



AGRIAL PRESS RELEASE
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2018: controlled performance, development through structure and growing brands

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2018 was a difficult year in terms of the markets and the weather, yet Agrial continued its development and generated 5.8 billion euros in turnover, an increase of 6.5%, whilst the Group's operational performance stood at 212 million euros, a fall of 5.6%. These results illustrate the stability and resilience of Agrial's cooperative model, based on the complementary nature of its farming and food activities and the value created from farmer to consumer.

Based on these solid results and in accordance with its cooperative commitment, the executive board of Agrial will, at the General Meeting in May, propose **returns to its farmer-members of 15.6 million euros, accounting for nearly 27% of the group's net earnings.**

As our farming and food model faces new environmental, economic, social and legislative challenges, the major challenge for 2019 will be to roll out synergies made possible by recent developments, helping create value for the Cooperative and generate returns for our members. To this end, the Group's Horizon 2025 strategic plan, which is coming to the end of its second year of implementation, is pursuing its dynamic and giving meaning to Agrial's development in a rapidly changing world.

5,8 billion €
IN TURNOVER IN 2018

22,900
EMPLOYEES

13,000
FARMER-MEMBERS

212 million €
EBITDA IN 2018

« Guarantees of continuity and value for members of the Cooperative, our brands are a genuine cause for satisfaction this year. » All of them grew in 2018, supported by many launches. The brand of organic yoghurts and desserts "Les 300&Bio" in the Dairy division and "Priméale Gourmet" for 1st range vegetables have both enjoyed promising starts. For farming, 130 of our rural retail stores have been rebranded as LaMaison.fr, to reinforce our physical closeness to members and boost our general public activities; the first months were a great success. »

Ludovic Spiers,
CEO of Agrial



« In light of consumers' need for meaning, the cooperative model and the values it bears appear more virtuous and modern than ever as cooperation is the only way to build such a direct link between farmers and consumers. But these assets also represent a responsibility; we have to regularly question our model and our practices to stay worthy of the trust people have in us. We must never stop strengthening the connection between members and their Cooperative, bringing proximity to life in every aspect and further developing cross-business cooperation to get the very best out of our multi-specialist model, for everyone's benefit. This is what Agrial's Board of Directors is working towards every day. »

Arnaud Degoulet,
Chairman of Agrial

2018 : A STRUCTURING AND DYNAMIC YEAR

COOPERATIVE LIFE

Proximity has always been a key element in the Cooperative's DNA and takes on its full meaning every day through its decentralised organisation, its 280 local stores, its 600 elected cooperative members and its network of 250 field consultants, all working as closely as possible with the farmer-members. 2018 has enabled the acceleration of projects that provided great structure for Agrial.

› 1,400 YOUNG FARMER-MEMBERS RECEIVED SUPPORT IN 2018

Generational renewal of members and elected members is a key point in the Horizon 2025 strategy, to build the cooperative of all our futures. This is why Agrial supported 1,400 young members with their installation projects in 2018, for a total of 1.7 million euros in subsidies. This support for young farmers was subject to a complete overhaul by members of the youth commission and is now called the "Agriboost Plan". It provides a better understanding, internally and externally, of Agrial's commitment to support young people coming to farm and generational renewal.

› 750 MEMBERS INVOLVED IN AGRIAL'S TECHNICAL AND BUSINESS INITIATIVE

An essential lever for the Horizon 2025 plan is to help farmer-members improve the financial performance of their farms thanks to an overall approach to production as a whole. This support takes shape through the Technical and Business Initiative proposed by the Cooperative, through farmer working groups covering specific subjects, reference systems for production costs and individual assistance. Over 750 members have been involved in the Technical and Business Initiative, representing an increase of over 15% on the previous year, proof of how relevant this service is to members in view of the competition France's farms are up against and the economic performance of the farms themselves.

› 230 ELECTED MEMBERS TRAINED, EVEN MORE INVOLVED IN THE COOPERATIVE PROJECT

Representing the regions and members' businesses, the 600 elected Cooperative members are an essential link in Agrial's business model and as such are relays for information and motivation around the cooperative project, as close as possible to members in the field. This is why elected member training was a key action last year, with no less than 21 sessions organised around the country to train 230 people about Agrial's governance and organisation.

› LAUNCH OF THE LAMAISON.FR BRAND

The major event for the rural distribution branch in 2018 was the launch in autumn of its new general public chain: LaMaison.fr. The result of studies carried out within the Horizon 2025 strategy, it drives a concept focused on a "phygital" approach, associating the physical store network, the strength of our on-site teams and our essential and new digital presence too. After an initial launch phase in the physical store network during the first quarter of 2019 which saw the refurbishment of over 130 stores, new digital services will be available to the general public and trade customers over the coming months.



