

ISAGRO: GROWTH AND VALUE EXTRACTION, BASED ON OUR INNOVATION



Isagro SpA

Banca IMI - VIII Italian Stock Market
Opportunities Conference

Milan, September 16th, 2015



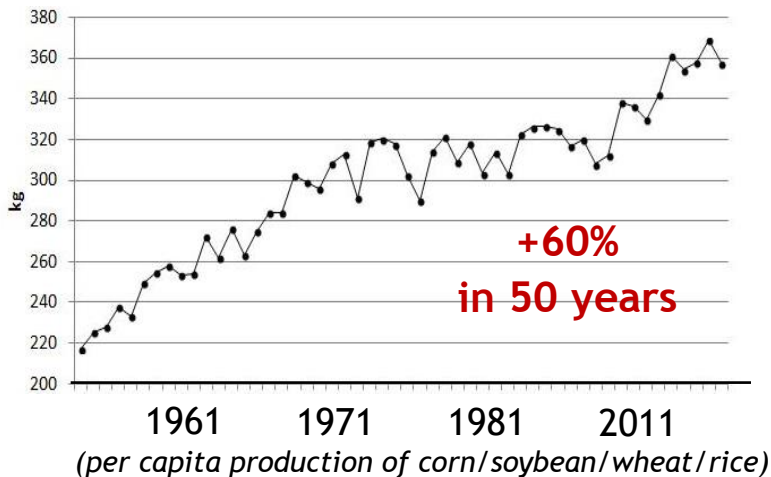
FEEDING THE PLANET: THE «GAP» BETWEEN THE DEMAND AND THE OFFER OF FOOD ...

Today: imbalance between Demand and Offer of food ...

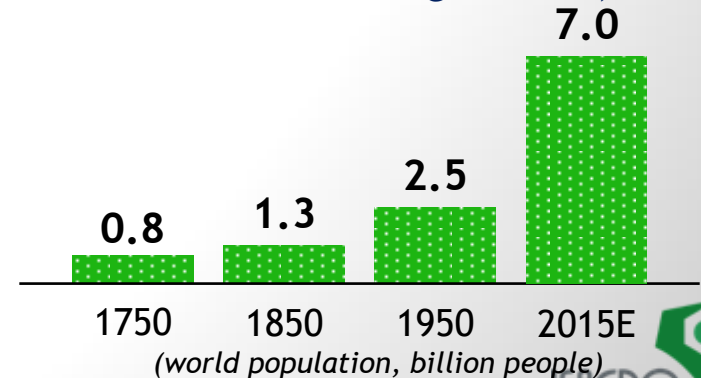


**800 million people
with inadequate
access to food**

... because, in spite of an important increase of the Offer, ...

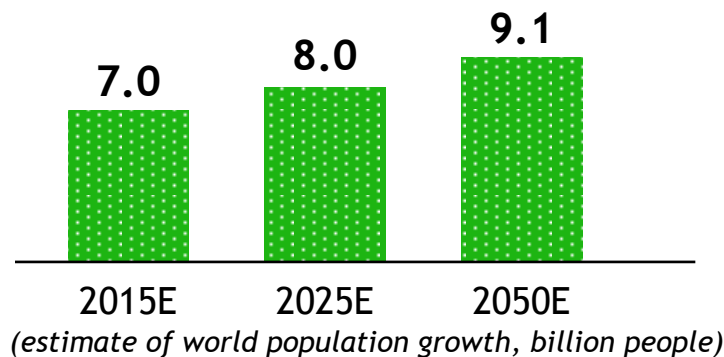


... the Demand has grown more than proportionally
(for human and animal feeding and for industrial/energetic use)

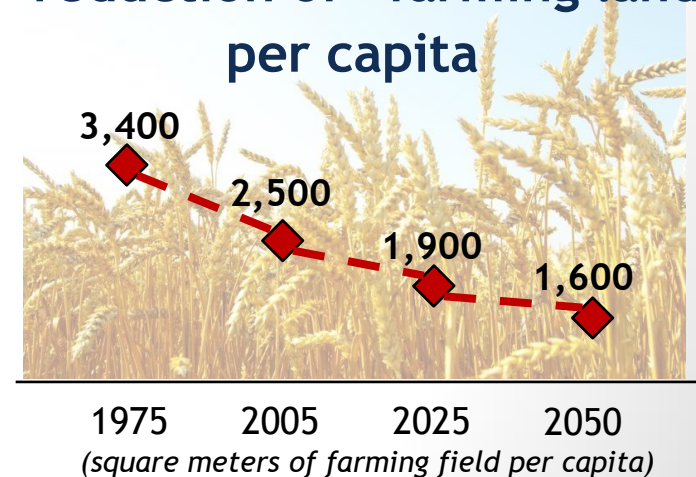


... WILL INCREASE OVER THE NEXT DECADES, REPRESENTING A CHALLENGE FOR AGRICULTURE

Over the next 35 years the world population is expected to reach over 9 billion people ...



