

2015



REGISTRATION DOCUMENT

Fromageries Bel

including the Annual
Financial Report



Sharing smiles



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Fromageries Bel

A French limited company (*société anonyme*) with share capital of €10,308,502.50

Head office: 2 allée de Longchamp, 92150 Suresnes

SIREN No. 542 088 067 – Nanterre Trade and Companies Register

Registration Document 2015

including the Annual Financial Report



The original French version of this translated Registration Document was filed with the *Autorité des marchés financiers* (AMF) on April 1, 2016, in accordance with article 212-13 of the AMF General Regulations. It may be used in support of a financial transaction provided that it is accompanied by an Information Memorandum approved by the *Autorité des marchés financiers*. This Registration Document was prepared by the issuer and its signatories are liable for its content.

This Registration Document cancels and replaces version no. D.16-0259 published online on April 4, 2016, which contained an error on page 175: it featured the Statutory Auditors' Report on internal control instead of the Statutory Auditors' Report on the annual financial statements. With the exception of this report, which has been replaced, no other changes have been made to the Registration Document.

This report serves as the Registration Document of the company Fromageries Bel, filed thereunder with the *Autorité des marchés financiers* pursuant to article 212-13 of the AMF General Regulations, including:

- the Annual Financial Report issued pursuant to article L. 451-1-2-1 I and II of the French Monetary and Financial Code;
- Fromageries Bel's Management Report approved by the Board of Directors pursuant to articles L. 225-100 *et seq.* and articles L. 225-102-1 *et seq.* of the French Commercial Code (according to the "Grenelle II" law of July 2010, as amended by the "Warsmann" law of March 2012); and
- the Chairman's Report on conditions for the preparation and organization of the work of the Board of Directors, on internal control and risk management procedures issued pursuant to article L. 225-37 of the French Commercial Code.

The cross-reference tables between the paragraphs of the Registration Document (Annex I to EU Regulation No. 804/2004) and those of the Financial Report provided for in article L. 451-1-2 of the French Monetary and Financial Code, as well as those of the Management Report provided for in articles L. 225-100 *et seq.* and articles L. 225-102-1 *et seq.* of the French Commercial Code (according to the "Grenelle II" law of July 2010, as amended by the "Warsmann" law of March 2012) are contained in chapter 7.

For the purposes of this report (hereinafter the "Registration Document"), unless otherwise stated, the terms "Fromageries Bel" or "the Company" refer to the Fromageries Bel company and the terms "Group" or "Bel Group" refer to the Fromageries Bel company and its consolidated subsidiaries.



PRESENTATION OF THE GROUP'S ACTIVITIES AND RISK FACTORS

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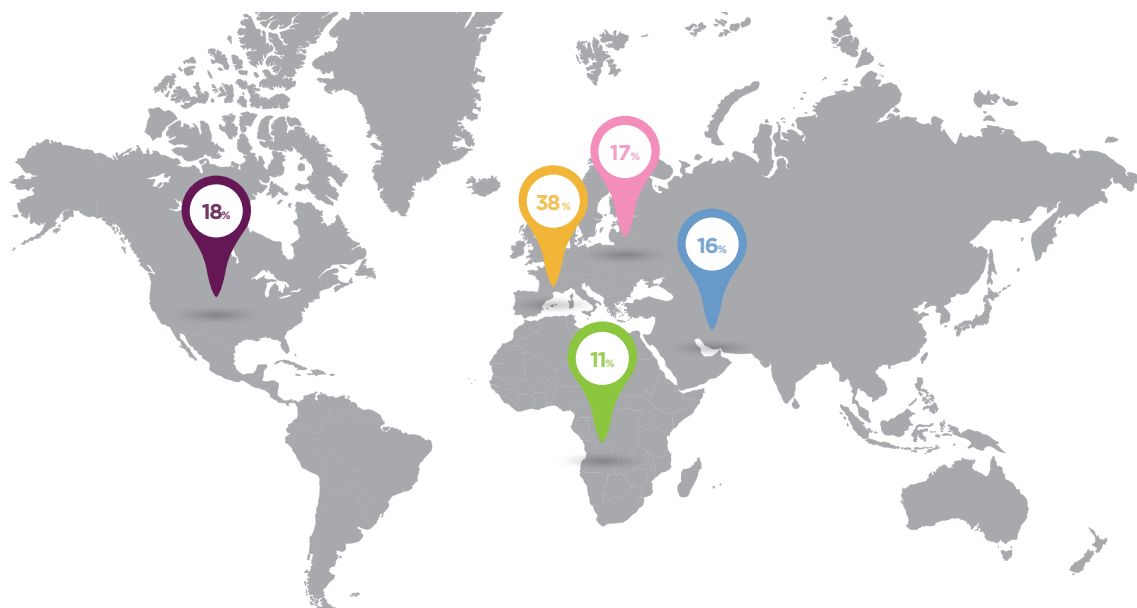
Wholesome dairy goodness that brings a smile and creates treasured moments



* Source: Zenith International.

** Global Food Safety Initiative, quality and food safety standards.

Breakdown of 2015 sales (as a %)



(In millions of euros)

33 host countries	Western Europe €1,108 m	North East Europe €505 m	Americas, Asia-Pacific €539 m	Near and Middle East €459 m	Greater Africa €338 m
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Selected financial information ^(a)

(in millions of euros)	2015	2014	% change
SALES	2,949	2,783	5.9%
Gross margin	992	809	+22.6%
Gross margin (as a % of sales)	33.6%	29.1%	
OPERATING INCOME	272	199	+36.7%
Of which: current operating income	293	214	+36.7%
other non-recurring income and expense	(21)	(15)	
OPERATING MARGIN (as a % of sales)	9.2%	7.2%	
NET PROFIT	188	128	+47.4%
Of which: Group share	184	123	+50.1%
minority interests	4	5	
diluted per share (in euros)	27.20	18.07	+50.5%

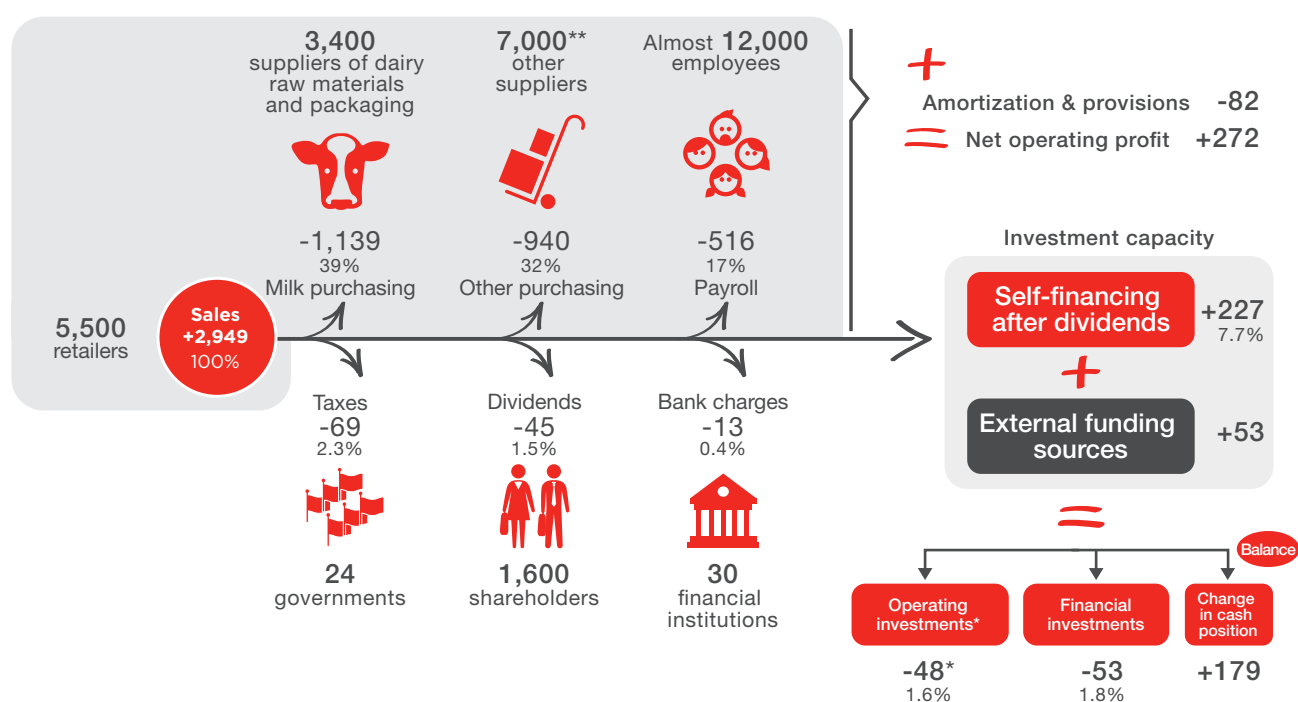
(in millions of euros)	2015	2014	Change (in %)
TOTAL CAPITAL INVESTED	1,481	1,366	+8.4%
Of which: equity, Group share	1,475	1,285	+14.8%
minority interests	27	14	+89.1%
net financial debt	(21)	67	-

Cash flow	2015	2014	
From operating activities	326	180	+81.2%
From investing activities	(142)	(117)	+21.7%
From financing activities	(5)	(45)	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	179	18	

(a) Other financial and accounting information, as well as the detailed financial statements, can be found in chapter 4.

Sharing the value created

In 2015, the value created by employees of Fromageries Bel was shared as follows (in millions of euros):



* Industrial investments, IT Systems and business growth (change in working capital requirement).

** With annual sales exceeding €10,000.

1.1 Presentation of the Group

1.1.1 Group profile

Bel is an international family-owned business, led by the fifth generation of family managers. Its business model has traditionally focused on cheese alone and the Group is a global leader in individual cheese portions.

The Group's growth is driven in particular by the strength of its core brands, The Laughing Cow, Kiri, Mini Babybel, Leerdammer and Boursin, which are market leaders, and the regional breakdown of its activities.

The Bel Group, with a portfolio of over 25 international and local brands sold in almost 130 countries, has adapted to meet the wide array of eating habits around the world.

The commitment of 12,000 employees, located in 33 countries and at 30 production sites, contributes to the Group's growth strategy, which combines long-term vision, sustainable performance and international growth.

1.1.2 The Group's commitment to sustainable growth

The Bel Group prides itself on providing wholesome dairy goodness that brings a smile and creates treasured moments. In addition to the quality of its products and the pleasure that they bring, the Group has always considered smiles and enthusiasm as key success factors.

This commitment and optimism – and the desire to share them – are echoed in the Group's tagline, "sharing smiles", which reflects its employee culture and the personality of its brands.

The Laughing Cow is emblematic of this mindset. Over the decades, it has played a role in the nutritional education of generations of children, always raising a smile and creating a happy atmosphere. It contributes to the intake of key nutrients for growth, and has adjusted its composition to the wide range of tastes and nutritional requirements of its consumers in almost 130 countries.

For Bel, a model cannot be sustainable unless it creates financial value for the company while respecting and ensuring positive economic benefits for members of its ecosystem. This allows the company to prepare for its future responsibly.

Since 2003, Bel has been a signatory of the United Nations Global Compact and reports annually on its progress in each of the ten principles.

Company-specific tools are also developed to guide the actions of employees:

- the Code of Best Business Practices has been designed for employees who encounter ethical issues in their work (see paragraph 2.2 "Ethical business conduct");
- Bel's Responsible Communications Charter lists the principles that it must adhere to in its communications (e.g. advertising, packaging, digital), particularly when they directly target children under 12;
- the Sustainable Purchasing Charter sets out Bel's commitments towards its suppliers, as well as what the Group expects in return in terms of major social issues such as business ethics, respect for human rights and the rights of children, the fight against corruption, etc. (see paragraph 2.2.3 "Ethical business conduct").

1.1.3 Background

Origins at the heart of the Jura region

In 1865, Jules Bel sets up his Comté cheese ripening and trading business in Orgelet, in France's Jura region. Following his death in 1904, his son Léon Bel takes over the business.

After the First World War, the emerging cheese industry takes off and Léon Bel sees the potential in processed cheese, which is tasty, affordable, easy-to-carry and easy-to-keep. He sets out on an industrial adventure and in 1922 creates the French limited company "Fromageries Bel".

More than just a cheese brand

In 1921, he trademarks "The Laughing Cow" brand, a totally new product in France at the time due to its original recipe and creamy texture, as well as its individual portion presentation and its triangular format.

It is also Léon Bel's idea from the outset to give this product a personality, that of a red cow mimicking human behavior, laughing. He commissions famous animal illustrator Benjamin Rabier to draw this character. Since then, the Laughing Cow's original and endearing personality has ensured it a close relationship with consumers, both young and old, throughout the world.

Cheese maker and advertiser

As well as being a cheese maker, Léon Bel is also a pioneer in the art of communication. As of 1923, at a time where publicity alone seemed enough to promote a product, The Laughing Cow took to the streets with advertising posters with their omnipresent humor and developed an affectionate relationship with consumers through its original appearance on everyday objects. From 1950, The Laughing Cow enters consumers' homes through films and advertisements on the television and radio and in the cinema, later amassing an online community of fans who relentlessly ask why The Laughing Cow... is laughing.

Since its birth in 1921, The Laughing Cow, its image, packaging and advertising have been regularly modernized to meet the aspirations of consumers.

For the past 90 years, it has been part of the food and cultural landscape of consumers.

Development of Fromageries Bel

The Laughing Cow's industrial and commercial launch takes place in 1924 when Léon Bel installs the first cast iron kneading machine and portion machines in the Lons-le-Saunier plant. Two years later, he builds a new modern plant in Lons-le-Saunier.

In 1929, Léon Bel branches out into foreign markets. He installs the first factories in the UK and Belgium. At the same time, he broadens the range of products with the introduction, in particular, of Bonbel and Babybel. He also launches the first fat-free cheese ("Forbon"), a dietary product ahead of its time.

In 1937, Léon Bel's son-in-law, Robert Fiévet, is appointed Chief Executive Officer of Fromageries Bel. Robert Fiévet goes on to become Chairman following the death of his father-in-law in 1957 and is responsible for the national and international growth of Bel until 1996, shaping the Company's history.

International expansion

Processed cheese had all the necessary qualities, in particular in terms of homogenization and conservation, to become an internationally distributed daily food.

From 1929 and following the creation of the first foreign Fromageries Bel subsidiary (Bel Cheese in the UK), nothing could stop the growth of Bel products in Europe, North America, Africa, the Near and Middle East and Asia-Pacific.

A success that is driven by the innovation to which Bel is attached: after The Laughing Cow, the Bonbel (1932), Babybel (1952), Apéricube (1960), Kiri (1966), Mini Babybel (1977) and Cheez Dippers (1995) brands, among others, are launched on the market.

The Bel Group's international expansion is based on three growth drivers:

- the development of new products, using the Group's historical international brands and specific national brands;

- regional expansion, with the creation of sales subsidiaries worldwide and the development of production plants located as close as possible to places of consumption. In 2014, Bel inaugurated the new Mini Babybel production plant in the United States, the brand's leading global market, to support its US growth. Bel now operates in 33 countries and has 30 production sites;
- external growth, through the acquisition of companies all over the world, including the Dutch group Leerdammer in 2002 and the Boursin brand in January 2008.

2015

- Bel continued its external growth strategy by taking a majority stake in the Moroccan company Safilait. Morocco's third-largest dairy operator, the company specializes in the processing, packaging and marketing of fresh and UHT milk and dairy products under the brand name Jibal.
- A small mobile production unit has been set up in Côte d'Ivoire.
- The Group has merged its Paris-based teams and moved its headquarters to Suresnes to accommodate its plans for expansion.
- A digital department has been created to fast-track the digitization of the business within all Group divisions.
- Bel has developed its organization with the principal aim of setting the Company on the path towards achieving its ambitious targets by 2025. A new Executive Committee has been appointed, chaired by Antoine Fiévet and composed of eight members, each responsible for an activity or geographical region. Together, they are ambassadors for the Group's strategy and mission.



These changes, announced in 2015, have been in full effect since January 1, 2016.

1.1.4 Strategy

The Bel Group's development is based on a business model that has seen it rise to world number three in the branded cheese market ⁽¹⁾.

In 2015, the Group set out a 10-year strategic plan with a notional target of doubling in size by 2025. This ambition means accelerating the pace of its global and sustainable growth.

Deploying the core brands

Bel's five core brands are at the heart of the Group's growth model. They are the driver of Bel's values, always in perfect harmony with consumers' expectations in terms of food: products that combine healthy indulgence and fun, with a touch of cheekiness.

The individual portion format, praised for being fun and practical and easy to conserve, is an appropriate response to social issues such as food safety, balanced nutrition and the fight against food waste. It acts as a serving guide, so that everyone can eat just the right amount. Protected by their individual packaging, our products can be found all over the world. Together these strengths make them a driver of international growth.

Lastly, the Group's brands use their brand recognition to encourage consumers to adopt a balanced diet and healthy lifestyle.

The strength of the Group's brands, along with their original product formats, continue to offer substantial geographical growth prospects for the future.

Supporting growth through innovation

Nurtured through daring – one of the Group's three values – innovation is rooted in Bel's DNA and is central to its brands' growth. Bel constantly strives to ensure that innovation remains a permanent mindset among all of its employees.

The Group encourages the empowerment of its teams at all levels, and encourages anticipation, creativity, experimentation, calculated risk taking and entrepreneurship.

Part of this innovation will be to fast-track the digitization of the business within the various divisions.

The Group's major brands and star products, such as The Laughing Cow, Apéricube, Babybel and Kiri, are a result of this ability to innovate. The development of the Leerdammer and Boursin ranges also reflects this mindset.

Innovation can take various forms. Product innovation is characterized by:

- **revitalizing existing product ranges**

Regular product launches broaden Bel's offering and complement existing meal ideas and traditions to better meet consumers' needs with, for example, the new flavors of the Leerdammer, Boursin and Apéricube brands.

- **reinventing products**

- Improved recipes, notably by enhancing the nutritional value through reduced fat and salt content and adding essential nutrients such as calcium, vitamins and minerals. The Bel Group is committed to providing consumers with high-quality, healthy products offering the nutritional value expected by public health authorities in the countries where its brands are sold.
- Bel works with governments and submits new versions of its products to a committee of independent nutritionists for approval.
- New packaging to improve functionality while reducing environmental impacts.

- **extending product ranges**

The Bel Group is constantly developing new products to create new culinary traditions and meal ideas (such as Boursin Aperitif).

The work on product innovation is mainly overseen by three departments:

- **marketing:** focused on understanding and anticipating the changing needs and habits of consumers and customers. Excellence in this area is a key success factor and relies on innovative tools to identify future trends. This expertise is developed through observing consumer behavior, actively canvassing people's views on social media and the Internet, sociology or even sensory evaluation;
- **research and innovation:** the teams have expertise in cheese-making technologies and basic and applied science (food engineering, microbiology, physical chemistry, etc.);
- **manufacturing:** industrial know-how, integral to Bel's DNA for 150 years, is harnessed to create the right conditions for innovation at all production sites.

(1) Source: Zenith International study, 2014.

Ensuring employee commitment

The Group's dynamic growth is driven by its 12,000 employees across 33 countries. Their commitment is at the heart of its human resources policy, which favors empowerment, enthusiasm, entrepreneurial spirit and skills development.

The "People First" social charter unites all Group employees behind four priorities for the development of Bel and its teams: Enjoy our workplace – Empower everyone – Grow Further – Share success. The charter also emphasizes employee commitment and empowerment as key to the Group's development.

In 2014, the Group reasserted its values to ensure that they were a true reflection of its history, ambitions and commitments. Throughout its organization, the three values (Dare – Care – Commit) underpin shared working methods and a common culture.

Harmonizing human resources policies and sharing a common approach to the management of the performance and development of talents within all Group entities also encourage employee commitment worldwide.

Keeping pace with global population growth

Worldwide, the growth potential represented by the strength of the Group's brands and the recognized quality of its products, combined with the various formats, allow it to capture new markets.

This growth will be two-pronged:

1. Rolling out brands in territories where Bel is already present, notably through:
 - the implementation of innovative solutions (manufacturing processes, recipes, packaging);
 - an in-depth understanding of the markets;
 - a bold approach to marketing and distribution;
 - industrial expertise that guarantees food safety and quality combined with production facility control.
2. Expansion into new markets:
 - this requires an understanding of the attractiveness of the markets and the Group's ability to become swiftly and firmly established, particularly in areas with high population growth;
 - capturing these new markets implies a more active approach to making the Group's products accessible to a greater number of customers.

1.1.5 Bel and its "business ecosystem"

Bel's "business ecosystem" is composed of all of its stakeholders: consumers, employees, suppliers, customers, shareholders, governments, institutions and communities in which Bel operates.

The Group must be open and engaged with this ecosystem to fast-track its development and plan a sustainable future. Bel seeks the opinion of independent actors whose expertise and advice enable it to develop.

Consumers

The Bel Group's brands entice millions of consumers worldwide each year. Bel must create products that meet their expectations in terms of enjoyment, safety, health and affordability.

The Group wants to give consumers who put their trust in its brands the keys for more responsible consumption and provides clear and transparent information on the ingredients in its products and related nutritional value.

The digitization of practices is creating a new generation of more informed and discerning consumers, who want to interact with the Company and its brands and get information instantly. The Group uses the numerous points of contact established by its brands with their customers (websites, social media accounts, etc.) to listen more, understand their needs and provide them with the information they expect.

Employees

Bel believes that quality social dialog is a driver for improving life within the company.

Its 12,000 employees have access to human resources teams. Every two years, the Group canvasses their opinion through an internal global opinion survey. In 2015 – the third year of the survey – 86.7% of employees responded. By analyzing the results, the Group can find out what employees think of its employment model, identify areas for improvement and ensure that action plans are implemented that meet their expectations.

Bel is a demanding, ambitious company which puts its trust in its teams, values them and encourages the entrepreneurial spirit of its employees.

Dairy producers and other suppliers

Bel is keen to build lasting partnerships with all of its suppliers, especially dairy producers. To that end, Bel has embarked on a process of continuous improvement. It is committed to dealing fairly and transparently with its suppliers, while asking them to support the Group's progress commitments.

The Group's purchasing needs for production purposes chiefly include:

1. Raw ingredients (milk, cheese, milk powder, butter, cream, etc.).

In 2015, Bel collected two billion liters of milk from 2,900 producers located close to its production sites. Contracts have been signed with producers and co-operatives that supply milk in countries where the Group manufactures cheese from liquid milk (France, the Netherlands, Portugal, Slovakia, Ukraine, United States etc.).

Bel is involved in four types of action to promote the development of more sustainable dairy production: assisting producers in anticipating the development challenges of the sector, guaranteeing impeccable health quality for consumers, controlling and reducing the environmental footprint and ensuring the welfare of animals.

Bel closely monitors changes in the dairy sector, particularly since the termination of quotas in Europe in early 2015. The Group paid particular attention to proposing balanced agreements to producers and their organizations.

For milk powder, cheese, cream and butter, European plants are supplied by the European Union, US plants by the United States, and other plants internationally.

2. The materials necessary for the packaging of finished products (cardboard, aluminum, plastic and paper).

Purchases are centralized or local with Group-level coordination for packaging where a global approach is not possible. The Group has launched a risk management policy through the implementation of contingency plans (see paragraph 1.6 "Risk factors and insurance policy").

Customers and retailers

The Bel Group aims to achieve optimal circulation, presence and visibility of its products via all local distribution networks in all of the countries in which it is present. Retail business in a certain region may be developed via the Group's subsidiaries or through importers or retailers.

The Group's marketing strategy includes coordination among the various countries and takes into account the international scale of the largest global distributors. This policy is adapted to each

country and to each network in order to efficiently meet the needs of each market and to adapt to the market position of competitors.

In Europe and North America, the distribution system is centered on major brands, composed of companies belonging to retail groups, wholesalers and even independent entrepreneurs. They have central purchasing bodies with which Bel negotiates agreements, generally on an annual basis, in compliance with local regulations.

In emerging markets, Bel signs agreements for the sale of its products with retailers/importers which sell the products in conventional distribution channels (wholesalers, grocers, resale by portion, etc.). In general, the Group signs long-term framework agreements, which are subject to annual reviews. They also include retail support provisions which are adapted to the local channels.

Entities dedicated to managing, training and monitoring Bel's importers and/or retailers enable the Group, even when it does not have a subsidiary in a country, to maintain close contact with its retailers.

Some of Bel's products are also distributed to the communities, restaurants, service stations and consumption sites served by wholesalers specialized in the Food Service channel. These customers are managed by a specific sales entity, which has established long-term partnerships enabling the Group's brands to be highly present outside the home.

E-commerce, including the online stores of retail customers or pure players, represents a development potential for the Group's brands, which are increasingly present in this channel.

Communities in which Bel is active

The Group is mindful of the need to contribute to the vitality of the communities in which it is based. It seeks to ensure that they benefit from its activities through direct and indirect job creation, sourcing its supplies locally where specifications allow.

Bel encourages site management to listen to the expectations of local stakeholders and forge partnerships with local organizations (see paragraph 2.6.2 "Contributing to the vitality of its host regions").

1.1.6 Industrial protection

Products manufactured by the Bel Group are marketed globally. They are often highly differentiated products and are the result of innovation and new technologies for which the Group owns industrial property titles in numerous countries.

The territorial coverage of the protection depends on the scale of the products and the markets in question.

The Bel Group owns the patents and has developed extensive know-how and technologies relating to its products, production processes, packaging used for its products and to the design and operation of the specific processes required for its activity.

1.1.7 Competitive position

The Bel Group's core business is the production and retail of cheese. The Group applies its strategy in two ways:

- in niche markets, the Group aims for a leadership position in the segments in which it operates, which in general represent a small share of the cheese market. These include markets in Western Europe, Northern and Eastern Europe and North America;
- in mass markets, where the offering is more concentrated, the segments in which the Group operates represent the core market. These include African and Middle Eastern markets.

In addition to the traditional players (the "Cheese" Division of major international agri-food groups, international dairy specialists and major dairy co-operatives), new, and often regional, players are entering the market and hold strong local positions due to their size on their markets.

The overall trend in 2015 continued to be dominated by the consolidation and international expansion of market players.

1.2 Market trends

In general the cheese market has continued to grow steadily worldwide, drawing on fundamental trends:

- **pleasure:** the search for multi-sensorial experiences, the trend for culinary invention, sophistication, as well as ethnic discovery and the fusion of various food cultures;
- **health and well-being** is becoming a major concern for consumers and governments. This trend covers a wide range of benefits, from alternative nutrition to very specific operational promises. The development of health/well-being benefits comes in response to structural changes in society, such as the rise in obesity and the quest for well-being, but also to the challenges of malnutrition;
- **convenience** can be seen in terms of ease of use, the portion format and the option of being more mobile;
- **product safety/traceability**, although experts agree that food is increasingly safe, a growing number of consumers now consider food risks to be very high. For each of its products, Bel adheres to the same quality and food safety standards, with quality control processes in place throughout its production chain. In 2015, 22 Bel production sites were certified according to GFSI standards (Global Food Safety Initiative).

Bel's product ranges are committed to responding to these four expectations, while ensuring consumer satisfaction in each market. These trends vary in importance in each country.

The Bel Group believes that an underlying trend exists in terms of reconciling pleasure and health, which are no longer contradictory, but even expected within the same product: treating yourself while looking after yourself. In the future, "healthy eating" to reach this "state of complete physical, mental and social well-being" that the World Health Organization describes will become increasingly important. The identity and personality of the Group's brands reflect

this desire to simultaneously deliver the organoleptic (relating to taste), nutritional and emotional benefits that consumers seek. The Laughing Cow brings the fundamental dairy nutritional elements to families coupled with pleasantness and fun. Mini Babybel, with its cheeky and playful personality, represents for everyone a nice and healthy snack. Kiri gives children and their parents all the simple indulgence of milk and cream. Leerdammer carries all the benefits of hard cheeses and is completely "irresistible".

Trends affecting production, sales and inventories in 2015

In 2015 the global economy recorded growth of around 3%, its lowest rate since the financial crisis that began in 2009⁽¹⁾. The growth rate of OECD countries is around 2%, while the main emerging economies, with the exception of India, are slowing.

To stimulate growth, or even to curb deflation, central banks in developed countries have kept interest rates at historically low levels and injected liquidity into the economy.

While the United States returned to near full employment in 2015, the unemployment rate of EU countries has remained high at around 11% of the active population.

Social and political uncertainty in a certain number of countries in which the Group operates, such as the Near and Middle East and Ukraine, worsened in 2015, jeopardizing product shipments.

Commodity prices fell across the Board during the year: on the one hand, oversupply of oil saw prices plunge to an all-time low; on the other, the slowdown of the Chinese economy, which accounts for almost half of global demand for metals, acted as a further drag on prices. Economies dependent on these commodities are therefore vulnerable.

(1) Source: IMF, World Bank.

The increase in the global production of dairy raw materials, coupled with a fall in demand from emerging markets, contributed to the wholesale fall in prices.

Finally, the strengthening of the US dollar against the euro by almost 20% in one year has boosted European exports.

This situation was not conducive to growth in volumes and sales in a significant number of the geographical regions where the Group operates.

Having correctly predicted the slowdown, inventory levels remained under control.

1.3 2015 markets and business

In an unfavorable economic climate for growth in consumption in Europe and a worsening geopolitical environment in the Near and Middle East, Group sales rose 5.9% over the year due to currency and scope effects, with organic growth of +0.1%.

Following the contraction in operating margin witnessed in 2014, the Group returned to profit in 2015, buoyed by favorable exchange rate effects and commodity prices throughout the year. These effects were particularly beneficial to regions outside Europe. Operating income amounted to €272 million, including nearly €21 million in non-recurring operating expenses.

Sales and operating income by region changed as follows:

(in millions of euros)	At December 31, 2015		At December 31, 2014		Change	
	Sales	Operating income	Sales	Operating income	Sales	Operating income
Western Europe	1,108	135	1,122	119	-1.3%	13.7%
North East Europe	505	11	552	3	-8.6%	257.1%
Americas, Asia-Pacific	539	20	419	17	28.7%	16.3%
Greater Africa	338	40	288	28	17.6%	43.4%
Near and Middle East	459	66	402	32	14.0%	105.6%
GROUP TOTAL	2,949	272	2,783	199	5.9%	36.7%

In Western Europe

In an unfavorable economic climate for growth in consumption, the Group maintained its sales volumes in the region during 2015. Nevertheless, sales were down 2.9% to €1,108 million at constant exchange rates, versus €1,122 million in 2014.

Innovation remains an essential growth driver in markets in Western Europe, with the success of the new Apéricube flavors, Boursin Aperitif, a cheddar version of The Laughing Cow and Leerdammer burger slices.

The management of markets throughout the year was a testament to the effective sales and marketing policies. Particularly apparent was the vitality of the core brands, which continued to grow and build market share in all countries. Bel's position is considerably strengthened due to substantial advertising investments and strong in-store promotional activity.

Mini Babybel has maintained its momentum with growth of over 6%, mainly driven by markets in France, Italy, Belgium, Spain and Portugal. Brand volumes have thus increased by more than 20%

in three years, largely due to an effective advertising campaign and successful digital marketing.

Kiri has grown its sales by over 4%, following market-share gains in France, Belgium and Spain.

The Laughing Cow also performed well, mainly driven by the United Kingdom, Ireland, Belgium and Spain.

Despite increased competition, Leerdammer slices have consolidated their leadership in the majority of European countries.

Finally, Boursin saw the continued success of its new product, Boursin Aperitif, which is doing particularly well in France.

The French market, which accounts for around half of the region's activity, suffered in 2015 from the temporary partial delisting of several of its brands. However, overall the level of activity remained in line with that of 2014.

Operating profit for the region stood at €135 million in 2015, versus €119 million in 2014.

In North East Europe

Sales in North East Europe were down by 8.6% (6.5% of which was organic) to €505 million in 2015, versus €552 million in 2014. This was attributed to political and economic pressure on the Ukrainian market and plunging prices in the ultra-competitive hard cheese segment, as well as for by-products such as whey.

In this environment, the positioning of Leerdammer and Mini Babybel in the snacking cheese segment is paying off. Mini Babybel recorded a 7.2% rise in sales volumes and is continuing to capture new markets with its launch in Slovakia. Growth supported by a common advertising platform within the region.

Germany, the region's largest market, remained resilient, retaining its market share. This performance was buoyed by the momentum of the Mini Babybel brand, the launch of the new Leerdammer slices and increased promotional pressure.

In Ukraine, the region's leading market for The Laughing Cow, the geopolitical climate and the depreciation of the local currency (hryvnia) continued to impact on business. However, The Laughing Cow has maintained its market position despite shrinking volumes.