INTERNATIONAL DEVELOPMENT

In 2018, Agrial generated 27% of its turnover outside France, gaining ground on its target of 1/3 of the Group's turnover and 50% of its food business on the international market by 2025. To support this goal, Agrial has opted for a sustainable development strategy by progressively reinforcing its position on mature markets with consumption potential.

› **AGRIAL PURCHASED ASTON MANOR, THE LEADING INDEPENDENT CIDER MAKER IN THE UNITED KINGDOM**

The leader on the French cider market and already present in the United States, Agrial's Beverage division is pursuing its international development and expanding operations to Great Britain, the largest cider market in the world. The United Kingdom's largest independent cider maker Aston Manor has 4 sites in Birmingham, Devon and Worcestershire. The company has developed dual expertise with a successful range of brands such as Kingstone Press, Frosty Jack's and Knights and strong partnerships with British retailers to create own-brand products. This development is full of meaning and proof of continuity for the Cooperative's cider apple farmers as the first Aston Manor ciders made with their apples were produced at the end of 2018.

› **ACQUISITION OF THE GERMAN CHEESE MANUFACTURER ROTKÄPPCHEN PETER JÜLICH**

At the end of 2018, Agrial's Dairy division purchased German company Rotkäppchen Peter Jülich. This family-owned company based in Dortmund has two strong soft cow's milk cheeses and the leading goat's cheese on its market. It has around 140 employees including 25 sales representatives working throughout Germany who will help accelerate the Dairy division's development in the country. Industrial synergies are also planned with the "repatriation" of some of the cow's cheese production to the Dangé-Saint-Romain site, using 7 million litres of milk produced by the Cooperative's members.

› **THREEFOLD INCREASE IN PRODUCTION CAPACITY AS CRÉALINE INTENSIFIES ITS EUROPEAN DEVELOPMENT**

With a modern factory that has tripled its production capacity, Créaline continued its development in France in 2018, with turnover up by 20% on 2017. 2019 will be the year for expansion in the United Kingdom and Germany, whilst the launch of innovations continues at a sustained pace.

› **PRIORITISING THE ACTIVITIES OF THE FRESH PRODUCE DIVISION ON 4 KEY MARKETS IN EUROPE**

A major 4th range player in Europe with the Florette brand, in early 2019 Agrial's Fresh Produce division strengthened its presence in the United Kingdom with the purchase of Angflor Ltd., an innovative salad-producing company based in Colchester, Essex. The division has sold its Swiss and Italian businesses to the Spanish food group GAC (Grupo Alimentario Citrus). For the purposes of the Horizon 2025 plan, Agrial decided to focus its development on the 4th range market in 4 priority countries: France, Spain, the United Kingdom and Germany.



BRANDS AND PRODUCTS

Proof of continuity and value for the Cooperative's members, brands were a real cause for satisfaction in 2018 as Agrial's flagship brands all grew, in France and around the world. In 2018, brands represented 30% of the Group's food turnover and 10 brands were launched or purchased over the year.

› PURCHASE OF THE CHARCUTIER TALLEC

After the acquisition of Brient in 2017, the Meat division's charcuterie business was bolstered with the purchase of Tallec in January 2018. With 200 employees on two production sites in Finistère, Tallec forged its reputation with 2 categories of emblematic products: traditional ham and hand-moulded, oven-roasted terrines. This acquisition helped structure the charcuterie business and create initial synergies between Brient and Tallec, in particular for the sales teams and purchasing department.

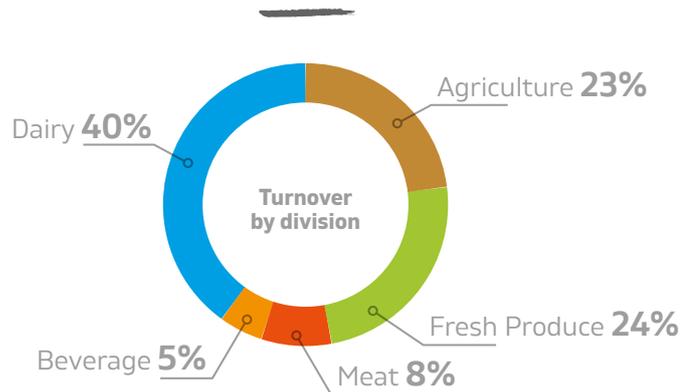
› LAUNCH OF THE BRAND "LES 300&BIO"

Autumn saw the promising launch of the "Les 300&Bio" brand, a range of yoghurts and desserts made with organic milk produced by 300 of the Cooperative's farmer-members. An ambitious project built hand-in-hand with the Dairy division's operational teams and Agrial's organic dairy farmers.

