

ISAGRO: GROWTH AND VALUE EXTRACTION, BASED ON OUR INNOVATION

Isagro SpA
STAR Conference

London, October 6th, 2015



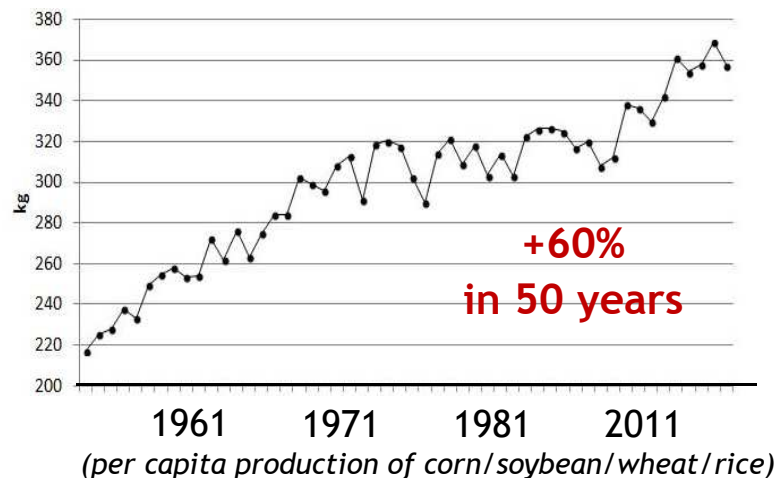
FEEDING THE PLANET: THE «GAP» BETWEEN DEMAND AND SUPPLY OF FOOD ...

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

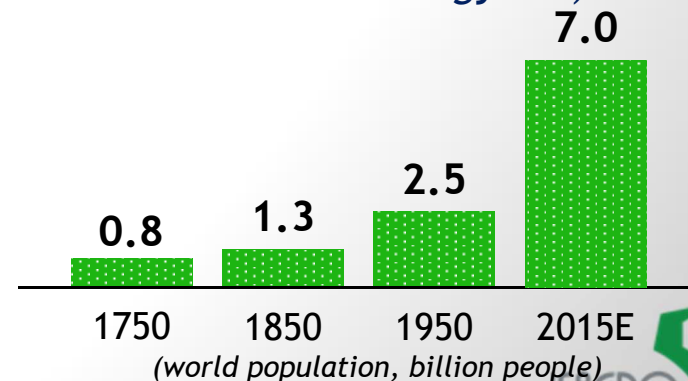


**800 million people
with inadequate
access to food**

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

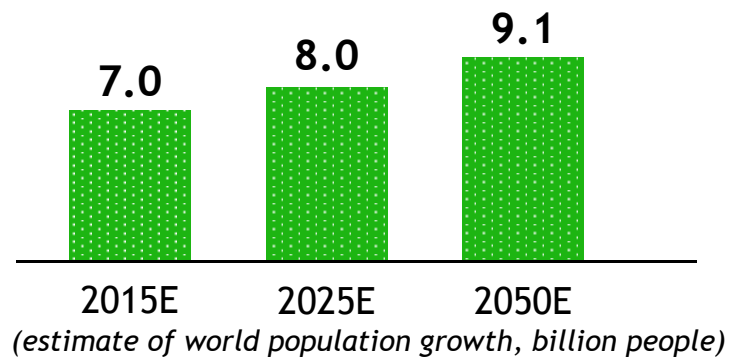


... the Demand has grown more than proportionally
(for human and animal feeding and for industrial/energy use)

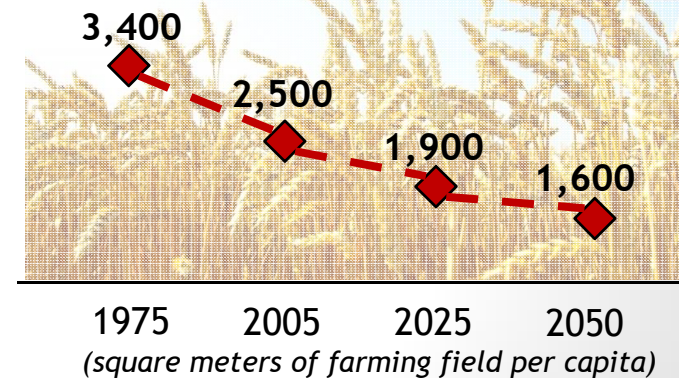


... WILL INCREASE OVER THE NEXT DECADES, REPRESENTING A CHALLENGE FOR AGRICULTURE

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

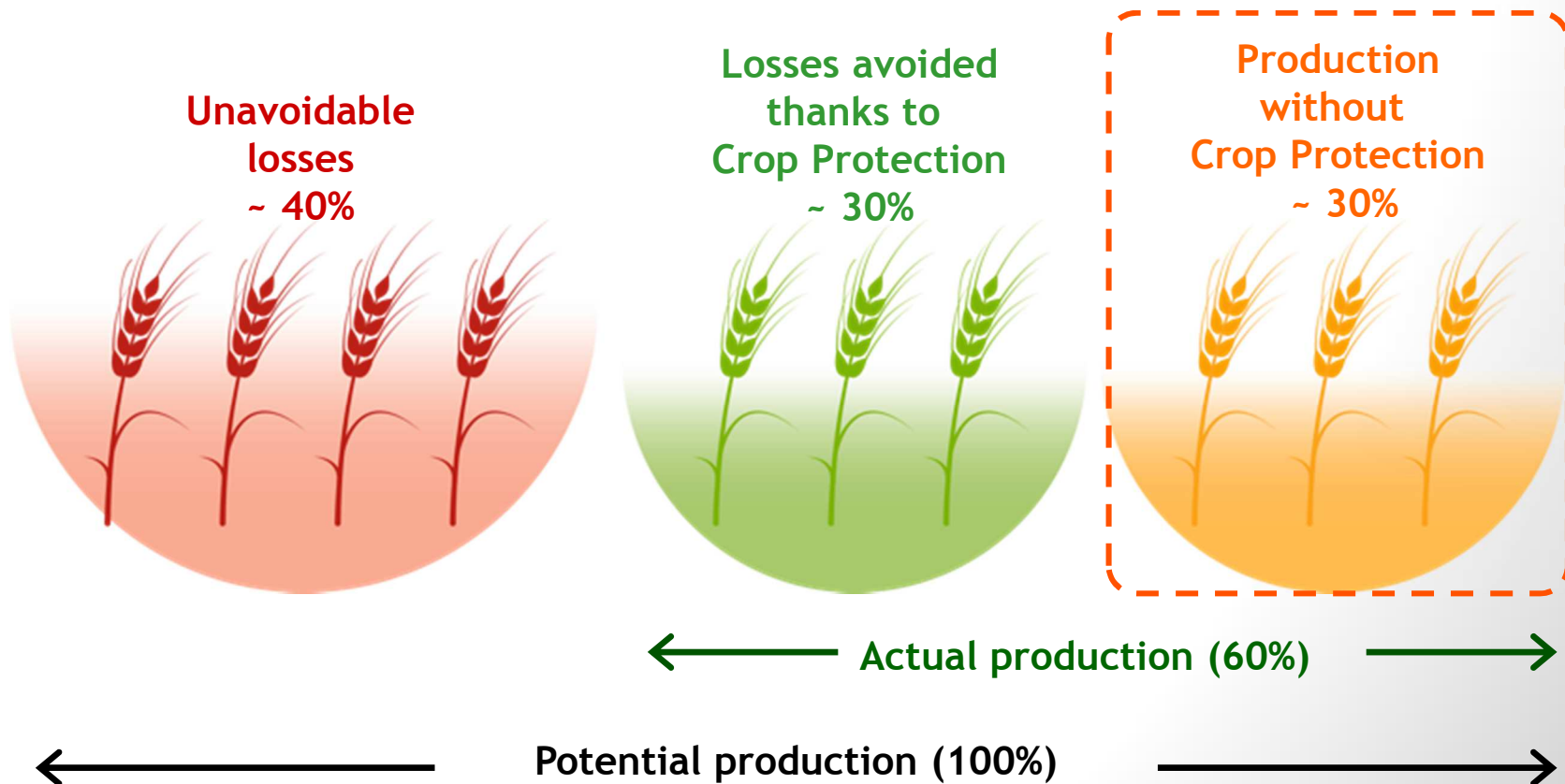


... with an unavoidable reduction of «farming land» per capita



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

CROP PROTECTION PLAYS A KEY ROLE IN AGRICULTURE ...