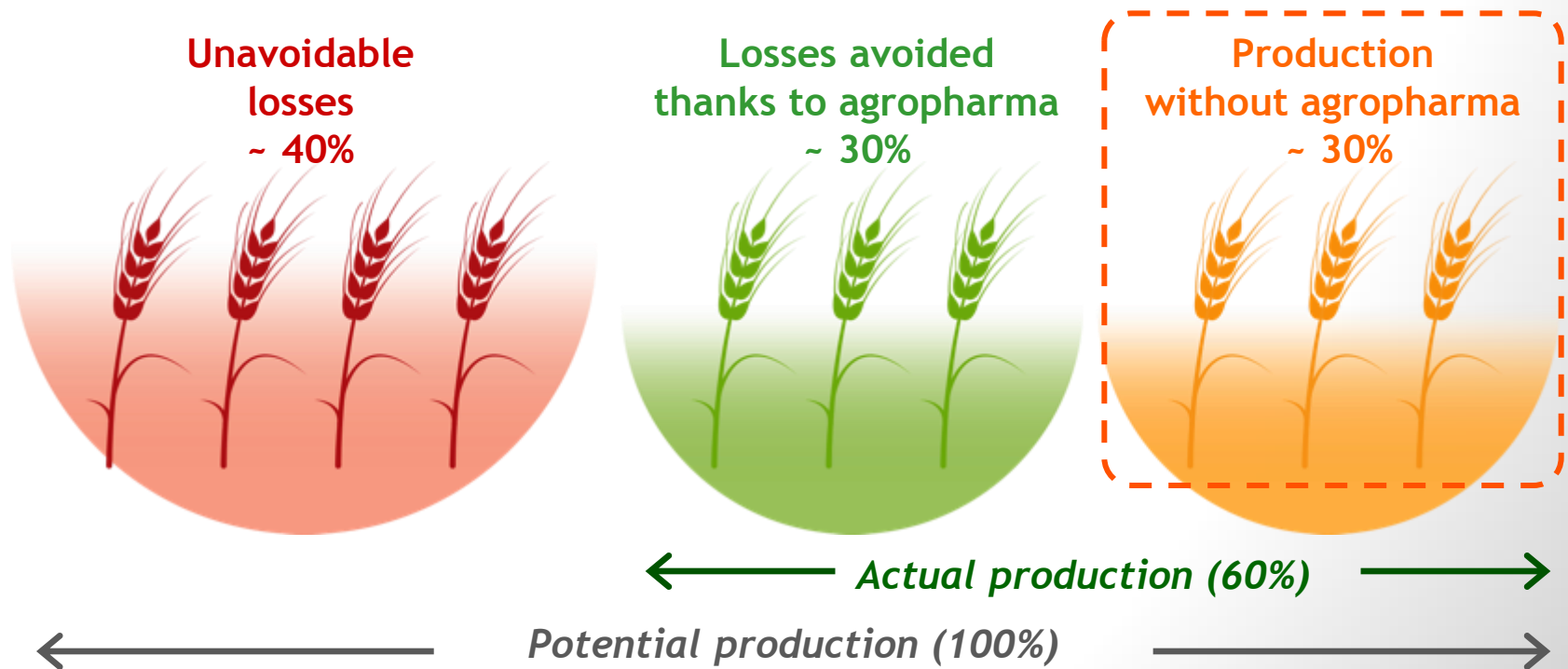
... with an unavoidable reduction of «farming land» per capita



IT IS NECESSARY TO FURTHER (AND SIGNIFICANTLY) INCREASE YIELD PER HECTAR

AGROPHARMA PRODUCTS PLAY A KEY ROLE IN AGRICULTURE ...

Pharmaceutical products for crop protection and yield enhancement



■ Time to Market for a new molecule: **10-12 years**

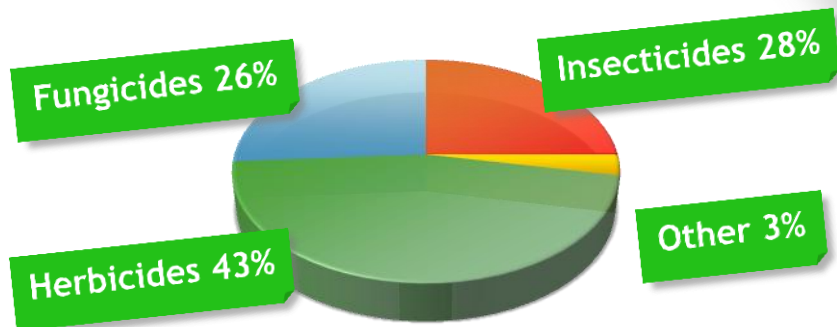
■ Cost to bring a new molecule to the Market: **from 100 USD M**  Italian creativity for plant health

... AND REPRESENT A GLOBAL MARKET ...

