A new springtime for the oils and proteins sectors

Activity Report 2014
Our mission:

Creating sustainable value in the oils and proteins sectors, thus contributing to better food for humans and preservation of the planet.
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Avril, the industrial and financial actor of the oils and proteins sectors

A collective approach
Within 30 years of being set up at the initiative of French farmers in order to assure a future for oilseed (sunflower, rapeseed, etc.) and protein (pea, field bean, lupin, etc.) crops, Avril has become a major industrial and financial group both in France and internationally, in sectors as diverse as food and renewable energies and chemistry. To offer sustainable outlets for the oilseeds and proteins sector, the Group has developed a portfolio of strong brands that are leaders in their markets and include Lesieur, Puget, Matines, Sanders, Diester, Bunica, Taous, El Kef, etc.

A shared creation of value
Avril was developed, and still functions, according to an original model: an organisation structured into sectors, from grain to the consumer, in which each activity creates value for all links in the chain. Working with all its employees and partners - agricultural producers, livestock farmers, research scientists or financial experts - Avril strives to develop high quality sectors at the service of France’s farm in order to better prepare agriculture for the future.

To operate this model, the Group’s strategy is based on the complementarity of its two main arms: industrial activities, organised in two Divisions - Oilseeds and Animal Products - and financial activities that are carried out through Sofiprotéol, its finance and development company.

The crucial role of innovation
Avril’s ability to innovate is integral to its identity. It is this ability that has enabled the Group to continue developing new sources of valorisation for agricultural products, to anticipate market demands and to prepare its sectors for tomorrow’s world. From the start, the Group invested in research, from seeds to consumer products. Avril ensures strong RID* in all its activities and participates as an industrial or financial partner in numerous collective research programmes in order to ensure advances in science.

A sustainable vocation
The originality of its model means that Avril stands apart with a specific culture: strong agricultural and territorial roots, and a commitment to sustainability. Its sustainable development approach is central to the Group’s mission and constitutes one of the pillars of its valorisation strategy in response to its closely linked economic and societal challenges. The reinvestment of its profits in development of its sectors is a strong signal in this respect. This approach has been structured since 2013 in five declared commitments and 13 costed objectives.

Avril: Activity Report 2014

— the crushing of oilseed grain in France, and one of the leaders in Europe
— the production of table oils in France, Morocco and Romania
— the production of biodiesel from oilseeds in Europe
— animal nutrition in France
— the egg market in France
— oleochemistry in Europe
— vegetable glycerine production in the world.

*Research-Innovation-Development.
A group at the service of the oils and proteins sectors

Portrait of the Avril group

03

Avril / Sofiprotéol | Sofiprotéol | Farmers

*Finance and development company of the Avril group.
THE END OF 2014 SAW REALISATION OF A CERTAIN NUMBER OF KEY STEPS FOR THE GROUP...

JEAN-PHILIPPE PUIG: 2014 marked an unprecedented change in the legal and financial structure of the Group. From a limited company (société anonyme, SA) we became a limited partnership with share capital (Société en Commandite par Actions, SCA). At the scale of the Group, this was indeed the culmination of a historical plan which had mobilised the men and women of Avril alongside farmers and interprofessional groups for more than two years.

XAVIER BEULIN: This mobilisation clearly demonstrates the importance of governance to the Group’s construction: the aim was to prepare the way for future generations. We have not only reinforced our founding model and its agricultural roots, but have also placed it in a modern context, thus giving us the means to achieve our ambitions. It is not by chance that the Group chose to use the name “Avril” (French for “April”): it is a reflection not only of our activities and know-how, which live in rhythm with nature, but also of a future under the sign of growth. This name also draws us closer to our stakeholders and to all those who benefit from our products and innovations every day.

WHY THIS NEW STEP AFTER THIRTY YEARS?

J.-P. P.: The Group has now attained its true maturity. In order to pursue its development and ensure a long-term future for its roots in the farming world, our governance had to evolve. By making a distinction between the powers of a shareholder and those of a manager, it guarantees independence of the choices that will drive Avril in the future. By separating our industrial activities from those of the finance and development company, it consolidates the Group and enhances its visibility, opening the way towards new perspectives for growth.

X. B.: It is a strong signal to all Avril employees, to those working in agricultural sectors and our stakeholders. Avril remains a territorial project that was created at the initiative of the farming world to generate value for our sectors and territories. It testifies to the importance of our activities in the economic life of different regions and in employment. This is also indicated by creation of the Avril Foundation, recognised as a public utility, one of whose main missions is to develop and revitalise rural areas.
WHAT WERE THE OTHER HIGHLIGHTS IN 2014?

J.-P. P.: I would mention three main events: the shareholding taken in Ceva Santé Animale following our sale of the veterinary laboratory Sogeval, our alliance with Groupe LDC, the European leader in poultry, and our takeover of the Matines brand.

X. B.: In all three cases, Avril is supporting French market leaders and sharing with them a vision based on structuring and developing national sectors through the construction of durable partnerships and strong territorial roots. These cases well illustrate the natural synergies that exist between the Group’s different activities.

HOW WOULD YOU ASSESS THE GROUP’S PERFORMANCE IN 2014?

J.-P. P.: 2014 was a year of contrasts. The economic context remained uncertain. Nevertheless, the Group achieved a positive year which allowed consolidation of its performance. The EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) saw growth of 23%, illustrating the soundness of our activities and brands and fully in line with our strategic plan.

With all our senior managers, I would like to pay tribute to these results, which testify to the pertinence of our singular model and above all to the continuing commitment of our 8,200 employees to making Avril such a success.

X. B.: The commitment of our employees is the driving force behind the Group’s growth. This will only have a sense if it is shared. Thus, as well as the Group’s undertaking with respect to health and safety at work, the Group Board will soon count two elected staff members. In my opinion, this is an excellent illustration of the Group’s culture and its values of Respect, Boldness and Performance, which were adopted in 2014.
A look back at five highlights in 2014

These highlights perfectly illustrate the Group’s strategic objectives for 2018: deployment of the sectoral strategy, consolidation of the leadership in France, priority given to innovation as a lever for growth, the acceleration of internationalisation and mobilisation around operational excellence.

April

Through its takeover of Matines, Avril aims to revitalise the egg market

Loyal to its sectoral development strategy, Avril declared its ambitions in the egg branch. Its takeover of Matines, the leading retail brand, was an important event, reflecting the Group’s objective to revitalise this sector despite a difficult market context. To achieve this, Avril is pinning its hopes on producing eggs of superior quality that benefit from the combined know-how of all links in the Group’s sectoral chain. It thus aims to contribute to revitalising the French egg market and developing national production. Avril has proved its creativity in responding better to consumer expectations, through changes ranging from the feed given to hens to the date stamping of eggs, and including packaging and advertising.

May

MiXscience and Theseo: two innovative companies in animal productions and biosecurity

Boosted by its knowledge of livestock markets and sectors, Avril reinforced its expertise in animal productions through the creation of two companies in areas seeing strong growth: MiXscience, an innovative company working in animal nutrition, and Theseo, specialised in the biosecurity of livestock units. These two complementary “start-ups” are wholly in line with the Group’s strategic undertakings. They will permit it to reaffirm its leadership in the French markets for animal productions and biosecurity, and support the reputation and development of its know-how at an international level.
October
Avril and LDC: a crucial alliance to reconquer the French poultry market

In a context of an increasingly competitive European poultry market, Avril and LDC signed an important strategic agreement to develop an efficient French sector with international ambitions. Through this agreement, Avril reaffirmed its position as leader in animal nutrition and productions through its Sanders brand, and LDC took a further step towards its leadership in Europe. For the sector, this agreement opened the way towards reconquering the French market, the development of local production and a reduction in poultry imports. A major event that was a concrete illustration of Avril’s mission to serve France’s farm and the dynamism of our regions.

June
Saipol, from grain to biodiesel

2014 was the year that saw the consolidation of Saipol’s activities. In a particularly volatile context, the merger with Diester Industrie enabled its stabilisation. As well as its original mission to meet the needs of its internal and external customers for oils and oilseed meals from its crushing and refining, Saipol’s scope was extended to the production of biodiesel. An essential move that allowed Avril to adapt its organisation and industrial tools to the regulatory changes impacting the demand for biofuels. This change also enabled greater coherence between crushing, refining and esterification.

December
A new governance, new organisation and new identity

""With changes to the legal and financial form of the Group to become a limited partnership with share capital (Société en Commandite par Actions, SCA), 2014 saw the concrete results of a historical plan for our employees and the oils and proteins sector as a whole. This unprecedented step will ensure a long-term future for a unique model and place our accelerated growth at the centre of these plans. To support and drive this new governance, we also chose to use a new name – Avril (French for “April”). This is the perfect name: April is the first month of spring, a symbol of renewal, and also the month when rapeseed crops bloom throughout the country. The name thus unites our employees, drawing us closer to our stakeholders and all those who benefit every day from our products and innovations. This is a name that proudly declares our values, bringing a new light on our unique model.”"

Jean-Philippe Puig
CEO of Avril
A new governance to better prepare the future

The Avril group has introduced a new governance and organisational structure that will ensure its long-term independence and reinforce the presence of the farming world at the heart of its growth strategy.
The Group’s governance corresponds to its ambitions while perpetuating one of its founding principles: the systematic reinvestment of its profits to the benefits of its sectors.

Jean-Philippe Puig,
CEO of Avril

The legal and financial form of the Group has moved to a limited partnership with share capital (Société en Commandite par Actions, SCA) led by a company as a general partner. This legal structure enables separation of the powers of shareholders from that of managers. It comprises two types of partners:

- **limited partners** (associés commanditaires) who represent the shareholders,
- **the general partner** (associé commandité) who acts as manager of the Group through the company Avril Gestion.

The limited partners bring together the FIDOP and FOP, historical shareholders in the Group, and the Avril Foundation, recognised as a public utility (see opposite). They exercise their control via a Supervisory Board made up of six members representing the interprofessional organisation for oilseeds and protein crops, the FOP and the Avril Foundation. This Board will also include two staff representatives from the Avril group, to be appointed during 2015. The Supervisory Board is chaired by Jacques Siret, who is also Chairman of Terres Univia.

The Board of the general partner, Avril Gestion, appoints the manager of the SCA and decides upon the major strategic and financial orientations of the Avril group. It comprises nine members, four from the FOP, three qualified personalities and two previous CEOs or corporate officers of the Group.

Avril’s new organisation has several advantages. It enables a clearer distinction between the Group’s industrial activities and those of its finance and development company, Sofiprotéol. It consolidates the Group and improves its visibility, offering better access to new funding in order to accelerate its growth. Finally, loyal to the initial project, it contributes to maintaining the founder shareholders of the Group at the heart of its growth strategy.

Recognised as a public utility under an Order dated 11 December 2014, the purpose of the Avril Foundation is to support missions of public interest central to the rural world, through three major commitments:

- to contribute to preserving a high quality environment in different territories and ensuring the collective development of rural communities,
- in developing regions of the world, and notably in Africa, to work to protect biodiversity and anticipate the impact of climate change on agricultural productions,
- to promote a healthy and sustainable diet through high quality products that are environmentally friendly and accessible to all populations.

The Avril Foundation is chaired by Philippe Tillous-Borde, who was previously Director General and co-founder of the Group. The resources of the Avril Foundation come in particular from the dividends of the Avril group, in which it will ultimately hold a 35% stake.
Alongside the limited partners, Avril Gestion, chaired by Xavier Beulin, acts as a general partner. Its Board appoints the manager of SCA Avril and decides on the principal strategic and financial orientations of the Group. It comprises nine members:

- four members from the FOP: Xavier Beulin, Chairman of Sofiprotéol; Arnaud Rousseau, Vice-Chairman of the FOP; Gérard Tubéry, Chairman of the FOP; Bernard de Verneuil, Member of the board and Administrator of the FOP;¹
- three qualified personalities: Jean-Pierre Denis, Chairman of Crédit Mutuel Arkéa and Crédit Mutuel de Bretagne; Anne Lauvergeon, CEO of Alp Services and Chair of SIGFOX; Pierre Pringuet, Vice-Chairman of the Board, Pernod Ricard;
- and two previous CEOs or corporate officers of the Group: Sylvie Rucar, Consultant; Alain Mirot, previously Manager of SIA.²

¹ SIA: Support and Development Company for the Oilseed Sector.
² FOP: French Federation of Oilseed and Protein Crop Producers.
The Executive Committee, a management body

The Executive Committee, a management body

AVRIL’S EXECUTIVE COMMITTEE

01 - Stéphane YRLES
02 - Gabriel KRAPF
03 - Aymeric MONGEAUD
04 - Philippe LAMBLIN
05 - Yves DELAINE
06 - Jean-Philippe PUIG
07 - Michel BOUCLY
08 - Éric PHILIPPE

Organisation and corporate governance

Jean-Philippe Puig, CEO of Sofiprotéol, occupies the post of CEO of Avril. He is appointed by the Board. He is backed by the Executive Committee which is responsible for implementing the strategic orientations and management of the Group, both in France and internationally.

