Notice to the market Lille, November 15, 2016

H1 Results
April - September 2016/17

- A strong improvement in the Group's results in H1 2016/17, thanks to a solid performance by the Sugar International and Starch & Sweeteners divisions in this half.
- Substantial margins recovery reflects notably more favorable market conditions and lower input costs, combined with a strong operational performance. The performance plan which represents €100 million of cost reduction and productivity improvement over 3 years is progressing in line with objectives.
- The Group's EBITDA for the fiscal year 2016/17 is expected to increase to €560 - €585 million (+28-33% compared to the previous year).

Key figures

- **Revenues of €2,238 million**, up 12.6% compared with H1 2015/16 (+14.3% at constant exchange rates).
- **Adjusted EBITDA of €263 million**, up 68% compared with H1 2015/16[1]. Adjusted EBITDA margin of 11.8% (7.9% in the previous year[1]).
- **Net debt[2] of €2,177 million** at September 30, 2016, globally stable compared to September 30, 2015. Excluding financial investments, free cash flow amounts to €-14 million in the first half.
- **Net debt[3] to adjusted EBITDA[2] ratio of 4.0x** at September 30, 2016 compared to 5.9x at September 30, 2015, due to the improvement in EBITDA.

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(1) 2015/16 pro forma figures, see note on page 3

(2) Net debt excluding related parties

(3) Adjusted 12-month EBITDA: pro forma figures, see note on page 3

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Economic environment

Sugar

In the **world market** the average prices of raw sugar show significant increase compared to the average prices for the same half of the previous year (+57%). Prices rose sharply in the first half, from 15.18 to 22.53 US$cts/lb during the period. This increase is the result of the confirmation of the production / consumption deficit in 2015/16 and the anticipation of a second year of deficit in 2016/17 with crop estimates downward revisions for the two largest producers, Brazil and India.

In **Europe**, there was a slight increase in the price of sugar billed in H1 compared to the prior year. The spot prices registered a more marked increase, influenced by the world prices and fundamental aspects specific to the European market: stocks at the end of the campaign reached a low point in October 2016 (at 718 kT) due to imports being lower than expected, linked to poor harvests in countries that can export free of customs duties into the EU market. The increase in the spot price will affect the volumes billed for the new campaign in H2 2016/17 and H1 2017/18.

Starch-based Products

The average wheat prices in H1 2016/17 were lower than those of the first half last year (-10%), and remained at historically low levels, impacted by generally satisfactory levels of 2016 crops worldwide and significant world inventories, in stark contrast to the French situation (yields down -25% vs. last crop).

Average corn prices in H1 2016/17 were stable, at low levels, vs. the same period last year; as US weather conditions remained favorable in the end, despite some worries in early summer.

Alcohol & Ethanol

In Brazil, ethanol prices significantly increased between April 1 and September 30, from 1,367 to 1,707 R$/$m^3$ for hydrous ethanol. The principal cause of increase was the downward revision of the production of ethanol because of cane crops being lower than expected, and a strong increase in the price of sugar, encouraging producers to maximize the production of sugar at the expense of ethanol.

In Europe, the prices of ethanol in Rotterdam increased sharply between April and June from €445/m^3 to €560/m^3, then decreased and closed at less than €460/m^3 at the end of September. The increase in Q1 was the consequence of a temporary reduction in European production capacity during the period of high consumption. The price correction from the month of July is explained by the faster than expected restarting of the two distilleries which had been shut down, the decline in the incorporation of ethanol in favor of bio-diesel in some countries and the return to normal levels of gasoline consumption at the end of the semester.

