



Spraying is our business

Return to growth in the fourth quarter

- **Q4 FY 09-10 revenue up (+13.8%) after 5 consecutive quarters of decline**
- **Materials Protection**
Confirmation of renewed growth driven by the automobile sector and emerging countries
- **Plant Protection**
Agricultural market conditions remain uncertain / Lack of visibility
- **Commercial momentum**
Launch of new products / New contracts awarded

Consolidated data in € millions	08/31/2009	08/31/2010	Change
Fourth-quarter revenue (June to August)	88.0	100.1	+ 13.8%
o/w Plant Protection	69.8	65.7	- 5.9%
o/w Materials Protection	18.2	34.4	+ 89.0%
Annual revenue (September à August)	452.2	385.3	- 14.8%
o/w Plant Protection	363.0	284.4	- 21.7%
o/w Materials Protection	89.2	100.9	+ 13.1%

For FY 2009-2010 (September to August), EXEL Industries' consolidated annual revenue declined 14.8% to €385.3 million.

However, in the fourth-quarter this downtrend reversed direction on growth of 13.8%, confirming the first signs of improvement in the third quarter.

Consolidated data in € millions	FY 2008-2009	FY 2009-2010	Change
1st quarter (September to November)	109.3	77.6	- 29.0%
2nd quarter (December to February)	122.7	88.2	- 28.1%
3rd quarter (March to May)	132.2	119.4	- 9.7%
4th quarter (June to August)	88.0	100.1	+ 13.8%
12 month revenue (September to August)	452.2	385.3	- 14.8%

❑ **Plant protection** (74% of consolidated revenue)

For the full 2009-2010 fiscal year ended August 31, revenue for the Plant Protection business declined 21.7% to €284.4 million.

Reflecting difficult market conditions in the agricultural sector, farmers postponed investments (falling revenue, concerns about the outcome of European Common Agricultural Policy reforms, continued difficulties in selected countries to access credit, etc.).

However, the pace of the slowdown in the second half compared to the first six months has begun to ease even though the economic environment remains fragile and visibility low. New order intake has been weak with still no signs of a recovery.

Outlook:

The sharp rise in cereal prices in recent weeks in the agricultural commodities market could point to an improvement in conditions if prices stay at these levels. However, it is still too soon to know if this trend will persist. Customers have in consequence been required to remain cautious with respect to expenditures and wait for the beginning of the season to place orders, most likely deferred to the last moment.

Despite these factors and independent of the broader economic environment, EXEL Industries has maintained its commercial momentum with the launch of new products, the renewal of existing lines, the extension of its offering and the introduction of several innovations:

The Innovagri trade fair held in September 2010 provided occasion to present new Group products and innovations:

- The Press'n'go system was the recipient of the Innovation Award. This exclusive system fully automates the complex process of opening and closing spraying booms for greater user comfort and security;
- Caruelle-Nicolas launched its 6,000 liters trailed sprayer, completing its product range with a top-of-the-line model. This new sprayer is equipped with an innovative design allowing for a significant turning angle, a low center of gravity and limited earth compaction;
- Berthoud launched its new line of Tracker sprayers offering the same design as the top-of-the-line Tenor range. This new line is specifically designed to meet both the technical and economic needs of farmers;
- Finally, Matrot and Moreau reinforced their lines of sugar beet harvesters with new tanker models: Kroma and Xerris, combining comfort, power, reliability, autonomy as well as reduced earth compaction.

The next edition of the SIMA International Trade Fair for Agricultural Equipment (*Salon International de la Machine Agricole*) to be held in February 2011 will provide another opportunity to present other new products.

❑ **Materials protection** (26% of consolidated revenue)

Annual revenue for the Material Protection division for FY 2009-2010 grew 13.1% to €100.9 million.

After a sharp downturn in the first six months (-17%), this trend was reversed in the second half with strong growth of 52%.

FY2009-2010 fourth quarter growth was particularly robust, surging 89% to €34.4 million. This performance reflected both the low comparison base with the same period last year but also renewed investment, particularly in the automobile sector and emerging countries.

With the summer vacation period favorable for the installation of new paint lines, several contracts were delivered in the fourth quarter.

Outlook:

Given the positive revenue trend in the second half and measures recently taken to increase the competitiveness of Group companies, EXEL Industries expects a return to profit for Materials Protection from FY 2009-2010 fiscal year.

Furthermore, new orders have been placed including for Liebherr with Kremlin-Rexson or Renault with Sames, with the robotic integration of painting lines for the future plastification unit in Tangiers (Morocco), a site that emits zero carbon and zero industrial liquid discharges with environmental impacts reduced to levels never before reached by a car making plant.

This contract highlights the Group's ability to propose sprayers adapted to market needs by offering both high-performance and minimal environmental impacts.

❑ **Outlook and strategy**

Patrick Ballu, CEO of EXEL Industries, commented:

"With a much better performance in the second half than in the first six months, FY 2009-2010 is less negative than might have been expected one year earlier. Proactive measures taken at the outset of the crisis to maintain our competitiveness and pursue our strategy, have allowed us to benefit from the first effects of the recovery in Materials Protection. In addition, the fundamentals and outlook for our different markets, while still fragile, appear to be improving. Moreover, regardless of current trends, as in 2009-2010, we will continue to implement of our strategy focusing on product innovation, achieving manufacturing efficiencies and strengthening our presence in countries with high growth potential."

❑ **Upcoming press releases**

Tuesday, December 14, 2010 (before the opening of trading):

FY 2009-2010 annual results **and** FY2010-2011 first quarter revenue

About EXEL Industries: www.exel-industries.com

A world leader in precision spraying technologies for agriculture (No. 1 worldwide) and manufacturing (No. 3), EXEL Industries employs approximately 2,600 people in 23 countries on all five continents.

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