The Executive Committee comprises three Deputy Chief Executive Officers (DCEOs): Michel Boucly, DCEO responsible for Sustainable Commitment, Innovation and Strategy and DCEO of Sofiprotéol, the finance and development company of the Avril group; Yves Delaine, DCEO responsible for the Oilseeds Division, and Éric Philippe, DCEO responsible for the Animal Products Division.

The Executive Committee also counts as members Gabriel Krapf, Director of Development and Industrial Performance; Philippe Lamblin, Director Human Resources, Communication and Health and Safety, and Aymeric Mongeaud, Director of Administrative and Financial Affairs and DCEO of Sofiprotéol, the finance and development company of the Avril group.

Stéphane Yrles, Director of Public Affairs and Institutional Relations, is responsible for the Executive Committee secretariat.
The learnings of 2014

An interview with Aymeric Mongeaud, Director of Administrative and Financial Affairs, Avril group; DCEO of Sofiprotéol, the finance and development company of the Avril group

HOW WOULD YOU ANALYSE AVRIL’S PERFORMANCE, AND MORE SPECIFICALLY ITS INDUSTRIAL ACHIEVEMENTS, THROUGHOUT THE YEAR?

AYMERIC MONGEAUD: The tone of the year was positive after a somewhat difficult period in 2013. Our two industrial Divisions achieved a good performance, with a marked rise in profits, notably during the second six months. Turnover fell by 8%, which was mainly linked to the fall in the prices of raw materials. It should be noted that our changes to scope and activity had little effect, as the takeover of Matines compensated for the impact of selling Sogeval to Ceva. It should also be pointed out that our key brands (Matines, Lesieur, Sanders) pursued and enhanced their growth, fully in line with Avril’s leadership strategy for France. Over the same period, the EBITDA rose markedly (+23%), reflecting a significant improvement in Avril’s operational performance, driven to a great extent by growth in the Oilseeds Division. The net income of the Group was thus satisfactory, at €44 million, which largely exceeded the forecasts, mainly because of a highly significant rise in operating results. It should be noted that the net result for 2013 included the exceptional income arising from the sale of Sogeval; all else being equal, results improved markedly in 2014.

WHAT ARE THE MAIN LESSONS YOU CAN DRAW FROM THESE RESULTS?

A. M.: In 2014, the EBITDA of the Oilseeds Division rose by 38% over 2013. This performance was due to three factors: firstly, the restored profitability of Saipol/Diester (+155%) under the combined effect of the adaptation of industrial assets decided on in 2013 and the improvement in crushing and esterification margins, linked in particular to a more abundant harvest. Secondly, Lesieur declared a marked rise in its EBITDA (+33%) because of major growth in its volumes (which in 2014 passed the historical threshold of one
billion litres), and its satisfactory margins. Finally, oleochemicals also improved their profitability (+18%) in a more favourable context in terms of raw materials and implementation of its development strategy to target specialty innovative products with higher added value. On its side, the Animal Products Division declared a slightly lower EBITDA than in 2013 - but a €5 million rise in its proforma base, not including Sogeval’s activities in animal health. This good result was notably due to the recovery achieved in the human foods and poultry branches, linked to the reorganisation of slaughtering facilities made in 2013. Globally, therefore, all activities in the Animal Products Division - Animal Nutrition and Productions, Biosecurity and Nutritional Specialities and the Pig and Poultry Food Products branches - saw improvements in their volumes and operational performance. Only the Egg branch recorded a downturn in its results, affected by the low sales prices of shell eggs. The acquisition of Matines, and the recovery plan initiated by Avril, are designed to give new impetus to the French egg sector.

WHAT IS YOUR ASSESSMENT OF THE GROUP’S FINANCE AND DEVELOPMENT ACTIVITIES IN 2014?
A. M.: This was a historical year for Sofiprotéol, our finance and development company, in the same way as for the entire Group and the sector, due to application of our new governance. With its activities now clearly separate from the industrial arm, the “new Sofiprotéol” saw the value of its commitments reach record levels. Our historical shareholders - banks and professional organisations - increased their levels of involvement, thus allowing Sofiprotéol to consolidate its resources with a rise in its equity financing from €70 million to €330 million. Sofiprotéol thus ended the year on a very positive note, dynamised by a more favourable context in the financial markets.

A FINANCIAL BALANCE AND INVESTMENT EFFORTS ARE TWO KEY LEVERS FOR GROUP DEVELOPMENT. WHAT IS YOUR VIEW ON HOW THESE WILL EVOLVE?
A. M.: The investments made in our industrial activities, and by Sofiprotéol, remained considerable, and in line with our innovation dynamic and development of our sectors. Another very positive element was that the Group’s debt position is under control, because of excellent operational performance and control of working capital requirements in a more favourable context regarding raw materials prices. Thus the net debt-to-equity and debt-to-EBITDA ratios are much improved. This financial solidity will allow us to pursue our investment policy long term, at the same rate and with the same priorities: sustained support for innovation, maintaining our industrial capacities at the same level and, in 2015, an in-depth renovation of our information systems.

WHAT ARE YOU ANTICIPATING IN 2015?
A. M.: In 2015, our Group will focus on developing its financial performance by capitalising on its new structure and organisation. The governance changes have enabled consolidation of the Group and provided it with improved financial capacity and legibility. It will therefore benefit from better access to capital markets in order to pursue its development and address the strategic challenges of the future.
Key figures

**€44 m** consolidated net proforma income

**€6.5 bn** turnover

**€259 m** EBITDA

**8,200** employees as at 31.12.2014

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**EVOLUTION OF TURNOVER**

(in billions of Euros)

- Oilseeds Division
- Animal Products Division

<table>
<thead>
<tr>
<th>Year</th>
<th>Oilseeds Division</th>
<th>Animal Products Division</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>7.0</td>
<td>211</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>6.5</td>
<td>259</td>
<td></td>
</tr>
</tbody>
</table>

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**EVOLUTION OF EBITDA**

(in millions of Euros)

- Oilseeds Division
- Animal Products Division
- Other

<table>
<thead>
<tr>
<th>Year</th>
<th>Oilseeds Division</th>
<th>Animal Products Division</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2014</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

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**EVCOLUTION OF EMPLOYEE NUMBERS AND TURNOVER**

(in billions of Euros)

- Oilseeds Division
- Animal Products Division
- Group employees (in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Oilseeds Division</th>
<th>Animal Products Division</th>
<th>Group employees (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
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<td>2013</td>
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<tr>
<td>2014</td>
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**BREAKDOWN OF INDUSTRIAL INVESTMENTS OUT OF A TOTAL OF €138 MILLION**

(in 2014)

- Oilseeds Division: 62%
- Animal Products Division: 38%
- France: 66%
- International: 34%
Industrial activities

INDUSTRIAL PRODUCTION BY THE ANIMAL PRODUCTS DIVISION AND OILSEEDS DIVISION
(in millions of tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain crushing*</td>
<td>4.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Edible oils (packaged and bulk)</td>
<td>0.9</td>
<td>1.2</td>
</tr>
<tr>
<td>Biodiesel</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Renewable chemistry</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Oilseed meal</td>
<td>2.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Animal nutrition**</td>
<td>3.5</td>
<td>3.2</td>
</tr>
</tbody>
</table>

* Not including specialised crushing. ** Production under the Sanders brand.

BREAKDOWN OF EBITDA BY ACTIVITY
(as at 31.12.2014)

- Animal Nutrition and Productions: 13%
- Food Products: 5%
- Biosecurity and Nutritional Specialities: 2%
- Sustainable innovations, investment funds, other: 38%
- Saipol (incl. Diester Industrie): 28%
- Upstream plant production: 26%
- Upstream animal production: 17%
- Product marketing: 8%
- Retail food products: 6%
- Agricultural and agrifood processing and by-products: 5%

Value of investments by the finance and development company in 2014

Finance and development company

Finance and development company of the Avril group.
Strategy

Accelerating deployment of the Avril model

Driven by its new governance, Avril is deploying a strategic model faithful to the interprofessional project born 30 years ago. 2014 saw some major structural changes relative to three key challenges for the future: the competitiveness of French sectors, an acceleration of international activities and the valorisation of vegetable proteins.

By clearly separating its industrial activities from its finance and development arm, the new organisation of Avril has improved the visibility of the Group. Its strategy nevertheless remains unique and based on the complementarity of these two areas, so that it can continue to create value at the service of “France’s farm”. In 2014, Avril reached some important milestones in implementing its strategic plan and adapting its sectors to the world of tomorrow.

DEVELOPING CHAMPIONS IN THEIR MARKETS

A major event in 2014 was the strategic alliance concluded between Groupe Avril and Groupe LDC, European leader in the poultry industry (Le Gaulois, Loué, Marie, etc.). This agreement concerned the sale to LDC of Avril’s poultry slaughtering and processed products activities, and foundations for a privileged partnership between Sanders and LDC for the supply of live poultry. Within LDC’s poultry sectors, this was also accompanied by support from Avril’s expertise in the fields of biosecurity and nutritional specialities. Sofiprotéol became a minority shareholder in LDC, with a seat on its Supervisory Board.
This alliance is emblematic of Avril’s strategy: it reinforces the French poultry sector and confirms the Group’s leadership in the animal nutrition and production segment. It also demonstrates Avril’s creativity at the service of a single strategic goal: to create value in its sectors and grow “La Ferme France”. Capable of switching from a majority to a minority position - as in the case of the LDC agreement - in 2014 the Group also made the opposite choice by taking control of the Matines brand, the aim being to confirm its leadership in the egg market and accelerate restructuring of a sector in difficulty. In the area of animal nutrition, Avril focused on local alliances to consolidate different livestock sectors.

**A UNIQUE GROWTH MODEL SHARED INTERNATIONALLY**

As a key lever in the search for new markets, Avril’s internationalisation has accelerated, capitalising notably on its know-how in the structuring of different sectors. Avril makes these skills available to the agricultural and food industries in geographical regions where the Group is increasing its involvement: the Mediterranean basin, Sub-Saharan Africa and around the Black Sea.

In Avril’s plant sectors, 2014 was marked by two important campaigns in Africa: sunflower in the context of the Green Morocco Plan, and peanut in Senegal. In its animal sectors, the Group’s position strengthened in Turkey, Algeria, Tunisia and Serbia, thanks to alliances set up with local partners.

In addition, in both animal nutrition and renewable chemistry, Avril is developing products with a high added value destined for a global market. In 2014, the new Biosecurity and Nutritional Specialities Cluster created within Avril’s Animal Products Division took the first steps in its international deployment, in Turkey, Poland and the UK. In the oleochemicals market, Avril reinforced its presence in Asia so as to develop in the growth market of food additives. In association with United Plantations, leader in the production of sustainable palm oil, the Group opened a new factory in Malaysia.

**THE CHALLENGE OF VEGETABLE PROTEINS**

At a more prospective level, Avril carried out a study with the BiPE (French Office for Information and Economic Forecasts) on how the vegetable oils and proteins sector might meet the needs of 8.4 billion inhabitants on our planet in 2030. This study notably highlighted the fundamental role that will be played by vegetable proteins in meeting the growing global demand for proteins. In light of these findings, Avril decided to invest in exploiting the protein fraction of oilseed grain, as it has been doing for 30 years with the oil fraction. The first stage, finalised in 2014, was to set up pilot units for the processing of proteins from oilseed meal. Several research projects are now under way with potential for development in several areas: animal nutrition, human foods and renewable chemistry.

