

## PRESS RELEASE

### BOD APPROVES HALF YEAR RESULTS AS OF JUNE 30<sup>th</sup>, 2014

- Consolidated Revenues at 72.9 Euro million (+20% vs. 1H 2013)
- Consolidated EBITDA at 6.9 Euro million (vs. 1.5 Euro million of 1H 2013)
- Net result at 0.8 Euro million (vs. the loss of 6.6 Euro million of 1H 2013)
- NFP at debt for 26.5 Euro million (vs. 53.9 Euro million as of December 31<sup>st</sup>, 2013 and vs. 56.3 Euro million as of June 30<sup>th</sup>, 2013)

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- **Capital increase of 29 Euro million successfully concluded**
- **Simplification of Group's controlling structure within 2014**

*Milan, August 5<sup>th</sup>, 2014* – The Board of Directors of Isagro S.p.A. approved today the Consolidated First Half Financial Statements as of June 30<sup>th</sup>, 2014, which will be made available to the public at the Company's headquarters, on the corporate website [www.isagro.com](http://www.isagro.com) and at the centralized storage mechanism "1Info", on the web site [www.1info.it](http://www.1info.it).

#### **1<sup>st</sup> Half 2014 consolidated results**

The results of 2014 first half have been characterized by the revenues recovery versus 2013 first half, the latter negatively affected by the “carried-over” effect of 2012 drought that hit some markets of great relevance for Isagro, and by the start of the commercial cooperation with the partner Gowan in the US and in Italy.

More specifically, Isagro obtained in the first six months of 2014 at a consolidated level:

- Revenues of 72.9 Euro million vs. 60.7 Euro million of 1H 2013 (thus marking a 20% increase);
- an EBITDA equal to 6.9 Euro million vs. 1.5 Euro million of 1H 2013;
- a Result before taxes positive for 0.8 Euro million vs. the loss of 5.9 Euro million of 1H 2013;
- a Net profit of 0.8 Euro million vs. the net loss of 6.6 million of 1H 2013,

with a consolidated Net financial position as of June 30<sup>th</sup>, 2014 equal to 26.5 Euro million (decreasing both versus 53.9 Euro million as of December 31<sup>st</sup>, 2013 and versus 56.3 Euro million as of June 30<sup>th</sup>, 2013) and a Debt/Equity ratio equal to 0.28 (versus the value of 0.83 as of December 31<sup>st</sup>, 2013 and versus the value of 0.86 as of June 30<sup>th</sup>, 2013), following the below described capital increase of May 2014.

### **Capital increase**

As communicated on May 21<sup>st</sup>, 2014, the capital increase run by the parent company Isagro S.p.A. has been successfully concluded through the collection of 29,009,584.23 Euro of new financial resources, by means of the subscription of n. 6,999,960 Ordinary Shares and n. 14,174,919 Growth Shares; also the Growth Shares, like the Ordinary Share, are listed at the *Mercato Telematico Azionario* organized and managed by Borsa Italiana, STAR segment.

Growth Shares are a new category of special shares tailored for companies having a controlling subject (in the case of Isagro, Piemme S.r.l.), which foresees, (i) against the absence of voting rights, an extra-dividend versus Ordinary Shares (in the case of Isagro, equal to 20%), when a dividend is resolved upon the latter ones, and (ii) an innovative protection mechanism for the investor, which cause the automatic conversion of Growth Shares into Ordinary Shares if the Controlling Subject loses the control and in any case of compulsory public offer.

For the above mentioned reasons, Growth Shares have been offered, during the subscription stage, at the same price of Ordinary Shares.

In the light of such considerations, Isagro points out that the current spread between Ordinary Shares and Growth Shares (average of July equal to 26%) has no rational justifications from an economic perspective.

### **Simplification of the Group's controlling structure**

As communicated last June 4<sup>th</sup>, all the Minorities of Manisa S.r.l. and Holdisa S.r.l. sold their quotas, thus being no more part of Isagro's controlling system.

Consequently, BasJes Holding S.r.l. – the sub-holding 51% controlled by Piemme S.r.l. and 49% participated by Gowan Company LCC – now holds directly/indirectly 100% of the capital stock of both Manisa S.r.l. and Holdisa S.r.l. and shall then proceed by 2014-end with the simplification of Isagro Group's controlling structure by means of the elimination of the other two sub-holdings.

### **Perspectives for the current year**

Also in the light of the achievement of 2014 first half expected results, the Directors confirm the reasonableness of the targets of Revenues (around 150 Euro million) and EBITDA (around 15 Euro million) set for the current year and contained in the Business Plan 2014-2018, already communicated to the Market on April 2<sup>nd</sup>, 2014.

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Following the submission of non-executive Director Carlo Porcari's resignation taking effect on the same date, today the Board of Directors of Isagro S.p.A. replaced him pursuant to Art. 2386, paragraph 1 of the Italian Civil Code by appointing Riccardo Basile as a new member of the board. Mr. Basile will remain in charge until the next company shareholders' meeting.

