

ISAGRO

*** * ***

INTERIM RESULTS REPORT

AS AT SEPTEMBER 30th, 2015

*** * ***

Consolidated Data

*** * ***

Milan, November 11th, 2015

ISAGRO S.p.A.

(Company directed and coordinated by Holdisa S.r.l.)

Registered office: Via Caldera, 21 - 20153 Milan

Fully paid up share capital: € 24,961,207.65

E.A.R. of Milan no. 1300947 – Registry of Companies Milan, Tax Code and VAT No. 09497920158

Centro Uffici San Siro - Edificio D - ala 3 - Via Caldera, 21 - 20153 Milan

Ph. 02-40901.1 - Fax 02-40901.287 - e-mail: isagro@isagro.it - www.isagro.com

CORPORATE OFFICES	4
BOARD OF DIRECTORS	4
BOARD OF STATUTORY AUDITORS	4
EXPLANATORY NOTES	5
USE OF ESTIMATES.....	5
DIRECTORS' MANAGEMENT REPORT	6
FINANCIAL RESULTS	6
EVOLUTION OF THE CROP PROTECTION PRODUCT MARKET	13
RESEARCH, INNOVATION & DEVELOPMENT	14
SIGNIFICANT EVENTS OF THE FIRST NINE MONTHS OF 2015	18
SUBSEQUENT EVENTS OCCURRED AFTER SEPTEMBER 30TH, 2015	20
ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001.....	20
TRANSACTIONS WITH RELATED PARTIES.....	21
BUSINESS OUTLOOK.....	23
CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30TH, 2015.....	25
CONSOLIDATED INCOME STATEMENT OF THE FIRST NINE MONTHS OF 2015.....	26
CONSOLIDATED STATEMENT OF CASH FLOWS OF THE FIRST NINE MONTHS OF 2015.....	27
BREAKDOWN OF CONSOLIDATED REVENUES IN THE FIRST NINE MONTHS OF 2015	28
REVENUES BREAKDOWN BY TYPE	28
AGROPHARMA REVENUES BREAKDOWN BY GEOGRAPHIC AREA.....	28
STATEMENT PURSUANT TO ART. 36 OF CONSOB REGULATION NO. 16191/2007	29
CERTIFICATION OF THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS	29



CORPORATE OFFICES

BOARD OF DIRECTORS

Giorgio Basile	–	Chairman and C.E.O.
Maurizio Basile	–	Director and Deputy Chairman
Riccardo Basile	–	Director
Christina Economou	–	Director
Gianni Franco	–	Director
Adriana Silvia Sartor	–	Independent Director
Daniela Mainini	–	Independent Director
Stavros Sionis	–	Independent Director

BOARD OF STATUTORY AUDITORS

Piero Gennari	–	Chairman
Giuseppe Bagnasco	–	Statutory Auditor
Claudia Costanza	–	Statutory Auditor



EXPLANATORY NOTES

This Interim Results Report as at September 30th, 2015 (hereinafter “Quarterly Report” or “Report”) has been drafted in compliance with Art.154-ter, paragraph 5 of Legislative Decree 58/1998 (Consolidated Law on Finance - T.U.F.) and further amendments and supplements, as well as the Issuers' Regulation issued by CONSOB.

This Report is not subject to audit by the Independent Auditors and has been drafted by applying the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board and endorsed by the European Union.

USE OF ESTIMATES

The preparation of the consolidated financial statements requires estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure relating to contingent assets and liabilities as at the reporting date. Consequently, the results actually achieved could then differ from said estimates.

The estimates are used in order to recognise the provisions for doubtful debts and inventory obsolescence, as well as depreciation and amortisation, impairment losses, employee benefits, tax and other provisions. The estimates and the assumptions are periodically reviewed and the effects of any changes are reflected in the Income Statement.



DIRECTORS' MANAGEMENT REPORT

FINANCIAL RESULTS

In the first nine months of 2015, the Isagro Group reported a turnover of 114.4 Euro million, up by 12.1 Euro million (+12%) compared to the 102.3 Euro million reported of the same period of the previous year, and an EBITDA equal to 10.4 Euro million, up by 2.7 Euro million (+35%) compared to the 7.7 Euro million reported as at September 30th, 2014.

The previously mentioned growth in **Revenues** in the first nine months of 2015, compared to the same period of 2014, was achieved in a context of general increase in turnover for almost all the key-products marketed by the Group and it is mainly attributable to:

- the strong increase of copper-based product sales, especially in Italy, also as a result of the distribution partnership with Gowan that began in 2014;
- the growth of sales generated by the subsidiary Isagro Asia, also thanks to the appreciation of the Indian Rupee (the accounting currency of Isagro Asia) vs. the Euro.

The sales turnover related to the January-September 2015 period, as well as the turnover reported in the first nine months of 2014, is entirely ascribable to the Basic Business. To date, in fact, no new Licensing agreement has been signed.

As already recalled in the Directors' Management Report on the Financial Statements as at December 31st, 2014, in light of the existing contacts and the perspectives of such business line, Isagro is confident that the level of 13.0 Euro million expected for the entire 2014-2018 Business Plan timeline (of which 2.0 Euro million were already achieved last year) will be achieved, if not surpassed.

During the first nine months of 2015, Isagro carried on its **Research, Innovation & Development** activity incurring in total costs amounting to 12.4 Euro million (compared to the 10.7 Euro million in the January-September period of 2014), of which 3.3 Euro million charged to the Income Statement (compared to an expense of 2.9 Euro million in the first nine months of 2014). In particular, it is worth to highlight the continuation of development



projects for the new broad spectrum fungicide belonging to the SDHi class (in joint partnership with FMC Corporation) and of the new biofumigant, as well as the development of new registrations for proprietary products.

