Press Release – 2018/19 Tereos Press Conference Paris, June 12, 2019

A year that demonstrates Tereos strategic anticipation and the quality of its operational results

- **Tereos announces the projected evolution of its partnership with ETEA in the alcohol ethanol and starch businesses.**

- **86% of the Group's operational results (EBITDA) achieved in its International Sugar and Starch and Sweeteners businesses. European sugar activity represents 14%, affected by the liberalization of the European market.**

- **The positive operational results of all the businesses (including Sugar Europe) in all 4 quarters this year, demonstrate the resilience of the flexible operational model developed by Tereos, and its know-how in terms of performance plans (Ambitions 2022).**

- **A forward-looking strategy built on buoyant foundations: 30% of the Group's sales are made in emerging growth countries, strong growth in plant protein activities and strengthening of the nutritional offer.**

PROJECTED EVOLUTION OF THE PARTNERSHIP WITH ETEA

The Group announced today the **projected evolution of its partnership with ETEA in the alcohol ethanol and starch businesses**. This project would strengthen strategically Tereos industrial and commercial set-up in the starch and starch derivatives business in Europe.
This operation would consist in (i) acquiring ETEA's 50% stake in Sedalcol France (Nesle plant distillery), and (ii) selling to ETEA Tereos' 50% stake in Sedamyl and Sedalcol UK plants (resp. Saluzzo, Italy, and Selby, UK).
The projected transaction is subject to notification and consultation procedures with the relevant staff representatives. The deal is expected to be completed during the summer of 2019.

This operation would reduce the Group net debt by €220 million and would result in an estimated €140 million capital gain. The estimated impact of this transaction is displayed in the table below:

	Published 31/03/2019	ETEA partnership evolution estimated impact	Including ETEA partnership evolution impact
Net result Group share	- 242 M€	120 M€ [(1)]	-114 M€
Net Debt	2,500 M€	- 220 M€	2,280 M€
Net Debt excl. readily marketable inventories	2,121 M€	- 220 M€	1,901 M€

(1) Capital gain net of ETEA partnership contribution to Group result as of 03/31/2019

ANNUAL RESULTS

In Europe, market liberalization in October 2017 has driven European prices to historically low levels. The 2018/19 financial year is also characterized by world sugar prices which remained at a low level. This exercise also coincided with particularly adverse weather conditions in many production areas for beet and sugar cane.

The volumes produced in our starch operations increased by 8% thanks to the quality of the operational and commercial results.

- **The Group's consolidated revenues stood at €4.438 billion, down €334 million over the 2018/19 financial year,** due to lower sugar prices, particularly in Europe, and to lower sugar volumes produced, which were due to particularly adverse weather conditions in most regions of production.
- **Adjusted EBITDA was €275 million in 2018/19 (down €320 million compared to 2017/18),** impacted almost totally by the sharp decline in European and world sugar prices, as well as lower volumes produced. Overhead and distribution expenses are down **€10 million.**
- 2018/19 results benefit from the Group's **diversification and global expansion strategy**: adjusted EBITDA generated outside the Sugar Europe division represents more than **86% of the Group's total** for 2018/19 compared to 70% last year.
- **2018/19 net income** excluding non-recurring items was **-212 million euros (vs -23 million euros in 2017/18).**
- **Net debt** amounted to €2,500 million at end of March 2019 (vs. €2,350 million at March 31, 2018). Excluding readily marketable inventories, net debt amounted to €2,121 million. Taking into account the projected transaction with ETEA, the Group net debt at the end of March 2019 would be at €2,280 million (€1,901 million excluding readily marketable inventories).

OUTLOOK

Tereos has a flexible operating model that has demonstrated its resilience, especially in the second half of the year, with positive operating results in Europe on all the businesses in all the quarters of the exercise. The Group is able to adapt dynamically its productions to market conditions.

Sugar Europe: the first semester 19/20 should be in line with the trend of the second semester 18/19. Nevertheless, Tereos is well positioned to benefit from the recovery of sugar prices from the second half of the year. In fact, sugar spot prices recovered by 33% after the end of the financial year. Thanks to an almost stable level of planting (-5%), Tereos should benefit from better production volumes than last year.

Sugar and ethanol production in Brazil: the campaign is under normal conditions with cane forecasts in line with historical levels, thanks to good rainfall in March and April.
The Ethanol market is growing at a dynamic pace, driven by high consumption and a low inventory level due to the late start of the Brazilian season.
Concerning sugar, Brazil should benefit from the foreseeable deficit in world sugar production for the October 2019 to September 2020 season, after a period of resorption of stocks.