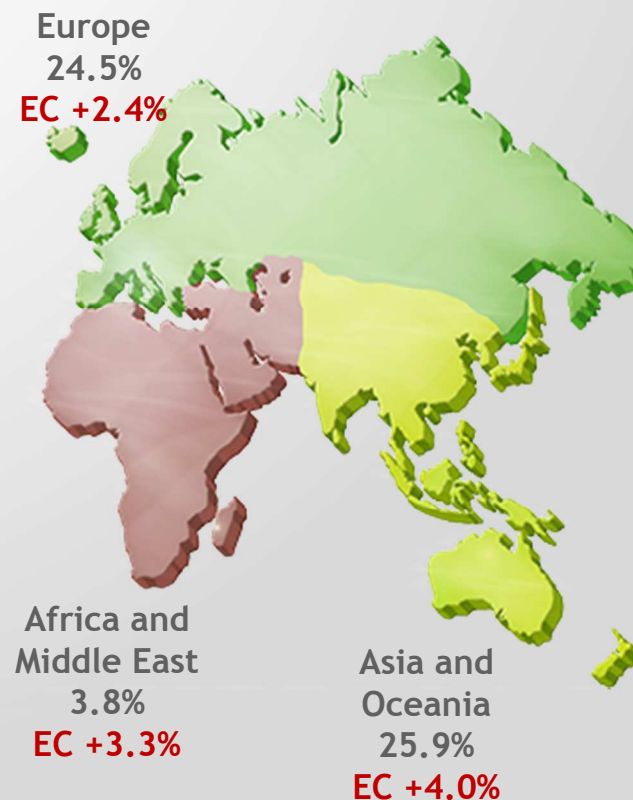


... AND REPRESENTS A GLOBAL MARKET ...

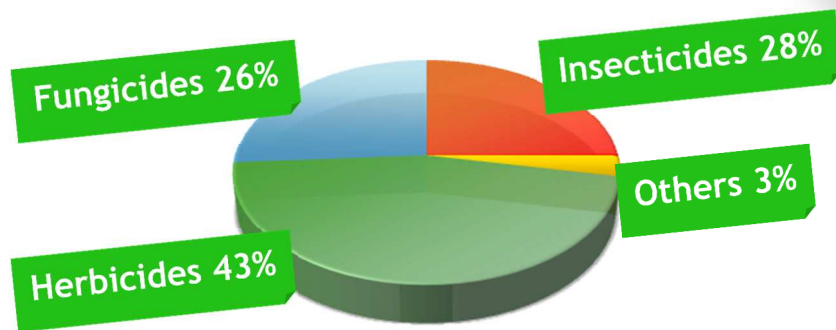


US\$ 57 Billion
(2014)
Estimated CAGR (EC)
to 2019: +2.6%

Breakdown by region...



...and by product category



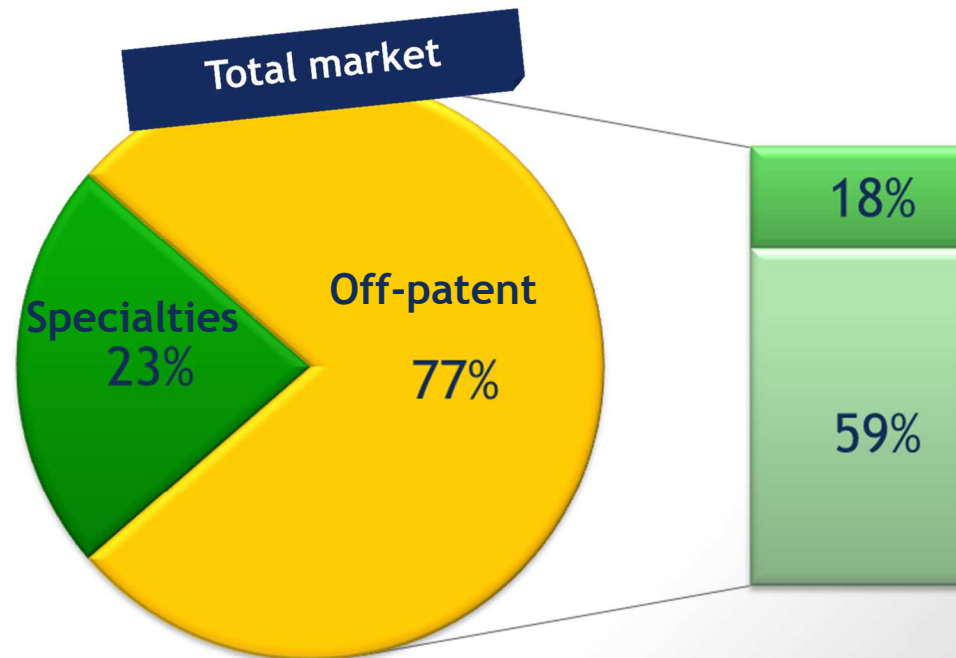
... BASED ON INNOVATION ...

- Time to Market: 10-12 years
- Development cost for a new molecule: 100 to 200 USD million