SUMMARY OF CONSOLIDATED INCOME STATEMENT

(€ 000)	9 months 2015	9 months 2014	Differences		FY 2014
Revenues	114,425	102,303	+12,122	+11.8%	145,939
Memo: Labour costs and provision for bonuses	(20,965)	(20,322)	-643		(27,397)
EBITDA	10,421	7,698	+2,723	+35.4%	12,467
<i>% on Revenues</i>	<i>9.1%</i>	<i>7.5%</i>			<i>8.5%</i>
Amortisation/Depreciation:					
- tangible assets	(2,798)	(2,794)	-4		(3,678)
- intangible assets	(3,754)	(3,684)	-70		(5,082)
- write-off of assets and assets revaluation (IFRS 10)	(44)	-	-44		(187)
EBIT	3,825	1,220	+2,605	N/S	3,520
<i>% on Revenues</i>	<i>3.3%</i>	<i>1.2%</i>			<i>2.4%</i>
Interest, fees and financial charges	(922)	(2,139)	+1,217		(2,807)
Gains/losses on foreign exchange and derivatives	(1,276)	(207)	-1,069		108
Impairment/reversals of impairment of equity investments	37	38	-1		59
Result before taxes	1,664	(1,088)	+2,752	N/S	880
Current tax and deferred tax liabilities	(2,108)	(50)	-2,058		(1,758)
Profit/(loss) from continuing operations	(444)	(1,138)	694	+61.0%	(878)
Profit/(loss) from discontinued operations	-	-	-		-
Net result	(444)	(1,138)	694	+61.0%	(878)

The **EBITDA** in the first nine months of 2015 was equal to 10.4 Euro million, up by 2.7 Euro million (+35%), compared to the 7.7 Euro million reported in the same period of 2014. Moreover, gross operating marginality on sales increased from 7.5% in 2014 to 9.1 % on September 30th, 2015; this, despite the higher level of expenses reported in the Income Statement for R&D activities and even in presence of some non-recurring cost



components, which were more than offset by a positive contribution from the variations of exchange rates compared to 2014.

Amortisation and Depreciation for the period amounted to 6.6 Euro million, substantially aligned to figures reported as at September 30th, 2014. Conversely, total investments for the period amounted to 11.8 Euro million, compared to the 11.0 Euro million reported in the first nine months of 2014. Isagro, moreover, reported higher investments than amortisation/depreciation over the period by approximately 5.2 Euro million. According to the Business Plan and consistently with reasons that led to the increase in share capital occurred in May 2014, the amount above specifically reflects Isagro's development projects, mainly in relation to the new SDHi broad spectrum fungicide, from which Isagro expects a remarkable contribution in terms of new Licensing agreements (over the short and medium term) and sales (after 2020).

Isagro, therefore, ended the January-September period of 2015 with an **Operating profit** of 3.8 Euro million, up by 1.2 Euro million compared to the same period of last year.

As regards the financial items, in the first nine months of 2015 the Isagro Group reported **Net financial charges** totalling 2.2 Euro million, slightly lower than the 2.3 Euro million reported last year. The value of Net financial charges as at September 30th, 2015, compared to 2014, were also influenced by the following:

- lower **Interest, fees and financial charges**, amounting to 1.2 Euro million, as a result of both the capital increase of May 2014 (which also involved a better rating from the banking system), and the significant reduction in the cost of debt based on the expansive policies carried out by the ECB. In general, the above-mentioned aspects have more than offset the financial charges related to the debt increase connected with the working capital growth occurred in 2015;
- higher **Net losses on foreign exchange and derivatives**, amounting to 1.1 Euro million, attributable to derivative contracts for hedging purposes of the exchange rate risk connected with sales in US Dollars.



With reference to the aforesaid issue, it is worth noting that Isagro acted as usual, within the corporate policy guidelines, by hedging the EUR/USD exchange rate risk of almost the entire turnover in US Dollars expected in this twelve-month period, with the first nine-month period that concentrates around 50% of turnover in USD (excluding purchases in USD) for the entire year.

Consequently, the Income Statement of the January-September period of 2015 was negatively affected by the fair value adjustment deriving from these hedges (reflecting the strong strengthening of the US dollar against the Euro), while incorporating only a marginal portion of the related benefits at EBITDA level.

It should be remembered that the Isagro Group operates on several markets internationally and many trade relations are managed in currencies other than the Euro, mainly in US Dollars. As a result and in compliance with its “Financial risk management policy” designed to grant security to the annual budget, Isagro S.p.A. arranges USD exchange rate risk hedges, using its forecast exposure for the year as indicated by the currency balance in USD as the reference basis. With regard to the hedging transactions carried out by the Group, it should also be noted that they are exclusively for operational transactions and therefore not for speculative purposes; however, as they do not meet the requirements of IAS 39 for the hedging of “specific” risks, they are considered as “trading” transactions and are therefore recognised directly as financial items in the Income Statement, both for the realised and unrealised portion.

The Group ended the first nine months of 2015 with a **Result before taxes** amounting to 1.7 Euro million, up by 2.8 Euro million compared to the loss of -1.1 Euro million reported in the same period of the previous year.

As regards taxation, compared to 2014, the Income Statements as at September 30th, 2015 was affected by the following:

- in 2015, lack of fiscal reimbursements and contingent tax assets, for slightly less than one million euro;
- lower allocations for net deferred tax assets, for slightly less than one million euro.



