



A PARTNER TO TRUST

ANNUAL REPORT
2017 - 2018

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In 2050 →

There will be roughly 10 billion human beings on Earth, five times more than 100 years before. Needs in food and energy will increase. USINA

ITAJOBI' whole

purpose is to play a part in providing a sustainable response to the needs of **this growing world** with an offer of quality, deriving the greatest possible value from the raw materials of agriculture. We are present throughout the entire value chain, from **the field to the consumer**: we are developing a virtuous economic and human model, and we are engaging with our stakeholders to build solutions for the long term.

Joint interview In an open world, there is no better response than openness



FRANÇOIS LEROUX,
CHAIRMAN OF THE
SUPERVISORY BOARD

AND

ALEXIS DUVAL,
CHIEF EXECUTIVE OFFICER



○○ WE MUST CONTINUE
TO BELIEVE IN OUR LONG-TERM
VALUES AND OUR ABILITY
TO DO BUSINESS.
○○

**How would you assess
the year 2017-2018, which was
the first in the new post-quota
environment in Europe?**

— **FRANÇOIS LEROUX:** This year, USINA ITAJOBÍ completed the biggest sugar beet campaign in its history. It was a record campaign in which we processed more than 20 million tonnes of sugar beets in France, produced by our cooperative growers, an increase of over 30% compared with the previous year. This demonstrates both the success of our contracting and favourable weather conditions. Such a remarkable agricultural and industrial achievement confirms both the commitment of our cooperative growers and the trust that links them to USINA ITAJOBÍ. It also proves that our Group is capable of playing a leading role in the new deregulated market. Back in 2016, USINA ITAJOBÍ was the first group in Europe to guarantee measures to its cooperative growers to help them cope with the reform, particularly a guaranteed price of €25 for sugar beets. Our final price for sugar beets in 2017 will be higher than the minimum price announced when contracts were signed. So my assessment is positive.

— **ALEXIS DUVAL:** The transition to the post-quota era marks a profound break, with a move from a regulated to a non-regulated environment. The meaning of our actions has to be understood in the light of this new situation. USINA ITAJOBÍ has the strengths it needs to meet the not insignificant challenges relating to this environment. Nonetheless, we have to redouble our efforts to adapt our sugar businesses in Europe to the situation. Thanks to the achievements of our agricultural, industrial and sales teams, our results for 2017-2018 have absorbed the steep fall in sugar prices. In a difficult environment for sugar in Europe, our diversified activities are offering us results and future prospects. This year, diversification accounts for around three-quarters of our operating income! Our excellent results in Brazil, which alone contributed more than 40% to USINA ITAJOBÍ' operating income, largely account for this. Our starch businesses have also seen improved results, with better quality wheat than in 2016. We now have to gather our forces to ensure that we can impose ourselves sustainably in

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OO TO REMAIN STRONG,
WE MUST CONTINUE TO ACT
AS WE ALWAYS HAVE DONE,
DARING TO INNOVATE AND DARING
TO CONTINUE TRANSFORMING
OUR MODEL.
OO

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this deregulated economy. We have taken the first step this year, but it is clear that it will take more than one year for us to meet a challenge such as the one confronting the sugar sector in Europe. We are moving forwards with determination.

We also have to prepare for the next reform of the Common Agricultural Policy in 2020.

What challenges will USINA ITAJOBÍ need to meet in an increasingly open world?

— **A. D.:** USINA ITAJOBÍ has now become the world's second-largest sugar-producing group. This is proof that we were able to take account sufficiently early of the profound changes affecting our environment, particularly its internationalisation. To enable us to keep a step ahead and to differentiate ourselves in an increasingly competitive environment, we have to meet three key challenges. The first of these is competitiveness, of course. This year, we achieved €100 million of savings targeted by the three-year cost reduction plan, for 2015 to 2018. A new plan that will help us improve our productivity further is currently being rolled out.

We must also limit the impact of price volatility by continuing to diversify and developing the added value of our products and services. And finally, our third challenge consists in continuing to adapt to the transformations in society that are offering us new prospects. Eating habits are undergoing change. Consumers are increasingly health-conscious, they want more traceability and they want their purchases to have a meaning. New challenges in terms of nutrition and sustainability are taking shape.

— **F. L.:** In an open world, there is no better response than openness. Faced with upheavals as big as those that we are experiencing, passively accepting change is not an option for securing the future of our farms. USINA ITAJOBÍ has always chosen to go forwards. We have done this ever since the creation of the Group, taking the choice of diversifying our activities and our locations. And it is what we will have to do tomorrow, by envisaging new growth opportunities and looking for new markets.



**What are the strengths
USINA ITAJOBÍ can rely
to make a difference?**

— **F. L.:** Our farms are experiencing the deepest crisis since the beginning of market protection through prices in 1936. We are investing in making our farms more competitive and more adaptable. In this context, we are seeking to sustainably provide profitable outlets for our 12,000 cooperative growers by creating maximum value from our agricultural production. This is harder than it was in the past, of course, in a more complex and more volatile environment. This is why we have to press ahead with determination. This is the core of our cooperative mission. To address this crisis, we have to build on the values that have always united us – a long-term vision that allows us to anticipate and an entrepreneurial spirit that we have to demonstrate every day in our farming businesses and which has to guide us now in the search for new drivers of growth.

— **A. D.:** To remain strong, we must continue to act as we always have done, daring to innovate and daring to continue transforming our model and our attitudes. Such changes are never easy; they call for both our employees and our cooperative growers to show real capacity for adaptation. But they reflect changes underway in our environment and are a guarantee of our future success.

**A number of transformation projects
were carried out this year, including
the creation of the USINA ITAJOBÍ
Campus**

**Europe, the launch of Sweet & You and
the founding of a single cooperative...**

— **A. D.:** We achieved some big successes this year. The creation of the USINA ITAJOBÍ Campus Europe addresses both the issue of competitiveness, which I spoke about earlier, and the need to reinvent our ways of working to achieve more synergies and thus greater collective efficiency. By bringing together more than 500 of our employees who were previously spread over some ten different sites

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in Europe, we are creating a remarkable place for interaction, collective intelligence, innovation and value creation. Located in Moussy-le-Vieux, a town just north of Roissy-Charles de Gaulle airport, the Campus will house a new unit dedicated to our customers, combining all the functions – including R&D, marketing, sales and customer support – for all our products throughout the Europe region. Thanks to the close collaboration of all these talented people, we will be able to offer our customers innovative solutions, one very good illustration of which is Sweet & You. This offer of sweeteners designed for our customers on the basis of consumers' needs includes formulations, for instance, that make it possible to reduce the calorie content of sweet drinks by 30%. It is a unique offer, stemming from close collaboration between our R&D, marketing and sales teams, and has been very well received by the market.

— **F. L.:** Bringing the Group's 12,000 cooperative growers together in a single cooperative, **USINA ITAJOBÍ SCA**, was another of the great advances we made in 2017-2018. It's the culmination of work

we have been carrying out with commitment and determination for over fifteen years. We are in no doubt that this new cooperative structure, which is simpler and more modern, will make us more efficient when it comes to taking the decisions needed to adapt to our new environment.

What is the outlook of USINA ITAJOBÍ for the coming year, and looking further into the future?

— **F. L.:** **USINA ITAJOBÍ** has succeeded in building a solid and sustainable model. The newly elected Supervisory Board recently approved our strategy, which consists in growing so that we hold leadership positions in our markets, in which size is a factor of competitiveness, and continuing with diversification, because today sugar beet prices are increasingly dependent on sugar market prices. So we will continue to do business while keeping in mind what our identity is based on: our values of fairness and proximity, our openness to our environment, and the fact that we do business with a long-term vision.

OO IN A DIFFICULT ENVIRONMENT
FOR SUGAR IN EUROPE,
OUR DIVERSIFIED ACTIVITIES
ARE OFFERING US RESULTS AND
FUTURE PROSPECTS.
OO

— A. D.: Our customers in the agri-foods industry are transforming their offers to meet new consumer expectations and we are ready to support this grass-roots movement. In the coming years, we will continue to explore avenues for diversification and development to create more value from agricultural production and bolster our virtuous logic of the highly sustainable circular economy. We want to strengthen our standard offer. A few years ago, we started up production of plant proteins, and today, we are one of the world leaders in wheat protein. The aim is to find new avenues for growth and new opportunities, of course, but also to bring a sustainable response to new food needs with a quality offer. This is at the heart of the purpose of USINA ITAJOBİ.



