ISAGRO
Centro Uffici San Siro - Edificio D - ala 3 - Via Caldera, 21 - 20153 Milano - Italia
Tel. 02 40901.1 - Fax 02 40901.287 - e-mail: isagro@isagro.it - www.isagro.com

PRESS RELEASE

ISAGRO:
BOD APPROVES THE ANNUAL REPORT AS OF DECEMBER 31, 2013
(Results negatively influenced by contingent business events in first half 2013, improved in second half, with expectations of growth in current year)

- Consolidated revenues at € 139.8 million (-6% vs. 2012)
  Memo: 4Q 2013 consolidated revenues at € 55.1 million (+15% vs. 4Q 2012)
- Consolidated EBITDA at € 14.8 million (vs. € 19.1 million of 2012)
- Result before taxes at € 0.3 million (vs. € 2.6 million of 2012)
- Net result negative for € 4.3 million (vs. the profit of € 0,4 million of 2012)
- Net financial debt at € 53.9 million (in reduction vs. € 62.0 million as of Dec. 31st, 2012)

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ENHANCEMENT OF STRATEGIC GUIDE-LINES AND VALUE EXTRACTION FROM PROPRIETARY PRODUCTS THROUGH "LICENSING" FOR MARKET SEGMENTS

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THREE IMPORTANT AGREEMENTS AMONG WHICH THE ALLIANCE WITH GOWAN, AIMING AT STRATEGIC AND INDUSTRIAL STRENGTHENING

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CAPITAL INCREASE FOR DEVELOPMENT PROJECTS WITHOUT EXCLUSION OF OPTION RIGHT IN FIRST HALF 2014

Milan, March 4th, 2014 – The Board of Directors of Isagro S.p.A. approved the project of the Annual Report as of December 31st, 2013, which shall be rendered available to the public at the headquarters of the Company (including the corporate website www.isagro.com) within the terms foreseen by the law.

1. *The General Situation in 2013*

The year 2013, period in which the world market grew at distribution level (in nominal terms and in USD currency), was characterized for Isagro as a period interested by the "carried-over effect" of the drought that in 2012 affected the North-American and European markets, both of great relevance for the Group, with impacts in the segments of funcigides (products on which Isagro is focused).

In order to better understand the reasons-why for the carried-over effect above and its temporary nature, it is necessary to remind that Isagro runs direct distribution in only four Countries (Colombia, India, Spain and, to a limited extent, USA), operating in the others (among which Italy) as a "Supplier" of third-party distributors: the latter ones, who ended the year 2012 with significant levels of stock, due to the reduced purchases by farmers in such a year, in the first part of 2013, with the normalization of climatic conditions and consequently of the demand, leveraged on the existing stocks to answer to the recovery of the orders by the farmers themselves, thus limiting the new purchases from their suppliers (among which Isagro).
As far as Isagro is concerned, the impacts from the "carried-over effect" above were concentrated in the first half of 2013.

2. *The Alliance with Gowan*

Within the above described picture of a 2013 characterized as a year of transition - thought with results substantially aligned to estimates - Isagro has continued to work for a strategic partnership to overcome the restrains represented by Group limited size if compared to main competitors, by the new regulations (that have led to longer and more expensive processes of development of new molecules and that contributed to the strategic decision of co-development with specific partners) and, above all, by the evolution of the Market (that, due to a higher level of concentration and to the "generization" of active ingredients, makes it very important as a perspective to have a long term access to distribution channels for the proprietary products).

More in particular, the recent experience highlighted for Isagro the exigency of a partner:

a) with an adequate capability of commercial development and distribution presences in the key markets (so to assure a direct access to the market for the proprietary products) and complementary to Isagro along the business value chain (so to assure potential synergies);
b) linked to Isagro in the long term through an adequate but minority participation within the controlling system of the Company (as a guarantee for both the managerial independence of Isagro and the long term nature of the alliance);
c) having a larger size than Isagro but not "too far" from the Company dimension (again as a guarantee for the managerial independence of the Group).