To supplement rapeseed and sunflower proteins, Avril is also participating in the relaunch of soybean in France. Through the FASO* Sofiprotéol funded research programmes on non-GM soybean. Faithful to its territorial model, Avril chose to implement a national initiative designed to structure the processing of soybean grain in order to offer livestock sectors a product grown in France. The farming industry responded to this call, and land sown to soybean should reach 100,000 hectares in 2015.

**Michel Boucly,**
Deputy Chief Executive Officer of Avril, responsible for Sustainable Commitment, Innovation and Strategy, DCEO of Sofiprotéol.

> **2014 illustrated the pertinence of our unique and shared growth model and its ability to respond to the major challenges of the future.**

> **Michel Boucly,** Deputy Chief Executive Officer of Avril, responsible for Sustainable Commitment, Innovation and Strategy, DCEO of Sofiprotéol.

> **FOCUS**

Towards an updated strategic plan

In 2015, the foresight studies by Avril on the ability of the vegetable oils and proteins sector to respond to the important food and agroindustrial challenges of the future will result in adaptations to its strategic plan. Each entity in the Group will consider its future challenges in the context of a 5-year time horizon, while continuing to support the fundamental feeding function of agriculture and make a sustainable contribution to energy transitions and the development of renewable chemistry.

*Strategic Action Fund for Oilseed and Protein Crops.*
Sustainable development

A shared progress dynamic

Sustainable development is central to Avril’s mission and constitutes a pillar of its growth strategy. The definition in 2013 of 5 commitments and 13 detailed objectives offered a framework for actions by the Group and accelerated practical translation of these commitments in Avril’s activities and speciality areas.

www.groupeavril.com/en/sustainable-development

COMMITMENT #1 - DEVELOPING NATIONAL SECTORS

Avril contributes to growth of the oils and proteins sectors which generate activities and jobs in different territories. The Group has fixed itself several objectives for its activities in France: to valorise 60% of French grain production through its industrial facilities and to supply animal nutrition companies with more than 80% of French raw materials. The results are already in line with these commitments: the share of French oilseed production thus exploited reached 52%, and that of the French raw materials used for animal nutrition remained stable at 79.7%. The remaining margins for improvement are mainly dependent on the deployment of new national sectors, not only in France but also in Romania, Morocco and Senegal. In this area, some significant investments were made in 2014, both upstream in agriculture and downstream in industry. In Morocco, structuring of an olive sector, initiated by Lesieur Cristal, was accompanied by construction of a highly efficient crushing plant. In France, Avril contributed to relaunching the soybean sector so that the livestock industry can benefit from soybean “made in France”.

www.groupeavril.com/en/sustainable-development
Sustainable development

COMMITMENT #2
BETTER FOOD FOR HUMANS
The Group currently contributes to meeting the everyday needs for edible oil of 75 million people. This market thus saw an increase of 25% over 2013, linked notably to the record volumes achieved by Lesieur, and is sustaining its efforts to meet the goal of 90 million people by 2018. The same positive trend was seen in vegetable proteins: the Group now meets the needs of 28.6 million people, which is already close to the goal fixed at 30 million. This significant growth owed much to sustained research and investment that enabled improvements in the quantity and quality of its products (enriched in omega-3, low-salt, etc.). Benefiting from its expertise, Avril was chosen to be a founder partner in Solutions COP21: working with Carrefour, it will notably be managing the working group on “Eating better”.

COMMITMENT #3
SOFIPROTÉOL, SUSTAINABLE INVESTMENTS IN THE OILS AND PROTEINS SECTORS
Sofiprotéol is the finance and development company of the Avril group. In 2014, it invested €80 million to support actors in the oils and proteins sector with their medium/long-term development. In order to encourage responsible investments, the subsidiary has developed an evaluation grid that can integrate non-financial criteria (environmental, social and governance) in the choices made. In 2014, more than 100 companies of all sizes were thus supported, representing 80,000 jobs in a wide variety of sectors.

COMMITMENT #4
PRESERVING THE PLANET
Producing more from fewer resources: that is the challenge of the transversal approaches adopted by Avril at an environmental level, linked to the goals it set itself with respect to operational and strategic excellence. Closely involved in reducing energy consumption, in 2014 the Group initiated ISO 50001 certification at all its industrial sites with respect to their energy management. Over the same period, investments made by the Oilseeds Division in its downstream industrial facilities (construction of biomass boilers at the Saipol site in Sète and the Lesieur Cristal site in Ain Harrouda, Morocco) enabled an increase in the share of renewable energies. In parallel, the Progress Initiative (“La Démarche de Progrès Colza Diester”) implemented by rapeseed farmers to improve the environmental balance of the biodiesel sector was supported by a communication campaign to encourage their mobilisation. Furthermore, the Animal Products Division pursued its efforts to optimise the feed efficiency of livestock units (see p. 46), which contributed not only to improving their profitability but also to reducing their greenhouse gas emissions.

COMMITMENT #5
WORKING TOGETHER
The implementation of an ambitious policy based on involving all employees, combined with targeted actions at different sites (consultations with ergonomists or osteopaths, reorganisation of work stations, etc.), enabled marked improvements in health and safety (see p. 23). In addition, as a precursor to the organisation of Avril, transversal working group were set up to enable practical responses regarding commitments to disability (exceeding the 6% threshold of disabled workers at all Group sites) and work-linked training (doubling the number of jobs concerned). The aim: to encourage the sharing of experience and to draw up action plans to take account of the complexity of the challenges faced.

FOCUS
Encouraging participative approaches
“Feeding Life” (“Nourrir la Vie”) is the managerial programme that was initiated by the Animal Products Division nearly 15 years ago, in order to drive and translate commitments to sustainable development in its different entities. Based on a challenge and annual meetings for managers, this programme fosters adhesion by enabling the emergence of better practices and new initiatives. Boosted by its success, the programme was extended in 2014 to the Oilseeds Division and should soon cover the entire Group. In 2014, it recorded 102 initiatives, 27 of which were retained and seven rewarded.

As a lever for economic and operational performance, sustainable development is central to Avril’s valorisation strategy. Its deployment is based on methods driven transversally and actions carried out in all areas of the Group, as applicable to their different specialisms. 2014 marked a sharing and acceleration of the policy formalised in 2013. –

Kristell Guizouarn, Director of Sustainable Development, Avril group
Since the start, innovation has always been a strategic lever for Avril’s growth and for valorisation of the vegetable oils and proteins sectors. The mission for Research-Innovation-Development (RID) is to develop products with high added value, to diversify markets and to respond to the food and environmental issues of the future. According to a BIPE-Avril foresight study, meeting global needs for vegetable proteins is a major challenge if we are to feed the planet. This vision has reassured the Group regarding its strategic choice to make proteins a high priority for research.

**Vegetable proteins offer a solution to feed the planet in the future and represent a considerable potential for growth. We have an opportunity to create value using vegetable proteins, notably from oilseed meal. This is one of the major RID projects on which Avril will be focusing in the coming years.**

Jean-François Rous, Director of Research & Innovation, Avril group

**VEGETABLE PROTEINS, A NEW RESEARCH FIELD**

For 30 years, Avril has been creating value around the vegetable oils that result from the crushing of oilseed grain. Until recently, oilseed meal, a protein-rich by-product of crushing, was little transformed and only used to feed livestock. In 2014, it was central to research by the Group, the aim being to use it as a raw material for the production of proteins with high nutritional value. Work carried out on the fractionation and valorisation of proteins from oilseed meal (the Avalon programme) earned the Group an award at the 2030 Worldwide Innovation Challenge, initiated by the French Govern-
Innovation

MAJOR AMBITIONS FOR THE LIVESTOCK SECTOR
Another highlight of the year was the reorganisation of research within Avril’s Animal Products Division, which reflected the Group’s desire to develop speciality products modelled on work in renewable chemistry. Teams were boosted and brought together at the MiXscience Research Centre in order to better exploit Avril’s know-how in animal nutrition and the performance of livestock units. Particular efforts focused on two areas of innovation: the performance of animals and their health equilibrium. Studies were also carried out on the diversification of vegetable protein sources (micro-algae, the by-products of linseed meal, etc.) in order to optimise the nutritional value of feeds.

ACCELERATION IN THE BIOTECHNOLOGIES
Avril has been investing in industrial biotechnologies for many years. They represent important potential, notably in the fields of renewable chemistry and energy. These biological processes utilise micro-organisms (bacteria, yeasts, micro-algae, etc.) to transform a plant raw material or directly produce oil. Since 2014, Avril has had its own pilot plant at its site in Venette (Picardie, France) and is planning to develop an industrial unit in the years to come. Furthermore, the Group is involved in several biotechnology projects through its partnerships at various platforms.

TOWARDS PLANT-BASED BIOREFINERIES FOR THE FUTURE
Among these platforms, the Institut P.I.V.E.R.T.² is pursuing its efforts to invent plant-based biorefineries for the future. Using a variety of raw materials to produce different products, they should be self-sustaining in energy terms. Based in a production region, they will exploit the whole plant to produce renewable chemical products and energy, under a logic of industrial ecology. The first centre in Europe for the valorisation of oilseed plants for renewable chemical products and energy, Institut P.I.V.E.R.T. involves several partners from research and industry, including Avril. Since it was set up in May 2013 in the context of the French Investments for the Future programme (PIA), 52 projects have been initiated and ten patents have been filed. In 2014, work started on the BIOGIS Centre, an ultra-modern technology centre designed to facilitate transfer from the research phase to industrial development. All the most cutting-edge technologies are present at this platform.

FOCUS
The advances achieved by BioTfueL
Avril’s RID is pursuing its work on advanced biofuels, notably in the context of the BioTfueL project which, after three years of research, has reached its pre-industrial stage. By 2017, this project aims to have developed a series of processes that can deal with a broad range of biomass resources (agricultural residues, forest waste). The objective is to produce high quality biodiesel and biokerosene with a very favourable environmental footprint (a reduction of more than 90% in GG emissions compared with a conventional fuel). The pre-industrial unit built at the Avril site in Venette (Picardie, France) will house an installation dedicated to the preparation of biomass (drying, grinding and roasting).

¹Research-Innovation-Development.
²Picardie Innovations Végétales, Enseignements et Recherches Technologiques (Picardy Plant Innovations, Teaching and Technological Research).
Human Resources

Reinforcing Avril’s model for development

Human Resources mobilised their efforts to support the changes linked to the birth of Avril and drove a new dynamic for progress and performance, linked to the Group’s commitments to sustainable development.

A diversity of skills and working environments is a specific feature of Avril. The challenge for the Human Resources Division is to lay the foundations for a global and federative policy that will increase the involvement of all employees in serving the Group’s model.

SUPPORTING AVRIL’S PLANS FOR CHANGE

The Human Resources Division focused its actions on supporting the sectoral strategy, which is central to the Group’s founding principles. Its first mission in 2014 was to prepare the transfer to LDC of the 1,000 staff working at our poultry slaughtering and processed products sites, while ensuring their reintegration. It also encouraged functional mobility between sites and between skills areas (several dozen employees concerned in 2014) in order to support the configuration of the new organisation. In the same vein, it initiated a project to define the company’s values, intended to federate employees around a common identity and culture (see Insert).
FOCUS

Respect, Boldness, Performance: three values to forge a Group culture

A task force was set up to formalise the three values that drive the ambitions of Avril and embody its sectoral spirit: Respect the feelings of others, Boldness to reflect the company's mindset, and Performance to indicate customer-focused cooperation and the results anticipated. Tested on employees at several sites, these values have since been disseminated throughout the Group and publicised externally by central management. In 2015, they will form part of managerial considerations and be integrated in the goals laid down for managers.