Crop Protection market: total "Originators" 41%

In spite of
"Genericists",
"Originators"
still retain a
strategic
advantage

2013 data

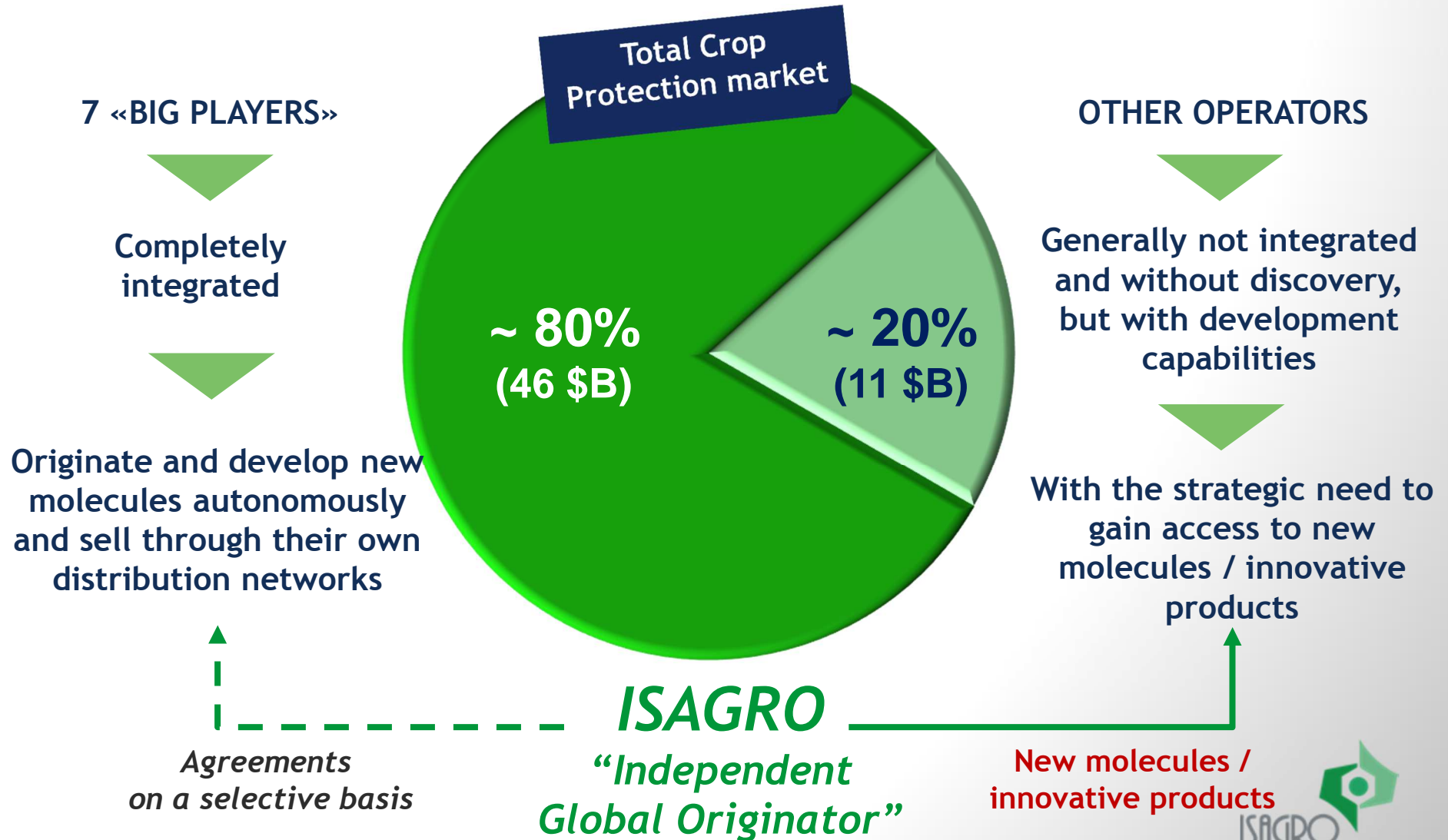


Traded by
"Originators"

Traded by new
"Genericists"

(higher margins for Originators)

... THUS CONCENTRATED, YET WITH ROOM FOR A PLAYER LIKE ISAGRO



ISAGRO'S KEY FACTS & FIGURES

1993

Start-up of Isagro project, with a turnover below
€ 50 M

Today

Turnover
~ €150M
(80% of which outside Italy)



2018

Turnover
> €200M
(based on projects underway)

1956

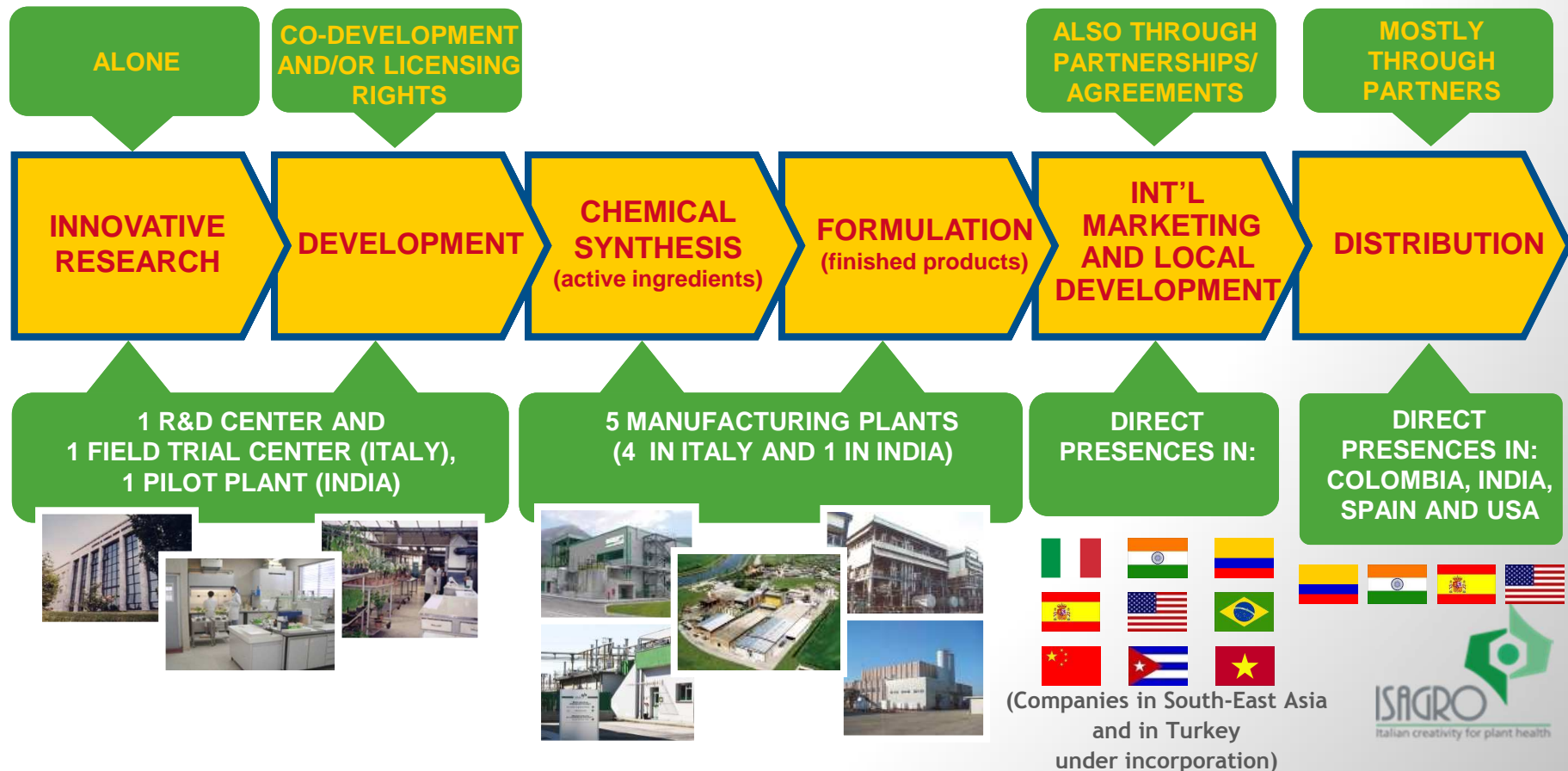
When our Innovation was founded
(Montecatini/Montedison origin)

2003

IPO on the Milan Stock Exchange

OUR BUSINESS MODEL: GLOBAL INDEPENDENT ORIGINATOR of molecules/solutions for Crop Protection

We are an integrated player based on Discovery, originating new molecules / solutions for Crop Protection worldwide



OUR STRATEGY IS BASED ON OUR CAPABILITY TO INVENT AND TO BUILD ALLIANCES ...