Overall, operating income, at €11 million, was significantly higher than the €3 million recorded in 2014.

In the Americas, Asia-Pacific

The growth that began in this region in 2014 continued in 2015, with a 14.3% organic increase in sales to €539 million, versus €419 million in 2014.

Growth was driven in North America by a strong increase in Bel's market share in the snacking market and by a rise in demand for dairy products in the Asia-Pacific region.

In North America, growth is mainly due to Mini Babybel, which has reported increased sales volumes in the region's various markets (Canada, the United States and Mexico). Growth fueled by significant marketing and advertising spend, particularly in television and on digital media, to promote the lunchbox campaign. After a first full year of activity, the ramp-up of production at the Brookings factory (USA), which makes Mini Babybel, kept pace with the brand's strong growth in the country.

Boursin's traditional format – regarded as a special treat for social occasions – continues to do well in the Canadian market. Sales also rose sharply in the United States.

Local US brands contributed to growth in the region, driven by Price's in the *pimiento* category.

In Latin America, sales were up significantly in Mexico (Mini Babybel), but contracted in Brazil amid a deep recession. In addition, import problems prevented products from reaching the Argentine and Venezuelan markets.

In the Asia-Pacific region, Japan and China were the main engines of growth. Japan benefited from changes to its logistics strategy implemented in the second half of 2014. Positive momentum is returning, driven by Kiri and to a lesser extent Belcube (Apéricube) and Boursin.

Following the surge in demand for cheese in China, Bel recorded growth in this emerging market. Online sales of the Kiri brand soared, both to consumers and baking professionals.

Operating profit for the Americas and Asia-Pacific region amounted to €20 million in 2015, versus €17 million in 2014.

In Greater Africa

Sales in the region were up 8.1% to €338 million in 2015, versus €288 million in 2014, at constant scope and exchange rates.

The Group consolidated its position as historical leader in key markets in the region, posting growth in sales volumes despite mixed consumption patterns.

Algeria and Morocco remain the core markets; Algeria delivered an impressive performance in 2015, while sales volumes rose in Morocco despite the lackluster and highly competitive market.

While some markets in sub-Saharan Africa with an economy closely linked to oil exports were negatively impacted, most countries in the region – as well as South Africa – recorded a positive performance in 2015.

Overall performance was mainly driven by The Laughing Cow brand, whose promotional activities are proving to be of value. Innovation remained a strong driver of growth, with the continued success of culinary products such as "La Vache qui rit Chef" in Algeria and "La Vache qui rit Bloc" in Morocco, as well as new formats with the launch of "La Vache qui rit Barquette" in Algeria.

Local brands are also sustaining this growth momentum.

Activity in the region intensified over the summer following the acquisition of the Moroccan company Safilait, a major player in the local dairy market.

Operating profit for the region totaled €40 million in 2015, versus €28 million in 2014.

In the Near and Middle East

Despite a worsening geopolitical and security climate in Yemen, Syria, Libya and Iraq and a contraction of dairy markets in the Middle East, the region recorded an organic fall in sales of just 3% for the year. This change confirms the fundamental relevance of the medium- and long-term growth strategy in the region. Momentum remains solid, despite a temporary downtick in consumption in some markets.

Due to favorable exchange rate effects, sales for the region increased to €459 million in 2015, versus €402 million in 2014.

Sales volumes rose sharply in Iran, Turkey and Egypt in 2015, with Bel's brands capturing market share in the Gulf States, Lebanon and Jordan. Activity in the region was driven by significant marketing investment and a sustained innovation policy in response to consumers' needs, as evidenced by the new spreadable version of Kiri in the Middle East and Egypt, and Picon cheese dippers in Lebanon.

The core brands – The Laughing Cow and Kiri, in portions or spreadable format – continued to drive growth, supported by growth in local brands.

Against this mixed backdrop, several business development programs have been deployed, allowing Bel to strengthen its positions in most of its markets.

This performance demonstrates the agility and responsiveness of Bel's teams, the strength of the Group's supply chain processes, and the operational excellence of the region's three production sites which, in a volatile and uncertain environment, have delivered profitable growth.

Operating profit for the period stood at €66 million in 2015, versus €32 million in 2014.

Non-recurring events that impacted the Group's main activities and markets in 2015

Excluding the elements described in the previous paragraphs, no non-recurring events impacted the Group's main activities and markets in 2015.

1.4 Trends likely to affect production, sales and inventories in 2016

At the time of writing, growth forecasts remain moderate and in line with those of 2015.

The pace of growth could be hampered by a hard landing in China and underperformance of the euro zone and Japan. The refugee crisis is testing the absorption capacity of the EU's economy and labor markets.

In some countries, these general trends are accompanied by geopolitical tensions, adding to the economic woes. Worsening tensions in 2016 could seriously impact regional and global macroeconomic results.

The price of dairy raw materials could be influenced by climatic conditions, especially in the second part of the year.

The consolidation of central purchasing bodies in France and at the European level could prolong and further complicate relationships with supermarket retailers.

Volatile exchange rates could continue to impact profitability. Around half of the Group's business is outside the euro zone, with a strong exposure to the US dollar.

Lastly, the geopolitical and social climate in some markets in the Near and Middle East and in Greater Africa remains sensitive, and in some cases very unstable. The situation in Ukraine continues to require close monitoring.

1.5 Property, plant and equipment

1.5.1 Industrial presence

The Bel Group operates production sites in most of the geographical areas where it has a commercial presence.

Its production system is based around plants that supply both local and export markets. This system comprises large units serving regional and international markets (10 plants representing around 80% of total production) and smaller units for local markets.

The Bel Group's policy is to own its own production plants, while sometimes making use of subcontractors (in Canada, the United States, Germany, Australia and Japan).

At December 31, 2015, the 30 active production sites were located as follows:

Regions	Number of sites	Country	Main sites
Western Europe	12	France	Cléry-Dun-sur-Meuse
			Dole
			Lons-le-Saunier
			Croisy-sur-Eure
			Sablé-sur-Sarthe
			Évron
			Mayenne
			Vendôme
			Ulzama
			Ribeira Grande
North East Europe	7	Spain	Covoadá
			Vale de Cambra
		Portugal	Wageningen
			Dalfsen
			Schoonrewoerd
			Chorzele
			Michalovce
			Shostka
			Želetava
			Želetava
Greater Africa	4	Morocco	Tangiers
			Fquih Ben Salah
			Koléa
			Abidjan/Yopougon
			Abidjan/Yopougon
Near and Middle East	4 (of which 3 are active)	Algeria	10 th of Ramadan City (Cairo)
			Gazvin
			Damascus (activity suspended)
			Çorlu
			Çorlu
Americas, Asia-Pacific	4	United States	Leitchfield
			Little Chute
			Brookings
			My Phuoc 3 – Binh Duong Province
			My Phuoc 3 – Binh Duong Province

1.5.2 Investments

Main Group investments in the past three years

The Bel Group's investment budget chiefly meets the following five requirements:

- growth: production capacity, new products;
- productivity: savings plans;
- continuous improvement: reducing consumption of natural resources, environmental protection and lowering emissions;
- continuity: maintaining industrial equipment and safety requirements;
- development of IT solutions tailored to operational requirements.

The budget is drawn up within a framework of spending control. Gross investment expenditure, excluding R&D expenses, was €98 million in 2015, compared with €122 million in 2014.

The investment budget of the Bel Group is drawn up in line with its CSR strategy: all investment projects exceeding €500,000, regardless of their financing method (equity, lease finance, sub-contracting agreement, etc.), are subject not only to financial ratings, but to social ratings. Below a certain social rating, the Investment Committee demands a corrective progress plan and may refuse the project.

In 2015, the Group merged the manufacturing activities of Safilait with a site in Morocco (Fquih Ben Salah). It also opened a small mobile production unit in Côte d'Ivoire.

The Bel Group's Industrial and Technical Department updates a corporate plan for all plants at least once a year, which takes into account planned changes in activity (existing products and new products), technological developments and productivity improvements, environmental and safety requirements.

As in previous years, no provisions for warranties or environmental risks were recognized at December 31, 2015. No damages were paid during 2015 under court rulings regarding the environment, and no actions were brought for damage caused to the environment.

Main investments in progress

The Group continued with work relating to investments committed to in previous years.

In 2015, the main projects undertaken involved:

- the development of production capacity (Vietnam, small mobile production unit in Côte d'Ivoire);
- finalizing the SAP IT platform;
- the development of new products;
- the adaptation, maintenance and restructuring of industrial equipment;
- the respect and protection of the environment.

1.6 Risk factors and insurance policy

1.6.1 General risk management policy

General risk management policy

The Bel Group pursues an active general risk management policy that aims to safeguard its assets and objectives as effectively as possible, as well as those of its employees, suppliers, consumers and shareholders.

The general risk management approach allows for:

- identification, analysis and classification of the key risks related to Bel's activity;
- definition, implementation and monitoring of treatment plans aimed at limiting risk.

The Group thus carries out a regular review of its significant risks, *i.e.*, risks that could have an unfavorable effect on its activity, reputation or that of its brands, financial position or results.

The Group does not believe that any significant risks exist other than those described below.

However, other risks may exist that the Group currently has no knowledge of or considers immaterial as of the date of this document.

The risk management system is described in paragraphs 3.3.2 "Internal control environment of the Company", 3.3.3 "Managing the major risks" and 3.3.4 "Specific internal control procedures implemented by the Company".

Crisis management

The Group could potentially have to deal with crisis situations. Bel has therefore drawn up a crisis management and communication policy that sets out the general principles, preliminary measures and roles of the various actors in the event of a crisis.

The system's effectiveness is tested during crisis management simulation exercises.

Insurance and risk coverage

The Bel Group applies a centralized risk coverage policy that encompasses all of its subsidiaries. Certain local legal constraints or indeed specific geographical exclusions may mean that policies have to be arranged locally.

An international insurance program is underwritten by leading insurers. The Group exercises operational control in terms of negotiating policies, monitoring capital and the risks covered.

The Bel Group maintains strict control and centralized management of industrial risks, under the authority of the Group Industrial and Technical Department. This is coordinated by the Group Industrial Safety and Environment Department in conjunction with the Group Risk Department and Group Insurance Department, both acting under the authority of the Finance Department.

Damage to assets, operating losses and transport

Coverage of major hazards, particularly the risk of fire, explosion and natural events likely to generate a consequent operating loss,

is negotiated for the entire Group with first-tier insurers. Coverage is renewed annually on January 1, except in the case of multi-year contracts (preferred for major risks, via a partnership policy with the Group's insurers).

The coverage amounts are determined according to risk assessment (vulnerability, protection, partitioning, etc.) and an assessment of the potential maximum loss (PML), taking account of the replacement value of the assets and an appropriate indemnification period for each site. The insurers set various liability sub-limits, particularly for the risk of natural events.

Preventative audits of the industrial sites are regularly performed by experts within and outside the Bel Group.

The program to install automatic fire sprinkler systems will continue, eventually covering all strategic production sites.

Civil liability

The main contracts covering liability (particularly the Group's civil liability, business liability and product liability) and environmental damage are arranged as part of a general insurance program, taking account of the specific features of frontline contracts entered into locally, mainly in the United States and Canada.

Additional policies

Some risks, such as coverage of Directors' and officers' liability and customer credit risk, are also centrally managed. In the case of customer credit risk, subsidiaries are asked to sign an endorsement to a master policy to cover their local customer risks.

1.6.2 Risks related to the external environment

Risks relating to the economic climate in the Group's core markets

The Bel Group is a food industry player, and its sales are influenced by the global economic climate in its core markets. In periods when the economy slows substantially, consumption may decrease, with a negative effect on sales growth. The geographical diversity of the sites and the markets in which the Group operates is designed to spread risk and limit its effects.

Risks related to the geopolitical environment and geographical distribution of the Group's activities

The Group's sites throughout the world, both industrial and commercial, expose Bel to certain risks that could affect its activity, reputation, employees, financial position, results and assets.

The Group's strategy of geographical diversification is intended to cushion the impacts of these risks, by limiting the effects of complex local situations and maintaining the possibility of offsetting them with more favorable situations in other markets.

Nevertheless, the geopolitical events that have taken place since 2011 in parts of the Maghreb and Near and Middle East, could have an impact on commercial activities and results in the countries where the Group operates.

The marked deterioration in the political, social and security situation could cause the Group to reduce or cease its activities in one or more of these countries for an indeterminate period, potentially affecting its results.

Protecting Group employees working in these countries is a key concern. The Group supplies them with the tools, procedures and services to optimize their safety.

A signatory of the United Nations Global Compact, Bel is committed to protecting the fundamental rights of its employees in the workplace in all countries where it operates. It is particularly vigilant in countries where there is a significant risk of human rights abuses (see paragraph 2.2.1 "Corporate social responsibility at the heart of governance").

Risks related to the volatility of commodities prices

Volatility in the prices of the raw materials used by Bel to manufacture its products is likely to have a significant effect on the Group's results. Global and regional fluctuations in supply and

demand, and weather conditions, amongst other things, affect the price of the raw materials concerned (milk, powder, butter and cream). The Group might not be able to increase its prices for retailers to the same extent as the increase in these production costs, which would have an impact on its results.

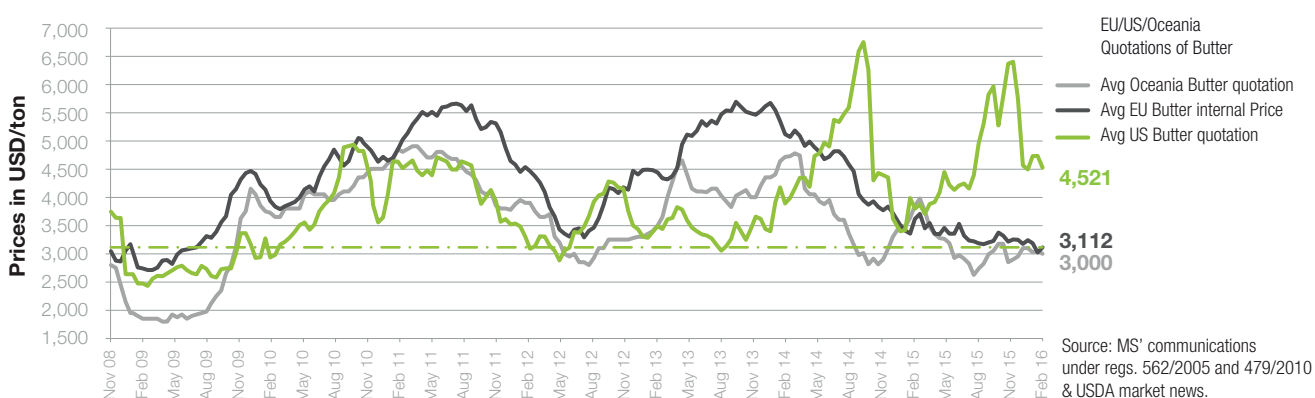
The termination of milk quotas in Europe in 2015 has resulted in an influx of milk that weighs heavily on the markets. If the fall in milk prices causes a drop in production, the recovery of the commodity markets could have an impact on the Group's results.

Average European, American (US) and Oceanian prices for butter, cheddar, skimmed milk powder (SMP) and whole milk powder (WMP) are shown below.

Skimmed milk powder (SMP) prices



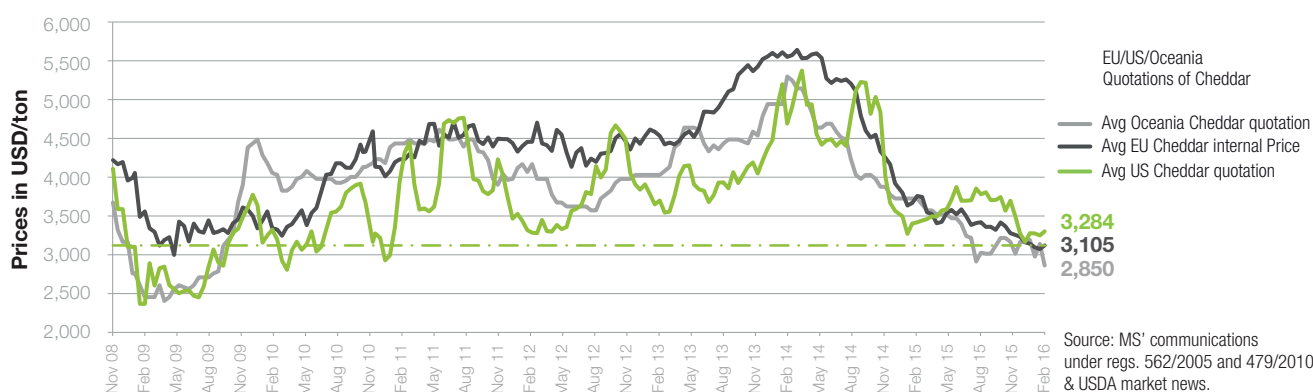
Butter prices



Whole milk powder (WMP) prices



Cheddar prices



Aside from the agreements reached with customers and retailers, the Group's ability to pass on changes in raw material prices is dependent on economic conditions and, for certain markets, on local political and regulatory conditions. Price increases are therefore subject to approval by the authorities in certain countries.

Risks related to the volatility of currencies

Given its international footprint, the Group is exposed to currency volatility in its commercial and financial activities.

For more details on the currency risk management policy, see paragraph 1.6.4 "Financial risks".

Risks relating to regulations

As it is present in many countries, the Group is subject to regulations established by governments or international organizations, which apply to its food product and packaging activities. It is chiefly subject to health and environmental standards, customs systems, and quality controls.

It has to comply with mostly multiple changing laws and regulations that are increasingly restrictive. Any change in these laws and regulations and any administrative decision can have a significant impact on the Group's activities and financial performance. Numerous regulations may also indirectly limit the sale of its products.

Regulatory pressure is intensifying, particularly as regards competition law in the food sector. As a result, the Group could be subject to investigations and procedures in respect of anti-competitive practices.

The Group takes the measures that it deems appropriate to ensure compliance with regulations, particularly as regards competition law. It develops awareness initiatives for the employees concerned, and plans to pursue training in this area.

These measures are set out in the Code of Best Business Practices, provided to all Group employees (see paragraph 2.2.3, "Ethical business conduct").

The Group also operates in many markets and may hold substantial market share in some countries. Bel can therefore not completely

rule out any requirement to respond to investigations relating to competitive positioning. As at the date of this Registration Document, and to the best of its knowledge, the Group is not subject to any investigation in this area.

Risks related to competition

The Group carries out its business in intensely competitive markets, where major international cheese groups and many local players operate. In Western Europe, the Group is present in relatively mature and highly competitive markets. In the rest of the world, some international dairy and/or cheese groups with front rank positions in some product ranges are looking to strengthen their positions and penetrate new markets where Bel is present. Local cheese players are also very active. In addition, a number of retail chains have developed their own brands that compete with Bel products.

The Group is therefore endeavoring to raise the mindshare of its brands, make its products stand out and improve the profitability and management of its activities, in order to generate the resources it needs to implement a robust policy, chiefly through advertising investment, which is an integral part of its brand strategy.

Reputational risk

The reputation of the Group and its brands is considered a strategic asset in the expansion and value of the Company.

The mindshare of the Bel brands is based on quality, food safety, and proximity to consumers. The international communication policies of the brands, which include digital media, increase their reputational risk.

The Group's reputation could be weakened at any time by risk situations, particularly an unfavorable event affecting one of its products or sites, an inappropriate communication and promotion strategy, or even uncontrolled dissemination of prejudicial information circulating publicly.

The success of Bel's brands depends in part on their positive image with consumers. Any deterioration in the image of the Group

and its brands could adversely affect the Group's sales, activities or development. The Bel Group therefore closely monitors its brand communication.

The Group has a risk management system that identifies and addresses risks.

The Group's risk management system was strengthened in 2014 by the introduction of digital and local press monitoring and media training for its representatives in a crisis situation.

A responsible public relations policy has also been shared with the Group's spokespeople to ensure a coordinated and managed approach towards engaging with external stakeholders, based upon listening and respect. In 2014, the Bel Group joined the European Union transparency register. (www.ec.europa.eu/transparencyregister).

Risks related to global warming

As a food manufacturer, the Group is highly exposed to the consequences of global warming, and particularly the growing scarcity of fresh water worldwide. The increase in extreme weather events (heatwave, drought, flooding, etc.) is added to underlying trends such as rising temperatures and changing precipitation patterns. These phenomena have severe consequences for the agricultural sector and food security at the global level. The dairy sector is impacted throughout its value chain, from milk yields, which depend on climate conditions, to consumers, increasingly concerned about the impacts of their food on the environment.

Faced with the issue of water scarcity, the Group conducts an annual risk analysis (according to the criteria of the *Food and Agriculture Organization* and the *Water Risk Filter*) allowing it to assess the level of water stress in the areas where it is based. In 2015, more than half of its production sites were located in regions where the water resource has been identified as at risk.

To address this, the Group is developing ways of reducing its water consumption. Priority action plans are implemented for any production site exposed to periodic drought that exceeds a warning threshold (see paragraph 2.7.2 "Sustainable water use").

1.6.3 Risks intrinsic to business activity

Product-related risks

■ Contamination risks

Food safety is a central concern for the Bel Group. Any claimed or proven contamination of the Group's products could harm its reputation, business activity and results. The contamination risk depends on the type of product concerned, but exists at every stage of the production cycle, from the purchase of raw materials to retailers and consumers.

Upstream risks are mainly chemical and physical in origin (foreign bodies) and could affect the Group's raw materials, inputs, packaging, etc. Downstream risks are mainly bacteriological for the most fragile products (dairy cheeses). Furthermore, like all agri-food products, Bel products could be exposed to malicious contamination.

Any crisis affecting the dairy industry and the natural qualities of milk could also adversely impact the Group's activities due to negative media coverage, even if the crisis has no direct link with the Group's business.

The Group has a monitoring structure in place to identify as far upstream as possible any emerging risks directly or indirectly affecting its production. After assessing the potential risks, the Group applies the best-adapted and most efficient measures to date according to the level of criticality.

For example, in 2013 the Group committed to a multi-year investment budget to set up foreign-body identification systems on its production lines.

■ Risks linked to innovation and consumer expectations

The Bel Group's various products are subject to consumer tastes and expectations. If the Group should fail to anticipate, identify and understand changes in the tastes and eating habits of consumers, its sales and results could be adversely affected.

The Group is developing a portfolio of products so that it can offer different varieties to meet the needs and expectations of consumers. Bel listens to consumers so that it can adapt to their eating habits.

Risks relating to trademarks and intellectual property

Bel owns trademarks, designs and models, domain names and copyright worldwide.

The Group has made considerable efforts to protect and defend its portfolio of trademarks worldwide.

Among other things, a plan to update trademark registrations worldwide is implemented every year. The Group also conducts global monitoring of its major brands to ensure that no similar or infringing trademarks are registered by third parties. Lastly, if products or trademarks that are counterfeit or that harm its rights are discovered, all of the Bel Group's legal resources in the country or countries concerned are implemented, in order to put an end to the counterfeiting or unfair competition.

Considering the mindshare of its brands, the Group is objectively exposed to the risk of counterfeiting and unfair competition. Due to the unequal legal safeguarding of intellectual property and unequal consideration of unfair competition by the legal systems of some countries, recognition of and respect for the Group's rights may be more limited, and the legal resources it can call upon might not be effective enough to combat counterfeiting and unfair competition.

The Group has introduced an Intellectual Property Policy to raise employee awareness of intellectual property issues and the dangers of counterfeiting. The Group has tasked the Group Legal Department with ensuring the protection and effective defense of its trademarks and domain names. The department acts as a centralizing entity for the entire portfolio of trademarks, models, domain names and legal disputes, and also implements a coherent global strategy of protection and defense. The defense of the Group's intellectual property rights is not confined to word marks and domain names, but also extends to device marks (packaging, decoration, shapes, etc.), advertising, websites, etc.

Any difficulties encountered in protecting and defending its intellectual property rights, mainly its trademarks, and combating counterfeiting, could affect the Group's activity and results.

Risks related to dependence on suppliers or customers

The Group's production requirements are met by external suppliers (mainly dairy raw materials and packaging). These supplies are provided by a limited number of operators in the market (see paragraph 1.1.5 "Bel and its 'business ecosystem'"). Bel could encounter difficulties in finding alternative sources in the event of default by some of its suppliers, which could affect its results and activity.

The Group's Purchasing Department has developed a policy aimed at limiting the risk of supply disruption by securing a large share of this and access to the volumes required by its business by establishing annual and multi-year framework agreements with a limited number of strategic suppliers.

In terms of packaging, the Group has launched a risk management policy by establishing contingency plans.

The Group's products are marketed to a limited number of key customers in certain markets (particularly in Western Europe, the United States, etc.). Any decision by one or more Group customers to stop marketing certain products could impact significantly on its operating profit. To prevent any deterioration of relations with its key customers, the Group keeps a close watch over changes in its commercial activity, particularly the renewal of commercial contracts.

Risk of total or partial destruction of a strategically important production site

The Group has 30 operational production sites. Any incident – particularly if caused by the increased occurrence of extreme weather events, in some cases related to global warming – could lead to a total or partial site shutdown and affect the production and marketing of products manufactured at the site concerned. To safeguard production, the Bel Group regularly optimizes this and has put in place prevention and business continuity plans. The Group has also taken out insurance, damage and operating loss policies to cover risks. These are presented in paragraph 1.6.1 “General risk management policy”.

Risks related to the Group's growth strategy

The Group's strategy is to strengthen its position through external and organic growth. Before any major investments are made, analyses are carried out to assess the quality of the growth opportunities and to measure expected growth and cost synergies. A risk appraisal is always performed.

Any growth project taking place in a changing environment therefore exposes Bel to integration risks and changes in market climate. The expected targets could prove hard to achieve and require the Group to adjust its strategies, if necessary.

Risk relating to information systems

The Bel Group relies on data from integrated IT systems, which are used to make operational management decisions and trace operations.

Although these applications are monitored and constantly upgraded, any failures of the applications or the communication networks could penalize some decision-making and the profitability of operations. To mitigate these risks, the Bel Group makes use of

specialist operators to manage its critical infrastructure (IT systems and telecommunication networks). The contracts governing the Group's relationship with these companies were established to ensure a high level of availability and security, commensurate with maintaining centralized applications in operational condition.

These contracts and their associated services are regularly reviewed, and the business recovery procedures to be implemented in the event of a major incident at the Group's processing center are periodically tested.

The Bel Group deploys systems and procedures to control and manage fraud risks, attempts to hack into its systems and the spread of computer viruses. Procedures and tools are implemented to respond to threats arising due to technological changes.

Various measures are aimed at reducing the Bel Group's exposure to cyber-attack risks. These include updating the IT Systems Security Policy and implementing it at the Management level, sharing security best practices, and running regular intrusion tests.

Additional information is provided in paragraph 3.3.5 “Procedures for preparing and processing the Company's accounting and financial information”.

Legal and litigation risks

The Group faces legal risks in all of its businesses and in its international markets.

These risks, which could arise from the legal and regulatory framework, business operations or contracts with suppliers and customers, are described in the relevant sections of chapter 1.6.

At December 31, 2015, and up to the date of this Registration Document, the Bel Group reviewed the main legal and/or administrative proceedings, either in progress or planned, as part of the normal course of its activities. Provisions are made for probable and quantifiable costs that could arise from these proceedings.

The main legal and administrative proceedings are described in Note 7 to the consolidated financial statements, in paragraph 4.5.1. “Consolidated financial statements at December 31, 2015”.

There are no other governmental, legal or arbitration proceedings in progress, including any proceedings of which the Group has knowledge that are pending or threatened, that are likely to have, or that have had, significant effects on the financial position or profitability of the Company and/or the Group in the past 12 months.

1.6.4 Financial risks

The Group is exposed to financial risks due to its activity, and specifically liquidity, exchange rate, interest rate, counterparty and commodities risks.

The Group Treasury Department, which reports to the Deputy General Manager responsible for financial affairs, has the necessary skills and tools to manage the reduction of market risks. A monthly report is sent to the Deputy General Manager and regular presentations are given to the Audit Committee.

Additional, quantified information, particularly in relation to the Group's exposure to these various risks after they have been managed, is presented in Note 4.15 "Financial instruments" to the consolidated financial statements in paragraph 4.5.1 of this Registration Document.

Liquidity risk

The Group has established a policy to limit liquidity risk. It regularly carries out a specific review of its liquidity risk, and believes itself to be capable of meeting its future due dates. Pursuant to this policy, a large proportion of the Group's resources are medium-term resources. The Group thus enters into confirmed credit lines and medium-term interest-only loans with its banks and investors. In 2015, the Group strengthened its liquidity by negotiating an extension to its €520 million credit line: the maturity was extended from 2019 to 2020 with the possibility of further extending it to 2021. This line has not been used. The Group has a strong liquidity position since Fromageries Bel, the centralizing entity for the Group's surpluses, had a substantial amount of excess cash (€582 million) at December 31, 2015.

Fromageries Bel's loan contracts include the obligation to meet certain covenants, including a ratio of indebtedness to current operating income from ordinary activities that is less than or equal to 3.5. If these covenants are not met, the lenders can declare a default and demand early repayment of a significant portion of the Group's debt.

Neither Fromageries Bel, nor its subsidiaries, are subject to a rating published by a financial ratings agency.

The Group implemented a policy of pooling liquidity at the Fromageries Bel level for all countries where the local currency was freely convertible and where there were no legal or fiscal limits on pooling local surpluses or financing local needs. The Group Treasury Department manages internal current accounts and a system for offsetting inter-company payments.

In countries where surplus and financing pooling is not allowed, subsidiaries invest their surpluses in money market funds denominated in their local currency and, if needed, finance

themselves primarily in local currency. Further, the dividend policy is systematically aimed at limiting recurring surpluses at the subsidiaries.

Some subsidiaries may have no alternatives to local currency financing. In cases where the local currency is devalued, the subsidiaries recognize the related financial loss.

Surplus liquidity is invested in the form of money-market UCITs or deposits, either short-term or with almost immediate liquidity.

Exchange rate risk

Fromageries Bel and its subsidiaries are exposed to transactional exchange rate risks, due mainly to commercial commitments and sales and purchases carried out in currencies other than their functional currencies. Fromageries Bel also holds assets, receives revenues and is exposed to expenses and commitments, either directly or via its subsidiaries, in a large number of currencies. As the consolidated financial statements are presented in euro, the value of the assets, liabilities, revenues and expenses will be impacted by fluctuations in the euro.

The management policy is to hedge transactional risk on foreign currency transactions using firm or optional derivative financial instruments to reduce sensitivity to unfavorable currency fluctuations. The Treasury Department is not a profit center. The Group implements a central exchange rate policy that aims to hedge the annual budgetary risk on currency purchases and sales for all the French, European, North American and Japanese entities. The Group Treasury Department provides these entities with the necessary currency hedges. The dollar, sterling and zloty are the main currencies exposed to transactional risk. Hedges do not exceed a horizon of 18 months.

For subsidiaries in countries where there are no financial hedging instruments, the policy has been to maximize natural hedging as much as possible through billing currencies, for example. However, local currency devaluations can significantly impact the profitability of the entity concerned.

Interest rate risk

Most of the Group's financing is arranged by the Fromageries Bel company, which also handles interest-rate risk management centrally. The policy governing interest-rate derivatives is designed to protect against an unfavorable rise in interest rates, while partially taking advantage of any fall in interest rates. At December 31, 2015, most of the investments were floating or adjustable rate. Gross debt is divided equally between fixed/floating rate.

Counterparty risk

All cash investments and financial instruments are set up with major counterparties in accordance with the rules of safety, diversification and liquidity. Most of the counterparties are banks from the financing banking pool and are mainly French, or foreign but operating chiefly in Paris. Counterparty risk is monitored regularly and is reported on monthly. The Group's counterparty risk management could nevertheless fail to protect it against a significant impact in the event of systemic failure.

Risk related to commodities markets

Although it is exposed to volatility in commodities, the Group, and the dairy industry in general, does not make use of a financial hedging market offering sufficient liquidity. Only the US market has a hedging market, although this is limited to local production and consumption. The US subsidiaries make use of this market as part of budgetary hedging through the use of firm or optional derivatives.

CORPORATE SOCIAL RESPONSIBILITY

2

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2.1 The challenges of Bel, international dairy player

2.1.1 Bel's CSR policy: "Smiles for the future"

All companies, regardless of their business sectors, are faced with numerous social, environmental and corporate challenges. Their CSR (corporate social responsibility) reports disclose their endeavors to cope with these challenges.

For these initiatives to be a source of differentiation and help to enhance the competitiveness of companies, they must rely on the specific features of their model.