CONFIRMING ITS POSITIONING AS A RESPONSIBLE EMPLOYER

Safety is a priority for the Group. Since 2012, the safety projects initiated have enabled a 44% reduction in occupational accident rates, in line with the goals initially fixed (a 20% reduction each year). This positive outcome resulted from a shared objective to accelerate efforts in 2014, driven by the success of Management Safety Visits (MSV), the number of which was multiplied five-fold and of the “Health and Safety Challenge” for which more than 100 projects were submitted, as against 75 in 2013. Emphasis was also laid on health and welfare, with the deployment of targeted initiatives to prevent risks and favour fulfilment at work: partnerships with osteopathy training colleges, the ergonomics of work stations and the promotion of physical exercise, etc. Avril was also ambitious with respect to the integration of disabled workers and the training of young people at work. For this purpose, Human Resources initiated a deliberate policy focused on organising regular committee meetings which has now started to produce results: nearly half of the Group’s sites have now reached the threshold of 6% disabled workers, and the number of young people training at work has increased by more than 40% since 2013, a number that should double between now and 2018.

INTRODUCING A CONSISTENT AND MOBILISING POLICY

The durability of Avril’s model also requires the implementation by Human Resources of attractive and consistent management. In this respect, the HR Division is participating in a project aiming at building information systems that will deploy common processes throughout the Group. In parallel, it initiated projects to recruit and attract talents: the launch of a careers website that had publicised around a hundred job offers by the end of 2014; the extension of integration seminars to include experience on farms, and reciprocally, visits by farmers to the Group’s industrial sites; discussions on mobility policies in order to accelerate career paths. In anticipation of its duties, it also laid the foundations for the creation of a European Works Council. Its purpose will be to improve exchanges and transparency with social partners, which is wholly in line with Avril’s values. Its global openness will mean that this Council will include an observer from Lesieur Cristal, our Moroccan subsidiary.

FOCUS

We are committed to pursuing our efforts towards professionalisation. Through our different activities, our aim is to serve and sustain a unique model which is loyal to the spirit that underpinned the creation of Avril. A Group spirit that every day is inventing foods for the 21st century and where profits are reinvested in the future of vegetable oils and proteins.

Philippe Lamblin, Director Human Resources, Communication and Health and Safety, Avril group

A presence in 22 countries and 4 continents: 5,500 employees work in France, and 2,700 in other countries.

Human Resources
Operational excellence

Accelerating the consolidation of Avril

Avril reinforced its operational and strategic excellence (EOS) approach in 2014: improvements to industrial performance, the restructuring of purchasing and the optimisation of industrial assets. EOS is the external expression of Group consolidation, a key step towards creating a new company culture.

The EOS approach is a crucial aspect of the strategic plan drawn up by Avril at the end of 2012 and is articulated around six levers: safety at work, industrial performance, sharing purchasing procedures, adapting production facilities to market conditions, optimising support functions and reducing working capital requirements. Central to this approach is the ambition to support the transformation of Avril into an efficient and consolidated Group.

In 2014, just one year after it was launched, the EOS initiative accelerated, with numerous projects ongoing or completed and affecting all entities within the Group. The results have been extremely encouraging, notably relative to the sharing of purchasing and industrial performance.

OPTIMISING OVERALL PERFORMANCE

One of the most important achievements relative to performance in 2014 was launch of the Business Full Potential (BFP) analytical tool. This is a methodology that can optimise the management of an activity or project, from its strategy to its implementation, by evaluating all its components at different links in the chain: inventory, benchmarks, optimisation pathways. Introduced within Saipol and deployed in detail at the Bassens site (Gironde, France), it is intended that this tool should be extended to all parts of the Group in 2015.
FOCUS
A sectoral site in Bassens
Built in 2014, the new Lesieur factory in Bassens (Gironde) will become home to the packaging lines from its Bordeaux site in 2015. Connected directly to Saipol’s grain crushing plant, which supplies it with refined rapeseed and sunflower oils, this new factory is concrete proof of one of Avril’s strategic objectives: a territorial and sectoral organisation, from grains to the consumer. It also optimises the environmental footprint of the Group by assembling complementary activities on the same site.

DEVELOPING SKILLS IN OUR TEAMS
Introduced in the context of the “Industrial Performance” component of EOS, Lean Six Sigma methods continue to be deployed in order to optimise processes and develop skills within our teams. The goal remains the same: to increase operational efficiency through continuing improvement. In 2014, in line with the training plan defined a year earlier, 19 employees completed their “Black Belt” training. This method now counts more than thirty ongoing or completed projects, deployed throughout the Group.

Dedicated to operational and strategic excellence, these “black belts” can intervene anywhere in the Group to try and reduce all production variabilities and deviations.

70 people have also been trained in “Green Belt” methods, their mission being to implement optimisation tools for industrial and service activities. This has achieved visible results in terms of economic outcomes, quality and customer satisfaction.

The result is that added value of €5 million was generated in 2014, with a marked increase in productivity. In 2015, the training of trainers will enable amplification of the approach, giving more autonomy in the implementation of these methods.

ACCELERATING THE STRUCTURING OF PURCHASING
The operational excellence approach has also enabled the Group to improve its purchasing policies. After setting up a Group Purchasing Division, Avril pursued the consolidation of its “strategic sourcing”. To achieve this, the Group capitalised on the advantages of the BFP tool in order to identify new opportunities for mutualisation, extend the sharing of good practices and encourage the initiation of transversal projects. In 2014, two important and transversal calls for projects were thus launched in the areas of packaging and insurance. The EOS Energy programme was initiated to optimise the monitoring of energy requirements and coordinate their management, from the analysis of needs to contractual arrangements concerning the purchase of gas and electricity.

In 2014, the Group was able to achieve savings of €14 million with the support of the Purchasing team.

RATIONALISING AND CONSOLIDATING INDUSTRIAL ASSETS
The ongoing adaptation of industrial assets to market conditions and Avril’s strategic challenges forms an integral part of the EOS approach. The principal missions are to optimise the industrial and environmental footprint of the Group, to add value to products in the sector and to reduce costs. The main projects initiated in 2014 included a plan to optimise industrial and logistical performance at Matines egg packaging plants following their takeover by the Group; pursuit of the optimisation of Sanders’ production facilities (see p. 48), and the opening of a new ester production plant in Malaysia in the context of the UniOle- on joint venture for the development of new markets in food chemistry.

In 2014, we carried out 2,200 Safety Visits (MSV) and trained 500 people in this approach which has already enabled a significant reduction in occupational accidents. Indeed, the accident rate fell by 44% between December 2012 and December 2014. Our consistent aim is to achieve a zero accident rate.

Gabriel Krapf
Communication

Avril: more than a change of name, a shared enterprise plan for the future

Changing the name and governance of a company is a unique event in its existence. Through its work to prepare, explain, share and monitor information, the communication function has an important role to play in fashioning perception of a transformation such as that operated by Avril.

The ambitious transformation project mobilised both Group communication teams and those in the vegetable oils and proteins sectors throughout the year. In response to the challenge, Avril reorganised its communication function by increasing the team and implementing new tools. The project culminated in a major launch event in early 2015 which brought together employees and representatives from the farming world, followed by presentations to the Group’s customers and partners, as well as the media.

Efforts are continuing to ensure that our employees can embody our originality and play an active role in the opportunities we are offered through this new identity. An opportunity to share news within the Avril community that might be important to our professional activities, our industrial sites and our brands, for example through the launch of an in-house magazine called Avril’s. An opportunity also to raise awareness to the Group and publicise its specificities and problems, notably through a constant presence on the net and via social networks, or by means of regular meetings without our external stakeholders.

Because it forms a crucial part of our enterprise plan, the transformation of our Group was first of all operated in-house. The role of the communication function is to allow each employee to adhere to the principles of this plan, that of a company that is moving forward, resolutely focused on the future and loyal to its purpose.

Sebastien Delerue, Director of Communication, Avril group
Our activities

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Oilseeds Division

The mission of Avril’s Oilseeds Division is to valorise oilseed grain in order to meet human food needs and supply renewable and sustainable alternatives for energy and chemistry.

Upstream in the sector, this is the primary industrial activity of Avril’s Oilseeds Division, the leader in France. Grain is crushed to extract vegetable oil on the one hand and protein-rich oilseed meal on the other, the latter mainly being used for animal feeds. Raw or refined, the oils are exploited in a wide variety of applications.

4.1 million tonnes of grain processed by the Oilseeds Division in 2014

52% of the rapeseed and sunflower grain collected in France are processed by Avril
For more than 20 years, Avril has been producing biodiesel from vegetable oils, a biofuel used in diesel vehicles under the Diester brand. A pioneer in the area of renewable energies, the Group is the European leader in biodiesel production from oilseeds and is currently investing in research on 2nd generation biofuels.

**Human foods**

Once refined, the vegetable oils are valorised to produce the edible oils, sauces and condiments that enliven our meals. They are also found in the processed foods produced by the food industry. Oil-based speciality products are also used as ingredients in the manufacture of biscuits, brioches and chewing-gums, etc.

**Renewable energies**

For more than 20 years, Avril has been producing biodiesel from vegetable oils, a biofuel used in diesel vehicles under the Diester brand. A pioneer in the area of renewable energies, the Group is the European leader in biodiesel production from oilseeds and is currently investing in research on 2nd generation biofuels.

**Renewable chemistry**

Compounds resulting from the processing of vegetable oils are used widely in many products and applications. They are found in particular in cosmetics, toiletries and other everyday items.

- **75 million people**
  - have their oil needs met every day by Avril
- **100%**
  - of diesel vehicles in France use fuel including 8% Diester
- **540,000**
  - tonnes of biosourced products for renewable chemistry.
In an increasingly volatile environment, management of our activities necessitates adaptation of our industrial assets so that we can be stronger at the levels we control. Our advantages in this context are the acceleration of operational excellence and our ability to develop synergies between our activities in order to construct an increasingly integrated sector.

Yves Delaine, DCEO of the Avril group, responsible for the Oilseeds Division.

Above: photographs from the 2014 Avril Photo Contest.

1 — Lova Ravoavy, Saipol (2nd Prize)
2 — Bruno Le Ray, Ovotem Plaintel (3rd Prize)
3 — Alexandra Trandafir, Expur (Staff Prize)
WHAT IS YOUR ASSESSMENT OF 2014 FOR AVRIL’S OILSEEDS DIVISION?

YVES DELAINE: Overall, we ended the year markedly ahead of our budgeted target, with an EBITDA that was 38% up on 2013. In our upstream activities – crushing and esterification – the results were contrasting. The good rapeseed and sunflower harvests in 2014 restored a more favourable supply and demand balance for crushing, but was not sufficient to compensate for the depreciated margins of the first half-year. On the other hand, the results regarding esterification were positive, particularly regarding biodiesel production. Downstream in the sector, renewable chemistry had an excellent year which confirmed the strategy to upgrade its ranges. And both the Lesieur and Lesieur Cristal edible oil brands benefited from the success of their product innovations.

The year thus ended on a positive note, with excellent results in the fourth quarter. Our more reactive and efficient organisation, and the industrial projects initiated in 2014, all helped to improve the profitability of our activities in an increasingly competitive environment. This was good preparation for a future when we shall face a proliferation of exogenous factors: marked volatility in the currency markets and the prices of raw materials and diesel, which were hit by the collapse in oil prices at the end of the year. To this should be added uncertainties linked to the regulatory changes affecting biodiesel.

IN THIS CONTEXT, WHAT ARE THE LEVERS FOR PERFORMANCE?

Y. D.: The watchword is operational excellence. From this standpoint, one of the major events of 2014 was the merger between Saipol - our crushing and refining arm – and Diester Industrie – our biodiesel and glycerine production arm. This enabled the more efficient use of our production capacities and the more integrated management of our activities.

As well as these organisational changes, a detailed analysis of all factors for improvement within Saipol gave rise to some major decisions that will be implemented in 2015 and rationalise our activities even further. Thus the transfer of the Lesieur factory in Bordeaux to Bassens (Gironde, France) will favour direct links between this new installation and Saipol’s grain crushing plant. This decision has been taken in response to the need for improved performance not only in industrial terms but also at the environmental and societal levels. In particular, our customers will see concrete proof of our sectoral strategy and its benefits in terms of traceability, quality and food security.

AND WHAT ABOUT YOUR INTERNATIONAL DEVELOPMENT?