1 TO ORIGINATE AND PRE-DEVELOP NEW MOLECULES, ALONE
(Based on our Discovery)

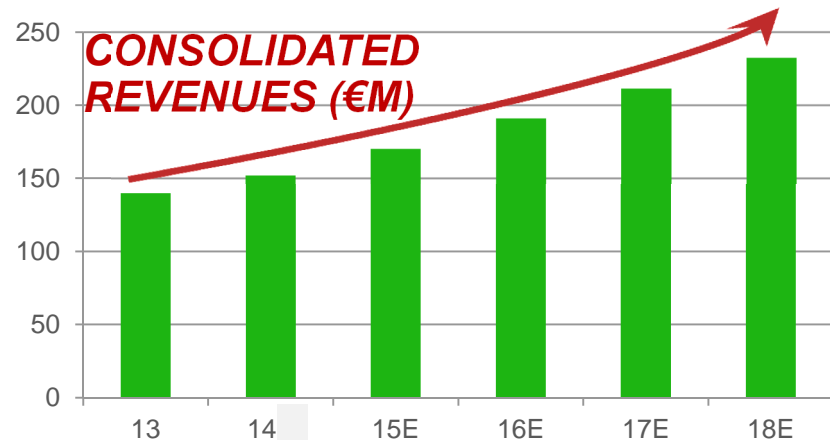
2 TO ASSURE A PROPER EXPLOITATION OF OUR INNOVATIONS ON A GLOBAL BASIS ALSO BY ATTRIBUTING RIGHTS TO THIRD PARTIES
(Thus overcoming our limited size vs. large Originators)

3 TO GROW IN THE BIOSOLUTIONS BUSINESS
(Leveraging on our existing portfolio and innovation capability)

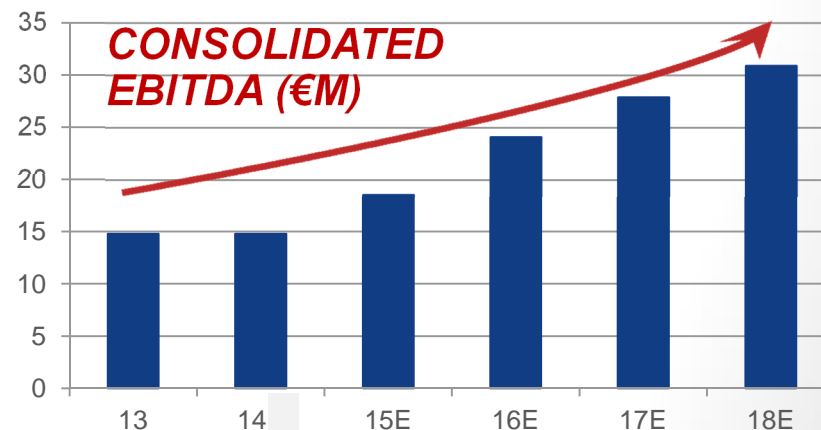
4 TO EXPAND OUR DIRECT PRESENCE ON KEY-MARKETS
(For local marketing & sales activities)

... ON WHICH OUR BUSINESS PLAN LEVERAGES

Target: > 200 €M

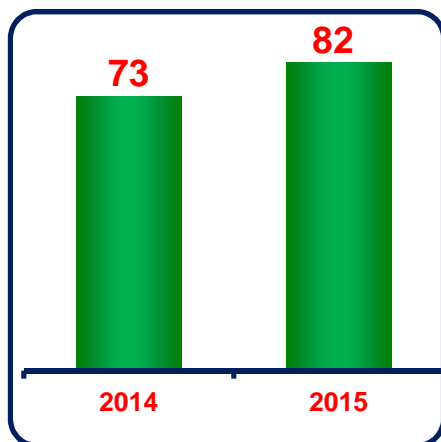


Target: ~30 €M

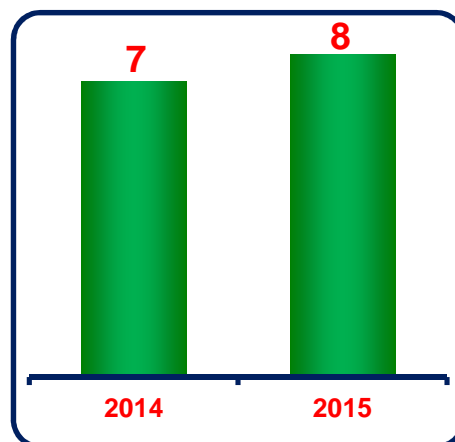


Memo: First Half 2015 Results (€M)