Four specific features have carried the Group to its current performance level:

- a corporate model implemented with its employees and its ecosystem;
- an industrial expertise that allows the Group to guarantee quality and productivity;
- recipes mostly presented in individual portions, to enhance food quality and safety;
- brands that have successfully forged trusting relations with millions of consumers worldwide.

These specific features are four assets that represent the foundation of Bel's "Smiles for the future" CSR policy.



2.1.2 Mapping of the Group's issues

In 2014, Bel launched a survey to identify the priority issues linked to its corporate social responsibility in order to ensure better coherence between its growth and corporate performance ambitions. A panel of 170 stakeholders (50% internal and 50% external) was consulted. The membership of the panel was supposed to reflect the different geographical areas in which the Group operates and the variety of its external stakeholders.

Using a matrix (a materiality matrix) which highlights the convergence between its employees' and external stakeholders' expectations, Bel identified two issues. First, the major challenges for which the Group has set ambitious progress objectives and second, the strong expectations which the Group intends to address with continuous improvement plans.

This chapter focuses on the major challenges of Bel, in other words, the most decisive for creating the Group's target value in the short, medium and long term.

1. Contributing to more sustainable food

Bel capitalizes on the advantages of its individual portions to:

- strengthen food quality and safety;
- propose to consumers the right nutritional intake for their needs;
- reduce food wastage.

Furthermore, Bel uses its expertise to develop the right quantity of packaging to protect its portions and guarantee their sanitary quality.

2. Supporting consumers

Bel relies on the confidence generated by its brands to:

- help consumers make informed food choices;
- guide consumers towards healthier and more environmentally-friendly food choices.

3. Acting as a responsible player within its “corporate ecosystem”

Bel relies on its model where confidence and mindset are critical to:

- ensure the health and safety of all;
- create pleasant and attractive work conditions for its employees to attract the new talents that will build the Company of tomorrow;
- help build a sustainable dairy sector;

- forge lasting relations with its partners and guide them in progress initiatives;
- strengthen its territorial establishment.

4. Reducing its impacts on the environment

Bel uses its industrial expertise to:

- adopt a sustainable use of water, a resource that has a direct impact on its operating capability;
- reduce and optimize its energy mix, the primary source of carbon emissions on its sites.

2.2 Ethically managing its business

The materiality matrix has revealed strong expectations from all stakeholders, both internally and externally, for an ethical management of its business.

More than a specific challenge, it involves developing an ethical culture and practice on a daily basis at all levels of the Company.

The Group expects its managers to have a positive influence on the attitudes, behavior and choices of all their teams. They must ensure the smooth application of the Code of Best Business Practices and their related policies and charters.

2.2.1 Corporate responsibility at the heart of governance

The Group's organization facilitates the recognition of corporate challenges from the managerial levels to the teams.

The Board of Directors as the watchdog of commitments

The Board of Directors of Fromageries Bel takes all decisions relating to the implementation of the Company's major strategic, economic, corporate, environmental, financial and industrial objectives and ensures they are implemented by Senior Management.

The Ethics Committee

The Ethics Committee, which reports to the Chairman and CEO, prepares the ethics policy, in close collaboration with the Legal Department, Human Resources Department and the CSR Department. To promote its implementation and that of its operational applications, the Ethics Committee relies on the relevant business departments.

Since mid-2015, the Ethics Committee relies on a network of officers designated as Ethics experts in the Human Resources Department of each of the Group's subsidiaries.

Furthermore, Bel rolled out around the same period, an early warning system allowing all its employees to report breaches of the principles stated in the Code of Best Business Practices for cases they may have had knowledge of. Regardless of the country

in which they operate, they can trigger a warning through a toll-free number to an operator who will communicate with them in the language of the country of origin of the call. The procedure for processing dysfunctions is handled by the Ethics expert of the relevant zone who notifies the Ethics Committee and reports on follow-up actions. The Ethics Committee only processes warnings related to select cases.

Lastly, management of compliance with the Group's ethics will be strengthened in 2016 through a training program under development to coach, raise awareness, or even train employees depending on their managerial situation, geographic location and their jobs.

The Investment Committee

The Investment Committee, which reports to the Chairman and CEO, seeks to regulate and validate the Group's overall investment budget package and all projects in the year for amounts exceeding €0.5 million, regardless of their financing method (equity, debt, lease financing, subcontracting agreement, etc.).

The Investment Committee evaluates these projects not only on the criteria of economic and financial performance but also on non-financial criteria corresponding to major – employee-related, environmental and societal – challenges facing the Group. This non-financial evaluation is validated by the CSR Department which may consult the Ethics Committee, if necessary.

Responsible lobbying

With respect to lobbying, the Group encourages participation in the work of the professional organizations to which it belongs. However, when it considers it to be legitimate and useful, it acts directly with public authorities. Legitimate when the interests at stake concern numerous employees or consumers who have confidence in Bel. Useful, because in a democracy in particular, it

is best if the views of all stakeholders concerned are factored into the construction of public decisions.

Bel shares with all internal or external representatives, acting on behalf of the Group and its entities, precise rules for carrying out its lobbying actions in a responsible manner.

Bel has been registered in the European Union transparency register since 2014, (www.ec.europa.eu/transparencyregister).

2.2.2 Trusting relations with its stakeholders

Listening and dialog with its corporate ecosystem

Bel has a large range of stakeholders mainly due to the international retailing of its brands and the location of its industrial sites. The different departments listen to, maintain dialog and consult their own stakeholders on relevant matters. This decentralized organization allows recognition of these exchanges at highly operational levels.

Sharing the economic value created

The economic wealth generated by the Group's growth is shared with some stakeholders in its ecosystem (see paragraph 1.1 "Sharing the value created").

2.2.3 Ethical business conduct

Bel shares with its employees and its suppliers the principles that it intends to implement everywhere and ensure compliance thereof under all circumstances.

The Group's voluntary commitments

Bel, a signatory since 2003 of the United Nations Global Compact, regularly asserts its commitments and reports on its progress in four fundamental principles: respect for human rights, respect for work standards, the fight against all forms of corruption and respect for the environment.

With respect to the positioning of most of its brands, Bel pays particular attention to respect for children's rights. The ten Guidelines on children's rights and companies, jointly drafted by the United Nations Global Compact, UNICEF and Save the Children, constitute Bel's reference framework.

Code of Best Business Practices

The Code of Best Business Practices sets the general framework for the professional conduct of each Bel Group employee. The seven principles specified in the Code do not replace the national laws and regulations which the teams are still required to follow, and where the regulation of a country is more stringent than an ethical rule stipulated in the Code, the national regulation must prevail. For the principles to be fully embraced by all teams, the Code has been translated into 13 languages. It is accessible in French and English on the Group's website www.groupe-bel.com.

A practical guide to the Code of Best Business Practices facilitates understanding and presents examples of daily application. This guide is available on the Group's intranet and awareness-raising sessions are organized on a regular basis.

The specific policies of certain business lines are modeled on these principles for application on a more operational level. To implement these principles in the relations with our suppliers, Bel shares its Charters with them.

Sustainable purchasing approach

■ Supplier assessment

For the past five years, Bel has been assessing its suppliers and sub-contractors that it considers extremely important given their business volume, potential risk associated with the products/services supplied or their geographic location. Carried out in cooperation with EcoVadis, a specialist in sustainable purchasing, this assessment is based on 21 criteria, arranged into four topics: Environment, Employee-related, Ethics and Suppliers/Supply chain. The assessed supplier obtains a score for each topic and an overall score out of 100.

Suppliers assessed during the past three years represent 60.2% of the amount of the Group's purchases – excluding milk producers.

The average score obtained by the portfolio of Bel suppliers is increasing regularly and is always above the average score of the panel assessed by EcoVadis. Of the 292 suppliers who participated in one or several reassessment(s) at the end of 2015, 69% obtained a higher score. This illustrates the improvement initiative to which they are committed.

	2013	2014	2015
Number of assessed Bel suppliers	403 ^(a)	414 ^(b)	437 ^(c)
Average score of assessed Bel suppliers	43.3/100 ^(a)	44.0/100 ^(b)	46/100 ^(c)
Average score of companies assessed by EcoVadis in the year	41/100	40.8/100	42/100

(a) Suppliers assessed between 2009 and 2013.

(b) Suppliers assessed between 2011 and 2014.

(c) Suppliers assessed between 2012 and 2015.

■ The Sustainable Purchasing Charter

The Sustainable Purchasing Charter is a tangible reflection of the Group's strong commitment to promoting the ethical conduct of business with and by its suppliers. In addition to the commitments made by Bel to its suppliers, this Charter presents what the Group

expects from them in return in terms of major corporate challenges: trade ethics, respect for human rights and children's rights, the fight against corruption, respect for the environment, etc.

This Charter is presented at the request for proposals phase. Bel inserts a special clause into its contracts with suppliers to ensure their compliance with the Charter.

2.2.4 Respect for human rights and work standards

Bel undertakes to promote and follow the principles relating to the respect of human rights and work standards, within its teams and in its sphere of influence, and to ensure that it does not aid and abet any violation thereof.

Committing to a more proactive approach

Conscious of the fact that compliance with human rights is not limited to compliance with work standards, Bel initiated a debate in 2015 to better identify all the potential impacts of its activities on its employees, its partners and the communities with which it interacts. To achieve this goal, it used the tool proposed by the Danish Institute (Human Rights Compliance Assessment).

Protecting the essential rights of employees

This is one of the seven principles of Bel's Best Business Practices, in reference to those stated by the Universal Declaration of Human Rights and the International Labour Organization's conventions. The Group strives to ensure that these principles are followed.

The Group has set up very vigilant human resource policies on compliance with work standards especially for employees based

in countries with a high risk of non-compliance with human rights. In 2015, 40% of the Group's employees worked in countries with a high or extremely high risk of non-compliance with human rights (Human Rights Index – Maplecroft). In each of these sites, the Human Resources Manager, under the authority of the Director, is responsible for their implementation.

Vigilance with suppliers classified "at risk" rank 1

Bel purchases promotional items. Although these account for less than 0.2% of the Group's total purchases, Bel hires an independent organization to audit the main manufacturing sites used by its suppliers due to a complex supply chain and plants that are mostly located in China. These audits concern in particular work conditions and compliance with international standards.

Bel has not identified any other category of suppliers ranked 1 at-risk on these topics. However, the Group reminds all its suppliers of the duty of vigilance that they are required to implement themselves with respect to their own supply chain. This point is specifically evaluated by EcoVadis (see paragraph 2.2.3 "Ethical business conduct").

2.2.5 Fighting corruption

The Group has implemented guides, policies and voluntary measures to supplement its Code of Best Business Practices, for more specific oversight of its activities by region: embargo, fighting corruption, compliance with competition laws, etc.

In 2015, Bel achieved more than 20% of its revenue in countries with a high or very high risk of corruption (score of less than 40 in the 2015 Transparency International perception corruption index). In these countries, the Group trained all Management Committees on the rules that it wants all its employees to implement to avoid all risks of corruption and is vigilant on their application.

Since 2014, Bel is party to the Supply Chain Initiative in 16 European countries which account for around 50% of its revenue. The Initiative is a voluntary self-regulating code which states 10 principles to be followed in the context of commercial relations. The majority of them are also stated in its Code of Best Business Practices.

2.2.6 Respect for the environment

Land use

Land use was not identified as a key issue for the Group, given that the space occupied by its plants is very small. At present, all of the land owned, leased or managed by the Group is situated outside of protected areas. When requesting an operating permit, each site's position is analyzed with respect to the sensitivity of the natural environment and the potential impact of its activities.

Environmental impacts are mostly outside production sites

The life cycle analyses of the Group's products reveal that between two-thirds and three-quarters of its environmental footprint are due to stages carried out outside its production sites⁽¹⁾.

Therefore for the Group, respecting the environment means not only implementing continuous improvement at its sites (see paragraph 2.7.1 "General environmental policy"), but more importantly, guiding its suppliers towards the adoption of more sustainable production methods and its consumers to avoid waste (see paragraph 2.4.2 "Providing the keys to unlock responsible habits").

Fighting deforestation

Bel has launched three priority action areas to address the important issue of global deforestation:

- cardboard is the leading material (in volume) used by Bel to manufacture its packages. The Group implements the right quantity of cardboard necessary to ensure the quality of

products and protect them against the physical shocks that lead to losses. Whenever possible, Bel prefers cardboards made with recycled fibers, but uses cardboards made with virgin fibers when the integration of recycled fibers would require significantly more material to achieve the same strength to withstand handling in machines, transportation, printing, etc.;

- Bel Group seeks to contribute to a more environmentally-friendly dairy sector. In this context, monitoring the production method of soybeans and the palm kernel expeller (PKE) by-products used in cattle feed appeared as a priority for Bel which is now a member of the Round Table on Responsible Soy (RTRS) and Round Table on Sustainable Palm Oil (RSPO) associations. This commitment is in line with the partnership signed with the World Wide Fund (WWF) France in 2012:
 - in 2015, Bel purchased RTRS and RSPO certificates to cover soy volumes (34,350 tons) and palm oil cakes (36,950 tons) used in the feed of the dairy cows that produce the liquid milk used in Europe⁽²⁾. The milk delivered to Bel by Dutch producers is covered by the purchase of certificates by the Dutch dairy sector. As such, the Group covers 100% of the total quantity of soy and PKE used to feed the cattle that produce its milk in Europe;
 - furthermore, with the WWF, the Group continues to search for alternatives to imported soy in France, a complementary solution to the current purchase of certificates;
 - the Group has begun a plan to rework its formulas to remove any use of palm oil: the Group bought 1,045 tons of palm oil in 2015 versus 3,022 tons in 2014.

2.2.7 Respecting children's rights

With respect to the positioning of most of its brands, Bel Group considers that protecting children's rights is a major challenge. Its reference framework is comprised of the 10 Guidelines on children's rights and the undertakings prepared jointly by UNICEF, Save the Children and the Global Compact (to find out more: www.unicef.org/csr).

As a direct or indirect employer

- Bel refers to Conventions 138 and 182 of the International Labour Organization (ILO) for its Best Business Practices and its Sustainable Purchasing Charter.
- All its employees, regardless of their age, are covered by Bel's occupational health and safety policy.

- Local agreements give parents time off for their young or sick children.
- Bel signed an agreement in France in January 2015 to:
 - donate holidays to another employee whose child is seriously sick or is the victim of a serious accident;
 - the solidarity round-up (a micro-donation deducted from the salary of willing employees, and matched by the Company) for, in particular, the *Petits Princes* charity which makes dreams come true for seriously sick children and teenagers suffering from cancer, leukemia and a variety of genetic diseases;
 - the solidarity holiday allows employees to participate in short-term humanitarian projects abroad related to children and/or food.

(1) Source: life-cycle analysis carried out on the eight-portion *The Laughing Cow* and the eight-portion *Kiri*.

(2) In Europe, Bel Group collects milk in France, the Netherlands, Portugal, Slovakia and Poland.

As a dairy industry business

- The daily needs of children are the baseline for formulating recipes for them (see paragraph 2.3.2. “Nutritional quality”), and public health authorities everywhere recommend dairy products in the diets of children.
- Aware of the impact that its marketing can have on the behavior of children, Bel’s Responsible Communications Charter includes the principles that it wishes to be respected in all of its communications (advertising, corporate communication measures, packaging, etc.). The Charter, which recalls the strict principles that must be respected by its communications when they directly target children under 12, is shared with all its agencies.
- In 2015, the Marketing Department reviewed the validation procedure for communications which apply to all brands on its territories. The Charter also restates the governance system on this subject.

- The Group Procedure for processing the personal data of consumers clarifies the principles to be followed to protect private data collected from children.

As a company concerned about its environment

- The sponsorship initiatives, implemented by the Group and by its corporate foundation in particular, are focused on children.
- In 2015, to celebrate the 150 years of the Group, the Bel Foundation put together an exceptional operation with SOS *Villages d’Enfants* allowing around 1,700 children worldwide access to one balanced meal a day for one year.
- Furthermore, children are the primary beneficiaries of the citizen and solidarity initiatives taken by its brands.

2.3 Contributing to more sustainable food

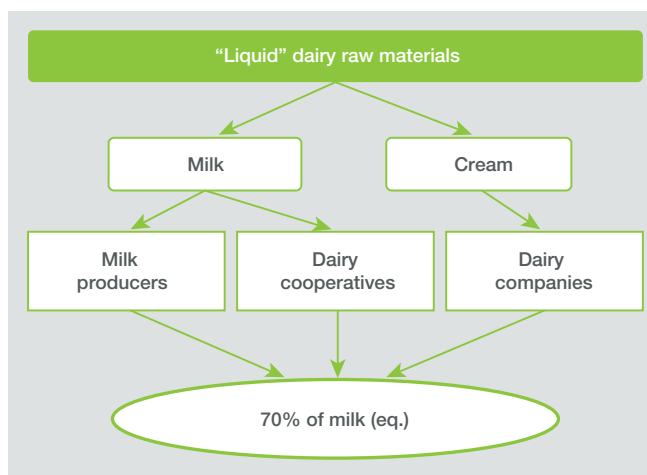
One of the UN Sustainable Development Goals is to put an end to hunger and malnutrition in all its forms by 2030, by making sure that all people – especially children and the most vulnerable – have access to sufficient food in quantity and quality, throughout the year. At the same time in many countries, public health policies strive to fight the vicious cycle which starts with poor food choices and leads to metabolic disorders, or even chronic diseases.

Eaten in moderation, cheese, which contains milk nutrients, can contribute to a balanced diet and offer a solution to these two issues. Cheese is specifically a significant source of calcium, an essential nutrient for the growth of children and is compatible with the food requirements of everybody, including those watching their weight or heart.

2.3.1 Food quality and safety

Bel is aware that there is no such thing as zero risk. As such, the Group works in close collaboration with all actors of its value chain to deliver safe and healthy products to its consumers.

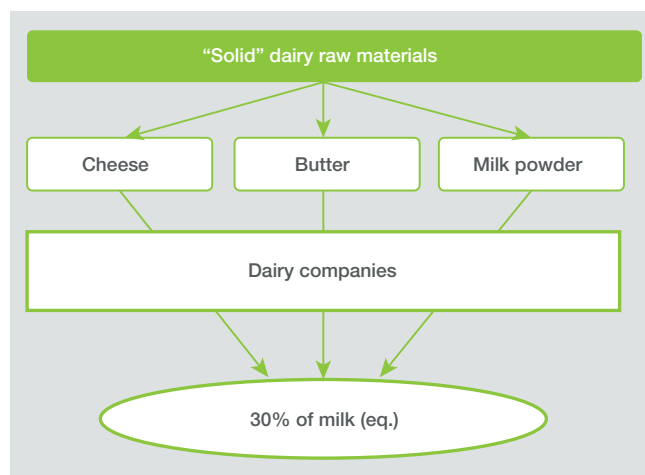
Bel ensures strict traceability of all the ingredients included in its recipes and in particular all dairy raw materials, whether liquid or solid. They are all subject to multiple sanitary checks as soon as they enter the manufacturing sites.



eq.: equivalent

Thanks to this control over the traceability of its dairy raw materials and its logistics, Bel is in a position to guarantee their origin: the fresh milk collection zones are always located near its production sites.

The pasteurization process implemented at Bel sites ensure the correct storage of the collected milk and manufactured products,



with the storage of the latter reinforced by the protective individual packaging of the individual portions. The health qualities of cheese are also guaranteed over several weeks.

Lastly, through its packaging, the Group provides its consumers, with the necessary advice to ensure optimum conservation, best before date, etc.

2.3.2 Nutritional quality

Bel wants all its products to reconcile the pleasure expectations of its consumers with the expectations of the public health authorities.

Meeting consumer expectations

Bel only launches a new product if at least 70% of the consumers polled have appreciated the recipe. In the event of reformulation, more than 50% of surveyed consumers have to consider the new recipe as good as the old one.

Bel regularly analyzes the sensory profiles of its products to ensure that manufactures meet identified expectations.

Under the same brand – core or local – the Group permanently adapts its offer to match the variety of consumer expectations – in total, Bel sells more than 560 different recipes.

Some consumers distrust certain compounds even if there is no scientific data casting doubts about their safety and their use is authorized by the regulatory authorities.

■ Food additives

To meet very specific specifications – long life cycle, ability to withstand the lack of a cooling system where distribution cannot guarantee an uninterrupted cold chain – and consumer expectations (creamy texture, attractive color, etc.) Bel sometimes uses non-dairy ingredients (e.g. maltodextrin) or food additives.

The Group systematically limits their use and is trying to gradually remove them completely from certain formulas.

■ Organic products

Bel has decided not to position itself on the organic food segment which it considers incompatible with its industrial model and with its ambition to propose products at accessible prices to the largest number of consumers.

■ Genetically modified organisms (GMOs)

In all its plants, Bel sources its products solely from "conventional" raw materials and ingredients that do not contain any GMOs or contain only an accidental and technically unavoidable quantity of less than 0.9%, as defined by European Union regulation.

Being part of the solution to public health issues

The Group gears its efforts above all, on the three key nutrients for cheese: fats, salt and calcium, while checking at the same time, the contributions from other nutrients. The reference quantities are those actually contributed by the portion as a unit of consumption:

- fats: Bel proposes reduced fat versions for four of its five core brands – The Laughing Cow, Leerdammer, Mini Babybel and Boursin;

- salt: the Group strives to reduce the amount of salt in its formulations. However, a minimal quantity is sometimes inseparable from the manufacturing processes and/or is required to ensure the sanitary quality of the products;

- calcium: Bel gradually adjusts the calcium content of its products when it appears to be too low and there are proven cases of deficiency in the local population.

If the portions are found to be clearly deficient in certain nutrients (vitamins and minerals), the Group strives to improve its portions.

2.3.3 Individual portions

The individual cheese portion is the core of Bel's model. This format has numerous advantages that allow the Group to contribute, at its level, to more sustainable food:

- by strengthening food quality and safety;
- by proposing to consumers the right nutritional intake for their needs;
- by helping to reduce food wastage. And although the advantages of a highly protective individual packaging far outweigh their drawbacks (end-of-life packaging waste after a very useful life), Bel implements action plans to reduce packaging waste.

Bel ensures that its packages use the right quantity of materials to meet the functional specifications which guarantee at least the nutritional quality and safety of the products and protects them against shocks. Continuous improvement plans have helped

to reduce the thickness of the aluminum sheets used for The Laughing Cow portions which is now just 10 microns thick, which is seven times thinner than a strand of hair.

Bel has chosen simple materials easily compatible with waste sorting instructions and in certain cases, modifies them to make them compatible with existing sectors. In France, Bel is working with *Éco-Emballages*, an organization that manages and operates the sorting and recycling of household packaging waste, to improve the recyclability of Leerdammer sliced cheese plastic packs. Bel also belongs to the *Club de l'Emballage Léger en Aluminium et en Acier* (CELAA) which has the ambition of helping to improve sorting and recycling of small-sized aluminum and steel packaging waste.

On production sites, any packaging off-cuts resulting from the manufacturing processes in plants are sorted and sent to the corresponding recycling channels, if such channels exist in the country concerned.

2.4 Supporting consumers

Internet technology has radically changed how we search for and exchange information, before, during and after each purchase: websites, smart phone applications, social networks, etc. Internet users can now have a huge impact on the image of products and companies. If a brand fails to meet requests for information from its consumers, they may leave and choose to buy another brand.

Bel brands choose to strengthen their communication on topics that can help consumers to make informed choices and seek to capitalize on the trust they have forged with consumers to guide them towards healthier and more environmentally-friendly choices.

2.4.1 Providing information sought by consumers

Although organoleptic pleasure and price remain the leading criteria of choice, consumers still seek to justify their choice with clear and relevant information on their nutritional contribution – 1.9 billion individuals ⁽¹⁾ are overweight – on the origin of the ingredients used in recipes, their traceability, on the safety and quality of the finished product; consumers are increasingly concerned about the impact of their eating habits on the environment, the working conditions of food producers, and sometimes the well-being of animals.

Until recently, this information was mainly conveyed by the packaging and very succinct explanations given the available

space. Internet technology has radically changed access to this information and allows more in-depth explanations about sometimes complex topics for the layman.

Although Bel believes that information regarding its corporate responsibility should not be communicated in the same manner as traditional advertising messages, the Group considers that each of its brands is entitled to communicate on these topics. However, the Group is vigilant about ensuring that whatever they say truly reflects its practices.

(1) Source: WHO.

Simplified reading of packaging

Packaging provides consumers with information about the product during the purchasing process. To make them easier to read, the Group is gradually rolling out a simple, visual, uniform marking system on all its packaging.

However, given the available surface area, Bel wishes to develop simple links between the packaging and the other devices used as communications tools by its brands (websites, mobile applications, etc.). Where consumer call centers already exist, namely in France, the UK, Germany, the USA, Canada, Vietnam and Japan, all of the products sold by the Group in these countries carry their contact details on their packaging.

Nutritional information

Even in countries where there are no local regulations, Bel displays the minimum basic nutritional information required by European regulation on its packaging. Whenever the size of the packaging allows, detailed nutritional information on the portion is provided.

Environmental information

Currently, the Group only communicates on the end of life of its packages: waste sorting instructions in countries where recycling channels are in place and cleanliness gestures in other countries.

The Group is, however, convinced that easily-understandable environmental indicators will fuel consumers' interest and influence their buying behavior. In this respect, Bel is actively participating in the European PEFCR (Product Environmental Footprint Category Rules) pilot project, which is aimed at harmonizing throughout Europe, the method used to calculate and communicate on the environmental impacts of products.

2.4.2 Providing the keys to unlock responsible habits

The Group has identified major challenges on which brands can help consumers to change their habits.

Adopting good food habits

By listening attentively to its consumers and backing scientific studies aimed at better understanding the nutritional and behavioral impact of its cheese portions in the diet of its consumers, the Group consolidates its expertise on good eating habits. Bel supports the *Fonds français pour l'alimentation et la santé* (FFAS), whose research projects focus on studying the relations between food and health, and the decisive factors of food behavior.

Based on this knowledge, the Group has developed a Responsible Communications Charter. Defined in 2009, this Charter encourages the positive portrayal of healthy eating habits in all Bel communications (advertising, brochures, illustration photos, etc.): adapted portion sizes, illustration of healthy eating habits without snacking, the promotion of active lifestyles, positive portrayals of mealtimes as a moment for being together and sharing... All the Group's marketing teams receive nutrition training that makes them aware of these commitments.

Bel Group encourages its brands to give simple advice to their consumers in order to promote good eating habits.

Avoid wasting food

Food wastage by consumers has a high environmental impact because it includes the impact generated by its handling, transportation and storage.

According to sources, wastage by consumers account for nearly half of all food waste. The individual portions format which Bel makes available to consumers allows optimum conservation of the portions, even when the portions pack is opened: the fact that these formats help to avoid throwing away products is the second reason for their purchase, after their convenience of use⁽¹⁾.

To strengthen their contribution to reducing waste in homes, brands rely on their mindshare to communicate best practices to their consumers to avoid daily wastage.

In 2015, Bel France signed the anti-waste charter proposed by the *Association Nationale des Industries Alimentaires* (French association of agribusiness, or ANIA).

(1) Study completed in April 2013 with 764 consumers of cheese sold in the self-service aisle.

2.5 Retaining employees and attracting talents

The Group's has a federating social model which makes it possible to reconcile economic and financial performance with the development of the men and women in the Group.

All human resource policies are harmonized to respect specific local cultures and reflect the mindset of the Group's slogan "Sharing smiles".

The Group pays special attention to first, ensure the health and safety of all and second, to prepare the future by proposing an attractive corporate model for the talents that the Company needs for its development.

The biennial opinion poll conducted in 2015 confirmed the Group's major strengths while revealing areas of progress.

2.5.1 Employer Bel: key figures

Workforce

Excluding Safilait, a Moroccan company acquired mid-2015, and the Bel production site in Côte d'Ivoire, the Group has 10,861 employees working in more than 30 countries. According to an initial estimate, nearly 1,350 people work for Safilait in Morocco.

On a like-for-like basis (excluding Safilait), Bel's total workforce (permanent contracts and fixed-term contracts as at December 31, 2015) fell by 123 employees, representing a 1% reduction compared with December 31, 2014.

Workforce by status ^(a)	2013	2014	2015
Managers ^(b)	n/a	1,814	1,921
Non-managers	n/a	9,170	8,940

(a) Active permanent contracts and fixed-term contracts at December 31.

(b) The definition of a "manager" is based on a standardized grading system applied to all subsidiaries: grades 1 to 7 as well as Management Committee members are considered as managers, whether they manage a team or not.

Workforce by operational region* ^(a)	2013	2014	2015
Western Europe	4,233	4,170	4,162
Of which France	3,356	3,301	3,300
North East Europe	2,153	2,118	1,995
Americas, Asia-Pacific	831	1,041	1,078
Near and Middle East	1,395	1,436	1,439
Greater Africa	2,218	2,219	2,187
GROUP TOTAL	10,830	10,984	10,861

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

(a) Active permanent contracts and fixed-term contracts at December 31.

Hires and departures (excluding changes to scope of consolidation)

To maintain its competitiveness and fuel its growth, Bel is constantly adapting its business lines and its human resources to match its needs. For example, the Group hired 1,119 employees in 2015.

That same year, most departures were voluntary (resignations and retirements).

Hires and departures	2013	2014	2015
Number of hires	891	1,397	1,119
Number of departures	892	1,276	1,227
Of which number of redundancies	182	260	209

Redundancies by operational region	2014	2015
Western Europe	68	58
<i>Of which France</i>	56	50
North East Europe	48	20
Americas, Asia-Pacific	69	79
Near and Middle East	12	9
Greater Africa	63	43
GROUP TOTAL	260	209

The Group's average rate of job insecurity is 19.1% (9.3% excluding temporary staff). This rate takes account of fixed term jobs and the use of temporary staff compared to all actually worked resources (fixed-term + permanent + temp staff). This average masks significant local discrepancies. For example, in the Near and Middle East, in Iran where Bel employs 300 people, the most common form of a legal employment contract is a fixed-term contract, which is therefore not a sign of job insecurity.

Rate of job insecurity ^(a)	2013	2014	2015
Western Europe	12.7%	13.7%	14.2%
<i>Of which France</i>	11.8%	14.0%	14.9%
North East Europe	17.1%	15.9%	16.9%
Americas, Asia-Pacific	1.8% ^(b)	10.7% ^(b)	10.8% ^(b)
Near and Middle East	34.9%	36.3%	37.7%
Greater Africa	22.9%	26.4%	22.8%
GROUP	17.7%	19.3%	19.1%

(a) Proportion of temporary or fixed-term contracts compared to all equivalent full-time contracts.

(b) Lay-offs in the United States are not included in this figure.

2.5.2 Employees' commitment

Bel conducts a global opinion survey every two years with the assistance of an external service provider. This survey allows, in particular, the Group to measure the commitment level of its employees as well as their expectations and their perception of its social model. The survey was conducted for the third time in 2015.

	2011	2013	2015
Response rate	73%	80%	86%
Commitment rate of Bel Group's employees	45%	51%	55%

2.5.3 Occupational health, safety and well-being

For several years now, Bel has been implementing continuous improvement processes tailored to the diversity and complexity of situations encountered (see paragraph 3.3.4 "Specific internal control procedures implemented by the Company").

Uncomfortable working conditions and occupational illness

By reducing manual load lifting and uncomfortable postures, the Group is taking action to prevent musculoskeletal diseases. Furthermore, the Group has identified – *inter alia* – three factors of discomfort that can affect employees working in its factories: noise, night work and repetitive tasks.

Plants are gradually setting up action plans to reduce these factors of discomfort and offer a healthy working environment for all employees.

Organization of work

In a socio-economic context which leads to the constant search for productivity improvement, Bel has identified several factors which directly impact the occupational well-being of its employees:

- organization of working hours and commuting;
- organization of offices, workshops and relaxation areas;

- work relations;
- changes in working methods with, in particular, the development of digital technology which can adversely impact the balance between working life and private life;
- the availability of high-performing tools, some of which can reduce the professional travel of employees.

Managers have a key role to play in organizing the work of their teams, detecting situations of discomfort which, in extreme cases, may lead to genuine psychosocial risks, and implementing the necessary remedial plans (personalized training programs, definition and application of rules of good conduct, compliance with paid vacation, etc.).

All managers must be attentive to ensure that their employees take the days off to which they are entitled.

	2013	2014	2015
% of employees benefiting from at least three weeks of annual leave	98%	94%	95%

Bel signed an agreement to set up home offices for all its employees working at head office in order to promote their well-being by reducing their home/office commuting time. This agreement also marks the will of the Group's Management to propose new ways of organizing working hours. In 2015, barring exception justified by the function, all employees are entitled to work from home once a week and twice a week if they are over 55.