The Net Loss over the first nine months of 2015 amounted to -0.4 Euro million, thus marking an improvement if compared to the loss of -1.1 Euro million over the January-September period of 2014.

§ § §

As regards the Balance Sheet, consolidated **Net invested capital** as at September 30th, 2015, amounted to 146.7 Euro million, up by 21.7 Euro million compared to the 125.0 Euro million reported on December 31st, 2014 and up by 24.3 Euro million, compared to the 122.4 Euro million as at September 30th, 2014.

SUMMARY OF CONSOLIDATED BALANCE SHEET

(€ 000)	Sept. 30 th , 2015	Sept. 30 th , 2014	Differences		Dec. 31 st , 2014
Net fixed assets	87,331	81,960	+5,371	+6.6%	81,577
Net working capital	62,165	43,683	+18,482	+42.3%	46,433
Severance Indemnity Fund (SIF)	(2,836)	(3,266)	+430	-13.2%	(3,038)
Net invested capital	146,660	122,377	+24,283	+19.8%	124,972
Held for sale non-financial assets and liabilities	-	-	-	-	-
Total	146,660	122,377	+24,283	+19.8%	124,972
<i>Financed from:</i>					
Equity	95,663	95,059	604	0.6%	95,286
Net financial position	50,997	27,318	23,679	86.7%	29,686
<i>Debt/Equity Ratio</i>	<i>0.53</i>	<i>0.29</i>			<i>0.31</i>
Total	146,660	122,377	+24,283	+19.8%	124,972

The **Net fixed assets** as at September 30th, 2015 amounted to 87.3 Euro million, up by 5.7 Euro million compared to the 81.6 Euro million as at December 31st, 2014 and up by 5.4 Euro million compared to September 30th, 2014.



The above-mentioned increases in the Net fixed assets, compared to both September 30th and December 31st, 2014, are attributable to higher investments compared to the amortisation/depreciation of the period. As already highlighted, in fact, the Group continued its development programs of new molecules and new registrations, as well as the completion of the new Novara Research Centre, as better described hereunder in the section on significant events occurred in the period.

It should be also underlined that, referring to comments on figures related to the Income Statement as at September 30th, these higher investments, compared to amortisation/depreciation, reflect the assumptions made in the 2014-2018 Business Plan of March 2014, as well as the reasons explained for the share capital increase performed in May 2014, aimed at funding the portion of investments that was not directly funded by cash flows generated by operating activities.

It should be also recalled that the book values of Net fixed assets provide a representation of Isagro Group activities that is lower than their market value, taking into account, for example, that, as at September 30th, 2015:

- Tetraconazole reported a book value of around 12.6 Euro million (related to both the Bussi plant and the know-how), against an annual turnover of around 40 Euro million;
- copper-based products reported a book value of around 9.4 Euro million (related to both the Adria plant and the know-how), against an annual turnover of around 40 Euro million;
- Biostimulants (included the new biofumigant, which is expected will represent a new, significant revenue in the medium term), which, today, are already generating a turnover of around 12 Euro million, reported a book value of 7.5 Euro million (related to the Novara fermentation plant and intellectual property rights);
- the new broad spectrum fungicide belonging to the SDHi class, found by Isagro and being co-developed with FMC Corporation, which, when fully operative, is estimated will have a turnover of USD 350 million in the pertaining markets (after 2020), was entered at a book value of 12.6 Euro million.



The **Net working capital** as at September 30th, 2015 amounted to 62.2 Euro million, up by 15.7 Euro million and 18.5 Euro million, compared to amounts reported as at December 31st, 2014 and September 30th, 2014, respectively.

This increase in Working capital, substantially in line with the estimates made for the period, was due, for the portion which is not related to the physiological increase of turnover, to the following:

- as regards December 31st, 2014, a higher “strategic stock” (mainly represented by Technical Tetraconazole, M-Alcohol and copper as raw material), amounting to around 7.5 Euro million, as well as the payment of around 6.0 Euro million, related to the inventory of Isagro products, repurchased at end 2014 by the subsidiary Isagro USA from the previous distributor in the USA , after the termination of the related distribution relation;
- as regards September 30th, 2014, the above-mentioned higher strategic stocks, partly limited by higher non-recourse factoring transactions, which increased from 6.3 Euro million as at September 30th, 2014, to 12.5 Euro million as at September 30th, 2015.

As regards the **Severance Indemnity Fund (SIF)**, this amounted to 2.8 Euro million as at September 30th, 2015, compared to 3.0 Euro million and 3.3 Euro million, respectively as at December 31st and September 30th, 2014, due to the termination of employment contracts of certain Group employees.

As for funding, consolidated **Equity** as at September 30th, 2015, amounted to 95.7 Euro million, in line with the 95.3 Euro million recorded as at December 31st, 2014 and with the 95.1 Euro million as at September 30th, 2014.

The consolidated **Net Financial Position (NFP)** as at September 30th, 2015 amounted to 51.0 Euro million, up by 21.3 Euro million compared to the 29.7 Euro million reported as at December 31st, 2014 and up by 23.7 Euro million compared to the 27.3 Euro million reported in September 30th, 2014.

More specifically, it should be noted that, in the first nine months of 2015 the cash-flow absorbed by the industrial operations, thus including investments but excluding



changes in working capital, totalled 5.6 Euro million. This amount, in line with estimates, substantially represents the portion of investments not funded by cash-flows generated by operating activities and was covered, under the financial point of view, by a portion of the additional Equity from the 2014 capital increase. As already noted, the 2014 capital increase was intended to support Group investment programmes that are not yet directly funded by operations.

