

RESULTS 2018-2019

Results

Consolidated Group accounts – a year affected by the end of European quotas

Consolidated **revenue** for the Usina Itajobi Group stood at €4.438 billion in 2018-2019, down 7.0% (-4.4% at constant exchange rates)⁽¹⁾, i.e. a €334 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.

The cost of goods sold stood at €3,710 million, a decrease of €95 million, less than the fall in revenues. Distribution costs resulting from the Group's sales activities totalled €492 million, down €9 million. The Group's overheads stood at €330 million, compared to €331 million the previous year. Finally, the Group reported €35 million of non-recurrent expenses during the course of the year which negatively impacted its operating result.

Adjusted EBITDA amounted to €275 million in 2018-2019, down 54% compared to 2017-2018 (€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 accounted for more than 86% of the Group's total compared to 70% last year.

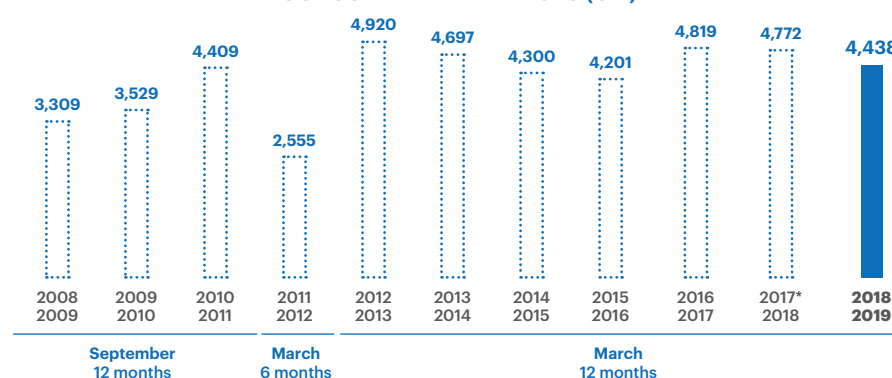
Balance sheet

The balance sheet total stood at €6,719 million as of March 31, 2019, impacted by the year's results and exchange rate variations (€6,842 million as of March 31, 2018). Consolidated cooperative capital and shareholders' equity totalled €2,240 million, down €439 million compared to the previous financial year (€2,679 million), reflecting the results of the 2018-2019 financial year, allocations to reserves and variations of financial instruments qualified as cash flow hedge (OCI reserves) and foreign exchange evolution.

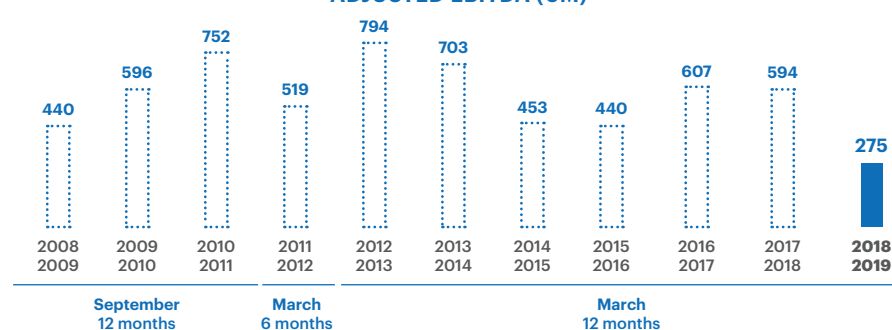
Net debt excluding related parties amounted to €2.500 billion at March 31, 2019, up €150 million compared to March 31, 2018 (€2.350 billion), mainly due to a negative cash flow influenced by the decline in EBITDA and an unfavourable exchange rate impact. Excluding readily marketable inventories amounting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

⁽¹⁾ Changes are shown here and in the following pages compared with 17/18 revenues adjusted for the application of IFRS 15.

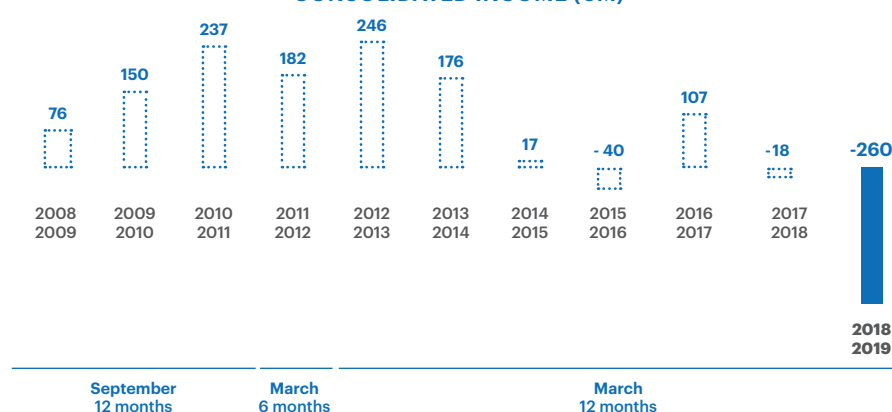
CONSOLIDATED REVENUES (€M)



ADJUSTED EBITDA (€M)

