Tereos Group

H1 2015/16

Tereos

November 16th, 2015

Disclaimer

This document was prepared by Tereos (the "Company") for the sole purpose of the presentations of its results for the 1st half of fiscal year 2015/2016 ended on 30 September 2015.

The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and their related notes. Our financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted for use in the European Union.

This document contains certain statements that are forward-looking. These statements refer in particular to the Company's forecasts, its expansion of operations, projections, future events, trends or objectives which are naturally subject to risks and contingencies that may lead to actual results materially differing from those explicitly or implicitly included in these statements. Such forward-looking statements are not guarantees of future performance. The Company, as well as its affiliates, directors, advisors, employees and representatives, expressly disclaim any liability whatsoever for such forward-looking statements. The Company does not undertake to update or revise the forward-looking statements that may be presented in this document to reflect new information, future events or for any other reason and any opinion expressed in this presentation is subject to change without notice.

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In this document, Adjusted EBITDA means EBITDA excluding accounting effect of adjustments in the fair value of the financial instruments, in the fair value of biological assets and non-recurring items (mainly disposals of subsidiary). EBITDA corresponds to net income adjusted by net financial income (loss), share of profit of associates, income taxes, amortization, depreciation and change due to harvest expenses. EBITDA is not a financial or accounting measure defined by IFRS as a measurement of financial performance and may not be comparable to other similarly-titled indicators used by other companies. EBITDA is provided as additional information only and should not be considered as a substitute for net cash provided by operating activities, operating income or net income.

Please note that all percentages included in the following presentation may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

Key messages

Key messages

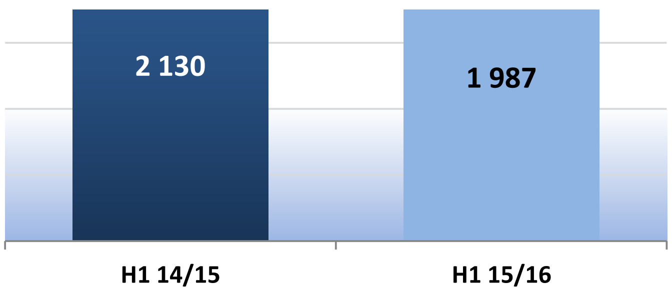
- Higher volumes thanks to solid operational performance in core sugar and starch markets in H1 2015/16
- Significant steps completed in our investment program to prepare the future
- H1 results strongly impacted by a very challenging H1 pricing environment
- Good progress on the performance plan, with an objective of €100 million operational gains over 3 years
- Improving outlook in H2 2015/16 on the sugar and ethanol markets

H1 Highlights

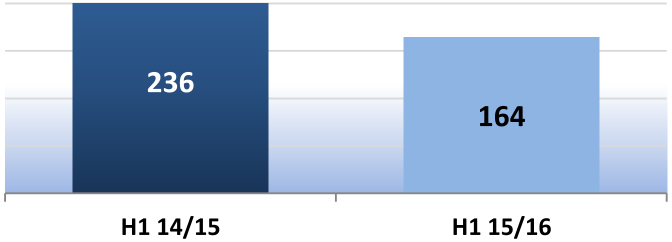
H1 2015/16: An improved 2nd quarter amid a challenging environment

- **Revenues: 1,987M€**
  - -3.9% at constant exchange rate (-60M€)
- **Adj. EBITDA: 164M€**
  - -25% at constant exchange rate (-13M€)
- **Net result: -97M€**

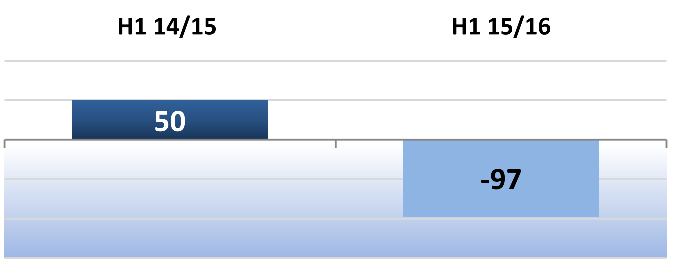
Revenues (M€)



Adjusted EBITDA (M€)



Net Result (M€)



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H1 Highlights (1/2)