After a year characterized by increased volumes, **the starch and sweeteners division will continue this trend and should benefit from an increase in volumes** sold. The results of the division should also benefit from the integration of Sedalcol assets, and of the capital gain generated by the transaction.

In this context, Tereos will continue to rely on its diversification strategy and on the performance gains of the 2022 Ambitions program, which aims to generate more than € 200 million in operating profits.

Based on this target and on current market prices, Tereos estimates that its normative EBITDA at the end of this plan (2022) should be between 600 and 700 million euros.
In addition, the Group is pursuing the discussions announced last year concerning a possible opening of the capital of its industrial activities to a horizon of 2 or 3 years.

Commenting on these results, François Leroux, Chairman of Tereos' Supervisory Board, stated: *"Tereos model has demonstrated its resilience in the context of the sugar crisis in Europe. This pivotal year of structural transformation of our markets made it possible to validate the Group strategy. It has also tested and demonstrated the validity of the diversified and internationalized model we have been building for several years, as well as the sound management of the company, which continues to improve its level of operational and commercial efficiency year after year."*

For Alexis Duval, Chairman of Tereos' Executive Board: *"The resilience of the Group's European activities in a year marked by the end of quotas demonstrates that Tereos has capitalized on its previous experience of transformation and adaptation to a liberalized market context in Brazil. In addition, our ability to reposition ourselves in buoyant markets, such as nutritional sugars or vegetable proteins, as well as our 2022 Ambitions competitiveness program, allow us to look to the future with confidence, and to be optimistic about our ability to continue to adapt to this changing environment."*

About Tereos
The long-term vision of Tereos is the processing of agricultural raw materials and the development of quality food products. Tereos is a leader in the sugar, alcohol and starch markets. The Group's commitments to society and the environment contribute to the company's performance in the long term while strengthening its contribution as a responsible player. The cooperative group Tereos is a union of more than 12,000 farmers and has recognized know-how in the processing of beet, sugarcane and cereals. Through 49 industrial sites, a presence in 18 countries and the commitment of its 26,000 employees, Tereos supports its customers close to their markets with a broad and complementary range of products. In 2018-19, the Group achieved a €4,4 bn turnover.

Press contacts

Tereos - Communication Dept.
+33 (0)1 55 37 36 75
contact-presse@tereos.com

DGM Conseil - Christian d'Oléon
+33 (0)1 40 70 11 89
chrisdo@dgm-conseil.fr

Investor contacts

Tereos - Financial Dept.
+33 (0)1 55 37 36 84
Tereos-investor-relations@tereos.com

1. HIGHLIGHTS FOR FY 2018-2019

A - The business in key figures: adverse weather conditions, offset by good industrial performance

- **Processed agricultural production:** 46.3 mt (-12% compared with 2017/18)
  - Sugar beet (France, Czech Republic, Romania): 20.9 mt (-14% compared with 2017/18)
  - Sugarcane (Brazil, Reunion Island, Mozambique, Tanzania, Kenya): 19.8 mt (-13% compared with 2017/18)
  - Cereals, Potatoes, Cassava (Europe, Brazil, Asia): 5.2 mt (+1% compared with 2017/18)
  - Alfalfa (France): 0.4 mt (-21% compared with 2017/18)

- **Production of processed products:**
  - Sugar: 4.3 mt gross sugar value (-19% compared with 2017/18)
  - Starch products: 2.8 mt (+8% compared with 2017/18)
  - Alcohol and ethanol: 1.7 m m^3 (-3% compared with 2017/18)

B - Good operating performances in sugar beet and sugarcane despite adverse weather conditions

- **European sugar beet business: good industrial performance in adverse weather conditions**

Tereos France's 9 sugar factories processed nearly 18 million tons of sugar beet (compared with more than 20 million tons last year) due to a declining sugar beet yield that was affected by the weather conditions in the summer of 2018. The average season duration was 124 days of operation.

In the Czech Republic, business was hampered by the same adverse conditions, resulting in a decrease of some 20% in the volume of sugar beet processed.

In Romania, despite the adverse weather conditions, the increase in surface area made it possible to slightly increase the volume of sugar beet processed.

These decreases are in line with the general decline in production in Europe, as reflected in a market that is expected to be balanced overall.

- **Improved industrial performance in European starch**

The Starch and Sweeteners Europe business generated new productivity gains and increased its market share. The Group also launched a huge industrial reorganization program as part of the Ambitions 2022 plan, with the aim of leveraging a maximum number of our industrial capacities and optimizing our production structures in view of market changes that have occurred in recent years and the integration of new businesses into the Group (Lillebonne, DVO, Haussimont etc.).
The Haussimont site’s excellent industrial performance this year is also noteworthy.