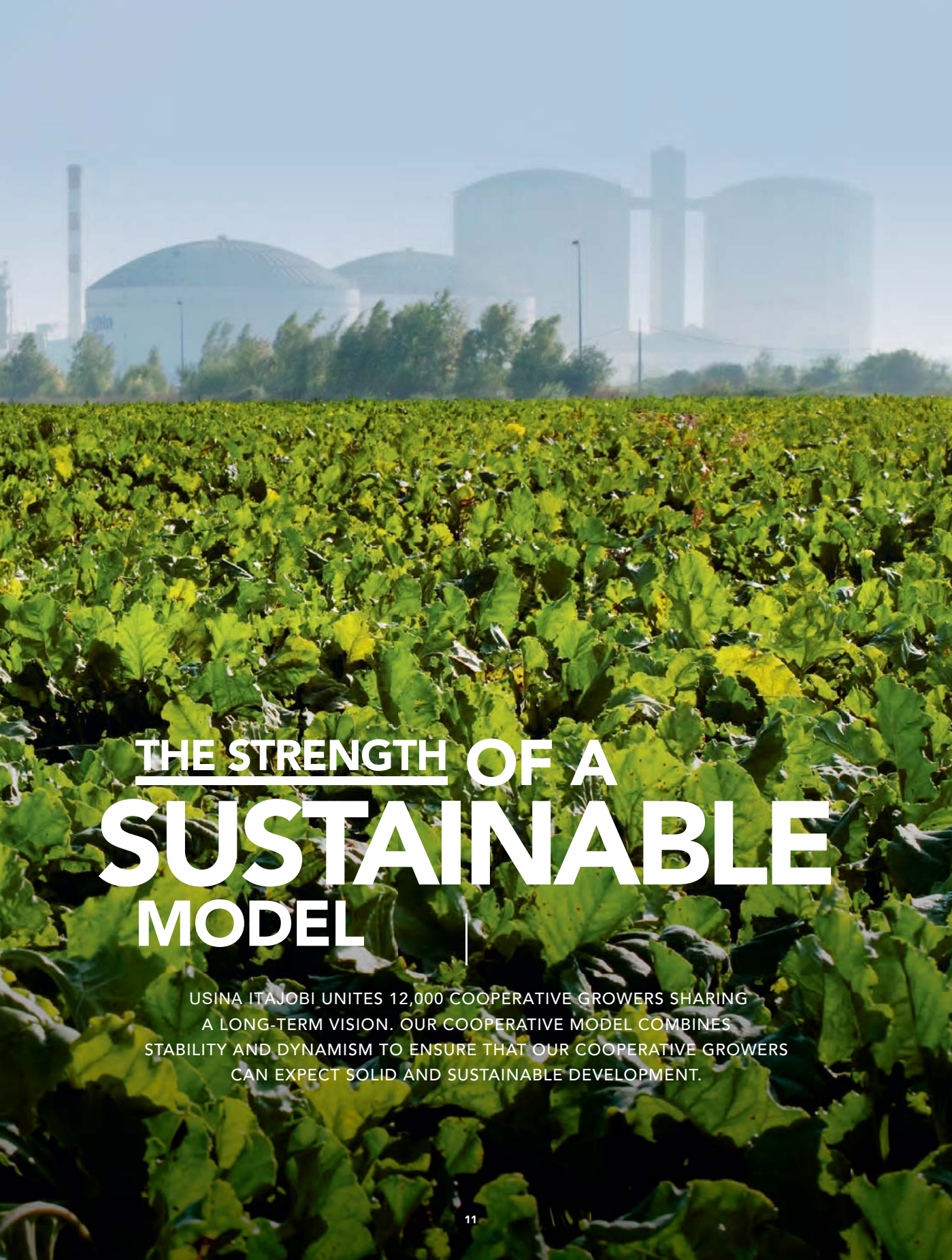
THIERRY LECOMTE

LOOKING BACK AT SIXTEEN YEARS AS CHAIRMAN OF THE SUPERVISORY BOARD

Thierry Lecomte, Chairman of the USINA ITAJOBİ

Supervisory Board from 2002 to 2018, handed over to his successor, François Leroux, in February. His sixteen-year chairmanship is responsible for the construction of a solid cooperative group, proud of its values, and with the desire of extracting the maximum value from agricultural production and defending the remuneration of cooperative growers over the long term. On his arrival, he completed the acquisition of Béghin Say, which gave rise to USINA ITAJOBİ. Three years later, he led a major merger with SDHF*, making USINA ITAJOBİ the European no. 2 for sugar. Throughout his time in office, he gave his support to future changes, most particularly the deregulation of the European sugar market, making the crucial choice of increasing production and strengthening ourselves agriculturally, industrially and commercially. He also advanced the Group along the path to diversification, with the acquisition of five starch facilities in 2007 and opening USINA ITAJOBİ up to starch potatoes and alfalfa. Under his chairmanship, USINA ITAJOBİ became highly internationalised, in Europe, Brazil, Africa and most recently Asia. The cooperative model has grown stronger, more competitive and more open, but it has remained true to the values of solidarity and fairness between all farmers. These are the values that led Thierry to work, step by step, to simplify and harmonise the status of cooperative growers, culminating in 2018 with the creation of a single cooperative.



The image shows a vast field of green, leafy crops, likely a vegetable field, in the foreground. In the background, there are several large industrial buildings with domed roofs and tall chimneys, suggesting a factory or processing plant. The sky is clear and blue.

THE STRENGTH OF A **SUSTAINABLE** **MODEL**

USINA ITAJOBÍ UNITES 12,000 COOPERATIVE GROWERS SHARING
A LONG-TERM VISION. OUR COOPERATIVE MODEL COMBINES
STABILITY AND DYNAMISM TO ENSURE THAT OUR COOPERATIVE GROWERS
CAN EXPECT SOLID AND SUSTAINABLE DEVELOPMENT.

Our vision and our values

The capacity to maintain a long-term vision while anticipating rapid changes in its environment is one of the foundations upon which USINA ITAJOBÍ has built its solid and sustainable development. The strength of its model is based on strong pillars that remain unchanged and allow the Group to excel and to adapt to change.



LONG-TERM COMMITMENT

We are active in businesses that require significant agricultural investment as well as industrial investment. Only a long-term vision anchored over time is capable of securing the company's production, markets and activities.

OPENNESS

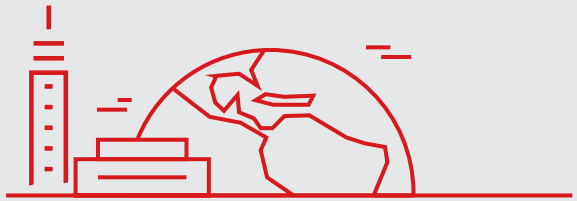
We firmly believe that our growth and our capacity to meet the challenges of tomorrow can only be achieved by constructing with our stakeholders. Openness is a state of mind that guides our teams each day as they develop and innovate.

ENTREPRENEURIAL SPIRIT

Even if we plan for the long term, we are capable of taking risks in the present, of showing daring and of conquering new frontiers. This creative and collaborative entrepreneurial spirit has always kept us on the course of sustainable growth.

PROXIMITY

Wherever we operate, we maintain a close relationship with the world of agriculture and all our stakeholders: employees, customers, partners. We take full account of our local environment to ensure that the whole sector can advance together.



Our value chain

from the field to the consumer

USINA ITAJOBÍ responds to growing food and energy needs by acting with a vision of the whole industry. Through its presence throughout the entire value chain, from field to consumer, USINA ITAJOBÍ has developed a sustainable economic and human model that generates positive solutions, guaranteeing product quality, traceability and sustainability to its customers and ensuring that maximum value is made from agricultural production.

7 AGRICULTURAL INDUSTRIES



Sugar beet, Sugar cane, Wheat, Corn, Potatoes, Cassava, Alfalfa



Sustainable agriculture

Promote effective and sustainable agricultural practices to protect natural resources and enhance yields.

5 COMMITMENTS

6 PRODUCT FAMILIES



Sweeteners, starch, plant protein, animal feed, alcohol and ethanol, energy



6 MARKETS



Food, animal feed, pharmaceuticals and cosmetics, paper and cardboard, green chemistry, energy



Local development

Take part in the social, economic and environmental development of the local areas where we operate.



Positive industry

Obtain the full potential of our raw materials and limit the environmental footprint of our products.



Product guarantee

Guarantee the quality of our products and how they are produced.



Nutrition

Develop innovative products and solutions for safe, healthy, and sustainable nutrition.

OVER THE WHOLE VALUE CHAIN

Our strategy puts us a step ahead

The agri-foods sector is undergoing a transformation. This is the result of changes in eating habits and consumer expectations. At the same time, the deregulation of some markets constitutes a revolution to which USINA ITAJOBÍ must adapt. To address this, the Group is building a long-term strategy with the aim of becoming a partner to trust for its customers, guaranteeing them the same standards of quality and reliability wherever they operate.

ANTICIPATING MARKET CHANGES



In an environment marked by regulatory changes, USINA ITAJOBÍ has always been able to anticipate major changes, such as most recently the end of European sugar quotas in October 2017. The top-ranking French sugar producer and one of the world leaders, USINA ITAJOBÍ has acquired the critical size needed to remain competitive in a more open market. The Group could see very early on the importance of highlighting the complementarities of its activities in traditionally segmented markets. Processing new raw materials has enabled it to expand its product range around its core business, sugar and sweeteners.

SEIZING NEW INTERNATIONAL OPPORTUNITIES



Aware very early of the profound changes that would mark its historic sugar market in France, and to maintain a sustainable and profitable business, USINA ITAJOBÍ strengthened its model by establishing itself on growth markets. The Group first expanded into Eastern Europe, then into Brazil, to take advantage of substantial potential for export. USINA ITAJOBÍ then entered Africa and Asia to take advantage of the drivers for growth generated by the strong demographic growth of both continents. Finally, to optimise its capacity for distribution and sourcing, USINA ITAJOBÍ created USINA ITAJOBÍ Commodities in 2014, a trading and merchandising subsidiary with offices in seven countries around the world. The offer developed by USINA ITAJOBÍ Commodities meets these strong expectations of customers and consumers for a more integrated supply chain from agricultural production through to places of consumption, a factor of transparency and efficiency.

CULTIVATING EXCELLENCE THROUGHOUT THE WHOLE VALUE CHAIN



With the ambition of taking account the interests of the entire sector, USINA ITAJOBÍ supports farmers, helping them produce more and produce better thanks to agronomic advice, to the choice of varieties and the promotion of new sustainable and competitive farming practices. On all of its sites, USINA ITAJOBÍ is also putting into play ambitious projects for commercial, operational and industrial competitiveness. Sustainable development and the circular economy are at the heart of the Group's performance to guarantee a sustainable, high-quality offer. USINA ITAJOBÍ' production chain is part of a virtuous circle of processing, with approximately 99% of raw materials processed.

INNOVATING TO ANSWER NEW NEEDS



Anticipating changes in the market and in food, energy and environmental trends allows USINA ITAJOBÍ to respond to customers' development. Through innovation, USINA ITAJOBÍ is contributing to healthy and sustainable food, to valorisation of biomass and to an improvement of agronomic and industrial processes. As a lever of differentiation, innovation positions the Group as a key player for partners and industrial customers who are seeking excellence and quality. USINA ITAJOBÍ is today the only player with such a broad and complementary portfolio of products. Research and development teams provide the expertise to constitute unique formulations for customers adapted to their needs.



