

PRESS RELEASE

BOD APPROVES HALF YEAR RESULTS AS OF JUNE 30TH, 2015

- Consolidated Revenues at 82.1 Euro million (+13% vs. 1H 2014)
- Consolidated EBITDA at 7.5 Euro million (+9% vs. 1H 2014)
- Result before taxes at 1.4 Euro million (+65% vs. 1H 2014)
- Net result at break-even (vs. the profit of 0.8 Euro million as of June 30th, 2014)
- Net financial debt at 43 Euro million vs. 30 Euro million as of December 31st, 2014 and vs. 27 Euro million as of June 30th, 2014, mainly due to the increase of Net working capital

Milan, August 4th, 2015 – The Board of Directors of Isagro S.p.A. approved today the Consolidated Interim Financial Statements as of June 30th, 2015, 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 "eMarket Storage", on the web site www.emarketstorage.com.

2015 first half consolidated results

In the first half of 2015 Isagro registered a turnover of 82.1 Euro million, with a 9.2 Euro million increase (+13%) vs. 72.9 Euro million of the same period of last year; such improvement took place in a context of generalized sales growth of all the main products marketed by the Group, especially in Italy, mainly with reference to copper products, and in Asia, also thanks to the strengthening of the Indian Rupee against Euro.

2015 first half EBITDA was equal to 7.5 Euro million, up by 0.6 Euro million (+9%) vs. 6.9 Euro million as of June 30th, 2014.





Such an increase appears limited, in absolute terms, if compared to the sales growth, due to higher R,I&D costs expensed at P&L and fixed costs. On this regards, personnel costs amounted to 14.8 Euro million, up by 0.7 Euro million vs. same period of last year due, on one side, to HR rationalization for 0.2 Euro million in Isagro S.p.A. and, on the other side, to the strengthening of the Indian Rupee at Isagro Asia level.

The half-year Net result was, then, influenced by:

- net losses from exchange rates and hedging instruments for 1.3 Euro million (vs. a net loss of 14 Euro thousands of 2014 first half); such losses derived from the contracts put in place to hedge the budgeted 12-month sales in USD, with first half sales lower than 20% of the total year expected amount;
- higher current and deferred taxes vs. first half 2014 for 1.2 Euro million, mainly due to (i) higher income taxes (mostly referred to the growing result of Isagro Asia), (ii) the presence, as of June 30th, 2014, of a 0.4 Euro million fiscal reimbursement at Isagro USA level and (iii) the absence of accruals of deferred taxes at credit relevant to the fiscal loss of Isagro S.p.A., which, instead, were accrued in the first half of 2014.

Consequently, the Net result as of June 30th, 2015 is positive for 21 Euro thousand vs. 0.8 Euro million of 2014 first half.

Consolidated Net financial position as of June 30th, 2015 amounted to 43.4 Euro million (with a NWC of 58.7 Euro million), versus 29.7 Euro million (with a NWC of 46.4 Euro million) as of December 31st, 2014 and versus 26.5 Euro million (with a NWC of 46.4 Euro million) as of June 30th, 2014, with a Debt/Equity ratio equal to 0.44 (versus the value of 0.31 as of December 31st, 2014 and the value of 0.28 as of June 30th, 2014).



Perspectives for the current year

In the light of 2015 first half-year results and of the estimates and the objectives for the second half, which include the assumption of 4 Euro million revenues from Licensing, Isagro estimates an EBITDA of around 18 Euro million for the full year, in line with 2014-2018 Business Plan communicated to the Market.

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 € 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 agrochemicals, as well as in their distribution in some key markets.

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CONSOLIDATED PROFIT & LOSS STATEMENT AS OF JUNE 30TH, 2015

(€ 000)	1st Half 2015	1st Half 2014	Variation	Year 2014
Revenues from sales and services	82,068	72,934	+9,134 +12.5%	145,939
Other operating revenues	1,370	1,459	-89	3,092
Consumption of materials and external services	(67,875)	(56,562)	-11,313	(115,240)
Variations in inventories of products	5,512	1,823	+3,689	4,638
Increases in assets through internal works	1,852	1,782	+70	3,306
Allowances and provisions	(561)	(405)	-156	(701)
Labor costs	(14,317)	(13,616)	-701	(26,153)
Labor costs allowances	(523)	(515)	-08	(1,244)
Other not recurrent income (costs)	-	-	-	(1,170)
EBITDA	7,526	6,900	+626 +9.1%	12,467
<i>% on Revenues</i>	<i>9.2%</i>	<i>9.5%</i>		<i>8.5%</i>
Depreciation:				
- tangible assets	(1,850)	(1,923)	+73	(3,678)
- intangible assets	(2,386)	(2,410)	+24	(5,082)
- write-off of assets	(44)	-	-44	(187)
EBIT	3,246	2,567	+679 +26.5%	3,520
<i>% on Revenues</i>	<i>4.0%</i>	<i>3.5%</i>	<i>-</i>	<i>2.4%</i>
Financial charges	(663)	(1,745)	+1,082	(2,807)
Exchange gains/losses and derivatives	(1,250)	(14)	-1,236	108
Write-down/write-ups of investments	32	19	+13	59
Earnings before taxes	1,365	827	+538 +65.1%	880
Current and deferred taxes	(1,344)	(61)	-1,283	(1,758)
3rd party share of (profit)/losses continuing op.	-	-	-	-
Net result from continuing operations	21	766	-745 N/S	(878)
Net result of discontinued operations	-	-	-	-
Net result	21	766	-745 N/S	(878)