Based on the considerations above, on July 30, 2013, Isagro S.p.A., jointly with Piemme S.r.l., i.e. its Controlling Subject, finalized an agreement of industrial partnership with Gowan (a US company operating in the agropharma), for the entrance of Gowan itself in the controlling system of Isagro as a minority quotaholder, with Piemme remaining Controlling Subject with a stake of 51% and Gowan as the minority quotaholder with a stake of 49%.

The alliance shall lead to:

- an important strategic / business strengthening, thanks to synergies only partially already identified;
- a significant financial strengthening, thanks to an operation of capital increase in Isagro S.p.A. up to around 29 € million, out of which around 16 € million to be subscribed by the controlling system of

Isagro, utilizing the proceeds from the entrance of Gowan in the controlling system of Isagro as a minority quotaholder;

- a simplification of the controlling structure of Isagro, to the extent made possible by the acceptance by the Minorities of Holdisa/Manisa of an Offer by BasJes (a company originally fully controlled by Piemme and currently, after a capital increase subscribed by Gowan, controlled by Piemme at 51% and participated by Gowan at 49%, and holding the controlling stake of Holdisa S.r.l., the latter controlling Manisa S.r.l., the latter holding the majority stake of Isagro) to buy their minority stakes and the parallel commitment by Minorities to fully utilized the proceeds from the sale of their quotas to subscribe new Growth Shares to be issued by Isagro.

The alliance above became operative in the month of October 2013, when:

- it was received by Consob (i.e. the Italian SEC) the favorable opinion about the absence of a compulsory public offer;
- it was favorably closed the process of due diligence of Isagro by Gowan;
- the new company BasJes Holding S.r.l. (to which Piemme transferred its controlling stake of Manisa, the latter controlling Holdisa, the latter controlling Isagro);
- it was finalized a capital increase in BasJes of 18 € million, entirely subscribed by Gowan, which became its 49% quotaholder. Out of such an amount, around 16 € million shall be utilized to subscribe, directly and indirectly, a capital increase in Isagro (of Ordinary and Growth Shares) in the first half of 2014, with the objective of achieving also a simplification of the controlling structure of Isagro.

On a parallel basis, agreements for the distribution of Isagro's products in North America and in Italy through Gowan's distribution networks where signed, agreements which started generated sales from the month of January 2014.

Moreover, it is highlighted that the alliance with Gowan and the relevant distribution agreements implied the discontinuation of the distribution through Valent (Sumitomo Group), the previous distributor in USA of Isagro's products, who consequently did not finalized the usual purchases in 2013, with impacts also in 2014, due to the timing of the start-up of the new distribution relationship with Gowan.

3. Enhancement of the Strategic Guide-Lines and of Business Model

During 2013 the activity of fine-tuning and reinforcement of Isagro's strategy continued, based on the following Strategic Guide-Lines:

1. to define and to run the activities of **Innovative Research**, which do not require a large scale nor large financial resources, in full autonomy;
2. to operate in the **Development** of new products (i) in partnership for the new active ingredients / products having a world-wide market potential and requiring large investments, so to have an adequate scale at the moment of the investment and in the moment of the value extraction from the inventions and (ii) in autonomy for the new active ingredients /products having a market potential limited to specific areas / segments and requiring a reduced level of investments;

3. to focus the managerial action on **market, clients and sales**, and not exclusively on the *product* as done in the past, thus adding to the *core business* (i.e. commercialization of proprietary agropharma) the valorization of the active ingredient also by means of operating as a Supplier of "technical products" to third parties: such an activity will be done through the attribution of licenses to such third parties so to let them developing combinations between Isagro's proprietary active ingredients and other compounds (receiving upfront payments for the license) and finalizing with them mid/long term supply agreements for the active ingredients instead than for the finished products. In such a way, Isagro aims at enlarging the market potential of its proprietary products and at securing its business in the long term versus the phenomenon of *generization* / substitution, already present in the marketplace. With regards to this, Isagro shall exploit the potential of its invention along the following three "dimension": (i) divesting new molecules that it is not its interest to develop, (ii) operating as a supplier of active ingredients, also based on license agreements and (iii) operating as a seller of finished / formulated products;
4. to pursue the **Local Development** in markets having a high potential, through: (i) the launch of new generic products initially in India, leveraging on Isagro's consolidated presence in such a market, and progressively in other markets and (ii) the direct distribution presence, on an opportunistic basis, on selected markets;
5. to have **financial debts only for the working capital**, with the fixed assets financed by the Equity,