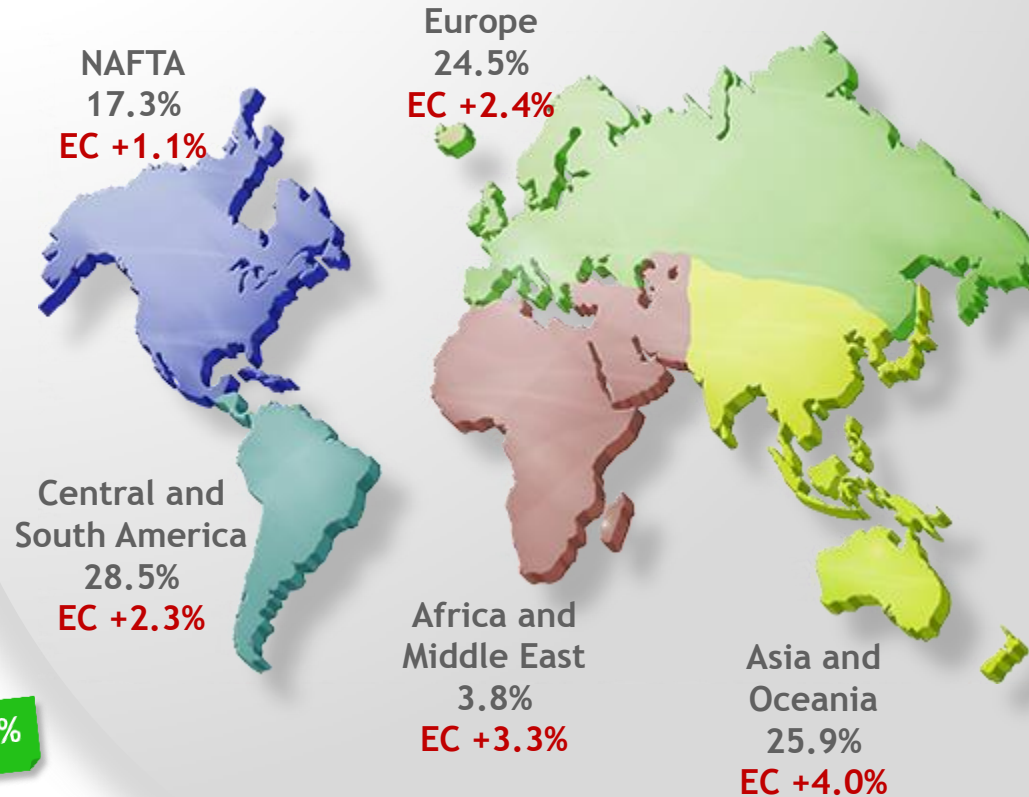


US\$ 57 Billion
(2014)
Estimated CAGR (EC)
to 2019: +2.6%

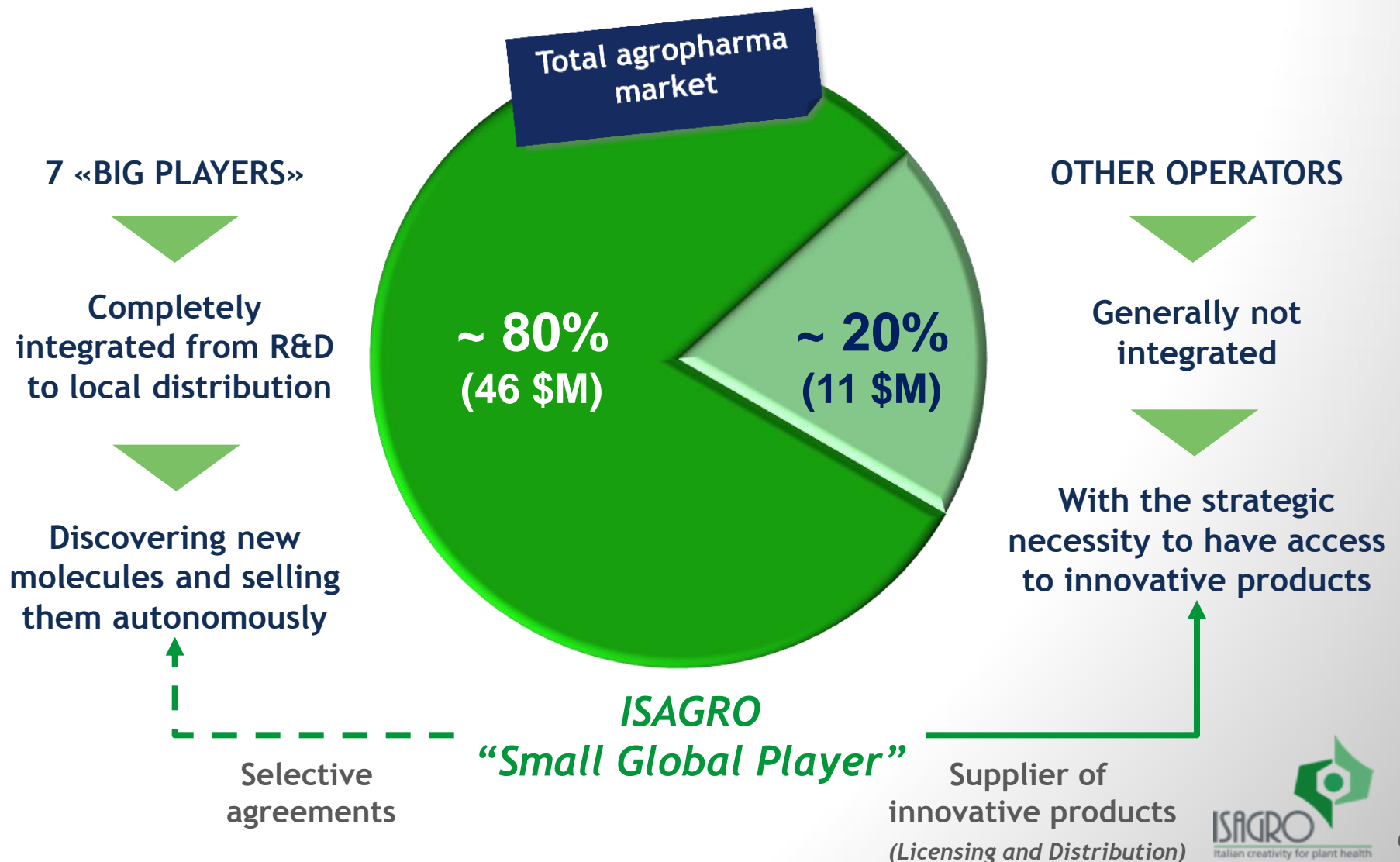
...and by product category



Breakdown by region...



... THUS CONCENTRATED, YET WITH ROOM FOR A «SMALL GLOBAL PLAYER»



ISAGRO: CREATIVE, GLOBAL AND INTEGRATED ...

1993

Isagro
“M.B.O.”
from
Montedison

2003

Listing on
Milan S.E.
today on
STAR*

Today

Turnover
~ **160 €M**
80% abroad
600 employees

2018

Turnover
> **200 €M**

INNOVATIVE
RESEARCH

DEVELOPMENT

CHEMICAL
SYNTHESIS
(active ingredients)

FORMULATION
(finished products)

INT’L
MARKETING
AND LOCAL
DEVELOPMENT

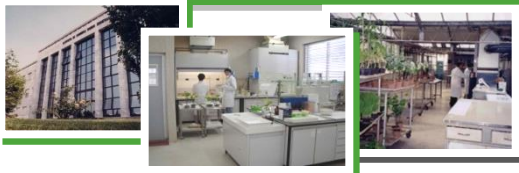
DISTRIBUTION

1 R&D CENTER AND
1 FIELD TRIAL CENTER (ITALY),
1 PILOT PLANT (INDIA)

5 MANUFACTURING PLANTS
(4 IN ITALY AND 1 IN INDIA)

DIRECT
PRESENCES IN:

DIRECT
PRESENCES IN:
COLOMBIA, INDIA,
SPAIN AND USA



ISAGRO
Italian creativity for plant health

*High Requirements Segment of the Italian Stock Exchange

... BASED ON INNOVATION ...