CONSOLIDATED BALANCE SHEET AS OF JUNE 30TH, 2015

(€ 000)	06.30.2015	06.30.2014	Variation	12.31.2014
<u>Net fixed assets</u>				
Goodwill	3,773	4,003	-230	3,762
Other intangible assets	43,199	38,455	+4,744	40,339
Tangible assets	24,587	22,828	+1,759	24,130
Financial assets	274	213	+61	253
Other medium/long term assets and liabilities	13,468	13,449	+19	13,093
Total net fixed assets	85,301	78,948	+6,353	+8.0% 81,577
<u>Net current assets</u>				
Inventories	49,400	37,106	+12,294	40,364
Trade receivables	48,129	41,145	+6,984	49,598
Trade payables	(39,211)	(32,395)	-6,816	(44,578)
Risk funds	(865)	(1,540)	+675	(1,651)
Other current assets and liabilities	1,255	2,034	-779	2,700
Total net current assets	58,708	46,350	+12,358	+26.7% 46,433
Invested capital	144,009	125,298	+18,711	+14.9% 128,010
Severance indemnity fund (S.I.F.)	(2,843)	(3,429)	+586	(3,038)
Net invested capital	141,166	121,869	+19,297	+15.8% 124,972
Not financial assets and liabilities of discontinued operation	-	-	-	-
	141,166	121,869	+19,297	+15.8% 124,972
<i>financed by:</i>				
<u>Equity</u>				
Capital stock	24,961	24,961	-	24,961
Reserves and earnings brought forward	78,303	79,220	-917	79,195
Translation adjustment reserve continuing	(5,547)	(9,591)	+4,044	(7,992)
Net group result	21	766	-745	(878)
Total equity	97,738	95,356	+2,382	+2% 95,286
<u>Net financial position:</u>				
<i>Medium/long term debts</i>				
- towards banks	26,554	15,574	+10,980	19,632
- towards other financiers	227	36	+191	266
- others	-	(2,875)	+2,875	(2,875)
Total medium/long term financial debts	26,781	12,735	+14,046	+110.3% 17,023
<i>Short term debts</i>				
- towards banks	34,830	23,860	+10,970	27,344
- towards other financiers	256	3,215	-2,959	1,839
- towards parent companies	-	-	-	-
- others	488	(9)	+497	629
Total short term financial debts	35,574	27,066	+8,508	+31.4% 29,812
Cash and cash equivalents	(18,927)	(13,288)	-5,639	N/S (17,149)
Total net financial position	43,428	26,513	+16,915	+63.8% 29,686
Total	141,166	121,869	+19,297	+15.8% 124,972

CONSOLIDATED CASH-FLOW STATEMENT AS OF JUNE 30TH, 2015

(€ 000)	1st Half 2015	1st Half 2014
Cash and cash equivalents (as of January 1st)	17,149	14,099
<i>Operating activities</i>		
Net result of continuing operation	21	766
Net result of discontinued operation	-	-
- Depreciation of tangible assets	1,850	1,923
- Amortization of intangible assets	2,386	2,410
- Losses in value of fixed assets	44	-
- Provisions to reserves (including employee indemnity)	636	698
- (Gains)/losses from disposal of tangible and intangible assets	-	46
- Interests from held for trading assets	(126)	(212)
- Net interest expenses paid to financial institutions and leasing companies	834	2,022
- Net income/(charges) on derivative instruments	2,491	(66)
- Result on investments valued with the equity method	(32)	(19)
- Income taxes	1,344	61
Cash flow from current operations	9,448	7,629
- (Increases)/decreases in trade receivables	2,791	5,979
- (Increases)/decreases in inventories	(8,088)	(2,593)
- (Increases)/decreases in trade payables	(6,925)	1,880
- Net change in other assets/liabilities	462	(1,770)
- Use of funds (including employee indemnity)	(1,647)	(2,081)
- Net interest expenses paid to financial institutions and leasing companies	(994)	(2,283)
- Financial flow from derivative instruments	(2,621)	185
- Income taxes paid	(478)	(1,279)
Cash flow from operating activities	(8,052)	5,667
<i>Investment activities</i>		
- (Investments)/disinvestments in intangible assets	(5,073)	(5,438)
- (Investments) in tangible assets	(2,022)	(1,558)
- Net sale price of from disposal of tangible/intangible assets of Disc. operations	-	5
- Dividends from affiliated companies	11	11
- (Purchase)/sale of financial assets	126	249
Cash flow from investment activities	(6,958)	(6,731)
<i>Financing activities</i>		
- Increase/(decrease) in financial debts (current and non-current)	12,752	(28,214)
- (Increase)/decrease in financial receivables and secured deposits	2,875	-
- Shareholders' payments for increase in capital	-	28,073
Cash flow from financing activities	15,627	(141)
Changes from exchange differences	1,161	394
Cash flow of the period	1,778	(811)
Cash and cash equivalents at end of period (as of June 30th)	18,927	13,288