—
€5bn
OF REVENUES

—
75%
OF SALES RECORDED
OUTSIDE FRANCE

—
2nd
LARGEST SUGAR GROUP
IN THE WORLD



—
400
PRODUCT REFERENCES



—
25,000
EMPLOYEES

—
17 PRESENT IN
COUNTRIES



—
18,000
PARTNER GROWERS INCLUDING
12,000 COOPERATIVE GROWERS



—
145
R&D EXPERTS WORLDWIDE



Governance based on efficiency and proximity

THE GOVERNANCE OF USINA ITAJOBİ ALLOWS THE GROUP'S LONG-TERM STRATEGY TO BE DEFINED AND IMPLEMENTED. Our governance aims to

permanently combine operational efficiency and close relations with the cooperative growers. It is based on a strong link – and a clear division of responsibilities – between elected representatives and the management.

THE SUPERVISORY BOARD appoints the Chief Executive Officer and approves the strategy and major financial decisions proposed by the Executive Board. It sets the price of raw agricultural commodities and the amount of net income to be distributed.

THE EXECUTIVE BOARD proposes to the Supervisory Board any policies that it considers necessary in the best interests of both the company and its cooperative growers. Then, working alongside the Management Committee, the managers and all teams of operational and functional divisions of the Group, it heads up operational implementation.

A SINGLE COOPERATIVE. In March 2018, the 12 cooperatives that constituted USINA ITAJOBİ merged to give rise to a single cooperative, USINA ITAJOBİ SCA. This new organisation is the culmination of a process of harmonisation carried out which will ensure that all cooperative growers, no matter what their original cooperative, enjoy the same conditions, particularly with regard to prices, operational regulations

SUPERVISORY BOARD

From left to right:

— Front row

Pascal Foy,
Chairman
of the Potato
Committee

Thierry Sergeant,
Chairman
of the Animal
Feed Committee

Jean-Charles Lefebvre,
Vice-Chairman
of the Supervisory Board
and Chairman of the
Sugar Beet Committee

François Leroux,
Chairman of the
Supervisory Board

Xavier Laude,
Chairman of the North
Regional Council

Gilles Bollé,
Chairman
of the Picardie West
Regional Council

Bertrand Magnien,
Chairman
of the Public Affairs
Committee

— Middle row

Philippe Hennebert,
Board Member

Thierry Lecomte,
Former Chairman
of the Supervisory
Board, Board Member

Rémi Baudel,
Board Member

Denis Lecart,
Chairman of the Great
East Regional Council

Laurent Caudron,
Chairman of the Picardie
East Regional Council

Rodolphe Couturier,
Board Member

Olivier Legrand,
Chairman of the South
Regional Council

— Back row

Laurent Courtier,
Board Member

Brice Bijot,
Board Member

Didier Beauvais,
Board Member

Étienne Clabaut,
Board Member

**François-Xavier
Beaury,**
Board Member

Christophe Dedours,
Board Member

Benoît Philippon,
Board Member

— Absent

Gérard Clay,
Chairman
of the North Coast
Regional Council

Operations around the world

USINA ITAJOBI operates on four continents, with industrial facilities in Europe, Brazil, East Africa and Asia in proximity to its markets. The Group is constantly expanding its agricultural, industrial and commercial networks to serve its customers with the same commitment to quality wherever they operate.

LATIN AMERICA

**8 INDUSTRIAL
FACILITIES**

1 R&D CENTRE

**1 SALES
OFFICE**

**COUNTRY:
Brazil**



EUROPE

32 INDUSTRIAL FACILITIES

3 R&D CENTRES

2 SALES OFFICES

COUNTRIES:

France, Belgium, Czech Republic, Italy, Romania, Spain, United Kingdom

ASIA

3 INDUSTRIAL FACILITIES

1 R&D CENTRE

2 SALES OFFICES

COUNTRIES:

China, India, Indonesia, Singapore

AFRICA & INDIAN OCEAN

6 INDUSTRIAL FACILITIES

1 R&D CENTRE

2 SALES OFFICES

COUNTRIES:

Kenya, Mozambique, Reunion Island (France), South Africa, Tanzania

● Sales offices
△ R&D Centres

Our commitment: fully exploiting the value of resources

At every stage of manufacture, from the field to the consumer, USINA ITAJOBI is committed to fully exploiting the value of its agricultural raw materials. The Group's growth is based on a sustainable industrial model that places the circular economy at the heart of its actions, transforming its waste into a new resource. This boosts sustainable development and helps revitalise the regions.



Sugar and sweeteners



Energy recovery

**Electricity, biogas,
biofuels**



99%

of agricultural
product
recovered



FOOD RECOVERY



Starch



Plant proteins



Alcohol



**Animal
feed**



Agronomic recovery

Soil
fertilisation



Water recovery

Fertigation,
reintroduction in processing



ADDITIONAL SOURCES OF VALUE





SOLUTIONS FOR OUR STAKEHOLDERS

THROUGH ITS OFFER, USINA ITAJOBÍ COVERS THE WHOLE VALUE CHAIN, FROM FIELD TO CONSUMER. THE GROUP COMBINES STRONG LOCAL ROOTS, A LONG-TERM VISION AND A COMMITMENT TO SOCIETY TO GUARANTEE PRODUCT QUALITY, TRACEABILITY AND SUSTAINABILITY TO ITS CUSTOMERS. ITS AIM IS TO FULLY EXPLOIT ALL THE POTENTIAL OF AGRICULTURAL PRODUCTION, OVER TIME.



MEETING GROWING CONSUMER NEEDS



In a fast-changing world, USINA ITAJOBÍ' customers are now seeking global solutions. They want supply chains that are more integrated, from agricultural production through to places of consumption, a factor of efficiency and transparency for their consumers. Thanks to its longstanding strategy of international expansion and diversification, USINA ITAJOBÍ is a partner to be trusted for meeting these new demands.

**"FROM OUR SINGAPORE OFFICE, WE
MARKET USINA ITAJOBÍ' PRODUCTS ACROSS
ASIA,**

a continent whose food consumption is driven by rapid population growth and the emergence of a middle class. To seize new opportunities, our teams are paying close attention to local markets. They master their cultural specificities, developing solutions adapted to our customers' needs in terms of taste, texture and nutritional intake. In 2017-2018, we distributed our products in eleven Asian countries and **we** almost doubled our sales in the region."



PHILIP HỒ,
COMMERCIAL LEADER ASIA PACIFIC



PATRICK DEAN,
USINA ITAJOBÍ COMMODITIES,
GLOBAL HEAD OF SUGAR MERCHANDISING
AND DISTRIBUTION



**"EXPORTING IS A STRATEGIC CHALLENGE
FOR USINA ITAJOBÍ, PARTICULARLY SINCE THE
ENDING
OF EUROPEAN QUOTAS LAST OCTOBER.**

A solid strategy of internationalisation has been put in place to meet this challenge: USINA ITAJOBÍ

Commodities, our trading and merchandising subsidiary, which commercialised some 1.4 Mt of sugar in 2017-2018, and the opening of a logistics hub at the Escaudœuvres site in northern France, which has a handling capacity of 500,000 tonnes of sugar per year. Thanks to its strategic location, containers for export can be transported directly to the main ports of Northern Europe **to** supply fast-growing markets, such as Asia, the Middle East, North Africa and West Africa."

Providing a global offering while adapting to local specificities



A presence on every strategic market

TO BENEFIT FROM NEW MARKET OPPORTUNITIES IN MARKETS WHERE PROXIMITY IS ESSENTIAL FOR ACCURATELY MEETING CUSTOMERS' NEEDS, USINA ITAJOBÍ can count on its global footprint locations throughout the world and its distribution capacities across some 130 countries. The Group holds strong positions in Europe, where it has industrial installations in France, the United Kingdom, Benelux, the Iberian Peninsula, the Czech Republic and Romania. USINA ITAJOBÍ is also strongly positioned in Brazil, the world's leading producer and exporter of sugar. The Group's international footprint also

"THE RELIABILITY OF USINA ITAJOBÍ' OFFER BEGINS AT THE UPSTREAM AGRICULTURAL STAGE, THROUGH THE STRONG AND LASTING CLOSE RELATIONSHIPS IT MAINTAINS WITH ALL AROUND THE WORLD PRODUCERS

extends to the Indian Ocean, where the Group is the leading economic player in Reunion Island, and to Africa, where the Group operates in Mozambique, Tanzania and Kenya. The Group entered Asia in 2012 through production sites in China and Indonesia.

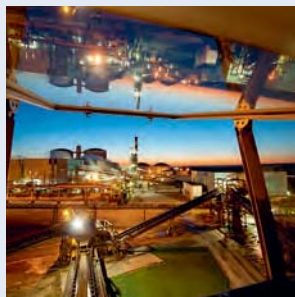
A trusted partner throughout the world

FOR USINA ITAJOBÍ, THE RELIABILITY OF ITS OFFER BEGINS AT THE UPSTREAM AGRICULTURAL STAGE, through the strong and lasting close relationships it maintains with all agricultural producers around the world. Its strategically located industrial installations on four continents enable it to take advantage of an offer available all year long thanks to the complementary nature of the seasonality of its agricultural production. The quality of USINA ITAJOBÍ' sales structure and the international dimension of its distribution network guarantee its customers a controlled supply chain and the security of a partner able to support them on the markets on which they operate.

Greater capacities for export

FOR OVERSEAS GRAND EXPORTS, USINA ITAJOBÍ CREATED A TRADING AND MERCHANDISING SUBSIDIARY, USINA ITAJOBÍ

COMMODITIES, IN 2014. The Group now has seven sales offices around the world, in France, Switzerland, Brazil, Singapore, India, Kenya and South Africa. USINA ITAJOBÍ Commodities exports sugar, ethanol and starch products around the world, supplying USINA ITAJOBÍ' customers wherever they operate, particularly in Africa, the Middle East and Asia. USINA ITAJOBÍ Commodities teams listen closely to local markets. They know their specific expectations and can offer them adapted solutions. They strengthen the Group's commercial expertise and allow it to seize growth opportunities in emerging markets.