Lastly, it should be noted that, as at September 30th, 2015:

- a portion of the Group Net working capital, equal to 11.2 Euro million, is directly financed by Equity;
- over half of the Net financial position is composed of medium/long-term debts;
- the **Debt/equity** ratio (i.e. the ratio between Net financial position and Equity) at consolidated level was equal to 0.53 compared to 0.31 as at December 31st, 2014 and 0.28 as at September 30th, 2014.

EVOLUTION OF THE CROP PROTECTION PRODUCT MARKET

Phillips McDougall, primary source of market data, recorded 10.5% decrease in sales in US Dollars for the eight major agrochemical companies worldwide, in the January-June 2015 period, compared to the same period of 2014. However, translated in Euros, this decrease would result in around 10% increase. With reference to the third quarter of 2015, accurate data are not yet available. A further decrease in the market is however estimated, also taking account of the unfavourable climate, with high stock levels.

As regards geographic areas, in **Europe** a 5.5% reduction in production is expected, with a drop in the sales of fungicides, partly shifted to the fourth quarter of 2015, mainly due to climatic conditions that led to a low occurrence of fungal diseases. In North-West Europe, rainfall below seasonal averages also caused a reduction in wheat crops. Sales of copper-based products, however, remained high in the wine-growing areas in Italy, France and Spain.



The **Asia Pacific** region, especially India, suffered from severe drought, due to particularly intense effects of “El Niño”, with a negative impact on the agricultural economies.

This phenomenon caused the fall in the sales of crop protection products, except for generic products, which reported an increase. In Australia / New Zealand the continuous lack of rainfall had a negative impact on the demand for crop protection products.

In **North America**, different climate situations were reported: western areas in the United States and Canada were hit by a severe drought, with strong impact on sales of fungicides, as well as on maize crops, while in South-Eastern areas the season was particularly damp and the use of crop protection products and biological products was therefore good.

The stock levels are generally high at the distributor level, within a framework of low prices for the main agricultural products, therefore affecting the price of fungicides.

With reference to **South America**, after a positive beginning of the year, thanks to the early purchase of products by farmers (also in view of minimizing the impact of the depreciation of the Real), unfavourable climatic conditions occurred above all due to “El Niño”.

In this region as well, high stock levels of crop protection products at the distributor level were reported. Lastly, the high interest rates applied to farmers makes it difficult for them to have access to credit lines, resulting in a limited purchase power and a negative impact on the entire segment.

RESEARCH, INNOVATION & DEVELOPMENT

During the first nine months of 2015, the Isagro Group incurred Research, Innovation & Development costs for a total amount of 12.4 Euro million, of which 9.1 Euro million were capitalised as investments for development, registration and extraordinary protection costs of proprietary products worldwide. In the first nine months of last year, these expenses amounted to 10.7 Euro million, of which 7.8 Euro million were capitalised.



A) RESEARCH AND INNOVATION

The research activities carried out by the Group focused on several lines of research aimed at obtaining new candidates for development, with a view to promoting the development of at least one new active ingredient for the period related to the Business Plan. In particular, activities are focused on:

- a new series of broad-spectrum fungicides, that is to be added to the fungicide belonging to the SDHi class, for which development began in 2012;
- a new series of herbicides (grass weed and dicotyledons control) for pre-emergence and post-emergence use on arable crops at global level.

The study continued for the identification of new copper-based formulations capable of acting at a lower dosage and with a broader spectrum than those already on the market.

Moreover, the study of new products against soil pest has started, aiming at strengthening Isagro's offer in the soil management segment.

Lastly, the evaluation of new biostimulants, alone or in various combinations, is still underway. A new, interesting formula stemmed from the so-called "first profile" studies, and the passage to the pre-commercial step is likely to occur in 2016.

B) PRODUCT DEVELOPMENT

The main development activities carried out during the first nine months of 2015 are highlighted below.

IR9792 (or Succinate dehydrogenase inhibitor or SDHi) - a broad spectrum fungicide

The main regulatory studies on the active ingredient continued and can at present be confirmed as in line with the plan envisaged for submission of the dossier in Europe and the USA.

Important results emerged for the product profile on various strategic crops in Brazil (soybeans, coffee, etc.), better clarifying the technical agronomic value compared with the standards of market competitors such as Syngenta, Bayer and BASF. All of this will offer a more accurate assessment of business prospects in Brazil, of key importance to the success of the trade development project.

IR6141 (or Kiralaxy® or Benalaxy-M) – active isomer of Benalaxy

The development activity focused on the following projects:



- continuation of preparation of the registration dossier for Kiralaxyl for seed treatment in the USA;
- follow-up of the re-registration process of all formulations containing Kiralaxyl registered in Europe (STEP 2) in the EU Member States, after the inclusion in Attachment 1 of CE 1107/2009 Regulation;
- start-up of Fantic M WG registration activities in China, as per agreements with Rotam;
- support to Gowan for preparation of the dossier related to Kiralaxyl in combination with zoxamide.

Tetraconazole - a broad spectrum fungicide

Activities were focused on the following projects:

- follow-up of the re-registration processes of formulations in Europe (STEP 2 of the European review process);
- study valuation for re-registration in the USA;
- study valuation necessary for renewal of the active ingredient approval in the European Union;
- continuation of the studies to obtain registration and labels extension in the USA, Canada and Brazil, as envisaged in the agreement with Arysta.

