



Mont-de-Marsan, 06 December 2016

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The Group remains confident for 2016/2017, despite the crises

Our Cooperative Group has had to be responsive and alert to a series of unforeseen external events.

Faced with the avian influenza crisis, the difficulties of the Abengoa Group, adverse weather conditions and volatility in raw materials and currencies, the Group's financial results have been severely impacted.

3 main impacts

We were affected at each link in the value chain, from farm to fork: genetics, incubation, animal production and feed, upstream and downstream transportation, slaughtering, packaging and marketing.

The way we are organised allows us to keep an ear to the ground and this has revealed the true intensity of the consequences of the crisis.

The solidarity of our cooperative's sectors enabled us to support our subsidiaries and producers through financial aid and technical assistance from all our teams.

This allowed us to overcome the consequences of the progressive forced shutdown and put in place biosecurity measures for the resumption of activities.

Faced with the financial difficulties of the Spanish group Abengoa, the leading producer of fuel ethanol in Europe and the majority shareholder of the Lacq factory, we have made efforts to sustain the factory which processes 500,000 tonnes of maize collected in the region with Océol*.

Our seed activities continue to face heavy stock in Europe and devaluation of Eastern European currencies. Despite the political events, our investments continue to be strategic, in line with the increased production in Ukraine and Russia, and Eastern Europe in general.

Achievements despite the context

Plant Production activities have held up well despite the adverse agricultural prices. The cooperative has strengthened its market share across its territory.

The plan to work more closely with the Terrena Group on seeds will be finalised in 2016-2017. It is the perfect solution for the three strategic thrusts of Maïsadour Semences, namely international development, diversification of the offer (products and services to farmers) and stronger synergy between production organisations.

The development of organic, cattle and horse feed and the launch of new ranges on the general public market have proved that the strategy to diversify the Animal Feed branch is an effective one.

**OCEOL: ORGANISMES COLLECTEURS ETHANOL, based in Montardon, is the holding company of storage organisations in the South-West of France and is dedicated to supplying ABF.*



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End of financial year results

The results in our upstream and downstream activities are steady, with various projects successfully completed.



Agricultural Division

The Plant Production branch has had to deal with a downward trend on the cereals market and a relatively late campaign on agricultural supplies compared to previous years.

Cereal stocks have returned to their usual levels following the major disruptions on the special maize market over the previous two campaigns. It should also be pointed out that our agricultural practices have seen sustained improvement following the efforts put in place by the Maïsadour Cooperative Group. Indeed, the cooperative is helping its members apply best practices through the use of decision support tools with the aim of increasing economic performance and reducing our impact on the environment.

This year, **the Seed branch** has benefited from its strategy to diversify its production areas and species: the growth of sales in Ukraine and Russia, as well as everywhere on the sunflower market (+54%) and on the Jouffray-Drillaud range (+35%) offsets a very weak market in France and Western Europe.

Operating income is at breakeven, and after two years of significant devaluations currency exchanges are still having an effect though the impact is limited.

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The Animal Feed branch has proved that the strategy to diversify species has been highly beneficial. Indeed, the proportion of duck feed is less than 10 years ago. The development of organic, cattle and horse feed and the introduction of new ranges on the general public market have helped alleviate the impact of avian influenza on this activity. The establishment in the Basque Country and the external development of Baulez (Aveyron) have also been important projects and have contributed to the development of the business.

In the Animal Production branch, poultry buildings have been developed and new producers have been setting up at a rapid rate, despite avian influenza, thanks to a highly dynamic market for high-quality chicken.

The Group has invested in the development of digital technology and in improving the services it provides to its members. The roll out of the E-ma extranet (contractualisation, online orders, etc.) also helps promote the services offered to members.



Events taking place across our territory

The first "Agronomic and Rearing Encounters" took place in Monségur on 16 September 2016. These events are a tangible example of the ideas we are developing around the offer to members. All branches of the Agricultural Division took part in this Group event, which proved to be a great success.

The improvements made to the E-ma extranet (contractualisation, online orders, etc.) help promote the services offered to members.



Garden Centres & Motorised Gardening Division

Against what is still a difficult backdrop, a garden centre action plan has been launched to ensure the activity returns to the black.