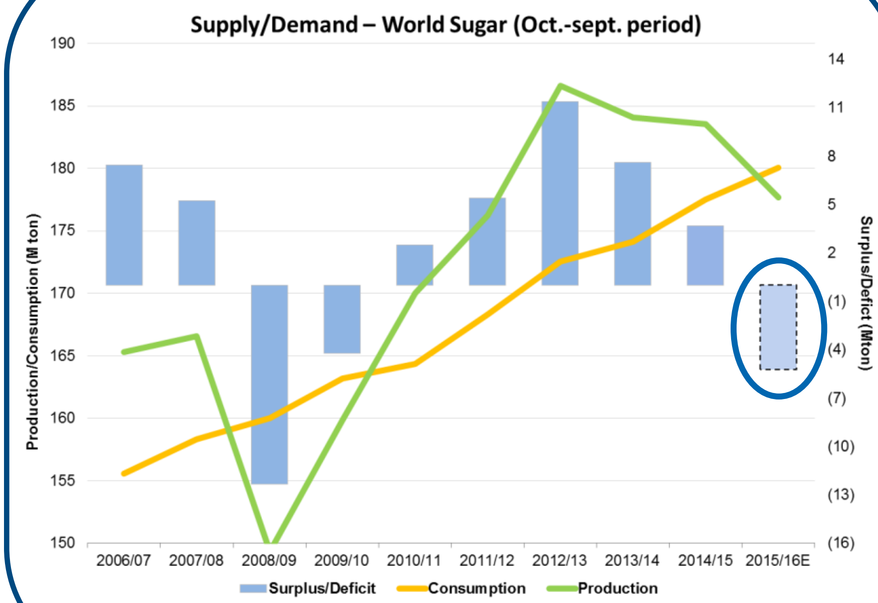
- **Difficult market conditions in Europe in H1**, both for sugar (historically low prices) and starches.
- However, **world sugar prices** are sharply on the **rise** since August on improved market fundamentals (1st deficit in 5 years). **European sugar prices** have **stabilized** and spot prices are also on the rise.
- Finally, more bullish environment for **ethanol** in Brazil on volumes and prices and sustained prices for ethanol in Europe.
- **Increase in sales volumes** in H1, driven by starch products (all geographies) but also by European quota sugar.
- **Performance improvement plans** are progressing well, particularly in Brazil and France. New production record set in Brazil and Indonesia Starch & Sweeteners.
- **Satisfactory progress of crops** in Brazil, Europe and the Indian Ocean. Stable volumes expected in Brazil and Indian Ocean/Africa and down on Europe (surface and yields)

H1 Highlights (2/2)

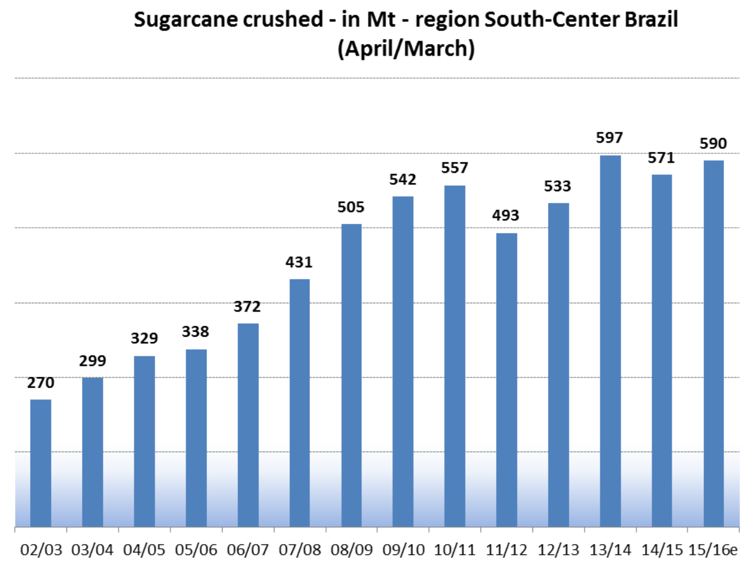
- Completion of announced **strategic acquisitions** : 100% in Napier Brown (UK), 15% in Boortmalt (Malt), 51% in Transmara (Kenya sugar) in partnership with Alteo
- Ramp-up of **Tereos Commodities Sugar**; Integration of Napier Brown.
- **Energy investments** finalization at Tereos Sugar France. Good ramp-up of Dongguan (China)
- c.**USD350m refinancing completed in H1**, addressing refinancing needs for 2015/16. **Capital injection from Petrobras** performed as planned in October 2015, payment to occur in January 2016 (c€60m)