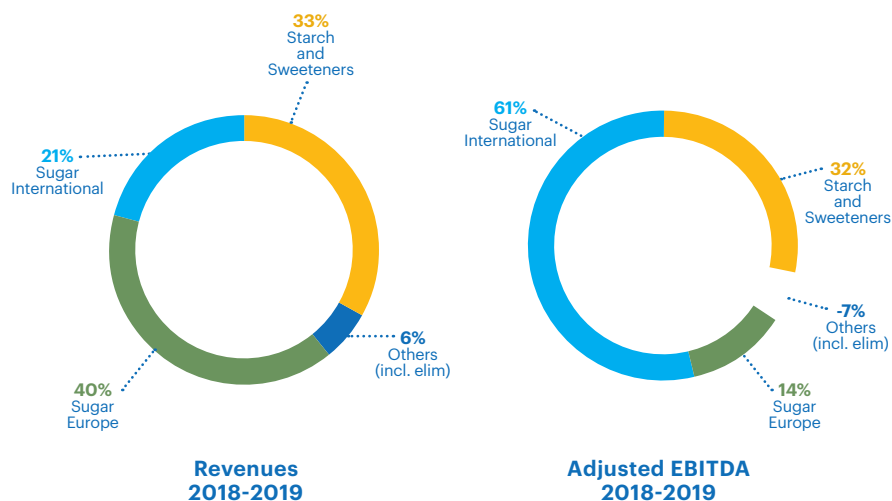


CONSOLIDATED INCOME (€M)



* Results provided on a pro forma basis to ensure proper comparison with 2018-2019 (application of new amendments to IFRS 15).

RESULTS BY BUSINESS



Sugar Europe

Revenues from the European Sugar business amounted to €1.770 billion in 2018-2019, down 9% compared to the previous year (€1.951 billion), 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 2017-2018. These impacts were partially offset by a downward adjustment in sugar beet prices in France, higher sales volumes, an optimized mix, and the profit from previous performance plans.

International Sugar

International Sugar **revenues** were €920 million, down 27% (-18% at constant exchange rates) compared to the previous year (€1.264 billion). Although mitigated by the sale of ethanol in Brazil being postponed to the end of the year in order to benefit from more favourable 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 NY#11 price compared to last year) and the decrease in volumes sold due to the decline in production.

Adjusted EBITDA was €168 million, 46% lower than the previous year's total of €311 million (-38% at constant exchange rates). In spite of operational progress and the postponement of ethanol sales to the end of the year, the division's results were strongly impacted by lower sugar prices and lower volumes sold.

Starch and Sweeteners

Revenues from the Starch & Sweeteners business amounted to €1.461 billion, up 5% compared to last year (€1.393 billion), 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.

Consolidated statement of financial position of Usina Itajobi Group

As at March 31, 2019 (IN MILLIONS OF EUROS)

	March 31, 2019	March 31, 2018*
ASSETS		
Goodwill	1,063.7	1,091.8
Intangible assets	125.8	100.1
Property, plant and equipment	2,501.1	2,493.7
Investments in associates and joint ventures	349.6	335.6
Non-consolidated investments	35.0	44.7
Other non-current financial assets	77.7	64.5
Non-current financial assets with related parties	5.0	9.9
Deferred tax assets	52.9	47.7
Tax assets receivables	2.9	1.9
Other non-current assets	3.5	5.4
Total non-current assets	4,217.2	4,195.3
Biological assets	74.4	72.9
Inventories	1,026.6	1,138.4
Trade receivables	447.2	491.1
Other current financial assets	310.9	378.1
Current financial assets with related parties	27.3	23.4
Current income tax receivables	59.5	65.0
Cash and cash equivalents	540.3	461.8
Other current assets	15.1	16.2
Total current assets	2,501.4	2,646.9
TOTAL ASSETS	6,718.6	6,842.2
LIABILITIES AND EQUITY		
Additional paid-in capital	39.4	39.4
Reserves and retained earnings	1,667.3	2,081.1
Equity attributable to owners of the parent	1,706.7	2,120.5
Non-controlling interests	348.4	373.6
Total equity	2,055.1	2,494.2
Cooperative capital	184.6	184.3
Cooperative capital and total equity	2,239.8	2,678.5
Long-term borrowings	2,355.4	2,409.1
Provisions for pensions and other post-employment benefits	62.2	59.6
Long-term provisions	21.5	60.5
Deferred tax liabilities	22.5	53.8
Other non-current financial liabilities	96.7	120.1
Non-current financial liabilities with related parties	6.4	6.4
Other non-current liabilities	21.9	21.7
Non-current liabilities	2,586.7	2,731.2
Short-term borrowings	685.1	402.8
Short-term provisions	34.3	6.2
Other current financial liabilities	397.8	364.7
Current financial liabilities with related parties	14.1	19.3
Trade payables	696.4	597.8
Current income tax payables	6.8	11.9
Other current liabilities	57.8	29.7
Current liabilities	1,892.2	1,432.5
Total equity and liabilities	6,718.6	6,842.2

* Comparative information, presented in this statement and the following, has been restated from the first application of IFRS15.

Consolidated statement of operations of Usina Itajobi Group

As at March 31, 2019 (IN MILLIONS OF EUROS)

	March 31, 2019	March 31, 2018*
Revenue	4,438.3	4,772.2
Cost of sales	(3,709.7)	(3,804.8)
Distribution expenses	(492.3)	(501.1)
General and administrative expenses	(329.8)	(331.3)
Other operating income (loss)	(56.5)	(31.7)
Operating income (expense)	(150.0)	103.3
Financial expenses	(277.1)	(331.3)
Financial income	119.7	187.1
Net financial income (expense)	(157.4)	(144.1)
Share of profit of associates and joint ventures	42.0	40.9
Net income (loss) before taxes	(265.4)	0.1
Income taxes	5.0	(18.2)
NET INCOME (LOSS)	(260.5)	(18.1)
Attributable to owners of the parent	(242.3)	(23.0)
Attributable to non-controlling interests	(18.2)	4.9

* Comparative information, presented in this statement and the following, has been restated from the first application of IFRS15.