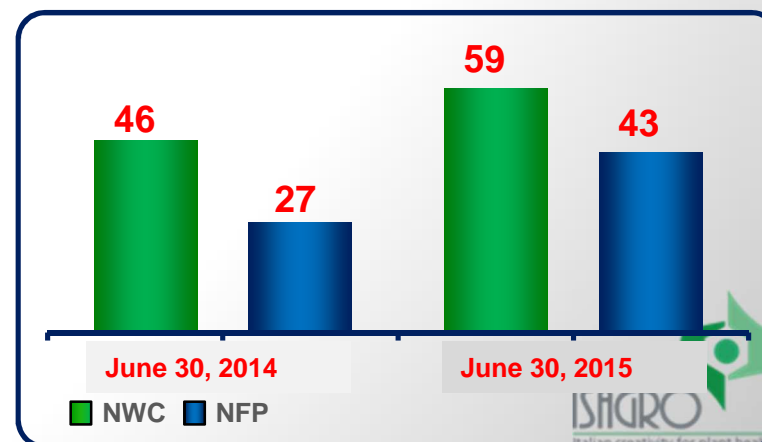
REVENUES



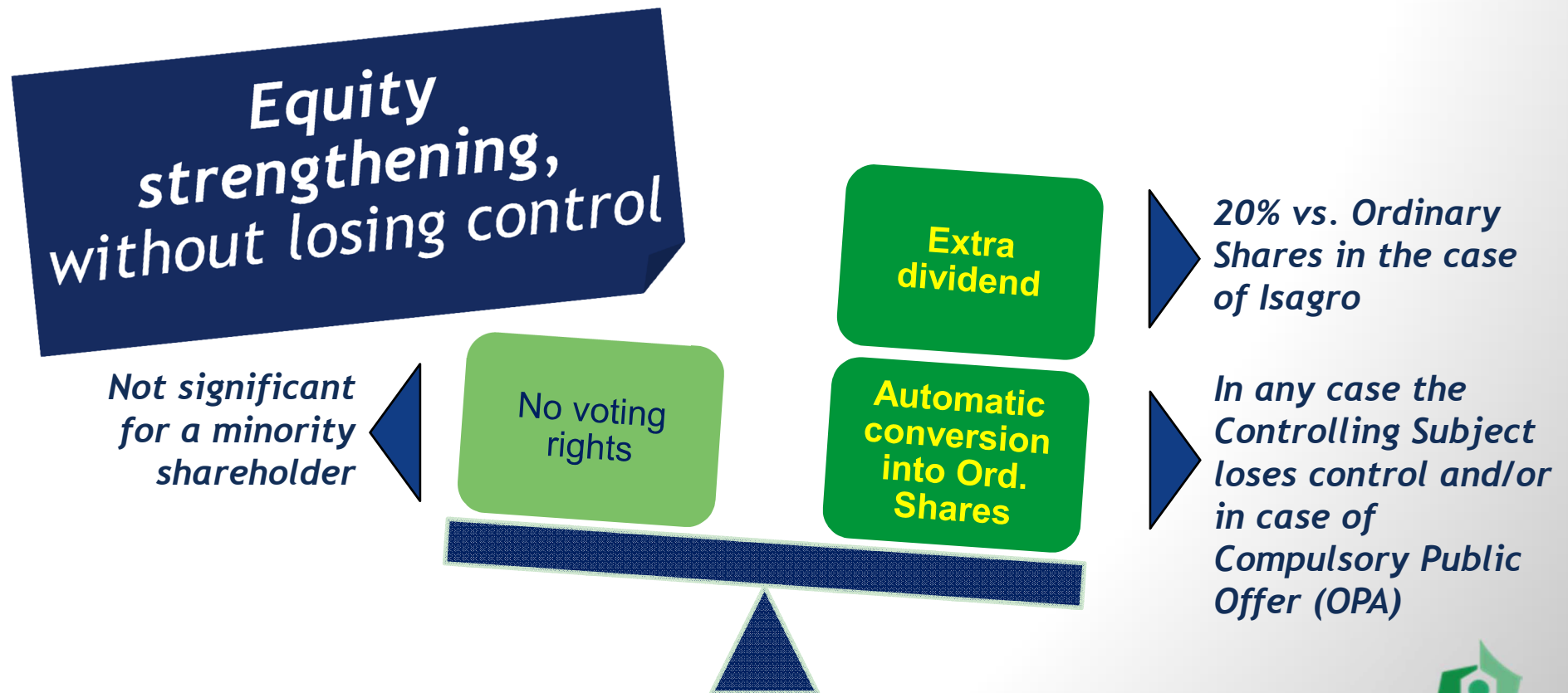
EBITDA



NWC & NFP



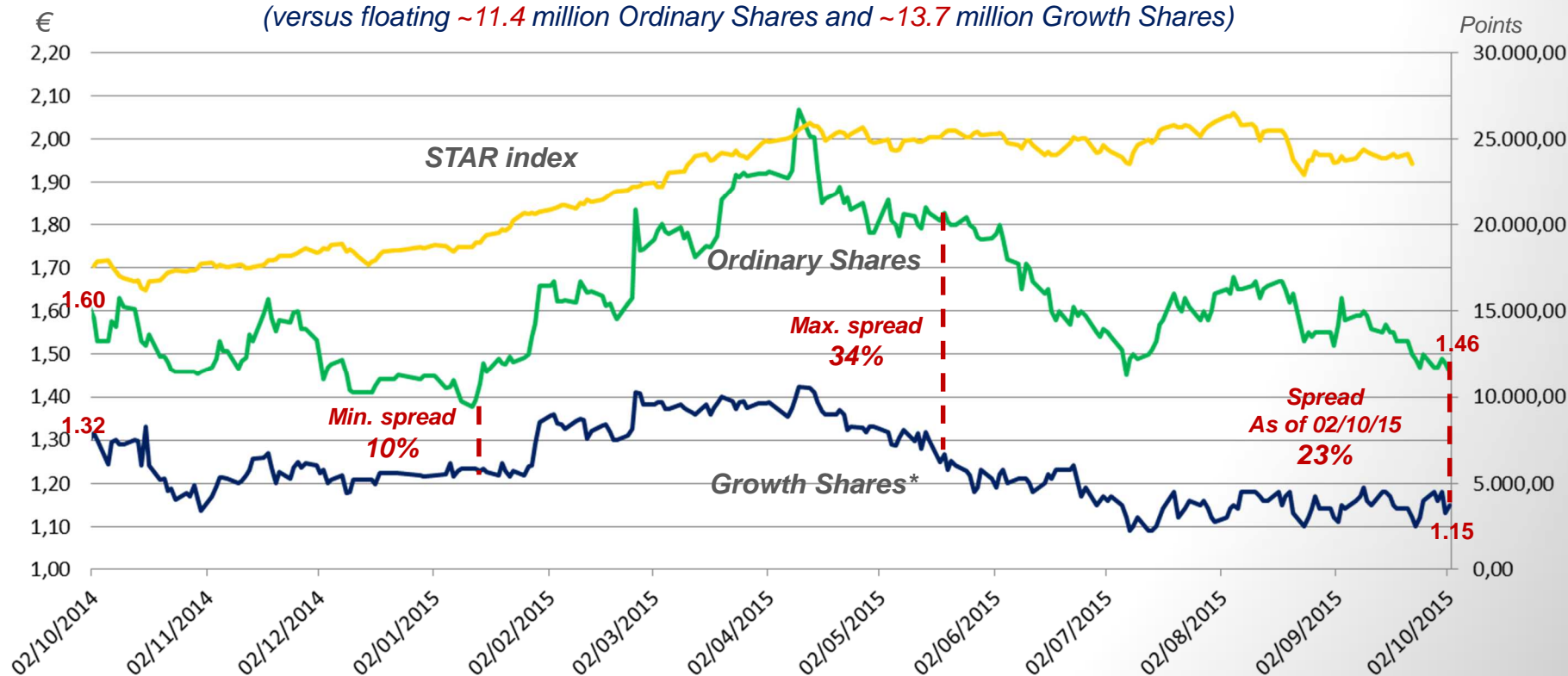
ISAGRO INTRODUCED “GROWTH SHARES”, A NEW CATEGORY OF SHARES FOR COMPANIES ALREADY HAVING A «CONTROLLING SUBJECT» ...



... SUFFERING AN “UNJUSTIFIED” SPREAD VS. ORDINARY SHARES ...

In the 12-month period: **~11.7 million Ordinary Shares** and **~5.9 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

... IN A SITUATION OF TOTAL MARKET CAPITALIZATION LOWER THAN BOOK VALUE

*Price as of
Oct. 2nd, 2015 (€)* *Market
Capitalization (€M)*

ORDINARY SHARES

1.46

35.8

GROWTH SHARES

1.15

16.3

MARKET CAP.

52.1

EQUITY BOOK VALUE*

97.7**

Market capitalization < Book Value

* As of June 30th, 2015

** Significantly lower than Net Assets Value



ATTACHMENT: OUR CORPORATE PROFILE

ISAGRO: ITALIAN, INDEPENDENT ...

Listed on the Italian Stock Exchange (STAR* segment)

Piemme

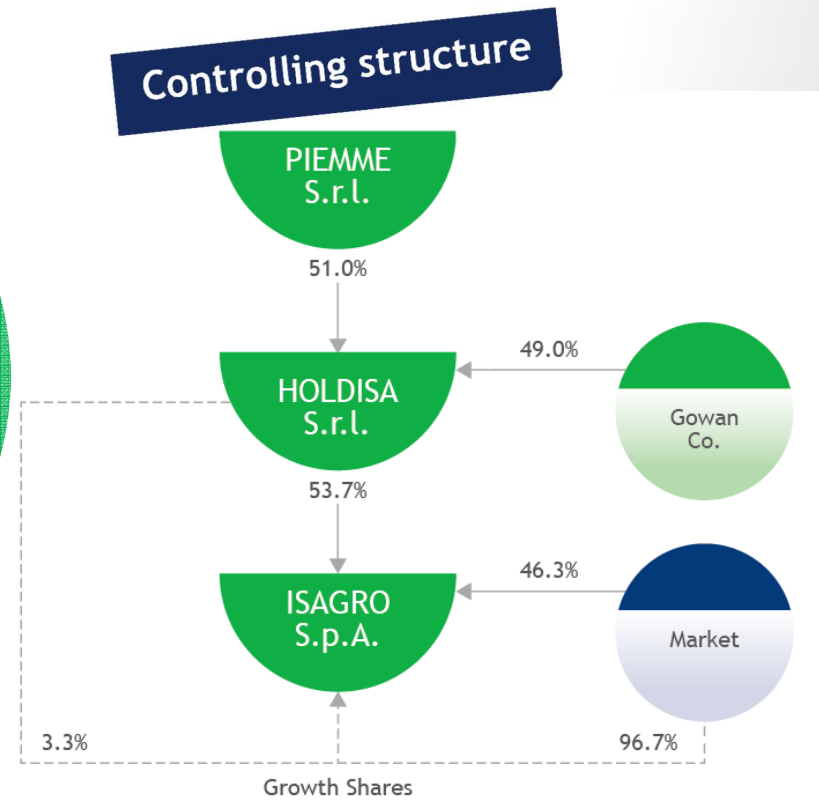
Italian holding company indirectly controlling Isagro

Gowan

industrial partner with a minority stake

2/3

of total shares (Ordinary + Growth) floating in the marketplace



* High Requirements Stock Segment of the Italian Stock Exchange (part of the LSE Group)

