



Suresnes — November 6, 2018 at 6:00 pm

## Fromageries Bel Third quarter 2018 financial information Sales

**Slight 0.5% organic decrease in third quarter sales leads to organic sales growth of 1.4% over the first nine months**

Amounts are expressed in millions of euros and rounded off to the nearest million. Ratios and variances are calculated based on underlying amounts, not rounded off amounts.

Consolidated sales for the first nine months of 2018 totaled €2,462 million, down 2.0% versus the same period ended September 30, 2017.

Foreign exchange fluctuations for the period reduced sales growth by €85 million, or 3.4%. Excluding the negative foreign exchange impact, sales grew 1.4% in the first nine months of 2018, versus the prior year period.

Third-quarter 2018 sales excluding the forex impact came to €836 million, down 0.5% compared to Q3 2017.

The sales performance is presented by geographical region in the following table:

(in millions of euros)	Third quarter			Nine months		
	2018 3 months	2017 3 months	% change	2018 9 months	2017 9 months	% change
Europe	456	477	-4.4%	1,358	1,385	-2.0%
Middle East & Greater Africa	175	187	-6.1%	544	573	-4.9%
Americas, Asia-Pacific	205	183	+11.5%	560	555	+0.9%
<b>Group Total</b>	<b>836</b>	<b>847</b>	<b>- 1.3%</b>	<b>2,462</b>	<b>2,513</b>	<b>- 2.0%</b>

In Europe, Q3 2018 consolidated sales decreased 4.4%, versus the prior year period. The decline resulted primarily from lower business volume observed in most markets in the region.

In a volatile economic environment, consolidated sales in the Middle East & Greater Africa zone slowed, declining 6.1% in Q3 2018, after an uptrend in volumes in the first half of the year. Currencies in this zone continued to fall against the euro during the third quarter.

With volumes trending up during the summer in advance of the back-to-school season, Q3 consolidated sales in the Americas grew robustly in both the cheese business and the fruit segment. Asian markets continued to build momentum, with double-digit consolidated sales growth reported in the third quarter.

## Outlook for 2018

In today's highly demanding and uncertain market environment, the Bel Group is facing major challenges to safeguard its competitiveness, particularly in France. Given this context, the Group announced a plan in September to adapt and simplify its operating methods and organizations.

A voluntary departure plan and a job reclassification plan aimed at teams at the Bel Group's head offices could result in the elimination of 160 jobs and the creation of 116 new jobs. Completion of the plan would enable the Group to adapt its organizational model to meet its sustainable growth plan, while continuing its efforts to boost industrial productivity.

Raw material prices remain high, particularly butter fat prices. Against this backdrop, and despite improvement in the second half of 2018, versus the second half of 2017, operating margin for the full year is expected to decline against operating margin in FY 2017.

### Bel's financial performance indicators

*The Group uses non-IFRS financial performance indicators internally and for its external communication. These non-IFRS indicators are defined below:*

**Organic growth** corresponds to reported sales growth, excluding impacts from foreign exchange fluctuations and changes in the scope of consolidation, i.e. on a constant structure and exchange rate basis. The **organic growth rate** is calculated by applying the exchange rate for the prior year period to the current year period.

**Operating margin** corresponds to operating income.

*This press release may contain forward-looking statements. Such trend and/or target information should in no way be regarded as earnings forecast data or performance indicators of any kind. This information is by nature subject to risks and uncertainties that may be beyond the Company's control. A detailed description of these risks and uncertainties is provided in the Company's Registration Document, available at ([www.groupe-bel.com](http://www.groupe-bel.com)). More comprehensive information about the Bel Group can be found in the "Regulatory Information" section of the [www.groupe-bel.com](http://www.groupe-bel.com) website.*

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## Bel Group

The Bel Group is a world leader in branded cheese and a major player in the healthy snacks segment.

Its portfolio of differentiated and internationally recognized brands, including such products as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, and Boursin®, as well as some 20 local brands, enabled the Group to generate sales of €3.3 billion in 2017. The acquisition of the MOM Group complements a portfolio of strong brands with the integration of the Pom'Potes and GoGo squeeZ brands.

12,700 employees in some 30 subsidiaries around the world contribute to the Group's success. Bel products are prepared at 32 production sites and distributed in over 130 countries.

[www.groupe-bel.com](http://www.groupe-bel.com)