There are many causes of absenteeism. In certain cases, absenteeism can be directly linked to a problem of discomfort at work. Absences often create disorganization which can have multiple impacts on the workload of the other employees present, and on the operation and efficiency of the teams.

Illness absenteeism rate	2013	2014	2015
Hours of absence due to illness/theoretical working hours	2.29%	2.08%	2.45%

Monitoring accidents

Bel has made health and safety at work a top priority. Since 2012, the Group tracks the frequency rate of all accidents covered by a medical procedure regardless of whether or not they lead to lost days, which affect not only its employees, but also all persons present on its sites: visitors, subcontractors and temporary staff. This indicator exceeds the French regulation requirements for

mandatory monitoring of the accident "frequency rate", namely, accidents involving lost workdays for Bel employees. This more demanding tracking demonstrates the Group's strong commitment to health and safety (see paragraph 3.3.4 "Specific internal control procedures implemented by the Company").

	2012	2013	2014	2015
Accident frequency rate ^(a) Bel AFR				
Accidents with and without lost workdays for all persons present on Bel sites	12.4	12.8	12.6	10.7
Accident frequency rate ^(a) AFR1				
Accidents with lost workdays for Bel employees	5.6	5.8	6.1	4.8
Accident severity rate ^(b) of Bel employees	0.2	0.2	0.2	0.1

(a) Number of accidents per million hours worked.

(b) Ratio of number of days not worked (calendar days), expressed in thousand hours not worked, over the total number of hours worked.

2.5.4 Equal opportunities

Bel fights all forms of discrimination and promotes equal opportunity in hiring and throughout the careers of its employees.

Gender

Within the non-managerial population, the number of women can be explained by the cultural contexts of the Group's locations, the organization of work teams, or even local regulations (night work, for example). Against this backdrop, the Group considers that the average breakdown of men/women – for all regions – of 30%/70% of the non-managerial population is satisfactory.

Men/women breakdown	2013	2014	2015
Total employees	68% / 32%	68% / 32%	68% / 32%
Non-managerial employees	70% / 30%	70% / 30%	70% / 30%
Managerial employees	60% / 40%	59% / 41%	59% / 41%

Breakdown of hires by gender	2015
Men	698
Women	421
Total hires	1,119

Nevertheless, although within the managerial population, women represent on average more than one third of the workforce, the proportion is lower among the higher grades (1 and 2). The Group considers a proportion of 30% women in positions of these levels as a minimum threshold to respect.

Men/women breakdown by grade	2013	2014	2015
Board of Directors ^(a)	6/1	7/2	5/2
Executive Committee ^{(a) (b)}	9/0	9/2	9/0
Grade 1 ^(a)	14/1	15/2	15/2
Grade 2	75% / 25%	78% / 22%	78% / 22%
Grade 3	69% / 31%	69% / 31%	68% / 32%
Grade 4	63% / 37%	62% / 38%	60% / 40%
Grade 5	61% / 39%	61% / 39%	60% / 40%
Grade 6	56% / 44%	55% / 45%	57% / 43%
Grade 7	51% / 49%	52% / 48%	50% / 50%

(a) Absolute values.

(b) At January 1, 2016, the Executive Committee became the Executive Committee.

Bel pays attention to avoid creating wage distortion between men and women and, in 2015 in France signed a three-year agreement on professional equality between men and women based on four leading ambitions: encouraging equal access to work, by guaranteeing non-discrimination during hiring and developing more diversity in so-called gender-specific jobs, guarantee wage

equality in a comparable situation, ensure equal access for men and women to training, promote better reconciliation between private and working life and make more room for parenthood.

Bel considers that a wage gap of more than 5% in the same country and at the same grade reflects a problem of wage discrimination. Its wage policy allows for a gap of 3%, in accordance with its goals.

	2013	2014	2015
Average ratio of women's salary to men's salary ^(a)	0.96	0.96	0.97

(a) In the same country and at the same grade.

Multi-cultural policy

Present in more than 130 countries, Bel is attentive to the diversity of the world in which it operates. The Group seeks to better understand its 400 million consumers by putting together teams that reflect this diversity.

Bel believes in creative drives and in the new forms of knowledge driven by diversity. The Group considers diversity as an engine for innovation and creating a nimble team. In this sense, diversity is a source of wealth creation which is inseparable from the Group's ambitious goals.

Generational diversity

11% of Bel's employees are aged 55 and above. Bel is attentive to securing their end of career, with particular attention to their working conditions and developing an accumulation of the knowledge they have acquired.

In France, the three-year strategic workforce planning was renewed in 2014. It supplements the generation agreements – which anticipate changes in the workforce with departures for retirement – and agreements on disability. It seeks to roll out the essential tools to deal with changes in jobs and qualifications.

Breakdown of employee by age	2015	
	%	Total
55 and over	11%	1,185
45 to 54	26%	2,818
35 to 44	35%	3,824
26 to 34	23%	2,523
25 and under	5%	511
TOTAL	100%	10,861
Median age		41 years

Disability

Bel encourages the integration into its teams of people with disabilities.

In wake of the partnership agreement with AGEFIPH⁽¹⁾ signed in 2011 in France, Bel Group wished to make the development of the employment of persons with a disability part of an agreement signed with its labor-management partners in 2014. This agreement

seeks to maintain the employment rate of persons with disabilities at the Group's French industrial sites, while helping them achieve positive progress at non-industrial sites.

Furthermore, Bel works with numerous work aid establishments and services (ESAT).

Employment rate of people with disabilities in France	2012	2013	2014	2015
France ^(a)	6.4%	6.3%	6.43%	6.57%

(a) This rate includes employees on internships and collaboration with the protected and adapted sector.

2.5.5 Training

Bel seeks to develop and retain the loyalty of its employees. Nevertheless, Bel has to cope with fluctuations in activity and the changing needs of its production sites. In addition, the Group pays attention to fostering interdepartmental versatility which helps to secure the employability of its employees – and in particular that of its non-managers – while enhancing their career paths.

As such, Bel implements training programs targeted and tailored to all its employees – managers and non-managers alike.

Training policies

Group training courses are organized around four areas:

- knowledge of the Group, its history and its activities;
- development of business line technical skills;

- development of managerial and leadership skills;
- development of personal skills. For example, providing literacy classes on certain sites.

The Group has to constantly renew the contents of its training programs or create new ones to keep up with technological and organizational changes and the competitive environment. Bel uses different training methods to match the goal, content and target audiences: e-learning, tutoring, internal or external group learning, intercompany training, etc.

Preparing a training plan for the upcoming year and the employee's mobility perspectives are naturally discussed during the individual performance review conducted every year for managers and every two years for non-managers.

Individual performance review	2013	2014	2015
% of eligible managers ^(a) who participated in an individual performance review (annual basis)	72%	89%	88%
% of non-managers who participated in an individual performance review (maximum two-year basis)	52%	n/a	46%

(a) Eligible managers are the managers with permanent contracts who are part of the workforce and present within the Group for the full year 2015 or who entered before July 1, 2014 and left after July 1, 2015.

(1) French association managing the funds for the professional integration of people with disabilities.

Total number of training hours

Bel achieved its ambitions of increasing the number of employees who had access to training and the average number of training hours, albeit slightly, between 2014 and 2015.

Employee training	2013	2014	2015
% of employees who attended at least one training course during the year	67%	71%	72%
Average number of training hours per employee	20	24	24

Versatility and mobility

To avoid any form of discrimination, and to ensure transparency for the Group's teams, vacancies are first proposed to Group employees (intranet, display boards on site, etc.), before being offered to external applicants – unless covered by confidentiality.

Bel enhances the visibility on the career paths that it can propose to its managers: skills guidelines, career path guides, possible bridges between jobs, etc.

2.5.6 Compensation

Bel is persuaded that offering fair, motivating and non-discriminating compensation is the key to combining attractiveness and competitiveness. The Group's wage policy is determined by the Human Resources Department and the local teams are in charge of implementing it.

The majority of the agreements signed in 2015 in different countries where Bel operates concern the issue of compensation (fixed or variable), employee benefits and benefits in kind (see paragraph 2.5.7 "Employee relations").

Information on managerial compensation is presented in chapter 3 of the Registration Document.

Employee benefits

The Group exceeds the minimum base set by international laws and regulations; it wants to ensure that all its employees worldwide receive employee benefits that are in line with Group standards. Thus, the Group awards compensation and other benefits that exceed social minimum income.

	2013	2014	2015
% of employees ^(a) with health coverage	94%	90%	94%
% of employees ^(a) with death and disability coverage	86%	84%	94%

(a) Employees with a permanent or fixed-term contract.

Internal equity and external competitiveness

The Group always complies with the minimum levels set by local laws and strives to apply non-discriminatory wage policies. With comparable responsibilities, a reason (personal background, local context, etc.) must always be provided to explain any differences in compensation. To attract and retain its employees, Bel ensures that it offers them competitive salaries and social benefits. As such, all the Group's subsidiaries – with the exception of Côte d'Ivoire – have requested at least one wage survey in 2014 or in 2015 to identify market practices.

Recognition of individual and group performance

The recognition of individual performance is based on merit. The variable compensation for grade 1 to 6 managers and Vice-chairmen (78% of managers) represents at least 8% of their fixed compensation. 10% of this variable compensation is contingent on achieving non-financial objectives linked to the Group's CSR policy.

Due to the co-existence of legally separate entities, the Group does not have a single profit sharing and incentive system. However, to strengthen the feeling of belonging and the pride within teams, subsidiaries are gradually adopting compensation systems that include their collective performance.

	2013	2014	2015
% of employees having a compensation system based on the overall performance of the subsidiary or Group	59%	64%	77%

In addition, numerous agreements were signed in 2015 in the different countries with respect to employee compensation (see paragraph 2.5.7 “Employee relations”).

Employee shareholding

Since 2007, Bel has set up free share award plans (AGA) for some of its employees and subject to performance conditions (see paragraph 5.2.3 “Stock options/performance shares”).

2.5.7 Employee relations

Bel believes that quality social dialog is a driver for improving life in the Company. The Group therefore encourages dialog between managers and employees, but also between management and staff and/or union representatives, if any.

Organization of social dialog

The type of employee representative bodies within the Company, which are elected or appointed by employees, vary depending on the country: Works Council, workforce delegates, Committee for Health and Safety at Work (CHSW), etc.

In its Code of Best Business Practices, Bel recognizes its employees’ right to be represented – within the framework of the laws and regulations that apply to them – by their trade union(s) within collective bargaining on working conditions.

In 2015, 90% of employees had access to an employee representation system.

Summary of the collective agreements for the year

In 2015, Bel Group signed 22 collective agreements worldwide, of which seven in France:

- three agreements on employee compensation, of which an agreement on profit sharing and two mandatory annual bargaining agreements on the wages of employees, workers and management;
- an agreement for setting up home offices for all Bel employees based at the head office (see paragraph 2.5.3 “Occupational health, safety and well-being”);
- an agreement on the conditions of additional compensation for Bel employees at the origin of a patented mission invention;
- a three-year agreement on professional gender equality hinged around four main ambitions (see paragraph 2.5.4 “Equal opportunities”);
- an agreement relating to the solidarity commitments of Bel employees in France allowing the implementation of the donation of vacation days to another employee, the solidarity round-up and solidarity vacation (see paragraph 2.2.7 “Respecting children’s rights”).

Other collective agreements signed by Bel worldwide in 2015

Theme	Country	Details
Compensation (fixed or additional), employee benefits and benefits in kind	Germany	- a profit-sharing agreement for 2015; - agreement on employee contribution to the pension fund for the 2016-2018 period.
	Belgium	- an agreement on compensation and profit sharing; - an agreement on the reimbursement of employee meal expenses.
	Italy	an agreement on the additional compensation of non-executives.
	Algeria	an agreement on compensation.
Organization and flexible working hours	Spain	an agreement on flexible working hours.
Miscellaneous agreements	Germany	- an agreement on job security, training, personal data protection; - an agreement on updating the travel policy and the reimbursement of travel expenses; - an agreement on the recognition of German specific features to implement an early warning system and the Code of Best Business Practices; - an agreement on implementing the Group's human resources management tool.
		a branch agreement for the adjustment of minimum wage packages and to set up time savings accounts for plant workers.
		an agreement on working conditions and compensation.
		an agreement on various issues such as compensation, working conditions, holidays and health and safety.
	Italy	an agreement on offsetting time spent on business travel, and on flexible working hours (working from home) and on the charity commitments of employees (opportunity to work one day a year for a charity or non-governmental organization).

2.6 Strengthening its regional presence

Bel is an open, outward-looking company. The Group relies on its model where confidence and mindset are critical to forging lasting relations with its partners and, in particular, with dairy producers

who supply it with liquid milk, while contributing to the local development of the areas in which it operates.

2.6.1 Promoting the development of sustainable dairy production

Every year, Bel collects around 2 billion liters of milk from around 2,900 producers located close to its production sites. More than 70% of Bel's annual milk collection is carried out in the Netherlands and France.

In these countries, Bel belongs to national dairy organizations and works alongside producers and other professionals in the dairy processing chain to promote the development of a more sustainable dairy sector to:

- guarantee the safety and health benefits of dairy products;

- remain economically viable for its different players and generate jobs;
- reduce, as much as possible, its negative impacts on the environment and on climate change;
- show concern for animal welfare.

Depending on the themes and the regions, the teams implement action plans directly with their partners or contribute their expertise to pilot projects by inter-professional bodies.

According to the FAO ⁽¹⁾ (the United Nations Food and Agriculture Organization), cattle dairy production accounts for 2.87% of the planet's carbon emissions. Bel provides assistance to its producers, whenever possible, and to its different regions where it sources its dairy, to help them control and reduce carbon emissions, whether through manure management, the quality of animal feed or the mineral fertilization of crops. For example in France, Bel contributed its expertise to the Life Carbon Dairy project conducted by the dairy inter-profession with the goal of reducing greenhouse gas emissions (GHG) by 20% by 2024.

Using water resources sparingly is also another challenge for the dairy sector. Bel's major liquid milk supply regions are located in areas ranked by the FAO as having low pressure on water resources and rainfall levels favor grazing.

Nevertheless in France – the Group's second largest liquid milk sourcing region – in order to anticipate the consequences of

climate change on the territory, the Climalait project, led by the dairy interprofession, seeks to take stock of water resources through a panel of 30 sites selected according to the region, soil, climate, altitude, crops, etc. Bel will closely follow the results to better understand the actions to prioritize with its producers on each type of site.

In the Netherlands, the Group's leading liquid milk sourcing region, concerns are focused on controlling the impact of the sector's activities on water: all producers seek to optimize mineral management (carbon, nitrogen and phosphorus; the last two are water pollutants). The Annual Nutrient Cycle Assessment tool allows them to measure their animal manure profile and the fertilization of their farms, and to implement improvements. The national goal is to maintain the impact on water by 2020 at the same level as in 2002. All of the Group's Dutch producers are integrated in these continuous improvement plans.

2.6.2 Contributing to the dynamism of its places of business

In consultation with the local authorities, the Group implements action plans to protect the environment around its plants, and to reduce the nuisances that may be caused by its activities.

The Group's installations are designed to reduce their noise levels, especially when they are located close to residential areas. Measurements are taken every two years internally or by a service provider to monitor and control the compliance of the sound level at the boundary of the property and the emergence level for the most at-risk residents. Action to reduce noise levels is taken when the noise emergence level exceeds local standards or that noise is perceived as a nuisance.

Bel is also committed to getting involved with underprivileged communities – street vendors – who can make its products more accessible to new consumers. Launched in 2013, the Sharing Cities program seeks to use the services, in several large cities in emerging markets where Bel is already present, of street vendor networks to sell The Laughing Cow brand products, while providing them with access to a variety of free services including training, insurance, healthcare and financial services. Sharing Cities therefore represents a dual opportunity for Bel.

At December 31, 2015, Sharing Cities was active in three cities and comprised 4,600 street vendors in partnership with the Group.

2.6.3 The Bel Foundation

Founded in 2008, the Bel Foundation takes initiatives in the interests of children and teenagers, focusing particularly on food-related issues. The initiatives backed by the Foundation are always carried out in countries where the Group operates.

Since its creation, nearly 200 charity-led projects have been backed by the Foundation for an amount of around €1.8 million, with a special appreciation for the commitment of the Group's employees, who have invested in more than 70 projects. The Foundation reports on its activities in the Annual Report available at www.fondation-bel.org.

(1) Source: FAO (*Tackling Climate Change through Livestock* – 2013).

2.7 Reducing its environmental footprint

The sustainable use of natural resources and the fight against climate change are the major sustainability challenges facing the dairy sector. Bel is conscious that the quality and availability

of water pose a major threat to the sustainability of its activities (see paragraph 1.6.2 “Risks related to the external environment”).

2.7.1 General environmental policy

Environmental policy

The scope of Bel's environmental responsibility spans milk production right down to the end consumer. The Group implements continuous improvement plans or encourages its partners to do so when it is not directly in charge.

In a concern for efficiency, the Group has set itself ambitious goals to reduce the water and energy footprint of its sites and implement gradual continuous improvement processes to minimize their other impacts.

The Wasabel (Water Saving at Bel) and Esabel (Energy Saving At Bel) programs allow each site to monitor its level of consumption and develop action plans to reduce it. To amplify this progress momentum, Bel organizes dedicated training and best practices sharing sessions between sites.

Bel strives to contribute to sustainable dairy production – its upstream value chain – and to encourage consumers – its downstream value chain – to adopt conduct that is less damaging to the environment by consuming the right quantities for their needs and by reducing all forms of food wastage.

Monitoring and reporting

Bel is in a position to report, using robust data, on the major impacts of its direct activities on a global scope: water, energy and greenhouse gas emissions (GHG).

For the latter, the Group's reporting therefore concerns scopes 1 and 2:

- “scope 1” corresponds to direct emissions from burning fossil fuels (oil, gas, coal) used in the Group's plants or those generated by refrigerant leaks from facilities; this scope also includes emissions from the vehicles owned or controlled by the Group;
- “scope 2” corresponds to the indirect emissions associated with the purchased production of electricity, heat and refrigeration.

Bel is not yet in a position to report on other indirect emissions (scope 3).

2.7.2 Sustainable use of water

Water scarcity affects more than 40% of the world's population⁽¹⁾, a worrying proportion that could worsen due to global warming caused by climate change. Guaranteeing, by 2030, access to water for all, sanitation and ensuring the sustainable management of water resources, represents one of the 17 global goals adopted in September 2015 at the Sustainable Development Summit of the United Nations Organization.

To participate in this essential collective effort, Bel routinely reduces the water consumptions required for production and uses efficient technology to process the water.

Reducing water consumption

For the most part managed by the public service, the drinking water used in the Group's plants come from bodies of surface water (rivers, lakes, etc.) or from groundwater (water tables).

In 2015, Bel continued to reduce its average water consumption to produce 1kg of cheese. The programs implemented allowed Bel to reduce its water consumptions per metric ton produced between 2008 and 2015 by 26.7%.

Water consumption	2008	2009	2010	2011	2012	2013	2014	2015	Change 2008-2015
Per metric ton produced	12.531	11.205	11.206	10.93	10.05	9.58	9.24	9.19 ^(a)	-26.7%
In thousands of m ³	4,553	4,377	4,409	4,350	4,136	4,048	3,956	4,118	-9.6%

(a) Since 2015, tons produced include manufactured products to be processed again by the Group. Products that result from a main manufacturing process are considered as byproducts.

(1) Source: The United Nations Sustainable Development Goals.

Quality of discharges into natural environments

To avoid accidental discharges directly into the environment, Bel protects water bodies and run-off points for rivers adjoining its sites with special constructions. To limit its negative impact on the environment, Bel makes sure that the quantity of organic matter in discharges from sites, and the temperature of discharges, comply with applicable regulations.

By reducing their water consumption, the sites mechanically reduce their discharges and improve quality, as the lower the volume of water treated in treatment facilities, the lower the concentration of organic matter flowing out of those facilities. Wastewater from

sites are mostly treated internally. Discharges sent to a third party for treatment are pre-treated by Bel. Each year Bel spends more than €4 million on wastewater treatment.

The majority of the sludge from the Group's wastewater treatment facilities is recycled through appropriate channels. Since sludge contains fertilizing elements, it is partly spread on farmland, primarily in France, in compliance with local regulations, to avoid polluting underground water and soil. Sludge spreading is subject to local permits, which specify the obligations that must be fulfilled (spreading plans and surface areas, agronomic monitoring, etc.).

	2013	2014	2015	Change 2013-2015
Total wastewater volume (in thousands of m ³)	4,023 ^(a)	4,056 ^(b)	4,152 ^(c)	+3.2%
Treated internally	2,140 ^(a)	2,196 ^(b)	2,196 ^(c)	+2.6%
Treated by a third party with other effluents	1,821 ^(a)	1,858 ^(b)	1,956 ^(c)	+7.4%
Spread untreated	62 ^(a)	3 ^(b)	0	-100%
Volume of water used by metric ton produced (m ³ /metric ton produced)	11.3 ^(a)	9.5 ^(b)	9.2 ^{(c) (g)}	-18.6%
Quality of purified water (in metric tons)				
Chemical oxygen demand (COD)	104 ^(d)	103 ^(e)	123 ^(e)	+18.3%
Suspended matter discharged	52 ^(d)	38 ^(e)	51 ^(e)	-1.9%
Total nitrogen discharged	16 ^(d)	14 ^(e)	14 ^(e)	-12.5%
Total phosphorous discharged	7 ^(d)	4 ^(e)	5 ^(e)	-28.6%
Cost of wastewater treatment (in thousands of euros)	3,928	4,029	4,026	+2.5%
Sludge spreading from wastewater treatment or untreated water plants				
Total dry matter (in metric tons)	1,559	1,644	1,540 ^(f)	-1.2%
Nitrogen (in metric tons)	132	136	123 ^(f)	-6.8%
Phosphorous (in metric tons)	107	101	101 ^(f)	-5.6%
Spreading perimeter (in hectares)	928	1,316	1,061 ^(f)	+14.3%

(a) Data available for 23 sites, which represent 84% of the total production of the scope of this reporting.

(b) Data available for 27 sites, which represent 100% of the total production of the scope of this reporting.

(c) Data available for 24 sites, which represent 85% of the total production of the scope of this reporting.

(d) Data available for 13 sites, which represent 50% of the total production of the scope of this reporting.

(e) Data available for 12 of the 13 sites, which handle the full treatment for discharge into the natural environment. Data from collective stations are no longer collected.

(f) Data available for the six sites which spread their waste.

(g) Since 2015, tons produced include manufactured products to be processed again by the Group. Products that result from a main manufacturing process are considered as byproducts.

2.7.3 Energy and greenhouse gas emissions

Greenhouse gas emissions continue to rise worldwide and have increased more than twofold since 1990 ⁽¹⁾. Taking emergency measures to fight climate change and their impacts is one of the 17 global goals adopted in September 2015 at the UN Member States Sustainable Development Summit.

At the sites

The Group galvanizes its teams around reducing its energy footprint, a notion that is easier to understand than reducing the carbon footprint. This approach is justified since, at these sites, more than 96% of the greenhouse gas emissions are from energy consumption; the remaining 4% is lost through refrigerant fluid leaks.

(1) Source: The United Nations Sustainable Development Goals.

Cheese production is a highly energy-intensive activity, especially the pasteurization of milk to obtain impeccable quality for a raw material that is sensitive to bacteriological contamination and the cold storage of finished products.

As required by the applicable regulation, the Group performed energy audits on its French production entities in 2015.

■ Reduction at source and the use of renewable energies

To reduce its dependency on fossil fuels and gradually limit its greenhouse gas (GHG) emissions, Bel prioritizes actions to reduce its energy consumption. Based on this reduced consumption, the Group is also studying the possibility of using renewable energy sources, while continuing to take into account the sites' local issues (availability of energy from renewable sources, technical feasibility and economic impact).

In 2015, the Group's two biomass boilers represented 7.5% of energy consumption for its heat production.

In 2015, the Group purchased electricity from a renewable source for its Vale de Cambra site in Portugal and Brookings in the United States.

■ Greenhouse gas emissions – scopes 1 and 2

At the Group's global scale, numerous parameters affect its emissions:

- countries where the Group's production sites are located: greenhouse gas emissions linked to electricity use may vary by a factor of 1 to 10 between two countries in which the Group is located;
- manufacturing processes;
- the energy mix used by each site, especially its use of renewable energy sources.

Other factors contribute to a lesser extent:

- refrigerant leaks: HCFC/R22 refrigerant types, used mainly for the warehousing of finished products, are gradually being phased out in accordance with European legislation;
- fuel consumption for the Group's vehicle fleet.

Breakdown of greenhouse gas emissions*	2013	2014	2015
Scope 1			
Associated with fossil fuel and gas consumption	56%	56%	56.3%
Associated with biomass consumption	-	-	0.3%
Associated with refrigerant fluid leaks	3%	3%	3.5%
Associated with the fuel consumption of the Group's vehicle fleet	5%	5%	4.7%
Scope 2			
Associated with the generation of electricity purchased within the Group	36%	35%	35.2%

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

Optimizing all these factors allows the Group to gradually reduce its greenhouse gas emissions per metric ton produced and increase its production without raising its carbon footprint. Only one site in

France (Sablé-sur-Sarthe) is covered by the quota system, but the minimum goal is to not have to buy quotas despite the growth of this site's activity.

	2008	2009	2010	2011	2012	2013	2014	2015	Change 2008-2015
Electricity consumption* (in MWh)									
● Uncertified electricity from a renewable source	247,340	257,531	258,212	264,725	273,392	274,685	263,551	270,929	+9.5%
● Certified electricity from a renewable source	-	-	-	-	-	-	6,178	10,048	-
TOTAL ELECTRICITY	247,340	257,531	258,212	264,725	273,392	274,685	269,729	280,976	+13.6%
Of which renewable electricity	-	-	-	-	-	-	2.3%	3.6%	-
Consumption of oil, gas and biomass products for heat production and other* (in MWh LHV)									
● Oil and gas products	543,381	543,080	541,237	521,335	503,969	489,435	473,679	489,156	-10.0%
● Biomass	-	-	-	-	30,307	42,687	32,146	39,911	-
STATIONARY COMBUSTION	543,381	543,080	541,237	521,335	534,276	532,122	505,825	529,067	-2.6%
Of which biomass	-	-	-	-	5.7%	8.0%	6.4%	7.5%	-
Energy consumption (MWh/metric ton produced)									
Electricity	0.68	0.66	0.66	0.66	0.66	0.65	0.63	0.63	-7.3%
Oil and gas products	1.50	1.39	1.38	1.31	1.22	1.16	1.11 ^(a)	1.09	-27.3%
Biomass	-	-	-	-	0.08	0.10	0.08 ^(a)	0.09	-

(a) Since 2015, tons produced include manufactured products to be processed again by the Group. Products that result from a main manufacturing process are considered as byproducts.

■ Greenhouse gas emissions scopes 1 and 2*

Emissions	2008	2009	2010	2011	2012	2013	2014	2015	Change 2008-2015
Kg eq. CO ₂ /metric ton produced	694	624	615	579	541	520	490	487 ^(a)	-29.8%
Metric tons eq. CO ₂	251,048	243,414	241,287	230,437	222,556	219,769	209,941	218,880	-12.8%

(a) Since 2015, tons produced include manufactured products to be processed again by the Group. Products that result from a main manufacturing process are considered as byproducts.

Using energy from renewable sources (biomass and renewable source electricity) allows the Group to significantly reduce its greenhouse gas emissions.

As required by the applicable regulation, the carbon assessments of French production sites are available at: <http://www.bilans-ges.ademe.fr/>.

Logistics

Life-cycle analyses conducted by the Group revealed that around 3.5% of greenhouse gas emissions⁽¹⁾ are from the transportation of Bel's finished products from their production facilities to retailing customers. The Group optimizes the transportation

stages of its raw materials and finished products to reduce not just its greenhouse gas emissions, but also other nuisances (road congestion, noise, etc.). The locations of its plants as well as logistics flows are designed to reduce distances both upstream (mainly for fresh milk) and downstream (as close as possible to consumer markets).

In all countries, Bel works with its logistics service providers to:

- optimize truck and container fill rates;
- optimize transport flows and delivery frequencies;
- study alternatives to road transport systems that produce fewer greenhouse gas emissions.

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

(1) Source: life-cycle analysis carried out on the eight-portion The Laughing Cow and the eight-portion Kiri.

2.7.4 Fighting food waste

According to the United Nations Food and Agriculture Organization ⁽¹⁾ (FAO), more than 30% of the food produced in the world is wasted; this corresponds to 1.3 billion metric tons of food.

Bel considers the fight against any form of food waste as an important ethical challenge.

Production sites

The manufacturing process of finished products is adjusted to match sales estimates to avoid any overproduction without a firm outlet.

However, Bel generates, in all its manufacturing cycles, downgraded cheeses (for technical or mechanical reasons) in addition to cream and whey from its dairy sites. All these byproducts are recovered, reused in the Group's own plants, or resold to be used as raw material in the production of other products, or slightly recovered as energy (methanization). Less than 1% of the Group's byproducts are not recovered.

The Bel Industries Division sells, to other food industries, the proteins from the processing of milk which are not used in the Group's dairy plants. Bel's Nollibel brand is a global leader in its segment.

Distribution

Bel combination boxes and pallet loads are specifically designed to ensure that its products are properly protected during the numerous handling stages (trucks, containers, warehouses, etc.) and retain their integrity until they are made available to consumers.

The processes, thermal treatments of milk on the sites, product developments and the design of efficient packaging allow Bel cheeses to retain their gustatory and health qualities over relatively long shelf lives: the shortest shelf life is six to seven weeks (Boursin) – which ultimately helps consumers to avoid wasting food.

Bel has taken the necessary steps to allow its sites and its logistics warehouses to donate products to food banks. In 2015, 650 metric tons of products were donated by French warehouses to charities.

In 2015, Bel France signed the anti-waste charter proposed by the *Association Nationale des Industries Alimentaires* (French association of agribusiness, or ANIA).

2.8 Note on methodology

Choice of indicators

Bel's non-financial key performance indicators were defined with respect to the Group's activities and the employee-related, societal and environmental challenges arising from them. First of all, they allow the operational steering of the initiative's advancement on each of the progress areas defined by the Group. They are also ideal for transparent reporting on the Group's non-financial performance in this Registration Document and in other communication media (Annual Business and CSR Report, Group websites, etc.).

The Bel Group's non-financial reporting satisfies the requirements of the decree implementing article 225 of France's "Grenelle II" law of July 10, 2010 (articles L. 225-102, R. 225-105-1 and R. 225-105-2 of the French Commercial Code). Bel's CSR program is modeled on three international frameworks: the United Nations Global Compact, ISO 26000 and the fourth generation of the Global Reporting Initiative.

The calculation, measurement and analysis methods used all comply with appropriate national or international standards, where these exist.

Reporting procedure and guidelines

The non-financial reporting procedure describes the methods to follow to collect and calculate the Group's non-financial key performance indicators. It is circulated, read and applied at all levels of data compilation and reporting.

This procedure is supplemented by a non-financial reporting protocol. It defines the Group's performance indicators.

These two documents serve as reference guides for data verification by external auditors, in accordance with the decree implementing article L. 225-102-1 of the French Commercial Code ("Grenelle II" law). They are made available to stakeholders who request it, in order to facilitate comprehension and the transparency of the key performance indicators presented.

Organization of reporting

The Group CSR and Financial Departments are responsible for the reporting process and centralization of indicators. They ensure compliance with the reporting schedule and, together with the Functional Departments, organize external communication of the data, particularly within the framework of the Bel Group's

(1) Source: <http://www.fao.org/save-food/ressources/keyfindings/fr/>.

Registration Document. They check the overall consistency of the reporting and are the main contacts for external auditors.

The business CSR Leaders coordinate the collection of CSR indicators in their respective area(s) of expertise. They rely on their network of local experts to contribute data.

Consolidation and internal control

The business CSR Leaders perform internal controls on the data they are responsible for by validating consistency and plausibility. This involves running consistency tests on the indicators for which this is suitable (highlighting and justifying year-on-year variations, calculating ratios to compare the performance of different entities, etc.). Any significant variations identified are examined in detail with the data contributor and may be corrected.

The business CSR Leaders also consolidate the data collected in order to generate, and communicate to the CSR Department, the Group indicators present in this chapter.

Reporting tools

Data is reported and consolidated using several collection systems under the responsibility of the business CSR Leaders who coordinate them.

All data on environmental KPIs is collected using the reporting tool developed by Tennaxia and most calculations are made on this tool.

The bulk of data on social KPIs is collected with SIRH, a tool developed by the Human Resources Department.