Y. D.: Internationalisation is a major lever for the development of all our activities. At present, more than half of our employees work outside France, where we now achieve 30% of the Oilseeds Division’s turnover. Our sectoral structuring plans are thus advancing in several countries. For example, 2014 saw the first sunflower campaign in Morocco in the context of the Green Morocco plan, and Lesieur Cristal relaunched its crushing and oil and oilseed meal production for the domestic market. Lesieur Cristal’s leading position in Morocco also enabled developments in Sub-Saharan Africa in synergy with our investments in vegetable oils in Senegal. Furthermore, we made major investments to consolidate our activities in Romania and develop an important platform for Central Europe; this will also favour other developments in the Black Sea region, which remains a preferred target for growth of the Group and its supplies of rapeseed and sunflower grain. Finally, Oleon pursued its development in oleochemistry in Asia and reinforced its commercial network through the opening of an office in Brazil in 2015.

WHAT ARE THE CHALLENGES FOR THE FUTURE?


We are now halfway through this ambitious plan, and I have just illustrated some of the major actions implemented by the Oilseeds Division. This approach will be pursued in an increasingly competitive environment where our sectoral model and our constant efforts to offer innovative solutions to our customers – whether in the food, energy or renewable chemistry industries – should allow us to ensure sustainable growth of the Oilseeds Division in synergy with the Avril’s other activities.
Upstream of the vegetable oils and proteins sector, Saipol intervenes at the very start of Avril’s industrial value chain. Through its crushing and refining activities, Saipol’s mission is to respond to the needs for oils and oilseed meals of its internal and external customers. The highlight of the year was its merger with Diester Industrie into a single company covering activities from grain to biodiesel, thus modifying the scope of Saipol which today counts 7 plants in France, 60% of whose capacity is dedicated to biofuel production.

In a context of considerable volatility in raw material and diesel prices that had been difficult to anticipate, Saipol achieved a good year with a marked rise in profits, notably thanks to combining its crushing, refining and esterification activities. The globally low margins attached to crushing, despite high grain volumes and a record harvest in 2014, were compensated by the good results achieved in biodiesel.

**PRIORITY FOR INDUSTRIAL PERFORMANCE**

The objective of the merger with Diester Industrie was to adapt industrial assets to the slowdown in demand for biofuels generated by regulatory changes, and also to enhance the coherence between crushing, refining and esterification. The gamble paid off: in 2014, the plants operated at full stretch and this improved use of capacities caused a fall in produc-

An organisation adapted to market fluctuations

2014 marked consolidation of the scope of Saipol’s activities. Its merger with Diester enabled stabilisation of its operations in a highly volatile context. To pursue its development, Saipol is focusing on the valorisation of oilseed meal and its ability to respond efficiently to market uncertainties.
tion costs. To this should be added other areas of improvement: better cohesion in decision-making and an acceleration of the EOS operational and strategic excellence programme, which included the introduction of a more customer-oriented logistical organisation. This search for optimisation continued with the move of the esterification unit from Coudekerque (Nord, France) to the site in Sète (Languedoc-Roussillon, France), enabling an increase in production capacity in the Mediterranean basin (+100,000 tonnes) at lower cost.

Finally, another source of savings was a reduction in the dependence of production plants on fossil fuels through the construction of a biomass boiler at the Sète site. This will use surplus sunflower hulls from the plant in Bassens and steam recycled from the incineration of municipal waste.

OILSEED MEAL AS A LEVER FOR GROWTH

To pursue its development, Saipol is increasingly focusing on the production and sale of oilseed meals, 90% of which are destined for external customers, thus representing an added value for crushing. Avril has become the European benchmark in oilseed meals, thanks to its consistently high quality products and broad product range, including the High Pro dehulled sunflower meal from Bassens. Very rich in proteins, it can replace soybean meal, and its production has multiplied six-fold in three years (600,000 tonnes in 2014). Already orientated towards international markets, trading in oilseed meals is thus taking on new significance (see insert).

ANTICIPATING CHANGES IN THE BIODIESEL MARKET

The biodiesel market had a complicated but encouraging start to 2015 with the adoption of B8 in France. French diesel now contains up to 8% biodiesel, versus 7% before 1st January 2015. But one of the key challenges for the future concerns the issue of European harmonisation which may penalise Saipol's trading strategies. Furthermore, 2015 is last year when tax relief will be applied to French biodiesel.

Faced with this uncertain environment and market volatility, Saipol's strategy is to continue to adjust its organisation so that it can better anticipate change and ensure stable margins. Central to this dynamic has been implementation of the Symphony programme for transformation of the Group and modernisation of its information system at the service of its growth strategy, which will create an organisation that is more market aware.

Biofuels are one of the most efficient solutions to reducing transport-related greenhouse gas emissions. A dual contribution to both energy transition and the planet’s dietary transitions, because through the concomitant production of oilseed meal, the biodiesel sector can respond to growing needs for vegetable proteins to feed livestock. This sector currently represents nearly 20,000 jobs in France and contributes €2 billion to France’s GDP.

Source: PwC study, 2013

Alain Brinon,
Director General of Saipol

1 — Throughout the year, rapeseed and sunflower grain is shipped to Saipol’s processing plants.
2 — Once collected, the grain is crushed in order to produce solid oilseed meals and oils.
3 — The protein-rich oilseed meals are sold to the manufacturers of feeds for livestock.
4 — The oils are refined for the human foods or renewable chemistry markets.
5 — They are also processed for biodiesel, renewable energies and vegetable glycerine.
As a major actor in the oilseeds market in Romania, Expur ensures the collection of rapeseed and sunflower grain on behalf of Saipol and for its own site in Slobozia. The oilseed meals, biodiesel and edible oils resulting from these crushing and refining activities are sold in Romania and, through Saipol, in neighbouring countries. In 2013, the acquisition from Cargill of Untdemen de la Bunică (the leading oil brand in Romania) and Olpo, consolidated the sector.

SUSTAINED ACTIVITY DESPITE COMPETITION
Because of strong competition regarding grain purchasing, biodiesel and packaging, Expur’s performance improved less than expected. Grain collection and crushing activities lost pace because of an influx of purchasers onto the Romanian market, linked to the weakness of local prices and the unstable situation in Ukraine. Despite this downturn, production remained buoyant: by optimising market operations, the collaboration initiated with Saipol (esterification activities) enabled the maintenance of biodiesel prices despite more aggressive competition. The purchase from Cargill of Bunică and Olpo, combined with the investments made in bottling and refining, enabled a leap forwards in the production of edible oils. Another positive point was that neighbouring countries represented a growing share of markets, thus confirming the pertinence of the

Expur
Serving a regional development strategy

With support from the Group, Expur is pursuing its growth and accelerating its modernisation with a dual aim: to strengthen the local sector and develop Romania as a platform for development throughout the region, from the Black Sea to the Mediterranean basin.
Romanian model: 75% of oilseed meal and 15% of edible oils (both Romanian and distributor brands) were sold at export. Biodiesel activities also saw gradual growth within the region: after Bulgaria, Greece and Croatia should soon become customers.

**PARTICULAR FOCUS ON PRODUCTIVITY**

Expur pursued its investments, to a value of €8 million, in order to modernise its industrial facilities and adjust to growth in its production. Thanks to the increase in edible oil refining capacity at the Slobozia site (from 160 to 350 tonnes per day), and to a major project to optimise the packaging lines, the milestone of 100 million litres packaged was exceeded. Expur also reinforced its efforts to reduce its environmental impact while improving its operational performance. Although the company is already equipped with a biomass boiler fuelled by sunflower husks, it implemented further actions to reduce gas and electricity consumption by its sites. There are also plans to optimise its transport logistics, by loading more volume onto each truck. In parallel, Expur has initiated a project to improve waste treatment capacities at its production site.

**AN IMPROVEMENT IN QUALITY FROM UPSTREAM TO DOWNSTREAM**

Expur worked to improve the quality of its production at all levels. The efforts initiated with Avril enabled the development of sunflower oil manufacture: 30,000 tonnes were thus produced in Romania and shipped to Saipol in 2014. Expur also prepared its International Food Standard (IFS) certification which should be confirmed by the summer of 2015, and with the support of Lesieur invested in the upselling of Untdelemn de la Bunica (“grandmother’s oil”), the leading brand in the Romanian market. The major growth recorded (10 million litres) testifies to the efficiency of the company’s efforts (see Focus).

- **100,000** tonnes of biodiesel
- **101** million litres of edible oil packaged
- **205,000** tonnes of oilseed meal
- **520** employees

2014 was a year of change and complex challenges, which notably included our takeover of Cargill's brands and facilities. This is a strategic investment for the future. It will allow us to confirm our status as a specialist from grain to bottle or biodiesel, and lay the foundations for promising regional development.

Peter Tagge, Director General of Expur

**FOCUS**

Transversal actions

To relaunch Untdelemn de la Bunica, Expur drew on the technical, commercial and marketing skills of Lesieur and Avril. The aim was to rejuvenate the brand’s image and improve the nutritional quality of its product ranges. Their visual identities were modernised and the brand messages updated, focused on the benefits of healthy cooking. In addition, the formulations were enriched: the addition of vitamin D to sunflower oil, that of an odour-masking agent to Bunica Friture (frying) oil, before the introduction of an omega-3 containing rapeseed oil in 2015; this will be a real novelty in a market dominated by sunflower oil consumption that reaches 96%. Expur also benefited from support from Lesieur regarding its press and TV promotional campaigns, and the organisation of targeted operations at sales outlets.
Lesieur manufactures and sells oils (rapeseed, sunflower, olive) and sauces under the Lesieur, Puget and Isio 4 brands. The merger with Avril in 2003 consolidated its position as a responsible company focused on health/nutrition and allowed it to master all links in the value chain, from the sourcing of raw materials to bottling.

**INNOVATION, A LEVER TO BOLSTER LEADERSHIP**

In the major retail sector, and in a market that has paradoxically been driven by the economic crisis, notably because of a return to home cooking (+1.2% for oils, +2.7% for sauces), Lesieur’s innovation strategy has allowed it to modernise its image and consolidate its position, with turnover up by 2.9% in 2014. The brand innovated in terms of its formats (1.5 L and 0.25 L bottles for Puget), recipes (Duo oil and butter from Lesieur, two-phase low-fat vinaigrettes from Puget and Isio 4, and home-made mayonnaise from Lesieur) and packaging (invention of Stop Goutte, the first oil bottle equipped with a valved stopper, a collection of stackable speciality “huiles gourmandes”). These novelties were publicised by efficient publicity campaigns via both television and the internet.

As leader in edible oils and third in the condiments market in France, Lesieur is reaping the rewards of its innovations and international development. Boosted by its investments, the brand achieved good results and exceeded its objectives in both volume and value terms.
LESIEUR ADVANCING IN ALL RETAIL CHANNELS
Lesieur’s ability to offer 100% French products and speciality oils with added value has proved a fruitful strategy. Sales by the company held up well in the out-of-home catering market, thanks notably to a strengthening of its links with Quick for which it produces a French-sourced frying oil (Frial), and grew markedly in the segment of blended oils for the food industry. Under distributor brands, oil sales hit record levels because of strong demand from France and the UK.

GROWTH DRIVEN BY INTERNATIONAL EFFORTS
In order to develop its international presence, Lesieur set up a dedicated Division in 2014. In its ongoing markets (Africa, Middle East), the brand focused on stabilising its positions based on three levers, the first being the development of national sectors copied from the French model. After sunflower in Morocco and peanut in Senegal (two projects currently being finalised), Lesieur laid the initial foundations for a rapeseed sector in Tunisia. It accelerated its synergies with local sectors, the challenge being to reinforce its roots in France. The collaboration with Lesieur Cristal thus allowed it to launch a range of mayonnaise and ketchups adapted to the Moroccan market and manufactured in France. This move was successful, as it was able to win a 10% market share in less than a year. In parallel, Lesieur moved its innovation centres closer to areas of consumption. In Algeria, the brand drew on its strong reputation to develop an innovative range of flavoured mayonnaises which could subsequently be used to give new impetus to some of its established markets. Lesieur also explored new and promising markets in Asia where, in the sauce segment, “made in France” is a strong selling point. After being listed in China, it is now targeting markets in Vietnam and South Korea.