operating managerial-wise to **maximize the synergies with Gowan** .

In coherence with the Strategic Guide-Lines, in 2013 Isagro

(i) with regards to point 2 above:
- continued to develop in *partnership* with FMC the new broad-spectrum fungicide SDHi, having a world-wide market potential, the launch of which is estimated to take place from 2019;
- developed in *autonomy* the new fumigant initially for the market of the United States, where it already gained the first registration and where i twill be launched in the last part of 2014;

(ii) with regards to point 3 above:
- continued in the managerial strengthening of the sales & marketing team, by means of hiring a new Commercial Director and inserting new professional figures, all acquired from the market;
- signed commercial agreements for the distribution of proprietary products by top-class international players (Syngenta and Cheminova), with an expected growing contribution to sales from 2015/2016;
- signed an important agreement with the Japanese company Arysta for the license to the latter one of the right to develop mixtures between Tetraconazole and other active ingredients – for which an upfront payment of 10 € million was recognized to Isagro – (on a parallel basis Arysta committed to buy Tetraconazole exclusively from Isagro);

(iii) with regards to point 5 above, divested two molecules which, though having a world-wide market potential, were developed by Isagro in autonomy in the second half of the '90s and thus generated in 2012, even after a tentative of re-launch through a joint-venture, consolidated sales of around 5 € million, judged by Isagro as completely unsatisfactory. Thanks to the divestment of such two molecules to third-party players in a position to better exploit their commercial potential, Isagro obtained a cash-in of around € 20 million and a little gain at P&L, recovering the past investments for the two products

and achieving an important financial strengthening. It is worth to underline that the market evidences relevant to such divested molecules let Isagro to critically revise, in 2012, its approach to new products development, in the sense of what highlighted at point 2 of the Strategic Guide-Lines.

4. 2013 Financial results

Isagro achieved consolidated revenues in 2013 of € 139.78 million, with a € 9.55 million decrease vs. € 149.32 million of 2012. Such decrease was due to the joint effect of:

- Lower revenues from Agropharma and other products and services totaling € 12 million, due to missed sales for € 18.66 million during the first semester of 2013, strongly affected by the carried-over effect of 2012 drought that hit, as anticipated, the United States (where it reached the strongest level in the last 50 years) and Europe (especially Italy), partially counterbalanced by the trend reversal registered in the second semester, when revenues increased by € 6.6 million vs. the same period of the previous year;
- Missed sales in United States for € 7.5 million during the second semester, as a direct consequence in the short term of the discontinuation of the distribution through Valent, , following the conclusion of the alliance with Gowan;
- Higher revenues for € 10 million, represented by the upfront payment recognized by the Japanese company Arysta against the grant of a license to develop mixtures of Tetraconazole and other active ingredients.

As a consequence of the above mentioned considerations, the portion of total revenues made in Italy represented around 17% vs. around 20% in 2012, with revenues made in the Americas decreasing from 36% in 2012 to 32% of total revenues in 2013.

The EBITDA of 2013 was equal to €14.84 million, with a € 4.21 decrease vs. € 19.05 million of previous year, and includes allowances to the redundancy fund for €1,7 million.

Operating result of 2013 was equal to € 5.29 million, with a € 2.5 million decrease vs. 7.79 million of 2012; Earnings before taxes were equal to 0.31 million vs. € 2.6 million registered in 2012.