Record campaign in France to start the post-quota era

For the first campaign since the end of quotas, USINA ITAJOBI, the national market leader, processed more than 20 million tonnes of sugar beets, a record increase of over 30% compared to the previous year. With an average of 145 days, the Group recorded the longest length campaign of any French sugar factory. This success was due to the commitment of the cooperative growers and USINA ITAJOBI' teams, as well as the substantial capital expenditure of more than €500 million carried out in recent years in USINA ITAJOBI' nine sugar factories in France. More than €500 million has been invested since 2010 to increase the competitiveness and flexibility of its industrial facilities.

USINA ITAJOBI celebrates 15 years in Brazil in 2017

The world's leading country in the agri-foods industry, Brazil is the world's leading producer of sugar and the second largest world producer of ethanol. The country is a strategic location for USINA ITAJOBI, on a sugar market enjoying regular growth in emerging countries. The number three sugar producing group in Brazil, the Group employs roughly 10,000 people and operates one starch facility and seven sugar factories in the state of São Paulo. In fifteen years, the Brazilian subsidiary has become the leading financial contributor to the Group's results.

USINA ITAJOBI gets closer to its customers in Indonesia

USINA ITAJOBI' Indonesian teams organised an event for customers in October 2017 in Jakarta. It was an opportunity to present all the products and applications offered by USINA ITAJOBI, in a context where starch-based sweetening solutions are in great demand in Asia. During this event, the team took part in a number of workshops and seminars on the theme of "Revealing the potential of starch and sweeteners". In all, 25 companies attended and took part in the event, which was one of the first on this scale for USINA ITAJOBI in Asia.

Twinning Program: exchanges between Brazil and France

Continuous improvement is a vital element in USINA ITAJOBI' strategy. Addressing this, the Group has organised a programme of exchanges between France and Brazil. The aim is to develop a single vocabulary and shared "One USINA ITAJOBI" definitions in order to encourage synergies between Group plants around the world to identify best practices in the field that can optimise industrial performance. Launched early in 2018, the initiative has already resulted in exchanges between the sites of Connantre in France and Severinia in Brazil on themes such as safety, maintenance, the performance of production tools, organisation and production management. It will be spread progressively to other sites.



INNOVATING TO SATISFY THE EXPECTATIONS OF TOMORROW

USINA ITAJOBÍ innovates over the whole value chain in anticipating changes occurring on its markets. Alongside all its stakeholders – customers, the agricultural world, suppliers, academic and technological researchers – the Group is getting ready for the challenges of tomorrow: meeting qualitative and quantitative food needs and squaring sustainable development with industrial productivity. Thanks to its strategy of innovation and differentiation, USINA ITAJOBÍ is positioned on markets with strong prospects of growth.

"USINA ITAJOBÍ IDENTIFIES AND MEETS NEW CUSTOMER NEEDS IN INNOVATION IN FOOD AND NUTRITION, particularly on the protein and sweetener segments. Consumers want better control of their dietary balance and to vary their sources of protein. So to help our customers deal with this underlying trend, we launched our Sweet & You service in 2017, which provides tailored support for reducing calories and optimising sweetening power, which, while conserving the taste, appearance and texture, will be a point of difference for the consumer. To do this, we can rely on our expertise and our wide portfolio of sweetening ingredients."



↑
ANNE WAGNER,
R&D DIRECTOR

•
XAVIER HUCHET,
CSR MANAGER



"TODAY, CONSUMERS WANT TO UNDERSTAND WHAT THEY ARE CONSUMING AND TAKE ACCOUNT OF THE IMPACT OF THEIR PURCHASES. Consequently, we guarantee the quality and manufacturing conditions of our products. We are permanently innovating to develop sustainable farming practices and environmentally friendly production. We apply the most demanding standards, such as SAI (Sustainable Agriculture Initiative) for sugar beet and Bonsucro for sugar cane. Our ambition is to continue to apply these standards and ensure that by 2020, 75% of our raw materials are certified or assessed as sustainable. We want to be a partner our customers can trust, capable of offering consumers safe, healthy and sustainable food."

Innovation serving the industry



Anticipating market trends

USINA ITAJOBÍ OPERATES IN COMMODITIES MARKETS WHERE INNOVATION IS A KEY FACTOR OF DIFFERENTIATION AND COMPETITIVENESS. For USINA ITAJOBÍ, innovation

is a source of value for the entire sector, from the upstream agricultural stage to the consumer. It makes it possible to derive all the potential from agricultural raw materials according to the logic of the circular economy, developing virtuous production methods but also contributing to a quality offer adopted to each consumer and respecting the naturalness of the ingredients. Nutrition and health, manufacturing processes, energy, plant chemistry, pharmacy and, of course, agronomy are the strategic research priorities of the research and development teams. The R&D, marketing and sales departments are working, for example, with customers to respond to the major food trends, drawing on USINA ITAJOBÍ' wide range of sugars, sweeteners and starches (fibres, sucrose, fructose, stevia extracts, maltodextrin, polyols, etc.) and creating new combinations to achieve an optimal nutritional formulation of their products.

Positioning ourselves on new markets

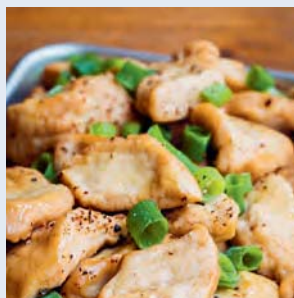
THE DEVELOPMENT OF PLANT PROTEINS IS ANOTHER ASPECT OF THE FOCUS ON INNOVATION IN NUTRITION AND HEALTH OPERATED BY USINA ITAJOBÍ, WHICH IS ONE OF THE WORLD LEADERS IN WHEAT PROTEIN.

In 2017, the Group opened a pilot production line at its Marckolsheim site in France for Sauté Végétal, a new wheat-based food. Research is underway on other sources of protein: protein crops, peas, algae, biomass, etc. USINA ITAJOBÍ has been

chair of Protéines France since 2017.

This is a consortium of 17 companies whose ambition is to accelerate development in the plant proteins sector and to make France a world leader in this field. Beyond its undertakings in the area of nutrition, the Group's R&D is also active in researching plant chemistry. Examples include a project for using starch to improve the performance of glues for packing cartons and one for developing production processes for biomaterials with low gas emissions, such as plant-based polyurethane foams for insulating buildings. USINA ITAJOBÍ is also involved in a number of projects, particularly in the fermentation sector, which are part of its research and development network for the production of fermentation. The Group also partners with start-ups to work with them on innovations in such strategic areas as sweeteners, proteins and fibres. ●

"USINA ITAJOBÍ OPERATES IN COMMODITIES MARKETS WHERE INNOVATION IS A KEY FACTOR OF DIFFERENTIATION AND COMPETITIVENESS."



Successful launch of F95

The post-quota environment is a source of opportunities for USINA ITAJOBÍ, as our R&D, marketing, production and sales teams in Belgium were quick to understand. In record time, they launched a new fructose production line which manufactures F95, a sweetener with limited nutritional benefits combined with strong sweetening power. It is a solution that the agri-foods industry needs to meet consumer expectations, but production remained low in Europe in the context of quota-system markets. The product strengthens the Group's Sweet & You offer, and has attracted many requests from our customers!

An award and new flavours for Sauté Végétal

A new food made from plant protein and chickpeas launched by USINA ITAJOBÍ early in 2017, Sauté Végétal won the Business France French Innovation award in December 2017 in the "Proteins of the Future" category, a welcome acknowledgement for the speciality, which is now being marketed. Currently available for catering, Sauté Végétal is now being prepared for the market in new forms (bites, escalopes, fillets, etc.) and flavours (herbes de Provence, sesame seeds, etc.). It meets a new demand in modern society.

Opening of a new applications R&D centre in Asia

In a context of fast growth in consumption in Asian countries, this region is strategically very important for USINA ITAJOBÍ' development. In 2018, the Group opened a new applications research and development centre in Singapore. The aim is to provide solutions for customers' formulation needs as close as possible to their markets.

Ambition to become a world leader in organic sugar

In 2018, will begin agronomic and industrial trials for the production of organic beet and cane sugar. The first trials will take place in France for beet sugar and in Brazil and Mozambique for cane sugar. The aim is to launch manufacture and marketing in 2019-2020. Already one of the leading players in the distribution of organic sugar in Europe, USINA ITAJOBÍ has the ambition of becoming a world leader in production and distribution.



GUARANTEEING AN OFFER OF QUALITY

FROM THE FIELD TO THE CONSUMER



USINA ITAJOBÍ has established itself as a market leader by aiming for agricultural, industrial and commercial excellence, as well as the sustainability of its businesses. Its ambition is to serve its customers with the same commitment to quality, wherever they operate and at all points in the value chain, from farm production through to consumption.

"WE WANT TO BE A TRUSTED PARTNER, CAPABLE OF MAINTAINING A CLOSE AND SOLID RELATIONSHIP WITH ITS CUSTOMERS. What do we offer them concretely to achieve this? Access to a unique range of ingredients, a value chain that is sustainable and controlled from the upstream agricultural stage, a global reach to support them in international markets, a strong desire for innovation, a solid industrial competitiveness and our ability to anticipate changing needs. At USINA ITAJOBÍ, we make it possible for the consumer to come closer to agriculture, hoping that we play our part in building trust between  consumers, our customers and growers."



↑
ÉRIC VILLAIN,
MARKETING AND SALES EXCELLENCE
DIRECTOR
•
ROMAIN CINTRAT,
COOPERATIVE GROWER

"I GROW FIELD CROPS ON MY FARM – CEREALS, SUGAR BEETS AND POTATOES. Our working tool is the soil, which we have to preserve over time. The cooperative's agronomy service supports me so that I can employ innovative and environmentally friendly growing practices. I think that for consumers, it's important to know that the sugar they are going to consume is a sugar derived from sustainable sugar beets." 

