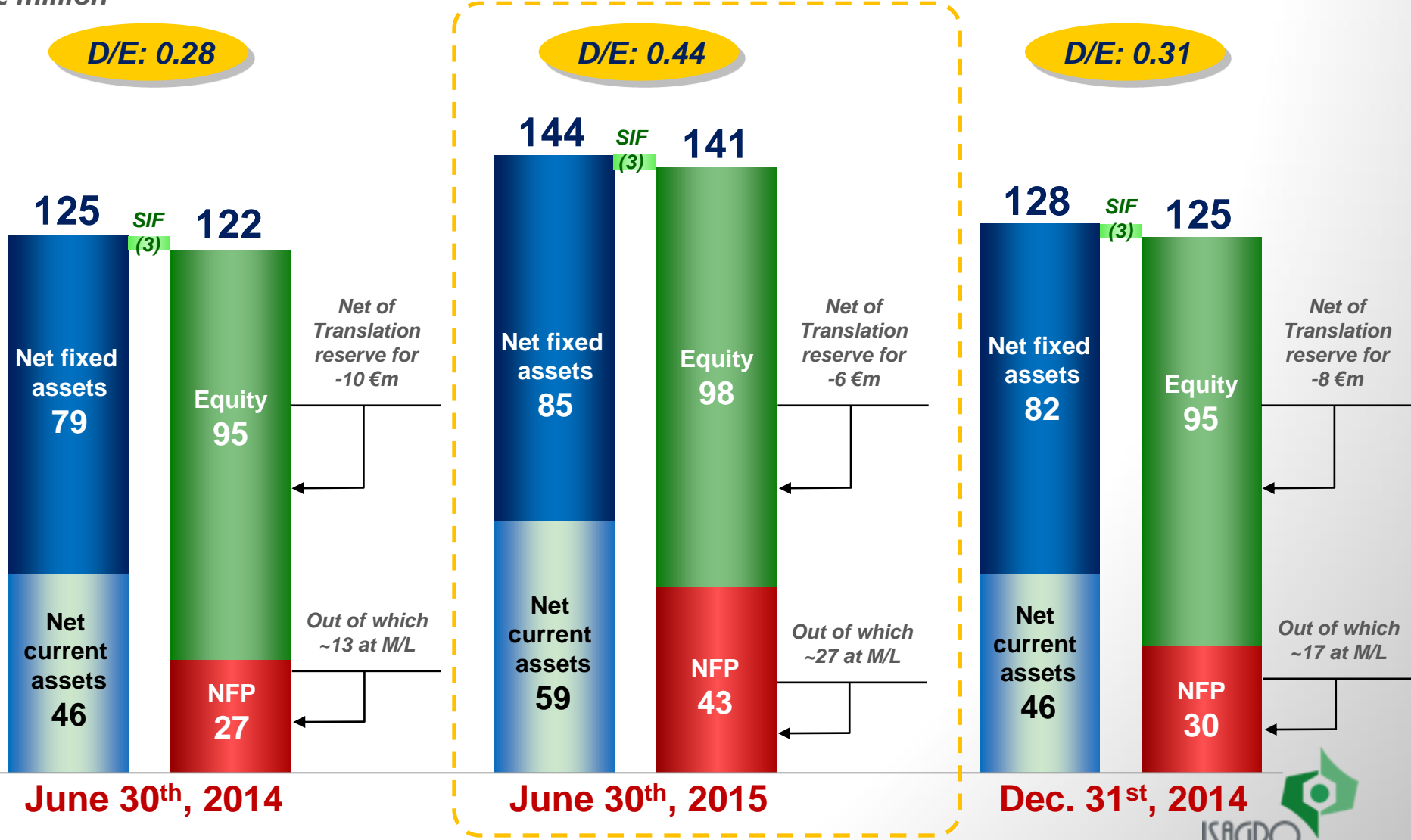
1H 2015 vs. 1H 2014: VARIATION AT FISCAL LEVEL