Some data is obtained from the information systems installed throughout the Group (e.g. SAP, Magdalena) or special software (e.g. EcoVadis, Acciline, etc.).

Reporting scope and period

The published data concerns all the Group's entities and subsidiaries as consolidated in the Annual Financial Report, with the exception of Safilait and barring specific situations defined below.

When an indicator is calculated over a specific scope, the coverage rate is systematically mentioned to avoid introducing bias into the understanding of the data.

The data collected covers the period from January 1 to December 31, 2015. Depending on the indicators, this involves:

- annual data consolidation from January 1, 2015 to December 31, 2015;
- data measured at December 31, 2015.

If the history is available, data is provided for the last three financial years. On topics related to water, energy and greenhouse gas emissions, progress areas are part of long cycles: Bel has been

providing data since 2008, the Group's reference year on these topics.

Safilait, the Moroccan company purchased by Bel in 2015, is not included in this reporting scope.

■ Employee-related

Group Bel's employee-related reporting covers all its industrial sites and subsidiaries (in France and abroad) comprising at least one employee on a fixed term contract or permanent contract during the period from January 1 to December 31, 2015. This reporting scope does not include the Bel Group subsidiary in Syria, reported under the "Middle East" region, and the Bel production site in Côte d'Ivoire.

■ Environment

Environmental reporting includes all Group industrial and research sites, with the exception of:

- a production workshop in Ghazvin leased to an operator involved in other activities on the same site with insufficient separation to measure the specific impacts of each workshop;
- the Safilait production site, a company acquired in 2015;
- the Bel production site in Côte d'Ivoire (in test phase in 2015).

It also includes its collection centers and warehouses, as well as the Group's head office. However, it does not cover the exclusively tertiary sites of subsidiaries: regarding the impacts of the Parisian head office, the latter may be considered as negligible in the Group's total environmental footprint.

Some environmental indicators are reported in metric tons produced (e.g.: water consumption, GHG emissions, etc.). Since 2015, tons produced include manufactured products to be processed again by the Group. Products that result from a main manufacturing process are considered as byproducts.

The direct impacts of the on-site activities of subcontractors and suppliers are counted by the site. The impacts of off-site activities of subcontractors and suppliers are not counted by the sites. Subcontracted production activities are not counted.

The emission factors connected to the consumption of electricity, fuel oil, gas, chlorofluorocarbons, petrol and diesel are those of the ADEME (French Environment and Energy Management Agency). The emission factors connected to the production of electricity are updated annually by the business CSR Leader based on the data published by the International Energy Agency for the international scope and by the ADEME for the France scope.

The greenhouse gas emissions from the Group's own fleet of vehicles include emissions from vehicles on long-term leases.

The classification of water availability risk is based on data from the FAO and risk analysis with the Water Risk Filter provided by the WWF. The classification is updated every year.

2.9 Statutory Auditors' Reasonable Assurance Report on a selection of consolidated employee-related and environmental information included in the Management Report

Following the request made to us and in our capacity as Statutory Auditors for Fromageries Bel S.A., we conducted a review to enable us to express reasonable assurance on a selection of consolidated employee-related and environmental information selected by the Company and identified by the * symbol in paragraphs 2.5 and 2.7 of the Registration Document (hereafter "the Information") established for the financial year ended December 31, 2015.

The selected employee-related information is as follows:

- Total Group workforce
- Breakdown of workforce by operational region

The selected environmental information is as follows:

- Quantity of recovered byproducts
- Total electricity consumption
- Consumption of oil, gas and biomass products for heat production and other
- Greenhouse gas emissions scopes 1 and 2

Responsibility of the Company

This Information was prepared under the responsibility of the Board of Directors in accordance with the reference guides used by the Company (hereafter the "Reference Guide") available upon request at the Company's head office, and a summary of which can be found in the Registration Document in paragraph 2.8 "Note on methodology".

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

It is our responsibility, based on our work, at the request of the Company, to express reasonable assurance that the Information was prepared in all material aspects in accordance with the Reference Guide. The conclusions we express below refer to this Information alone and do not concern the entire Chapter 2 on "Corporate Social Responsibility".

To assist us in conducting our work, we consulted our corporate social responsibility experts.

We conducted the work described below in accordance with the professional standards applicable in France and with the international standard ISAE 3000 ⁽¹⁾:

- we assessed the suitability of the Reference Guide with respect to its relevance, completeness, reliability, neutrality and clarity, taking into consideration, when relevant, the sector's best practices;
- we verified the set-up of a process to collect, compile, and check the Information with regard to its completeness and consistency and familiarize ourselves with the internal control and risk management procedures relating to the compilation of the Information;
- we interviewed people from the Sustainable Development Department, the Human Resources Department and the Industrial and Technical Department at the head office and on the industrial sites and subsidiaries in order to analyze the deployment and application of the Reference Guide;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical, financial information.

- we implemented analytical procedures on the Information and verified, based on spot checks, the calculations as well as the consolidation of the Information;
- we selected a representative sample of sites and countries⁽¹⁾ based on their activity, their contribution to the consolidated Information, their location and a risk analysis;
- at the level of this sample, we conducted interviews to check the proper application of procedures and implemented in-depth detail tests based on sampling, consisting in checking the calculations made and comparing them with the supporting documents. The sample selected represented 52% of the workforce and between 35% and 75% of the environmental information.

We estimate that the sampling methods and the sizes of the samples that we adopted, based on our professional judgment allow us to reach a conclusion of reasonable assurance. Due to the use of sampling techniques as well as other limits inherent in the operation of any information and internal control system, we cannot entirely rule out the risk of non-detection of a material misstatement in the Information.

We consider that this work allows us to express reasonable assurance about the Information.

Conclusion

In our opinion, the information selected by the Company and identified by the * symbol was established, in all material aspects, in accordance with the Reference Guide.

Neuilly-sur-Seine and Paris, March 31, 2016

The Statutory Auditors

For Deloitte & Associés

Pierre-Marie Martin
Associate, Audit

Florence Didier-Noaro
*Associate, Sustainable
Development*

For Grant Thornton
French member of Grant Thornton International

Vincent Frambourt
Associate

(1) Regarding employee-related information: France, the Netherlands, Portugal, Slovakia and Algeria.

Environmental information and the "Quantity of recovered byproducts" indicator: the industrial sites of Cléry and Bar-le-Duc, Lons, Mayenne, Pacé, Schoonrewoerd, Ribeira Grande, Vale de Cambra, Michalovce and Koléa.

2.10 Report of the Statutory Auditors, appointed as independent third party, on the consolidated employee-related, environmental and corporate information included in the Management Report

For the year ended December 31, 2015

Dear Shareholders,

In our capacity as Statutory Auditors of Fromageries Bel designated as an independent third party and accredited by COFRAC under number 3-1080 ⁽¹⁾, we hereby present our report on the consolidated employee-related, environmental and corporate information for the financial year ended December 31, 2015 (hereafter the “CSR Information”), in application of the provisions of article L. 225-102-1 of the French Commercial Code.

Responsibility of the Company

The Board of Directors is responsible for preparing a Management Report including the CSR Information required by article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reference guides used by the Company (hereafter the “Reference Guide”), available on request from the Company’s head office and summarized under paragraph 2.8 of the Registration Document in the “Note on methodology”.

Independence and quality control

Our independence is defined by regulatory texts, the profession’s Code of Ethics as well as by the provisions set forth in article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the Management Report or, in the event of omission, is explained pursuant to the third paragraph of article R. 225-105 of the French Commercial Code (Certification of completeness of the CSR Information);
- to express limited assurance on the fact that, taken as a whole, the CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reference Guide (conclusion on the fair presentation of the CSR Information).

Our work required the skills of five people and was carried out between December 2015 and March 2016, over a period of approximately five weeks. To assist us in conducting our work, we consulted our corporate social responsibility experts.

We have conducted the following procedures in accordance with professional standards applicable in France, with the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment and, with regard to the conclusion on the fair presentation of the CSR Information, with ISAE 3000 ⁽²⁾.

1 Certification of completeness of the CSR Information

Nature and scope of procedures

Based on interviews with management, we familiarized ourselves with the Group’s Sustainable Development strategy, with regard to the employee-related and environmental impacts of the Company’s business and its societal commitments and, where appropriate, any resulting actions or programs.

We have compared the CSR Information presented in the Management Report with the list set forth in article R. 225-105-1 of the French Commercial Code.

(1) The scope of which can be verified on the following website www.cofrac.fr.

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical, financial information.

In the event of the omission of certain consolidated information, we verified that explanations were provided in accordance with the third paragraph of the article R. 225-105 of the French Commercial Code.

We have verified that the CSR Information covered the consolidated scope, namely, the Company and its subsidiaries within the meaning of article L. 233-1 and the companies that it controls within the meaning of article L. 233-3 of the French Commercial Code, subject to the limits set forth in paragraph 2.8 of the Registration Document "Note on methodology".

Conclusion

Based on our work and considering the limitations mentioned above, we attest that the required CSR Information is presented in the Management Report.

2 Conclusion on the fair presentation of the CSR Information

Nature and scope of procedures

We conducted around twenty interviews with the people responsible for preparing the CSR Information in the departments in charge of the CSR Information collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reference Guide with respect to its relevance, completeness, reliability, neutrality and clarity, taking into consideration, when relevant, the sector's best practices;
- verify the set-up of a process to collect, compile, and check the CSR Information with regard to its completeness and consistency and familiarize ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the Company's characteristics, the employee-related and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

For the CSR Information which we considered to be the most important ⁽¹⁾:

- with respect to the consolidating entity, we consulted documentary sources and conducted interviews to confirm the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative information and verified, based on spot checks, the calculations as well as the consolidation of the data and we checked their consistency and their agreement with the other information disclosed in the Management Report;
- with respect to the representative sample of countries and sites that we selected ⁽²⁾ according to their activity, their contribution to consolidated indicators, their location and risk analysis, we conducted interviews to check the proper application of procedures and implemented detailed tests based on samplings, entailing verification of the calculations made and compared them with the data from the supporting documents. The sample selected represented 39% of the workforce and between 17% and 66% of the environmental information.

For the other consolidated CSR Information, we assessed their consistency with respect to our knowledge of the Company.

Lastly, we assessed the relevance of the explanations on, if any, the total or partial absence of some information.

We estimate that the sampling methods and the sizes of the samples that we adopted, based on our professional judgment, allow us to reach a conclusion of moderate reasonable assurance; a higher level of assurance would have required more extensive verifications. Due to the use of sampling techniques as well as other limits inherent in the operation of any information and internal control system, we cannot entirely rule out the risk of non-detection of a material misstatement in the CSR Information.

Conclusion

Based on our work, we observed no material misstatement that would cause us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Reference Guide.

Paris, March 31, 2016

One of the Statutory Auditors,

Grant Thornton
French member of Grant Thornton International

Vincent Frambourt
Associate

(1) See the notes to this report.

(2) Regarding employee-related information: France, Portugal and Slovakia.

Regarding environmental information: the industrial sites of Cléry and Bar-le-Duc, Michalovce, Pacy, Ribeira Grande and Vale de Cambra.

Notes: list of the employee-related, environmental and corporate information considered as the most important

Quantitative employee-related information:

- Total workforce and breakdown of workforce by operational region, by status and by gender
- % of female managers
- Number of people hired and number of departures (including redundancies)
- Hours worked (employees and temporary staff)
- Average number of training hours per employee
- % of employees who attended at least one training course
- Bel AFR: Accident Frequency Rate for accidents with or without lost workdays for all people present on Bel sites
- AFR1: Frequency rate of Bel employee accidents with lost workdays
- Accident severity rate of Bel employees
- Number of OHSAS 18001 certified sites

Quantitative environmental information:

- Number of ISO 14001 certified sites
- Quantity of recovered byproducts
- Total water consumption and in shortage regions
- Electricity consumption
- Oil, gas and biomass consumption
- Greenhouse gas emissions scopes 1 and 2
- Volume of wastewater
- Quality of purified water (COD, suspended matter, total nitrogen and total phosphorous discharged)
- Total quantity of non-hazardous waste sorted and sent to recovery, hazardous waste sorted and sent to the appropriate treatment channels and unsorted waste

Quantitative corporate information:

- % of revenue in countries with high or very high corruption risks and associated management committees training policy

Qualitative information:

- Respect for Human rights (signatory of the United Nations Global Compact), of social dialog, equal opportunity and children's rights and compliance with the ILO's fundamental conventions
- Protection of biodiversity
- Water resource management with the Water Risk Filter
- Information and dialog methods between the Group and its stakeholders and the Group's materiality analysis
- Responsible purchasing policy and relations maintained with sub-contractors and suppliers (Sustainable Purchasing Charter)
- Actions implemented for more sustainable dairy production (dairy upstream, production sites, distribution)
- Responsible packaging management
- Policy deployed to optimize the nutritional quality of products
- Implementation of Bel Access and Sharing Cities Platform

Notes: Summary of environmental data

	Units	2013 values	2014 values	2015 values
CIRCULAR ECONOMY				
Recovered byproducts				
Downgraded cheeses or similar recovered internally or externally	t	8,582	10,718	12,772
Dry whey extract recovered internally or externally	t	87,798	85,227	82,445
Cream recovered internally (at the production site or within the Bel Group) or externally	t	37,702	43,424	45,991
Quantity of recovered byproducts*	t	134,083	139,368	141,208
WATER CONSUMPTION				
Water consumption vulnerability region	m³	18,091	1,677,512	1,965,747
Water consumption stress region	m³	435,170	373,252	493,958
Water consumption shortage region	m³	287,071	293,480	264,898
Water consumption non-vulnerability region	m³	3,307,197	1,611,514	1,393,805
Total water quantity	m³	4,047,529	3,955,758	4,118,408
ENERGY				
Electricity				
Grid electricity consumption without certification of renewable energy source (and self-generated from fuel oil or gas until 2014)	MWh	274,685	263,551	270,583
Consumption of self-generated electricity from fuel oil or gas				345
Electricity consumption from a certified renewable energy source	MWh		6,178	10,048
Total electricity consumption*	MWh	274,685	269,729	280,976
Fuels				
Fuel oil*	MWh_LHV	88,141	75,507	77,092
Gas*	MWh_LHV	401,294	398,172	412,064
Biomass*	MWh_LHV	42,687	32,146	39,911
Stationary combustion	MWh_LHV	532,122	505,825	529,067
GREENHOUSE GAS EMISSIONS				
GHG emissions associated with electricity consumption	tCO ₂ e	79,380	73,022	77,150
GHG emissions associated with fossil fuel and gas consumption	tCO ₂ e	122,991	118,263	123,193
GHG emissions associated with biomass consumption	tCO ₂ e	n/a	473	587
Greenhouse gas emissions associated with refrigerant fluids	tCO ₂ e	6,796	6,569	7,553
GHG emissions associated with the Group's own vehicle fleet	tCO ₂ e	10,602	11,614	10,397
GHG emissions scopes 1 and 2*	tCO ₂ e	219,769	209,941	218,880
DISCHARGES INTO WATER				
Discharge into the natural environment				
Volume of water purified internally with discharge into the natural environment	m³	2,139,995	2,195,895	2,196,270
Discharged chemical oxygen demand	kg	104,499	102,795	122,572
Discharged phosphorous	kg	7,334	3,870	5,496
Discharged suspended matter	kg	51,662	37,715	51,015
Discharged nitrogen	kg	16,098	13,717	14,471
Discharged to an urban wastewater treatment facility				
Volume of water treated by a third party with other effluents	m³	1,821,480	1,857,949	1,955,567

* Indicator audited by the Statutory Auditors with a reasonable level of assurance.

	Units	2013 values	2014 values	2015 values
DISCHARGES INTO THE SOIL				
Spreading of untreated water				
Volume	m ³	61,511	2,504	0
Agronomic recovery of sludge from wastewater treatment facility				
Nitrogen	t	132	136	123
Phosphorous	t	107	101	101
Dry matter	t	1,559	1,645	1,540
Spreading surface area	hectare	928	1,316	1,061
DISCHARGES INTO WATER AND THE SOIL				
Total volume of discharges	m ³	4,022,986	4,056,348	4,151,837
Total cost of treatment of these discharges	EUR	3,928,331	4,029,289	4,026,167
OTHER EMISSIONS IN THE AIR				
Nitrous oxide, nitrogen dioxide, etc.	t	145	158	167
Sulfur dioxide	t	86	146	145
NOISE POLLUTION				
% of sites in compliance for the noise level at the boundary of the property and the emergence level for the most at-risk residents	%	70	70	86
IMPACTS ON THE ENVIRONMENT				
Number of incidents	unit	88	105	103
Corrective actions	unit	88	102	101
PRODUCTION OF WASTE				
Quantity of non-hazardous waste sorted and sent to recovery	t	19,811	18,478	17,341
Quantity of hazardous waste sorted and sent to the appropriate treatment channels	t	732	503	710
Waste incinerated with generation of energy	t	2,280	2,826	2,746
Waste incinerated without generation of energy	t	5	11	262
Waste evacuated to landfill	t	3,771	3,291	3,333
Total quantity of waste		26,599	25,109	24,391
Cost of treatment	EUR	1,918,509	1,953,529	1,352,085
Income from sale	EUR	606,722	499,630	435,978

CORPORATE GOVERNANCE

3

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This chapter is an integral part of the Chairman's Report prepared in accordance with Article L. 225-37 of the French Commercial Code. The purpose of Paragraph 3.1 of this chapter is to report on the composition of the Board of Directors of Fromageries Bel, the application of the principle of balanced gender representation within the Board of Directors, and the conditions of preparation and organization of the work of the Board of Directors. Paragraph 3.2 sets out the compensation policy for corporate officers, and Paragraph 3.3 reports on the internal control and risk management procedures established by the Company.

Factors liable to have an impact in the event of a public offer along with the rules of participation in General Meetings are included in Chapter 5 of the Registration Document.

The Report was prepared on the basis of the work carried out by the Company's various departments, and particularly the Group Financial Department, the Group Internal Audit Department and the Group Legal Department.

3.1 Governance principles

3.1.1 Adherence to the Middlednext Code

Since 2010, the Company has adhered to the Middlednext Corporate Governance Code (which is available from the Company's head office and on the website www.middlednext.com). The Board of Directors regards the code as appropriate for the specific situation of the Company, which has been family-owned since 1922, with 71% of the share capital and 73% of the voting rights held by members of the family group and by the holding company, Unibel, as at December 31, 2015.

Pursuant to the recommendations, on November 12, 2015, the Board of Directors reviewed the key issues highlighted by the Middlednext Code. These key issues refer to the key questions that the Board "must ask to ensure the effective working of governance and its quality". They relate to executive power (managers), supervisory power (Directors) and sovereign power (shareholders).

The Company does not diverge from the recommendations of the Middlednext Code.

3.1.2 Composition, appointments and expertise of the Board of Directors and Senior Management

Composition of the Board of Directors and Senior Management

The Company's articles of association stipulate management by a Board of Directors comprising no fewer than three and no more than 12 members, unless otherwise authorized by legal provisions. The members of the Board of Directors are appointed by the Ordinary General Meeting, at the proposal of the Board of Directors, subject to a prior opinion from the Appointments and Compensation Committee.

The term of office of the Directors is set at four years (renewable). However, this term may exceptionally be for one, two or three years exclusively in order to implement and maintain the staggering of the Directors' terms of office. The Company's Internal Regulations also stipulate that each Director must hold at least 20 shares of the Company throughout his or her period of service. The number of Directors aged over 72 must not exceed half (rounded up to the nearest whole number) of the serving Directors as at December 31 of any given year.

Moreover, the Company's Internal Regulations require a Lead Independent Director to be appointed for a term that may not exceed his or her term of office as Director. The main role of the Lead Independent Director is to offer the Board of Directors and its Chairman assistance to ensure that the Company's governance bodies are properly run, both within the Board and its specialist committees. He or she also acts as a liaison between the governance bodies, the Senior Management of the Company and the Executive Committee.

Article 13 of the articles of association stipulates that the Board of Directors must include, in compliance with Article L. 225-27-1 of the French Commercial Code, a Director representing the Group's employees, appointed for a period of four years by the Central Works Council. By way of exception, the Director representing employees is not required to own a minimum number of Company shares.

In addition, the Board of Directors may appoint one or more non-voting Directors. The non-voting Directors attend meetings of the Board of Directors and take part in its discussions in an advisory capacity.

At the date of the Registration Document, the Board of Directors has seven members, including two women, one foreign Director and a Director representing employees appointed by the Central Works Council pursuant to Article 13-2 of the articles of association and in compliance with provisions of the Law dated June 14, 2013.

Antonio Maria was appointed Director representing employees by a decision of the Central Works Council on June 17, 2014, effective July 1, 2014. Philippe Deloffre has held the position of non-voting Director since May 10, 2012.

Senior Management includes Antoine Fiévet, who has held the combined role of Chairman of the Board of Directors and Chief Executive Officer since May 14, 2009, and Bruno Schoch, Deputy General Manager responsible for Finance, Legal Affairs and IT Systems.

Members of the Board of Directors and Senior Management at April 1, 2016

Name	Current role within the Company	First appointment	Most recent reappointment	End of term of office	Audit Committee	Appointments and Compensation Committee
Antoine Fiévet	Director, Chairman and Chief Executive Officer	04/25/2001 05/14/2009	05/14/2014	2018 AGM* 2018 BoD mtg		Member
Thierry Billot ^(a)	Lead Independent Director	05/14/2014		2018 AGM*	Chairman	Chairman
Fatine Layt ^{(a) (d)}	Director	05/10/2012		2016 AGM*	Member	
James Lightburn ^{(a) (d)}	Director	03/15/2007	05/10/2012	2016 AGM*	Member	Member
Nathalie Roos ^(a)	Director	05/14/2014		2018 AGM*		
Luc Luyten		06/26/2002	05/14/2014	2015 AGM*		Member
Unibel SA ^{(b) (c)} represented by Florian Sauvin	Director	06/16/1972	05/14/2014	2017 AGM*		
Antonio Maria ^(e)	Director representing employees	07/01/2014		2018		Member
Philippe Deloffre ^(f)	Non-voting Director	05/10/2012		2016 BoD mtg		
Bruno Schoch	Deputy General Manager, non-Director	12/17/2008	05/14/2014	2018 BoD mtg		

* Ordinary Annual General Meeting of Shareholders.

(a) Independent Director.

(b) Re-appointed at the Combined Ordinary and Extraordinary General Meeting of May 14, 2014 for a period of three years.

(c) Florian Sauvin was appointed by Unibel's Management Board as the permanent representative of Unibel on the Company's Board of Directors with effect from May 12, 2015, replacing Pascal Viénot.

(d) In May 2016, since the terms of office of James Lightburn and Fatine Layt were due to expire, the General Meeting scheduled to take place on May 12, 2016 was asked to re-elect them for a period of four years.

(e) Antonio Maria has been a member of the Compensation Committee since March 9, 2016.

(f) In May 2016, Philippe Deloffre's term as non-voting Director expired. He was not nominated for re-election.

Change in the composition of the Board of Directors and Senior Management and re-election and appointment of Directors

Table showing the changes to the Board of Directors and Senior Management during the 2015 financial year

Name	Additional information	Roles performed within the Company	Start date	Departure date
Michel Arnaud	French	Director	05/12/2010	04/05/2015 ^(a)
Pascal Viénot	French	Permanent representative of Unibel, Director	05/10/2012	05/12/2015 ^{(b) (c)}
Florian Sauvin	French	Director	05/12/2010	05/12/2015 ^{(b) (c)}
Luc Luyten	French	Director	06/26/2002	05/12/2015 ^(d)
Thierry Billot	French	Lead Independent Director	07/29/2015 ^(e)	

(a) Michel Arnaud died on April 5, 2015. He has not been replaced.

(b) Florian Sauvin was appointed by the Chairman of Unibel's Management Board as permanent representative of Unibel on the Board of Directors of Fromageries Bel, replacing Pascal Viénot with effect from May 12, 2015.

(c) Florian Sauvin and Luc Luyten were not re-elected as Directors after their terms of office expired on May 12, 2015. Florian Sauvin was appointed as Unibel's permanent representative on the Board of Directors, replacing Pascal Viénot with effect from May 12, 2015. Luc Luyten remains a member of the Appointments and Compensation Committee and became a non-voting Director on Unibel's Supervisory Board from the Supervisory Board meeting of May 12, 2015.

(d) Thierry Billot was appointed as Lead Independent Director by the Board of Directors on July 29, 2015. He has been a Director since May 14, 2014.

In May 2016, since the terms of office of James Lightburn and Fatine Layt are due to expire, the General Meeting scheduled to take place on May 12, 2016 will be asked to renew their terms of office for a four-year period.

Independence of Directors

In the meeting of March 9, 2016, the Board of Directors examined the individual situation of each Director in relation to the independence criteria set out by the Middledenext Code. Four Directors – Fatine Layt, Nathalie Roos, Thierry Billot and James Lightburn – qualify as independent within the meaning of the Middledenext Code. At its meeting on March 9, 2016, the Board examined Fatine Layt's position in view of the financial advisory agreement signed by the Company with Oddo Corporate Finance, under the terms of which Oddo Corporate Finance was to advise the Company on its acquisition of Safilait. Upon deliberation, the

Board of Directors found that this agreement did not compromise the independence of Fatine Layt, who did not take part in discussions or voting on the subject, and who no longer serves as Chairman of Oddo Corporate Finance.

Information on conflicts of interest and agreements involving corporate officers can be found in paragraphs 3.1.3 and 3.5.1 of this chapter. Two Directors represent family shareholders and are not independent within the meaning of the Code: Antoine Fiévet and the holding company Unibel. Antonio Maria, Director representing the Group's employees, is not independent.

As at the date of this Registration Document, independent Directors do not have any business relationship with the Company.

Following the Combined General Meeting of May 12, 2016, and subject to a vote in favor of resolutions for the renewal of the terms of office of Directors, the Board of Directors will be composed of seven members, including four independent Directors.

Table: situation of Directors in relation to the Middelnext Code independence criteria
■ Middelnext Recommendation (R8)

The Company adheres to the recommendation of the Middelnext Code (R8) for at least two members to be independent. This number can be reduced to one in a scenario whereby the Board consists of five members or fewer. It may be increased for Boards with more members.

Criteria

Five criteria can be used to establish the independence of Board members, which are characterized by the lack of significant financial, contractual or family relations, which are likely to have a bearing on independent judgment:	Antoine Fiévet	Unibel	James Lightburn	Fatine Layt	Nathalie Roos	Thierry Billot	Antonio Maria
1 - Be neither an employee, executive corporate officer of the Company or a company within its Group, and have not been over the last three years.	No	No	Yes	Yes	Yes	Yes	No
2 - Not be a customer, supplier or major investor in the Company or its Group and the Company or its Group must not represent a significant share of activity.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3 - Not be a major shareholder of the Company.	No	No	Yes	Yes	Yes	Yes	Yes
4 - Not have a close family link with a corporate officer or major shareholder.	No	No	Yes	Yes	Yes	Yes	Yes
5 - Not have been an auditor of the Company over the last three years.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Conclusion of the Board on the independence or not of the Directors: four Directors qualify as independent according to the Board of Directors	Not independent	Not independent	Independent	Independent	Independent	Independent	Not independent

General and personal information on the corporate officers and their expertise

■ Biography and information on current corporate officers

Antoine Fiévet, born in 1964, French

Business address: 2 allée de Longchamp – 92150 Suresnes

Director and Chairman and Chief Executive Officer

Term of office

Antoine Fiévet was appointed as Director by the Board of Directors on April 25, 2001, ratified by the General Meeting of April 25, 2001. He was appointed as Chairman and Chief Executive Officer by the Board of Directors on May 14, 2009. The term of office of Antoine Fiévet was renewed by the General Meeting on May 14, 2014 for four years, *i.e.* until the end of the General Meeting to be held in 2018.

Biography, management expertise and experience

Antoine Fiévet represents the fifth generation of the shareholding family (Fromageries Bel was established in 1865 by his great-great grandfather Jules Bel). Antoine Fiévet graduated from the Université Paris-II Assas (Master's degree in economics) and the Institut supérieur de gestion de Paris (doctoral studies). He held several managerial positions in communication and publishing companies up to 2001. Between 2001 and 2009, he was Managing Partner of Unibel SA; he chaired the Strategic Directions Committee and held a seat on the Fromageries Bel Board of Directors. Antoine Fiévet is also a member of the Board of Directors of FBN France (the Family Business Network) which consists of more than 180 French family businesses. Since April 2013, he has held a seat on the Board of Directors of the ANIA, the main professional organization for French food companies.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

Valentine Fiévet (sister), Vice-Chairman of the Unibel Supervisory Board, Marion Sauvin (cousin), member of the Unibel Supervisory Board, Thomas Sauvin (cousin), member of the Unibel Supervisory Board, Laurent Fiévet (brother), member of the Unibel Supervisory Board, and Florian Sauvin (cousin), member of the Unibel Management Board and permanent representative of Unibel, Director of Fromageries Bel.

Terms of office and current positions within the Group held in France

- Chairman of the Unibel Management Board (listed company)
- Chairman, Chief Executive Officer and member of the Fromageries Bel Appointments and Compensation Committee
- Chairman of the Bel corporate foundation
- Chairman of SICOPA
- Director of SOFICO
- Director of ATAD
- Chairman of Fromageries Picon

Terms of office and current positions outside the Bel Group held in France

- Managing Director of SCI MORI
- Member of the Board of Directors and the Remuneration Committee of Bonduelle SAS
- Managing Director of RFE
- Director of CGFF

Terms of office and current positions within the Group held abroad

- Chairman and CEO of Bel Belgium SA
- Chairman of SIEPF SA's Board of Directors
- Chairman and Chief Executive Officer of Fromageries Bel Maroc SA
- Chairman of Fromagerie Bel Algérie SpA's Board of Directors
- Chairman of Bel Vietnam Co. Ltd's Management Board
- Chairman of Safilait's Board of Directors
- Chairman of Bel Africa's Board of Directors

Terms of office held which expired during the last five years

- Chairman of Bel Sýry Cesko AS' Supervisory Board
- Member of Fromageries Bel's Audit Committee
- Chairman of the Bel Italia SpA's Board of Directors
- Chairman of Bel Karper's Board of Directors
- Chairman of the Supervisory Board of Syraren Bel Slovensko AS
- Chairman and CEO of SAFFR
- Chairman of Bel Shostka Ukraine's Supervisory Board

Restrictions preventing the sale of a stake in the share capital

Antoine Fiévet declares himself party to the pact of Unibel family shareholders signed on September 19, 2013 and published by the French Financial Markets Authority on September 26, 2013.

Thierry Billot, born in 1955, French

Business address: 6 avenue de Camoëns – 75016 Paris

Director

Term of office

Thierry Billot was appointed by the General Meeting of May 14, 2014 for a period of four years, *i.e.* until the end of the General Meeting scheduled to take place in 2018. Thierry Billot was appointed as Lead Independent Director, effective July 29, 2015, for a maximum period equal to that of his term of office as Director.

Biography, management expertise and experience

Thierry Billot, a graduate of the École Supérieure de Commerce de Paris (ESCP), began his career as an auditor at Peat Marwick Mitchell from 1980 to 1982. He joined Pernod Ricard in 1982 as an Internal Auditor. He then held the position of Financial and Administrative Manager of Pernod in 1985, before being appointed Chief Financial Officer of Pernod Ricard in 1986. Chairman and Chief Executive Officer of Austin Nichols in the United States from 1992, he was appointed Chairman and Chief Executive Officer of Pernod in October 1996. In 2002, he became Chairman and Chief Executive Officer of Pernod Ricard Europe. He held the position of Deputy Chief Executive Officer in charge of brands until February 27, 2015, when he left the Pernod-Ricard group.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

Lead Independent Director of Fromageries Bel SA

Terms of office and current positions outside the Bel Group held in France in the Pernod-Ricard Group

- Director of Ricard SA (until February 27, 2015)
- Member of the Supervisory Board of Pernod Ricard Europe, Middle East and Africa (until February 27, 2015)
- Chairman of THB Conseil

Terms of office and current positions outside the Bel Group held outside France in the Pernod-Ricard Group

None

Terms of office held which expired during the last five years

None

Restrictions preventing the sale of a stake in the share capital

None

Fatine Layt, born in 1967, French

Business address: Intermezzo – 6 rue de Solferino – 75007 Paris

Director

Term of office

Fatine Layt was appointed to the role of Director by the Annual General Meeting of May 10, 2012 for a period of four years. Her term of office expires at the General Meeting scheduled to take place on May 12, 2016.