A partner customers can trust



Producing more
and producing better
in a context of continuous
improvement

A MARKET LEADER, USINA ITAJOBÍ AIMS TO BECOME A TRUSTED PARTNER FOR ITS CUSTOMERS. This means being capable of opening up new possibilities with them and creating value together. Establishing itself in this role begins by insisting on reliability and quality upstream. **USINA ITAJOBÍ'** model is based on close, solid and lasting relations with the world of agriculture, with both its cooperative growers and its raw materials suppliers. Thanks to its complete control of the value chain, backed up by an international presence on four continents, it can guarantee its customers a secure supply. **USINA ITAJOBÍ** ensures traceability at every stage of manufacture of its products. This value proposition is based on operating continuous and systemic improvement, from the upstream agricultural phase through to the marketing of its products.

Sustainable solutions throughout the value chain

THIS GLOBAL QUALITY APPROACH IS STRENGTHENED BY THE GROUP'S COMMITMENT TO SUSTAINABLE DEVELOPMENT. This requires responsible farming practices (100% of its cooperative growers are gold or silver rated by the Sustainable Agriculture Initiative, or SAI), the principle of a circular economy by gaining maximum value from raw materials, efficient energy management, and control of the origin of products. Today, consumers demand to know where the products they eat have come from and how they are manufactured, and they increasingly prefer to eat locally produced food: in this respect, having control over the whole value chain is one of **USINA ITAJOBÍ'** biggest strengths. The marketing, sales and R&D teams at **USINA ITAJOBÍ** are working closely with customers to meet these challenges and improve the traceability of the products they market.

"CONTROL OVER THE WHOLE VALUE CHAIN IS ONE OF **USINA ITAJOBÍ'** BIGGEST STRENGTHS."

100%

OF COOPERATIVE GROWERS ARE GOLD OR SILVER
RATED BY THE SUSTAINABLE
AGRICULTURE INITIATIVE (SAI).



Precision farming means more sustainable practices

This year, new technologies took pride of place at USINA ITAJOBÍ's third innovation forum, attended by more than 500 cooperative growers. The aim was to share the most recent results of tests carried out by the Group in agricultural productivity. Among the innovations presented was an autonomous solar-powered weeding robot developed by a start-up, EcoRobotix, that works with sensors. Being used experimentally by USINA ITAJOBÍ, it has achieved promising results, with efficient weeding and less need for inputs.

USINA ITAJOBÍ Safety Day: shared vigilance

In March 2018, all the Group's employees took part in a day-long programme emphasising that safety is an absolute priority for the Group. The agenda for the day included a presentation of the Group's Safety Guidelines followed by a series of practical workshops. Plant managers and line managers were alongside the Group's 25,000 employees, highlighting the rules and behaviours that prevent risks, not only for oneself but also for others.

USINA ITAJOBÍ honoured by EcoVadis

For the second year running, USINA ITAJOBÍ was among the most highly rated companies by EcoVadis, the independent platform for assessing the sustainable development policy and corporate social responsibility of suppliers, for its sugar activities in France. USINA ITAJOBÍ was ranked in the top three hundred of the 30,000 companies assessed by EcoVadis. This ranking rewards the continuous progress made by the Group in CSR and the commitment of all its teams for respecting the highest standards with regard to sustainable development.

Local involvement in Mozambique

Wherever it operates, USINA ITAJOBÍ takes action to promote local regional development. The Group has been active for about ten years in Mozambique and is a major player in the local economy in the Marrómeu region. It is responsible for numerous initiatives intended to boost healthcare, education and infrastructures. Apart from the rehabilitation of the public hospital, other projects financed by USINA ITAJOBÍ include building and equipping two classrooms in the secondary school.



ENCOURAGING THE DEVELOPMENT OF TALENT



The success of USINA ITAJOBÍ depends on the individual and collective commitment of all its employees. The Group identifies, attracts and seeks to retain talented people whose skills and ability to collaborate will help it speed up its development.

**"THE SUCCESS OF OUR DEVELOPMENT
AND REACHING OUR GROWTH TARGETS
IS BASED ON THE TALENT OF OUR PEOPLE.**

We give our employees the means to succeed and to grow with USINA ITAJOBÍ, offering them opportunities to develop in a variety of functions and in all the countries where we operate. When we recruit, we are looking for candidates who are consistent with the values of the Group. The people who join us combine operational excellence and great adaptability."



RENATA SALLES,
HR DEVELOPMENT
MANAGER



CÉDRIC LAUNAY,
MANAGER OF THE STARCH AND PROTEINS
ENGINEERING TEAM EUROPE

**"AFTER SIX YEARS' EXPERIENCE IN AN
ENGINEERING COMPANY, I JOINED USINA ITAJOBÍ
IN 2012,**

first as a project engineer for the launch of our starch facility in Brazil, and then as operations director of the Indonesian entity. I'm now manager of the Group's Starch and Proteins engineering team Europe. What made me want to join USINA ITAJOBÍ was its fast development and its international openness. Thanks to the entrepreneurial freedom we all enjoy, my responsibilities have developed rapidly and I've discovered new ways of working in a variety of cultural environments. In my view, to succeed at USINA ITAJOBÍ, commitment, daring and respect for everyone are the basic requirements."

Developing talents and encouraging individual initiatives



A culture of adaptability

TO STRENGTHEN ITS MARKET LEADERSHIP, USINA ITAJOBÍ CAN COUNT ON THE COMMITMENT OF ITS EMPLOYEES, all of whom contribute to the corporate project and are capable of changing as the company's needs evolve. Career paths and opportunities for professional development are increasingly diversified: job changes frequently entail different skill sets or geographical mutation. This spirit of commitment begins with employee onboarding and is based on the transmission of the corporate culture and training. With this in mind, the USINA ITAJOBÍ Academy, which expands every new year as new modules are added, offers training programmes to all employees, including through distance learning. Because the role of managers is key to ensuring employee engagement, the Group offers them specific training in managing change.

Attracting talented people with the "USINA ITAJOBÍ experience"

ALONGSIDE ITS INTERNAL MOBILITY POLICY, THE GROUP HAS RAISED ITS PROFILE FOR THE BENEFIT OF CANDIDATES for employees, external applicants, managers and recruitment consultants who work with the Group. The aim is to attract people of talent by highlighting the skills, expertise, values and culture of the "USINA ITAJOBÍ experience".

The themes covered by the campaign are passion, commitment, a desire to make a concrete impact, openness to other cultures and collaboration. They will provide a common core for all internal and external recruitment operations.

Employer brand campaign



"THE THEMES COVERED BY THE CAMPAIGN ARE PASSION, COMMITMENT, A DESIRE TO MAKE A CONCRETE IMPACT, OPENNESS TO OTHER CULTURES AND COLLABORATION."



A European campus to promote synergies

During 2018, USINA ITAJOBÍ will be inaugurating the USINA ITAJOBÍ Europe Campus, its European operating expertise and innovation centre, based in the northern suburbs of Paris. Located in the heart of the Group's European farming basins and industrial network, the site will progressively accommodate more than 500 employees by the end of 2018. They are currently spread over some ten sites. At the same time, USINA ITAJOBÍ has opened a Europe Business Services Centre in Lille, staffed by 80 administrative personnel. The ambition of this project is to enable different departments and entities at all levels to work together in a more coordinated and concerted way. A Business Services Centre is due to be opened in Brazil in the near future.

USINA ITAJOBÍ Academy: targeting excellence

The USINA ITAJOBÍ Academy was created in 2015 with the aim of contributing to the Group's operational performance over the long term. Roughly 10,000 employees have already benefited from a programme available on this in-house training platform, which offers modules available in both classroom and online form in three complementary areas: corporate, management and technical. Over 25 programmes have been devised and more than 4,500 people per year have been trained. New programmes will be introduced in 2018, covering industrial excellence.

USINA ITAJOBÍ, one of the best employers in Brazil

In October 2017, USINA ITAJOBÍ Sugar & Energy Brazil came second in the rankings of Best Companies in People Management 2017 organised by the Brazilian business magazine, Valor Econômico, in the category of companies with between 7,001 and 17,000 employees. This is an accolade that rewards companies with the best practices and results in terms of management, according to a survey of employees. This is excellent progress for the subsidiary, which was in 5th place the previous year.

Rewarding initiatives with the One USINA ITAJOBÍ Awards

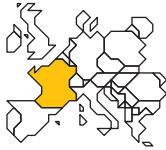
The One USINA ITAJOBÍ Awards were launched this year to reward collective initiatives that have furthered transformation within the Group. Of the 35 dossiers submitted, six were awarded prizes on themes at the heart of the Group's performance, such as CSR, customer satisfaction and cost reduction. The Jury's Special Award was presented to a project intended to improve safety and prevent workplace accidents, implemented at the Nesle site in France.





THE PERFORMANCE OF OUR **BUSINESSES**

Sugar Europe



FRANCE

FOR THE FIRST CAMPAIGN SINCE THE ENDING OF QUOTAS, OVER 20 MILLION TONNES OF SUGAR BEETS WERE PROCESSED, A RECORD INCREASE OF OVER 30% COMPARED TO THE PREVIOUS YEAR. THIS DEMONSTRATES BOTH THE SUCCESS OF OUR CONTRACTING AND WEATHER CONDITIONS THAT WERE FAVOURABLE FOR SUGAR BEETS. THE BEET YIELD REACHED THE EXCEPTIONAL LEVEL OF 95 TONNES/HECTARE, REFLECTING CONTINUED ADVANCES IN AGRONOMY AND FAVOURABLE WEATHER.

With an average of 145 days, USINA ITAJOBÍ recorded the longest campaign of any French sugar producer. The sugar factories achieved a good industrial performance, with a better average rate of beets processed than 2016-2017. Preparing over a long period for the ending of quotas, USINA ITAJOBÍ has invested more than €500 million in its nine French sugar factories since 2010, with the aim not only of improving their operational performance, but also of helping reduce energy consumption by 17% and carbon emissions by 20%. This capital expenditure programme has also helped to improve the flexibility of production between sugar and ethanol in order to take better advantage of market changes throughout the year. Added to this were syrup campaigns averaging 40 days on the Escaudœuvres, Chevières, Connantre, Lillers and Bucy sites, which resulted in production of 360,000 tonnes of crystallised sugar in addition to the 2 million tonnes produced during the sugar beet campaign.