€ million

	1H 2015	1H 2014	Variations
RESULT BEFORE TAXES	1.4	0.8	+0.6
Income taxes	(2.4)	(2.3)	-0.1
Fiscal reimbursement	-	0.4	-0.4
Anticipated/(deferred)	1.0	1.8	-0.8
Total taxes	(1.4)	(0.1)	-1.3
NET RESULT	0.0	0.7	-0.7

CONSOLIDATED BALANCE SHEET

€ million



P&L OF OPERATING COMPANIES

€ million

ISAGRO GROUP		Isagro S.p.A. (Holding)	Isagro Asia (at 100%)	Isagro Colombia (at 100%)	Isagro España (at 100%)	Isagro USA (at 100%)
82.1 72.9	REVENUES <i>Memo: 1H 2014</i>	59.5 47.8	23.1 17.9	2.0 1.9	7.9 7.2	1.3 7.7
7.5 6.9	EBITDA <i>Memo: 1H 2014</i>	4.0 1.7	5.0 3.0	0.3 0.3	1.0 0.9	(1.1) 1.2
0.0 0.7	NET RESULT <i>Memo: 1H 2014</i>	1.1 (2.2)	3.1 2.0	0.1 0.1	0.7 0.6	(0.8) 0.8

BALANCE SHEET OF OPERATING COMPANIES

€ million

ISAGRO GROUP		Isagro S.p.A. (Holding)	Isagro Asia (at 100%)	Isagro Colombia (at 100%)	Isagro España (at 100%)	Isagro USA (at 100%)
58.7	NET CURRENT ASSETS	34.2	18.4	1.6	1.2	6.9
82.4	NET FIXED ASSETS*	92.5	5.4	0.1	0.0	3.0
141.1	NET INVESTED CAP.	126.7	23.8	1.7	1.2	9.9
121.9	<i>Memo: 06.30.2014</i>	120.5	19.3	1.5	0.7	4.2
	<u>FINANCED BY:</u>					
97.7	EQUITY	86.6	29.0	1.1	1.1	1.8
95.4	<i>Memo: 06.30.2014</i>	88.7	24.4	1.3	1.0	2.4
43.4	NFP debt/(cash)	40.1	(5.2)	0.6	0.1	8.1
26.5	<i>Memo: 06.30.2014</i>	31.8	(5.1)	0.2	(0.3)	1.8

* net of Severance Indemnity Fund

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MAIN EVENTS

- **PRE-PAYMENT OF EIB (EUROPEAN INVESTMENT BANK) LOAN GUARANTEED BY UBI AND BNL**
Originally granted for € 10 M, out of which € 7.4 M outstanding before repayment
- **OBTAINMENT OF FIVE NEW MID-LONG TERM LOANS TOTALING € 18.0 M**
Following the € 7.0 M mid-long term loans already obtained in 2014
- **INAUGURATION OF THE NEW RESEARCH CENTER**
On April 13th, 2015 Isagro S.p.A. inaugurated its own New Research Center (NRC) in Novara (Close to Milan HQ) in a historical area for the Italian Chemistry, the former Istituto Donegani's one, which has seen coming to light many new products, with a unique innovation fervor in the industry history in Italy. A total of 9.400 sq.m., out of which 2.250 sq.m. of laboratories, 1.370 sq.m. of greenhouse and 750 sq.m. manufacturing plant.

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PERSPECTIVES

Based on 1H 2015 results and on estimates and objectives for 2H, which include the assumption of 4 €M from Licensing, Isagro estimates an EBITDA of around **18 €M** for the full year, in line with Business Plan

