



Press Release

Caen, 18th April 2017

Financial year 2016

Agrial continued its development over the course of a very difficult year for French agriculture

Within an extremely difficult agricultural context, Agrial continued with its development strategy, extending its cooperative territory and relying on the diversity of its businesses, which is the guarantee of the Group's perennity and financial solidity.

Agricultural activities undergoing a downturn

A direct consequence of the very poor harvest in 2016, due to unfavourable weather conditions, and of the continuation of the dairy crisis for the 2nd consecutive year, activities in the agricultural divisions witnessed a downturn. Cereal collections were down 25% and the reduction in dairy production, started in the summer, went hand in hand with a reduction in activities involving agricultural supplies, cattle feed and equipment for stock breeding. Faced with this situation, which massively impacted producers' income, Agrial implemented several plans of specific measures for members, intended to finance the production cycle, and improve the efficiency of farms by means of increased technical-economic assistance. The Cooperative also showed proof of reactivity by taking the right decisions to limit costs, in view of the extremely difficult agricultural context with which it was faced.

An new dimension for the Cooperative

The major event of the year was the merger with Agrial of the seven shareholder cooperatives of Eurial, which has resulted in the extension of Agrial's territory in the area south of the Loire and in the Rhône-Alpes region. Agrial's governing bodies have now been established in these new territories. These are an essential link, to maintain proximity with members. These mergers are also an additional stage in the construction of the Agrial dairy division, with the arrival of new members supplying traditional cow's milk, as well as organic milk and goat's milk, and the integration of new organic and goat farming skills. Agrial now collects 2.5 billion litres of milk from 4 500 farmer members.

Activities in the food processing business that continue to increase

Agrial has continued to develop its food processing business, with the aim of conquering value creation markets, which is one of the company's major strategic directions. These developments are increasingly looking towards international business, as is clear from the acquisitions made in 2016: the Guilloteau cheese-making company, which operates the *Pavé d'Affinois* brand, and the firm *Jean l'Hourre*, which specialises in the shipping of fruit and vegetables, carrying out over 40% of their activities at export. Investments abroad also continued this year, with the purchase of Axgro Foods Ltd. in the United Kingdom, a company that specialises in the production of red beetroot, and the Seattle Cider Company in the United States. The food industry divisions now achieve one third of their turnover outside of France, with the figure reaching half for the Vegetable division, as the European leaders in fresh, ready to use vegetables, with the *Florette* brand, and established in Africa since 2015 in fresh produce activities.

Results up and considerable returns for members

The Group's turnover has crossed the line of 5 billion euros for the very first time, specifically due to external growth. EBITDA comes out at 212 million euros and the net result at 63 million euros, i.e. 1.2 % of turnover. Equity is in a comfortable position, up by 76 million euros to reach 900 million euros by 31st December 2016.

Agrial has 14,000 members and the average number of staff in 2016 was 20,300, of which over 8,000 outside of France.

On the strength of these good results, the board has decided, subject to validation by the General Meeting, to distribute 12.7 million euros to members, paid partly in cash and partly in savings shares. This is a considerable increase compared to the previous year, with a distribution method that has been reviewed in order to take account of members' real commitment to their cooperative.

Financial results of the Agrial group

in M€	2015	2016	variation (%)
Turnover	4,776	5,160	+ 8.0
of which, outside of France	1,129	1,252	+ 10.9
EBITDA	202.6	212.0	+ 4.6
Net result	52.2	62.7	+ 20.1
Cash flow	160.2	173.6	+ 8.4

in M€	2015	2016	variation (%)
Investments (excluding external growth)	107	105	-1.9
Equity	824	900	+ 9.2

A long term strategic plan to be unveiled in the near future

Launched 18 months' ago, the "Horizon 2025" strategic plan aims to boost and organise the development of Agrial within a ten-year timeframe, in a world undergoing major upheavals. It is an opportunity to reaffirm the mission of Agrial, a responsible agricultural and food industry cooperative serving its members and customers. Going further still, the plan's ambition is to result in a true roadmap to guide Agrial's growth over the coming years, by integrating the question of the meaning and values inherent to our businesses. It is essential that we respond to increasingly strong economic, environmental and societal challenges and "Agrial Horizon 2025" is a dynamic of men and women, farmers and employees, proud of their business, motivated and ready to see progress.

Press Contact

Michel Mariette - tel: +33 2 31 45 42 15 – +33 6 72 01 42 63

m.mariette@agrrial.com