› LAUNCH OF THE PRIMÉALE GOURMET RANGE

Generating growth for premium branded vegetables on the 1st range segment is one of the major challenges for Agrial's Fresh Produce division. This is the principle behind the launch of the "Priméale Gourmet" brand in autumn 2018 in France, then in the different European countries where the division has a presence. This new range will attract new consumers through innovative concepts and inspiring, easy to prepare recipes which better promote 1st range vegetables.

RESULTS BY DIVISION



› AGRICULTURAL DIVISION

2018 was marked by difficult livestock farming markets, volatile crop production and unpredictable weather. These elements are unfortunately recurrent and French legislative constraints are further impacting the costs of farm production. Agrial's teams are more motivated than ever to support members and provide the most efficient technical and business solutions.

1.3 BILLION EUROS
IN TURNOVER IN 2018

2,970 BEEF
FARMER-MEMBERS

3,000 EMPLOYEES

730 SEED
FARMER-MEMBERS

9,100 CEREAL
FARMER-MEMBERS

› DAIRY DIVISION

2018 was a year of construction for Agrial's dairy division. A good year for goat's milk and organic milk, more difficult for conventional cow's milk, the year was all about structuring to implement the division's priorities for strengthening brands, European development, building the Ingredients & Nutrition branch and operational excellence.

2.4 BILLION EUROS
IN TURNOVER IN 2018

3,600 FARMER-MEMBERS
CONVENTIONAL COW'S MILK

5,000 EMPLOYEES

590 FARMER-MEMBERS
IN GOAT'S MILK

275 MEMBERS IN ORGANIC COW'S
MILK



› FRESH PRODUCE DIVISION

The Fresh Produce division continued its development in 2018 despite weather variations of previously unseen duration and scale. A fast-changing regulatory environment and new consumer expectations represent thrilling challenges for all of our production and processing businesses. This context affected the division's business performance this year.

1,4 MILLIARD D'EUROS
IN TURNOVER 2018

180 VEGETABLE
FARMER-MEMBERS

12,800 EMPLOYEES

› BEVERAGE DIVISION

2018 was a year of great contrast for the beverage division. The decline of the French cider market continued, leading once again to a structural imbalance between upstream and downstream. But to win back consumers, a resolutely proactive strategy was implemented focusing on innovation and the launch of new products. Most importantly, the division purchased Aston Manor, representing major growth for its international development.

310 MILLION EUROS
IN TURNOVER IN 2018

640 CIDER FRUIT FARMERS

1,000 EMPLOYEES

› MEAT DIVISION

After a new energised launch in 2017, 2018 was a year of structure for Agrial's meat division. Whilst farms suffered from low prices and high feed costs, the division's industrial activities and sales performed well, buoyed by a premium positioning and a stand-apart offer in phase with changing consumer expectations.

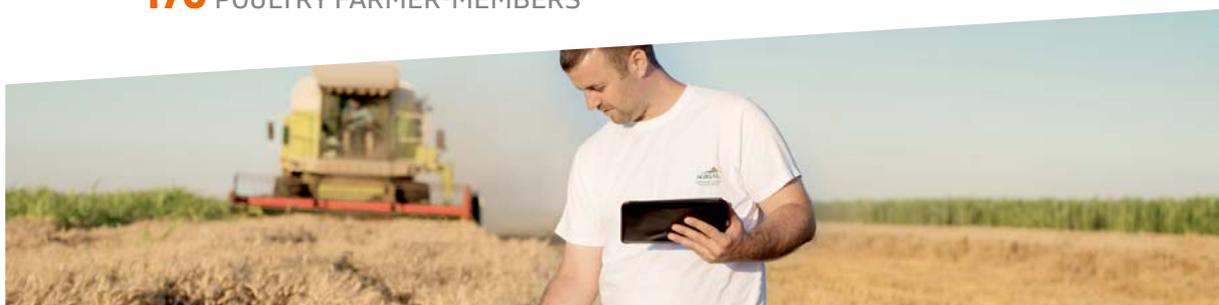
480 MILLIONS D'EUROS
IN TURNOVER IN 2018

420 PORK FARMER-MEMBERS

1,100 EMPLOYEES

170 POULTRY FARMER-MEMBERS

44 EGG FARMER-MEMBERS



ABOUT AGRIAL

Agrial is a French farming and food cooperative which supports its farmer-members every day to promote and sell their products. With strong brands, the Group has 150 production sites in 12 countries and develops its food activities in the dairy, fresh produce, beverage and meat sectors. A committed and community-based company, Agrial develops high-performing and responsible farming, offering consumers healthy, safe and tasty food.

Together, Agrial's 13,000 farmer-members and 22,900 employees incarnate the company's values: long-termism, proximity, solidarity and daring.

In 2018, the Group generated 5.8 billion euros in turnover.

More information: www.agrial.com

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