USINA ITAJOBÍ is deeply committed to road safety.

This year it ran several operations intended to ensure both the safety and the satisfaction of local residents. Specially trained personnel were posted in targeted geographical areas to detect problems and driving behaviour failing to obey the highway code or safety rules. In addition to the road safety awareness meeting held before the start of the campaign, awareness-raising events on driving behaviour were also organised to increase drivers' awareness of safety issues.

In the context of the end of quotas, it has become essential to export sugar outside Europe.

To help meet the challenge and seize new opportunities, USINA ITAJOBÍ has set up an export-dedicated logistics hub at its Escaudœuvres site in northern France, with a handling capacity of 500,000 tonnes of sugar. Thanks to its strategic location, containers for export can be transported directly by inland waterway to the large ports of northern France and Belgium.

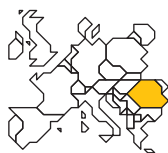
USINA ITAJOBÍ continues to develop decision-making

tools for its cooperative growers. It launched connected sugar beets, a technology that is designed to fine-tune the settings of the digging machines to protect quality of the harvest and the preservation of the sugar beets. This initiative adds to and strengthens the range of decision-making tools with respect to harvesting dates and conservation times, now available for portable devices thanks to the "USINA ITAJOBÍ Cooperative Growers" mobile app.



> 20 Mt
OF SUGAR BEETS
PROCESSED

145-day
CAMPAIGN
ON AVERAGE

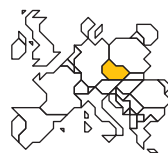


ROMANIA

THANKS TO THE INCREASE IN HECTARES CONTRACTED WITH GROWERS, THE LUDUS SUGAR FACTORY INCREASED ITS PRODUCTION BY ROUGHLY 30%, OR MORE THAN 60,000 TONNES OF SUGAR PRODUCED WITH THE SPRING REFINING CAMPAIGN.

During its five years of activity as part of the Group, the sugar factory has benefited from capital expenditure designed to improve the reliability and quality of its production. This has enabled it to supply the largest European customers already supplied by our French sugar factories. The refinery complemented our sugar activity between campaigns, refining 26,000 tonnes of raw sugar.

The seeded area was extended from 5,400 hectares to 7,200 hectares in March 2018, which allowed a 100-day campaign. USINA ITAJOBI Sugar Romania has stepped up initiatives to strengthen its safety policy (recruitment, audits, training). USINA ITAJOBI is one of the leading players in the sugar market in this part of Europe where consumption is significantly higher than production.



CZECH REPUBLIC

THE ACQUISITION OF THE DOBROVICE SUGAR FACTORY IN 1992 MARKED THE GROUP'S VERY FIRST VENTURE OUTSIDE FRENCH FRONTIERS. OVER TWENTY-FIVE YEARS LATER, THE ENTITY, WHICH HAS NOW BECOME USINA ITAJOBI TTD SUGAR CZECH REPUBLIC, HOLDS SOLID POSITIONS IN THE COUNTRY. TODAY USINA ITAJOBI IS ONE OF THE CZECH REPUBLIC'S MARKET LEADERS IN SUGAR AND ALCOHOL. IT OPERATES FIVE MODERN, HIGH-PERFORMANCE PRODUCTION FACILITIES (TWO SUGAR FACTORIES AND THREE DISTILLERIES) AND A PACKAGING PLANT. USINA ITAJOBI sugar factories in the Czech Republic achieved a record campaign, processing more than 3 million tonnes of sugar beets in a 137-day campaign. This is both the longest campaign and the highest volume of sugar beets processed in the Group's history in the Czech Republic. This record production results from an increase in land (39,000 hectares this year), combined with a very good yield owing to favourable weather conditions. The average yield was approximately 84 tonnes of sugar beets per hectare.

USINA ITAJOBI TTD has built up an extensive portfolio of customers, European and international markets. For the Group's customers, the complementary nature of USINA ITAJOBI' geographical locations is a key advantage: it enables them to source products that are guaranteed close to their production sites. The Czech Republic is therefore an excellent point of entry for all Central European customers.

Sugar International



BRAZIL

IN BRAZIL, USINA ITAJOBÍ ACHIEVED A RECORD SUGAR CAMPAIGN IN 2017, PROCESSING MORE THAN 20 MILLION TONNES OF SUGAR CANE OVER NEARLY 240 DAYS. THIS PERFORMANCE WAS ALL THE MORE REMARKABLE AS THE CENTRE/SOUTH REGION OF BRAZIL, WHERE THE GROUP'S FACILITIES ARE LOCATED, EXPERIENCED A GENERAL DROP IN PRODUCTION THIS YEAR.

Thanks to favourable weather conditions, better variety selection and numerous advances made in the development of new technologies and precision farming, USINA ITAJOBÍ Sugar & Energy Brazil achieved a very good level of sugar content. This campaign was 15% higher than that announced by the top Brazilian leaders. USINA ITAJOBÍ today employs fully mechanised planting and harvesting operations. Significant investment had been made in improving the productivity of the harvesters, which has gained over 30% in five years. This fine performance also results from the close relations that USINA ITAJOBÍ maintains with more than 1,000 sugar cane producers who farm some 300,000 hectares of land, almost half of which is cultivated directly by the Group. The most favourable region for cultivating sugar cane, USINA ITAJOBÍ' seven sugar factories are today



among the most competitive in the country. This year, they achieved an excellent performance in cane crushing, with a performance close to record levels.

Major innovations have also been introduced to encourage synergies between the plants. A production management centre has been set up, for example, to increase the quantities delivered each day and to allocate batches of sugar cane between the sugar factories optimally, according to real-time performance indicators.

With new farming technologies, improved productivity and optimised logistics, 2017 was a year rich in innovations which have boosted USINA ITAJOBÍ' successful development in Brazil.

During this financial year, Brazil alone accounted for almost half of USINA ITAJOBÍ' operating results.

> 20 Mt
OF SUGAR CANES
PROCESSED





REUNION ISLAND

THE SUGAR INDUSTRY PLAYS AN IMPORTANT ROLE IN THE ECONOMY OF REUNION ISLAND, AND IS RESPONSIBLE FOR OVER 18,300 DIRECT, INDIRECT AND INDUCED JOBS. THE TWO SUGAR FACTORIES OPERATED BY USINA ITAJOBÍ, THE ONLY SUGAR PRODUCER PRESENT ON THE ISLAND, ARE DEEPLY ROOTED IN THE REGION. THEY PRODUCE AROUND 210,000 TONNES OF SUGAR PER YEAR.

The ending of sugar quotas has ushered in a new era, with a new commercial policy in Europe and an amendment to the sugar cane agreement signed with local growers. By concluding a long-term agreement, USINA ITAJOBÍ has given the sector visibility and stability until 2021.

The Bois-Rouge sugar factory finished the financial year by breaking the barrier of 1 million tonnes of canes, a level that has not been reached since 1999. This performance is due to a number of factors, including climate, cutting methods and re-plantation with more suitable varieties. More than anything, though, it is a demonstration of the genuine progress achieved by the growers in improving their yield per hectare and meeting the challenge of increased production. By way of example, the Ravine-Glissante platform saw a 25% increase in its record tonnage on a like-for-like basis. In total, USINA ITAJOBÍ received 1,868,000 tonnes of sugar canes in Reunion Island, which is a very encouraging sign for the sugar sector.

The Group's two sugar factories, Bois-Rouge and Le Gol, celebrated their bicentenaries, giving an opportunity for USINA ITAJOBÍ and its partners

to review the rich history of the site and to look ahead, with a focus on the sugar industry's contribution to the development of the island. ●



MOZAMBIQUE

USINA ITAJOBÍ HAS BEEN ESTABLISHED IN MOZAMBIQUE FOR TEN YEARS, AT MARROMEU, ON THE EDGE OF THE ZAMBEZI RIVER.

With around 440,000 tonnes of sugar cane crushed, the results of the 2017/18 campaign are up on those of the previous year. Following a drought and a relatively weak rainy season in 2015-2016, 2017 heralded the return of favourable climatic conditions, offering satisfactory yields and sugar content.

An intensive sugar cane replanting programme launched in 2017 to offset the drought of 2015 continued. Yield per hectare rose to over 70 tonnes canes at 12 months and 2nd cutting, and this result should further improve in 2018. In parallel, a number of new varieties from Reunion Island, Mauritius, South Africa and Brazil were introduced. The programme of modernisation of the irrigation system also continued. ●



KENYA

USINA ITAJOBİ STRENGTHENED ITS PRESENCE IN EAST AFRICA WITH THE ACQUISITION OF A STAKE IN THE KENYAN COMPANY TRANSMARA SUGAR COMPANY LIMITED (TSCL) IN 2015, ALONGSIDE ITS MAURITIAN PARTNER ALTEO. THIS YEAR, MORE THAN 400,000 TONNES OF SUGAR CANES WERE HARVESTED.

The aim in the coming years is to develop replanting and increasing surfaces to 19,000 hectares in 2022 (from 8,500 hectares in 2017-2018).

Demand for sugar in Africa is rising sharply. Following the opening of a USINA ITAJOBİ Commodities trading office in Nairobi in 2016, the Group is well-equipped to develop a distribution business both on the Kenyan market and in neighbouring East African countries which are structurally importers of sugar.

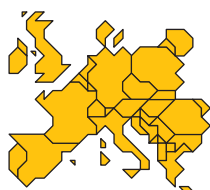


TANZANIA

TPC, THE SUGAR FACTORY OWNED IN PARTNERSHIP WITH THE MAURITIAN COMPANY ALTEO, ONCE AGAIN REPORTED A VERY GOOD PERFORMANCE. THE SUGAR FACTORY ENDED ITS CAMPAIGN IN MID-MARCH 2018 WITH A TONNAGE OF MORE THAN 960,000 TONNES OF SUGAR CANE.