Lastly, note that, in the first half of the year, a major review of the use of Tetraconazole and its mixtures has been completed in Europe (for cereals and grapes) and in Brazil (for soybeans). For the latter, important elements emerged for long-term technical defence for their use for soybeans.

A new action plan has already been defined and scheduled as from end 2015, for the new technical and brand placement on the Brazilian market during the 2015-2016 season.

Copper-based products

With reference to copper-based products:

- follow-up of the re-registration processes of formulations in Europe (STEP 2 of the European review process);
- participation in the European Copper Task Force's preparation of the dossier for the renewal of copper salts approval in the European Union;



- completion of the registration dossier formulations containing oxychloride and hydroxide for Vietnam and Thailand;
- follow-up of the registration process at the European Centre of the Airone SC and Airone WG formulations;
- forwarding of the registration dossier to Australia for Airone WG.

Also for copper-based products, this year saw the start of a valuation procedure to include Airone in the protection of soybeans in Brazil, with encouraging results.

Biofumigant

With reference to the Biofumigant, the following is reported:

- follow-up of the registration process in Turkey;
- preparation of documents for the registration dossier in the United Arab Emirates and Egypt;
- support to procedures aimed at obtaining the registration of the product in California (USA).

It is worth noting that the Biofumigant has already obtained the federal registration in the USA and that California is the most important reference market.

Biostimulants

The monitoring activity related to the authorisation processes, which are underway and aimed at supporting the business, continued.

Microbiological products

Conclusion of the process to obtain the certificate for the use of Tricoderma spp formulations in organic farming.

Pheromones

- follow-up of the European approval process for a new molecule and related registration in Italy;
- start-up of task force activities for renewal of the active ingredient approvals in Europe.



C) REGISTRATIONS OBTAINED

Over the first nine months of 2015, 22 new registrations were obtained, including 5 clones of copper-based products for the Italian market, final registration in China for Eminent, the registration in Canada of Tamarak (the trade name for Siapton used in that country) and the registration of Tellus (Tricoderma spp-based product) in France, as well as the Import Tolerance certificate for Kiralaxyl IR6141 in the USA for grapes and tomato plants.

SIGNIFICANT EVENTS OF THE FIRST NINE MONTHS OF 2015

A) ACTIONS AIMED AT ENHANCING EFFICIENCY – NOVARA

The trade union agreement on temporary lay-off procedures pursuant to Italian Law 223/91 was signed on January 13th, 2015 at the premises of the Novara Industrial Society. This agreement was executed on December 1st, 2014 for a total number of 6 workers employed at the Novara premises.

The reasons that led to this latter agreement derive from the need to optimise the fixed costs for the services and the overheads of the Novara premises, in line with the activities already underway for the other Installations/Works throughout Italy, also by means of the partial or total outsourcing of certain sectors/services.

To mitigate the social and economic impact of the redundant employees, both the criteria for selecting the workers to place on unemployment benefits (priority given to personnel having the requisites for attaining early retirement or old age pension) and the payment of an incentive to leave the company balanced with the maximum period of unemployment benefits due, were included in the agreement signed with Trade Unions.

B) LIQUIDATION OF ISAGRO HELLAS

With respect to the situation as at December 31st, 2014, in February 2015 the liquidation procedure started for the subsidiary Isagro Hellas, terminating on June 30th, 2015.



C) *EARLY REPAYMENT OF THE EIB LOAN COUNTER-GUARANTEED BY BNL AND UBI*

With a view to optimising the cost of borrowing at Group level and seeking greater alignment between the timing of the investments undertaken, and therefore the related outgoing and incoming cash flows, and that of the sources of finance supporting these investments, the parent Isagro S.p.A.:

- arranged early repayment on February 16th, 2015 to the EIB of 7.4 Euro million, the residual debt referring to the original tranche of 10.0 Euro million disbursed in May 2012 and forming part of the original loan for 22.5 Euro million.

D) *INAUGURATION OF THE NEW NOVARA RESEARCH CENTRE*

On April 13th, 2015 Isagro inaugurated its New Research Centre (NCR) in Novara.

The NCR Centre covers a total surface area of 9,400 sq.m. (including 2,250 sq.m. of laboratories, 1,370 sq.m. of greenhouses and 750 sq.m. of production site), located in a traditional area for the chemical industry in Italy, i.e. the former Donegani Institute, which saw the emergence of so many new products with a fervour for innovation unique to the Italian industry's history.

The NCR will concentrate in the Novara area most of the almost 40 Euro million intended for R&D over the next three years.

E) *APPROVAL OF 2014 FINANCIAL STATEMENTS AND APPOINTMENT OF THE NEW BOARD OF DIRECTORS*

On April 24th, 2015 the Shareholders' Meeting of Isagro S.p.A.:

- evaluated the consolidated figures and approved the 2014 financial statements, accompanied by the Directors' Management Report, as approved by the Company's Board of Directors on March 11th, 2015 and already disclosed to the Market, while retaining the loss for the year;
- appointed the new Board of Directors, with term of office until approval of the financial statements as at December 31st, 2017, composed of the following members, all appointed from the single list filed by the majority shareholder Holdisa S.r.l.: Giorgio Basile (Chairman); Maurizio Basile; Riccardo Basile; Christina Economou; Gianni Franco; Adriana Silvia Sartor (Independent



Director); Daniela Mainini (Independent Director); Stavros Sionis (Independent Director).