Markets

After 5 years of surplus, 2015/16 likely to show a large deficit



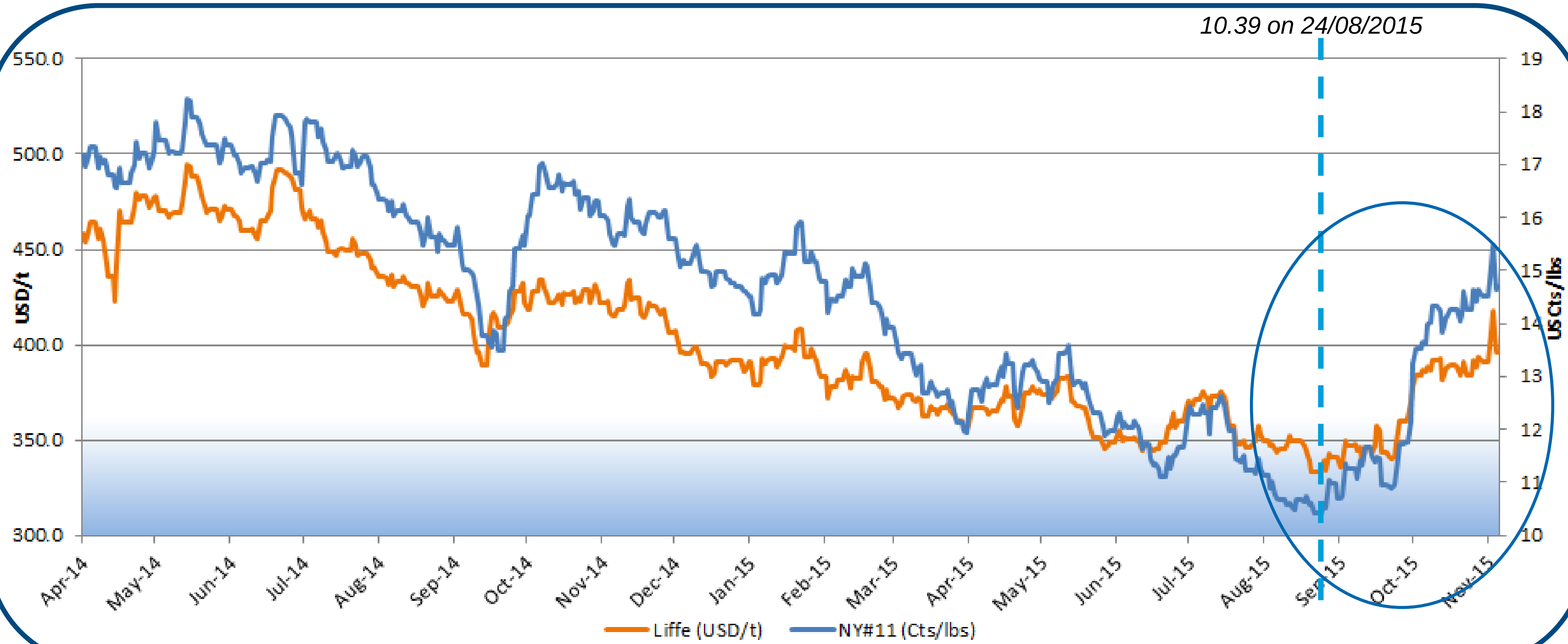
Source: LMC International – Nov 2014



Source: UNICA – 21st May, 2015

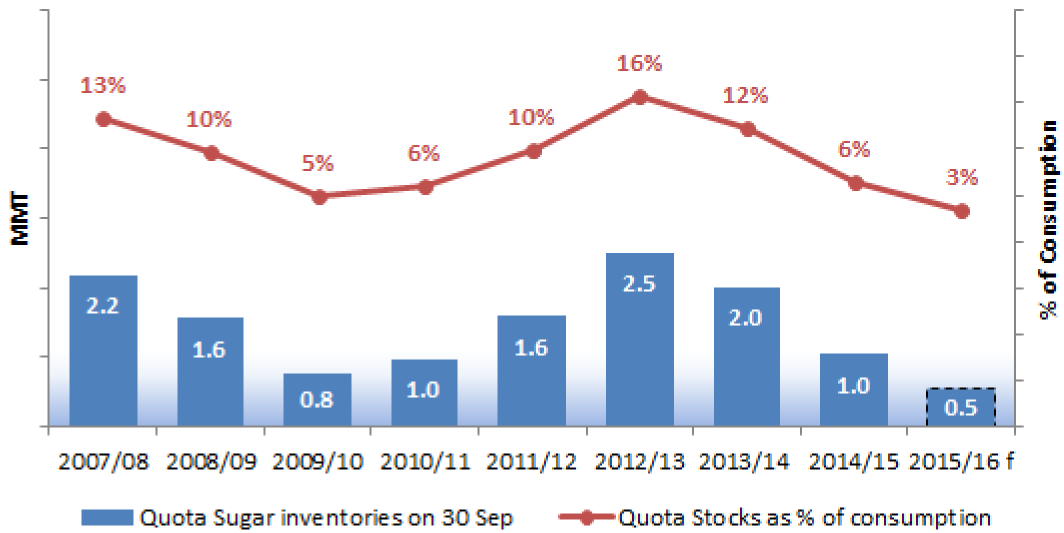
- **2015/16 to be marked by 1st deficit (c.4–5 Mt) after five consecutive years of production surpluses**
- **For 2015/16, expectation of lower production** in all key sugar producing countries: Brazil, EU-28 but also India, Thailand and China

Raw Sugar: Five-year low in August 2015



- World raw sugar prices **hit a low at the end of August 2015 but have recovered after a strong rally since (+45% to date)**
- Confirmation of deficit forecasted for 2015/16, higher Brazilian ethanol prices and end of BRL/USD devaluation were the key drivers of the upturn

Decreasing EU-28 Sugar Inventories



Source: Tereos , European Commission, France Agrimer

- Significant decrease of quota sugar ending stocks in 2014/15. Imports decrease as EU prices were not attractive enough
- The trend is likely to continue in 2015/16. The forecast of very low ending stocks should support prices