In 2016, all our garden centres were rebranded under Gamm vert groupe Maïsadour. The "Sens du Terroir" area, which is exclusively for local produce, was created in April 2015 and has experienced strong growth.

Stores located in cities are now open on Sundays.

From June 2015 to November 2016, building works were taking place at the Saint-Pierre-du-Mont garden centre to modernise and expand its retail space to 5,800 m².

This store offers various products typically found in garden centres as well as the entire range of Soumo motorised gardening products.

These investments should help increase the profitability of an activity that remains the lifeblood of our production area.



Fine Food Division

The Fine Food Division has restructured around its 5 main business segments: fattened ducks, salting/ham, seafood (smoked salmon and Delmas), catering, direct sales (Comtesse du Barry and in-house shops).

The major event this year is obviously the unprecedented outbreak of avian influenza, with the number of fattened ducks produced dropping by 2 million. Despite some good achievements (see below), the fattened duck sector finished the year with a significant negative result.

In spite of this major setback, the Fine Food Division achieved great success in other sectors.

The abattoir in Canada made a consistent loss and so was sold to an American operator on 1 April 2016, with the majority of staff being kept on.



The facilities (abattoir and butchering/transformation tool) employed 50 people and processed more than 4,000 ducks every week.

The losses incurred by this activity will no longer have an impact on the Fine Food Division.

The reorganisation of the salmon branch and the sale of the vast majority of the catering branch have also helped the Division to recover.

Elsewhere, the ham sector has posted satisfactory profits and has good potential for international development through approvals for the USA and China.

Comtesse du Barry is continuing to roll out its new concept and has opened new shops: Lille, Paris - boulevard Victor Hugo, Compiègne and Carrousel du Louvre, the most recent and prestigious opening.



Poultry Division

The Poultry Division has also been affected by avian influenza, with the whole industry destabilised by the outbreak. Despite the impact that the crisis has had, the Poultry Division's result at the end of the financial year was as budgeted. The Division carried out actions as planned during the financial year.

The Périgord activity is continuing to recover, and since January its results have been close to the breakeven point.

The "butcher, pork butcher and caterer" activity will also end the year with stable result, despite the avian influenza episode and downward trends in meat consumption.

Exports have seen a sharp increase.

Fermiers du Sud-Ouest remain resolute against increasingly strong competition, with projects on new ranges of meat cuts that will enable us to increase market share. We are studying new concepts similar to the launch of "Poulet d'ici" (local standard chicken).

We have focused our marketing efforts on the St Sever brand, with a new-look logo and increased presence in media.

It's safe to say that there was excellent collaboration with upstream entities (Maïsadour's Animal Production branch).

The human impact of avian influenza

Up against avian influenza, it was our solidarity, ability to adapt, training and spirit of accountability that saw us through the crisis.

Elected members of employee representative bodies across the Group's companies were consulted and, alongside management, supported employees affected by a drop in workload.

Close to 300 employees were trained during the idle periods caused by the forced shutdown of production, accounting for 13,126 hours of training.



The careful thought given to the organisation of production, our efforts on increased flexibility in the management of holidays, time off for overtime hours, and the modulation of working hours have enabled us to minimise the social impact.

In the midst of the outbreak, we were able to maintain our end-of-year sales of foie gras and festive poultry.

Why we are confident for the future

At the Agricultural Division:

The Plant Production branch will continue to achieve good results through its economic model and an organisation that enables better management of price fluctuations.

The Seed branch will have to face markets that remain difficult. It will continue its development through the international deployment of its teams (particularly in Ukraine and Russia) and thanks to the development of sunflowers and Jouffray-Drillaud products. The maize market is expected to stabilise, which should allow sales to pick up again in Europe.

The prospects of working more closely with Terrena are very promising.

The Animal Production branch will continue to be affected by the consequences of avian influenza outbreak. As a result, the volume of ducks produced will be below the market demand in financial year 2016-2017.

There will also be a significant impact on the Animal Feed branch. However, by choosing to develop on other markets and territories, we will be able to maintain the activity and ensure good results.

Brand diversification will continue, with the development of "C'son BIO" and SOAL Racing".

At the Fine Food Division, we will see a significant recovery.

The strategy that we've implemented, the impact of lower manufacturing costs for our fine food products and better operational efficiency will allow the activities acquired in recent years to have a positive contribution to the Group's results.