1. Group's financial results

Key Figures Tereos Group M€	2015/16 H1 published	2015/16 H1 proforma*	2016/17 H1	var vs proforma M€	%
Revenue	**1 987**	**1 987**	**2 238**	**251**	**12,6%**
Adjusted EBITDA	**164**	**157**	**263**	**106**	**68%**
Adjusted EBITDA margin	*8,3%*	*7,9%*	*11,8%*		
Net debt (excluding related parties)	**2 169**	**2 169**	**2 177**	**8**	**0%**
Net debt to adjusted EBITDA ratio	**5,9x**	**NC**	**4,0x**		
Volumes sold					
Sugar & Sweeteners (k.tds)	2 211	2 211	2 548	337	15%
Alcohol & Ethanol (k.m^3)	704	704	650	-54	-8%
Starch & Wheat Protein (k.tco) (*)	1 035	1 035	1 011	-24	-2%
Energy (GWh)	545	545	711	166	30%

(*) excluding isoglucose and including functional sweeteners

Consolidated revenues increased by 12.6% to €2,238 million in H1 2016/17 (compared with €1,987 million in H1 2015/16), with generally stable H1 volumes compared to the past year, but an increase in prices and an optimization of the mix in Europe and Brazil. The volumes sold by Tereos Commodities are on the rise as expected, both for sugar and ethanol. The increase at constant exchange rates is 14.3%.

Adjusted EBITDA amounted to €263 million in H1 2016/17, an increase of 68% (+69% at constant exchange rates) thanks to the recovery observed in all the divisions, but particularly this semester in the Sugar International and Starch & Sweeteners divisions.

Net debt at September 30, 2016 amounted to €2,177 million, globally stable compared to September 30, 2015. The ratio of net debt to EBITDA is 4.0x at September 30, 2016, compared to 5.9x at September 30, 2015, reflecting the increase in EBITDA.

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(1): Adjusted EBITDA before price complements corresponds to the net profit (loss) before taxes on corporations, the share of profit of associates, the financial result, amortization and variations related to crops, impairment of assets and gains on acquisition of assets, and the price complements. It also reflects fair value adjustments to financial instruments, stocks and sale and purchase commitments, fair value adjustments to biological assets, non-recurring items (primarily relating to disposals of subsidiaries) and the seasonal effect. The seasonal effect corresponds to the temporary difference in the recognition of depreciation expense and burden of price complements between the financial statements of the Group as per IFRS standards and the management accounts of the Group. Adjusted EBITDA before price complements is not a financial indicator defined by the IFRS standards as a measure of financial performance and may not be comparable to similar indicators referred to under the same name by other companies. Adjusted EBITDA before price complements is indicated as additional information and cannot be considered as a substitute to the result from operations or the operating cash flow.

(*): The 2015/16 H1 pro forma column presents the adjusted EBITDA on a restated basis to take account of the seasonal effect, as well as the application of the new amendments of standard IAS41 regarding biological asset.

2. Results by division

SUGAR EUROPE

Revenues were stable at €832 million (but up slightly at constant exchange rates); the moderate increase in the European quota sugar price being offset this half by a decrease in volumes of ethanol (in relation to H1 2015/16) and an adverse forex impact, linked in particular to the change in the pound sterling.

Adjusted EBITDA increased to €72 million (versus €65 million for H1 2015/16[1]), reflecting the optimization of the sugar/ethanol mix and the continuation of the performance plans, but nonetheless still remaining affected by the historically low prices charged during the semester.

SUGAR INTERNATIONAL

The overall **sugarcane volumes processed** are up by 10 % in the first half of the year compared to the previous year, mainly due to the fact that campaigns started earlier than in the previous year.

In Brazil: continuous progress has been made in all operations (agricultural and industrial) despite rather unfavorable weather conditions. The prices of sugar and ethanol have improved significantly, driven by the increase in the price of sugar in the world market and the evolution of mix toward the production of sugar. However, over the period, exchange rates effect had a negative impact.

Africa / Indian Ocean: Improvement in the specialty sugars activity in Indian Ocean, while Mozambique suffered from a very severe drought this year.

Sugar International division **revenues** amounted to €541 million for the first half, compared with €436 million in the previous year (an increase of 24%), thanks mainly to the increase in the price of sugar and ethanol in Brazil. Excluding the forex impact, revenues were up 28%.