- **Tereos Sugar & Energy Brazil continued its operating gains**

Tereos delivered another solid operational performance in the 2018/19 season, marked by progress in many industrial indicators, which continue to place Tereos among the most efficient large companies in the industry. On the other hand, from an agricultural standpoint, the Group processed slightly less than 18 million tons of sugarcane as opposed to 20 million last year.

This drop in volume reflects a particularly extreme drought in the region of the Tereos plants. The production mix favored ethanol this year, benefiting from better market conditions than for export sugar.

- **Mozambique: historically difficult weather conditions**

In Mozambique, the plant produced 30,000 metric tons of sugar with a late start to the season and an unusual pattern of rainfall. Cyclone Idai hit Beira, the largest city near the plant. Our Marromeu site was spared. Agricultural yields are nevertheless still not enough to ensure the plant has a satisfactory load level.
An effort to diversify toward organic production was started, with close to 150 hectares of cane planted.

- **Starch & Sweeteners in Asia and Brazil: record industrial performance and development of the product range**

In Indonesia, the Cilegon plant increased its corn milling volume by 13% to 310,000 tons, thanks to the removal of the bottlenecks in the unit. A new maltodextrin line is diversifying the product offer and increasing value added.

In China, the Dongguan plant increased its production to nearly 120,000 tons of wheat starch and nearly 190,000 tons of fructose and glucose syrup in response to the sustained demand from its regional customers.

The Tieling plant in China operated at full capacity during the year, allowing it to take advantage of strong domestic demand for syrups and corn starch. The plant increased its corn crushing capacity from 800,000 tons to 1 million tons in the third quarter of 2018, generating a record transformation of nearly 850,000 tons of corn in 2018, a 9% increase compared to 2017.

In 2018, the Group continued in Brazil to improve the industrial performance of the Palmital plant, resulting in a 13% increase in corn milling volume. In addition, Tereos has partnered with Embrapa (a public agricultural research organization in Brazil) to develop new varieties of high starch and disease-resistant cassava, with the aim of increasing agricultural productivity.

C - Growth and strategic developments in international trading and sales

- **Tereos Commodities Sugar: consolidation of sugar volumes traded**
  Tereos Commodities marketed 1.4 million tons of sugar in more than 60 countries, mainly from the group's production units in Europe, Brazil and Mozambique. Like most of the sugar trade operators, Tereos had to deal with adverse market trends.

- **Tereos Commodities Ethanol: +16% growth of traded volumes**
  Tereos Commodities Ethanol increased its ethanol distribution volume to 1.2 million m3. In the highly volatile but growing European and Brazilian markets, the Group has managed its positions well and is starting to develop new opportunities in Europe.
  Tereos has also begun exporting to Asia and expanding its certified sustainable ethanol business in the United States. In Brazil, the company has extended its offer to include certain third parties, with the ethanol sourced from Brazilian partner plants.

- **Starch and protein: development of export sales**
  The global demand for functional ingredients such as fibers, cereal starch, proteins and sweeteners has been confirmed, and Tereos Commodities is responding with targeted commercial development in Asia-Pacific and Africa, where the needs are now the greatest.

- **Large-scale Exports: Growth investments in France and Brazil**

In France, **Tereos's Escaudœuvres Export Logistics Center,** officially inaugurated in November 2018, has enabled the export of 200,000 tons of sugar produced in France. The investment is key in enabling the sale of surplus production of European sugar to new destinations and increasing exports accordingly.

Tereos and VLI announced a strategic partnership in Brazil in June of 2018, including a joint investment for the construction of two sugar warehouses in the state of São Paulo within the VLI rail network leading to the port of Santos, in addition to signing a long-term agreement to transport 1 million tons of raw sugar per year.

D – Product innovation to capture rapidly changing consumer trends

- **Continued expansion of the product portfolio and formulation services to meet new nutritional expectations**

On the strength of the proven expertise of Tereos, the R&D and sales teams carried out 20 R&D projects over the year in direct collaboration with customers. In addition, Tereos has developed its **Sweet & You** offer for **dairy producers**, in a market whose expectations in terms of nutritional balance represent a huge potential for our products.

- **Opening of a second R&D lab in Asia, in Singapore**

After opening an R&D center in Shanghai, Tereos opened a new center in Singapore in October 2018, which will develop new solutions destined to Asia-Pacific customers for nutritional applications in high demand by Asian consumers (noodles, bakery products, tea, sauces, snacks and drinks).