FOCUS 707 employees
4 production sites
310 million tonnes of oil packaged
42,000 tonnes of sauce packaged
Exports to 65 countries

FOCUS
Quality and nutrition, two major competitive advantages
— By adhering to the French Nutrition and Health Charter (PNNS) as early as 2010, the company deliberately targeted “clean label” products, preferring naturalness whenever possible: Lesieur’s focus on a better diet lies at the heart of its business model. It constantly seeks to improve the nutritional profile of its products and deploys informative approaches to raise awareness to health and nutrition. Lesieur thus pursued its strategy for the growth of French sectors: after Fleur de Colza, it initiated the production of sunflower oil, grapeseed oil and mustard guaranteed to be of French origin. It also renewed its flagship promotional campaign, the Cuisine Populaire tour, which reached out to 15,000 consumers in 2014.

FOCUS 2014 was a year of transversal efforts. Working in a matrix with numerous departments such as Purchasing and Human Resources was reinforced, with a view to pooling our resources and optimising certain processes. This enabled us both to make savings and improve our efficiency. Romain Nouffert, Director General of Lesieur

FOCUS Operational efficiency: measurable gains
An ambitious plan to achieve savings was initiated in 2014 thanks to projects managed by transversal working groups in all areas (purchasing costs, production yields, etc.). Thus the formulations of certain ranges (Isio, Frial, etc.) were reviewed to ensure their improved performance. On its side, the supply chain was profoundly reorganised under the supervision of a Director appointed for this purpose. The objective: to prevent waste while improving the quality of customer service. The construction of a factory in Bassens (see page 25) follows the same optimisation logic.
Lesieur Cristal

A sectoral dynamic

By reinforcing its upstream integration and consolidating its brands, Lesieur Cristal bolstered its positioning in different sectors as a lever for its performance and competitiveness. Despite a deteriorating economic context, it was thus able to achieve sustained activity.

Leader in the Moroccan market, Lesieur Cristal owns a portfolio of reputed brands that benefit from solid local foundations and focus on three segments: table oils, olive oil and soaps. The merger with Avril had allowed Lesieur Cristal to initiate a strategy to innovate and increase its production capacities, and is now enjoying the fruits of these efforts.

RENOVATED AND GALVANISED BRANDS

Despite an unfavourable economic environment that caused consumers to shift their purchases to distributor brands, Lesieur Cristal’s sales grew by around 10%. This increase was able to compensate in part for the very marked drop in raw materials prices (-20%) – passed on to retail prices as is the custom in Morocco – and to limit the fall in turnover to around 7%.

The expansion of Lesieur Cristal’s activities resulted from several factors: a significant increase in exports with growth in the sales of table oils to Africa and olive oils to Spain; the resale of oilseed meal from Saipol, an activity which started in 2014; and finally the deployment of product innovations that contributed to reinforcing Lesieur Cristal’s leadership by profiting from the heritage reputation of its brands.

The mature table oil segment was given new impetus through two product launches: Huilor DUO, a mixture of rape-seed and sunflower oils, which is a breakthrough innovation in Morocco, and...
Cristal EcoPro, a low-price frying oil available in bulk containers for the hotel/catering sector.

In the olive oil market, the new Al Horra (“the pure”) brand, of 100% Moroccan origin, pursued its development despite consumption being dominated by bulk and artisan products.

Lesieur Cristal also managed to regenerate the soaps market through two important successes: in less than two years, Taous liquid soap has become the leader in this strong growth segment, and El Kef Pâte household soap rose to rank second with a 23% market share and volumes that more than doubled over those seen in 2013.

**UPSTREAM AGRICULTURE: MAJOR GROWTH OF NATIONAL PRODUCTION**

With support from the Group, Lesieur Cristal has since 2013 been committed to exploiting cultivable land under the Green Morocco Plan. The framework programme signed with the Moroccan government resulted in greater cooperation with farmers and an increase in national olive and oilseed production, in line with predictions.

Lesieur Cristal now owns three olive growing estates and has equipped itself with a 12,000 tonne capacity crushing unit at the site in El Kelaâ des Sraghna, near Marrakesh. This processed 6,000 tonnes of olives in 2014, half produced by the company and the other half coming from local growers who received support for their upgrading from Lesieur Cristal.

Rapeseed and sunflower production also increased considerably: from 3,000 tonnes, it rose to 10,000 tonnes in 2014 and should reach 30,000 tonnes in 2015. The role of Lesieur Cristal, working in collaboration with the Moroccan Ministry of Agriculture, is to provide technical, logistical and financial support for farmers.

**THE PURSUIT OF EFFICIENCY**

Rationalisation policies continued to be deployed in line with previous years. Lesieur Cristal increased its production capacity while at the same time converting its industrial units to biomass: a second olive husk boiler was put into service and now supplies 60% of steam requirements. In parallel, efforts towards optimisation – for example concerning the transport of employees – enabled savings of 3 million Dirhams per year.

In the context of its operational and strategic excellence programme, Lesieur Cristal trained and dedicated two “Black Belt” and four “Green Belt” employees (see page 25).

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In 2015 we shall be pursuing the strategies initiated in 2014. Our priorities range from reinforcing our brands which benefit from a valuable reputation, to innovation which is essential to underpin our mature markets. The development of oilseed meal trading and the growth of our exports will offer strong responses in the future to our increased production capacities.”

Samir Oudghiri Idrissi,
Director General of Lesieur Cristal

1,100 employees

€345 m

Turnover

(3,822 billion Dirhams)

#1

in the Moroccan markets

for edible oils and soaps

2

Rindustrial sites in Morocco:

- Roches Noires (crushing and head office)
- Ain Harrouda (refining, saponification, packaging and warehousing).

Lesieur Cristal rated by VIGEO

In 2014, Lesieur Cristal was distinguished by the VIGEO rating agency for its performance with respect to social responsibility. This rating rewarded the advances achieved by Lesieur Cristal in its Quality, Health and Safety policies, and in training. The company benefits from a training academy called Excellium, which was given new impetus. Its originality is that 20% of its trainees are not Lesieur Cristal employees, most of them still being students. Free of charge, they receive training courses that last around a month (in finance, sales, techniques, etc.) to prepare them more effectively for the world of work and increase their chances of finding employment.

Focus

Lesieur Cristal produces and sells table oils, olive oil and soaps on the Moroccan market.
Towards speciality chemicals

In a highly competitive market, Oleon has gained in performance and refined its business model in order to accelerate its development: upstream-downstream integration, a strong international presence, a specialisation strategy, cutting-edge innovation and tailor-made marketing.
As the European leader in oleochemistry, Oleon manufactures and sells biosourced compounds derived from vegetable oils and animal fats. The dynamism of its activities is driven by increasingly strong demand for products that respect health and the environment and whose technical performance is equivalent, or even better than, petroleum-based compounds.

In a difficult economic and competitive environment, Oleon continued to develop and in 2014 achieved results up 15% on 2013, benefiting from its improved industrial performance and targeted strategy.

**COMPETITIVE IN BASIC PRODUCTS**
Basic oleochemistry products (fatty acids, glycerine, etc.) represent a large percentage of Oleon’s activities, in strong competition with Asiatic imports. Although 2014 was relatively favourable in terms of raw materials, the operational performance strategy (EOS programme) in place since 2013 transformed the company’s operation and improved its competitiveness. The company also pursued its programme of investments to modernise its production facilities, such as the Ertvelde plant in the port of Ghent in Belgium. Oleon also benefited from its position as the European leader in bio-propylene glycol, an alcohol produced from glycerine and which saw sustained demand in 2014.

**DEVELOPING SPECIALITY PRODUCTS**
But one of the keys to Oleon’s development remained its specialisation strategy. Esters, dimers and some speciality fatty acids accounted for less in terms of volume but more with respect to added value. In this highly diversified category of products, the company is reliant on its capacity for innovation and excellent knowledge of its customers, supported by experts in each area. In 2014, two markets were particularly dynamic: lubrication additives and specialised lubricants for oil drilling.

**TARGETING ASIA AND FOOD ADDITIVES**
In the speciality ester market, Oleon reached a new milestone in Asia with the start up in Port Klang, Malaysia, of its second production unit under a 50/50 joint enterprise agreement. This plant specialises in oleochemical derivatives for food emulsifiers. With its 15,000 tonne capacity, the new unit represents a further step towards developing the food additives market and internationalisation of this activity. The company is targeting not only Asiatic markets, driven by strong demand from the new middle classes, but also Europe and North America.

**CAPITALISING ON INNOVATION**
So that it can continue to offer new solutions to its customers, Oleon pursued its investments in R&D at the centre in Venette, near Compiègne (Oise, France); in 2014 this included the start-up of its own white biotechnologies unit that will target a highly promising area for the Group.

And to develop closer links with local markets, Oleon continues to internationalise its research. An R&D centre will be opening in 2015 in Malaysia and focus on three areas: food, lubrication and cosmetics.

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**The oleochemicals landscape has changed completely. Palm oil producers have developed considerably and become integrated downstream with biodiesel, fatty acids and now specialities. Their strategy in oleochemicals is particularly aggressive. Our response? To focus on innovation and the internationalisation of our R&D, as well as our proximity with our customers and our detailed knowledge of their needs.**

Moussa Naciri, Director General of Oleon
Animal Products Division

Through its role as leader in the development of animal nutrition and productions, Avril’s Animal Products Division is deeply involved in French livestock sectors, working closely with farmers in different regions. The aim: to better respond to consumer demands.

Upstream in the sector, this is the primary industrial activity of Avril’s Oilseeds Division, the leader in France. Grain is crushed to extract vegetable oil on the one hand and protein-rich oilseed meal on the other, the latter mainly being used for animal feeds. Raw or refined, the oils are exploited in a wide variety of applications.

4.1 million tonnes of grain processed by the Oilseeds Division in 2014

52% of the rapeseed and sunflower grain collected in France are processed by Avril
Animal nutrition and productions

This is the core of Avril’s Animal Products Division. As the base for animal feeds, oilseed meals are the solid by-products of oilseed grain, obtained after oil extraction. Under the Sanders brand, Avril produces and sells feeds that can meet the needs of all types of livestock.

27,000 partner livestock farmers

The Animal Products Division is focused on the production, processing and marketing of animal products: fresh eggs and egg-based products; the slaughter, cutting, preparation and packaging of pork; the manufacture of raw and cooked meat-based prepared dishes.

Biosecurity and nutritional specialities

Avril’s activities extend to all areas of expertise in livestock management, from the production and sale of nutritional specialities to the development of products and services for the hygiene of animals and their housing, and the treatment of water, air and surfaces.

#1 private-sector zootechnical centre in Europe for research in animal nutrition

3.2 million tonnes of livestock feed produced under the Sanders brand
2014 was a year of change and alliances. The creation of Avril and the new organisation of its Animal Products Division were key steps that have enabled the pooling of expertise that is essential to our satisfactory operation. This new dynamic will bring improved visibility to our Clusters and their development ambitions, and enable new synergies between our different activities, both within the Division and at Group level. 

Éric Philippe,
DCEO of the Avril group, responsible for the Animal Products Division.

Above: photographs from the 2014 Avril Photo Contest.

1 — Yannick Thoraval, Sanders Bretagne (1st Prize)
2 — Isabelle André, Matines
3 — Jean-François Enselme, SIA
Interview with Éric Philippe

A new era for Avril’s Animal Products Division

WHAT WERE THE HEADLINES IN 2014 FOR THE ANIMAL PRODUCTS DIVISION?

ÉRIC PHILIPPE: This year marked a turning point in reorganisation of the Division, when we defined our strategic areas and initiated some structuring projects. Today, our activities are organised into three complementary Clusters with an important economic impact and comply with a sectoral structure. Downstream, the Food Products Cluster groups all activities that transform animal products for use by consumers. Upstream, the Biosecurity and Nutritional Specialities Cluster contains the Group’s expertise and know-how in nutrition, while the Nutrition and Animal Productions Cluster concerns feed manufacture, consulting on livestock management, logistics and contracts with livestock farmers regarding the sale of their products under a sectoral approach and according to specifications adjusted to different markets. In the upstream clusters, we achieved a good year in line with our objectives. But the results were more contrasted in the Food Products Cluster: pork and poultry confirmed the pertinence of their business models with very satisfactory results. But the egg branch levelled off markedly and needs to be restructured if it is to recover its full potential. The takeover of Matines in 2014 was a step in this direction and will contribute to revival of the French egg sector that is currently experiencing a serious crisis.