Isagro is the only non-large agrochemical company operating globally based on its Innovative Research

- Research Center in Novara (Italy)
- Pilot plant in Panoli (India)
- Field-trials station in Galliera (Italy)

- Renewed/enlarged in 2015
- 10 thousands square meters



DISCOVERED MOLECULES

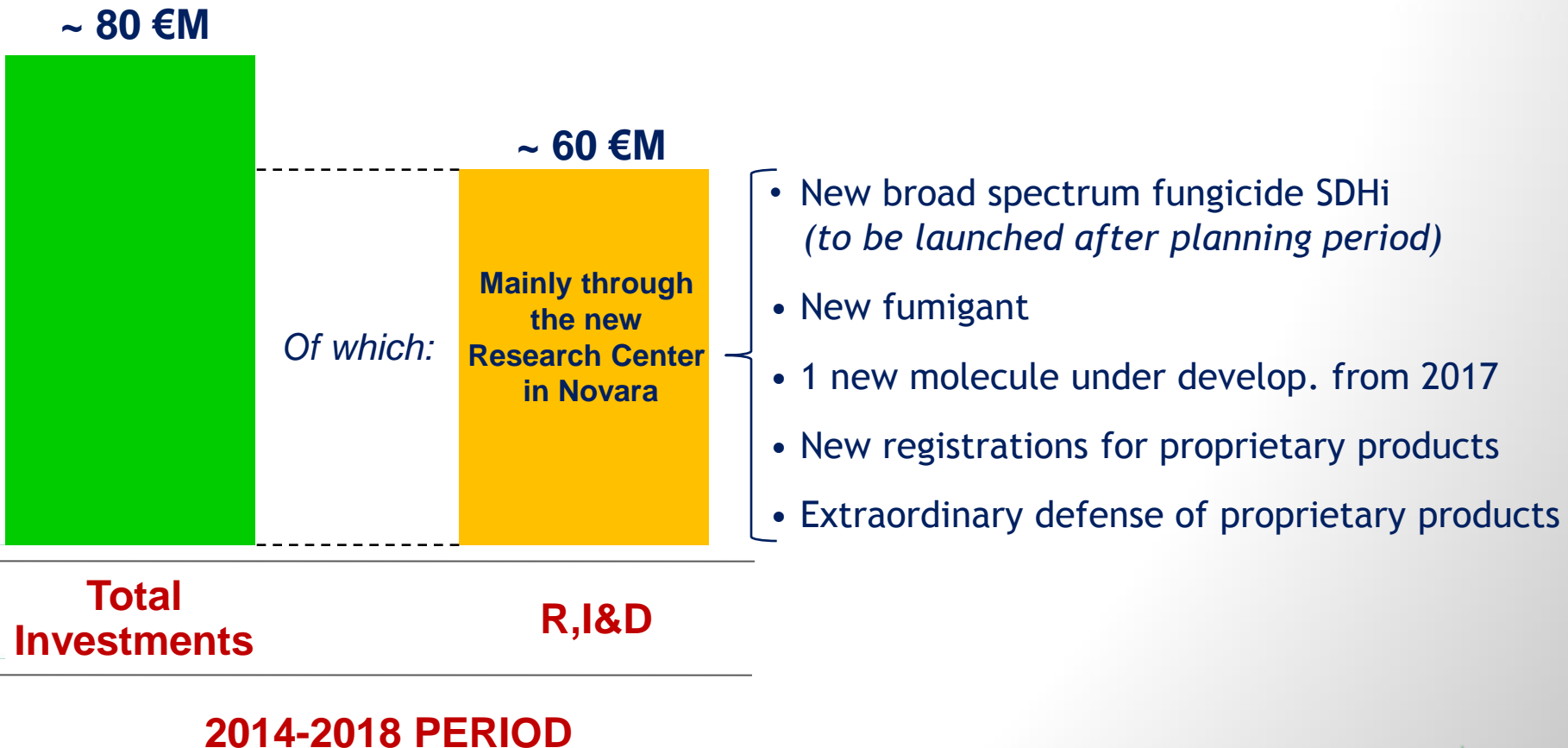
- Benalaxyl
- Biofungicide
- Biostimulators/Pheromones
- Kiralaxyl
- Novaluron
- Orthosulfamuron
- SDHi class fungicide *
- Tetraconazole
- Valifenalate

