

PRESS RELEASE

ISAGRO BOD APPROVES QUARTERLY FINANCIAL RESULTS AS OF MARCH 31ST, 2017

- Consolidated revenues 47.2 Euro million (-9% vs. the same period of 2016)
- Consolidated EBITDA 7.4 Euro million (-4% vs. March 31st, 2016)
- Net result 3.3 Euro million (vs. the profit of 4.2 million of March 31st, 2016)
- Net financial debt as at March 31st, 2017 equal to 51.9 Euro million (vs. 52.7 Euro million as of December 31st, 2016 and vs. 41.0 Euro million as of March 31st, 2016), with a debt/equity ratio of 0.49

Milan, May 10th, 2017 – The Board of Directors of Isagro S.p.A. approved today the Consolidated Interim Result Report as of March 31st, 2017, which will be made available to the public following the terms and the modalities of the applicable Laws.

The first quarter, a period not historically representative of full-year results due to the well-known seasonal nature of the Group business, shows in 2017 a decrease of 9% at sales level and of 4% at EBITDA level versus 2016. Moreover, the comparison with the average values of the previous three years, more representative of the evolution of Isagro results in the mid-term, shows for the first three months of the current year an increase of 2,6% of sales and of 20,0% of EBITDA.

1Q2017 consolidated financial results

In the first quarter of 2017 Isagro registered:

- a turnover of 47.2 Euro million, with a 4.7 Euro million decrease versus 51.9 Euro million of the first quarter of 2016;
- an EBITDA of 7.4 Euro million, with a 0.3 Euro million decrease versus 7.7 Euro million of the first quarter of 2016;
- a Net result before taxes of 5.1 Euro million, with a decrease of 1.6 Euro million versus 6.7 Euro million of the first quarter of 2016;
- a Net result of 3.3 Euro million, with a decrease of 0.9 Euro million versus 4.2 Euro million of the first quarter of 2016;
- a Net financial position at debt as at March 31st, 2017 equal to 51.9 Euro million versus 52.7 Euro million as of December 31st, 2016 and versus 41.0 Euro million as of March 31st, 2016, with a debt/equity ratio respectively of 0.49 and of 0.40.



With reference to the balance sheet, the consolidated data as at March 31st, 2017 highlight the financial soundness of Isagro Group, with a debt/equity ratio equal to 0.49, a portion of Equity backing Working capital for 20.4 Euro million and over half of the Net financial debt at medium/long term.

Perspectives for the current year

2017 results:

- will depend, at revenues level, upon the normalization of market/climatic conditions, mainly in the Americas, and the realization of revenues from new agreements with Third Parties for the exploitation of Intellectual Property;
- will reflect, at cost/capex level, the full year impact of 2016 newly hired resources, the continuation of the strengthening of the global commercial organization and the continuation of the investment programs for new products / molecules.

Moreover, for the mid-term (2020/2021) Isagro confirms the target of around 200 Euro million revenues at a consolidated level, based on the implementation of its Strategic Guidelines:

1. *discovery* of new molecules by ourselves;
2. co-development of new molecules with Third Parties;
3. Licensing of our I.P. to widen commercial exploitation;
4. growth in the Biosolutions business;
5. expansion of our global commercial organization.

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The Manager charged with preparing the company's financial reports, Ruggero Gambini, hereby certifies, pursuant to Article art. 154-*bis*, paragraph 2 of the Consolidated Law on Finance, that the financial information in this press release is consistent with the entries in the accounting books and records.

Isagro S.p.A. is the holding company of a group which, in twenty years, has become a qualified operator in the crop protection business, with global sales of around € 150 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 crop protection products, as well as in their distribution in some key markets.

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CONSOLIDATED PROFIT & LOSS STATEMENT AS OF MARCH 31ST, 2017

(€ 000)	1st Quarter 2017	1st Quarter 2016	Variation		Year 2016
Revenues from sales and services	47,222	51,861	-4,639	-8.9%	149,717
Other operating revenues	534	765	-231		3,347
Consumption of materials and external services	(31,890)	(32,082)	+192		(105,051)
Variations in inventories of products	(897)	(5,616)	+4,719		(2,786)
Increases in assets through internal works	629	712	-83		2,858
Allowances and provisions	(397)	(288)	-109		(2,560)
Labor costs	(7,258)	(7,088)	-170		(27,677)
Bonus accruals	(532)	(540)	+8		(1,631)
EBITDA	7,411	7,724	-313	-4.1%	16,217
<i>% on Revenues</i>	<i>15.7%</i>	<i>14.9%</i>			<i>10.8%</i>
Depreciation:					
- tangible assets	(956)	(945)	-11		(3,829)
- intangible assests	(1,256)	(1,245)	-11		(5,344)
- write-off of tangible and intangible assets	-	-	-		(174)
EBIT	5,199	5,534	-335	-6.1%	6,870
<i>% on Revenues</i>	<i>11.0%</i>	<i>10.7%</i>			<i>4.6%</i>
Financial Charges	(91)	(17)	-74		(747)
Exchange gain/losses and derivatives	(82)	1,104	-1,186		719
Write-ups of investments	27	35	-8		28
Result before taxes	5,053	6,656	-1,603	-24.1%	6,870
Current and deferred taxes	(1,732)	(2,471)	+739		(3,887)
Net result from continuing operations	3,321	4,185	-864	-20.6%	2,983
Net result of discontinued operations	-	-	-		(250)
Net result	3,321	4,185	-864	-20.6%	2,733