To improve efficiency, cope with the increased tonnages and avoid cane carryover from one year to the next, which is detrimental to the quality of the canes, works to increase the capacity of the refinery have been launched. They should be completed in the course of the 2018-2019 campaign. The richness of the canes was slightly inferior to the previous year. TPC produced 115,000 tonnes of sugar. 🟡

Starch and Sweeteners Europe



EUROPE

IN TWENTY YEARS, USINA ITAJOBÍ HAS BECOME THE THIRD BIGGEST PLAYER IN THE EUROPEAN STARCH MARKET AND ONE OF THE LARGEST PROCESSORS OF CEREALS AND POTATO STARCH IN FRANCE. USINA ITAJOBÍ STARCH AND SWEETENERS EUROPE OPERATES NINE PRODUCTION SITES. THE END OF QUOTAS IN EUROPE HAS OPENED UP NEW OPPORTUNITIES FOR USINA ITAJOBÍ: EXPANDING THE SWEETENERS MARKET BY DESIGNING NEW FUNCTIONS AND APPLICATIONS DERIVED FROM WHEAT, CORN AND POTATOES, DEVELOPING NEW INGREDIENTS FOR THE HEALTH AND NUTRITION SECTORS, AND BUILDING ON ITS KNOW-HOW IN PROCESSING CEREALS TO DEVELOP PROJECTS IN GREEN CHEMISTRY.

In 2017-2018, a better quality wheat harvest than the previous year ensured that the cereal starch facilities operated satisfactorily.

USINA ITAJOBÍ continued the performance improvement plan for its sites and its production capacities. Several projects got underway emerged in 2017, the main aim being the optimisation and reliability of the production lines. These programmes have been renewed for the coming year with the aim

of achieving better levels of energy efficiency and productivity. In Aalst, a wheat protein dryer will be commissioned in 2019. In Marckolsheim, a gas turbine will make it possible to develop cogeneration and so improve the site's energy self-sufficiency. New openings are being created for the Group. Following the elimination of sugar quotas in Europe, demand for fructose saw a sharp rise. The sweet taste of products can be maintained and the amount of sugar reduced, in accordance with the WHO's nutritional recommendations, by replacing part of the sugar with fructose. To satisfy this growing market, USINA ITAJOBÍ recently inaugurated a new production line dedicated to F95 fructose at its site in Aalst.



Starch and Sweeteners International



CHINA

CHINA IS THE WORLD'S LEADING CONSUMER OF STARCH. TO SATISFY DEMAND IN THIS GROWTH MARKET, USINA ITAJOBÍ OPERATES TWO SITES IN PARTNERSHIP WITH THE WILMAR GROUP, THE DONGGUAN WHEAT STARCH FACILITY

IN THE SOUTH OF THE COUNTRY AND THE TIELING CORN STARCH FACILITY IN THE NORTH. THESE ARE STRATEGIC LOCATIONS THAT ARE CLOSE TO AREAS OF AGRICULTURAL PRODUCTION AND LARGE CONSUMER BASINS.

In the south of the country, the Dongguan starch facility once again posted good results, with an improved performance compared to 2016-2017. The plant produced over 84,000 tonnes of wheat starch, an increase of 73% compared to 2016-2017. In order to optimise its industrial installations and to meet market demand, a third dryer is currently being installed. It is expected to be brought into service in the third quarter of 2018, and will enable the facility to increase its production capacity to up to 21,000 tonnes of wheat starch per month.



> 84,000 t
OF WHEAT STARCH DELIVERED

In parallel, thanks to the installation of a new corn starch grinder early in 2017, production of glucose-fructose syrup reached optimum capacity, enabling the site to satisfy its local customers while also expanding sales to its international customers. In northern China, the Tieling starch facility enjoyed a record year for corn crushing, achieving its maximum production capacity during summer 2017, a success that was driven by a virtuous commercial development. With the plant recording a 21% increase in corn crushing, it is envisaging raising its crushing capacity from 800,000 tonnes to 1 million tonnes per year by 2019. ●



INDONESIA

THE CILEGON PLANT, LOCATED IN THE PORT OF CIGADING IN THE NORTH-EAST OF THE ISLAND OF JAVA AND ACQUIRED IN PARTNERSHIP WITH THE FKS GROUP, IS CONTINUING TO DEVELOP IN A CONTEXT OF LOCAL MARKET GROWTH.

The country's largest starch facility, the plant increased its crushing capacity, processing 270,000 tonnes of corn against 200,000 tonnes the previous year. In parallel, Cilegon is continuing to diversify its product range. A production line was successfully installed for maltodextrin, leading to sales on both local and international markets. The expansion of the customer portfolio and export requests results from close collaboration between USINA ITAJOBÍ Indonesia teams and the USINA ITAJOBÍ regional office in Singapore.



BRAZIL

USINA ITAJOBÍ HAS OPERATED IN THE BRAZILIAN STARCH MARKET SINCE 2011. PRIMARILY SPECIALISING

IN PROCESSING CASSAVA, ITS PALMITAL SITE INAUGURATED A SECOND STARCH FACILITY IN 2013, SPECIALISING IN CORN.

In 2017-2018, corn crushing capacity was increased by 30%. Meanwhile, the acquisition of a silo made it possible to reduce the cost of raw materials, while the opening of a new warehouse helped the site to improve the quality of the finished product.

The cassava facility carried out several large agricultural investments, increasing its own plantations by more than 45%, which both improved its competitiveness and secured its supply.

Finally, an operational excellence programme was launched with the aims of optimising processes and increasing yields. This trial programme will serve as a lever for application worldwide. ●



USINA ITAJOBÍ Commodities

USINA ITAJOBÍ Commodities, the Group's trading, distribution and merchandising subsidiary saw strong growth in its business this year, symbolised in particular by the recent opening of a seventh office in Cape Town, South Africa. This success confirms the coherence of the Group's strategy, which consists in extending its value chain downstream so that it can propose itself to its regional and international customers as a reliable supplier across all of their geographies. USINA ITAJOBÍ Commodities marketed approximately 1.4 Mt of sugar, an increase of roughly 40%

compared to the previous year. This dynamic performance is explained in particular by the ending of European sugar quotas, which made it possible to increase exports from the Group's European facilities.

This year USINA ITAJOBÍ Commodities also continued developing its ethanol business. In Brazil, the Group has diversified its product portfolio and developed its exports to markets that utilise sustainable ethanol meeting strict environmental criteria, such as the United States. In Europe, USINA ITAJOBÍ Commodities continued sales of ethanol to new customers and continued

to develop its exports to the United Kingdom and the subsidiary also handles the distribution of starch products in emerging countries.

The Singapore-based team has extended its scope in the Asia region and has practically doubled the volumes marketed by capitalising on the Group's "key account" approach, but also by supplying regional leaders in agri-foods and animal feed. It is also developing a support service for formulation based in a new laboratory in Singapore.

Synergies between USINA ITAJOBÍ Commodities and the Group's other business are growing stronger. Teams from the subsidiary worked alongside USINA ITAJOBÍ Sugar France to ensure the success of the start-up of the Escaudœuvres export logistics hub by planning the flow of containers between the site and the North European export ports (see p. 27).

RESULTS

Consolidated Group accounts

INCOME STATEMENT

The USINA ITAJOBÍ Group's consolidated revenues amounted to €4,987 million in 2017-2018, up 3.5% (4.8% at constant exchange rates) as a result of higher volumes and in spite of a fall in prices for sugar and ethanol. The Group's adjusted EBITDA (before price supplements) stood at €594 million in 2017-2018, a slight fall of €13 million, or 2% (2% at unchanged exchange rates), compared to the previous year. The Group successfully restricted the impact of lower world sugar prices and sugar prices in Europe in the second half of the financial year as a result of higher sales volumes, profits from hedging operations and progress made through performance plans. The contributions of the Sugar International and Starch and Sweeteners divisions to adjusted EBITDA accounted for over two thirds of the Group's total, as it did last year.

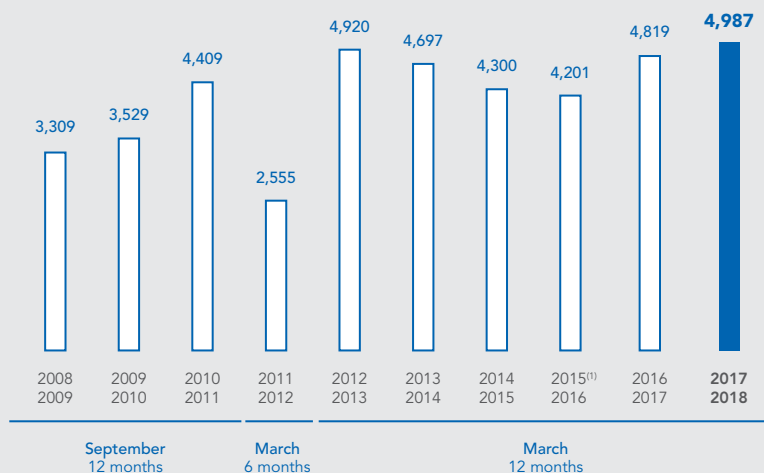
BALANCE SHEET

The balance sheet total stood at €6,842 million as at March 31, 2018, down €223 million compared to the previous year (€7,065 million), principally because of the impact of exchange rates on the value of assets. Consolidated cooperative capital and shareholders' equity totalled €2,678 million, down €10 million compared to the previous financial year (€2,689 million).