€ ~15 M
annual
expenditure
in R,I&D

~100
people
working in
R I&D

* under development

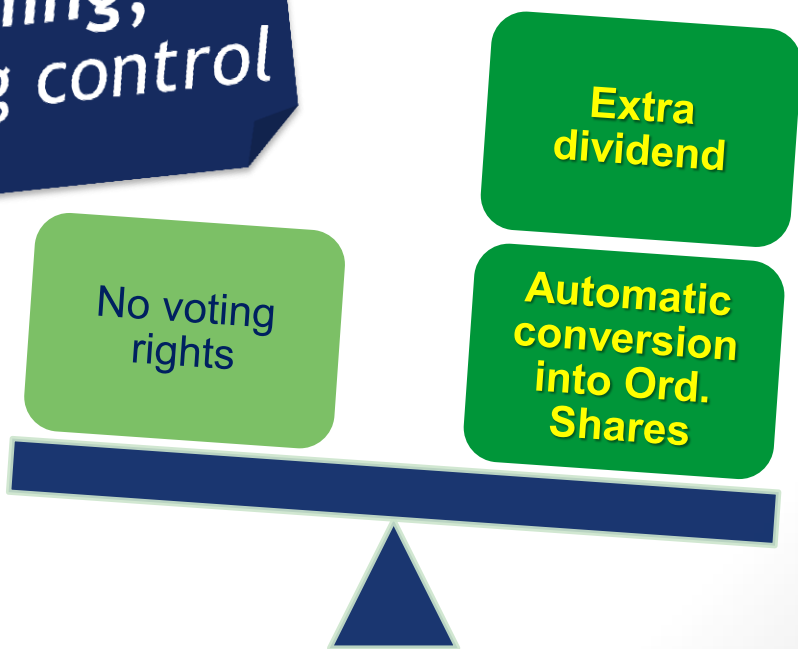
... WITH 60 €M R,I&D INVESTMENTS IN 2014-2018 ...



... FINANCED ALSO THROUGH “GROWTH SHARES”, A NEW CATEGORY OF SHARES FOR COMPANIES ALREADY HAVING A «CONTROLLING SUBJECT»

Equity strengthening, without losing control

Not significant for a minority shareholder



20% vs. Ordinary Shares in the case of Isagro

In any case the Controlling Subject loses control and/or in case of Compulsory Public Offer (OPA)

ISAGRO: ITALIAN AND INDEPENDENT

Piemme

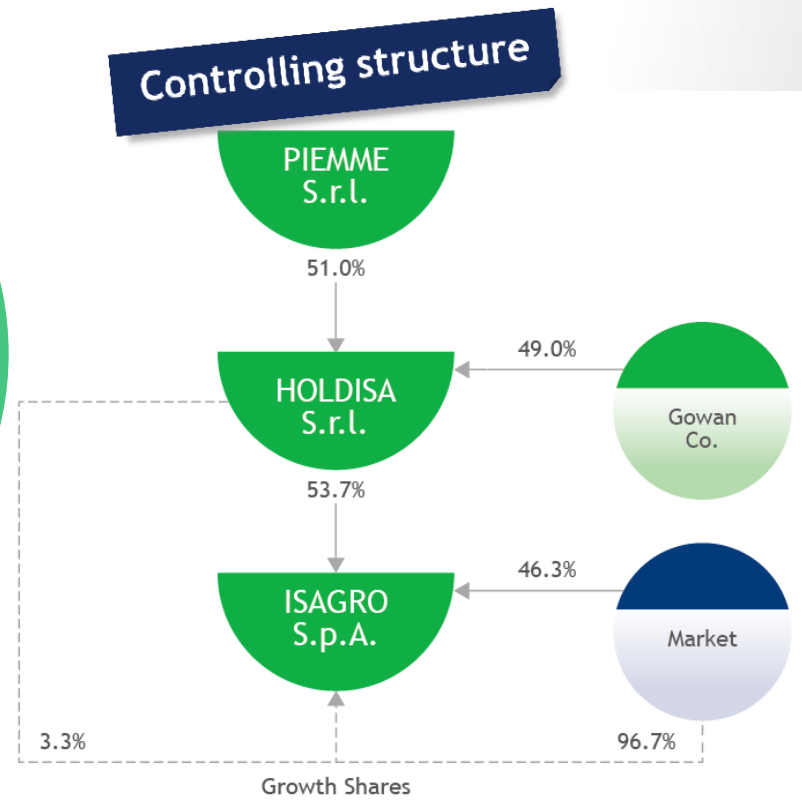
Italian holding company with a controlling stake

Gowan

industrial partner with a minority stake

2/3

of total shares (Ordinary + Growth) floating on the market



FIVE STRATEGIC GUIDE-LINES ...