Net result from continuing operations, after registration of current and deferred taxes for € 4 million, was equal to a loss of € 3.73 million and, including €0.6 million of losses from discontinued operations, total Net result of 2013 was negative for € 4.33 million, vs. earnings of € 0,40 million in 2012.

At a Balance Sheet level:

- Net fixed assets decreased from € 90.1 million as of December 31st, 2012, to € 74.0 million as of December 31st, 2013, thus showing a total decrease of € 16.02 million, mainly due to effect of the deconsolidation of all the assets related to the joint-venture ISEM proprietary molecules Valifenalate and Orthosulfamuron, respectively sold in April and in October 2013, that more than counterbalanced the new capitalizations, net of the relevant depreciations;

- Net current assets as of December 31st, 2013 equal to € 48.6 million, slightly decreasing from € 49.4 million as of December 31st, 2012, also due to lower no-recourse factoring, decreased from € 10 million as of December 31st, 2012 to € 6.7 million as of December 31st, 2013;
- Consolidated Equity as of December 31st, 2013 was equal to € 65.2 million, decreasing by € 8.7 million vs. € 73.9 million of previous year, after the registration of the Net loss of the year and the increasing of the negative Translation adjustment reserve from € -6,35 to -10,66 million, due to the weakening of the Indian Rupee (local currency of the fully controlled company Isagro Asia);
- Consolidated Net financial position (NFP) as of December 31st, 2013 was equal to € 53.93 million showing an improvement of € 8.03 million vs. €61.96 million of previous year.

5. Financial stability as of December 31st, 2013

The financial situation as of December 31st, 2013 shows a huge strengthening of the financial structure of Isagro, that still not includes the effect of the mentioned capital increase operation that will be rendered possible thanks to the alliance with Gowan, with:

(i) Net current assets higher than short term financial debts, thus partly financed by mid/long term debt;

(ii) Net fixed assets, net of SIF, largely financed by Equity and, for a minor portion of some € 5 million, by mid/long term debts;

(iii) An Debt/Equity ratio substantially stable at 0.83.

6. *Perspectives*

Isagro is expecting a recovery in the revenues growth trend starting from the current year. In particular, projections for the first quarter of 2014, a period by the way historically not representative of the entire year trend, indicate a revenues growing trend vs. first quarter of 2013.

Moreover, Isagro completed a first draft of the business plan for the period 2014-2018, preliminary approved by the Board of Directors on February 4th (and reviewed by the Board of Directors today); it has to be clarified that the business plan is subject to comfort letter by the audit firm Deloitte & Touche. After the emission of such comfort letter, Isagro will communicate to the Market its forecast for the above mentioned period.

7. Capital increase

The Board of Directors resolved to call an extraordinary Assembly on April 7th, 2014 in first call and on April 14th, 2014 in second call to deliberate on a capital increase which shall take place in the first half of the current year. The Assembly will be called to resolve upon a capital increase with a maximum value (including the possible extraprice) of around € 29 million, by means of a joint issue of Ordinary Shares and "Growth Shares", the latter ones in a total number not lower than the one of Ordinary Shares, to be offered in option to the Shareholders of Isagro. The controlling shareholder Holdisa shall exercise its option right, thus subscribing around 55% of the total capital increase. The subscription price will the same for the

Ordinary and Growth Shares and shall be fixed by the Board of Directors along with the exact number of Growth and Ordinary Shares, close to the start of the offer in option, on the basis of the criteria to be fixed by the Assembly. The relation of the Board of Directors on the proposal of capital increase, including the illustration of the details of the operation and in particular of the features and characteristics of the Growth Shares, shall be rendered available to the public in the respect of the timing and of the means foreseen by the law.

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Isagro S.p.A. finally informs that the Board of Directors carried out the periodic assessment of the independence of the Directors Adriana Silvia Sartor, Elena Vasco and Antonio Zoncada, according to the criteria set by art. 3 of the Company's Corporate Governance Code.

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 € 150 million and 620 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:

Isagro S.p.A.