CONSOLIDATED BALANCE SHEET AS OF MARCH 31ST, 2017

(€ 000)	31.03.2017	31.03.2016	Variation	31.12.2016
<u>Net fixed assets</u>				
Goodwill	3,654	3,456	+198	3,599
Other intangible assets	48,971	46,333	+2,638	48,209
Tangible assets	21,855	23,075	-1,220	22,620
Investments valued with the equity method	339	331	+8	313
Other medium/long term assets and liabilities	14,219	11,647	+2,572	14,941
Total net fixed assets	89,038	84,842	+4,196	+4.9% 89,682
<u>Net current assets</u>				
Inventories	48,721	44,058	+4,663	46,971
Trade receivables	60,952	56,887	+4,065	50,597
Trade payables	(37,358)	(38,036)	+678	(31,663)
Subtotal Net Working Capital	72,315	62,909	+9,406	65,905
Risk funds	(2,554)	(2,281)	-273	(1,991)
Other current assets and liabilities	2,382	1,078	+1,304	3,954
Subtotal Other assets and liabilities	(172)	(1,203)	+1,031	1,963
Total net current assets	72,143	61,706	+10,437	+16.9% 67,868
Invested capital	161,181	146,548	+14,633	+10.0% 157,550
Severance Indemnity Fund (S.I.F)	(2,650)	(2,833)	+183	(2,747)
Net invested capital	158,531	143,715	+14,816	+10.3% 154,803
Net financial assets and liabilities of discontinued operation	-	-	-	-
Total	158,531	143,715	+14,816	+10.3% 154,803
<i>financed by:</i>				
<u>Equity</u>				
Capital stock	24,961	24,961	-	24,961
Reserves and earnings brought forward	82,938	81,357	+1,581	80,213
Translation adjustment reserve continuing	(4,604)	(7,820)	+3,216	(5,822)
Net profit of the Group	3,321	4,185	-864	2,733
Total equity	106,616	102,683	+3,933	+3.8% 102,085
<u>Net financial position</u>				
<i>Medium/long term debts:</i>				
- towards banks	33,502	24,078	+9,424	37,929
- towards other financiers	1,916	2,150	-234	1,932
Total medium/long term financial debts	35,418	26,228	+9,190	+35.0% 39,861
<i>Short term debts:</i>				
- towards banks	31,965	33,056	-1,091	28,259
- towards other financiers	2,119	2,494	-375	987
- others	27	(1,334)	+1,361	70
Total short term financial debts	34,111	34,216	-105	-0.3% 29,316
Cash and cash equivalents	(17,614)	(19,412)	+1,798	-9.3% (16,459)
Total net financial position	51,915	41,032	+10,883	+26.5% 52,718
Total	158,531	143,715	+14,816	+10.3% 154,803

CONSOLIDATED CASH-FLOW STATEMENT OF JANUARY-MARCH 2017

(€ 000)	31.03.2017	31.03.2016
Cash and cash equivalents (as of January 31st)	16,459	16,714
<i>Operating activities</i>		
Net profit of continuing operation	3,321	4,185
- Depreciation of tangible and intangible assets	2,212	2,190
- Provisions to reserves (including employee indemnity)	592	607
Cash Flow	6,125	6,982
- Write-up-write down of investments and other financial assets	(26)	(35)
- Change in net current assets	(5,804)	1,199
- Net change in other assets and liabilities	2,348	965
- Use of funds (including employee indemnity)	(141)	(98)
Cash Flow from operations	2,502	9,013
<i>Investment activities</i>		
- Investments in intangible assets	(2,008)	(2,290)
- Investments in tangible assets	(79)	(353)
Cash Flow for investments	(2,087)	(2,643)
<i>Financing activities</i>		
- Increase/(decrease) in financial debts (current and non-current)	444	(1,947)
- Increase in financial receivable derivatives and other financial assets (current and non-current)	(43)	(1,239)
Cash flow from/(for) financing activities	401	(3,186)
Translation adjustment changes	339	(486)
Cash flow of the period	1,155	2,698
Cash-closing balance (as of March 31st)	17,614	19,412