



PRESS RELEASE

MASI AGRICOLA: CONSOLIDATED RESULTS AS AT 30 SEPTEMBER 2016

**REVENUE UP (+3%)
AND PROFITABILITY SUBSTANTIALLY IN LINE**

- **Net revenue 44.9 million euro (43.7 mln euro in 9M 2015, +3%)**
- **EBITDA 10.7 million euro (11 mln euro in 9M 2015)**
- **Net Financial Indebtedness 9 million euro (Net Financial Position positive to the tune of 3.1 mln euro as at 31 December 2015), of which 7 million euro related to the recent acquisition of 60% of Canevel Spumanti**

Sant'Ambrogio di Valpolicella, 15 November 2016. The Board of Directors of Masi Agricola S.p.A., listed on AIM Italia and an Italian leader in premium wines, met today and approved the consolidated results as at 30 September 2016.

Please note that such consolidated results do not include the companies Canevel Spumanti SpA, Società Agricola Canevel a r.l. and Canevel Spumanti Tenuta Le Vigne Società Agricola a r.l., of which Masi Agricola acquired 60% of the share capital on 27 September 2016.

Below is a breakdown of the main consolidated economic data of the Masi Group for the first nine months of 2016, compared with both the same period of the previous year and the entire year 2015:

<i>(in thousands of Euro)</i>	First 9 months				Year 2015
	2016	2015	Variation	Variation %	
RECLASSIFIED CONSOLIDATED INCOME STATEMENT					
Revenue from sales and services	44,896	43,681	1,215	+3%	60,873
EBITDA (*)	10,719	11,017			16,833
EBITDA Margin (**)	24%	25%			28%

(*) EBITDA means earnings before interest, taxes, depreciation and amortisation, impairment losses on receivables, provisions for risks and charges, and extraordinary items. EBITDA therefore represents operating profit or loss before depreciation and amortisation and the provision of trade receivables. This is the indicator that the Issuer's directors use to monitor and assess the Company's financial performance. Since EBITDA is not recognised under Italian accounting standards, it shall not be considered as an alternative measure to assess the Issuer's operating results. Since the reference accounting standards do not govern the composition of EBITDA, the Company's calculation of this measure may not be consistent with that of other entities, and therefore not comparable.

(**) The Group calculates the EBITDA Margin as the ratio of EBIT to Revenue from sales and services.

In the first nine months of 2016, revenue increased by about 3% compared with the same period of the previous year. On that point, it should be noted that, in the period in question, the exchange

rate of the Canadian Dollar – the currency with which the Group makes a considerable share of its sales – was down about 4% from the previous year. Moreover, as already announced by Masi Agricola, after an increase in sales of around 9% in the first semester 2016, the third quarter went in the opposite direction, with revenue lower than in the third quarter 2015. Nevertheless, in the light of the current business trend, the Company is confident that it can achieve growth by the end of the year.

Consolidated EBITDA totalled euro 10,719, compared to euro 11,017 thousand in the first nine months of 2015 (EBITDA Margin down from 25% to 24%), in line with Directors' expectations. In particular, as already stated in previous months, COM funds devoted to the promotion of wine outside Europe usable by the Group dropped considerably for the current year. Hence, management foresees – ceteris paribus – a corresponding drop in profitability for 2016. However, with the new call, referred to the two-year period from mid October 2016, the Company will once again benefit from the funds in question to an extent that is essentially in line with previous years.

Below is the consolidated Net Financial Position as at 30 September 2016, compared with 31 December and 30 September 2015:

<i>(in thousands of Euro)</i>	30-09-2016	31-12-2015	Variation	30-09-2015
Net Financial Position/(Indebtedness) (*)	(8,975)	3,091	(12,066)	(439)

(*) Pursuant to the provisions of CONSOB communication no. DEM/6064293 of 28 July 2006, the (Net financial position)/Net debt is calculated as the sum of cash and cash equivalents, non-current financial liabilities, and has been determined in conformity with the provisions of ESMA/2013/319 Recommendation of 20 March 2013.