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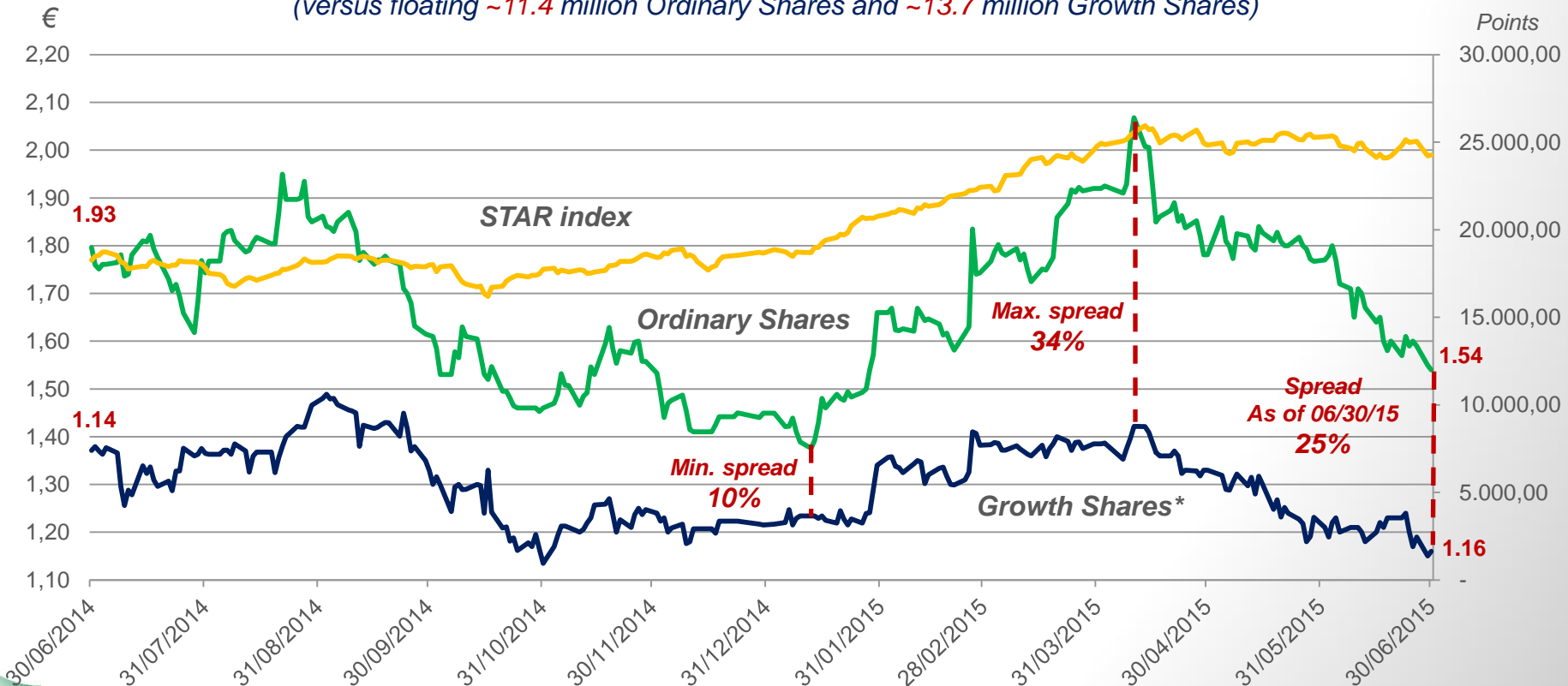
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UNJUSTIFIED SPREAD BETWEEN ORDINARY AND GROWTH SHARES

In the 12-month period: **~12.1 million Ordinary Shares** and **~6.5 million Growth Shares** traded

(versus floating **~11.4 million Ordinary Shares** and **~13.7 million Growth Shares**)



***Growth Shares** are a new category of special shares, issuable by companies having a Controlling Subject, which against the absence of voting right:

- **grant an extra-dividend** vs. Ordinary Shares (20% in the case of Isagro);
- **are automatically converted into Ordinary shares** if the controlling Subject loses control and/or in any case of Compulsory Public Offer

MARKET CAPITALIZATION LOWER THAN BOOK VALUE

	<i>Price as of June 30th, 2015 €</i>	<i>Market Capitalization €M</i>
ORDINARY SHARES	1.541	46.5
GROWTH SHARES	1.160	16.4
MARKET CAP.		62.9
EQUITY BOOK VALUE		97.7*

Market capitalization < Book Value

* Significantly lower than Net fixed assets market value

For information:

Ruggero Gambini
Chief Financial Officer

tel. (+39) 02.40901.259

Davide Grossi
IR Manager
& Financial Planner

tel. (+39) 02.40901.295



email: ir@isagro.it

www.isagro.com

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