

PRESS RELEASE

BOD APPROVES QUARTERLY FINANCIAL RESULTS AS OF SEPTEMBER 30TH, 2014

- Consolidated Revenues at 102.3 Euro million (+21% vs. 2013)
- Consolidated EBITDA at 7.7 Euro million (vs. 0.9 Euro million of 2013)
- Net loss of 1.1 Euro million (vs. a loss of 8.3 Euro million of 2013)
- Net financial debt of 27.3 Euro million (vs. 53.9 Euro million as of December 31st, 2013 and vs. 63.9 Euro million as of September 30th, 2013)

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- **Simplification of Group's controlling structure**

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- **Result before taxes for the whole year 2014 not far from break-even**

Milan, November 13th, 2014 – The Board of Directors of Isagro S.p.A. approved today the Consolidated Interim Result Report as of September 30th, 2014, which will be made available to the public at the Company's headquarters, on the corporate website www.isagro.com and at the centralized storage mechanism "1Info", on the web site www.1info.it.

First nine months of 2014 consolidated results

The results of the first nine months of 2014 have been characterized by the recovery of sales versus 2013 (a year which was negatively affected by the "carried-over" effect of 2012 drought) and by the start of the commercial cooperation with the partner Gowan in USA and in Italy; such elements more than offset a weakening of Group's sales in Brazil and lower sales of Orthosulfamuron and Valiphenalate (the latter two molecules divested in 2013).

Furthermore, sales in IV Quarter of the current year are expected to be lower than IV Quarter 2013 ones, due to reduced year-end purchases by the distribution systems in Brazil (due to consumption of existing stock and to a weakening of market conditions for Isagro's products) and in Italy (to limit year-end stocks).

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

- Revenues of 102.3 Euro million vs. 84.7 Euro million of the first nine months of 2013 (thus marking a 21% increase);
- an EBITDA equal to 7.7 Euro million vs. 0.9 Euro million of the first nine months of 2013;
- a Result before taxes negative for 1.1 Euro million vs. the loss of 9.8 Euro million of the first nine months of 2013;
- a Net loss of 1.1 Euro million vs. the net loss of 8.3 Euro million of the first nine months of 2013,

with a consolidated Net financial position as of September 30th, 2014 equal to 27.3 Euro million (decreasing both versus 53.9 Euro million as of December 31st, 2013 and versus 63.9 Euro million as of September 30th, 2013) and a Debt/Equity ratio equal to 0.29 (versus the value of 0.83 as of December 31st, 2013 and the value of 1.04 as of September 30th, 2013), mostly thanks to the capital increase of May 2014.

Simplification of the Group's controlling structure

On October 22nd, 2014, consistently with what already communicated to the Market, the General Shareholders' Meetings of BasJes Holding S.r.l. (which directly/indirectly controls 100% of the capital stock of both Manisa S.r.l. and Holdisa S.r.l.), of Manisa S.r.l. and of Holdisa S.r.l. approved the plan of merger by incorporation of Manisa S.r.l. and Holdisa S.r.l. into BasJes Holding S.r.l..

Following the notarial deed of merger, which will be signed pursuant to the applicable law, the process of simplification of the Group's controlling structure will be finalized within the current year and BasJes Holding S.r.l. will be renamed Holdisa S.r.l..

Perspectives for the current year

For the whole year 2014 Isagro forecasts:

- Revenues from products and services substantially in line with the 144 Euro million of the Business Plan;
- Revenues from Licensing of 2 Euro million versus the 8 Euro million of the Business Plan (confirming the objective of the Business Plan of realizing, in the 2014-2018 period, total revenues of 13 Euro million, even if with a different timing in the single years);
- EBITDA around 11 Euro million versus the 14.8 Euro million of the Business Plan (due to lower Licensing for 6 Euro million);
- Result before taxes not far from break-even.



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.