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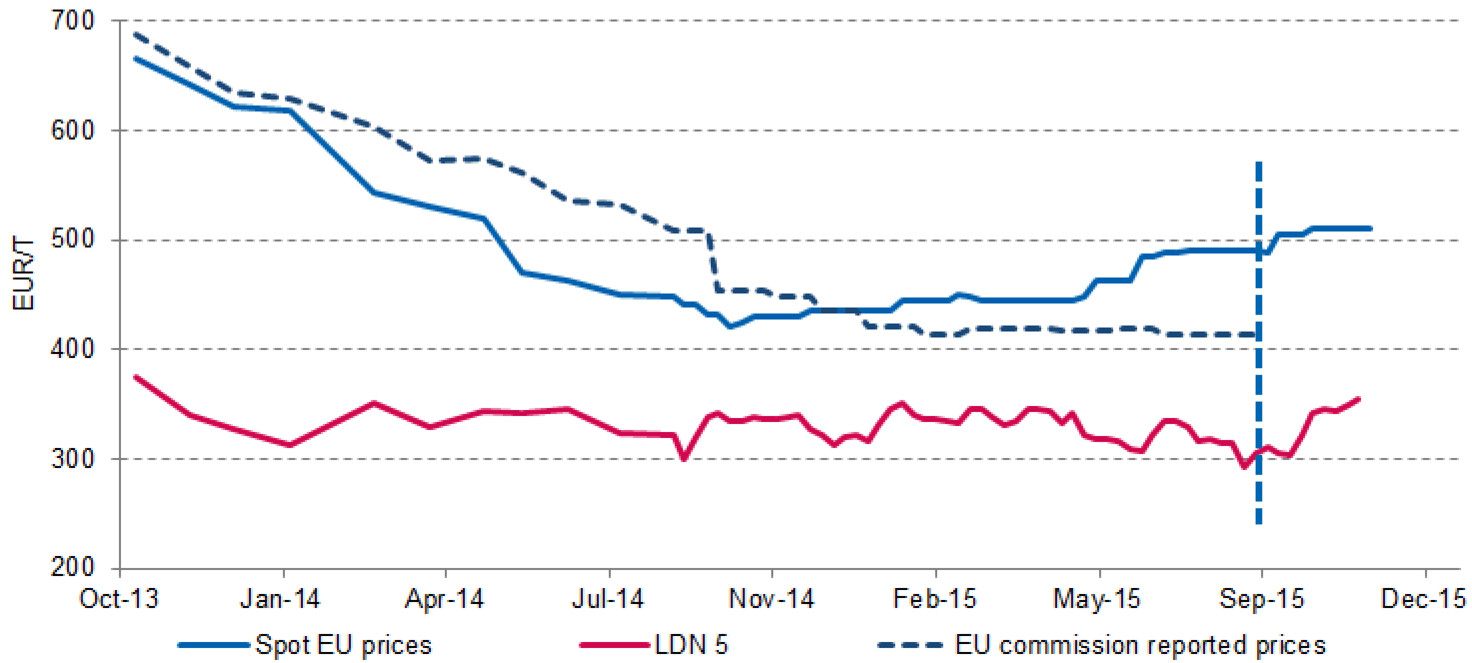
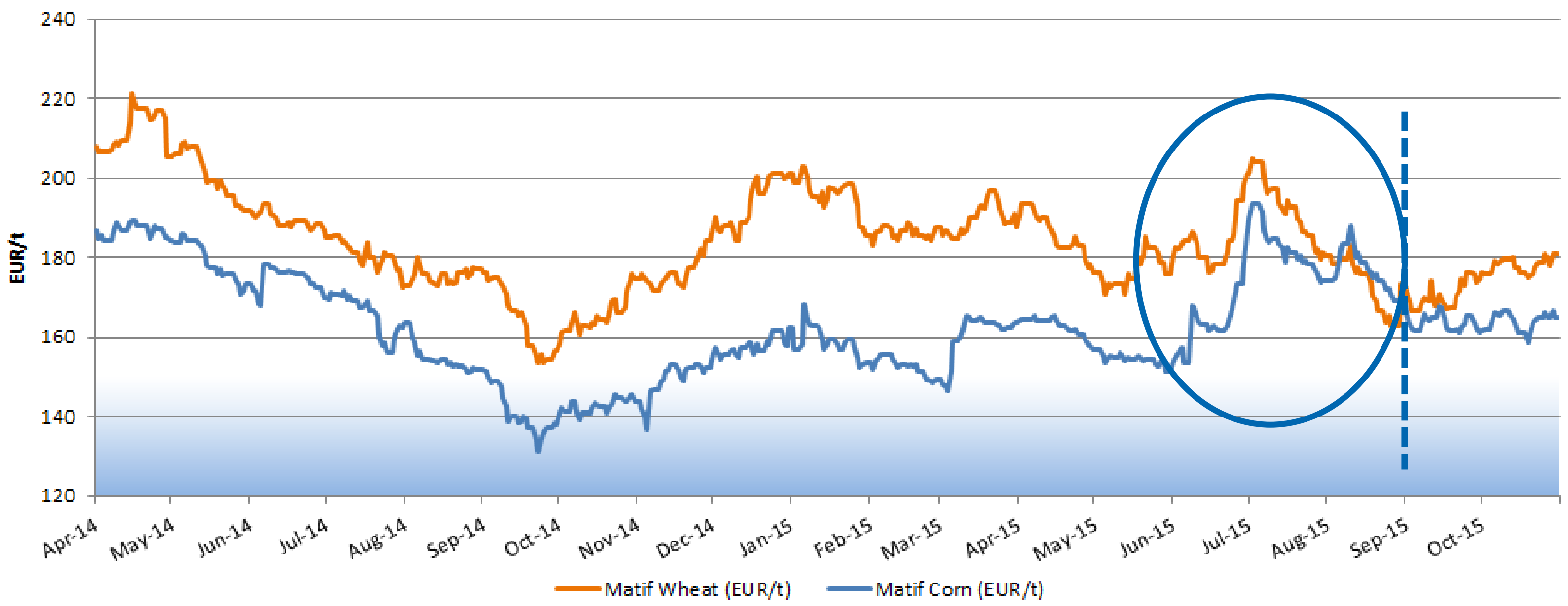
EU sugar prices currently recovering



Sources : EU Commission Price Observatory (for reported prices ex- work) + Kingsman (for spot EU prices – delivered basis)

