



2nd Quarter 2015-2016

Positive effect of the Macron Law on agricultural precision spraying solutions in France

Consolidated data in millions of euros	2014-2015	2015 - 2016 Current consolidation scope	Change of Current consolidation scope	2015-2016 Constant consolidation scope	Change of Constant consolidation scope	Full year 2014-2015
2nd Quarter Revenue (December to february)	154.7	172.4	11.4%	166.3	7.5%	725.2
<i>Agricultural Spraying</i>	76.3	95.7	25.4%	89.6	17.4%	291.0
<i>Sugar Beets Harvesters</i>	10.5	10.2	-3.4%	10.2	-3.4%	137.0
<i>Garden Spraying and Watering</i>	23.1	23.1	0.1%	23.1	0.1%	104.9
<i>Industrial Spraying</i>	44.8	43.4	-3.0%	43.4	-3.0%	192.3
6 months' Revenue (september to february)	290.2	309.5	6.6%	303.4	4.5%	
<i>Agricultural Spraying</i>	126.7	156.4	23.4%	150.3	18.6%	
<i>Sugar Beets Harvesters</i>	43.6	30.2	-30.8%	30.2	-30.8%	
<i>Garden Spraying and Watering</i>	32.5	32.7	0.6%	32.7	0.6%	
<i>Industrial Spraying</i>	87.4	90.2	3.3%	90.2	3.3%	

The group's revenue increased by €17.7 million in the second quarter, mainly boosted by agricultural spraying in France, and as a result of the latest acquisition in the United States.

Overall, the Group's revenue increased by €19.3 million during the first half, as compared to the first half of the prior fiscal year, €2.5 million due to the favorable exchange rate effect and €6.1 million generated by the acquisition of the American company ET Works shown in the consolidated financial statements since January 1.

• **Agricultural Spraying**

Excluding the scope effect, sales still increased by €13.3 million during the 2nd quarter. Therefore, revenue grew by €22.6 million during the first half, which is comparable to last year. France provided most of this growth thanks to the effect of the Macron Law which is scheduled to end on April 14, 2016. The United States is still suffering from an agricultural crisis while the rest of the world, Europe, Australia and even Russia and Ukraine, are improving slightly.

• **Sugar Beet Harvesters**

The 2nd quarter 2016 is slightly down, and therefore the €13 million shortfall in the 1st quarter has not been closed. Sales of sugar beet harvesters have momentarily slowed in Europe because, given the forthcoming quota abolition, farmers are uncertain about negotiations with the sugar refineries for 2017. They are waiting to know by how much the price of sugar beet will fall, and by how much the planted areas will increase in the high-yield zones. With regard to exports, major tenders are being negotiated with decisions expected in April/May.

• Garden Spraying and Watering

The volume of business during this half-year is identical to that of the previous year and Hozelock is entering the sales season by launching major product innovations and a new dealer network in Europe.

• Industrial spraying

The industrial spraying business is at the same level of business as last year. The slight increase in Europe and the end of the Renault CORDOBA project invoicing in Argentina were offset by a reduction in automotive projects in Russia, a slowdown of growth in China and the unfavorable economic situation in France.

• Outlook and Strategy

Guerric Ballu, CEO of EXEL Industries Group, says:

"EXEL Industries' revenue grew during this first half thanks to the effect of the Macron Law in France and the integration of our new subsidiary in the United States in agricultural spraying.

For the fiscal year ending September 30, 2016, we expect very slight sales growth given some continuing uncertainties: the effect of the end of the Macron Law in agricultural spraying, the award of contracts for sugar beet harvester tenders, the level of growth in China and the signing of new contracts in the industry with an effect on the current fiscal year, new retail dealer networks for the garden spraying and watering business.

We have confidence in the strategy implemented within the EXEL Industries group which is based on internationalization, innovation and profitable, sustainable growth.

Internationalization enables us to find the greatest growth drivers, to capture new market share and to reduce the market's regional uncertainties. This is why the acquisition of ET Works makes good strategic sense since North America is the largest market for self-propelled sprayers. From day on the ET Works management is concentrating on managing the agricultural crisis in the USA and on their integration within the EXEL Industries group."

EXEL Industries	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Sales in millions of euros	384.4	430.1	525.3	740.2	775.4	725.2

About EXEL Industries: www.exel-industries.com,  facebook\exelindustries,  @EXEL_Industries

The main business line of EXEL Industries is spraying, for agriculture (world leader) and industry. The Group also competes in the retail water supply solutions market (European leader) and the sugar beet harvesters market (world leader). EXEL Industries' goal is to develop in its markets through constant innovation and an international strategy. EXEL Industries employs approximately 3,650 people in 29 countries on 5 continents.

NYSE-Euronext Paris, SRD Long, CAC Mid&Small 190

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This press release is available in French and in English on the company website, as well as on its Facebook and twitter accounts.



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