



## Press release

Paris - August 29, 2014

### Fromageries Bel First-Half 2014 Results

- Sales continue apace with organic growth of 3.9%
- Increase in raw material prices and unfavorable foreign exchange fluctuations weigh down operating income

#### Key figures

<i>In millions of euros</i>	First-half 2014	First-half 2013	% change
Sales	1,344	1,321	+1.7%
Operating income	82	134	-38.9%
Consolidated net profit - Group share	47	91	-48.4%

In the first half of 2014, the Group's consolidated sales totaled €1,344 million, up 1.7% on a published basis versus the prior-year period. Excluding a negative 2.2% impact from foreign exchange fluctuations, sales grew 3.9% organically in the first six months of the year. There was no change in the consolidation scope during the period.

Sales in the second quarter of the year remained flat overall on a published basis versus the Q2 2013 performance. Organic growth, which excludes the negative foreign exchange impact, totaled 2.5% for the period.

This sound performance reflects the efforts of the teams in all geographical regions to raise selling prices to offset the sharp increase in dairy raw material prices.

By geographical region, the sales trend was as follows:

<i>(in millions of euros)</i>	Second quarter			First-half		
	2014 3 months	2013 3 months	% change	2014 6 months	2013 6 months	% change
Western Europe	288	265	8.4%	549	514	6.7%
North East Europe	133	148	-10.0%	273	291	-6.1%
Americas, Asia-Pacific	89	104	-14.3%	178	197	-9.6%
Greater Africa	72	69	5.1%	144	138	4.3%
Near and Middle East	97	94	4.0%	199	181	10.1%
<b>Group Total</b>	<b>680</b>	<b>680</b>	<b>0.0%</b>	<b>1,344</b>	<b>1,321</b>	<b>1.7%</b>

In Western Europe, sales were driven by the robust momentum of Bel's core brands in a tough economic environment.

Sales in the North East Europe region were negatively impacted by unfavorable currency fluctuations and operating difficulties arising from the unrest in Ukraine.

In the Americas, Asia-Pacific region, sales were negatively impacted by unfavorable currency fluctuations as well as by a period of adjustment linked to a change in distribution method in Japan.

Sales remained strong in Greater Africa, with growth reported in all the region's markets and throughout the period.

Against a still-tense geopolitical backdrop in certain countries, the Near and Middle East region achieved remarkable sales growth, despite a negative foreign exchange impact, thanks to a further enriched product offering and the responsiveness of the region's organization.

Nonetheless, the Group's sales efforts were not enough to offset the sharp increase in raw material prices and the negative foreign exchange impact. Accordingly, and despite measures implemented throughout the period, the Group's first-half 2014 operating income declined from the year-ago period to €82 million. Further, the Group recognized non-recurring expense of some €10 million to cover financial costs arising from the decision to move the company's headquarters in 2015.

Operating income by geographical region is presented in the following table:

<i>(in millions of euros)</i>	<b>First-half 2014</b>	<b>First-half 2013</b>	<b>Change</b>
Western Europe	47	60	-20.9%
North East Europe	(3)	11	-130.1%
Americas, Asia-Pacific	5	17	-71.6%
Greater Africa	17	20	-10.9%
Near and Middle East	16	27	-42.8%
<b>Group Total</b>	<b>82</b>	<b>134</b>	<b>-38.9%</b>

After financial expense and income tax expense, consolidated net profit, Group share, totaled €47 million, down 48.4% over the €91 million reported in H1 2013.

The Group's balance sheet remained strong at June 30, 2014, with net financial debt amounting to €174 million and equity totaling €1,193 million.

## **Outlook for 2014**

Market conditions remain challenging, with high raw material prices, significant foreign exchange volatility and increased political instability in some world regions.

In this environment, the Group is pursuing efforts to strengthen its operating excellence.

Bel remains confident about its growth prospects, thanks to the commitment of its employees, the strength of global brands, its ambitious innovation strategy and the favorable geographical spread of its activities.

*This report 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.

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 €2.7 billion in 2013.

Nearly 11,000 employees in some 30 subsidiaries around the world contribute to the Group's success.

Its products are prepared at 27 production sites and distributed in over 120 countries.

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