Subsequently, on May 5th, the Company's new Board of Directors resolved upon:

- to appoint the following until approval of the financial statements as at December 31st, 2017:
 - Giorgio Basile as Chief Executive Officer - C.E.O.;
 - Maurizio Basile as Deputy Chairman;
 - Directors Adriana Silvia Sartor, Daniela Mainini and Stavros Sionis as members of the Independent Directors Committee;
 - Director Stavros Sionis as Lead Independent Director;
- to form the Nomination and Remuneration Committee, appointing Independent Directors Adriana Silvia Sartor (Chairman) and Stavros Sionis as its members;
- to form the Risk and Control Committee, appointing Independent Directors Daniela Mainini (Chairman) and Stavros Sionis as its members.

On the same date, pursuant to article 3 of the Corporate Governance Code and article 144-*novies* of the CONSOB Issuers' Regulation, the Board assessed the possession of independence requisites by the Directors Adriana Silvia Sartor, Daniela Mainini and Stavros Sionis, appointed as independent (from the list filed by the majority shareholder Holdisa S.r.l.).

SUBSEQUENT EVENTS OCCURRED AFTER SEPTEMBER 30TH, 2015

On October 8th, 2015, the company ISAGRO SINGAPORE PTE. LTD. was established according to the trade development project of the Group in South-East Asia.

ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001

On November 12th, 2013, the Board of Directors of Isagro S.p.A. updated the Organisation, Management and Control Model, pursuant to the Italian Legislative Decree



no. 231 (hereinafter also the “Model”), acknowledging the regulatory and legal updates in force on the subject as at that date.

With reference to the regulatory changes on the administrative liability of entities, reference is made to the Directors' Management Report as at June 30th, 2015. No further news are to be reported for the quarter under evaluation.

With reference to the new “Alleged crimes” included within the Decree issued in the first half of 2015, the Company is continuing risk assessment and monitoring adaptation activities in order to reflect the aforementioned regulatory updates in the current Model.

The Supervisory Body was appointed to monitor the operations and compliance with the Model, and to update it. The membership of this Body was partly renewed by resolutions of the Board of Directors on May 5th and September 29th, 2015, with term of office expiring on approval of the financial statements as at December 31st, 2017.

TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties, which include intercompany transactions and those with Gowan, cannot be defined as atypical and/or unusual transactions and form part of the normal business of the Group companies. These transactions are carried out at arm’s length, taking into account the characteristics of the goods and services traded.

Further details related to the economic and equity effects of transactions with related parties on the consolidated figures of the Isagro Group and of the Parent Isagro as at September 30th, 2015, are shown hereunder.

Isagro Group - Income Statement	of which related parties					
	09/30/2015	Associates	Parents	Other related parties	Tot. Related parties	Incidence % on the financial statements item
In thousands of Euro						
Revenues	114,425	0	0	8,436	8,436	7.37%
Other operating revenues	2,029	0	17	0	17	0.84%
Raw materials and consumables used	65,641	0	0	323	323	0.49%
Costs for services	21,937	149	0	46	195	0.89%
Other operating costs	4,820	0	0	5	5	0.10%



Isagro Group - Balance Sheet	As of 09/30/15	of which related parties					Incidence % on the financial statements item
		Associates	Parents	Other related parties	Tot. Related parties		
In thousand euro							
Trade receivables	46,901	0	0	2,593	2,593	5.53%	
Other current assets and other current receivables	4,672	0	7	3	10	0.21%	
Trade payables	36,052	67	0	5	72	0.20%	

Isagro S.p.A. - Income Statement	09/30/15	of which related parties					Incidence % on the financial statements item
		Controlled companies	Associates	Parents	Other related parties	Tot. Related parties	
In thousands of Euro							
Revenues	76,556	6,691	0	0	7,810	14,501	18.94%
Other operating revenues	2,097	604	0	17	0	621	29.61%
Raw materials and consumables used	48,095	8,960	0	0	301	9,261	19.26%
Costs for services	14,531	1,104	149	0	19	1,272	8.75%
Labor costs	15,697	7	0	0	0	7	0.04%
Other operating costs	1,454	443	0	0	5	448	30.81%
Financial incomes	2,968	167	0	0	0	167	5.63%
Financial charges	(4,902)	0	0	0	0	0	0.00%
Income from participations	2,558	2,547	11	0	0	2,558	100.00%

Isagro S.p.A. - Balance Sheet	As of 09/30/15	of which related parties					Incidence % on the financial statements item
		Controlled companies	Associates	Parents	Other related parties	Tot. Related parties	
In thousands of Euro							
Trade receivables	27,701	3,128	0	0	2,593	5,721	20.65%
Other current assets and other current receivables	3,391	879	0	7	0	886	26.13%
Financial credits and other current financial assets	6,562	6,555	0	0	0	6,555	99.89%
Trade payables	27,344	5,566	67	0	5	5,638	20.62%
Other current liabilities	3,560	497	0	0	0	497	13.96%



BUSINESS OUTLOOK

Albeit results as at September 30th, 2015 showed a strong growth compared to the same period of 2014, the Isagro Group highlights that sales in the fourth quarter will be negatively affected:

- in Brazil, by the effects of “El Niño” and by the Country’s economic/financial crisis, with reduced demand in particular of fungicides, high stocks at distributor level and pressure on volumes and prices;
- In the United States, by a particularly dry season in the Western States leading to a stock increase at distributor level, with lower sales than estimated in the latter part of the year versus 2014;
- in India, where Isagro operates directly in the distribution through its controlled company Isagro Asia, by an unfavourable monsoon season, with estimated domestic sales lower than 2014 ones.

With reference to the aforementioned first and second critical issues, a gradual normalization of market situations is expected as from the second half of 2016 and, to a greater extent, from 2017.