WHAT ARE YOUR AMBITIONS FOR THESE THREE CLUSTERS?

É. P.: The Nutrition and Animal Productions Cluster is a reflection of our historical know-how. It is notably driven by a strong brand, Sanders. Its primary mission as a specialist in this sector in France, and in a mature market, is to consolidate its position in order to drive the performance of French livestock sectors, with the important challenge of ensuring quality and productivity. To achieve this it is focusing on a strategy of long-term alliances. These may be regional – such as those achieved with other actors in animal nutrition (Euralis and Agrial) – or support our policies regarding investments in, and the modernisation of, our industrial facilities in France. They may also be concluded at the level of an entire sector, such as our alliance with the leader in the poultry sector, LDC. In that case, we have divided up the roles: LDC focuses on processing while Sanders targets animal nutrition and livestock production. This sectoral strategy is consistently highlighted by our major customers in the food industry who are keen to secure their sources. Sanders is also developing its international presence, notably in Europe and in countries around the Mediterranean basin, where strong positions are being consolidated, such as in Algeria or Turkey.

The new Biosecurity and Nutritional Specialities Cluster is a logical response to market needs: based on the Group’s know-how, expertise and capacity for innovation, it can work to serve livestock farmers in France and internationally where markets are seeing strong growth. In this area, the mission for MiXscience is to support Sanders so that this brand can develop its market leadership and accelerate its international deployment. The objective is ambitious: to achieve 50% of MiXscience’s turnover internationally within three years. For Theseo, the aim is to become a global leader in the biosecurity of livestock units. Our capacity for innovation, and our market and customer-oriented culture, will be determining factors in achieving our objectives. We shall also draw on our marketing and distribution companies for livestock specialities, Dielna and Océadis, which work to support the rapid evolution of livestock farming in France towards an increasingly professional and specialised activity.

Finally, our approach has to be pragmatic in the highly competitive Food Products Cluster. Our primary role is to support the French sectors concerned, whether this is by combining our strengths (such as with LDC in the poultry sector), by consolidating our specific economic model in the pork branch or by assuming our role as a leader in the egg branch.

WHAT ARE THE CHALLENGES FOR AVRIL IN DIFFERENT LIVESTOCK SECTORS?

É. P.: To continue to raise our level of performance by pursuing our investments in our industrial facilities and in innovation. This is a fundamental challenge if we are to improve the competitiveness of these French sectors. However, the challenges for the future are also, and increasingly, linked to our undertakings with our partner livestock farmers, actors in the food industry and society as a whole. For livestock farmers, it is necessary to achieve more but with less. This challenge concerns not only our industrial facilities but how we can help our partners to find solutions in order to save energy, generate less waste and waste and improve their feed conversion ratios. For civilian society, the challenge of animal welfare is a concern to which we pay particular attention. We are investing considerable resources in modernising livestock units and also better publicising our activities by explaining them to the general public. This is what we have introduced with our benchmark farms for customers such as McDonald’s or Fleury Michon, which place the environmental impact and livestock management practices of their suppliers at the heart of their priorities. The demedicalisation of livestock units, central to our expertise in biosecurity, is a particularly good illustration of our transversal commitment to this challenge. ■
Biosecurity and nutritional specialities

An international vocation

By creating a new cluster that focuses its strengths on innovation in animal nutrition and zootechnical performance, Avril has adopted a strategic path designed to reinforce its position in the French market and exploit its expertise internationally throughout the livestock industry.

Following the sale of the veterinary laboratory Sogeval to Ceva, the Biosecurity and Nutritional Specialities cluster was totally reorganised in 2014 around three new entities: MiXscience, a specialist company with expertise in innovation for animal nutrition; Theseo, a company specialised in the biosecurity of livestock units; Dielna and Océdias, companies specialised in the distribution of liquid feeds and nutritional specialities. Each has an ambitious development strategy that has already achieved some of its initial goals.

TWO NEW COMPANIES AT THE SERVICE OF LIVESTOCK PRODUCTION

MiXscience concentrates all the know-how of the Animal Products Division in terms of research, innovation, formulation and livestock performance, as well as the design, manufacture and sale of technical products for animal nutrition (premixes, nutritional and mineral solutions).

As for Theseo, it took over the biosecurity activities of Sogeval, which were retained by Avril. This is an area seeing strong growth that groups all preventive hygiene methods that can limit the introduction, dissemination and propagation of pathogenic agents in livestock units. Theseo’s vocation is to develop products and services for building and livestock hygiene, including breeding equipment and water processing plants.

Dielna and Océdias provide a locally-based service to livestock farmers in
This was a year of change and new challenges, which required an important culture shift. Our role is to provide strategic visibility for our teams and provide support to ensure their success. We want to drive our projects through our staff and construct a new collective vision, a new DNA for the company.

José Daoudal, Deputy Director General of the Animal Products Division, responsible for the Biosecurity and Nutritional Specialities Cluster.
As a key player in the Animal Nutrition and Productions, Sanders has proved its creativity by achieving growth in a saturated market, consolidating its animal productions sectors and responding to the demands of livestock farmers for competitiveness.

The Animal Nutrition and Productions Cluster groups a variety of activities, most of them connected to different French livestock sectors. Starting from its historical roots, the manufacture of animal feeds (Sanders), its scope has extending to the valorisation and processing of by-products (Adonial and Terrial) and agricultural supplies (Kiriel local garden centres). Through Sopral, it also includes a pet food and equine nutrition branch.

SANDERS GROWING AND CONFIRMING ITS LEADERSHIP
As a central player in this area and the leading animal nutrition brand in France, Sanders works to improve the competitiveness of its sectors even though French livestock production has continued to lose ground to the benefit of Northern European countries. In an animal nutrition market that has been shrinking steadily since 2003 (-0.7% in 2014), Sanders nevertheless grew by +4.7% and continued to confirm its lead status, with a market share of 15%. Indeed, the brand saw marked growth in the poultry sector (+7%) and in a pig market that was markedly in decline.

ACCELERATING ALLIANCES TO CONSOLIDATE FRENCH SECTORS
One of the keys to Sanders’ success resides in its ability to conclude alliances that enable it to work in synergy with local partners. After Euralis in south-west France, the brand formed an asso-
In a difficult market, our role as leader is to offer the highest possible level of service to our partner livestock farmers in order to best respond to their needs in terms of the economic and technical performance, and the environmental footprint, of their production units.

Bernard Mahé, Director General of Sanders
Food products

Restoring value to food sectors

In 2014, the Food Products Cluster refocused its activities on pork and eggs. In both these markets, it sought to determine an economic model that would be capable of consolidating and valorising these vulnerable French sectors.

In line with the support it offers to its sectors, Avril’s Animal Products Division diversified towards the processing and commercialisation of animal products in the Food Products Cluster. In order to deal with an increasingly competitive context in 2014, the Cluster was reorganised in line with the strategic choices made by the Group so as to consolidate national sectors and affirm its own leadership.

A REFOCUSING OF ACTIVITIES

In 2014 this Cluster experienced two events that changed its physiognomy. Implemented in 2015, the sale to LDC of poultry slaughtering and processed products activities took place in the context of an alliance concluded by Avril at a sectoral level. Five production sites in Brittany thus joined the Société Bretonne de Volaille. As for the Blancafort site, it joined the LDC Group in order to give new impetus to the poultry sector in the Centre region of France.

In parallel, Avril reinforced its leadership in the egg sector by taking control of Matines, in which it had previously been a joint shareholder. By purchasing all its packaging centres, Avril was able to take over the management of Matines, which changed from the status of a commercial brand to that of an integrated company.

In 2014, the Food Products Cluster thus refocused on two main areas in which it assumed leadership: pork, through its slaughtering and cutting activities, and eggs, through its packaging and market-
In order to recreate value in the Food Products Cluster, our strength is that we can build a truly sectoral strategy. This means improved upstream integration in the pork branch by setting up a management team with Sanders, and better integration downstream in the egg branch by taking greater account of consumer expectations.

Yann Renouvel,
Deputy Director General of the Animal Products Division, Responsible for the Food Products Cluster.
In 2014, Sofiprotéol, the finance and development company of the Avril group, broke all records in terms of its investments, thus presaging its new ambitions for the future. In 2015, in the context of reorganisation of the governance of Avril, Sofiprotéol has adopted a new framework to support its commitment. Separated from its industrial activities, the finance and development skills of Avril are now more clearly identified.

“The Group's new governance, and the reinforced involvement of its shareholders – Crédit Agricole, Natixis, Unigrains – and of the interprofessional organisations, have allowed Sofiprotéol to consolidate its resources, with an equity contribution that has increased from €70 million to €330 million. With this increase in investment capacity, we are broadening the scope of our interventions to new sectors in the agricultural and food industries.

This new beginning has also enabled Sofiprotéol to further enhance its role as a driving force in different French sectors, while remaining loyal to its historical roots and values. It thus continues to provide financial support to companies of all sizes in order to drive their growth. It also provides aid to structuring projects, initiates strategic alliances and supports the development of innovative actors so as to sustain the growth of France's farm. At the heart of its actions lies its commitment to sustainable and responsible investment which takes account not only of the industrial assets of a company but also, and above all, its human resources.

Avril’s strategy is unique. However it manifests itself, in its industrial divisions or in Sofiprotéol (its finance and development arm), it consistently adheres to the same general mission of creating value at the service of different agricultural and food sectors. Indeed, the principal targets of our global strategy are determined within Sofiprotéol through discussions with representatives throughout the professions represented.

In thirty years, Sofiprotéol has become the benchmark finance and development company for the vegetable oils and proteins sector. Because of its past experience, it will in the future be able to grasp every opportunity for innovation and thus continue to support projects of importance and value to our sectors. Whether we are a majority or minority stakeholder, our priority will remain the quality of the projects to which we give our support.”

Michel Boucly, Deputy Chief Executive Officer, Avril group Director General, Sofiprotéol

Arvill's strategy is unique and reflects the very same general interest mission that has prevailed since the Group was founded: the creation of shared value for all links in the agricultural and agrofood chain.
Sofiprotéol organises its activities around 6 principal sectors that cover the entire agro-industrial and food chain:

- upstream plant production
- upstream livestock production
- the collection and marketing of animal and plant products
- Agricultural products and food processing (B-to-B)
- Food products and consumer goods (B-to-C)
- Innovation in all these areas.

14% of Sofiprotéol’s investments support innovation.
As a finance and development company and subsidiary of Avril, Sofiprotéol works with actors in the agricultural and food industries. It provides support for companies by taking minority shareholdings and offering loans. In 2014, Sofiprotéol increased its activities through investments worth more than €80 million, which included some major stake-holdings.

CONSTRUCTING SUSTAINABLE PARTNERSHIPS

Working to develop strong national sectors is a major undertaking for Sofiprotéol and requires long-term support for the companies concerned. In 2014, Sofiprotéol took two structuring stake-holdings in the livestock sector, one in Ceva Santé Animale and the other in LDC, the European leader in poultry production. The former, achieved in the context of an LBO, followed takeover of the veterinary pharmaceutical company Sogeval by Ceva. The latter formed part of the alliance concluded between Avril and LDC. In both cases, Sofiprotéol aimed to reinforce these national leaders, as well as its capital stake, sharing the same strategic vision with its partners. This vision is based on the structuring and development of different sectors, contributing to projects that will create value and constructing sustainable partnerships with strong territorial roots.

By anticipating the opportunities that would be offered by its new governance, Sofiprotéol achieved a high volume of investments in 2014. Its interventions were designed to develop strong national sectors and foster innovation, a commitment that is central to the mission of Avril.

Sofiprotéol
Growing France’s farm

Support for more than 100 companies

€250m
invested over 5 years
A DRIVER OF SECTORAL DEVELOPMENT

In addition, Sofiprotéol continued to provide increasing investment support for actors in different sectors, both upstream and downstream. In 2014, the company completed two major operations in the agricultural processing industry. The first concerned the cooperative group Vivescia Industries, helping it to finance development projects in the milling and bakery sectors, as well as in malting. The second bolstered the financing structure of the Soufflet Group following a strategic acquisition in the industrial bakery and pastries sector.