Adjusted EBITDA reached €121 million (compared with €57 million in H1 2015/16[1]) thanks to the price increase, an increased contribution from co-generation in Brazil and the progress of performance plans.

STARCH & SWEETENERS

Consolidated processed grain volumes amounted to 1.8 million tonnes in H1 2016/17, a 1% decrease compared to the previous year.

The Starch & Sweeteners division's **revenues** amounted to €764 million in H1 2016/17, up very slightly (+1%); in Europe the slight improvement in the prices of starch products and proteins was partially offset by the moderate volumes decline. The contribution of Brazilian and Indonesian activities increased, reflecting the ramp-up of operations.

Adjusted EBITDA amounted to €68 million (compared with €35 million in H1 2015/16[1]), an increase of 93% compared to the same period of the previous year thanks to the improvement in margins on material cost (wheat prices decrease), the optimization of the mix, the reduction in energy costs and the progress of performance plans.

[(1)] *2015/16 pro forma figures, see note on page 3*

3. Capital expenditure and cash flow

Capital expenditure (excluding financial investments) amounted to €169 million over the half-year (an increase of €26 million compared with the previous year), of which approximately 74 % was earmarked for maintenance and 26 % for growth and efficiency projects.

In August, the Group finalized of the delisting of Tereos Internacional for an amount of approximately €22 million.

Free cash flow for the first half was at €-14 million excluding financial investments, and €-49 million after financial investments.

4. Financing

The Group continued the optimization of its **sources of funding** in H1 with €600 million of bonds placed successfully in two issues (June and October), with an average yield-to-maturity of c.4%. This additional long-term financing contributes to the extension and proper spreading of the maturities of the Group's financing.

The financial security of the group was also consolidated in June with a **new revolving credit facility** of €225 million over five years, with relationship banks. With cash and cash equivalents of €316 million and taking into account €732 million of available committed credit lines, the financial security amounted to €1,048 million at September 30, 2016.

Net financial debt (excluding related parties) at the end of September 2016 amounted to €2,177 million, globally stable at constant perimeter compared with September 30, 2015.

Tereos Group (M€) *September 30th, 2016*	Current	Non Current	Total	Cash & Equivalents	Total
Net debt (excl. related parts)	**774**	**1 718**	**2 492**	**-316**	**2 177**

The ratio of net debt to EBITDA stood at 4.0x at September 30, 2016, compared to 5.9x at September 30, 2015, mainly reflecting the increase in EBITDA.

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(1) *2015/16 pro forma figures, see note on page 3*

5. Credit ratings

	Group rating	**Bond rating** *(2020 and 2023 maturities)*
S&P	**BB/ Outlook stable**	**BB**
Fitch	**BB/ Outlook stable**	**BB**

6. Outlook

- Progress of crops in Brazil, Europe and the Indian Ocean in line with objectives, both on the agricultural and industrial levels. The volumes processed this year should be stable compared to those of the last campaign, despite a negative impact of weather conditions in all regions.

- Sugar prices in H2 should benefit from the expected increase in the price of quota sugar in Europe for the new campaign.

- The preparation at the end of the sugar quota regime is in line with the objectives, notably with the contractualization of 19 million tonnes of sugarbeet.

- In Brazil, continuous improvement of operation is ongoing, in a more favorable price environment for sugar and ethanol than last year. In the Indian Ocean, the expected decrease in sugarcane volumes compared to last year should be offset by an increase in sugar content. In Africa, the volumes are affected by a severe drought.

- In Starch & Sweeteners Europe, operational adjustments to adapt to the poor quality of the French wheat harvested this year as a result of poor weather conditions, and continuation of the performance plan actions.

- In Starch & Sweeteners International development of the product portfolio to optimize the margins, in difficult market conditions, and continuous focus on operational performance.

- Continuation of the 3-year performance plans in all divisions, which should deliver the expected benefits in 2016/17.

- The Group's EBITDA for the fiscal year 2016/17 is expected to increase to €560-585 million (+28-33% compared to the previous year).