For more information:

Ruggero Gambini

Chief Financial Officer

Ground line +39(0)240901.280

Maria Teresa Agazzani

Corporate Communication & G.S. Manager

Ground line +39(0)240901.266

Davide Grossi

IR Manager & Financial Planner

Ground line +39(0)240901.295

ir@isagro.it

www.isagro.com

CONSOLIDATED PROFIT & LOSS STATEMENT AS OF SEPTEMBER 30TH, 2014

| (€ 000) | 3rd Quarter 2014 | 3rd Quarter 2013 | Variation | | Jan-Sep 2014 | Jan-Sep 2013 | Variation | |
|--------------------------------------------------|------------------------|------------------------|---------------|---------------|-----------------|-----------------|----------------|---------------|
| Revenues from sales and services | 29,69 | 24,020 | +5,349 | +22.3% | 102,303 | 84,717 | +17,586 | +20.8% |
| Other operating revenues | 394 | 431 | -37 | | 1,853 | 1,554 | +299 | |
| Consumption of materials and external services | (23,148) | (17,580) | -5,568 | | (79,710) | (71,908) | -7,802 | |
| Variations in inventories of products | (158) | (2,315) | +2,157 | | 1,665 | 3,983 | -2,318 | |
| Increases in assets through internal works | 700 | 919 | -219 | | 2,482 | 2,617 | -135 | |
| Allowances and provisions | (168) | (547) | +379 | | (573) | (843) | +270 | |
| Labour costs | (5,895) | (5,384) | -511 | | (19,511) | (18,766) | -745 | |
| Labour costs allowances | (296) | (185) | -111 | | (811) | (449) | -362 | |
| EBITDA excl. Non recurrent income (costs) | 798 | (641) | +1,439 | N/S | 7,698 | 905 | +6,793 | N/S |
| <i>% on Revenues</i> | <i>2.7%</i> | <i>-2.7%</i> | | | <i>7.5%</i> | <i>1.1%</i> | | |
| Other not recurrent income (costs) | - | - | - | | - | - | - | |
| EBITDA | 798 | (641) | +1,439 | N/S | 7,698 | 905 | +6,793 | N/S |
| <i>% on Revenues</i> | <i>2.7%</i> | <i>-2.7%</i> | | | <i>7.5%</i> | <i>1.1%</i> | | |
| Depreciation: | | | | | | | | |
| - tangible assets | (871) | (939) | +68 | | (2,794) | (2,986) | +192 | |
| - intangible assets | (1,274) | (1,395) | +121 | | (3,684) | (4,208) | +524 | |
| - write-off of assets | - | - | - | | - | - | - | |
| EBIT | (1,347) | (2,975) | +1,628 | +55% | 1,220 | (6,289) | +7,509 | N/S |
| <i>% on Revenues</i> | <i>-4.6%</i> | <i>-12.4%</i> | <i>-</i> | <i>-</i> | <i>1.2%</i> | <i>-7.4%</i> | <i>-</i> | <i>-</i> |
| Financial charges | (394) | (1,067) | +673 | | (2,139) | (3,488) | +1,349 | |
| Exchange gains/losses and derivatives | (193) | 114 | -307 | | (207) | (41) | -166 | |
| Write-down/write-ups of investments | 19 | - | +19 | | 38 | 6 | +32 | |
| Earnings before taxes | (1,915) | (3,928) | +2,013 | +51.2% | (1,088) | (9,812) | +8,724 | +88.9% |
| Current and deferred taxes | 11 | 2,270 | -2,259 | | (50) | 1,506* | -1,556 | |
| Net result from continuing operations | (1,904) | (1,658) | -246 | -14.8% | (1,138) | (8,306) | 7,168 | +86.3% |
| Net result of discontinued operations | - | - | - | | - | - | - | |
| Net result | (1,904) | (1,658) | -246 | -14.8% | (1,138) | (8,306) | 7,168 | +86.3% |

* it refers to accruals of deferred taxes of the parent Isagro S.p.A. that have been not included in the consolidated financial statements as of December 31st 2013.