ENCOURAGING ALL FORMS OF INNOVATION

In order to foster the emergence of new activities that will become the markets of tomorrow, Sofiprotéol supports numerous innovation and research projects. In 2014, it broadened the scope of its activities by investing in CapAgro Innovation, a new venture capital fund set up to take minority holdings in young, innovative companies. In this context, support was provided for start-up companies such as Lineazen (the leading French manufacturer of cross-laminated timber), Cryolog (inventor of the “intelligent” label that can ensure the safe storage of food products) or Olygose (a producer of prebiotic fibres extracted from protein-based plants which contribute to combating excess weight and associated pathologies). Sofiprotéol also invested nearly €6 million through the FASO* investment fund to finance major research studies and programmes on proteins and new generation biofuels, as well as recurrent programmes on seed research.

INCREASED RESOURCES AND A BROADER SCOPE

In 2015, Sofiprotéol adopted a new governance structure that will allow it to accelerate its action. Its resources have been increased - its capital base rising to €330 million - and its areas of intervention broadened. Investments now focus not only on the vegetable oils and proteins sector but also on other sectors linked to the arable and livestock sectors: malting and milling, vegetable protein-based ingredients, industrial dairy products and convenience goods or meats. This has provided an opportunity for Sofiprotéol to increase its commitment to sustainable and responsible funding at the service of France’s farm.

Claire Maingon, Director of Investments, Sofiprotéol

*Strategic Action Fund for Oilseed and Protein Crops.

FOCUS

An initial investment in vegetable proteins

The development of partnerships to support the structuring of different sectors is one of the objectives of Sofiprotéol which, with the cooperative group Terrena, set up a joint company focused on vegetable proteins. Its mission will be to produce and market lupin- and cereal-based ingredients for different markets: the food industry, nutrition and health, dietary supplements, milling, etc. The sustainable commitment of Sofiprotéol will enable support for the external growth of this new player in a sector that is strategic for Avril.
WHAT ARE YOUR VIEWS ON THE PAST YEAR?

GÉRARD TUBÉRY: An economic context marked by low prices, combined with a reduction in aids, weakened the situation of producers, including arable farmers. Despite this, agriculture remains an asset for France and our different regions, offering numerous opportunities. It is precisely the role of the FOP to try and take these opportunities so as to further strengthen the vegetable oils and proteins sector. The ultimate objective is of course to assure markets for our producers, offer greater visibility regarding supplies and ensure a fair distribution of added value.

FROM APPLICATION OF THE NEW CAP TO PRESENTATION OF A PROTEIN PLAN THAT IS NOW A NATIONAL PRIORITY, 2014 WAS MARKED BY IMPORTANT EVENTS FOR THE FUTURE OF THE SECTOR. WHAT EFFORTS DID THE FOP MAKE TO REPRESENT THE PRODUCERS?

G. T.: The FOP made considerable efforts to optimise use of the margins for manoeuvre available to it and ensure the emergence of new opportunities for producers. Thus it obtained the possibility to cultivate numerous species of legumes in EFA (Ecological Focus Areas) without any particular constraints in terms of crop sequence management on this land. Another very significant advance was that the FOP obtained coupled aids for proteins, including soybean. This pioneering measure formed part of an ambitious proteins plan, designed notably to reduce Europe's dependence on imports, estimated at 70%. Unfortunately, the French authorities only retained a mitigated plan that clearly lacks ambition. Finally, the FOP was a driving force behind the extension of agri-environmental measures (AEM) to introducing one or more legumes into rotations in regions particularly affected by irrigation problems. These measures were opened to a new region in France, Poitou-Charentes, and renewed in the Midi-Pyrénées, Alsace, Aquitaine and Rhône-Alpes regions.

THE BIRTH OF THE AVRIL GROUP IS BEING ACCOMPANIED MORE GENERALLY BY NEW GOVERNANCE FOR THE ENTIRE OILS AND PROTEINS SECTORS. WHAT IS THE REASON FOR THESE CHANGES?

G. T.: The transformation of Sofi protéol into Avril is designed to ensure greater transparency and legibility by making a clearer distinction between the Group’s industrial activities and its finance and development company, which has retained the name Sofi protéol. It will allow the Group to pursue its plans for growth while ensuring a long-term future for its model. Furthermore, in line with our sectoral principles, this new, capital-intensive scheme should reaffirm the role of producers through the FOP. That is why the reorganisation of the Avril group has been accompanied by arrangements which allow the FOP to confirm its role as a political cornerstone of the sector, the corollary being the merger of UNIP¹ and ONIDOL² to become a single professional organisation devoted to both oilseed and protein crops, and extension of the activities of the CETIOM³ to protein crops.

This transformation marks a new and particularly significant step in our development, according to a dual logic: not only to prepare the future of the sector by giving it the resources necessary to strengthen and develop its position in a context of increasing competition due to market liberalisation and the emergence of new powers, but also to respect the roots and history of the sector by reaffirming the role of the producers who were at its origin. The economic organisation of the sector was set up at the initiative of the FOP, which wanted these producers to be wholly responsible for its management. To date, this model remains unique in both France and Europe.

¹ UNIP: French Interprofessional Union for Protein-rich Plants.
² ONIDOL: French Interprofessional Organisation for Oilseeds and Oil Fruits.
³ CETIOM: French Technical Centre for Oilseed Crops and Industrial Hemp.
Rapeseed, sunflower, soy, linseed, olive, pea, field bean or lupin are all crops that play an important role in the French agricultural landscape. With 2.3 million hectares thus cultivated, France is indeed the second largest vegetable oil producer and the leading protein crop producer in the European Union. French consumers are often little aware of the importance of vegetable oils and proteins in their everyday lives, even though they are found in a great many products: the oils, mayonnaises and sauces that enliven their meals; meats and eggs that are produced using vegetable proteins as animal feeds, as well as cosmetics, hygiene or cleaning products, and without forgetting biofuels.

This observation led actors in the sector to want to improve the visibility and legibility of the close links between these products and consumers. This project became a reality during the 2014 Paris International Agricultural Show with launch of the sectoral brand, Terres OléoPro. In 2015, the brand declared its ambitions on the first stand representing the sector at the International Agricultural Show.

Terres OléoPro, which celebrates its first birthday in 2015, assembles all actors in the sector: the FOP1, the interprofessional groupings ONIDOL2 and UNIP3, the CETIOM4 and the Avril group, via its finance and development company, Sofiprotéol.

1French Federation of Oilseed and Protein Crop Producers.
2French Interprofessional Organisation for Oils and Oil Fruits.
3French Interprofessional Union for Protein-rich Plants.
4French Technical Centre for Oilseed Crops and Industrial Hemp.

When the sector promises consumers to put a premium on French products

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In 2015, the brand declared its ambitions on the first stand representing the sector at the International Agricultural Show. This marked the start of an important year, which in the coming months will see the compilation of specifications to qualify partner signatories to use the Terres OléoPro brand name on their products. These will concern four major areas:

- product quality;
- the preservation of natural resources and biodiversity;
- human welfare and transmission of their know-how;
- research, innovation and development.

Florence Doat-Matrot,
Director of the Communication EIG for the French vegetable oils and proteins sector.

TERRES OLÉOPRO

As major economic actors, professionals in the French vegetable oils and proteins sector – farmers, livestock breeders and industry – develop high quality products that are environmentally-friendly and present in all our daily lives.

By creating the Terres OléoPro brand, their aim was to give life to the realities of their work and highlight the logic of their circular economic model which enables both the creation of value in our different regions and enhances the reputation of “France’s farm” throughout the world.

Terres OléoPro, which celebrates its first birthday in 2015, assembles all actors in the sector: the FOP, the interprofessional groupings ONIDOL and UNIP, the CETIOM and the Avril group, via its finance and development company, Sofiprotéol.

From farmers to industry, and including seed producers, grain elevator operators and processors, our ambition is to place value on the commitments of actors in the sectors and the products they generate. Thanks to the Terres OléoPro brand, consumers will know the origin of the raw materials obtained from oilseed and protein crops which are found in a large number of everyday products. This is a further guarantee of the quality of local and responsible production.

Florence Doat-Matrot,
Director of the Communication EIG for the French vegetable oils and proteins sector.

www.terresoleopro.com

225,000 farmers, livestock breeders and companies

2.3 million hectares of agricultural land sown to oilseed and protein crops

8 million tonnes of grain produced each year

93% of French households use products from this sector every day
## Financial information

### SELECTED FINANCIAL INFORMATION
(Millions of Euros)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>7,050</td>
<td>6,455</td>
</tr>
<tr>
<td>Of which Animal Products Division</td>
<td>1,888</td>
<td>1,826</td>
</tr>
<tr>
<td>Of which Oilseeds Division</td>
<td>5,115</td>
<td>4,579</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (^1)</td>
<td>211</td>
<td>259</td>
</tr>
<tr>
<td>Of which Animal Products Division</td>
<td>53</td>
<td>51</td>
</tr>
<tr>
<td>Of which Oilseeds Division</td>
<td>139</td>
<td>192</td>
</tr>
<tr>
<td>Of which Finance and Development Company</td>
<td>15</td>
<td>11</td>
</tr>
<tr>
<td><strong>Net consolidated pro forma income</strong></td>
<td>56</td>
<td>44</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>1,764</td>
<td>1,837</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>146</td>
<td>218</td>
</tr>
<tr>
<td>Of which Industrial investments, Animal Products Division</td>
<td>35</td>
<td>52</td>
</tr>
<tr>
<td>Of which Industrial investments, Oilseeds Division</td>
<td>104</td>
<td>86</td>
</tr>
<tr>
<td>Of which Finance and Development Company</td>
<td>7</td>
<td>80</td>
</tr>
</tbody>
</table>

\(^1\)Earnings Before Interest, Taxes, Depreciation and Amortization
## INDUSTRIAL PRODUCTIONS
(Thousands of tonnes)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AVRIL OILSEEDS DIVISION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Edible oils (packaged + bulk)</td>
<td>951</td>
<td>1,180</td>
</tr>
<tr>
<td>Soaps</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Sauces</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td>Oilseed meals (not including specialised crushing)</td>
<td>2,192</td>
<td>2,181</td>
</tr>
<tr>
<td>Crushed grain (not including specialised crushing)</td>
<td>4,106</td>
<td>4,086</td>
</tr>
<tr>
<td>Biodiesel</td>
<td>2,124</td>
<td>2,099</td>
</tr>
<tr>
<td>Of which production in France</td>
<td>1,567</td>
<td>1,478</td>
</tr>
<tr>
<td>Of which international production</td>
<td>557</td>
<td>621</td>
</tr>
<tr>
<td>Oleochemical products</td>
<td>519</td>
<td>532</td>
</tr>
<tr>
<td><strong>AVRIL ANIMAL PRODUCTS DIVISION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feeds produced (not including premixes)</td>
<td>2,546</td>
<td>2,647</td>
</tr>
<tr>
<td>Tonnage of pigs slaughtered</td>
<td>92</td>
<td>93</td>
</tr>
<tr>
<td>Tonnage of poultry slaughtered</td>
<td>122</td>
<td>122</td>
</tr>
<tr>
<td>Number of eggs (upstream eggs, shell eggs and egg products)</td>
<td>2,325</td>
<td>3,013</td>
</tr>
</tbody>
</table>

## COMMITMENTS OF THE FINANCE AND DEVELOPMENT COMPANY
(Millions of Euros)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream plant production</td>
<td>11</td>
<td>50</td>
</tr>
<tr>
<td>Upstream animal production</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>Collection and marketing of productions</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td>Agricultural and food processing and by-products</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Food products and consumer goods</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Sustainable innovations, investment funds, other</td>
<td>60</td>
<td>74</td>
</tr>
<tr>
<td><strong>Total commitments</strong></td>
<td>145</td>
<td>195</td>
</tr>
</tbody>
</table>
We would like to thank all employees and partners in the Avril group – agricultural producers, livestock farmers, researchers, fund-providers – who made a considerable contribution to helping the Group achieve its strategic objectives.

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