



Press release

Suresnes & Laval, 19 March 2021 – 8:45am

Bel and Lactalis enter exclusive talks to sell Leerdammer® and related rights

- **Bel and Lactalis begin exclusive negotiations having signed an Unilateral Promise to Purchase a business, on March 18, 2021, including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, Leerdammer and all related rights, and Bel Shostka Ukraine, in return for Lactalis's 1,591,472 Bel shareholding (23.16% Bel equity stake).**
- **Dairy products world no. 1 Lactalis acquires iconic European cheese brand Leerdammer, which has best-in-class strengths including a great reputation, a broad product range and world-class production facilities. Leerdammer fits perfectly into Lactalis's strategic priorities founded on top class product development and local food.**
- **Bel, a market leading cheese brand owner and major player in healthy snacking, ramps up rollout of its strategic roadmap with a view to boosting growth of its three complementary market segments - dairy, fruits and plant-based. Via this deal, Bel reaffirms its independent family business model that has underpinned its corporate culture and success ever since it was founded nearly 150 years ago.**

Bel Group and Lactalis Group today announced they have begun exclusive negotiations having signed a unilateral promise to purchase a business, including Royal Bel Leerdammer NL, Bel Italia, Bel Deutschland, the Leerdammer brand and all related rights plus Bel Shostka Ukraine, from Lactalis. Sicopa, a wholly-owned Bel subsidiary, will transfer said assets to Lactalis in return for 1,591,472 Bel shares (23.16% equity stake) held by Lactalis. Following the transaction, Lactalis will hold a 0.90% stake in Bel. As of December 31, 2021, Leerdammer and Bel Shostka Ukraine revenues were approximately €500 million, of which €350 million Leerdammer revenues, while operating earnings were approximately €25 million.

Bel Group Chairman and CEO Antoine Fievet said: « *In line with our strategic priorities, we continue to grow our business and take on three further market segments, namely dairy, fruit and plant-based, and so reinforce our healthy snacking major player position. With this asset sale deal we reaffirm our independent family business model that gives us freedom to take a long-term view. For Leerdammer, this deal means a unique chance to have the backing of Lactalis, dairy products world no. 1, which will have the wherewithal to support it for its upcoming challenges. We're proud to have supported it with tremendous success over close on 20 years. I'd like today to thank all Leerdammer and Bel Shostka Ukraine people for their outstanding work and commitment.* »

Lactalis Group Chairman Emmanuel Besnier said: « *We welcome Leerdammer and we're excited by the prospect of building on the growth of this iconic brand that people adore. This deal gives us an opening into the Dutch cheese market and production in Holland via three manufacturing plants. The transfer to us of Bel's Italian, German and Ukrainian sales subsidiaries will boost our facilities in these countries benefiting both Leerdammer and other Bel product sales on these markets.* »



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A transformative acquisition for Lactalis in line with its strategic priorities

Since Bel bought it in 2002, Leerdammer sales and earnings have nearly doubled. Now, one of Europe's best-known cheese brands underpinned by strong fundamentals, a top-class image, a broad product range and state-of-the-art production facilities, will join world dairy product no. 1 Lactalis.

In keeping with its strategic priorities, Lactalis strives to actively support Leerdammer's growth by giving it the Group's global scale and facilities. Lactalis plans to ramp up its innovations catalogue, grow its branding and move into new high-growth world regions.

This deal will bolster the Group's European roots, specifically in Italy and Germany, and offers good prospects for development in markets where Lactalis already has a significant presence. This includes Ukraine, where Lactalis has had a business for 25 years.

Bel Group, a major healthy snacking player, ramping up its strategic rollout

Selling a business including Leerdammer is perfectly in line with Bel Group strategy since 2015. Bel took big steps forward in said strategy with its 2016 MOM and 2020 All In Foods acquisitions, which aimed to take its business beyond cheese products to bolster its positioning as a major healthy snacking player. These deals came at just the right time when the agrifood industry was ripe for radical change due to new shopping demand arising from the food transition underway.

Against this backdrop, this latest deal gives Bel further opportunities to advance its product offering strategy on its three further key market segments, while also stepping up moves into high-growth future markets like Asia/Pacific and North America.

What is more, Bel seeks to achieve a good balance over the medium term between dairy and fruit & vegetable by tapping into its core brands like The Laughing Cow®, Kiri®, Mini Babybel®, Boursin® and GoGo squeeZ®. Bel will continue to develop dairy products, fruit produce, alternative and mixed plant-based.

Furthermore, the transaction's terms and conditions protect Bel's market shares in Germany, Italy and Ukraine by adjusting local retail models based on exclusive sales alliances with Lactalis to distribute its other brands.

Post-transaction, Lactalis selling its Bel shareholding will give Bel family shareholders further funds to invest in the Group's future growth and bolster market share, thereby testifying to the independent family business model that has underpinned Bel's success over close to 150 years.

Provisional transaction timetable and upcoming steps

The Bel Group and Lactalis Group boards of directors have unanimously approved the unilateral promise to purchase.

The Bel Group board of directors at its 18 March 2021 meeting nominated the firm Finexsi as independent experts for the purposes of certifying whether the transaction's, the OPRA's and the OPR-RO's financial terms and conditions are fair for Bel shareholders.

Upcoming steps in the transaction will be staff representative consultation in the relevant entities and negotiation of the terms of the purchase contract.



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Said contract may be signed following staff consultation procedures. Effective transaction completion will be conditional on obtaining required approval from the anti-trust authorities that is expected by the end of summer 2021.

Bel Group and Lactalis Group will keep markets informed of any material change to the transaction.

Financial and legal advisors

BNP Paribas and Perella Weinberg Partners have acted as Bel Group's financial advisors and Linklaters LLP has acted as legal advisors.

Freshfields Bruckhaus Deringer LLP et Bredin Prat has acted as Lactalis Group's legal advisors.

About Bel

The Bel Group is a world leader in branded cheese and a major player in the healthy snack market. Its portfolio of differentiated and internationally recognized brands include such products as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, Boursin®, Pom'Potes®, and GoGo squeeZ®, as well as some 20 local brands. Together, these brands helped the Group generate sales of €3.46 billion in 2020.

Some 12,510 employees in some 40 subsidiaries around the world contribute to the deployment of the Group's mission to champion healthier and responsible food all. Bel products are prepared at 33 production sites and distributed in nearly 120 countries.

About Lactalis Group

Lactalis Group is the world's no. 1 dairy products supplier and a French family business founded in 1933 in Laval. Backed by operations in 51 countries and 266 worldwide dairy and cheese production plants, its 85,000 staff convert milk into cheese, consumer milk, yoghurt, butter, cream, dairy ingredients and nutrition. Serving the daily lives of millions of households, Lactalis is famed for iconic brands such as Président, Galbani and Parmalat and strives to ensure it sustainably upholds milk expertise as world no. 1 AOP provider.

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