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30TH, 2014

| (€ 000) | 09.30.2014 | 09.30.2013 | Variation | | 12.31.2013 |
|-----------------------------------------------------------------------|-----------------|----------------|----------------|---------------|-----------------|
| <u>Net fixed assets</u> | | | | | |
| Goodwill | 4,031 | 4,581 | -550 | | 3,915 |
| Other intangible assets | 39,761 | 42,849 | -3,088 | | 35,387 |
| Tangible assets | 23,727 | 23,782 | -55 | | 23,081 |
| Financial assets | 231 | 201 | +30 | | 205 |
| Other medium/long term assets and liabilities | 14,210 | 11,609 | +2,601 | | 10,907 |
| Total net fixed assets | 81,960 | 83,022 | -1,062 | -1.3% | 73,495 |
| <u>Net current assets</u> | | | | | |
| Inventories | 38,571 | 45,696 | -7,125 | | 34,202 |
| Trade receivables | 38,174 | 29,299 | +8,875 | | 46,716 |
| Trade payables | (34,611) | (31,506) | -3,105 | | (30,212) |
| Risk funds | (1,408) | (682) | -726 | | (3,356) |
| Other current assets and liabilities | 2,957 | 3,188 | -231 | | 1,824 |
| Total net current assets | 43,683 | 45,995 | -2,312 | -5.0% | 49,174 |
| Invested capital | 125,643 | 129,017 | -3,374 | -2.6% | 122,669 |
| Severance indemnity fund (S.I.F.) | (3,266) | (3,655) | +389 | | (3,517) |
| Net invested capital | 122,377 | 125,362 | -2,985 | -2.4% | 119,152 |
| Not financial assets and liabilities of discontinued operation | - | - | - | | - |
| | 122,377 | 125,362 | -2,985 | -2.4% | 119,152 |
| <i>financed by:</i> | | | | | |
| <u>Equity</u> | | | | | |
| Capital stock | 24,961 | 17,550 | +7,411 | | 17,550 |
| Reserves and earnings brought forward | 79,203 | 62,569 | +16,634 | | 62,658 |
| Translation adjustment reserve continuing | (7,967) | (10,327) | +2,360 | | (10,657) |
| Net group result | (1,138) | (8,306) | +7,168 | | (4,329) |
| Total equity | 95,059 | 61,486 | +33,573 | +55% | 65,222 |
| <u>Net financial position:</u> | | | | | |
| <i>Medium/long term debts</i> | | | | | |
| - towards banks | 14,598 | 18,955 | -4,357 | | - |
| - towards other financiers | 22 | 165 | -143 | | 125 |
| - others | (2,875) | (2,875) | - | | (2,875) |
| Total medium/long term financial debts | 11,745 | 16,245 | -4,500 | -27.7% | -2,750 |
| <i>Short term debts</i> | | | | | |
| - towards banks | 25,881 | 50,404 | -24,523 | | 40,561 |
| - towards other financiers | 2,321 | 4,207 | -1,886 | | 21,575 |
| - towards parent companies | - | 579 | -579 | | 8,806 |
| - others | 155 | (508) | +663 | | (163) |
| Total short term financial debts | 28,357 | 54,682 | -26,325 | -48.1% | 70,779 |
| Cash and cash equivalents | (12,784) | (7,051) | -5,733 | N/S | (14,099) |
| Total net financial position | 27,318 | 63,876 | -36,558 | -57.2% | 53,930 |
| Total | 122,377 | 125,362 | -2,985 | -2.4% | 119,152 |

CONSOLIDATED CASH-FLOW STATEMENT AS OF SEPTEMBER 30TH, 2014

| (€ 000) | Jan-Sep 2014 | Jan-Sep 2013 |
|----------------------------------------------------------------------------------------|-----------------|-----------------|
| Cash - opening balance | 14,099 | 14,739 |
| <i>Operating activities</i> | | |
| Loss of the period - continuing operation | (1,138) | (8,306) |
| - Depreciation of tangible assets | 6,478 | 7,194 |
| - Provisions to reserves (including employee indemnity) | 1,005 | 638 |
| Cash-flow | 6,345 | (474) |
| - (Write-up)/write-down of investments and other financial assets | 45 | (29) |
| - Rersult on investments valued with the equity method | (38) | (6) |
| - Change in net current assets | 9,794 | 2,271 |
| - Net change in other assets/liabilities | (4,495) | (2,443) |
| - Use of funds (including employee indemnity) | (2,725) | (1,360) |
| Cash flow from operations | 8,926 | (2,041) |
| <i>Investment activities</i> | | |
| - (Investments)/disinvestments in intangible assets | (7,873) | (6,588) |
| - (Investments) in tangible assets | (3,104) | (1,459) |
| - Dividends from affiliated companies | 11 | - |
| - Realization price on sale of tangible, intangible assets and branches | 7 | 9,253 |
| Cash flow from investments | (10,959) | 1,206 |
| <i>Financing activities</i> | | |
| - Increase/(decrease) in financial debts (current and non-current) | (28,546) | (7,425) |
| - (Increase)/decrease in financial receivables, derivatives and other financial assets | 321 | 1,649 |
| - Shareholders' payments for increase in capital | 28,073 | - |
| Cash flow from financing activities | (152) | (5,776) |
| Conversion differences | 870 | (1,077) |
| Cash flow of the period | (1,315) | (7,688) |
| Cash - closing balance | 12,784 | 7,051 |