Ruggero Gambini Tel. 02 40901 295
Chief Financial Officer & IR Manager

Maria Teresa Agazzani Tel. 02 40901 266
Corporate Communication & General Services Manager

RECLASSIFIED CONSOLIDATED PROFIT & LOSS STATEMENT

(€ 000)	2013	2012 re-stated (*)	Variation	
Revenues from sales and services	**139,777**	**149,324**	**-9,547**	**-6%**
Other revenues and income	2,869	3,487	-618	
Consumption of materials and external services	(99,601)	(115,993)	+16,392	
Variations in inventories of products	(2,908)	3,895	-6,803	
Increases in assets through internal works	3,606	3,663	-57	
Allowances and provisions	(1,721)	(952)	-769	
Other not recurrent income (costs)	1,249	1,422	-173	
Added value	**43,271**	**44,846**	**-1,575**	**-4%**
% on Revenues	*31.0%*	*30.0%*		
Labour costs	(25,448)	(25,241)	-207	
Other not recurrent income (costs)	(1,677)	-	-1,677	
Labour costs allowances	(1,306)	(552)	-754	
EBITDA	**14,840**	**19,053**	**-4,213**	**-22%**
% on Revenues	*10.6%*	*12.8%*		
Depreciation:				
- tangible assets	(3,965)	(4,092)	+127	
- intangible assets	(5,422)	(6,190)	+768	
- write-off	(162)	(983)	+821	
EBIT	**5,291**	**7,788**	**-2,497**	**-32%**
% on Revenues	*3.8%*	*5.2%*	-	-
Financial charges	(4,807)	(5,927)	+1,120	
Exchange gains/losses and derivatives	(185)	742	-927	
Write-down/write-ups of investments	10	-	+10	
Earnings before taxes	**309**	**2,603**	**-2,294**	**n.a.**
Current and deferred taxes	(4,038)	(2,204)	-1,834	
Net result from continuing operations	**(3,729)**	**399**	**-4,128**	**n.a.**
Net result of discontinued operations	(600)	-	-600	
3rd party share of (profit)/losses discontinued op.	-	-	-	
Net result	**(4,329)**	**399**	**-4,728**	**n.a.**

(*) following the application, from January 1st, 2013 (retrospectively) of the amendment to IAS 19, the figures for 2012 shown for comparative purposes were re-determined as envisaged under IAS 1. For more details, refer to the section " Accounting standards, amendments and interpretations applied from January 1st, 2013" .

With reference to the year 2012 , €1 million has been re-classified from "Other not recurring income (cost)" to "Revenues from sales and services" in order to have 2013 figures consistent with 2012

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ 000)	12.31.2013	12.31.2012 re-stated (*)	Variation	
Net fixed assets				
Goodwill	3,915	4,852	-937	
Other intangible assets	35,387	49,766	-14,379	
Tangible assets	23,081	26,079	-2,998	
Financial assets	205	195	+10	
Other medium/long term assets and liabilities	11,447	9,166	+2,281	
Total net fixed assets	**74,035**	**90,058**	**-16,023**	**-18%**
Net current assets				
Inventories	34,202	42,023	-7,821	
Trade receivables	46,716	40,884	+5,832	
Trade payables	(30,212)	(33,183)	+2,971	
Risk funds	(3,356)	(1,366)	-1,990	
Other current assets and liabilities	1,284	991	+293	
Total net current assets	**48,634**	**49,349**	**-715**	**-1%**
Invested capital	**122,669**	**139,407**	**-16,738**	**-12%**
Severance indemnity fund (S.I.F.)	**(3,517)**	**(3,492)**	**-25**	
Net invested capital	**119,152**	**135,915**	**-16,763**	**-12%**
financed by:				
Equity				
Capital stock	17,550	17,550	-	
Reserves and earnings brought forward	62,658	62,355	+303	
Translation adjustment reserve continuing	(10,657)	(6,353)	-4,304	
Net group result	(4,329)	399	-4,728	
Total equity	**65,222**	**73,951**	**-8,729**	**-12%**
Net financial position:				
Medium/long term debts				
- towards banks	17,892	13,309	+4,583	
- towards other financiers	125	872	-747	
- others	(2,875)	(3,504)	+629	
Total medium/long term financial debts	**15,142**	**10,677**	**+4,465**	**+42%**
Short term debts				
- towards banks	22,669	48,622	-25,953	
- towards other financiers	21,575	18,073	+3,502	
- towards parent companies	8,806	859	+7,947	
- others	(163)	(1,528)	+1,365	
Total short term financial debts	**52,887**	**66,026**	**-13,139**	**-20%**
Cash and cash equivalents	**(14,099)**	**(14,739)**	**+640**	**n.a.**
Total net financial position	**53,930**	**61,964**	**-8,034**	**-13%**
Total	**119,152**	**135,915**	**-16,763**	**-12%**