... AND BASED ON INNOVATION

Isagro is the only non-large Crop Protection company operating globally based on its own Innovative Research

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



€ ~15 M
annual
expenditure
in R,I&D

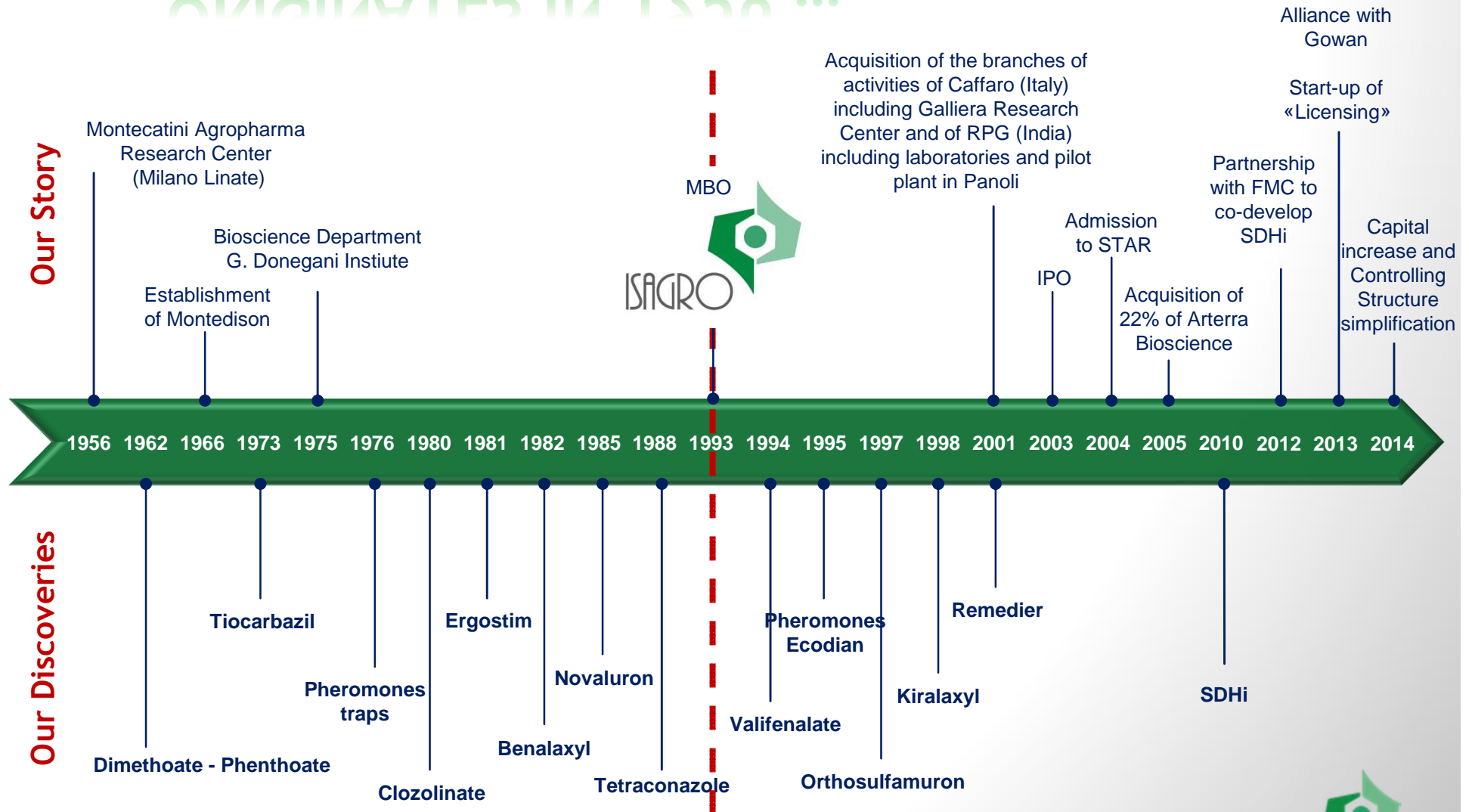
~100
People
working in
R,I&D

DISCOVERED MOLECULES

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

**under co-development*

OUR DISCOVERY CAPABILITY ORIGINATES IN 1956 ...



... AND REPRESENTS THE BASE OF OUR BUSINESS MODEL, EVOLVED OVER THE TIME

Our Business Model experienced three “Phases”...

*1st phase: 1993-2005
“Alliances to compete”*

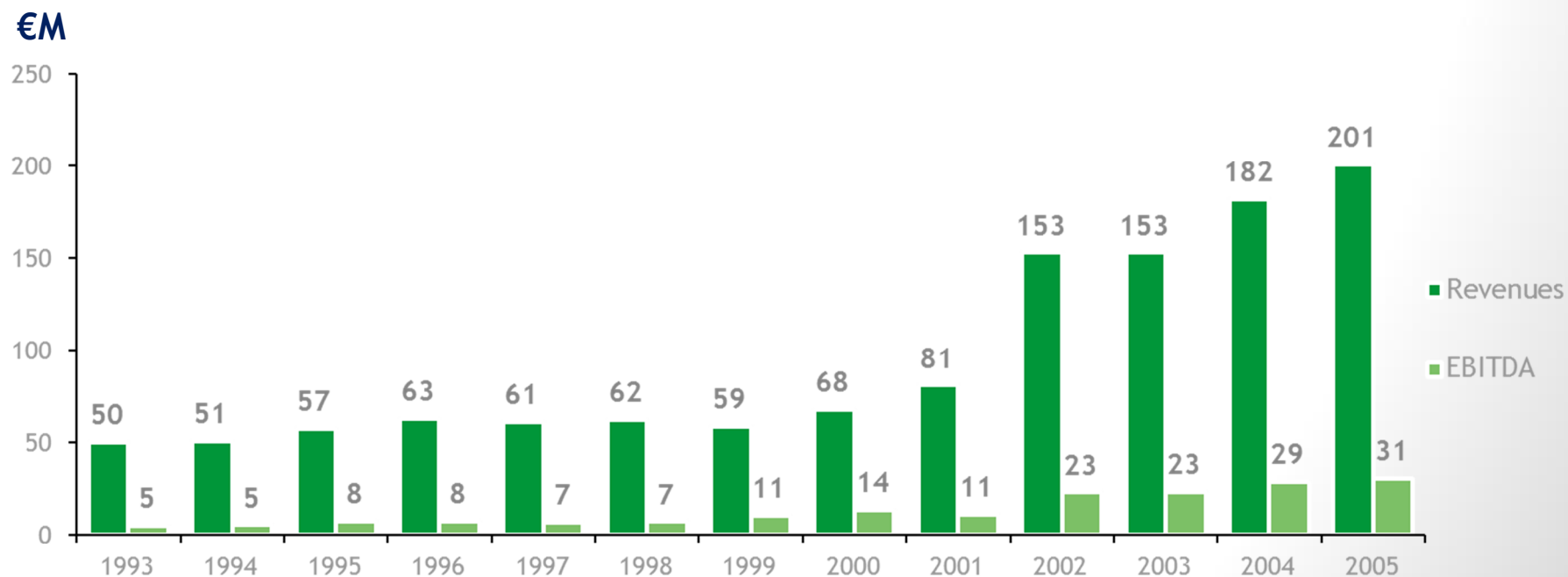
*2nd phase: 2006-2012
“Developing by ourselves, for ourselves”*

*3rd phase: since 2013
“Assuring a proper exploitation of our discoveries also by attributing rights to third parties”*

*... always with a common basis:
our Discovery capability*

1st PHASE OF ISAGRO: 1993-2005

«Alliances to compete»