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*Isagro S.p.A. is the holding company of a group which, in twenty years, has become a qualified operator in the agrochemicals business, with global sales of around € 140 million and over 600 employees worldwide. Listed on the Italian Stock Exchange since 2003, Isagro is active in the innovative research, development, production and marketing, on a worldwide scale, of proprietary agrochemicals, as well as in their distribution in some key markets.*

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## CONSOLIDATED PROFIT & LOSS STATEMENT AS OF JUNE 30<sup>th</sup>, 2014

(€ 000)	1st Half 2014	1st Half 2013	Variation		Year 2013
<b>Revenues from sales and services</b>	<b>72,934</b>	<b>60,697</b>	<b>+12,237</b>	<b>+20%</b>	<b>139,777</b>
Other operating revenues	1,459	1,123	+336		2,869
Consumption of materials and external services	(56,562)	(54,328)	-2,234		(99,601)
Variations in inventories of products	1,823	6,298	-4,475		(2,908)
Increases in assets through internal works	1,782	1,698	+84		3,606
Allowances and provisions	(405)	(296)	-109		(1,721)
Labour costs	(13,616)	(13,382)	-234		(25,448)
Labour costs allowances	(515)	(264)	-251		(1,306)
<b>EBITDA excl. Non recurrent income (costs)</b>	<b>6,900</b>	<b>1,546</b>	<b>+5,354</b>	<b>N/S</b>	<b>15,268</b>
<i>% on Revenues</i>	<i>9.5%</i>	<i>2.5%</i>			<i>10.9%</i>
Other not recurrent income (costs)	-	-	-		(428)
<b>EBITDA</b>	<b>6,900</b>	<b>1,546</b>	<b>+5,354</b>	<b>N/S</b>	<b>14,840</b>
<i>% on Revenues</i>	<i>9.5%</i>	<i>2.5%</i>			<i>10.6%</i>
Depreciation:					
- tangible assets	(1,923)	(2,047)	+124		(3,965)
- intangible assets	(2,410)	(2,813)	+403		(5,422)
- write-off of assets	-	-	-		(162)
<b>EBIT</b>	<b>2,567</b>	<b>(3,314)</b>	<b>+5,881</b>	<b>N/S</b>	<b>5,291</b>
<i>% on Revenues</i>	<i>3.5%</i>	<i>-5.5%</i>	<i>-</i>	<i>-</i>	<i>3.8%</i>
Financial charges	(1,745)	(2,421)	+676		(4,807)
Exchange gains/losses and derivatives	(14)	(155)	+141		(185)
Write-down/write-ups of investments	19	6	+13		10
<b>Earnings before taxes</b>	<b>827</b>	<b>(5,884)</b>	<b>+6,711</b>	<b>N/S</b>	<b>309</b>
Current and deferred taxes	(61)	(764)	+703		(4,038)
<b>Net result from continuing operations</b>	<b>766</b>	<b>(6,648)</b>	<b>7,414</b>	<b>N/S</b>	<b>(3,729)</b>
Net result of discontinued operations	-	-	-		(600)
<b>Net result</b>	<b>766</b>	<b>(6,648)</b>	<b>7,414</b>	<b>N/S</b>	<b>(4,329)</b>