1 DISCOVERY TO BE RUN IN AUTONOMY

2 DEVELOPMENT OF NEW MOLECULES IN PARTNERSHIP

For molecules with global market potential and/or requiring high investments

3 LICENSING AGAINST DOWNPAYMENTS AND LONG-TERM SUPPLY

Granting rights on proprietary products and securing active ingredients supply agreements

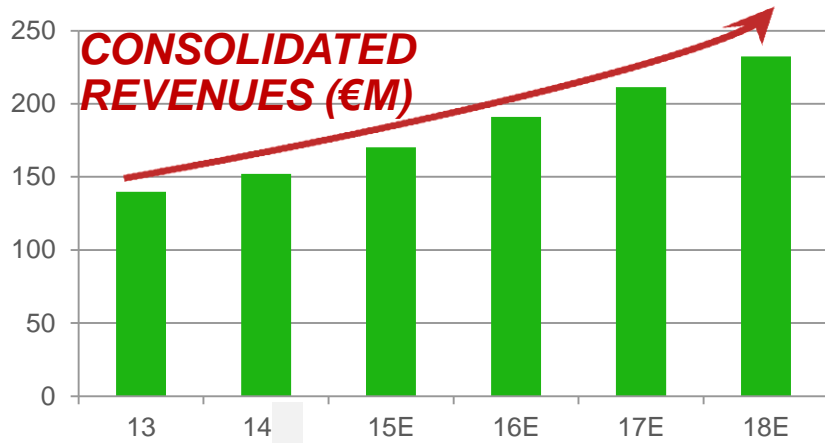
4 ENHANCEMENT OF PRODUCT PORTFOLIO AND DISTRIBUTION

- *New mixtures with proprietary molecules*
- *Biosolutions*
- *Proprietary generics*
- *Direct distribution of both proprietary and third-party products in selected markets*

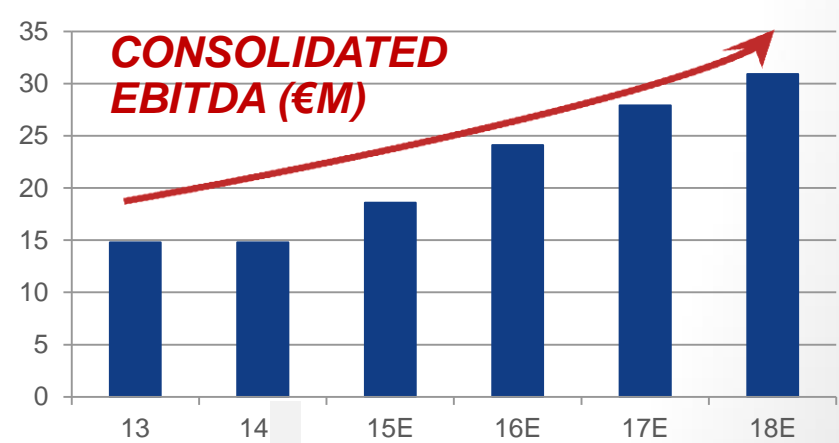
5 FINANCIAL DEBTS LIMITED TO “NET WORKING CAPITAL”

... AS DRIVERS OF OUR BUSINESS PLAN

Target: > 200 €M

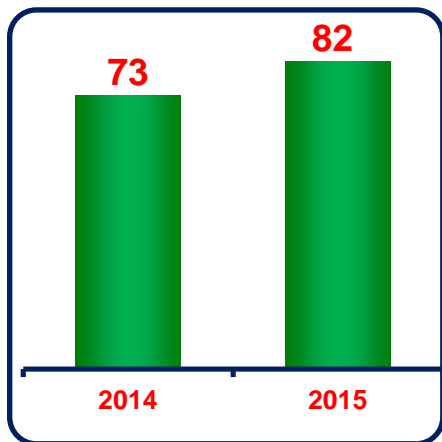


Target: ~30 €M

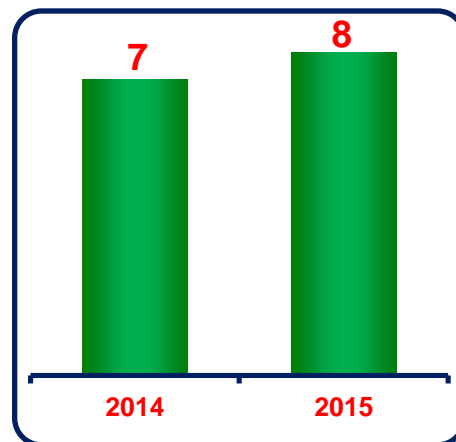


Memo: First Half 2015 Results (€M)