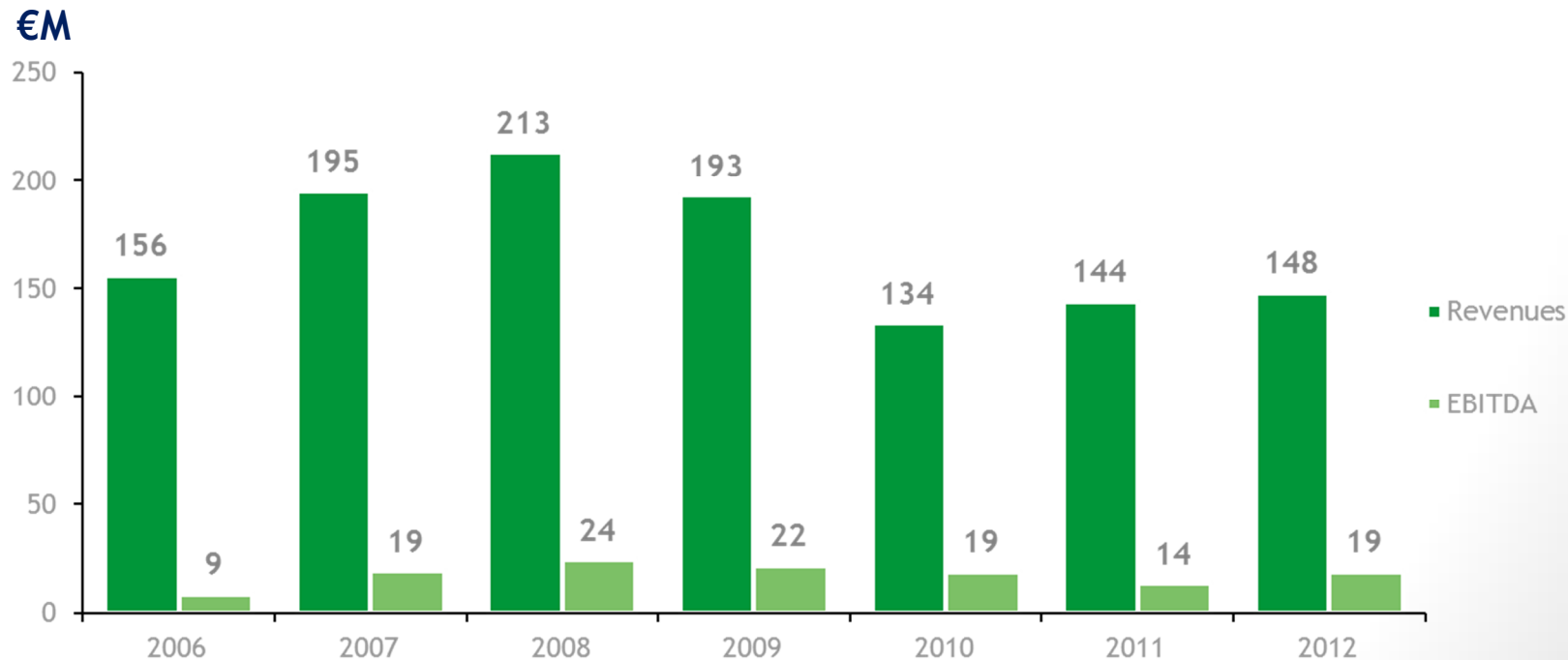


■ *System of Strategic Alliances also for Discovery*

■ *Commercial development of Tetraconazole fungicide*

2nd PHASE OF ISAGRO: 2006-2012

«Developing by ourselves, for ourselves only»

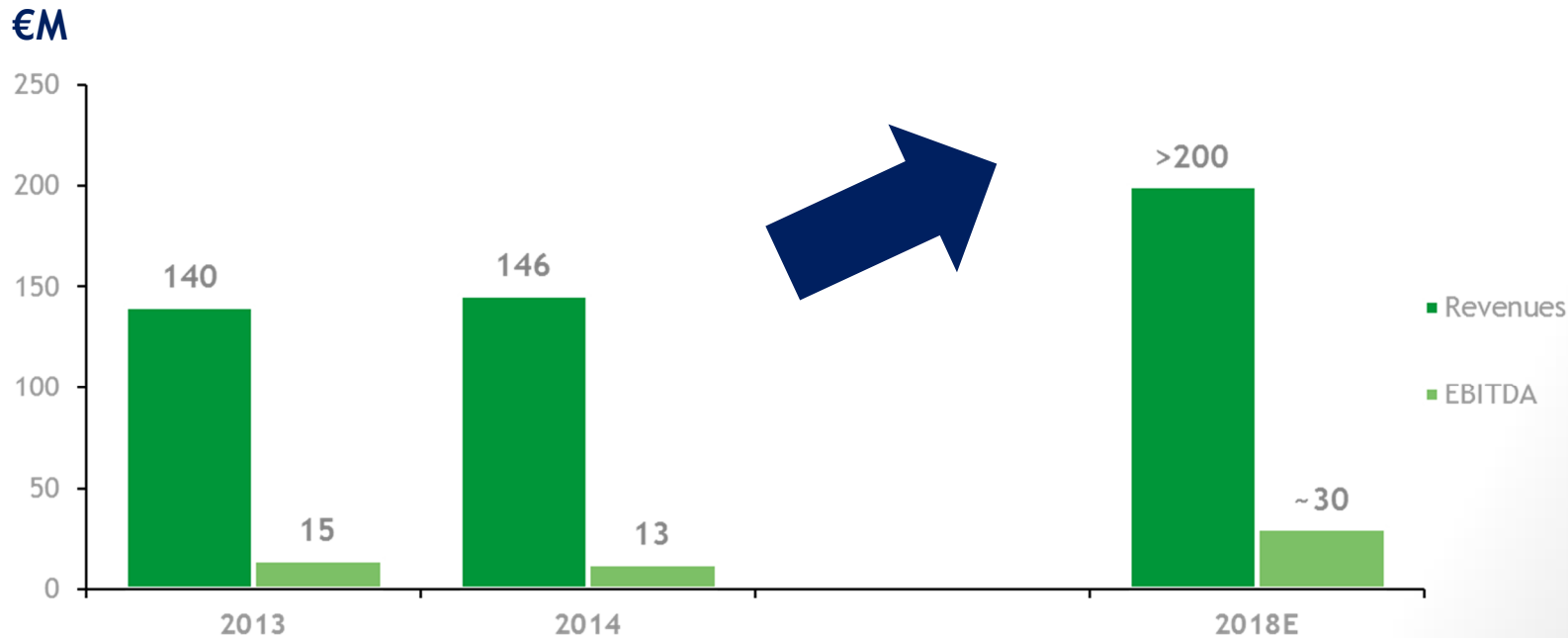


- *Development of two new molecules «by ourselves»*
- *Exploitation of our intellectual property (existing products) «for ourselves only»*
- *Acquisition and then divestment of distribution participations*

LESSON: we are good at inventing but, if we develop alone, we under-exploit the potential of our inventions

3rd PHASE OF ISAGRO: SINCE 2013

«Assuring a proper exploitation of our discoveries also by attributing rights to third parties»



- *Discovery and Pre-Development of new molecules alone*
- *Development of new molecules by attributing rights to third parties for those products/markets/segments where Isagro alone could not extract an adequate value*

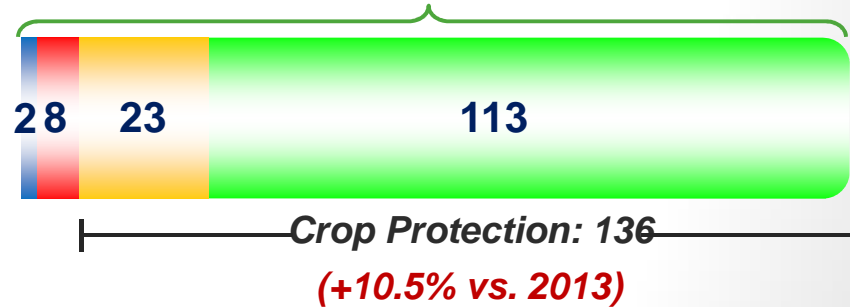
Thus overcoming the constraint of our size vis-à-vis the global market potential of our inventions

OUR PORTFOLIO IS LARGELY REPRESENTED BY PROPRIETARY PRODUCTS ...