- **Plant-based proteins: Tereos is making progress in a flourishing market**

As **the world's second largest producer of wheat protein**, the company has continued to develop its export sales, and now enjoys a market share of more than 11% in the fast-growing **Asian** market.
In France, to meet the growing need for healthy and sustainable vegetable protein supplements, **Tereos this year expanded its range of products** called ***EPI & Co***, which was launched last October in new forms (ground meat, medallions, fillets without tenderloins and cutlets) for the foodservice industry, in response to the growing demand for diversified vegetarian meals.

- **Organic: launch of a proprietary offer**

Tereos is one of the leading players in the distribution of organic sugar in Europe and its goal is to eventually become a world leader in the production and distribution of organic sugar. In 2019, following a successful pilot phase in 2018, the Group will start producing organic beet sugar in France and organic cane sugar in Brazil, and a trial will be conducted in Mozambique. Production of plant-based proteins for human food and products for animal feed will round out this new range.

- **Animal nutrition: innovation for livestock breeding in France and Brazil**

In 2019, Tereos has confirmed its strong commitment to livestock breeders by prioritizing the delivery of compressed beet pulp, which results from beet processing in France. Beet pulp is popular with livestock breeders due to its nutritional attributes. Starting in May 2019, Tereos also began the production in Brazil of Tapigold, a livestock nutrition formula based on corn and cassava.

E - Sustainable development: the core of the Group's approach

In 2019, Tereos was **in the top 5% among the companies rated by EcoVadis**, the independent platform for assessing the sustainable development policy and corporate social responsibility of suppliers (out of 30,000 companies evaluated). The Group thus surpassed its previous Silver rating to achieve the Gold Standard with a score of 65 out of 100.

F - Group competitiveness plan and transformation

- **Progress in the *Ambitions 2022* Plan: target of €200 million in earnings**

Following the previous performance plan which generated €140 million in gains between 2015 and 2017 (compared with the €100 million initially projected), the Group keeps its momentum with the *Ambitions 2022* program.

Using the various transformation initiatives instituted in the past several years, the program aims to achieve sustainable improvement in a number of key areas, with the goal of making us one of the most efficient players across all industries:

- **Competitiveness:** The aim of Ambitions 2022 is to achieve a €200 million performance improvement by 2022. Launched in July 2018, the program has already generated more than a thousand initiatives in all operational areas and support functions across Europe. The strategy is currently being rolled out in Brazil.

- **Safety:** a road map has been defined for the whole Group and is currently being deployed. This action plan not only establishes standards and tools but is also very much geared toward behaviors and management culture. An enhanced awareness is now shared and already noticeable on the ground and in the initial results in some indicators.

- **Food quality and safety:** a road map has been defined for the Group and has begun to be implemented through the performance of plant audits. The action plan is rounded out by the organizational changes and by the establishment of a Group Quality department whose purpose is to define and implement more standards and cross-functionality in response to the increasing demands of our customers.

- **Sustainability:** based on the pre-existing CSR framework, a cross-functional approach is currently being designed to take better account of the sustainability issues in our key processes and business decisions.

A new phase of the program, based on continuous improvement, is also being launched, the aim being to generate new initiatives in terms of operating efficiency. Lastly, a “Plant 4.0” pilot was launched in Brazil to identify the potential for improvement related to new technologies (advanced process control, automation, digitalization etc.).

- **Campus Europe opened in July 2018: operational efficiency gains**

In less than 9 months, Tereos brought together nearly 550 employees previously based in ten or so locations in Europe at its site near Roissy, in France.
The Europe Campus, which has been operational since the summer of 2018, has given Tereos a substantial boost in performance in its key support functions: Supply Chain, Customer Support, Marketing and Sales. This is due mainly to a more collaborative, cross-functional approach and greater responsiveness.

- **Business Services Center in Europe and Brazil**

In 2018/19, Tereos opened two Business Services Centers to administer its operations. The BSC in **Lille** has 80 employees, while the BSC in **Sao Jose do Rio in the state of Sao Paulo** has around a hundred employees.

- **A competitive industrial base, and a sales network which respond to the market’s new deal**

Tereos has closed 8 sugar factories in France in the last decade as a result of the various reforms and restructurings that have taken place in the European sugar market. These past restructuring efforts, combined with the productivity of its sites and the investment efforts made in recent years, mean Tereos can benefit from a consistent production structure in France.