- Reported average EU quota prices have stabilized since February and spot prices have tended to increase over the last few months as EU needs to be attractive again for imports

Volatile grain prices during Apr-Sep 2015



- Following weather concerns in Spring 2015, MATIF wheat has been pressured in July/August 2015 due to record crop in EU and decent crops elsewhere
- MATIF corn rallied at the end of Q2 2015 due to adverse weather in the US and EU but this was short-lived as even with a disappointing crop in the EU, the global corn supply and demand remains balanced by comfortable stocks

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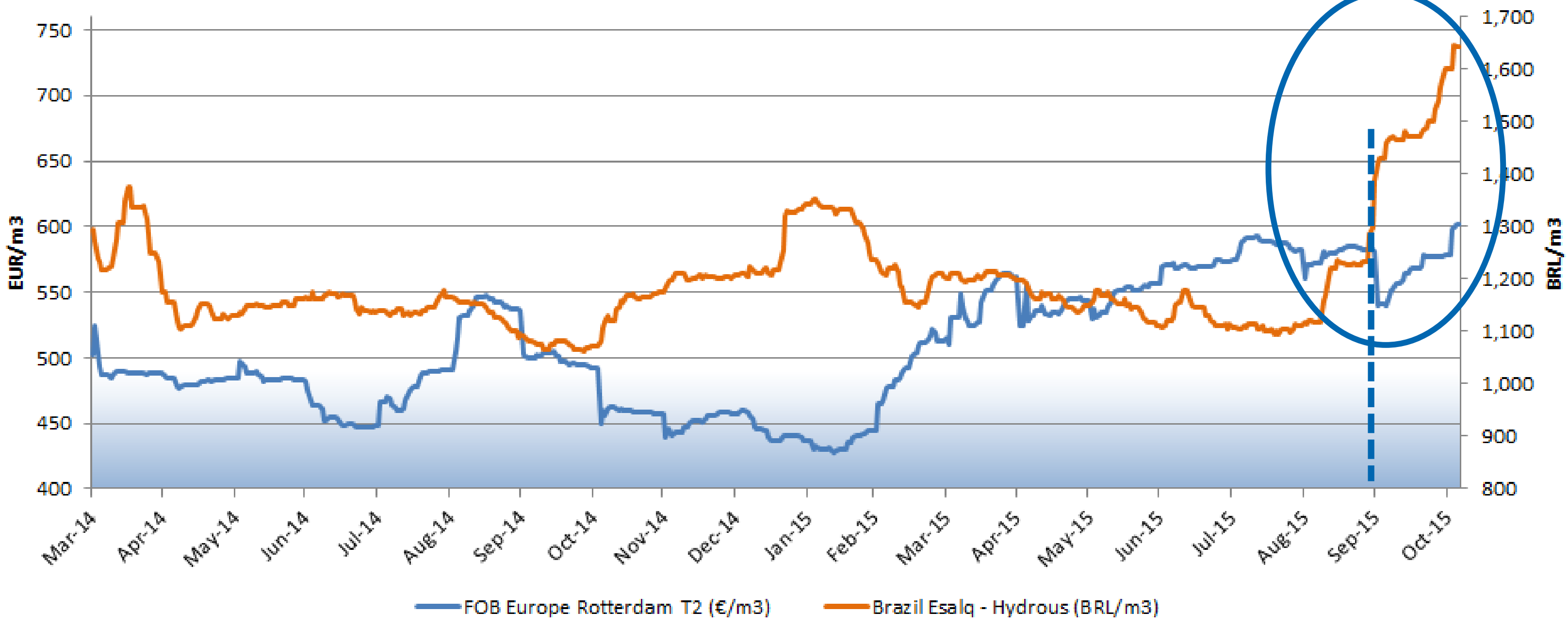
Bullish environment in Brazil
Sustained prices in Europe



- Brazilian ethanol prices significantly increased since August, first because of higher exports and recovery of BRL and then because of higher gasoline prices and a domestic consumption above expectations
- EU ethanol prices have been supported by negative outlooks regarding production (lower beet crop, producers not running at full capacity, etc.) and lack of competitiveness of imports

Half-Year Consolidated Results
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Group P&L

Tereos Group (in M€) 6 months	S1 14/15	S1 15/16
Net Revenues	**2 130**	**1 987**
Adjusted EBITDA (before price compl.)	**236**	**164**
Margin EBITDA	***11,1%***	***8,3%***
Depreciations/Others	-122	-180
EBIT (after price complements)	**114**	**-16**
Margin EBIT	***5,4%***	***-0,8%***
Financial Result	-58	-73
Corporate income tax	-10	-6
Share of profit of associates	4	-3
Net Results	**50**	**-97**