Biography, management expertise and experience

Fatine Layt began her career at the Euris Group when it was formed in 1989: she worked in private equity and then management, as Chairman and CEO or Director of various subsidiaries of the Group (EPA, Glénat, Editeuris, Sygma presse). In 1996, she became Chairman and CEO of specialist press group CEPP, controlled by APAX Partners. She is also a Director of the trade press federation. In 2000, she set up her own organization called Intermezzo, a financial engineering consultancy company, which she still manages. In 2003, she started working with Jean-Marie Messier at Messier Partners, a merchant bank specializing in mergers and acquisitions. In March 2007 she set up Partanée, sold in October 2008 to investment bank and fund managers Oddo & Cie, where she was a member of the Executive Board. She served as Chairman of Oddo Corporate Finance until October 22, 2015. She held the post of Chief Executive Officer of ACG until January 29, 2016. She is a graduate of IEP Paris, specializing in finance, and of the French Society of Financial Analysts (SFAF). She is also a former senior lecturer at IEP Paris in finance and financial management.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

Director and member of Fromageries Bel's Audit Committee

Terms of office and current positions outside the Bel Group held in France

- Chairman and Managing Partner of Oddo Corporate Finance (until October 22, 2015)
- Member of the Oddo and Cie SCA Executive Committee (until October 22, 2015)
- Director of the Renault Foundation
- Director of Mobiliz SA
- Director of Imerys (listed company)
- Managing Director of Intermezzo SARL (since October 22, 2015)
- Member of Grand Emprunt's Supervisory Board
- Chief Executive Officer of ACG (until January 29, 2016)

Terms of office and current positions held abroad

Managing Director of Intermezzo International Co. Ltd

Terms of office held which expired during the last five years

Chairman of A&A Associés SAS and Partanée SAS

Restrictions preventing the sale of a stake in the share capital

None

James Lightburn, born in 1943, American

Business address: 2 allée de Longchamp – 92150 Suresnes

Director

Term of office

James Lightburn was appointed by the Board of Directors' meeting of March 15, 2007. His term of office was renewed during the Annual General Meeting of May 10, 2012 and will expire at the end of the General Meeting to take place on May 12, 2016.

Biography, management expertise and experience

James Lightburn has significant experience as an attorney in the following fields: mergers and acquisitions in the USA and Europe, joint ventures, finance and investment operations, consultancy, equity and quasi-equity (LBOs and MBOs). He regularly publishes Articles such as "The new draft law on audiovisual media".

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

- Director of Fromageries Bel
- Member of Fromageries Bel's Audit Committee
- Member of Fromageries Bel's Appointments and Compensation Committee

Terms of office and current positions outside the Bel Group held in France

None

Terms of office and current positions outside the Bel Group held abroad

None

Terms of office held which expired during the last five years

- Director and member of The China Fund Inc.'s Audit Committee
- Director of Epicture SA
- Member of Sofisport SA's Supervisory Board

Restrictions preventing the sale of a stake in the share capital

None

Nathalie Roos, born in 1965, French

Business address: L'Oréal – 14 rue Royale – 75008 Paris

Director

Term of office

Nathalie Roos was appointed by the General Meeting of May 14, 2014 for a period of four years, *i.e.* until the end of the General Meeting scheduled to take place in 2018.

Biography, management expertise and experience

Nathalie Roos joined the L'Oréal Group in October 2012 and has been General Manager for Germany since August 2013, the Group's fourth-largest global market with sales in excess of €1 billion. Nathalie Roos was appointed President of the Professional Products Division, joining the Executive Committee of L'Oréal. She will officially take up her post in the second quarter of 2016. Previously, after her first professional role as Head of Sales at Kraft Jacobs Suchard (1987-1989), Nathalie Roos spent a large portion of her professional career at the Mars Group. Between 1989 and 2000, she held various positions at Mars France. From head of sales promotion, she worked her way up the Marketing and Sales Departments to become head of the Milky Way and Bounty brands, and then national key account manager. She was finally head of the retail network of Brasseries Kronenbourg (2000-2004). Nathalie Roos became Chairperson and Chief Executive Officer of Mars Chocolat France in 2004, then Chairperson of Mars Inc. Group's European markets from 2009 to 2012. In terms of professional associations, in 2008, she took over as Chair of the Industry and Trade Committee of the Association Nationale des Industries Alimentaires (French association of agribusiness, or ANIA). She also sits on the Board of Directors of the Institut de Liaison et d'Études des Industries de Consommation (a French professional association for the consumer industry, ILEC) and shares the position of Vice-Chairman of the Syndicat du Chocolat (Chocolate Union). She is a graduate of the École Supérieure de Commerce de Reims. In 2008, she was awarded the Prix de la Direction Générale du Trophée du Management RMS-Network (Executive Management Award, Management Trophy RMS Network), which is an award presented by the alumni association of the École Supérieure de Commerce de Reims.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

Director of Fromageries Bel

Terms of office and current positions outside the Bel Group held in France and abroad

- Member of the association "Les Cigognes" (The Storks – a French association supporting single mothers)
- Member of the Board of Directors of Clinique Adassa in Strasbourg

Terms of office held which expired during the last five years

- General Manager of L'Oréal Germany
- Chairman and Chief Executive Officer of Mars Chocolat France
- Regional Councilor of the Alsace region
- Vice-Chairman of the regional employment competitiveness cluster

Restrictions preventing the sale of a stake in the share capital

None

Florian Sauvin, born in 1979, French

Business address: 2 allée de Longchamp – 92150 Suresnes

Permanent representative of Unibel, Director

Term of office

Florian Sauvin was appointed as a Director by the Board of Directors on August 26, 2009, a decision ratified by the Annual General Meeting of May 12, 2010. His term of office was renewed by the General Meeting of May 14, 2014 for a period of one year. Florian Sauvin's term of office expired at the end of the General Meeting of May 12, 2015. Florian Sauvin was appointed as Unibel's permanent representative on the Board of Directors of Fromageries Bel, replacing Pascal Viénot with effect from May 12, 2015.

Biography, management expertise and experience

Florian Sauvin, an EPFL engineer, joined the Group seven years ago and held the post of management controller for two years. He was responsible for the Bel Access Department, an incubator for the Company in terms of promoting new economic models, aiming to develop a sustainable approach to low-revenue consumption markets which takes account of both the social impact and economic viability factors. He has also been a member of Unibel's Management Board since August 2009 and General Manager. He completed the PLD program at Harvard Business School in 2015. Since April 2015, he has held the post of Chief Digital Officer of the Group.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

Antoine Fiévet (cousin), Laurent Fiévet (cousin), Valentine Fiévet (cousin), Marion Sauvin (sister) and Thomas Sauvin (brother).

Terms of office and current positions within the Group held in France

- Member of Unibel's Management Board
- General Manager of Unibel
- Permanent representative of Unibel, Director of Fromageries Bel (since May 12, 2015)
- Director – Treasurer of the Bel corporate foundation
- Director of SICOPA
- Permanent representative of SICOPA on ATAD's Board of Directors
- Joint Managing Director of SOPAIC

Terms of office and current positions outside the Bel Group held in France

- Director and CEO of CGFF
- Director of CIANAS
- Chairman of the SAS Lobster Investment Company
- Managing Director of SCI Belfran
- Joint Managing Director of SAUF1 SARL

Terms of office and current positions outside the Bel Group held abroad

Director of Biomass Holding SAL

Terms of office held which expired during the last five years

Member of Unibel's Supervisory Board for the period of August 2008 to June 2009

Restrictions preventing the sale of a stake in the share capital

Florian Sauvin declares himself party to the Unibel family shareholder pact signed on September 19, 2013 and published by the French Financial Markets Authority on September 26, 2013.

Antonio Maria, born in 1954, French

Business address: 2 allée de Longchamp – 92150 Suresnes

Director (representing employees)

Term of office

Antonio Maria was appointed as Director representing the Group's employees by a decision of the Central Works Council on June 17, 2014, effective July 1, 2014, for a period of four years, *i.e.* until the end of the General Meeting scheduled to take place in 2018.

Biography, management expertise and experience

Antonio Maria joined the Bel Group in 1978 on the Laumes site (Côte d'Or) and held various positions within different Group subsidiaries. In 2009, he changed careers and turned to the representation and defense of employees' interests, joining the various personnel representative bodies at the Group's head office and on a national level. Since 1999, he has been head of logistics for the Group.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

Director representing employees

Terms of office and current positions outside the Bel Group held in France

None

Terms of office and current positions within and outside the Bel Group held abroad

None

Terms of office held which expired during the last five years

None

Restrictions preventing the sale of a stake in the share capital

None

Philippe Deloffre, born in 1920, French

Business address: Unibel – 2 allée de Longchamp – 92150 Suresnes

Non-voting Director

Term of office

Philippe Deloffre was the permanent representative of Unibel, a Director, for the period of June 27, 2001 to May 10, 2012. He was appointed non-voting Director by the Board of Directors on May 10, 2012. Mr. Deloffre's term of office expires at the end of the Annual General Meeting scheduled to take place on May 12, 2016; the Board of Directors, which will meet after the General Meeting, will vote on whether to re-elect him.

Biography, management expertise and experience

Philippe Deloffre held the post of Commercial Director for more than 13 years, then CEO of various subsidiaries in the Bel Group for almost 21 years.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

- Fromageries Bel non-voting Director
- Permanent representative of Fromageries Bel on SOFICO's Board of Directors
- Permanent representative of Fromageries Bel on ATAD's Board of Directors

Terms of office and current positions outside the Bel Group held in France

- Chairman of CGFF's Board of Directors
- Director of GIAC
- Honorary Chairman of Eco-Emballage
- Managing Director of Fiévet Frères SARL

Terms of office and current positions within and outside the Bel Group held abroad

None

Terms of office held which expired during the last five years

- Permanent representative of Unibel on Fromageries Bel's Board of Directors
- Chairman of Fromageries Bel's Audit Committee
- Director of Ecopar
- Managing Director of SCIF SARL
- Chairman of Fromageries Bel Maroc SA's Board of Directors
- Director of Bel Brands US Inc.

Restrictions preventing the sale of a stake in the share capital

None

Bruno Schoch, born in 1965, French

Business address: 2 allée de Longchamp – 92150 Suresnes

Deputy General Manager, non-Director

Term of office

Bruno Schoch was appointed as Deputy General Manager by the Board of Directors on December 17, 2008. The Board renewed his term of office on May 14, 2009 and May 14, 2014 for the duration of his term of office as Deputy General Manager, *i.e.* until the 2018 Annual General Meeting called to approve the financial statements for the 2017 financial year.

Biography, management expertise and experience

Bruno Schoch is responsible for financial and legal affairs and Group information systems. Part of the Group since 2003, he has held the posts of Financial Director and then Director of Strategy and Development at Unibel SA. From 1993 to 2003, he held several posts in auditing at Deloitte & Touche (Paris) and mergers and acquisitions at Chase Manhattan Bank (London) and the Swiss bank Schweizerischer Bankverein (Frankfurt). He holds a DESS (master's degree) in Finance and Management from the Paris Dauphine University and is a qualified Chartered Accountant/Auditor. Since November 2013, Bruno Schoch has been a member of the ASMEP-ETI's (association of medium-sized companies) "made in France" extended bureau and committee.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

- Member of Unibel's Management Board
- Deputy General Manager, non-Director of Fromageries Bel
- Permanent representative of Fromageries Bel on Fromageries Picon's Board of Directors
- Permanent representative of Fromageries Bel on SAFR's Board of Directors
- Permanent representative of SICOPA on SOFICO's Board of Directors
- Permanent representative of SOPAIC on ATAD's Board of Directors

Terms of office and current positions outside the Bel Group held in France and abroad

- Member of the Supervisory Board of Société des Domaines SAS
- Member of the Supervisory Board of Geratherm AG (listed company)
- Permanent representative of Unibel on Biomass Holding SAL's Board of Directors

Terms of office and current positions within the Group held abroad

- Member of Syrären Bel Slovensko's Supervisory Board
- Member of the Board of Directors of Bel Syry Cesko AS
- Director of Bel Brands USA
- Director of Bel Belgium SA
- Co-manager of Bel Deutschland GmbH
- Permanent representative of Fromageries Bel on the Board of Directors of Fromagerie Bel Algérie SpA
- Permanent representative of SICOPA on the Board of Directors of Fromageries Bel Maroc SA
- Permanent representative of SICOPA on SIEPF SA's Board of Directors
- Director of Bel Karper

Terms of office held which expired during the last five years

- Director of Bel Polska z o.o.
- Director of Bel Rouzaneh Dairy Products Company (formerly Bel Sahar)
- Chairman of Jaromerická's Supervisory Board
- Chairman of Bel Syry Cesko AS' Supervisory Board
- Director of Syrären Bel Slovensko
- Director of Bel UK Ltd
- Member of Bel Shostka Ukraine's Supervisory Board
- Member of Bel Leerdammer BV's Supervisory Board
- Director of SICOPA
- Permanent representative of SICOPA on the Board of Directors of Grupo Fromageries Bel España SL

Restrictions preventing the sale of a stake in the share capital

None

■ Directors whose terms of office ended in 2015

Luc Luyten, born in 1945, Belgian

Business address: Camelialaan, 7A – 2970's Gravenwezel – Belgium

Director

Term of office

Luc Luyten was appointed Director by the General Meeting on June 26, 2002. His term of office was renewed by the General Meeting of May 14, 2014 for a period of one year. Luc Luyten's term of office expired at the General Meeting of May 12, 2015 and was not renewed. Luc Luyten has since remained a member of the Appointments and Compensation Committee.

Biography, management expertise and experience

Luc Luyten has extensive experience in human resources and company management. He has held positions as Human Resources Director at GTE-AZTEA SA (now Nokia), at the UCB group, then within the Interbrew Group and finally, from 2002 to 2007 (the date on which he retired) at BPOST, where he was also responsible for Organization, Legal Management, Internal Communications, Prevention and Safety. He was also a member of the Executive Committees of these companies. Since 2002, he has worked as a Managing Director at Human Invest, specializing in strategic HR management and change management. He holds a master's degree in Psychology and Education and a Master's of Business Administration (MBA) from the Solvay Brussels School (ULB). He also holds a diploma in Human Resources Management from Harvard University (USA).

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

- Member of Fromageries Bel's Appointments and Compensation Committee
- Non-voting Director on Unibel's Supervisory Board

Terms of office and current positions outside the Bel Group held in France

Member of SIFFA France's Supervisory Board

Terms of office and current positions outside the Bel Group held abroad

- | | |
|-------------------------------------|--|
| ● Managing Director of Human Invest | ● Chairman of the Evens Foundation |
| ● Director of Ahlers SA | ● Honorary council of Burundi |
| ● Director of Xerius Group | ● Chairman and member of the Advisory Board of the Roi Baudoin Foundation poverty fund |

Terms of office held which expired during the last five years

- Director and Chairman of the Appointments and Compensation Committee of Sd-Worx
- Chairman of the University of Antwerp Audit Committee

Restrictions preventing the sale of a stake in the share capital

None

Pascal Viénot, born in 1948, French

Business address: Unibel – 2 allée de Longchamp – 92150 Suresnes

Permanent representative of the company Unibel

Term of office

Pascal Viénot was appointed as permanent representative of Unibel by the Board of Directors' meeting on May 10, 2012. Florian Sauvin was appointed as permanent representative of Unibel on the Board of Directors of Fromageries Bel, replacing Pascal Viénot with effect from May 12, 2015. The term of office of Unibel was renewed by the General Meeting on May 14, 2014 for three years, and will expire at the end of the General Meeting to be held in 2017.

Biography, management expertise and experience

A renowned expert in family business governance, Pascal Viénot founded the company Ketch Conseil in 1993, then in 2009 Associés en Gouvernance (Governance partners), governance consultancy companies of which he is the Managing Shareholder/Founder. He also holds various governance positions within organizations. He has been an Affiliate Professor at HEC since 2003 and rapporteur for the mid-sized companies commission at the French Institute of Directors. He is the author of several works on governance and family business strategy. From 1979 to 2003, he held positions as Financial Director and General Manager. From 1979 to 1989, he was Financial Director of the Compagnie du Midi Group, then in 1989 he became CEO of Euro Synergie Investment Fund, a position which he left in 1996 in order to join the Continental Can Company as Deputy Managing Director of Ferembal. In 1999, he was appointed Financial Director of the GAN Group. He holds a degree from the École des Hautes Études Commerciales (HEC) and an MBA from Columbia University.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

Member of Unibel's Supervisory Board

Terms of office and current positions outside the Bel Group held in France

- Joint Founder and Managing Partner of the company Associés en Gouvernance
- Chairman of Ketch Conseil
- Director of Bligny hospital
- Rapporteur for the mid-sized companies commission at the French Institute of Directors
- Member of FBN France's Scientific Committee

Terms of office and current positions outside the Bel Group held abroad

None

Terms of office held which expired during the last five years

- Permanent representative of Unibel on Fromageries Bel's Board of Directors (until May 12, 2015)
- Member of FM Holding's Supervisory Board
- Director of Necotrans
- Director of Stroc Industrie (Morocco)

Restrictions preventing the sale of a stake in the share capital

None

Michel Arnaud, born in 1946, French

Director

Term of office

Michel Arnaud was appointed as a Director by the Board of Directors on August 26, 2009. His appointment was ratified by the General Meeting of May 12, 2010. Michel Arnaud's term of office was renewed by the General Meeting of May 14, 2014 for a period of three years. His term of office was due to expire at the end of the Annual General Meeting in 2017. Sadly Mr. Arnaud died on April 5, 2015. He has not been replaced. Michel Arnaud was also Chairman of Fromageries Bel's Ethics Committee.

Biography, management expertise and experience

Michel Arnaud joined the Bel Group in 1974, where he held the following posts successively: Research Director, Bel Industries Department Director, Industrial Director of Bel Industries Department and Industrial and Engineering Director of the Frobél Department as well as R&D, Quality and Economic Intelligence Director. He was a member of the Steering Committee from 1980 to 2006. In this role, he assumed managerial responsibilities by managing the activity of numerous employees. He held a Ph.D. in macromolecular biochemistry and a diploma from the French Institute of Management.

Nature of any family ties existing between the corporate officers of the Unibel-Fromageries Bel Group

None

Terms of office and current positions within the Group held in France

None

Terms of office and current positions outside the Bel Group held in France and abroad

None

Terms of office held which expired during the last five years

- Director of Fromageries Bel
- Member of Unibel's Supervisory Board

Restrictions preventing the sale of a stake in the share capital

None

3.1.3 Declarations relating to members of the Board of Directors and Senior Management

No convictions for fraud, bankruptcy or public sanctions over the last five years

To the best knowledge of the Company, no member of the Board of Directors and Senior Management, has been convicted of fraud over the last five years, or has been associated with any bankruptcy, receivership or liquidation, or has an official public penalty or official public sanction declared by a statutory or regulatory authority or has been prevented by a court of justice from acting as a member of a management, executive or supervisory corporate body or from intervening in a management or executive capacity in the activities of a listed company.

Service contracts

To the best knowledge of the Company, and as at the date of this Registration Document, and subject to the following section, no corporate officer is connected to the Company or any of its subsidiaries by a service contract which makes provision for the granting of any benefits whatsoever upon the expiry of such a contract.

The Company is linked to the parent company Unibel by a cash agreement, authorized by the Board of Directors on October 11, 2007, and a service agreement dated December 14, 2001, authorized by the Board of Directors on December 12, 2001, the conditions and processes of which are detailed in Paragraph 3.5.1 of this Registration Document "Statutory Auditors' Special Report on regulated agreements and undertakings". These agreements were subject to the control procedures for regulatory agreements set out by Articles L. 225-38 *et seq.* of the Commercial Code.

Conflicts of interest and agreements to which the corporate officers are party

To the best of the Company's knowledge and as at the date of this Registration Document, there are no potential conflicts of interests between the duties of Fatine Layt, Nathalie Roos, Thierry Billot and James Lightburn, Directors who are not members of the family group Fiévet-Bel, in relation to the Company and their private interests and other duties. Antoine Fiévet, Director and Chairman and Chief Executive Officer, and Florian Sauvin, Director and permanent representative of Unibel, are also members of Unibel's Management Board, holding more than two thirds of the capital and voting rights of the Company and parties to the Unibel shareholders' agreement between members of the Fiévet-Bel family group. Information relating to the Company's capital is featured in Chapter 5 of this document. Antonio Maria is the Director representing employees. He holds a contract of employment as required by Law.

The Board of Directors has concluded that a financial advisory agreement between the Company and Oddo Corporate Finance, under the terms of which Oddo Corporate Finance was to advise the Company on its acquisition of Safilait, does not compromise Fatine Layt's independence. Ms. Layt did not take part in discussions or voting on the Safilait acquisition and stepped down as Chairman of Oddo Corporate Finance on October 22, 2015.

Information on conflicts of interest and agreements involving corporate officers can be found in paragraphs 3.1.3 and 3.5.1 of this chapter.

Arrangement or agreement on the appointment of members of the Board of Directors and Senior Management

The Company's articles of association do not set out any specific rules applicable to the appointment and replacement of members of the Board of Directors. Legal provisions apply.

To the Company's knowledge and as at the date of this Registration Document, there is no arrangement or agreement between the main shareholders, customers, suppliers or others by which the Chief Executive Officer or any member of the Board of Directors could have been appointed.

Restrictions relating to the transfer of shares

Within the framework of the provisions in the French General Tax Code, notably Articles 787 B, 885 I b and 885 I d, there may be collective or individual commitments to retain Fromageries Bel shares. Those known to the Company – mainly concerning Antoine Fiévet and Florian Sauvin and the company Unibel – are described in Chapter 5.1 "Shareholding and share capital".

To the best knowledge of the Company, and as at the date of this Registration Document, there are no other commitments involving members of the Board of Directors and Senior Management relating to the transfer over a certain period of time of their holding in the Company's capital.

However, under the free share award plans introduced by the Board of Directors in 2008, free shares awarded for the benefit of corporate officers and employees are subject to a two-year holding period following the end of the vesting period (equal to two or three years) and, for corporate officers, an obligation to retain a minimum of 20% for the full duration of their term of office.

3.1.4 Organization and work performed by the governance bodies

Structure and operation of the Board of Directors

■ Company management structure

The Company is run by a Board of Directors, the Chairman of which, Antoine Fiévet, is also Chief Executive Officer. The Board of Directors decided in its Meeting of May 14, 2009, to combine the roles of Chairman of the Board and Chief Executive Officer of the Company. Combining these roles seemed suitable for the management structure and operation of the Company, and would make the decision-making process and taking responsibility more efficient. During its meeting on March 25, 2015, as part of the assessment of its work, the Board of Directors re-examined the question of the balance of power within its governance bodies, and confirmed that combining these roles was suited to Fromageries Bel's position.

Antoine Fiévet has held the positions of Chairman of the Board of Directors and Chief Executive Officer since May 14, 2009 and his terms of office were renewed on May 14, 2014. Since December 17, 2008, he has been assisted by Bruno Schoch, Deputy General Manager responsible for financial and legal affairs and information systems.

In his capacity as Chairman of the Board of Directors, Antoine Fiévet organizes and directs the work of the former, and reports back to the General Meeting. He ensures that the Company bodies function correctly and makes sure, in particular, that the Directors are in a position to successfully carry out their role. In his capacity as Chief Executive Officer, Antoine Fiévet has the most extensive powers to act under any circumstances on behalf of the Company. He exercises his powers within the scope of the Company's objectives, and subject to those powers expressly allocated by Law to Shareholders' and Board of Directors' meetings.

■ Lead Independent Director

Furthermore, the Board of Directors decided, following a proposal from the Chairman and Chief Executive Officer, to appoint one of the Independent Directors as Lead Independent Director. Thierry Billot was thus appointed by the Board of Directors at its meeting on July 29, 2015. He will remain in office for a maximum period equal to his term of office as Director. He is specifically responsible for ensuring that the Company's governance bodies are run properly, both within the Board of Directors and the specialist committees. He also acts as a liaison between the governance bodies, the Senior Management of the Company and the Executive Committee. He is also the specific point of contact for Directors on the issue of conflicts of interest.

■ Roles of the Board of Directors

As part of the strategy adopted by Unibel, the holding company, the Board of Directors gives its opinion on all the decisions relating to the implementation of the Company's main strategic, economic, societal, environmental, financial and industrial orientations and ensures their adoption by Senior Management. It is regularly informed, either directly, or through its committees, of any significant event effecting the conduct of the Company's business.

During each Board Meeting, the Chairman informs the Directors of the main facts and significant events relating to the Group, which have occurred since the Board's last meeting. Each meeting of the Board of Directors is also an opportunity to take stock of the Company's activity and its future prospects.

In compliance with legal and statutory provisions, the Board of Directors meets at least four times a year, convened by its Chairman at least one week before the meeting, unless there is an emergency, to examine and approve the annual and consolidated financial statements, review the draft management documents and approve the consolidated half-yearly financial statements. A document covering all the key points that will be discussed and examined at the meeting must be sent to the Directors several days in advance, unless prevented by an emergency or urgent requirement.

However, a meeting of the Board of Directors may be convened on any other important subject. The Board of Directors is then regularly informed of the progress of these files. The work and decisions of the Board of Directors are formalized in the minutes of the meeting.

■ Internal Regulations of the Board of Directors

The Company's Board of Directors has Internal Regulations which specify the conditions for preparing for its meetings and its rules of conduct to this effect. It determines the limits the Board places on the powers of the Chairman and Chief Executive Officer and its Deputy General Manager. In compliance with the Law, these limits are established internally and are not applicable to third parties.

The Internal Regulations also state the rights and duties of Directors during their terms of office. In 2013, the Audit Committee and the Appointments and Compensation Committee were both given a Charter defining the operation and the roles and responsibilities of each of these committees. The Board's Internal Regulations, which up to that point set out these rules, was consequently amended.

The Internal Regulations of the Board of Directors were further amended on July 29, 2015, to lay down the terms and conditions for occupying the position of Lead Independent Director and the associated duties.

The Internal Regulations of the Board of Directors, along with the Charters of the Audit Committee and the Appointments and Compensation Committee, can be consulted at the Company's head office.

■ Limits placed on the powers of the Chairman and Chief Executive Officer and Deputy General Manager by the Board of Directors

In his capacity as Chief Executive Officer, Antoine Fiévet has the most extensive powers to act under any circumstances on behalf of the Company. The Chief Executive Officer represents the Company in its relationships with third parties. He has the ability to partially delegate his powers. He exercises his powers within the scope of the Company's objectives and is subject to those powers the Law expressly allocates to Shareholders' and Board of Directors' meetings.

Furthermore, internally, and not applicable to third parties, the prior authorization of the Board of Directors is required for any major and/or significant operation or potential operation in terms of its total or by its nature.

The following are particularly concerned:

- decisions or measures affecting or likely to amend the legal or financial structure of the Company or Group or the scope of its activity;
- any operation or potential investment over ten (10) million euros;
- loans and financing operations of a total of over twenty-five (25) million euros and the allocation of the guarantees attached to said financing operations;
- restructuring operations exceeding the threshold of ten (10) million euros;
- operations such as acquisitions or disposals affecting the brands with a value of over five (5) million euros, as well as agreements with third parties relating to the operation of the Group's core brands;
- real estate operations exceeding the threshold of five (5) million euros.

■ Work of the Board of Directors during 2015 and since the start of 2016

During 2015 and since the start of 2016, the Board of Directors has met seven times with its members achieving an attendance rate of 93.2%.

In 2015, within the framework of its role, the Board of Directors reviewed the quarterly, half-yearly and yearly financial information, the annual financial statements and the consolidated financial statements for 2014, the sales for the fourth quarter of 2014 and

the first and third quarters of 2015, the half-yearly consolidated financial statements, and the process for issuing this information. Each Board Meeting called to approve the financial statements was preceded by a meeting of the Audit Committee. The Directors systematically review the press releases relating to this information before their circulation.

During each meeting, the business market was assessed. Regular attention was given to the economic and geopolitical situation of the markets and its impact on the Group's activity.

The Board of Directors approved the proposed acquisition of the company Safilait in Morocco and monitored the various stages of the plan to integrate the company within the Bel Group. It also authorized a bank loan for 280 million Moroccan dirhams with a repayment guarantee granted by the Group. As part of the plan, the Board also approved a financial advisory agreement with Oddo Corporate Finance Company, appointed to advise Bel on the acquisition.

In July 2015, it also examined a new industrial plan to build a second plant in Algeria. The Directors regularly discussed the Group's industrial investments.

The Board of Directors approved the relocation of the head office to 2, Allée de Longchamp, Suresnes, at the meeting on November 12, 2015, as well as the corresponding amendment to Article 4 of the articles of association, subject to ratification at the General Meeting scheduled for May 12, 2016.

In terms of governance, following a proposal from the Appointments and Compensation Committee, on March 25, 2015, the Board of Directors proposed that the terms of office of Luc Luyten and Florian Sauvin would not be renewed or replaced. At its meeting of May 12, 2015, the Board approved the appointment of Florian Sauvin as permanent representative of Unibel and the appointment of Thierry Billot as Chairman of the Audit Committee and Appointments and Compensation Committee. It also acknowledged the death of one of its Directors, Michel Arnaud. Finally, following a proposal from its Chairman and Chief Executive Officer, the Board approved the appointment of Thierry Billot as Lead Independent Director at its meeting of July 29, 2015.

For the first time and in accordance with the Law, it applied the procedure for information/consultation of staff representatives and annual consultation of the Board of Directors on the strategic direction, introduced by the Law of June 14, 2013 on job security. It examined a document outlining the Group's strategy, including its performance in 2014, as well as the highlights and prospects for 2015 and the consequences of strategy on jobs and employment policy, and sent this document to staff representatives.

As part of its performance assessment, the Board of Directors, at its meeting on March 25, 2015, reviewed a summary of the assessments for 2015, 2014 and 2013 and the improvements implemented. It identified proposals for improvements to be implemented in 2015 and recommended more frequent information on the Group's industrial productivity. The Directors are satisfied with the running of the Board, its transparency and the quality of the exchanges.

The Board of Directors has met three times since the beginning of 2016. It mainly focused on the annual financial statements and consolidated financial statements for 2015, on the advisability of renewing terms of office about to expire, the convening of the Annual General Meeting and the approval of its agenda. It also considered several investment and industrial development projects.

In addition, the Board issued a statement on the independence of each Director in relation to the criteria of the Middelnext Code.

Composition, operation and activities of the Board of Directors' committees

The Board of Directors set up, in June 2001, two specialist committees, an Audit Committee and an Appointments and Compensation Committee.

These committees issue proposals, recommendations and opinions on matters within their remit, depending on the case in question. They have an advisory capacity and act under the authority of the Board of Directors. They report back to the Board where necessary.

■ Audit Committee

In 2013, the Audit Committee was granted a Charter governing its operation, its role and its responsibilities. This Charter was approved by the Board of Directors on August 29, 2013.

The Audit Committee meets two to four times a year and as many times as necessary at the request of its Chairman or the Chairman of the Board of Directors to guarantee the questions relating to the drafting and checking of periodic and annual accounting and financial information are monitored. In 2015, the committee met four times with a 100% attendance rate.

The Audit Committee consists of at least three members appointed by the Board of Directors from among the Directors, with the exception of those performing management roles, with at least one member being independent and possessing specialist financial or accounting skills. The Board of Directors appoints the Committee Chairman, who directs the committee's work.

As at the date of this Registration Document, the Audit Committee has three members: Thierry Billot (Chairman), James Lightburn and Fatine Layt. All three members are independent according to the criteria defined by the MiddleNext Governance Code, which the Company uses as a reference. Thierry Billot and Fatine Layt have special expertise in finance (for further information, see Paragraph 3.1.2 "Composition and expertise of the Board of Directors and Senior Management"). Mr. Deloffre attends each Audit Committee meeting as non-voting Director.

The Audit Committee consults the Deputy General Manager (responsible for financial and legal affairs and information systems), the Corporate Finance Director, the Consolidation, Financial Control and Internal Control Director, the Treasury Director, the

Legal Director, the Information Systems Director and the Internal Audit and Risks Director. The members of the committee maintain relations with the Statutory Auditors without the presence of the Group's management.

The Audit Committee reports back to the Board of Directors about its roles and informs it without delay of any difficulties encountered.

Roles

In compliance with the provisions of Article L. 823-19 of the French Commercial Code, the Audit Committee's role is to assist the Board of Directors and perform the following: (i) monitoring the process of drafting periodic and projected financial and accounting information, and to this end, reviewing the Company's annual and consolidated financial statements, (ii) monitoring the effectiveness of the internal control systems and risk management, and (iii) monitoring the statutory audit of the Company's annual and consolidated financial statements by the Statutory Auditors. The committee supervises the auditor selection procedure and issues a recommendation to the Board on the proposed auditors for appointment by the General Meeting. The committee examines the risks that threaten their independence with the Statutory Auditors.