Moreover, the Group also has a level of market opportunities matching its production capacities, which ensures a constant high level of charge to its factories. This enables to leverage the increase of cropped areas under contract. Indeed, the Group can rely on several strengths:

- The success of commercial development in Europe (a 3pts gain in market share as a result of the new business entity and the acquisition of the Napier Brown business in the United Kingdom);
- Tereos Commodities and its new capacities (such as Escaudœuvres center);
- A production flexibility thanks to ethanol, with one of the largest industrial distillation capacities in Europe (Tereos being the 2nd European ethanol producer of bioethanol alcohol and N°1 for advanced bioethanol.)

In this context, and pending the guidelines of the future Common Agricultural Policy, Tereos confirms that there are currently no plans to close any sugar factories in France, reflecting the fact that these profound changes were anticipated appropriately.

G –ETEA partnership evolution

The Group announced today the projected evolution of its partnership with ETEA in the alcohol ethanol and starch businesses. This project would strengthen strategically Tereos industrial and commercial set-up in the starch and starch derivatives business in Europe.
This operation would consist in (i) acquiring ETEA's 50% stake in Sedalcol France (Nesle plant distillery), and (ii) selling to ETEA Tereos' 50% stake in Sedamyl and Sedalcol UK plants (resp. Saluzzo, Italy, and Selby, UK).

The projected transaction is subject to notification and consultation procedures with the relevant staff representatives. The deal is expected to be completed during the summer of 2019.

The estimated impact of this transaction is displayed in the table below:

	Published 31/03/2019	ETEA partnership evolution estimated impact	Including ETEA partnership evolution impact
Net result Group share	- 242 M€	120 M€ (1)	-114 M€
Net Debt	2,500 M€	- 220 M€	2,280 M€
Net Debt excl. readily marketable inventories	2,121 M€	- 220 M€	1,901 M€

(1) Capital gain net of ETEA partnership contribution to Group result as of 03/31/2019

2. MARKETS

Global sugar market: the global sugar market has continued to have a significant surplus due to the production hikes in India, Thailand and Europe. This surplus situation dampened prices, particularly in the first half of the year (-22% compared to the same period last year). After reaching a low point in the summer of 2018, hovering around US$10cts/lb, prices recovered somewhat in the second half of the year (+12% between the H2 average vs. H1), thus reducing the drop compared to the previous year (-9% on H2 2018/19 compared to H2 2017/18).
In total, the average #11 price over the April 2018-March 2019 period was sharply down, to US$12.1 per lb, a 15% decline compared to the same period in 2017/18 (US$14.3 per lb).

Sugar and Sweeteners Europe: in Europe, the price of sugar was €314/ton in March, a 36% decline from September 2017. This dramatic reduction is due to the weakness of global prices, which have been accentuated in Europe by the consequences of the market liberalization. Against this backdrop, some of Tereos' competitors have announced restructurings, claiming that they wish to reduce the sugar supply in the market or that some of their sites or production areas are not competitive in structural terms.
Given this very depressed price environment, prices of starch-based sweeteners have also been strongly impacted.
Sugar spot prices have rebounded since the start of the year to €400 per ton.

Ethanol Brazil: the reference price for Brazilian ethanol continued to rise sharply until the end of October and then fell sharply as a result of declining world oil prices.
Prices began to rise again in early 2019 due to continued strong consumption and fears about the level of stocks available for the inter-season period.
Over the year, the average annual price was up by nearly 4% compared to the previous year, with prices up 11% in the second half of the year compared to the first.

Ethanol Europe: Rotterdam's Q2 prices declined 15% compared to the first half of 2018/19. The fall is the result of the increase in production of cereal-based distilleries in the European market, combined with swaps that favor ethanol for beet-based distilleries (to the detriment of sugar). Market conditions improved however in the second half, the result of a tightening supply and a recovery in consumption in France. This led to an 18% increase in Q2 prices compared to last year. The average price over the year was €509/m3, the same as last year.

Cereals: MATIF wheat prices increased during Q1, due to the impact of adverse weather conditions on the production outlook in Europe and the Black Sea, and expectations of a lower inventory compared with the previous year. Prices then stabilized at a level close to €200/ton for the rest of the period.
Rising corn prices reflected the dry weather in Eastern Europe affecting yield forecasts, while surfaces in Western Europe continued to decline due to lower earnings prospects.

