Suresnes — March 14, 2019 at 6 p.m.

Fromageries Bel

Annual financial information

2018 Results

- **Consolidated sales increase + 1.5 % organically**
- **Operating income declines 25.7 %, against a backdrop of high raw material prices and unfavorable exchange rates**
- **Balance sheet remains strong**

Meeting March 13, 2019, the Board of Directors approved the consolidated financial statements for the year ended December 31, 2018. The Board was informed that the statutory auditors had completed their audit of the consolidated financial statements and that their report was forthcoming.

Key figures

(millions of euros)	**2018**	**2017**	**% change**
Sales	3,312	3,346	-1.0%
Operating income	160	215	-25.7%
Net financial result	(30)	(37)	+17.7%
Income tax gain (expense)	(29)	8	
Consolidated net profit - Group share	96	180	-46.4%

In 2018, hard hit by a negative €83-million impact from foreign exchange fluctuations, consolidated sales declined a slight 1.0% on a published basis versus 2017 but increased 1.5% organically.

Consolidated operating income fell 25.7% to €160 million. The decline reflected an environment of unfavorable foreign exchange fluctuations and higher raw material prices, which Bel was not always able to offset with increases to its own selling prices, due to shrinking consumer purchasing power in numerous countries where the Group operates.

In addition, costs totaling €29 million and related to deploying the global transformation plan announced on September 20, 2018 were recognized in the consolidated financial statements at December 31, 2018. Against this backdrop, and despite initial efforts to optimize advertising and promotional spending and overhead costs, operating margin contracted.

In 2018, net financial expense came to €30 million, compared with €37 million in 2017, and primarily reflects the foreign exchange variation between the two periods. The application of IFRS16 — Leases at January 1, 2018 had no material impact on the Group’s net financial result.

In 2018, Bel reported €29 million in income tax expense, compared to an income tax gain of €8 million in 2017, when the Group reported the positive impact of anticipated lower tax rates for future years in the various countries where Bel operates, particularly in France and the United States.

In 2018, consolidated net profit, Group share, totaled €96 million, versus €180 million in 2017.

Sales and operating income performance are presented by geographical region in the following table:

(in millions of euros)	Sales				Operating Income		
	2018	2017	Total % change	o/w organic growth	2018	2017	% change
Europe	1,827	1,856	-1.6%	-1.3%	114	145	-21.1%
Americas, Asia-Pacific	765	750	2.0%	6.2%	30	28	7.3%
Middle East, Greater Africa	719	740	-2.8%	3.6%	15	42	-63.5%
TOTAL	**3,312**	**3,346**	**-1.0%**	**1.5%**	**160**	**215**	**-25.7%**

In Europe, Bel's sales were penalized by the tough environment in the retail sector unfavorable to deploying promotional campaign plans for the Group's brands in both the cheese and fruit segments. In this region, selling prices were moderately increased but not enough to offset the sharp increase in dairy and fruit raw material prices. Despite the strong growth of snack products in slices and dip formats and optimized advertising and promotional spending, operating income in Europe declined 21.1%

Growth momentum in the markets of the Americas, Asia-Pacific region was confirmed, along with the alignment of the Group's product offerings to meet consumer demand. Sales in this region advanced 6.2% organically, even though selling prices were moderately increased. The region's operating income grew 7.3% despite the overall negative foreign exchange impact.

In the Middle East, Greater Africa region, Bel regained marked share and continued to adapt its offer to consumer purchasing power, in a context of shrinking cheese markets and lower consumer spending. The high prices of dairy raw materials and currency depreciation in these markets dragged down operating margin, which was down €27 million in 2018, versus the prior year.

The Group's balance sheet remained strong. At December 31, 2018, equity totaled €1,740 million, compared with €1,714 million at December 31, 2017, and net financial debt, excluding right-of-use lease liabilities related to the adoption of IFRS 16 (1), came to €654 million for the period, versus €632 million at 31 December 2017.

Dividend

On March 13, 2019, the Board of Directors voted to propose a dividend of €4.95 per share, with an ex-dividend date on May 24 and payable as of May 28, 2019. The dividend is subject to the approval of the Annual General Meeting scheduled for Wednesday May 22, 2019.

Outlook for 2019

The 2019 financial year started off in an uncertain environment with continued foreign exchange volatility and raw material prices that remain high.

In Europe, Bel is pursuing its efforts to develop a more sustainable dairy industry and, in December 2018, renewed the unprecedented agreement with its main French producers aimed at offering them longer term outlook and contractual visibility, as well as a significant price increase for dairy production. French retailers are now embracing this approach, thereby opening a new path in commercial negotiations. Bel continues to believe that a model must be built that empowers all the players in the value chain, from the producer to the consumer.

In 2019, Bel will continue its transformation work, with the goal of cutting costs by €120 million by 2020, increasing productivity and optimizing advertising and promotional spending, in order to reinvest €40 million of those savings to accelerate the Group's growth. In April 2019, Bel will deploy a new organization to successfully achieve this transformation based around two segments, mature markets and growth territories.

In all its geographies, the Group intends to continue pursuing growth and winning market share, in particularly in regions where the snack segment is growing.

(1) *IFRS 16 was applied for the first time on January 1, 2018. The resulting right-of-use liabilities came to €101 million at December 31, 2018. The reclassification of rent expense in the income statement improved operating margin by €4 million, while financial expense increased by the same amount.*

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.*

***Net financial debt** is described in note 4.14 to the consolidated financial statements. It consists of long- and short-term borrowings, long- and short-term right- of- use liabilities, current used banking facilities, and cash and cash equivalents.*

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 the www.groupe-bel.com website as of April 3, 2019. More comprehensive information about the Bel Group can be found in the "Regulatory Information" section of the www.groupe-bel.com website.

Press contact

Burson-Marsteller i&e Agency

Alice Dalla-Costa

alice.dalla-costa@bm.com

Tel : +33 (0)1 56 03 12 12

The 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®, Boursin®, Pom'Potes® and GoGo squeeZ® as well as some 20 local brands, enabled the Group to generate sales of €3.3 billion in 2018.

12,600 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