At the Poultry and Garden Centre & Motorised Gardening Divisions, growth is also expected through action plans that we have implemented.

In the future, by consolidating our activities we should be able to generate new projects that promise good potential outlets and income for our members and which meet society's expectations and challenges.

There is a genuine and positive outlook for the upcoming financial year and this makes us confident in our strategy to bolster our strengths. We will progressively measure the positive effect of the decisions made to increase the competitiveness of our sectors, as well as the need to create value for our cooperative farmers.



Our projects

Given the context, even though we are remaining cautious, we must continue to invest to secure our outlets.

Here are some of the investments that the Cooperative Group is planning to make during the financial year 2016-2017, broken down by branch:

Plant Production branch:

- Experimentation on new vegetable crops:
 - Organic green beans
 - Green asparagus

Seed branch:

- Development of services to improve cereal and dairy farms (Agroplus and Nutriplus).

Animal Feed branch:

- Development of the organic offer with range diversification at Castelnaud d'Auzan.

Poultry Division:

- Redesign and extension on the site in the town of Condom.

Find out more about the Maïsadour Cooperative Group

- Turnover: around 1.46 billion euros (30 June 2016)
- 6,000 employees (30 June 2016)
- 8,000 farmers

Our food-processing cooperative group is structured around four divisions, from field to plate.

- The Agricultural Division (grain, agricultural supplies, seeds, vegetables, animal production and feed).
- The Garden Centre/Motorised Gardening Division (garden centres, central purchasing facility and points of sale for motorised gardening).
- The Fine Food Division with foie gras, Bayonne ham, salmon, fresh fish, etc. (Delpeyrat, Comtesse du Barry, Sarrade and Delmas).
- The Poultry Division (Fermiers du Sud-Ouest) with slaughtering and butchering through to marketing (St Sever, Marie Hot...).

Our mission remains to promote the agricultural know-how of our region, the South-West of France. Our Group is arranged into sectors in order to create value for all activities whilst focusing on innovation and ensuring consistent product quality. The Group also draws upon a Sustainable Development approach which is intrinsically linked to the cooperative and the practices of its 8,000 farmers.

Maïsadour is also expanding internationally (Ukraine, Spain, Germany, Morocco, etc.).

Consolidating and sustaining outlets for our farmers remains our guiding principle.



Despite avian influenza, thanks to a dynamic market for high-quality chicken, the Animal Production branch has developed a programme to construct new buildings and set up new producers.

The Group has invested in the development of digital technology and in improving the services it provides to its members. The roll out of the E-ma extranet (contractualisation, online orders, etc.) also helps promote the services offered to members.

Against what is still a difficult backdrop, all our garden centres were rebranded under Gamm vert groupe Maïsadour.

The “Sens du Terroir” area, which is exclusively for local produce, was created in April 2015 and has experienced strong growth.

The Fine Food Division, which is responsible for the activities of Delpeyrat, Delmas and Comtesse du Barry, has restructured around its main business segments (fatted ducks, salting, seafood) to strengthen itself.

The ham branch is developing abroad thanks to approvals to export to the USA and China.

Comtesse du Barry is continuing to roll out its new concept and has opened new shops: Lille, Compiègne, Paris - boulevard Victor Hugo and Carrousel du Louvre - prestigious opening planned for early 2017.

The Poultry Division, with Fermiers du Sud-Ouest, is standing strong. The St Sever and Marie Hot brands are experiencing good growth and exports are on the up.

Confidence for the future

For the future, we will be more disciplined in the implementation of operational plans and we are confident in the teams' ability to achieve the expected results.

We continue to invest in technical support and provide innovative solutions to our members to manage risks and secure their outlets.

We are expanding the use of digital technologies in agriculture with Agrotis, SMAG and Be Api.

We will continue to develop our production offering in an environmentally and animal welfare-friendly way. This offer will be based on quality and traceability in line with consumers' expectations.

We will continue to strengthen our alliances and will be intent on developing external growth and expanding our activities abroad.

Some key figures

- 1.46 billion euros in turnover
- 8,000 farmers
- 6,000 employees
- 188 sites

BREAKDOWN OF TURNOVER BY BRANCH