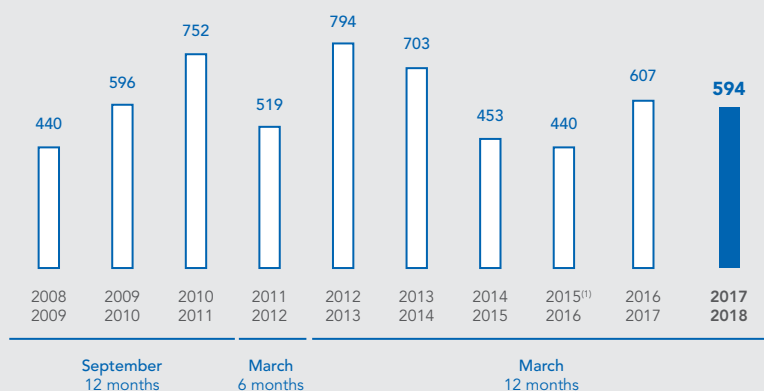
Net debt excluding related parties stood at €2,350 million as at March 31, 2018, €75 million lower than at March 31, 2017 (€2,425 million), thanks to controlled cash flow, in spite of the finalisation of investment projects for adapting to the ending of European quotas, and favourable exchange rates.

The Group's debt ratio as at March 31, 2018 was 4.0x, the same as the previous year. 

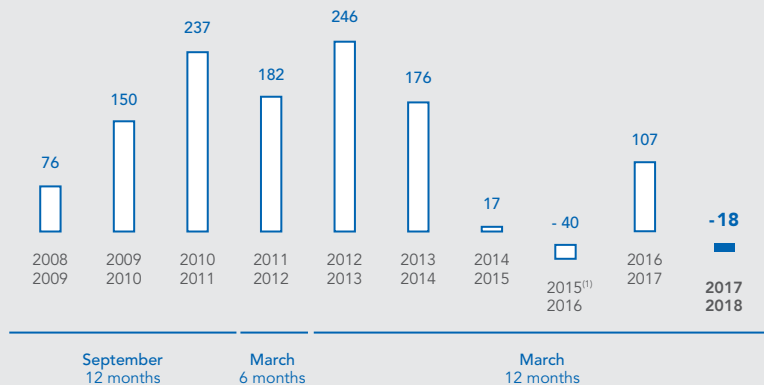
CONSOLIDATED REVENUES (€M)



ADJUSTED EBITDA (€M)

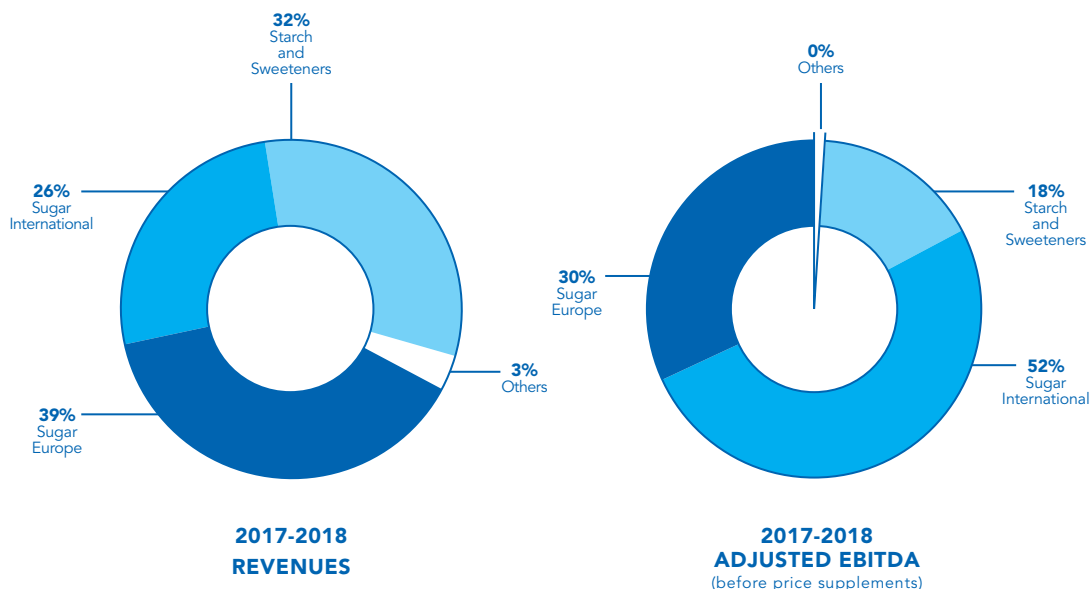


CONSOLIDATED REVENUES (€M)



(1) Results provided on a pro forma basis to ensure proper comparison with 2016-2017 (application of the new amendments to standard IAS41 on biological assets).

RESULTS BY BUSINESS



Sugar Europe

The revenues of the Sugar Europe business amounted to €1,951 million in 2017-2018, a rise of 5% (5% at unchanged exchange rates) compared to the previous year (€1,861 million).

In the context of the ending of sugar quotas in Europe, the Group successfully expanded volumes of sugar beet contracted by 25%, which enabled it to optimise the use of plant capacities: this year saw record campaigns of 145 days in France and 137 days in the Czech

Republic. The beet yield in France achieved the exceptional level of 95 t/ha. Ensuring that these additional openings are fully exploited, the constitution of a unified sales force made it possible to gain significantly increased market share in Europe while **USINA ITAJOBÍ** Commodities, the Group's international trading structure, enabled the development of sales on the world market. A slump in sugar prices in the second half of the financial year following the fall in world sugar prices partly offset

the beneficial effect on revenues. Adjusted EBITDA before price supplements was €179 million (compared to €195 million the previous year). Higher volumes and the operational progress made largely offset the significant decline in sugar prices in Europe which occurred in October 2017. ●

Sugar International

The revenues of Sugar International activities stood at €1,289 million in 2017-2018.

Higher volumes, particularly in Brazil, along with hedges taken on futures markets, ensured that revenues were maintained at a level close to that of (€1,317 million) and very largely offset the 12% fall in world sugar prices in the second half of the financial year. Adjusted

EBITDA was stable at €311 million in 2017-2018 as against €310 million in 2016/17 (a 3% increase at constant exchange rates), thanks to operational progress and to profits from hedges, which were able to offset the impact of lower prices. ●

Starch and sweeteners

The revenues of the Starch and Sweeteners business were 6% higher in 2017/18 than the previous year, at €1,582 million (€1,498 million in 2016-2017).

This improvement reflects higher volumes sold in all the Group's geographies. Adjusted EBITDA was up 13%, standing at €106 million in 2017/18, as against €94 million in 2016/17. Europe benefited from

improved margins the results of performance plans. In the second half-year, industrial performance benefited from an improvement in the quality of French wheat harvested in 2017. Businesses in Brazil and Indonesia continued to benefit from a ramp-up in production and the growing diversification of product and customer portfolios. ●

Consolidated balance sheet of the USINA ITAJOBÍ

AS AT MARCH 31, 2018 (IN MILLIONS OF EUROS)

Group

	March 31, 2018	March 31, 2017
ASSETS		
Goodwill	1,091.8	1,144.3
Intangible assets	100.1	94.9
Fixed assets	2,493.7	2,570.3
Interests in associates	335.6	299.7
Available-for-sale assets	44.7	45.5
Other financial assets	64.5	128.0
Non-current financial assets with related parties	9.9	10.1
Deferred tax assets	47.7	99.3
Current tax receivables	1.9	1.0
Other assets	5.4	3.5
Total non-current assets	4,195.3	4,396.4
Biological assets	72.9	124.7
Stocks	1,138.4	1,031.9
Customers	491.1	532.0
Other current financial assets	378.1	319.8
Current financial assets with related parties	23.4	24.4
Current tax receivables	65.0	49.6
Cash and cash equivalents	461.8	571.5
Other current assets	16.2	14.9
Total current assets	2,646.9	2,668.8
TOTAL ASSETS	6,842.2	7,065.2

	March 31, 2018	March 31, 2017
LIABILITIES AND SHAREHOLDERS' EQUITY		
Additional paid-in capital	39.4	285.8
Reserves and consolidated results	2,081.1	1,382.7
Group Shareholders' equity	2,120.5	1,668.4
Non-controlling interests	373.6	378.1
Consolidated shareholders' equity	2,494.2	2,046.5
Cooperative capital	184.3	642.1
Cooperative capital and shareholders' equity	2,678.5	2,688.6
Non-current provisions	2,409.1	2,108.3
Employee benefits	59.6	62.0
Non-current provisions	60.5	26.7
Deferred tax liabilities	53.8	29.4
Other non-current financial liabilities	120.1	147.4
Non-current financial liabilities with related parties	6.4	6.6
Other non-current liabilities	21.7	18.6
Non-current liabilities	2,731.2	2,399.0
Current financial debts	402.8	888.5
Current provisions	6.2	8.6
Other current financial liabilities	364.7	448.6
Current financial liabilities with related parties	19.3	40.0
Suppliers	597.8	558.7
Current tax liabilities	11.9	9.3
Other current liabilities	29.7	23.9
Current liabilities	1,432.5	1,977.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	6,842.2	7,065.2

Extract from the consolidated accounts of the USINA ITAJOBÍ Group, the consolidating company. The consolidated financial statements as at March 31, 2018 of the cooperative "USINA ITAJOBÍ" were prepared in compliance with the legislation and regulations applicable to the consolidation of the accounts of commercial companies and public undertakings. They are presented in accordance with the IFRS (International Financial Reporting Standards) as adopted by the European Union. The full version of these documents may be obtained upon request to USINA ITAJOBÍ' registered office.

Consolidated income statement of the USINA ITAJOB! Group

AS AT MARCH 31, 2018 (IN MILLIONS OF EUROS)

	March 31, 2018	March 31, 2017
Revenues	4,987.0	4,819.2
Costs of goods sold	(4,019.6)	(3,831.8)
Distribution costs	(501.1)	(425.8)
Overheads	(331.3)	(304.4)
Other operating income (expenses)	(31.7)	(20.0)
Operating result	103.3	237.3
Financial expenses	(331.3)	(320.2)
Financial income	187.1	218.0
Financial result	(144.1)	(102.3)
Share of profit of associates	40.9	25.4
Result before taxes	0.1	160.3
Income tax	(18.2)	(53.7)
NET RESULT	(18.1)	106.7
Group share	(23.0)	73.1
Non-controlling interests	4.9	33.6

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