



Press release

Suresnes — November 7, 2017 at 6 p.m.

Fromageries Bel Third-quarter financial information

Sales

Sales advance 15.3% in the first nine months of the year

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 2017 totaled €2,513 million, up 15.3% versus the same period ended September 30, 2016.

The Mont-Blanc Materne (MOM) Group accounted for €312 million, or 14.3%, of the growth. Foreign exchange fluctuations for the period reduced sales growth by €34 million, or 1.5%. Excluding the negative foreign exchange impact and the positive impact from the change in the scope of consolidation, sales increased 2.5% in the first nine months of 2017, versus the prior year period.

Third-quarter 2017 sales came to €847 million, up 16% compared to Q3 2016. Excluding the impact of changes in the scope of consolidation and the foreign exchange impact, sales grew 5.0% in the third quarter.

By geographical region, the sales trend was as follows:

(in millions of euros)	Third quarter			First nine months		
	2017 3 months	2016 3 months	% change	2017 9 months	2016 9 months	% change
Europe	477	391	+21.9%	1,385	1,155	+19.9%
Middle East & Greater Africa	187	194	-3.4%	573	620	-7.6%
Americas, Asia-Pacific	183	146	+25.9%	555	405	+37.0%
Group Total	847	731	+16.0%	2,513	2,180	+15.3%

In Europe, consolidated sales advanced 19.9% over the first nine months of 2017. Excluding the impact of consolidating MOM and despite the negative foreign exchange impact, sales in the region were up 4.8% for the period. Following slower growth in the first half of the year, the third-quarter volume performance in European markets matched the level achieved in Q3 2016. While Bel sought to offer its dairy producers a fair price in an environment of sharply rising raw material prices, the Group was only partially able to raise its own prices as a result of downward pressure fuelled by retailer price wars. The Group continued to strengthen its range of innovative and healthy products, in line with consumer expectations.

Sales in the Middle East and Greater Africa region declined 7.6% versus the first nine months of 2016. Sales in the region were negatively impacted by unfavorable foreign exchange fluctuations, particularly as a result of the strong depreciation of the Egyptian pound in the last quarter of 2016. In oil-export-dependent countries, where purchasing power weakened overall, higher prices for largely imported dairy raw materials made dairy products less affordable. As a result, demand contracted and competitive pressure intensified. Further, in several regions, distribution channels remained hamstrung by political instability.

In the Americas, Asia-Pacific region, sales in the first nine months of the year grew 3.4%, excluding the impact of the MOM acquisition, with slower growth momentum reported in Q3 versus the first six months of 2017. Asian markets continued to report double-digit sales growth, while growth in North American markets was more moderate.

Outlook for 2017

Affected by the strong rise in dairy raw material prices, with the lion's share of the impact expected to hit in the second half of the year, the Group expects its operating margin to decline significantly in H2 2017, versus the prior year period.

Further, the Group expects raw material prices to rise again in 2018, particularly butter fat prices.

Against this backdrop, the Group is implementing a number of savings and continues its efforts to enhance manufacturing productivity. Bel reaffirms its brands growth strategy in the healthy snack sector and reiterates its trust in its teams to achieve it.

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). More comprehensive information about the Bel Group can be found in the "Regulatory Information" section of the 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 €2.9 billion in 2016. The recent acquisition of the MOM Group complements a portfolio of strong brands with the integration of the Pom'Potes and GogosqueeZ brands.

More than 13,000 employees in some 30 subsidiaries around the world contribute to the Group's success.

Bel products are prepared at more than 30 production sites and distributed in over 130 countries.

www.groupe-bel.com