Within this framework, the Audit Committee:

- ensures the relevance and permanence of the accounting rules and methods used to establish consolidated and corporate financial statements, as well as the appropriate accounting treatment of significant operations by the Bel Group;
- examines the Bel Group's annual internal audit plan and the Statutory Auditors' operations, examines the Bel Group's Internal Audit Reports on a quarterly basis;
- ensures the relevance of the internal control procedures;
- ensures there is a process for identifying and analyzing financial and non-financial risks likely to have a significant impact on the Company's accounting and financial information and particularly on the Company's capital, regardless of the time period. It also examines the financial situation of the Group and its debt and financial structure;
- ensures that any weaknesses identified in the internal control and risk management systems result in corrective actions;
- examines the Chairman's Report and, where necessary, comments on subjects within its field of competence;
- provides the Board of Directors with an opinion on the renewal of Statutory Auditors' mandates or their appointment.

To perform its role, it has access to all the documents and information that it wishes to verify. To this end, it has the right to any information that it deems necessary to complete its assignment from any manager in the Company. The Audit Committee may also consult third parties that may be useful in its work and use external experts.

Work of the committee since January 2015

The work of the Audit Committee since January 2015 has mainly been related to the following points:

- examining the Group's half-yearly and annual consolidated financial statements with the Group's Financial Management and the Statutory Auditors in order to analyze the accounting and financial statements for the entire Group. Each time the consolidated financial statements are presented (half-yearly and annual), the Statutory Auditors present a summary of their work and their conclusions. At the meeting of March 9, 2016, Committee members met with the Statutory Auditors without the Group's management being present;
- reviewing half-yearly and annual draft press releases on the Group's financial results;
- monitoring cash positions, the exchange rate hedging policy and Group financing;
- examining extra-financial reports and reviewing the certification work and progress plans;
- examining the internal audit reports: the committee examined the conclusions and specific check points from the internal check as part of various audit assignments. It examined the monitoring of the implementation of the audit recommendations issued in prior reports. The Group's internal audit plan for 2016 was presented during the committee's end-of-year meeting at the same time as the assessment of the 2015 audit plan;
- monitoring risk management: as part of the role assigned to the Audit Committee in relation to risk management, the results of the updated Group risk mapping and measures planned for 2016 were presented during the end of year committee meeting;
- monitoring crisis management procedures established by the Group: the committee was updated on the progress of the introduction and permanent application of the crisis management system set up in 2013 and the results of its implementation in 2015;
- the committee worked on internal control procedures. It reviewed certain procedures both as part of the Statutory Auditors' annual work and when receiving feedback from internal audit assignments.

■ Appointments and Compensation Committee

On the recommendation of the committee, the Board of Directors' meeting on March 21, 2013, adopted a Charter defining its composition, areas of competence and operational rules. Up to that point, the Appointments and Compensation Committee was governed by the Board of Directors' Internal Regulations.

The Appointments and Compensation Committee convenes at least four times a year, and as often as necessary at the request of the Chairman of the Board of Directors. In 2015, the Appointments and Compensation Committee met four times with an attendance rate of 100%.

The Appointments and Compensation Committee consists of at least three members, the majority of which are independent. To conduct its work, the Appointments and Compensation Committee may seek the advice of external experts and consult the Group's internal specialists – especially the Human Resources Director – for any matters dealt with by the committee.

As at the date of this Registration Document, the Appointments and Compensation Committee had five members: Thierry Billot (Chairman) and James Lightburn (both classed as independent within the meaning of the Middledenext Code), Antoine Fiévet, Luc Luyten (non-executive member) and Antonio Maria (Director representing employees).

The Board of Directors appointed Antonio Maria as a member of the committee on March 9, 2016, although only when the committee meets to consider compensation.

The Appointments and Compensation Committee has employed the skills of an expert specializing in compensation systems since June 2009. The provision of these technical skills contributes to the quality of the committee's work and represents the various interests at stake.

Roles

In its capacity as Appointments Committee, the committee's main role is to provide proposals and recommendations for selecting Directors and renewing their terms of office, the manner in which Senior Management operates, the appointment or termination of the functions of the Chairman of the Board, the Chief Executive Officer and/or Deputy General Managers, the implementation of succession plans, the operation of the Board and its periodic assessment. It also provides an opinion on the appointment of members of the Executive Committee.

In its capacity as Compensation Committee, the committee issues recommendations on the setting and distribution of attendance fees, all items making up the compensation of corporate officers including retirement arrangements, variable elements of compensation and compensation linked to capital, determining the performance targets when setting variable compensation. It makes decisions on the Company's policy in terms of stock-option or stock-purchase plans and the general policy in terms of employee shareholding plans. Lastly, it advises Senior Management on the overall consistency of the compensation policy for the main senior managers and members of the Executive Committee. It is kept informed of the Company's compensation policy for all employees.

Work of the Appointments and Compensation Committee since January 2015

The Appointments and Compensation Committee mainly examined the following points:

- the situation regarding the terms of office of Directors coming to an end. As such, it was recommended that the terms of office of James Lightburn and Fatine Layt are renewed at the Annual General Meeting scheduled to take place on May 12, 2016;
- the setting of performance targets for the compensation of the Deputy General Manager in charge of operations and members of the Management Committee and senior management, and examination of the conditions for meeting those targets;
- the consistency of the compensation policy for the Group's main senior managers;
- the policy for awarding performance shares to Company and subsidiary employees and/or corporate officers and, as such, the recommendation for implementing a plan to allocate performance shares to employees and the proposed adjustments required following the legislative changes introduced by the Macron Law of August 6, 2015;
- the assessment of the performance of the Board of Directors, both in terms of its organization and its operation;
- the results of the Group's employee engagement survey carried out in 2015.

3.2 Compensation and benefits

3.2.1 Principles and rules adopted by the Board of Directors to determine the compensation and benefits of any kind awarded to corporate officers

The executive corporate officers are Antoine Fiévet, Chairman and Chief Executive Officer, and Bruno Schoch, Deputy General Manager. They are also respectively Chairman and member of the Unibel Management Board. Antoine Fiévet and Bruno Schoch do not receive any compensation for their respective posts of Chairman and Chief Executive Officer and Deputy General Manager of Fromageries Bel, as they are remunerated by Unibel, the Group's holding company.

The principles and rules adopted by the Supervisory Board to determine the compensation and benefits of any kind granted to executive corporate officers, are the following:

- fixed monthly compensation over 13 months;
- yearly variable compensation set as a percentage of the fixed annual compensation and weighted by the rate at which the performance targets are achieved, based in equal part on sales, operating income over sales and free cash flow over sales;
- the achievement rate is calculated for the last two financial years for the Chief Executive Officer and for the last financial year only for the Deputy General Manager. The bonus may vary from 0% to 150%;
- multi-year variable compensation based on performance conditions achieved in terms of EBITDA (Earnings before Interest, Taxes, Depreciation, and Amortization) and ROCE (Return On Capital Employed) criteria over two financial years. For the Chief Executive Officer, the achievement rate, capped at 100%, is applied to a fraction of the fixed compensation;

- 575 performance units were allocated conditionally to the Deputy General Manager in 2015. According to the achievement rate of these performance conditions, a proportion of the units are paid in the form of a cash bonus after two years, plus a €65,000 conditional bonus; the remaining units are paid after four years and are index-linked to the share price;
- special compensation for the Chairman as leader of Fromageries Bel's governance bodies;
- company cars and, for Bruno Schoch, executive unemployment insurance underwritten by GSC.

These compensation conditions are regularly compared by the Unibel Supervisory Board to market conditions with the assistance of expert consultants.

Quantified performance targets are not published for reasons of confidentiality.

The corporate officers were not given free shares.

The Annual General Meeting of May 14, 2009 set the maximum total attendance fees that can be paid to Directors at €300,000. This rule has not been changed. Attendance fees include a set part and a variable part allocated according to actual presence. Since the 2012 financial year, the annual fixed portion of attendance fees has stood at €10,000 and the variable portion at €2,000 per Board meeting, subject to actual attendance. The fees allocated to the Lead Independent Director are set at €20,000 for the fixed portion and at €4,000 per meeting for the variable portion. Compensation for Board committee members is as follows: the

committee chairman receives €5,000 per meeting and members receive €2,700 per meeting. The attendance fees paid in 2015 to Directors is detailed in Table 3 in Paragraph 3.2.2 "Compensation and benefits paid to corporate officers".

Antoine Fiévet and Florian Sauvin do not receive any attendance fees for their role as Company Directors.

There were no benefits, of any kind whatsoever, awarded to the Directors during the 2015 financial year, with the exception of

company cars provided to Antoine Fiévet and Florian Sauvin for their roles at Unibel.

No loan or guarantee was granted by the Company to its corporate officers.

Any transactions by managers under Article L. 621-18-2 of the French Monetary and Financial Code in Company shares are summarized in Paragraph 5.2.2 "Summary of transactions of managers and similar persons".

3.2.2 Compensation and benefits paid to corporate officers

The gross overall amount of compensation and benefits of any kind awarded to the corporate officers and members of the Board of Directors are as follows:

Table 1 Summary of compensation and options and shares awarded to each executive corporate officer

	2015 financial year	2014 financial year
Antoine Fiévet, Chairman and Chief Executive Officer (paid by Unibel)		
Compensation due for the financial year (detailed in Table 2)	€1,159,974	€1,216,916
Value of multi-annual variable compensation awarded during the financial year (detailed in Table 2)	€203,923	€204,757
Value of options awarded during the financial year	None	None
Value of performance shares awarded during the financial year	None	None
TOTAL	€1,363,897	€1,421,673
Bruno Schoch, Deputy General Manager (paid by Unibel) responsible for financial and legal affairs and information systems		
Compensation due for the financial year (detailed in Table 2)	€517,799	€531,689
Value of multi-annual variable compensation awarded during the financial year (detailed in Table 2)	€247,339	€197,957
Value of options awarded during the financial year	None	None
Value of performance shares awarded during the financial year	None	None
TOTAL	€765,138	€729,646
Francis Le Cam, Deputy General Manager^(a) responsible for operations		
Compensation due for the financial year (detailed in Table 2)	Mr. Le Cam's term of office expired on May 12, 2014	€607,470
Value of multi-annual variable compensation awarded during the financial year (detailed in Table 2)		€157,702
Value of options awarded during the financial year		None
Value of performance shares awarded during the financial year		None
TOTAL		€765,172

(a) Francis Le Cam was appointed Deputy General Manager on the proposal of Antoine Fiévet by the Board of Directors on June 18, 2012. His term of office expired at the Annual General Meeting in May 2014. Compensation for 2014 covers the entire year.

Antoine Fiévet has been a Director of Fromageries Bel since April 2001 and Chairman and Chief Executive Officer since May 14, 2009. He is paid by Unibel, the Group's holding company, where he has been Chairman of the Management Board since August 2005.

Bruno Schoch has been Deputy General Manager since December 17, 2008. He is paid by Unibel, the Group holding company, where he has been a member of the Management Board since August 2005.

Francis Le Cam was appointed Deputy General Manager on the proposal of Antoine Fiévet by the Board of Directors on June 18, 2012. His term of office expired at the Annual General Meeting in May 2014. Compensation for 2014 covers the entire year.

Table 2 Summary of compensation for each executive corporate officer

Antoine Fiévet Chairman and Chief Executive Officer (paid by Unibel)	2015 financial year		2014 financial year	
	Amount due	Amount paid	Amount due	Amount paid
Gross fixed compensation	€578,942	€578,942	€571,921	€571,921
Variable compensation ^(a)	€475,819	€541,646	€539,874	€467,414
Multi-annual variable compensation ^(b)	€203,923	None	€204,757	None
Exceptional compensation ^(c)	€100,800	€50,400	€100,800	€156,200
Benefit in kind ^(d)	€4,413	€4,413	€4,321	€4,321
TOTAL	€1,363,897	€1,175,401	€1,421,673	€1,199,856

(a) Criteria used for the award of variable and/or exceptional compensation: performance targets based in equal parts on sales, operating income over sales and free cash-flow over sales for the last two years.

(b) Linked to the achievement of performance targets based in equal parts on EBITDA and ROCE for the 2014 and 2015 financial years.

(c) Linked to leadership of Fromageries Bel's governing bodies.

(d) Details of benefits in kind: company car.

Bruno Schoch Deputy General Manager responsible for financial and legal affairs and information systems (paid by Unibel)	2015 financial year		2014 financial year	
	Amount due	Amount paid	Amount due	Amount paid
Gross fixed compensation	€346,929	€346,929	€341,966	€341,966
Variable compensation ^(a)	€156,118	€170,252	€175,066	€206,294
Multi-annual variable compensation ^(b)	€247,339	€257,439	€197,957	€187,565
Benefit in kind ^(c)	€14,752	€14,752	€14,657	€14,657
TOTAL	€765,138	€789,372	€729,646	€750,482

(a) Criteria used for the award of variable and/or exceptional compensation: performance targets based in equal parts on sales, operating income over sales and free cash-flow over sales for the last financial year.

(b) Performance units linked to the achievement of performance targets based in equal parts on ROCE and EBITDA for two financial years, payable after two and four years, as well as a bonus of €65,000 subject to performance conditions.

(c) Details of benefits in kind: company car, executive unemployment insurance.

Francis Le Cam Deputy General Manager*, responsible for operations	2015 financial year		2014 financial year	
	Amount due	Amount paid	Amount due	Amount paid
Gross fixed compensation	Mr. Le Cam's term of office expired on May 12, 2014.		€399,360	€399,360
Variable compensation ^(a)			€195,753	€232,188
Multi-annual variable compensation ^(b)			€157,702	€157,940
Exceptional compensation ^(c)			€8,239	€8,239
Benefit in kind ^(d)			€4,118	€4,118
TOTAL			€765,172	€801,845

(a) Criteria used for the award of variable and/or exceptional compensation: performance targets based in equal parts on sales, operating income over sales and free cash-flow over sales for the last financial year.

(b) Performance units linked to the achievement of performance targets based in equal parts on ROCE and EBITDA for two financial years, payable after two and four years, as well as a fixed bonus of €65,000.

(c) Including remainder of previously paid holiday and dividend premium.

(d) Details of benefits in kind: company car.

* Francis Le Cam was appointed Deputy General Manager on the proposal of Antoine Fiévet by the Board of Directors on June 18, 2012 and his term of office expired following the 2014 Annual General Meeting.

The compensation given here for 2014 is for the full calendar year, not for the length of his term of office.

The performance targets to be achieved are established beforehand, as well as the achievement threshold of these targets. However, this data is not published for confidentiality reasons.

Table 3 Attendance fees and other compensation received by non-executive corporate officers

Non-executive corporate officers	Amounts paid during the 2015 financial year	Amounts paid during the 2014 financial year
Michel Arnaud		(a)
Attendance fees	€15,000	€26,000
Other compensation (Unibel)	- €	€18,000
Thierry Billot		
Attendance fees	€55,000	€16,000
Other compensation (services provided to Unibel)	€18,000	€12,000
Fatine Layt		
Attendance fees	€28,800	€30,800
Other compensation (services provided to Unibel)	€18,000	€15,000
James Lightburn		
Attendance fees	€39,600	€41,600
Other compensation (services provided to Unibel)	€18,000	€15,000
Luc Luyten		
Attendance fees (excluding those paid by Unibel)	€14,700	€40,000 (b)
Other compensation (services provided to Unibel via Human Invest)	€9,000	€15,000
Antonio Maria		
Attendance fees	€18,000	€9,000 (c)
Nathalie Roos		
Attendance fees	€18,000	€14,000
Other compensation (services provided to Unibel)	€15,000	€6,000
Florian Sauvin		
Attendance fees	- €	- € (d)
Other compensation (member of Unibel Management Board)	€107,013	€121,484
Pascal Viénot, permanent representative of Unibel		(e)
Attendance fees (excluding those paid by Unibel)	- €	- €
Unibel		
Attendance fees	- €	€20,000
Philippe Deloffre		
Non-voting Director attendance fees	€18,000	€20,000
Other compensation (Unibel)	€70,910	€71,097

(a) Michel Arnaud died in 2015.

(b) Luc Luyten's term of office expired in May 2015. Mr. Luyten joined Unibel's Supervisory Board on this date as non-voting Director.

(c) Excluding the salary paid in respect of his contract of employment.

(d) Florian Sauvin has been Unibel's permanent representative since May 2015.

(e) Pascal Viénot was Unibel's permanent representative until May 2015.

Since no corporate officer was awarded free shares or stock options in 2015, nor was any corporate officer the beneficiary of a share transfer or exercise of options, these six tables are not applicable.

Table 4 Options to subscribe to or purchase shares awarded during the financial year to each executive corporate officer by the issuer and any company in the Group

This table is not applicable.

Table 5 Options to subscribe to or purchase shares taken during the financial year by each executive corporate officer

This table is not applicable.

Table 6 Performance shares awarded to each corporate officer

Performance shares awarded by the General Meeting during the financial year to each corporate officer by the issuer and any company in the Group	Plan number and date	Number of shares awarded during the financial year	Value of the shares according to the method used in the consolidated financial statements	Vesting date	Availability date	Performance conditions
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No corporate officer had been awarded free shares as part of the 2015 plan; this table is therefore not applicable.

Table 7 Performance shares transferred to each corporate officer

Performance shares becoming available to each corporate officer	Plan number and date	Number of shares transferred during the financial year	Allocation conditions
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No shares were transferred to a corporate officer in 2015.

Table 8 History of awards of options to subscribe to or purchase shares

This table is not applicable.

Table 9 Options to subscribe to or purchase shares awarded to the top 10 non-executive employees and options exercised by them

This table is not applicable.

Table 10 History of free share awards – Information on free shares awarded

Plan number	4	5	6	7	8	9
Date of General Meeting	04/30/2007	05/12/2011	05/10/2012	05/10/2012	05/10/2012	05/12/2015
Date of Board of Directors' meeting	03/24/2010	05/12/2011	05/10/2012	08/29/2013	08/27/2014	07/29/2015
Total number of free shares awarded	12,010	7,243	7,234	5,130	5,447	5,527
Including						
Antoine Fiévet	None	None	None	None	None	None
Francis Le Cam	400	307	307	None	None	None
Bruno Schoch	400	None	None	None	None	None
Vesting date of shares	03/24/2013	05/12/2013	05/10/2014	08/30/2015	08/29/2016	07/30/2017
Date of end of retention period	03/24/2015	05/12/2015	05/10/2016	08/30/2017	08/29/2018	07/30/2019
Cancellation (performance rate or departure)	3,432	1,961	677	308	108	85
Total number of shares transferred or to be transferred	8,578	5,282	6,557	4,822	5,339	5,442

Antoine Fiévet has been Chairman and Chief Executive Officer since May 2009 and has never been awarded any free shares.

Francis Le Cam was Deputy General Manager from June 2012 to May 2014 and was no longer awarded any free shares as of June 2012.

Bruno Schoch has been Deputy General Manager since December 2008; he has been a member of the Unibel Management Board since August 2005; no free shares have been awarded since 2010.

No award has been made to corporate officers under the 2015 plan.

The performance conditions are explained further on in Paragraph 5.2.3.

Table 11 Executive term of office – Employment contract

	Employment contract		Supplementary pension provision		Compensation or benefits that may be owed due to a termination or change of position		Non-competition indemnities	
	Yes	No	Yes	No	Yes	No	Yes	No
Executive corporate officers								
Antoine Fiévet, Chairman and Chief Executive Officer		x		x		x		x
Bruno Schoch, Deputy General Manager	x see <i>infra</i>			x	x see <i>infra</i>		x see <i>infra</i>	

Before his appointment as a member of the Management Board, Bruno Schoch was a salaried Financial Director at Unibel. At the time of his appointment as a member of the Management Board, no specific provision had been adopted and this employment contract was suspended by right for the duration of his executive term of office.

In the event that his term of office should come to an end, the employment contract would be reinstated and Bruno Schoch would be entitled to all the benefits set out by the Law, regulations, collective agreement and company agreements; these employment contracts include a non-competition clause, which the Company can choose to apply or not upon the departure of the interested party.

3.2.3 Provisions booked for paying pensions, retirement or other benefits to members of the Executive Committee

The executive corporate officers and members of the Executive Committee have access to the same retirement and health schemes as the Group's senior managers. With the exception of what is stated in the previous section, there is no other Company or Group commitment on their behalf with regard to paying pensions, retirements or other benefits, other than the end-of-career

allocation set out by Employment Law, collective agreements and company agreements. These end-of-career payments are set aside in the conditions detailed in Note 4.11 "Employee benefits" to the consolidated financial statements, which can be found below in Paragraph 4.5.1. "Consolidated financial statements".

3.3 Chairman's Report on risk management procedures and internal control⁽¹⁾

3.3.1 Definitions and objectives

Internal control is a set of resources, behaviors and actions adapted to the Company's specific characteristics which:

- should enable it to counteract the major risks that it may encounter, whether these are operational, financial or compliance based;
- and therefore contribute to the effective use of its resources and the efficiency of its operations.

In compliance with the definition of the reference framework published by the French Financial Markets Authority, the current internal controls in the Bel Group aim specifically to ensure:

- the effective achievement of the targets set by the Board of Directors;

- that management and production actions in industrial and commercial operations comply with laws and regulations, as well as the internal rules applicable to the Group;
- the Group's material and intellectual assets are protected;
- fraud and errors are prevented and detected;
- the financial and accounting information detailing the Group's activity and future perspectives is of the requisite quality and is produced in due time.

The internal control process currently operates within the entire Group constituted by the company Fromageries Bel and its French and foreign subsidiaries.

As is the case with any control system, the internal control process cannot offer an absolute guarantee that all the risks of error or fraud are completely eliminated or fully-controlled.

3.3.2 Internal control environment of the Company

The Board of Directors

The Board of Directors takes all decisions relating to the Company's major strategic, economic, employee-related, corporate, environmental, financial and industrial objectives and ensures they are implemented by Senior Management. It is regularly informed, either directly, or through its committees, of any significant event effecting the conduct of the Company's business. During each meeting of the Board of Directors, the Chairman informs the Directors of the main facts and events of the Group's operations that have occurred since the Board's last meeting. Each meeting of the Board of Directors is also an opportunity to take stock of the Company's activity and its future prospects.

Senior Management

The internal control process is implemented within the Group by the Chairman and Chief Executive Officer and the Deputy General Manager responsible for financial and legal affairs and information systems. They rely on an Executive Committee, a place where the operational coordination required for the correct running of the Group's strategy and policies takes place.

The Region and Business Departments

Everyone at the Bel Group is involved in the internal control process. All managers and all employees, each at their respective level within the organization, play a role in controlling activities. The line and staff managers ensure efficient management of the risks associated with the areas they manage.

Within the various business structures, a cross-departmental organization supports local industrial, marketing, purchasing, supply chain, sales, research and innovation, product regulation, commercial strategy and cross-departmental network activities. The support functions, such as the administrative, financial and IT departments, the Human Resources and Organization Departments (Group HR and regional HR), the Communications Department, the Legal Department and the CSR Department (corporate social responsibility), reinforce this organization at Group level.

⁽¹⁾ This paragraph is part of the Chairman's Report on the conditions for preparing and organizing the Board's work and the internal control and risk management procedures.

Risk Management Department

The Risk Management Department reports to the Deputy General Manager responsible for financial and legal affairs and information systems. This department is in charge of developing a strategy and deploying the overall risk management, by identifying and assessing the risks with Group departments and following up on the action plans put in place to address them.

It provides a process and tools to develop and regularly update the mapping of Group risks, business lines and regions. It coordinates action plans for the mitigation of Group risks with a network of risk owners and provides an overview of risk management to the Executive Committee and Audit Committee.

Moreover, it leads and coordinates the crisis management system for the Group, the aim of which is to prevent, as far as possible, crises and to reduce their impact on people, reputation, the environment and assets. It ensures that operating entities are properly prepared for crisis management.

The Internal Control Department

A coordination unit for updating Group procedures, attached to the Group's Financial Control Department, ensures these procedures are appropriate for the internal control rules as and when changes occur in the organizational structures. All the Group's procedures, as well as a description of the main processes and user guides for information systems, are available in French and English on the Group's intranet site. Adhering to the segregation of duties and access to transactions in systems was the subject of a specific monitoring process rolled-out in 2013. The SAP GRC (Governance, Risk and Compliance) tool is used to ensure that any change in access privileges does not create new and uncontrolled risks in terms of the segregation of duties.

The Internal Audit Department

The purpose of the Internal Audit Department is to provide added value by providing reasonable assurance on the level of control:

- of the risks linked to:
 - the effectiveness and efficiency of operations,
 - the safeguarding of assets,
 - the reliability and integrity of financial and operational information,
 - compliance with the laws, regulations and contracts;
- controls and operations;
- and the governance process.

Internal audit is an independent and objective activity which gives Senior Management and the Audit Committee reasonable assurance on the degree of control over its operations, provides

it with its advice for improving them, and helps create added value. It helps the organization meet its targets by assessing, with a systematic and methodical approach, its risk, control and corporate governance processes and making suggestions to strengthen their effectiveness.

The Internal Audit Department assesses risk management and control processes as they are defined within the Bel Group. Through its proposals, it helps improve security and optimizes the overall performance of the organization.

The Internal Audit Department reports to the Chairman of the Audit Committee and the Chairman and Chief Executive Officer. It works closely with Senior Management.

The Internal Audit Director periodically reports to the Audit Committee and Senior Management on the overall level of operational control and significant anomalies affecting the risk management, control and corporate governance of the organization and its subsidiaries and recommends improvements to these processes.

The scope of operation of the Internal Audit Department extends to the entire organization and its subsidiaries. It encompasses all administrative, accounting and financial, functional and operational areas and processes within the Group.

Operational structure of the Company

To provide a relevant response to customer requirements, the Group implemented an operational structure in 2011 encompassing a geographic structure based on five regions: Western Europe (including France), North East Europe, the Americas, Asia-Pacific, the Near and Middle East and Greater Africa. In early 2016, the Group's Senior Management decided to merge the Western Europe and North and East Europe regions under a single Director for the "Europe" region, and merge the Near and Middle East and Greater Africa regions under a single Director for the Middle East/Greater Africa region. In 2016, the Group's operational structure was therefore organized around three major geographic regions: Europe, Middle East/Greater Africa, and the Americas, Asia-Pacific.

Limits and delegation of power

In its Internal Regulations, the Company's Board of Directors has set internal limits on the powers of the Chief Executive Officer and Deputy General Manager (for further information, see Paragraph 3.1.4 "Organization and work performed by the Governance Bodies" of this chapter). Furthermore, the Company has implemented delegations of authority (delegations of responsibility) adapted to its structure and to the level of responsibility of the employees who are the beneficiaries of these. The Legal Department, in coordination with the Human Resources Department, monitors this.

3.3.3 Managing major risks

The Group regularly assesses the external and internal risks to which it is exposed, particularly those encountered due to the production and marketing of food products. Risk management linked to the quality of products and food safety is one of the fundamental principles of the Bel Group's culture. This priority is related to full control of the industrial process and its impact on the environment.

Similarly, special attention is paid to employee health and safety, both within plants and at tertiary sites, and the Group has put

in place procedures for the prevention and awareness of specific risks in this area.

The Company's supervisory bodies, through general risk management systems and specific accompanying procedures, ensures that risks are correctly dealt with and do not compromise the achievement of the Company's targets.

Risks inherent to the Bel Group's activities are taken into account when drawing up the budgets and setting the targets for the Bel Group and its subsidiaries.

3.3.4 Specific internal control procedures implemented by the Company

Some internal control procedures implemented by the Company are based on the balance between the level of control and the Group's specific issues and targets. For further information, see Paragraph 1.6 "Risk factors and insurance policy".

■ Quality, food safety and product regulations

The Group's Quality and Regulations Department (DQRG), an organization attached to the Group's Industrial and Technical Department, is responsible for leading, coordinating and ensuring the effectiveness of all the processes and systems dealing with:

- food safety and regulations;
- quality;
- certifications, management systems and managing health crises.

It recommends the policies to be implemented, guarantees the coherence of systems and reports at various levels, guides the Group's organizations and audits the organizations to assess the effectiveness of the systems.

Its role is to warn the Chairman and Chief Executive Officer and the Executive Committee of any major situation relating to its three fields of activity.

■ Food safety and product regulations

In terms of food safety and product regulations, the Quality and Regulations Department is responsible through the regulation network at the corporate/region and country level, for:

- the Group's policies and preventive strategy in terms of food safety and coordinating the resulting actions;
- the processes for anticipating safety risks and preventing crises as well as managing alerts and crises;

- the creation of a monitoring system mainly based on subsidiary reporting;
- involvement in professional networks and administrations dedicated to food safety.

It also ensures that regulations applying to products, particularly in relation to composition, labeling, packaging, advertising, consumer information including nutrition information, and customs procedures are adhered to.

It also defines:

- the monitoring plans implemented by the industrial entities;
- the quality of the upstream and downstream traceability system and components/constituents.

It is also responsible for:

- implementing set policies, in particular in terms of the process for analyzing food safety risks during the production stages (HACCP, hygiene standards, etc.) both at the sites and at suppliers' and subcontractor's;
- implementing Food Defense policies integrating processes for:
 - preventing the risks of intrusion,
 - the risk of vandalism;
- creating and leading a reporting system that continually assesses our control of the processes which ensure food safety.

■ Quality

The Group's Quality and Regulations Department is also responsible for defining the Group's quality policy and checking its implementation at all stages from the product design through to final consumption.

Its main roles through the quality network at the corporate/region and industrial site level are:

- defining the Group's quality policy and ensuring its implementation after validation;
- defining the rules and best practices as well as the quality regulations to be applied, and guaranteeing their implementation;
- auditing organizations, internal (sites) or external (subcontractors, suppliers and service providers) for the quality aspect;
- managing complaints and customer perceived quality assessment tools (distributors or consumers);
- ensuring quality reporting and implementing continuous improvement processes, using the rollout of the SAP Quality Management module (Quartz project) to guarantee the coherence of information, consolidated control and optimal integration of information required for product traceability;
- training and assisting the teams and the sites. Having suitable training media, including statistical and problem-solving tools.

■ Regulatory framework

The Group's health, safety and traceability approach is governed by a very strict regulatory framework.

In all of the countries where the Group manufactures or imports products, a "Bel reference guide" is produced following a detailed analysis of all of the food quality/safety and hygiene regulations.

At the European level, the "Hygiene Package" became effective on January 1, 2006. This regulation is composed of several legislative texts. It implements a unique and transparent policy for food hygiene and safety in all European Union countries. This concerns all operators, from the producer and manufacturing plant to the retailer.

The Group applies the strictest rules – which are mostly European regulations – to all parties, from the production of raw materials to the consumer. In certain cases, Bel adheres to even stricter standards: for example, with respect to allergens, it monitors over 23 instead of the 14 required by European regulations.

In its quest for harmonization and food safety and excellence, Bel shares its reference guides with all its production sites worldwide as well as with its suppliers and retailers.

■ Support for all the Group's milk producers

Milk quality begins with livestock farming practices. Farmers are responsible for the sanitary quality and conformity of the milk that they produce. They must implement the appropriate measures to guarantee these qualities. To prevent any risk upstream, such as bacteriological risk, Bel's dairy production technicians continuously teach producers about good practices for producing quality milk. Where the quality of the milk falls below the Group's standards, the production technicians propose and implement targeted actions with the producers in question, including:

- an audit of operations (sometimes in the presence of a veterinarian);
- proposed action plans to improve the quality of the milk in question;
- monitoring of these plans over a period from a few months to a year, to assist the producer in bringing about improvements.

■ Strategic partners

Quality audits are carried out on the major suppliers of the most sensitive raw materials and on sub-contractors whose products carry Bel brands. These audits are performed by buyers in coordination with the DQRG and the operational teams of the regions. Where the minor non-conformities observed do not pose a risk to the food safety of products supplied, the audited suppliers and subcontractors in question guarantee the Group that corrective actions within a specific time frame will be implemented. In 2015, 76 of the Group's suppliers and 17 subcontractors were audited. None of these audits revealed the existence of a critical non-conformity that would lead to questioning the Group's business relationship with any of its suppliers or subcontractors. However, 71 audits (the same number as in 2014) did result in the drafting of corrective action plans as part of its strategy of continuous improvement.

■ Products that are subcontracted and/or associated with partner products

The Group's requirements in terms of product quality, safety and traceability are applied without exception to subcontracted products and to co-branded products. Particular attention is paid to the latter to ensure that the association of a Bel brand product with another brand product always meets the expectations of the Group's consumers.