Conversely, as regards the aforesaid third issue, normalization is expected in 2016 already.

In light of what stated above, the Parent Isagro S.p.A. is expecting revenues from products and services (thus excluding Licensing) of around 150 Euro million, for the entire 2015, increasing compared to 2014 (when it was equal to 144 Euro million), albeit with a lower growth rate compared to the one recorded over the first nine months of the year, with an EBITDA from products and services (excluding Licensing) of around 12 Euro million, compared to 10.5 Euro million reported in 2014, always excluding Licensing proceeds.

With reference to proceeds from new Licensing agreements by December 31st, 2015, the Parent Isagro S.p.A. currently has contacts with various Parties. It is however not possible to foresee the timing of the relevant possible agreements.

It is worth noting that income from Licensing amounted to 10.0 Euro million in 2013 and 2.0 million in 2014.



Isagro highlights that, in the medium term, the target turnover of € 200 million is confirmed, based on investments already made and initiatives underway.

More in particular, the achievement of medium-term objectives is based on:

- recovery and normalization of the consolidated business already existing in the Americas;
- growth of Biosolutions business (also leveraging on Biofumigant);
- launch of new copper-based innovative formulations;
- commercial development of the Group's presence in markets with high growth rates such as China, Asia-Pacific and EEMEA countries.
- supply of proprietary active ingredients, based on the Licensing agreements already finalized;
- new Licensing agreements, with special reference to the new broad spectrum fungicide SDHi under development.

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30th, 2015

(€ 000)	Sept. 30 th , 2015	Sept. 30 th , 2014	Differences		Dec. 31 st , 2014
<u>Net fixed assets</u>					
Goodwill	3,435	4,031	-596		3,762
Other intangible assets	45,951	39,761	+6,190		40,339
Tangible assets	23,850	23,727	+123		24,130
Financial assets	279	231	+48		253
Other medium/long term assets and liabilities	13,816	14,210	-394		13,093
Total net fixed assets	87,331	81,960	+5,371	+6.6%	81,577
<u>Net working capital</u>					
Inventories	51,198	38,571	+12,627		40,364
Trade receivables	46,901	38,174	+8,727		49,598
Trade payables	(36,052)	(34,611)	-1,441		(44,578)
Current provisions	(1,029)	(1,408)	+379		(1,651)
Other current assets and liabilities	1,147	2,957	-1,810		2,700
Total net working capital	62,165	43,683	+18,482	+42.3%	46,433
Invested capital	149,496	125,643	+23,853	+19.0%	128,010
Severance Indemnity Fund (SIF)	(2,836)	(3,266)	+430		(3,038)
Net invested capital	146,660	122,377	+24,283	+19.8%	124,972
Held for sale non-financial assets and liabilities	-	-	-		-
Total	146,660	122,377	+24,283	+19.8%	124,972
<i>financed from:</i>					
<u>Equity</u>					
Paid-in share capital	24,961	24,961	-		24,961
Reserves and retained earnings	78,301	79,203	-902		79,195
Translation reserve	(7,155)	(7,967)	+812		(7,992)
Group loss	(444)	(1,138)	+694		(878)
Total equity	95,663	95,059	+604	+0.6%	95,286
<u>Net financial position</u>					
<i>Medium/long term debts:</i>					
- towards banks	28,066	14,598	+13,468		19,632
- towards other lenders	207	22	+185		266
- other assets (liabilities) and derivatives	-	(2,875)	+2,875		(2,875)
Total medium/long term debts	28,273	11,745	+16,528	N/S	17,023
<i>Short-term debts:</i>					
- towards banks	36,316	25,881	+10,435		27,344
- towards other lenders	1,735	2,321	-586		1,839
- other assets (liabilities) and derivatives	(239)	155	-394		629
Total short-term debts	37,812	28,357	+9,455	+33.3%	29,812
Cash and cash equivalents	(15,088)	(12,784)	-2,304	+18.0%	(17,149)
Total Net financial position	50,997	27,318	+23,679	+86.7%	29,686
Total	146,660	122,377	+24,283	+19.8%	124,972



CONSOLIDATED INCOME STATEMENT OF THE FIRST NINE MONTHS OF 2015

(€ 000)	September 30 th 2015	September 30 th 2014	Differences		FY 2014
Revenues from sales of products and services	114,425	102,303	+12,122	+11.8%	145,939
Other revenues and income	2,029	1,853	+176		3,092
Consumption of materials and external services	(91,615)	(79,710)	-11,905		(115,240)
Variations in inventories of products	4,785	1,665	+3,120		4,638
Increase of fixed assets for internal works	2,669	2,482	+187		3,306
Allocations to provisions for expenses and bad/ doubtful debt provisions	(907)	(573)	-334		(701)
Labour costs	(20,210)	(19,511)	-699		(26,153)
Provisions for bonuses	(755)	(811)	+56		(1,244)
Non-recurring items	-	-	-		(1,170)
EBITDA	10,421	7,698	+2,723	+35%	12,467
<i>% on Revenues</i>	<i>9.1%</i>	<i>7.5%</i>			<i>8.5%</i>
Amortisation/Depreciation:					
- tangible assets	(2,798)	(2,794)	-4		(3,678)
- intangible assets	(3,754)	(3,684)	-70		(5,082)
- write-off of assets and assets revaluation (IFRS 10)	(44)	-	-44		(187)
EBIT	3,825	1,220	+2,605	N/S	3,520
<i>% on Revenues</i>	<i>3.3%</i>	<i>1.2%</i>			<i>2.4%</i>
Interest, fees and financial charges	(922)	(2,139)	+1,217		(2,807)
Gains/losses on foreign exchange and derivatives	(1,276)	(207)	-1,069		108
Impairment/reversals of impairment of equity investments	37	38	-1		59
Result before taxes	1,664	(1,088)	+2,752	N/S	880
Current tax and deferred tax liabilities	(2,108)	(50)	-2,058		(1,758)
Profit/(loss) from continuing operations	(444)	(1,138)	694	+61.0%	(878)
Profit/(loss) from discontinued operations	-	-	-		-
Net result	(444)	(1,138)	694	+61.0%	(878)