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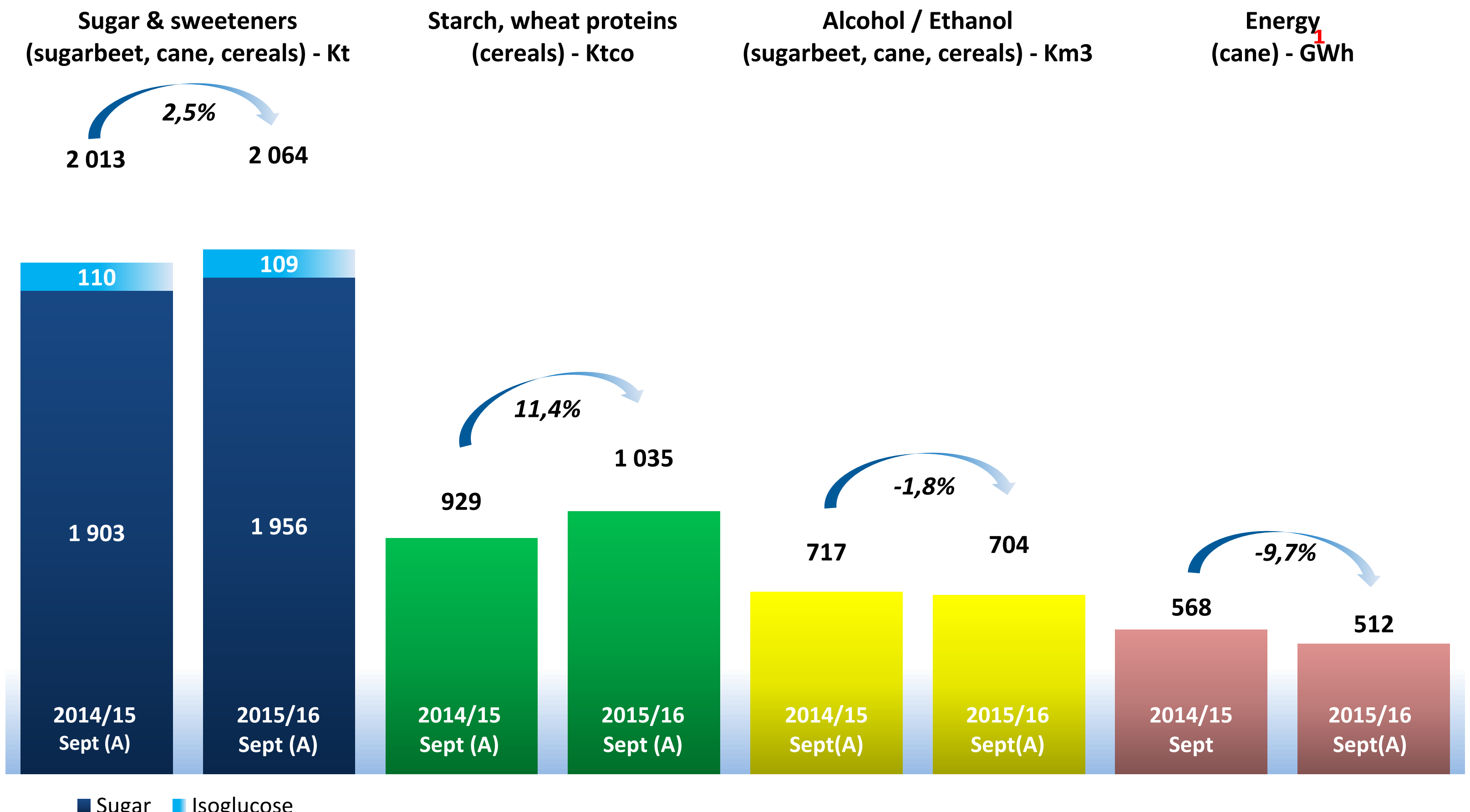
Volumes of finished products sold



Growth of volumes in core Sugar and Starch & Sweeteners products

Revenues

Revenue (M€) *6 months*	2014/15 H1	2015/16 Q1	2015/16 Q2	2015/16 H1
Sugar Europe	893	397	419	816
Starch & Sweeteners	756	367	372	738
Sugar International	474	195	238	434
Others	7	1	-2	-1
Total	**2 130**	**960**	**1 027**	**1 987**

Forex impact: -60M€

Variation at constant exchange rate: -3.9%

- **Sugar Europe**
  - Strong quota price decrease vs H1 2014/15 (c. -25% on average)
  - Higher ethanol volumes (c.40%)
  - Napier Brown integration
- **Sugar International**
  - Lower global volumes (on inventory build-up strategy and slightly lower sugar content) and higher sugar prices in Brazil
  - Consolidation of Vertente
  - Negative forex impact
- **Starch & Sweeteners**
  - Increasing volumes, both in Europe and overseas
  - Offset by strong price decrease in Europe, influenced by sugar prices and weak environment

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Adjusted EBITDA

Adj. EBITDA (M€) *6 months*	2014/15 H1	2015/16 Q1	2015/16 Q2	2015/16 H1
Sugar Europe	91	9	37	46
Starch & Sweeteners	52	11	24	35
Sugar international	97	26	58	84
Others	-3	0	-1	-0
Total	**236**	**46**	**118**	**164**

Forex impact: -13M€

Variation at constant exchange rate: -25%

- **Sugar Europe**
  - Strong impact of quota sugar price drop
  - Benefits from lower energy prices and operational improvement plan
- **Sugar International**
  - In Brazil: Lower volumes but higher sugar prices, and substantial improvements in agricultural and industrial efficiency
  - Reunion Island negatively impacted by drop of sugar price in Europe
  - Vertente impact offset by negative FOREX impact
- **Starch & Sweeteners**
  - Lower margin due to challenging market conditions partly offset by increasing volumes in all geographies
  - Positive impact of energy price and Score 18 in Europe

