Bluestar Adisseo Company

Announcement of Main operating data for 2017 Q3

The Board of Directors of Bluestar Adisseo Company Ltd., as well as all the directors hereby confirm that this announcement is true, accurate and complete, and that no false or misleading statements or important omissions carried in this report, and that they shall take all responsibilities jointly and individually for such content.

In accordance with SSE industrial information disclosure guidance No. 18-Chemical Industry, the notice of Q3 report disclosure, here present the 2017 Q3 operating data:

1. Production volume, sales volume and earned income of the principal products

Main operation analysis by industry, by product

Unit: Yuan Currency: RMB

Main operations by industry							
By industry	Operating revenue	Cost of sales	Gross profit	Gross profit ratio (%)	Increase/de-crease in operating revenue on the same period of last year (%)	Increase/decrease in operating cost on the same period of last year (%)	Variation in GP ratio on the same period of last year
Health and Nutrition	7,617,619,505	4,801,873,322	2,815,746,183	37%	-6%	18%	-13%

Unit: Yuan Currency: RMB

Main operations by product							
By product	Operating revenue	Cost of sales	Gross profit	Gross profit ratio (%)	Increase/decrease in operating revenue on the same period of last year (%)	Increase/decrease in operating cost on the same period of last year (%)	Variation in GP ratio on the same period of last year
Performance products	5,932,958,756	3,991,990,044	1,940,968,712	33%	-11%	20%	-17%
Specialty products	1,277,562,423	569,682,740	707,879,683	55%	30%	15%	6%
Other products	407,098,326	240,200,538	166,897,788	41%	-6%	-3%	-2%
Total	**7,617,619,505**	**4,801,873,322**	**2,815,746,183**	**37%**	**-6%**	**18%**	**-13%**

Analysis of the factors impacting the income from sale of products

In comparison with 2016 Q3	Change in Volume	Change in sales price	Exchange rate impact
Performance products	738,351,561	(1,791,497,484)	311,112,062
Specialty products	264,175,435	(1,564,082)	32,361,679

Performance products

Operating revenue from performance products decreased by 11%, still impacted by the price decrease of the first half of the year on the methionine market. The bullish trend in prices already improves margins in the third quarter and is expected to have a much stronger positive impact for the fourth quarter and next year.

The increase rate in volumes for methionine is double-digit, above the market one's thanks to performance in production of plants and selling. The implementation of competitive measures in plants also further improve cost effectiveness.

Through cost optimization and price increase, Adisseo managed to improve margins on Vitamins, which represents close to 20% of its sales, and set at a better level.

Specialty products

Specialty products record good performance with a significant growth in operating revenue compared with last year by 30% especially driven by the ruminants product (+34% volume).
The improvement of the dairy market after a year of global crisis lets Adisseo confirm its leading position and ability to capture the rebound.

Enzyms grew at 8%, especially with the new product Rovabio® Advance which is technically described by Adisseo as a Feedase.

Other specialty products Selisseo® and Alterion® also recorded steady increase in sales, + 80% and 344% on volumes each and + 0.4 (100 million Yuan) in overall revenue, on 9M17 versus 9M16..

2. Price variation of the principal products and raw materials

Pricing strategy and price variation of principal product

Our global pricing policy is implemented at three levels: global, regional and national. Our global pricing strategy is established by our global business directors. The responsibility of the regional business managers is to adapt this global pricing strategy according to the specific market and competitive environment of the countries under their responsibility.

Regular reviews facilitate Adisseo ability to secure contracts with key customers at the right price and to seize profit-maximizing opportunities. A substantial number of our contracts across all our business lines are concluded on a quarterly basis with fixed pricing for such period.

The bullish trend in prices already improves margins in the third quarter and is expected to have a much stronger positive impact for the fourth quarter and next year.

Basic information of principal raw material

Raw material	Purchasing pattern	Market value of raw material	Prices Fluctuation vs Q3 2016
Propylene 95%	Long-term contract	588 198 770	19%
Methanol	Long-term contract	163 284 963	29%
Sulphur	Long-term contract	103 823 730	5%

3. Other events that have significant impact over the company's production and operation

None.

Board of Bluestar Adisseo Company
27th October 2017