CONSOLIDATED STATEMENT OF CASH FLOWS OF THE FIRST NINE MONTHS OF 2015

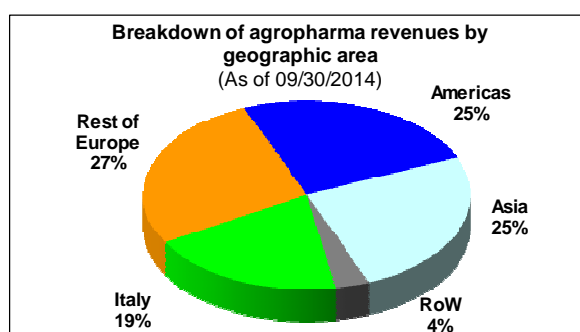
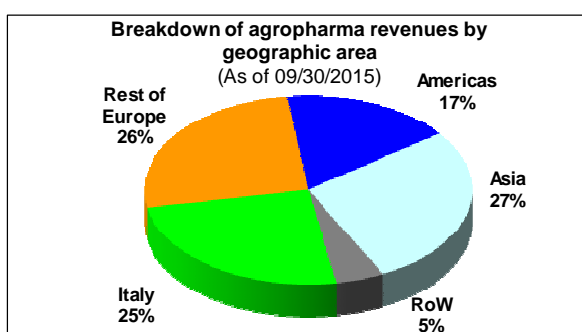
(€ 000)	Sept. 30 th , 2015	Sept. 30 th , 2014
Cash and cash equivalents – opening balance	17,149	14,099
<i>Operating activities</i>		
Net loss for the period from continuing operations	(444)	(1,138)
- Amortisation/Depreciation of intangible and tangible assets	6,552	6,478
- Impairment of fixed assets/asset revaluation - IFRS 10	44	-
- Provisions (including severance indemnity fund)	832	1,005
Cash Flow	6,984	6,345
- Capital losses on disposal of tangible, intangible assets and business units	175	45
- Share of profit/(loss) of equity-accounted investees	(37)	(38)
- Net change in net working capital	(16,703)	9,794
- Net change in other assets/liabilities	1,096	(4,495)
- Use of provisions (including severance indemnity fund)	(1,685)	(2,725)
Cash flow from/(for) operating activities	(10,170)	8,926
<i>Investment activities</i>		
- Investments in intangible assets	(9,293)	(7,873)
- Investments in tangible assets	(2,550)	(3,104)
- Dividends collected from associates	11	11
- Sale price on disposal of tangible and intangible assets and business units	-	7
Cash flow for investment activities	(11,832)	(10,959)
<i>Financing activities</i>		
- Increase/(decrease) in financial payables (current and non-current)	17,105	(28,546)
- Decrease in financial receivables, derivatives and other financial assets	1,994	321
- Payment from shareholders for share capital increase	-	28,073
Cash flow from/(for) financing activities	19,099	(152)
Change in translation difference	842	870
Cash flow for the period	(2,061)	(1,315)
Cash and cash equivalents – closing balance	15,088	12,784

BREAKDOWN OF CONSOLIDATED REVENUES IN THE FIRST NINE MONTHS OF 2015

REVENUES BREAKDOWN BY TYPE

<i>(amounts in thousands euro)</i>	SEPTEMBER 30TH, 2015			SEPTEMBER 30TH, 2014		
	Italy	Overseas	Total	Italy	Overseas	Total
Sales						
Agropharma	27,313	83,151	110,464	18,617	77,429	96,046
Raw materials	38	-	38	8	-	8
Total sales	27,351	83,151	110,502	18,625	77,429	96,054
Services						
Toll manufacturing fees	1,233	2,464	3,697	1,837	3,772	5,609
Innovative research	-	-	-	-	-	-
Defense and development	9	5	14	1	50	51
Commissions	-	9	9	-	27	27
Others	35	168	203	64	498	562
Total services	1,277	2,646	3,923	1,902	4,347	6,249
Total Consolidated Revenues	28,628	85,797	114,425	20,527	81,776	102,303

AGROPHARMA REVENUES BREAKDOWN BY GEOGRAPHIC AREA





STATEMENT PURSUANT TO ART. 36 OF CONSOB REGULATION NO. 16191/2007

Pursuant to Article 2.6.2, paragraph 15 of the Regulation on Markets organised and managed by Borsa Italiana S.p.A., Isagro S.p.A. declares that the requirements set forth under art. 36, paragraphs a), b) and c) of Consob Regulation No. 16191/2007 are fulfilled for subsidiaries established and regulated by the laws of countries that are not Member States of the European Union.

CERTIFICATION OF THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS

The Manager charged with preparing the company's financial reports, Mr. Ruggero Gambini, hereby certifies, pursuant to Article 154-*bis*, paragraph 2 of the Consolidated Law on Finance, that the financial information in this consolidated interim results report as at September 30th, 2015 is consistent with the entries in the accounting books and records.