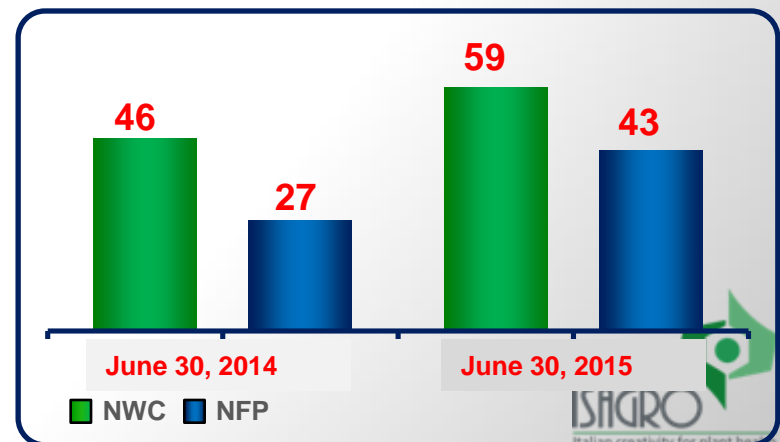
REVENUES



EBITDA



NWC & NFP



MARKET CAPITALIZATION LOWER THAN BOOK VALUE

*Price as of
Sept. 15th, 2015 (€)* *Market
Capitalization (€M)*

ORDINARY SHARES

1.57

38.6

GROWTH SHARES

1.18

16.8

MARKET CAP.

55.4

EQUITY BOOK VALUE*

97.7**

Market capitalization < Book Value

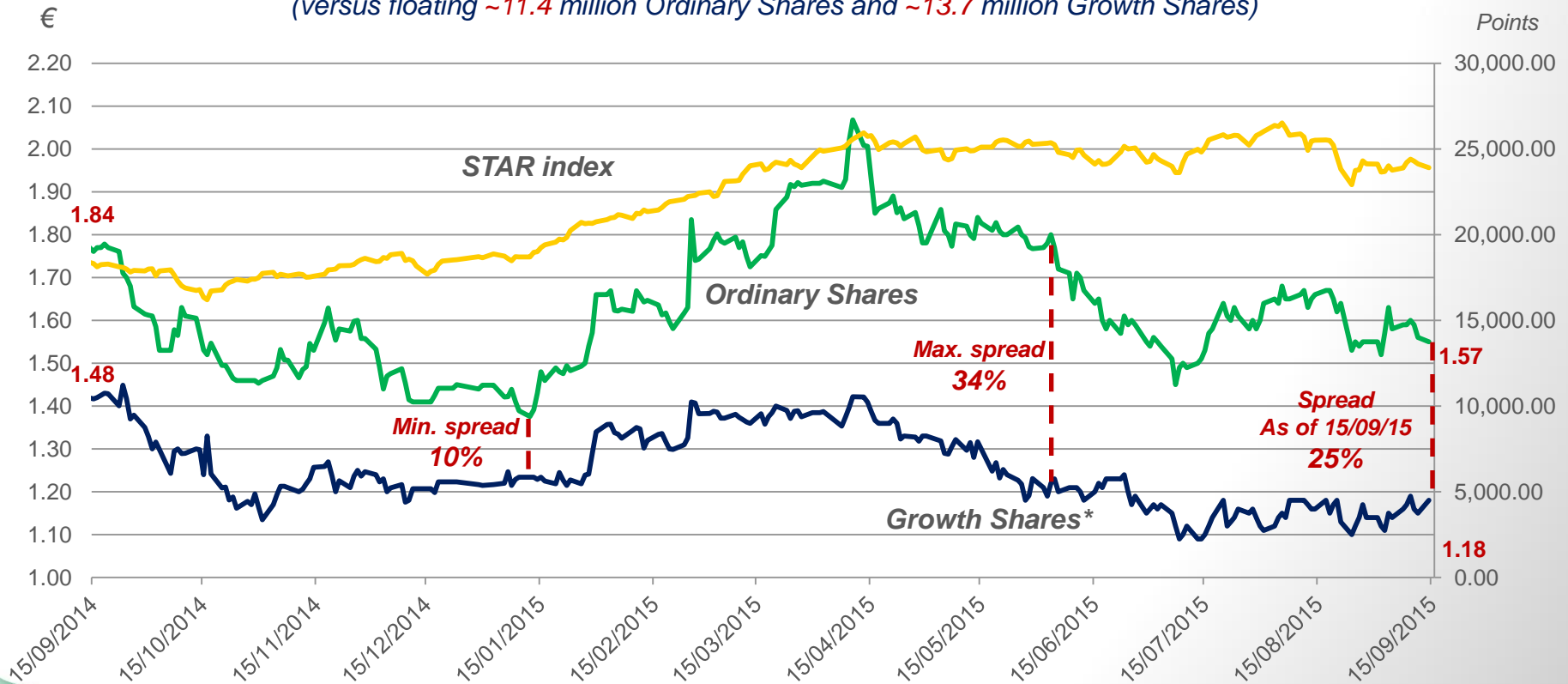
* As of June 30th, 2015

** Significantly lower than Net Assets Value

UNJUSTIFIED SPREAD BETWEEN ORDINARY AND GROWTH SHARES

In the 12-month period: **~11.8 million Ordinary Shares** and **~6.1 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

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