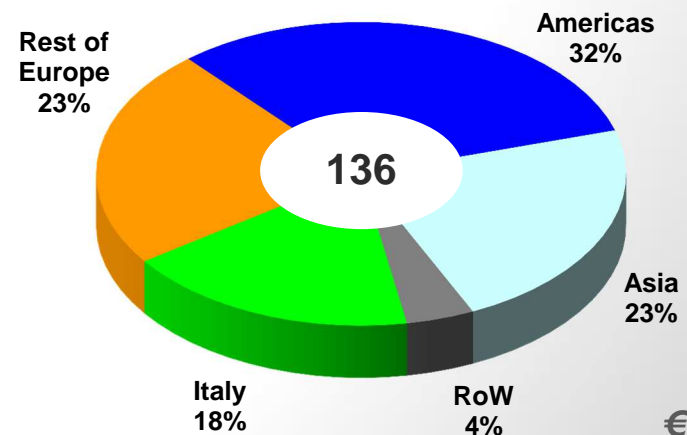
2014
revenues
breakdown

By product
category

TOTAL REVENUES = 146 €M (+4.4% vs. 2013)



By region
(Crop Protection only)



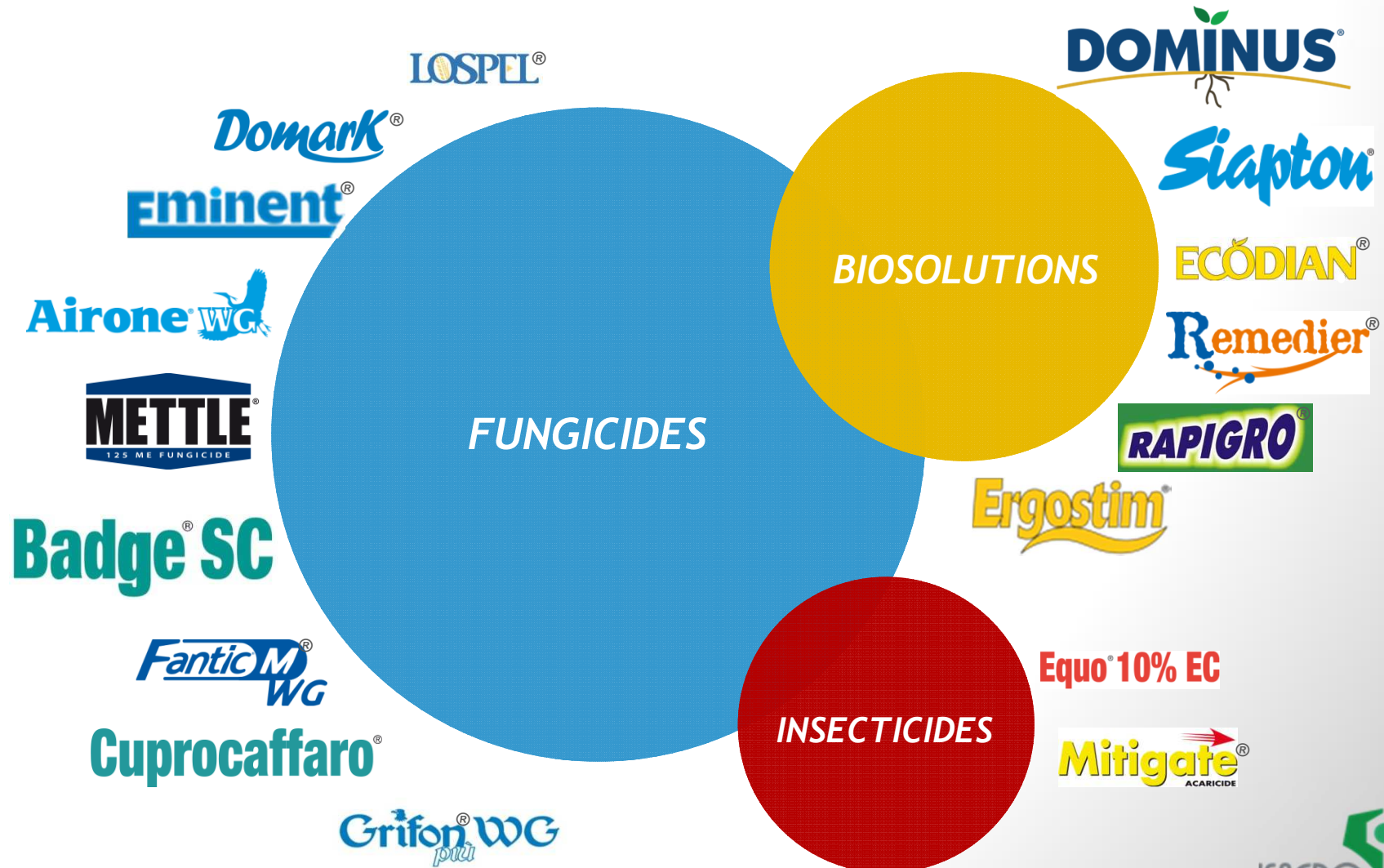
 Licensing

 Services

 Third-party
Crop Protection

 Proprietary
Crop Protection

... MAINLY FOCUSED ON FUNGICIDES



WE ARE INTEGRATED IN MANUFACTURING ...

- 5 plants (4 in Italy and 1 in India)
- Panoli (India) - strategic site for the synthesis of proprietary active ingredients

IN ITALY

IN INDIA

Novara
- Research Center
- Fermentation of Biological products

Galliera
Field-trial station

Aprilia
Formulation

Adria
Synthesis and Formulation of Copper products

Bussi
Synthesis of Tetraconazole

Panoli
- Synthesis and Formulation
- Process development
- Pilot plant



... AND WE HAVE A GLOBAL PRESENCE



€ ~150 M turnover

Sales in over 70 countries

Direct distribution
in Colombia, India,
Spain and USA

Over 600
employees



Isagro is also present in Argentina, Australia, Chile and South Africa with companies established to register products of the Group.
(Companies in South-East Asia and in Turkey are under incorporation)

AWARDS

2002

“Bocconi University centenary”

Isagro presented as case of success

2004

“Best Innovator”
(Italy)

Promoted by AT Kearney and Confindustria

2005

“Entrepreneur of the year”

Category “Finance”
(Italy)

Promoted by Ernst&Young

2006

“Confindustria Awards for Excellence”

Category
“Made in Italy in the world»

2007

“Champion of growth”
(Italy)

Promoted by Confindustria, Cerved, McKinsey and Bocconi University

2013

“Lorenzetti prize”
(Italy)

Promoted by CG Consulting for corporate governance - category “Presidents”

2013

“Assiteca prize”
(Italia)

In co-operation with Il Sole 24 Ore - for companies investing in risk management - Category «Large Enterprises»

For information:

Ruggero Gambini

Chief Financial Officer

& IR Manager

tel. (+39) 02.40901.259

Erjola Alushaj

Financial Planner

& assistant to IR

tel. (+39) 02.40901.340



email: ir@isagro.it

www.isagro.com



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