Capex and financial investments

Investments (M€) *6 months*	2014/15 H1	2015/16 H1
Sugar Europe	88	56
Starch & Sweeteners	21	24
Sugar international	75	64
Others	3	-0
Capex	**188**	**144**
Financial Investments	29	143
Total Investments	**216**	**287**

- **Overall, significant investments in the half, to prepare the future**
- **Decrease in Capex** driven by completion of multi-year efficiency / growth projects
- Capex spend now focused on maintenance and performance improvement plans
- **Strategic financial investments: 143M€**
  - Napier Brown (UK sugar distribution), Boortmalt (malt) and Chinese JV's (S&S)

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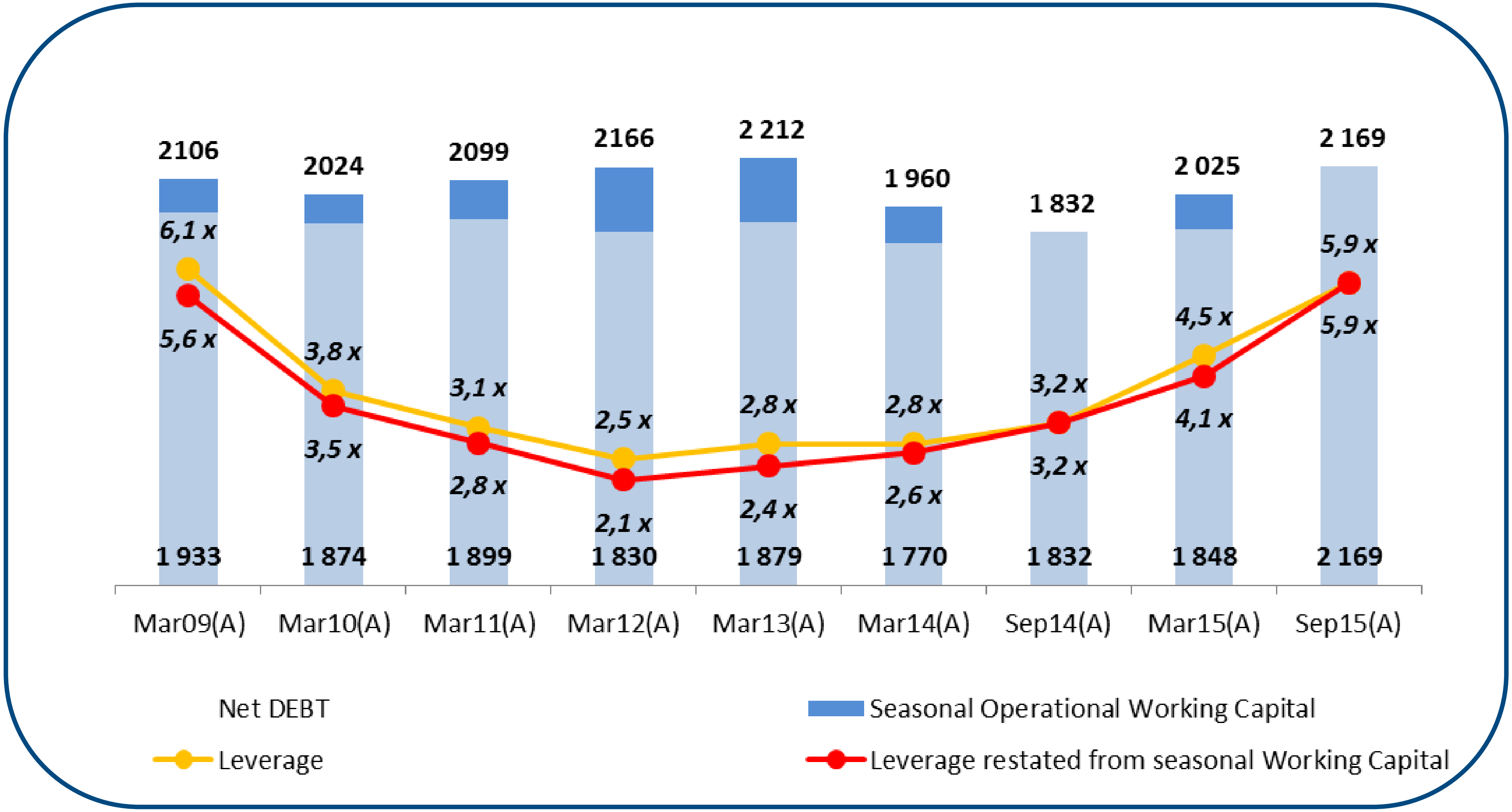
Group free cash-flow