(*) following the application, from January 1st, 2013 (retrospectively) of the amendment to IAS 19, the figures for 2012 shown for comparative purposes were re-determined as envisaged under IAS 1. For more details, refer to the section " Accounting standards, amendments and interpretations applied from January 1st, 2013" .

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CONSOLIDATED CASH-FLOW STATEMENT

(€ 000)	2013	2012 re-stated (*)
Cash and cash equivalents (as of January 1st)	**14,739**	**7,882**
Operating activities		
Gain/(loss) of the period - continuing operation	**(3,729)**	**399**
Gain/(loss) of discontinued operation	**(600)**	**-**
- Depreciation of tangible assets	3,965	4,092
- Amortization of intangible assets	5,422	6,190
- Losses in value of fixed assets	162	983
- Net capital gain from asset write-up	-	-
- Provisions to reserves (including employee indemnity)	3,370	1,342
- (Gains)/losses from disposal of tangible and intangible assets	(1,211)	(8)
- Capital (gain)/loss from the disposal of discontinued operation	-	-
- Capiral (gain)/loss from the disposal of business units	-	-
- Interests from held for trading assets	(216)	(65)
- Net interest expenses paid to financial institutions and leasing companies	4,780	5,321
- Net income/(charges) on derivative instruments	292	(308)
- Rersult on investments valued with the equity method	(10)	-
- Income taxes	4,038	2,204
Cash flow from current operations	*16,263*	*20,150*
- (Increases)/decreases in trade receivables	(7,537)	6,663
- (Increases)/decreases in inventories	6,551	(4,267)
- (Increases)/decreases in trade payables	(1,862)	(3,728)
- Net change in other assets/liabilities	(3,757)	7
- Use of funds (including employee indemnity)	(1,476)	(2,016)
- Net interest expenses paid to financial institutions and leasing companies	(4,853)	(5,028)
- Financial flow from derivative instruments	(98)	(1,291)
- Income taxes paid	(3,056)	(2,076)
Cash flow from operating activities	**175**	**8,414**
Investment activities		
- (Investments)/disinvestments in intangible assets	(8,580)	(8,601)
- (Investments) in tangible assets	(1,808)	(3,624)
- Net sale price of from disposal of tangible/intangible assets	19,055	71
- Cash flow from by the disposal of business units	-	-
- Cash flow absorbed by the company agregation operations	-	-
- Cash flow from disposal of disc. operation (net of cash or cash equivalents)	-	-
- (Purchase)/sale of financial assets	184	131
Cash flow from investment activities	**8,851**	**(12,023)**
Financing activities		
- Increase/(decrease) in financial debts (current and non-current)	(9,429)	12,715
- (Increase)/decrease in financial receivables	1,270	19
- Distribution of dividends	-	(1,750)
Cash flow from financing activities	**(8,159)**	**10,984**
Changes from exchnage differences	**(1,507)**	**(518)**
Cash flow of the period	**(640)**	**6,857**
Cash and cash equivalents at end of period (as of December 31st)	**14,099**	**14,739**
out of which referred to:	-	-
- Continuing operation	14,099	14,739
- Discontinued operation	-	-

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