## CONSOLIDATED BALANCE SHEET AS OF JUNE 30<sup>th</sup>, 2014

(€ 000)	06.30.2014	06.30.2013	Variation		12.31.2013
<b><u>Net fixed assets</u></b>					
Goodwill	4,003	4,650	-647		3,915
Other intangible assets	38,455	41,955	-3,500		35,387
Tangible assets	22,828	24,709	-1,881		23,081
Financial assets	213	201	+12		205
Other medium/long term assets and liabilities	13,449	8,871	+4,578		10,907
<b>Total net fixed assets</b>	<b>78,948</b>	<b>80,386</b>	<b>-1,438</b>	<b>-1.8%</b>	<b>73,495</b>
<b><u>Net current assets</u></b>					
Inventories	37,106	44,148	-7,042		34,202
Trade receivables	41,145	31,207	+9,938		46,716
Trade payables	(32,395)	(33,011)	+616		(30,212)
Risk funds	(1,540)	(637)	-903		(3,356)
Other current assets and liabilities	2,034	3,174	-1,140		1,824
<b>Total net current assets</b>	<b>46,350</b>	<b>44,881</b>	<b>+1,469</b>	<b>+3.3%</b>	<b>49,174</b>
<b>Invested capital</b>	<b>125,298</b>	<b>125,267</b>	<b>+31</b>	<b>+0.0%</b>	<b>122,669</b>
<b>Severance indemnity fund (S.I.F.)</b>	<b>(3,429)</b>	<b>(3,686)</b>	<b>+257</b>		<b>(3,517)</b>
<b>Net invested capital</b>	<b>121,869</b>	<b>121,581</b>	<b>+288</b>	<b>+0.2%</b>	<b>119,152</b>
<b>Not financial assets and liabilities of discontinued operation</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
	<b>121,869</b>	<b>121,581</b>	<b>+288</b>	<b>+0.2%</b>	<b>119,152</b>
<i>financed by:</i>					
<b><u>Equity</u></b>					
Capital stock	24,961	17,550	-		17,550
Reserves and earnings brought forward	79,220	62,650	+16,570		62,658
Translation adjustment reserve continuing	(9,591)	(8,246)	-1,345		(10,657)
Net group result	766	(6,648)	+7,414		(4,329)
<b>Total equity</b>	<b>95,356</b>	<b>65,306</b>	<b>+30,050</b>	<b>+46%</b>	<b>65,222</b>
<b><u>Net financial position:</u></b>					
<i>Medium/long term debts</i>					
- towards banks	15,574	12,312	+3,262		-
- towards other financiers	36	172	-136		125
- others	(2,875)	(2,875)	-		(2,875)
<b>Total medium/long term financial debts</b>	<b>12,735</b>	<b>9,609</b>	<b>+3,126</b>	<b>+32.5%</b>	<b>-2,750</b>
<i>Short term debts</i>					
- towards banks	23,860	47,798	-23,938		40,561
- towards other financiers	3,215	4,956	-1,741		21,575
- towards parent companies	-	569	-569		8,806
- others	(9)	(416)	+407		(163)
<b>Total short term financial debts</b>	<b>27,066</b>	<b>52,907</b>	<b>-25,841</b>	<b>-48.8%</b>	<b>70,779</b>
<b>Cash and cash equivalents</b>	<b>(13,288)</b>	<b>(6,241)</b>	<b>-7,047</b>	<b>N/S</b>	<b>(14,099)</b>
<b>Total net financial position</b>	<b>26,513</b>	<b>56,275</b>	<b>-29,762</b>	<b>-52.9%</b>	<b>53,930</b>
<b>Total</b>	<b>121,869</b>	<b>121,581</b>	<b>+288</b>	<b>+0.2%</b>	<b>119,152</b>

## CONSOLIDATED CASH-FLOW STATEMENT AS OF JUNE 30<sup>th</sup>, 2014

(€ 000)	1st Half 2014	1st Half 2013
<b>Cash and cash equivalents (as of January 1st)</b>	<b>14,099</b>	<b>14,739</b>
<i>Operating activities</i>		
<b>Net result of continuing operation</b>	<b>766</b>	<b>(6,648)</b>
<b>Net result of discontinued operation</b>	<b>-</b>	<b>-</b>
- Depreciation of tangible assets	1,923	2,047
- Amortization of intangible assets	2,410	2,813
- Losses in value of fixed assets	-	-
- Provisions to reserves (including employee indemnity)	698	392
- (Gains)/losses from disposal of tangible and intangible assets	46	(28)
- Capital (gain)/loss from the disposal of discontinued operation	-	-
- Interests from held for trading assets	(212)	(113)
- Net interest expenses paid to financial institutions and leasing companies	2,022	2,406
- Net income/(charges) on derivative instruments	(66)	552
- Result on investments valued with the equity method	(19)	(6)
- Income taxes	61	764
<b>Cash flow from current operations</b>	<b>7,629</b>	<b>2,179</b>
- (Increases)/decreases in trade receivables	5,979	8,978
- (Increases)/decreases in inventories	(2,593)	(2,788)
- (Increases)/decreases in trade payables	1,880	461
- Net change in other assets/liabilities	(1,770)	(599)
- Use of funds (including employee indemnity)	(2,081)	(1,067)
- Net interest expenses paid to financial institutions and leasing companies	(2,283)	(2,570)
- Financial flow from derivative instruments	185	(17)
- Income taxes paid	(1,279)	(2,132)
<b>Cash flow from operating activities</b>	<b>5,667</b>	<b>2,445</b>
<i>Investment activities</i>		
- (Investments)/disinvestments in intangible assets	(5,438)	(4,288)
- (Investments) in tangible assets	(1,558)	(1,026)
- Net sale price of from disposal of tangible/intangible assets	5	9,251
- Cash flow from by the disposal of Discontinued Operations	-	-
- Dividends from affiliated companies	11	-
- (Purchase)/sale of financial assets	249	118
<b>Cash flow from investment activities</b>	<b>(6,731)</b>	<b>4,055</b>
<i>Financing activities</i>		
- Increase/(decrease) in financial debts (current and non-current)	(28,214)	(15,532)
- (Increase)/decrease in financial receivables	-	1,166
- Shareholders' payments for increase in capital	28,073	-
<b>Cash flow from financing activities</b>	<b>(141)</b>	<b>(14,366)</b>
<b>Changes from exchange differences</b>	<b>394</b>	<b>(632)</b>
<b>Cash flow of the period</b>	<b>(811)</b>	<b>(8,498)</b>
<b>Cash and cash equivalents at end of period (as of June 30th)</b>	<b>13,288</b>	<b>6,241</b>