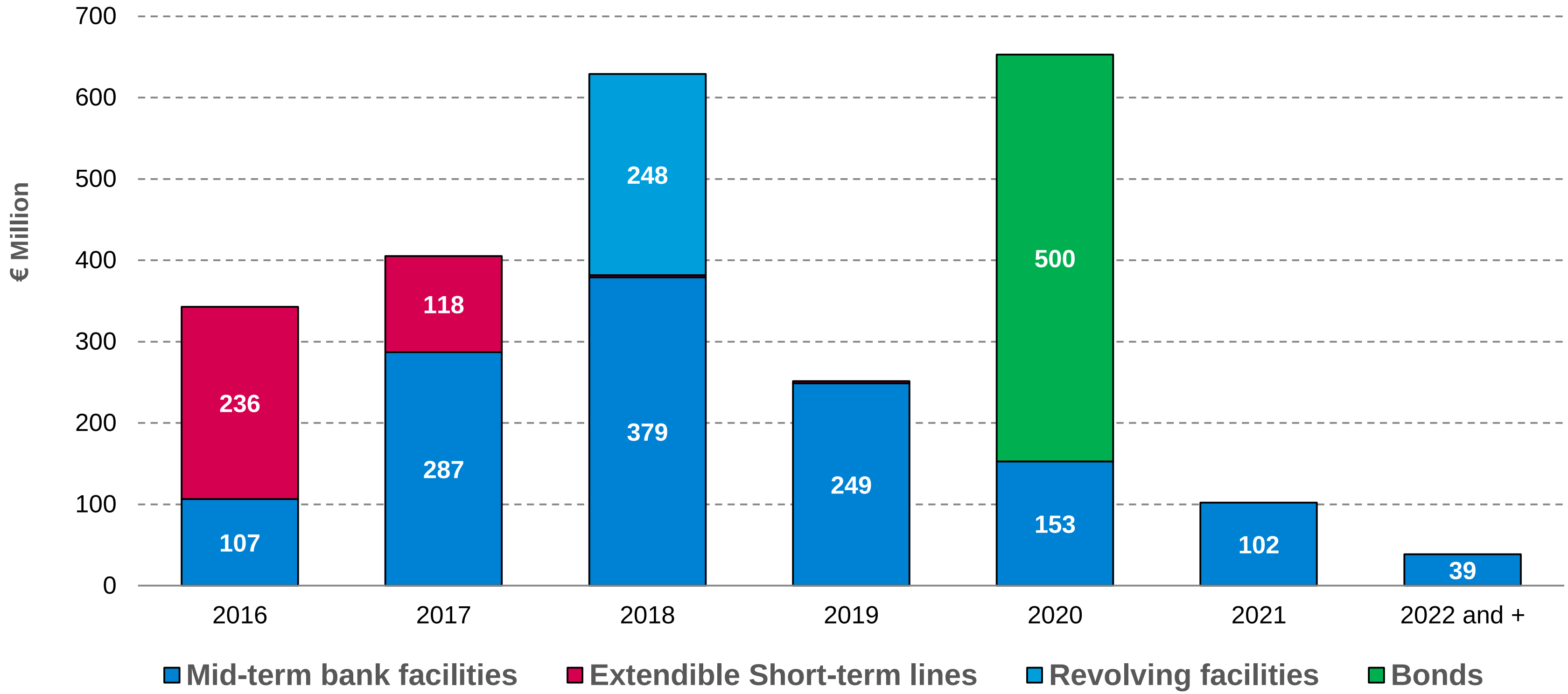
Tereos Group (in M€) Net Debt Variation - 6 months	S1 14/15	S1 15/16
Net Debt - opening position	**-1 960**	**-2 025**
Vertente fully integrated	*0*	*-135*
Net Debt - opening position adjusted by Vertente	**-1 960**	**-2 159**
Adjusted EBITDA (before price complements)	**236**	**164**
Income taxes paid	-18	-12
Financing interests (paid/received)	-60	-38
Changes in working capital	188	77
Cash provided by (used in) operating activities	**346**	**191**
Investments (net of disposals)	-213	-260
Cash provided before Dividends and Capital Increase	**133**	**-69**
Price complements and dividends (paid/received)	-12	-6
Capital increase	3	11
Free Cash-Flow	**124**	**-63**
Others (incl. forex impact)	4	54
Net Debt Variation	**128**	**-10**
Net Debt - closing position	**-1 832**	**-2 169**
Leverage	***3,2x***	***5,9x***

+80M€ FCF bef. acquisitions

Net debt & leverage



Gross debt profile



- Some USD350m refinancing done in H1 + Petrobras capital injection to come in January 2016 cover most refinancing needs this fiscal year
- Average maturity for mid term financing maintained at around 3.0 years
- Financial security still at c.€900 million (cash and unused credit lines)

**Proforma: position as at September 2015 including October refinancing and Petrobras capital increase*

Group ratings

	STANDARD & POOR'S	Fitch Ratings
Group rating	BB/Stable	BB/Stable
Rating Bond 2020	BB	BB
Last change	Outlook stable 1 notch down BB+ to BB 05/05/2015	1st publication 12/08/2015 (private rating since January 2012)

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Outlook 2015/16

FY 2015/16 outlook

- **Sugar Europe**
  - **Lower volume** of sugarbeet expected to be crushed this crop vs LY (c -15%) due to combination of lower surfaces and yields
  - Progress on **performance plan** and completion of energy efficiency investments
- **Sugar International**
  - **Crushing volumes** expected to be **broadly stable** on LY in Brazil as well as Indian Ocean/Africa
  - Expectation of first large sugar **deficit** in this world crop to continue supporting world sugar prices.
  - Recent gasoline price increase and strong domestic ethanol demand to **support ethanol prices** in Brazil at higher levels in Q3 2015/16
- **Starch & Sweeteners**
  - **Europe: challenging S&S market environment** in Europe to be partly compensated by lower energy prices and growing benefits from **performance improvement plan** (Score 18). Ethanol prices should remain steady in Q3 2015/16
  - **International: volume increase** in Brazil and Indonesia. China: benefits from product diversification investments with fructose line start-up in Dongguan