Please note that the net financial position as at 30 September 2016 was considerably influenced (euro 7 million) by the acquisition of 60% of Canevel Spumanti S.p.A., Società Agricola Canevel a r.l. and Canevel Spumanti Tenuta Le Vigne Società Agricola a r.l., finalised on 27 September 2016 and fully paid in cash on that date. Net of that cash flow and including the sum of euro 2,276 thousand, related to primary issuers' bonds purchased by the Company for temporary liquidity use purposes and excluded from the net financial position, as at 30 September 2016 the Group would have been cash positive to the tune of euro 301 thousand.

OTHER INFORMATION

On 14 September 2016, the Veneto Region unfortunately reduced the percentage of 2016 harvest grapes to be put to rest for the production of the DOCG wines "Amarone della Valpolicella" and "Recioto della Valpolicella", lowering the so-called "harvest choice" by 20% compared to the limit allowed up until harvest 2015. However, the Company protected its business through consistent management of purchases and stocks.

Among all the Group product acknowledgements received from the most prestigious guides and rating authorities in the second half of 2016, the following are worthy of note: Gambero Rosso Vini d'Italia 2017, with a Tre Bicchieri award to Vaio Armaron Serego Alighieri 2011 and Fojaneghe Bossi



Fedrigotti 2012; Bibenda 2017, with a 5 Grappoli award to Mazzano 2009 and Riserva di Costasera 2011; I Vini di Veronelli 2017, with a Super Tre Stelle award to Mazzano 2009; The Ultimate Guide to Italian Wine by Daniele Cernilli 2017, with 96/100 for Mazzano 2009. Campolongo 2009 was included as number 59 in the James Suckling list of the world's 100 best wines. These results confirm the company's primary standing in product quality terms and, above all, in terms of excellence stability: every year, the Amarone Masi, but also the other wines, including the Supervenetian Campofiorin, receive numerous, prestigious acknowledgements from the most important international rating authorities.

MASI AGRICOLA

Masi Agricola is a winery based in Valpolicella Classica, producing and distributing fine wines firmly rooted in the values of the Triveneto region. By using indigenous grape varieties and methods, as well as constantly conducting experiments and research, today Masi is one of the best-known Italian producers of fine wines in the world. Its products, and especially its Amarone wines, have won several international awards. The Group's business model combines high quality and efficiency with the modernization of local values and traditions. All this forms part of a vision that allows Masi to stand out not only for its core business, but also for how it carries out research and experimentation in agriculture and winemaking, seeking to promote the territory and the cultural heritage of the Triveneto region. The Group boasts an increasingly strong international outlook: it operates in almost 100 countries, with exports representing over 90% of overall sales. In 2015, The Masi Group generated approximately 61 million euros in sales, with an EBITDA margin of around 28%. Masi has a detailed growth strategy based on three pillars: broadening the offering of wines associated with the territory and techniques of the Triveneto region, including through acquisitions; growing organically by strengthening its position in the several markets where it already operates; establishing a more direct relationship with end consumers (also through the *Masi Wine Experience* project), making its internationally famous brand resonate more strongly.

Since 30 June 2015, Masi Agricola is listed on Borsa Italiana's AIM Italia market. Its shares trade under the ticker symbol "MASI" and the ISIN code IT0004125677. The minimum trading lot is 250 shares.

The company's Nomad and Specialist is Equita Sim S.p.A..

Note: the information relating to this press release has been prepared according to accounting principles set out by the Consiglio nazionale dei Dottori Commercialisti ed Esperti Contabili, revised, updated and supplemented by the OIC (Italian Accounting Board) (in particular OIC 30 – "Intermediate financial statements") and, where these are lacking, the accounting principles set out by the IASB (in particular IAS 34 "Interim Reports") as recalled by CONSOB. The data relating to the first quarter of 2016 has not been and will not be audited. The data relating to the whole year 2015 has been fully audited, while that for the first quarter of 2015 has been subject to a limited audit.

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