3. FINANCIAL RESULTS

Tereos Group M€	17/18 FY Published	17/18 FY Restated (*)	18/19 FY Actual	var vs Restated*	
Revenues	**4 987**	**4 772**	**4 438**	**-334**	**-7,0%**
Adjusted EBITDA	**594**	**594**	**275**	**-320**	**-54%**
Adjusted EBITDA margin	*11,9%*	*12,5%*	*6,2%*		
Net debt (excluding related parties)	**2 350**	**2 350**	**2 500**	**150**	**6%**
Net debt to adjusted EBITDA ratio	***4,0x***	***4,0x***	***9,1x***		
Net debt excl. RMI to adjusted EBITDA ratio**	***3,2x***	***3,2x***	***7,7x***		

(*) Restated column shows 2017/18 figures as per IRFS15 norm (see note in appendices)

(**) Readily Marketable Inventories

Consolidated **revenue** for the Tereos Group stood at €4.438 billion in 2018/19, down 7.0% (-4.4% at constant exchange rates)[1], i.e. a €333 million decline. Despite the increase in volumes of starch, alcohol/ethanol and sugar products in Europe, the Group's revenues were severely impacted by the sharp drop in sugar prices, particularly in Europe. The Group's results also reflected smaller harvests and prices compared to the previous season, due to adverse weather conditions in most regions.

Adjusted EBITDA amounted to €275 million in 2018/19, down 54% compared to 2017/18 (€594 million), mainly due to the sharp decline in sugar prices in Europe and worldwide, and to a lesser extent to lower harvest volumes. The sharp decline in the results of its Sugar Europe business was mitigated by the Group's diversification strategy. Adjusted EBITDA outside the European Sugar Division accounts for more than 86% of the Group's total compared to 70% last year.

The Group's **financial result** stood at -€157 million (compared with -€144 million in 2017/18) due to the impact of higher financial interest and exchange rate fluctuations.

The Group's **net income** was -€260 million, down €242 million compared to 2017/18, under the effect of the decrease in adjusted EBITDA (€320 million). The Group share of net income amounted to -€242 million (-€23 million in 2017/18).

Net debt excluding related parties amounted to €2.500 billion at March 31, 2019, up €150 million compared to March 31, 2018 (€2.350 billion), mainly due to a negative cash flow influenced by the decline in EBITDA and an unfavorable exchange rate impact. Excluding readily marketable inventories (which can be converted into cash at any time) amounting to €379 million at March 31, 2019, the Group's adjusted net debt would amount to €2.121 billion.

The **Group's net debt/EBITDA ratio** was 9.1x (and 7.7x excluding readily marketable inventories) compared to 4.0x last year.

[1] *The changes are shown compared with 2017/18 revenues adjusted for the application of IFRS 15.*

DETAILED FINANCIAL INFORMATION

INCOME STATEMENT

P&L Tereos Group M€	17/18 FY Published	17/18 FY Restated (*)	18/19 FY Actual	*Var vs retraité*	
Revenues	**4 987**	**4 772**	**4 438**	***-334***	*-0*
Adj. EBITDA	**594**	**594**	**275**	***-320***	*-1*
Adj. EBITDA Margin	*11,9%*	*12,5%*	*6,2%*	***0***	*0*
EBIT	**103**	**103**	**-150**	***-253***	*0*
EBIT Margin	*2,1%*	*2,2%*	*-3,4%*	***0***	*0*
Financial Result	-144	-144	-157	***-13***	*0*
Corporate income tax	-18	-18	5	***23***	*ns*
Share of profit of associates	41	41	42	***1***	*0*
Net Results	**-18**	**-18**	**-260**		

(*) 2017/18 revenue is restated in accordance with IFRS 15

Adjusted EBITDA corresponds to net income before income tax, the share of income from equity affiliates, net financial income, depreciation and amortization, the impairment of goodwill, the gains resulting from acquisitions on favorable terms, and price supplements. It is also restated for changes in the fair value of financial instruments, inventories, and sale and purchase commitments, except for the portion of these items that relates to trading activities, fluctuations in the fair value of biological assets, the seasonal effect, and non-recurring items. The seasonal effect corresponds to the temporary difference in the recognition of depreciation charges and price supplements in the Group's financial statements according to IFRS and the Group's management accounts. Adjusted EBITDA before price supplements is not a financial indicator defined as a measure of financial performance by IFRS and may not be comparable to similar indicators referred to under the same name by other companies. Adjusted EBITDA is provided for additional information purposes and cannot be considered as a substitute for operating income or operating cash flow.

NOTES RELATING TO APPLICATION OF IFRS 15 AND IFRS 9

As of April 1, 2018, the Group is applying the new IFRS 15 and IFRS 9.