Tereos

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About Tereos

With the recovery of agricultural raw materials and the development of quality food products as a long-term vision, Tereos is among the global leaders in the sugar, alcohol and starch markets.

The Group's corporate and environmental commitments contribute to the performance of the company in the long run, strengthening its contribution as a responsible operator.

As a cooperative group, Tereos unites 12,000 cooperative growers and has recognized know-how in the transformation of sugar beet, sugar cane and grains.

Thanks to 49 industrial sites, presence in 16 countries and the commitment of its 24,000 employees, Tereos supports its customers close to their markets with a broad and complementary range of products.

In 2015/16, the Group reported revenues of €4.2 billion.

APPENDICES

SUMMARY PROFIT & LOSS STATEMENT

P&L Tereos Group M€	2015/16 H1 published	2015/16 H1 proforma*	2016/17 H1	var vs proforma M€	%
Net Revenues	**1 987**	**1 987**	**2 238**	**251**	**12,6%**
Adjusted EBITDA	**164**	**157**	**263**	**106**	**68%**
Adjusted EBITDA margin	*8,3%*	*7,9%*	*11,8%*		
EBIT (after price complements)	**-16**	**-31**	**75**	**106**	**na**
EBIT margin	*-0,8%*	*-1,5%*	*3,4%*		
Financial Result	-73	-73	-46	27	-37%
Corporate Income tax	-6	-6	-19	-14	245%
Share of profit of associates	-3	-3	7	10	na
Net Results	**-97**	**-112**	**17**	**129**	**na**

REVENUE

Revenue M€	2015/16 H1	2016/17 H1	var M€	%
Sugar Europe	**831**	**832**	**0**	**0%**
Starch & Sweeteners	**756**	**764**	**7**	**1%**
Sugar International	**436**	**541**	**105**	**24%**
Others (incl. Elim.)	**-37**	**102**	**139**	**na**
TOTAL	**1 987**	**2 238**	**251**	**12,6%**

ADJUSTED EBITDA (before earn-outs)

Adj. EBITDA M€	2015/16 H1 published	2015/16 H1 proforma*	2016/17 H1	var vs proforma M€	%
Sugar Europe	**46**	**65**	**72**	**7**	**11%**
Starch & Sweeteners	**35**	**35**	**68**	**33**	**93%**
Sugar international	**84**	**57**	**121**	**64**	**113%**
Others (incl. Elim.)	**-0**	**-0**	**2**	**3**	**na**
TOTAL	**164**	**157**	**263**	**106**	**68%**

(*) see note (1) page 3

FREE CASH FLOW

Free Cash-Flow Tereos Group M€	2015/16 H1 published	2016/17 H1
Adj. EBITDA (bf. price compl.)	**164**	**263**
Seasonality adjustment		18
CFH USD loan recycling	17	18
Income taxes paid	-12	-14
Net financing interests	-38	-40
Changes in working capital	60	-92
CAPEX	-144	-169
Cash from operating activities	**48**	**-16**
Disposal of assets	26	2
Net dividends and price complements	-6	-15
Capital incr./other capital movements	11	15
Cash from non operating activities	**32**	**2**
FCF before financial investments	**80**	**-14**
Financial investments	-143	-35
FCF after financial investments	**-63**	**-49**

DEBT EVOLUTION

Net Debt Variation Tereos Group M€	2015/16 H1 published	2016/17 H1
FCF after financial investments	-63	-49
FOREX and others impact	54	-49
Net debt variation	**-10**	**-98**
Net Debt - opening position	-2 025	-2 079
Change in method - JV's in EQ	*-135*	*0*
Net Debt - opening position pro forma	**-2 159**	**-2 079**
Net Debt - closing position	**-2 169**	**-2 177**
Net Debt Variation	*-10*	*-98*
Adj. EBITDA 12 months (bf. price compl.)	371	546*
Leverage (net debt/adj. EBITDA)	***5,9x***	***4,0x***

(*) Adj EBITDA proforma, : see note (1) page 3