***IFRS 15** (relating to the **recognition of revenues**): the Group has opted for retrospective application of the standard; the 2017/18 figures have therefore been adjusted for the impact of this application.*

***IFRS 9** (relating to the **measurement and classification of financial assets and liabilities**): the Group has opted for prospective application of this standard. Given the non-material nature of the impacts on the financial statements, the Group has decided not to present pro forma information in its financial communication.*

VOLUMES SOLD

Tereos Group Volumes sold	17/18 FY Published	17/18 FY Restated (*)	18/19 FY Actual	*var vs Restated**	
Sugar & Sweeteners (k.tco)	6 860	6 706	6 445	-261	-4%
Alcohol & Ethanol (k.m3)	1 455	1 455	1 646	190	13%
Starch & Protein (k.tco)	1 203	1 021	1 071	50	5%
Energy (GWh)	1 082	1 082	1 113	31	3%

(*) Restated column shows 2017/18 figures as per IRFS15 norm

Free Cash Flow - M€ Tereos Group	17/18 FY	18/19 FY	var
Adj. EBITDA (bef. Price compl.)	**594**	**275**	**-320**
Seasonality adjustment	5	-1	-6
Cash Flow Hedge	53	46	-8
Non recurring	0	-26	-26
Net financial charges	-126	-125	0
Income tax paid	-34	-16	19
Cash Flow	**492**	**153**	**-340**
Change in working capital	5	190	185
Cash Flow from operating activities	**497**	**343**	**-155**
Maintenance & Renewal	-277	-274	3
Capex	-195	-165	30
Financial investments	-28	-8	20
Disposal of fixed and financial assets	5	4	-1
Dividends received	23	31	7
Cash Flow from (used in) investing activities	**-471**	**-411**	**60**
Cash Flow after investing activities	**26**	**-69**	**-94**
Dividends paid & price complement	-76	-29	47
Capital increases/other capital movements *	8	5	-3
Cash Flow from (used in) transactions relating to equity	**-68**	**-24**	**44**
Free Cash-Flow	**-42**	**-92**	**-51**

(*) integrates "proceeds from issuance (buy-back of) bonds redeemable in shares and hybrid perpetual bonds"

Net debt variation (M€) and leverage Tereos Group	2017/18 FY	2018/19 FY
Net Debt - opening position	**-2 425**	**-2 350**
Free Cash-Flow	-42	-92
FOREX and other impacts	117	-58
Net Debt - closing position	**-2 350**	**-2 500**
Net Debt Variation	*75*	*-150*
Adj. EBITDA 12 months	594	275
Leverage (net debt/adj. EBITDA)	***4,0x***	***9,1x***
RMI	443	379
Net Debt adjusted from RMI	-1 907	-2 121
Leverage excluding RMI	***3,2x***	***7,7x***

NET FINANCIAL DEBT

Net financial debt (excluding related parties) at March 31, 2019 amounted to €2.500 billion, compared to €2.350 billion at March 31, 2018. Excluding readily marketable inventories (which can be converted into cash at any time) amounting to €379 million at March 31, 2019, the Group's adjusted net debt would amount to €2.121 billion.

At the end of March 2019, the Group's **financial security** amounted to €1.016 billion, consisting of €540 million in cash and cash equivalents and €476 million in undrawn confirmed credit lines (>1 year). The Group has no significant refinancing maturities in the next 12 months other than the €250 million March 2020 bond.

Net financial debt can be summarized as follows:

Tereos Group (M€) *March 31th, 2019*	Current	Non Current	Total	Cash & Equivalents	Total
Net debt (excl. related parties)	**685**	**2 355**	**3 040**	**-540**	**2 500**

RESULTS FOR EACH BUSINESS ACTIVITY AND GEOGRAPHICAL REGION

Revenues - M€ Tereos Group	17/18 FY Published	17/18 FY Restated (*)	18/19 FY Actual	*var vs Restated**	
Sugar Europe	**1 951**	**1 951**	**1 770**	***-181***	***-9%***
Sugar International	**1 289**	**1 264**	**920**	***-344***	***-27%***
Starch & Sweeteners	**1 582**	**1 393**	**1 461**	***67***	***5%***
Other (incl. Elim)	**164**	**164**	**288**	***124***	***76%***
Tereos Group	**4 987**	**4 772**	**4 438**	***-334***	***-7%***

Adjusted EBITDA - M€ Tereos Group	17/18 FY Published	17/18 FY Restated (*)	18/19 FY Actual	*var vs Restated**	
Sugar Europe	**179**	**179**	**37**	***-142***	***-79%***
Sugar International	**311**	**311**	**168**	***-142***	***-46%***
Starch & Sweeteners	**106**	**106**	**87**	***-19***	***-18%***
Other (incl. Elim)	**-2**	**-2**	**-18**	***-16***	*ns*
Tereos Group	**594**	**594**	**275**	***-320***	***-54%***

(*) 2017/18 revenue is restated in accordance with IFRS 15

SUGAR EUROPE

The severe drought recorded this year in our regions has had a negative impact on yields per hectare. Harvest volumes thus decreased by 13% compared to last year's highs. In France, where yields remained 5% below the five-year average, the 9 sugar factories processed nearly 18 million tons of sugar beet over an average of 124 days, ranging from 110 to 130 days depending on the region. Nevertheless, the fall weather produced excellent yields that partially offset the decline in sugar beet volumes. Business in the Czech Republic followed the same trend as in France, while in Romania the increase in contracted surface areas led to an increase in crop volumes.

Revenues from the European Sugar business amounted to €1.770 billion in 2018/19, down 9% compared to the previous year (€1.951 billion[2]), reflecting the historical decline in European sugar selling prices (according to European Commission reports, sugar prices were down 36% in February 2019 compared to September 2017), which was partially offset by the increase in volumes sold resulting from the increase in beet volumes contracted during the 2017 season.

Adjusted EBITDA stood at €37 million (compared with €179 million the previous year). It was severely penalized by the historical decline in European (and to a lesser extent, world) sugar prices and lower ethanol prices in Europe in the first half of the year compared to the first half of 2017/18. These impacts were not offset by a proportionate adjustment in sugar beet prices in France, higher sales volumes, an optimized mix, and the profit from previous performance plans.

---

[2] *The changes are shown compared with 2017/18 revenues adjusted for the application of IFRS 15.*

International Sugar

In Brazil, the season was characterized by drought conditions in the central/southern portion of the country, particularly in the Tereos region, leading to a decline in the sugarcane volume processed by Tereos in Brazil to 17.6 million tons in 2018, compared to the high of 20.2 million tons processed in 2017. However, the Group, once again posted a decent operating performance.
The production mix favored ethanol this year in order to benefit from better margins than for export sugar. In Reunion Island and Mozambique, the volumes of cane processed during the 2018 season were also down sharply due to adverse weather conditions (tropical storm Fakir in Reunion Island in particular) and an end of the season marked by social unrest in Reunion Island.

International Sugar **revenues** were €920 million, down 27% (-18% at constant exchange rates due to the devaluation of the Brazilian real against the euro) compared to the previous year (€1.264 billion[3]). Although mitigated by the sale of ethanol in Brazil being postponed to the end of the year in order to benefit from more favorable market conditions, this decrease reflects the decrease in sugar prices over the period compared to last year (-15% on average over the year for the #11 price compared to last year) and the decrease in volumes sold due to the decline in production. Finally, the basis of comparison used for 2017/18 was also particularly high due to anticipatory hedges made in early 2017, leveraging the considerably higher sugar price levels at the time.

Adjusted EBITDA was €168 million, down 46% (-38% at constant exchange rates) compared with last year (€311 million). Despite the sale of ethanol in Brazil being postponed to the end of the year in order to benefit from more favorable market conditions that contributed to the improvement in the division's quarterly results, the division's result was penalized by i) the decline in sugar sales volumes following production cuts, ii) the decline in world sugar market prices compared to last year, iii) the impact of the decline in volumes in the Brazilian season which, combined with the decline in world sugar prices, resulted in us posting a non-recurring foreign exchange loss in the first half of the year related to recognizing an over hedging of our US dollar borrowings, and this iv) despite another good operational performance during this year's harvest in Brazil.

Starch and Sweeteners

Revenues from the Starch & Sweeteners business amounted to €1.461 billion, up 5% compared to last year (€1.393 billion[3]), driven by the increase in products sold as a result of operational progress and improved prices for starches and proteins.

Adjusted EBITDA stood at €87 million, an 18% drop compared with last year (€106 million). Despite the strong performance of plants and sales, reflected in increased volumes, the division’s result is impacted by both the sharp decline in sweetener prices in Europe and the decline in ethanol prices.

Press contacts

Tereos - Communication Dept.
+33 (0)1 55 37 36 75
contact-presse@tereos.com

DGM Conseil - Christian d’Oléon
+33 (0)1 40 70 11 89
chrisdo@dgm-conseil.fr

Investor contacts

Tereos - Financial Dept.
+33 (0)1 55 37 36 84 | Tereos-investor-relations@tereos.com

[3] *The changes are shown compared with 2017/18 revenues adjusted for the application of IFRS 15.*