■ Inspections at each stage

Each stage of the products' life cycle, from the production of its raw materials until the "release" of the finished product, is subject to stringent inspections. All records linked to these inspections, which constitute evidence of the results of analyses, are kept on the sites. All of these inspections are performed by the plant's analysis laboratory and, where necessary, by accredited independent external laboratories. The overall compliance with the specified requirements is guaranteed by the competent health authorities and certified by the approval mark that all of the plants affix to Bel products. The frequency of these inspections is based on the Group's HACCP assessment and is tailored to the raw material or ingredient in question.

■ Milk: a very fragile raw material

Milk is a living, fragile raw material which deteriorates when exposed to air, light and kept at room temperature. To preserve its qualities, Bel collects milk within a maximum period of 72 hours after milking. For some producers, Bel supplies refrigerated tanks. Milk quality is subject to stringent inspections. The milk must meet highly precise composition criteria (fats and proteins), and strict hygiene criteria and must not contain traces of antibiotics. Samples are taken during milk collection, and upon arrival at the plant, enabling the implementation of a quality control plan that includes laboratory analyses. In very rare cases, the milk is not used if the quality is considered inadequate.

■ Other materials

All the raw materials used as components in the Group's products are compliant with very strict specifications. The compliance of raw materials with these specifications is systematically checked as soon as they arrive at the plant. They are checked again before inclusion in production, at the microbiological and physicochemical, as well as organoleptic level. All packaging, especially those in direct contact with the products, undergoes a similar inspection upon arrival at the Group's plants.

■ On production lines

Quality control plans concern semi-finished products (work in progress), finished products and the production environment (air, water, machines, manufacturing premises, staff, etc.). On the production lines, Bel's semi-finished products and finished products must meet requirements that go beyond the regulatory minimum, particularly with respect to pathogens. Special attention is given, as a precaution, to the safety of products, more intensive controls are carried out especially for foreign bodies and the prevention of risks of malicious attacks. Since 2013, Bel has deployed a global policy of malicious risk management through detailed and comprehensive analysis of all aspects at the plant level that may be at risk. Action plans are gradually put in place.

■ Downstream of production sites

Bel carries out audits on the distribution chain of its products in order to ensure compliance with the recommended cold chain, transport and conservation conditions for products. For more than five years, Bel has been rolling out its Good Storage and Distribution Practices Charter to its distributors (importing customers) in different regions. This Charter is tailored to each distributor following an individual inspections or audits.

■ Dual product traceability

- Bel implements dual traceability all along the value chain and can therefore identify all raw material suppliers involved in the manufacture of a given product. Bel is also able to identify all product batches in which a given ingredient is used. The Group can pinpoint the storage location of any product at any time, right up to the end customer, across all of its distribution and sales networks.
- Monitoring provides knowledge about logistical flows and allows the Group to store data about food safety, promptly send data in response to requests from authorities, identify risks and isolate individual production runs if necessary. It guarantees the efficiency of any withdrawals and recalls.
- Traceability tests start from the identification of the raw materials through to downstream of production sites. All Group suppliers of raw dairy materials and ingredients are assigned codes and traced. Bel performs regular tests with its suppliers to ensure that they are able to provide additional traceability data within 24 hours of its request.
- Ensuring the full traceability of products right up to consumption entails the use of mandatory labeling on consumer sale units (batch codes, best-before date, use-by date, etc.). Moreover, all logistic units are identified by means of labels that link each unit to the corresponding product batch code.

■ Quality certification and management systems

The Group is committed to a certification procedure (ISO 9001, BRC, IFS, FSCC 22000) for its industrial sites and facilities.

■ Environmental certification and management systems

The Group is committed to an ISO 14001 certification procedure for its industrial sites and facilities. In 2015, 17 Group production sites were ISO 14001 certified.

■ Respect for the environment

The Group's Industrial and Technical Department (DTIG) is responsible for defining the Group's environmental policy and for verifying its implementation at all production sites; it is in charge of leading, coordinating and ensuring the effectiveness of all processes and systems dealing with:

- reducing water consumption;
- reducing energy consumption;
- using renewable energies;
- reducing emissions to the air, water and soil.

It is based on:

- a dedicated organizational structure;
- shared methodologies;
- management systems that lead to certification.

■ Dedicated organizational structure

Each of the Group's industrial sites faces different environmental issues and challenges, as well as varying attitudes to these among local stakeholders. Each site manager relies first on the expertise of the central Environment Department, and second on a dedicated local structure whose size varies depending on the sites. At all sites, an Environment Manager ensures that the necessary methodologies are deployed. The Environment Manager is the leading contributor of data used to draft the Group's environmental report.

The Group's environmental management policy is based on the ISO 14001 international standard.

■ Shared methodologies

Bel has developed two methodologies to support production sites in their efforts to reduce water and energy consumption: WASABEL (Water Saving at Bel) and ESABEL (Energy Saving at Bel). All Bel Group sites have implemented these methodologies. These methodologies, which are based on a similar approach and shared by all sites, allow them to regularly review their water and energy consumption and put together action plans to reduce them. By reducing all types of losses and improving the efficiency of the organization and production lines, the BOOST program also helps reduce water and energy consumption.

■ Occupational health and safety

The Group's Health & Safety Department is responsible for leading, coordinating and ensuring the effectiveness of all procedures designed to protect the health and safety of employees.

Since nearly 80% of the workforce works at industrial sites, the Health & Safety Department reports to both the Group's Human Resources Department and to the Industrial and Technical Department.

At each plant, the Director is responsible for the operational implementation of measures concerning the health and safety of everyone present on the site. Most of the time, the Director is assisted by a health & safety manager. On tertiary sites, this responsibility lies with human resources teams.

When events may place its employees in an unsafe or even dangerous situation, the Group implements one-off measures to protect them. No site was concerned by such measures in 2015. Bel's Ukrainian site was not directly impacted by the events that occurred during the year.

Some employees are required to travel to markets that may present natural and/or geopolitical risks. Bel supplies them with the tools and procedures to keep them safe. These procedures are strengthened with the support of an internationally recognized service provider.

■ Risk prevention

The number of dangerous situations and behaviors, near accidents, incidents and first aid, and the occurrence of a serious accident, are proportionally linked. Based on this logic, Bel considers prevention as highly important, focusing in particular on behaviors, near accidents and minor incidents.

Safety Behavior Visits

Observing employees at their workstations is a simple and efficient way to identify positive situations and gestures, as well those that may be harmful to their safety. Safety behavior visits (SBVs) entail observing an employee at work, then talking to him/her about this observation. Sites involved in this initiative must increase the number of SBVs carried out per employee per annum.

In 2015, over 7,000 SBVs were carried out within the Group. Members of the Executive Committee followed a one-day on-site "practical" training course as a sign of their commitment.

In 2016, the aim is to continue increasing the average number of SBVs per employee.

On the road

Employees who have to drive around as part of their job (e.g. milk collectors, sales teams, etc.) receive regular road accident prevention training.

Global safety week

The second global safety week took place from November 30 to December 4, 2015. The event was an opportunity for employees at the plants and tertiary sites to share best practices and safety improvements.

Occupational health certification and management systems

The Group is committed to a certification procedure (OHSAS 18001) for its industrial sites and facilities.

3.3.5 Procedures for preparing and processing the Company's accounting and financial information

Organization of accounting, financial, legal, information systems and risk management

The Group's Administrative and Financial Department, Legal Department, Information Systems Department and Risk Management Department are under the authority of the Deputy General Manager responsible for financial, legal and information systems.

It is organized in the following way:

- Corporate Financial and Administrative Department;
- Administrative and Financial Department for the regions;
- Information Systems Department;
- Legal and Real Estate Management Department;
- Risk Management Department.

The Administrative and Financial Department defines, amongst other things, the Bel Group's financial strategy.

It is responsible for developing management and control tools for operational activities (budget process, adjusted estimates, monthly reports, etc.).

■ Corporate Administrative and Financial Department

The following functions are attached to the Corporate Financial and Administrative Department:

- Financial Control Department;
- Tax Department;
- Treasury and Insurance Department;
- Industrial Management Control Department.

Financial Control Department

The Financial Control Department is responsible for the monthly production of all the Group's consolidated financial information, both in terms of statutory and management data consolidation.

The Financial Control Department prepares and reports monthly to the Executive Committee on the Group's management performance indicators in a format specifically designed for the Bel Group's activity and created in-house.

This department also has the responsibility of coordinating the Group budget process and the various estimates performed over the year.

It is responsible for coordinating and leading the updating of financial procedures put on the intranet and ensuring that these procedures are consistent with the internal control rules. It is responsible for the various charts of accounts deployed in the Group's financial reporting tools (statutory and management).

It presents the main issues to be addressed in the consolidated financial information to the Audit Committee at least twice a year and coordinates operations with the external auditor's subsidiaries.

Tax Department

This department is responsible for defining and applying the procedures linked to the regulations and fiscal strategies of the Bel Group.

Its scope of operation has as much to do with Group issues as successfully controlling fiscal procedures and potential risks in the various countries in which the Bel Group operates. Its activities are coordinated with those of Financial Directors in the various regions and subsidiaries.

Treasury and Insurance Department

This department is responsible for managing all treasury and insurance operations carried out within the Bel Group.

It is specifically responsible for:

- implementing the Group's financing with banks and investors such as treasury bills, bank financing, and bond financing;
- implementing exchange rate hedging required to cover the exposure of Group entities. This activity is centralized within the Treasury Department;

- the Group's cash management. Cash management covers cash pooling (centralizing Fromageries Bel's money), netting (payment of inter-company invoices) as well as the payment factory (centralized payment solution for all entities whose local currency is transferable. This payment factory enables supplier payments, salary payments, duties and taxes to be paid through secure payment systems);
- managing relationships with banks;
- implementing Group insurance.

The Treasury Department has the teams and tools necessary for managing its operations. It reports on its activities to the Financial Department on a monthly basis. It regularly reports on the status of exchange rate and interest rate hedging to the Audit Committee, as well as the Group's liquidity status.

Industrial Management Control Department

This department is responsible for coordinating the industrial management control activities of the regions and plants in conjunction with the regions' Financial Directors and subsidiaries.

It defines, jointly with the regions and the Group's Industrial and Technical Department, the main monthly financial and extra-financial monitoring indicators at the industrial sites. A monthly report for the Group's Senior Management enables the various analyses performed to be consolidated. Together with the Industrial and Financial Departments in each region, it defines the framework for the budget process and the various estimates.

■ Administrative and Financial Department for the regions

When the geographical regions were created, a decision was made to allocate administrative and financial resources to each one. They are responsible for coordinating and controlling all financial resources of Group subsidiaries placed under their supervision.

Meetings are organized every two months with the Deputy General Manager, regional Financial Directors and managers of departments within the Corporate Administrative and Financial Department to enable the sites' progress to be monitored by the function. The regional Financial Directors are responsible for implementing the financial strategy decided upon by the Group and for the internal and financial control of subsidiaries attached to their region.

■ Information Systems Department

The information systems are centralized and managed for the Bel Group by the Information Systems Department which reports to the Deputy General Manager responsible for financial and legal affairs and information systems.

The Bel Group has implemented an integrated information system (PACE) mainly deployed by SAP tools. It was complemented in 2013 by the deployment of financial and accounting consolidation and reporting solutions by the same company. Since January 1, 2013, the Group has used SAP-BFC and SAP-BPC to consolidate its financial data.

At the end of 2015, only four consolidated subsidiaries did not use the PACE solution, representing 1% of the Group's consolidated sales.

■ Legal and Real Estate Department

This department is responsible for the legal security of the operations performed by the Bel Group. It is, most notably, responsible for monitoring the legal security of all of the Group's commitments, both in France and abroad. It relies, where necessary, on the expertise of external consultants for specific legal issues or issues linked to local regulations. Within the framework of its role, it operates upstream in an advisory capacity to Senior Management and the various regional departments and Group subsidiaries. It is also responsible for managing any potential disputes. It also monitors the legal protection of the Group's brands and compliance with economic and financial regulations.

■ Risk Department

This department ensures, through its overall risk management system, that risks are correctly identified and dealt with and do not compromise the Company's objectives. Furthermore, it helps to control and reduce the exposure of tangible and intangible assets to guarantee a secure future for the Company.

Yearly and half-yearly Group consolidated financial statements

The Bel Group approves half-yearly and yearly financial statements on June 30 and December 31 respectively of each year.

The subsidiaries issue restated financial statements for consolidation purposes in compliance with the Bel Group's accounting rules and as part of the instructions issued by the Financial Control Department.

The main options and significant accounting estimates are anticipated, and presented to the Audit Committee. Detailed documentation of the chosen options is kept by the Financial Control Department.

3.4 Statutory Auditors' Report on the Chairman's Report for Fromageries Bel, prepared in accordance with Article L. 225-235 of the French Commercial Code

For the year ended December 31, 2015

To the shareholders,

In our capacity as Statutory Auditors of Fromageries Bel, and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your company, pursuant to the provisions of Article L. 225-37 of the French Commercial Code, for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare and submit to the Board of Directors for approval a report summarizing the internal control and risk management procedures implemented within the company and providing the other information required under Article L. 225-37 of the French Commercial Code, pertaining in particular to corporate governance.

It is our responsibility:

- to report to you our observations on the information contained in the Chairman's Report regarding internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that the report contains the other information required by Article L. 225-37 of the French Commercial Code, it being specified that it is not our responsibility to verify the fairness of this information.

We have carried out our work in accordance with professional practice standards applicable in France.

Information concerning the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

Professional practice standards require that we implement procedures intended to assess the fairness of information concerning the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the Chairman's Report. These procedures mainly consisted of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information inherent in the information presented in the Chairman's Report as well as of existing documentation;
- obtaining an understanding of the work carried out to support this information and of existing documentation;
- determining if any major weaknesses in internal control relating to the preparation and processing of the accounting and financial information that we may have identified during our assignment are properly described in the Chairman's Report.

Based on our work, we have no matters to report on the information concerning the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the Chairman of the Board's Report, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code.

Other information

We attest that the Chairman of the Board's Report contains the other information required under Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Paris, March 31, 2016

Statutory Auditors

Deloitte & Associés

Pierre-Marie MARTIN

Grant Thornton

French member of Grant Thornton International

Vincent FRAMBOURT

3.5 Related party transactions

3.5.1 Statutory Auditors' Special Report on regulated agreements and undertakings

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2015

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and undertakings with third parties.

The terms of our engagement require us to communicate to you, based on the information given to us, the principal terms and conditions of and the reasons for the Company's interest in those agreements and commitments brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements and commitments, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code, to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements and commitments previously approved by the Shareholders' Meeting, if any.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted of verifying whether the information given to us was in agreement with the relevant source documents.

Agreements and commitments submitted to the approval of the Shareholders' Meeting

Agreements and commitments authorized during the financial year

Pursuant to Article L. 225-40 of the French Commercial Code, the following agreements and commitments, which were previously authorized by the Board of Directors, have been brought to our attention.

Mandate agreement with Oddo Corporate Finance

At its meeting on March 25, 2015, the Board of Directors authorized a mandate agreement between Fromageries Bel and Oddo Corporate Finance. Under the terms of this agreement, Oddo Corporate Finance was to advise Fromageries Bel on its acquisition of Safilait.

In return, Oddo Corporate Finance was to receive a success fee of a fixed and final amount of €450,000. This amount was paid during the 2015 financial year.

The agreement concerns Fatine Layt, Chairman and Managing Partner of Oddo Corporate Finance and Director of Fromageries Bel.

Agreements and commitments previously approved by the General Meeting

Agreements and commitments authorized during previous years and remaining in force during the year

Pursuant to paragraph 6 of Article R. 225-31-6 of the French Commercial Code, we have been informed that the following agreements and commitments, approved by General Meetings in previous years, have remained in force during the year.

Cash management agreement with Unibel

At its meeting on October 11, 2007, the Board of Directors authorized an agreement between Fromageries Bel and Unibel. This agreement provided for cash facilities from Unibel to the Company up to a ceiling of €15,000,000.

By an amendment authorized by the Board of Directors on May 13, 2008 and signed on the same day, this amount was increased to €25,000,000.

In a second rider authorized by your Board of Directors on December 17, 2008, and signed by your Board on December 18, 2008, the parties agreed to eliminate the ceiling of any cash facility granted by Unibel to Fromageries Bel.

In a third rider authorized by your Board of Directors on August 26, 2009, and signed by your Board on August 28, 2009, the rate of interest, based on the EONIA daily rate, was changed. With retroactive effect from July 1, 2009, the rate was set at the EONIA rate plus 80 basis points, up from 20 basis points previously.

A fourth rider authorized by your Board of Directors on March 22, 2012, changed the rate of interest. With retroactive effect from January 1, 2012, the rate was set at the EONIA rate plus 120 basis points, up from 80 basis points previously.

On November 12, 2014 the Board of Directors decided to increase the interest rate applied to the cash facility granted, based on the EONIA daily rate, to 100 basis points, effective as of January 1, 2015, due to the liquidity stability that this represents for the Company. The other clauses of the original agreement between the parties remain unchanged.

At December 31, 2015, the amount of interest expense recognized for the period totaled €464,867.16, while the cash facility granted by Unibel totaled €53,238,671.61.

The persons concerned are Antoine Fiévet, Chairman and Chief Executive Officer of Fromageries Bel, Florian Sauvin, permanent representative of Unibel, Director of Fromageries Bel, and Bruno Schoch, Deputy General Manager of Fromageries Bel.

Service agreement with Unibel

Meeting on December 12, 2001, your Board of Directors authorized a cash management agreement between your Company and Unibel.

In a rider authorized by your Board of Directors on November 12, 2012, the automatic renewal clause was changed to cover an indefinite period, while the notes related to the nature of the services rendered and the nature of the costs incurred by Unibel were updated.

For the 2015 financial year, the amount invoiced by Unibel to your Company totaled €5,677,469.65, net of value added tax.

The persons concerned are Antoine Fiévet, Chairman and Chief Executive Officer of Fromageries Bel, Florian Sauvin, permanent representative of Unibel, Director of Fromageries Bel, and Bruno Schoch, Deputy General Manager of Fromageries Bel.

Neuilly-sur-Seine and Paris, March 31, 2016

The Statutory Auditors

Deloitte & Associés

Pierre-Marie MARTIN

Grant Thornton

French member of Grant Thornton International

Vincent FRAMBOURT

3.5.2 Related parties

Information relating to related parties is presented in Note 8 relating to the consolidated financial statements presented in Paragraph 4.5.1 “Consolidated financial statements at December 31, 2015” of this Registration Document.

Unibel, the Fiévet-Bel family assets company, owns more than two thirds of the share capital and voting rights of Fromageries Bel. Unibel is the Group's coordinating holding company; it discusses and defines strategic guidelines for the Group as a whole; its management team draws up and develops economic, political and financial strategic scenarios; it oversees their implementation. Unibel also renders specific services. Expenses incurred to carry out these services, which are mainly personnel expenses, are billed back to Fromageries Bel, plus a fixed margin of 10%, in line with the December 14, 2001 agreement and its November 13, 2012 rider. The compensation of Unibel's executive corporate officers, who are also managers of Fromageries Bel, is paid by Unibel alone.

At December 31, 2015, the amount of related party transactions included the Unibel holding company for €6.7 million, of which €6.2 million in personnel expenses which was billed back to Fromageries Bel under a service agreement signed December 14, 2001, and non-consolidated Group companies, Bel Proche et Moyen-Orient Beyrouth, Bel Middle East, Bel China and others for €14.3 million in operating expenses billed back to Fromageries Bel.

Related parties' associated payables and current accounts mainly concerned the Unibel holding company, with a €53.2 million current account, versus €47.9 million at December 31, 2014.

The Unibel shares held by Sofico were valued at €196.3 million, based on the closing share price at December 31, 2015.

The Group has no significant off-balance sheet commitments with related parties.

FINANCIAL AND ACCOUNTING INFORMATION

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4.1 Historical financial information

Pursuant to article 28 of Regulation (EC) No. 809/2004 of the European Commission, this Registration Document incorporates by reference the following information:

- the consolidated financial statements for the fiscal year ended December 31, 2014, prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and the Statutory Auditors' report relative to the consolidated financial statements for the fiscal year ended December 31, 2014, on pages 117 and subsequent of the Registration Document filed with AMF on April 2, 2015, under filing number D.15-0283;
- the consolidated financial statements for the fiscal year ended December 31, 2013, prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and the Statutory Auditors' report relative to the consolidated financial statements for the fiscal year ended December 31, 2013, on pages 152 and subsequent of the

Registration Document filed with AMF on April 3, 2014, under filing number D.14-0280;

- the Company's annual financial statements for the fiscal year ended December 31, 2014, and the Statutory Auditors' report relative to the Company's annual financial statements for the fiscal year ended December 31, 2014, on pages 163 and subsequent of the Registration Document filed with AMF on April 2, 2015, under filing number D.15-0283;
- the Company's annual financial statements for the fiscal year ended December 31, 2013, and the Statutory Auditors' report relative to the Company's annual financial statements for the fiscal year ended December 31, 2013, on pages 200 and subsequent of the Registration Document filed with AMF on April 3, 2014, under filing number D.14-0280.

The two Registration Documents mentioned above are available at the AMF website (www.amf-france.org) and the Company's website (www.groupe-bel.com).

4.2 Pro forma financial information

This paragraph is not applicable.

4.3 Review of financial position and results

4.3.1 Financial position

In 2015, the Group extended the maturity of its €520 million bank credit line from 2019 to 2020. That credit line remained untapped at December 31, 2015.

The Group reduced its debt and reported a positive net cash position of €21 million at December 31, 2015. That performance compares to net financial debt of €67 million at December 31, 2014.

The Group reported a significant cash surplus of €673.6 million, including €582 million centralized at Fromageries Bel.

Borrowings arising from euro-denominated private placements and Schuldschein-type bonds do not begin maturing before June 2018.

The change in the Group's financial position at December 31, 2015 can be summarized as follows:

<i>(in millions of euros)</i>	2015	2014	2013
Total equity	1,502	1,299	1,212
Net financial debt	(21)	67	54
Net financial debt/total equity	(0.01)	0.05	0.04

The Group's balance sheet remained very robust. At December 31, 2015, total equity came to €1,502 million, compared with €1,299 million a year earlier.

Further information about the financial position of the Company and the Group is disclosed in paragraphs 4.4.2 and 4.5 "Financial statements" of this Registration Document.

4.3.2 Sales and operating income

Against an economic backdrop unfavorable to consumer spending in Europe and an eroding geopolitical environment in the Near and Middle East, consolidated sales advanced 5.9% on a published basis in 2015, owing to the favorable impact of foreign exchange fluctuations and the positive impact from changes in the scope of consolidation. Organically, consolidated sales edged up 0.1%, versus 2014.

Organic sales declines in Europe – despite a steady volume performance – and in the Near and Middle East were offset by sales growth in the Americas, Asia-Pacific and Greater Africa regions.

In 2015, the Group rebuilt its operating margin, following a decline reported in the prior year. The performance stemmed from a positive forex impact and favorable raw material prices throughout the year. Operating income came to €272 million in 2015, after factoring in nearly €21 million in non-recurring operating expense.

4.4 Cash and cash equivalents and capital sources

4.4.1 Information about the Issuer's equity

Information pertaining to the Group's equity is disclosed in paragraph 4.5.1 of the present Registration Document.

4.4.2 Sources and amounts of the Group's consolidated cash flow

Information related to cash flow is disclosed in paragraph 4.5.1 of the present Registration Document. It can be summarized as follows:

<i>(in thousands of euros)</i>	2015	2014	2013
Cash flow	358,832	298,599	314,134
Income taxes paid	(68,782)	(84,610)	(72,055)
Change in operating WCR	36,215	(33,913)	(7,892)
TOTAL CASH FLOW FROM (USED IN) OPERATIONS	326,265	180,076	234,187
Cash flow from (used in) operating activities	326,265	180,076	234,187
Cash flow from (used in) investing activities	(142,452)	(117,048)	(145,092)
Cash flow from (used in) financing activities	(4,930)	(45,231)	(31,898)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	178,883	17,797	57,197
Effect of foreign exchange rate fluctuations	(8,342)	(220)	(7,552)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	170,541	17,577	49,645
Net cash and cash equivalents at the beginning of the period/year	503,063	485,486	435,841
Net cash and cash equivalents at the end of the period/year	673,604	503,063	485,486
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	170,541	17,577	49,645
Gross financial debt	653,468	570,530	541,460
Current used banking facilities	8,616	8,380	4,725
Cash and cash equivalents	(682,220)	(511,443)	(490,211)
Other financial assets	(930)	(8)	(1,569)
TOTAL NET FINANCIAL DEBT	(21,066)	67,459	54,405

The 2015 fiscal year was marked by rebuilt operating margin thanks in particular to lower dairy raw material prices and the favorable impact of foreign exchange fluctuations. As a result, cash flow from operations led to a €88.5 million reduction in net financial debt.

At December 31, 2015, the amount of minority shareholder put options recorded as part of the Group's net financial debt came to €21.2 million. The Ukrainian subsidiary represented €0.1 million of those put options, with Safilait, the new Moroccan subsidiary, accounting for €21.1 million of the put options.

4.4.3 Borrowing terms and conditions and funding structure

Detailed information related to the Group's financing activities is disclosed in Notes 4.17 and 4.18 to the consolidated financial statements.

4.4.4 Restrictions on the use of capital sources

At December 31, 2015, the Group possessed the financing capacity to meet its funding needs for internal or external growth. Fromageries Bel has committed to keeping its financial leverage ratio below 3.5x during the entire life of its loans. The ratio is tested twice per annum. The financial leverage ratio is determined by dividing consolidated net debt by the Group's consolidated

EBITDA. Failure to meet the ratio could trigger the repayment of a significant part of the debt.

At December 31, 2015, Bel's financial leverage ratio was a negative 0.05x, compared with a positive 0.23x a year earlier (see paragraph 4.5.1 of Note 4.18.2 of the notes to the consolidated financial statements).

4.4.5 Expected sources of financing

Investments are financed either by the Group's operating cash flow, or via recourse to bank financing, commercial paper, or EURPP or Schuldschein-type private placements.

4.5 Financial statements

4.5.1 Consolidated financial statements at December 31, 2015

Income statement

(in thousands of euros)

	Notes	2015	2014
SALES		2,948,774	2,783,232
Cost of goods and services sold	3.2	(1,956,609)	(1,974,280)
GROSS MARGIN		992,165	808,952
Sales and marketing expense	3.2	(487,838)	(393,269)
Research and development expense	3.2	(16,730)	(15,964)
Administrative and general overhead expense	3.2	(195,097)	(185,823)
Other operating income and expense	3.2	739	662
RECURRING OPERATING INCOME		293,239	214,558
Other non-recurring income and expense	3.3	(20,844)	(15,299)
OPERATING INCOME		272,395	199,259
Income from cash and cash equivalents	3.4	3,137	3,035
Cost of gross financial indebtedness	3.4	(14,537)	(16,744)
COST OF NET FINANCIAL INDEBTEDNESS		(11,400)	(13,709)
Other financial income and expense	3.4	3,434	(1,682)
PRE-TAX PROFIT		264,429	183,868
Income tax expense	3.5	(76,350)	(56,283)
NET PROFIT OF THE CONSOLIDATED GROUP		188,079	127,585
Minority interest		(3,626)	(4,690)
CONSOLIDATED NET PROFIT – GROUP SHARE		184,453	122,895
Earnings per share	3.6	27.20	18.07
Diluted earnings per share (in euros)	3.6	27.20	18.07

The notes to the financial statements form an integral part of the consolidated financial statements.

Statement of comprehensive income

(in thousands of euros)

	Notes	2015	2014
NET PROFIT FOR THE PERIOD		188,079	127,585
Other items of comprehensive income			
Non-reclassifiable items			
Actuarial gains and losses arising on retirement obligations	4.11	9,328	(19,753)
Income tax impact		(2,952)	5,878
Reclassifiable items			
Financial assets available for sale			
Unrealized gains (losses)	4.5	66,702	25,749
Income tax impact		(22,953)	(8,865)
Translation differences		14,220	30,468
Cash flow hedging			
Amounts recognized in equity	4.15	8,316	(21,990)
Income tax impact		(3,176)	8,693
BALANCE AT DECEMBER 31		69,485	20,180
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		257,564	147,765
Group share		253,696	142,941
Minority interest		3,868	4,824

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated balance sheet

Assets

(in thousands of euros)

	Notes	December 31, 2015	December 31, 2014
NON-CURRENT ASSETS			
Goodwill	4.1	422,022	390,852
Other intangible assets	4.2	299,560	288,362
Property, plant and equipment	4.3	705,640	637,423
Assets available for sale	4.4	202,196	130,760
Other financial assets	4.4	1,736	1,587
Loans and advances	4.4	10,757	10,209
Trade and other receivables	4.8	8	10
Deferred tax assets		12,646	14,541
TOTAL		1,654,565	1,473,744
CURRENT ASSETS			
Inventories and work-in-progress	4.6	271,721	276,795
Trade and other receivables	4.7	497,593	477,546
Other financial assets	4.4	4,884	3,000
Loans and advances	4.4	1,289	788
Current tax assets		22,732	19,908
Cash and cash equivalents	4.14	682,220	511,443
TOTAL		1,480,439	1,289,480
TOTAL ASSETS		3,135,004	2,763,224

The notes to the financial statements form an integral part of the consolidated financial statements.

Equity and liabilities <i>(in thousands of euros)</i>	Notes	December 31, 2015	December 31, 2014
Share capital		10,308	10,308
Additional paid-in capital		21,967	21,967
Reserves		1,464,270	1,274,217
Treasury shares		(21,152)	(21,785)
EQUITY – GROUP SHARE		1,475,393	1,284,707
MINORITY INTEREST		26,563	14,045
EQUITY		1,501,956	1,298,752
NON CURRENT LIABILITIES			
Provisions	4.10	8,255	8,811
Employee benefits	4.11	77,382	87,655
Deferred tax liabilities	4.8	215,611	174,928
Liabilities related to assets held under finance lease – over one year	4.14	1,004	302
Long-term borrowings and financial liabilities	4.14	456,574	407,870
Other liabilities	4.12	52,104	41,076
TOTAL		810,930	720,642
CURRENT LIABILITIES			
Provisions	4.10	18,026	23,798
Employee benefits	4.11	4,035	2,514
Liabilities related to assets held under finance lease – less than one year	4.14	329	361
Short-term borrowings and financial liabilities	4.14	195,561	161,997
Other financial liabilities	4.15	2,799	12,729
Trade payables and other liabilities	4.13	555,003	501,814
Due tax liabilities		37,749	32,237
Current bank facilities and other borrowings	4.14	8,616	8,380
TOTAL		822,118	743,830
TOTAL EQUITY AND LIABILITIES		3,135,004	2,763,224

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

(in thousands of euros)	Note	Number of shares outstanding	Share capital	Additional paid-in capital	Translation differences	Treasury shares	Consolidated income	Reserves and accumulated consolidated profit (loss)	Equity – Group share	Minority interest	Total consolidated equity
Balance at January 1, 2014		6,826,961	10,308	21,967	(58,527)	(8,456)	125,785	1,106,647	1,197,724	14,113	1,211,837
Appropriation of earnings for prior year							(125,785)	125,785	-		-
Dividends paid								(42,709)	(42,709)	(5,305)	(48,014)
Profit (loss) for the period							122,895		122,895	4,690	127,585
Other items of comprehensive income	4.9				30,232			(10,186)	20,046	134	20,180
Other changes in value directly recognized in equity								80	80	413	493
Purchase of own shares		(52,129)				(14,640)			(14,640)		(14,640)
Treasury shares distributed		6,557				1,311			1,311		1,311
Balance at December 31, 2014		6,781,389	10,308	21,967	(28,295)	(21,785)	122,895	1,179,617	1,284,707	14,045	1,298,752
Appropriation of earnings for prior year							(122,895)	122,895	-		-
Dividends paid								(42,383)	(42,383)	(2,656)	(45,039)
Profit (loss) for the period							184,453		184,453	3,626	188,079
Changes in the scope of consolidation								-	-	11,500	11,500
Other items of comprehensive income	4.9				13,986			55,257	69,243	242	69,485
Other changes in value directly recognized in equity								(21,260)	(21,260)	(194)	(21,454)
Purchase of own shares		(788)				(261)			(261)		(261)
Treasury shares distributed		4,822				894			894		894
BALANCE AT DECEMBER 31, 2015		6,785,423	10,308	21,967	(14,309)	(21,152)	184,453	1,294,126	1,475,393	26,563	1,501,956

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated cash flow statement

(in thousands of euros)

	Notes	2015	2014
Cash flow from (used in) operating activities			
Pre-tax profit		264,429	183,868
Adjustments for:			
Depreciation and write-downs		83,839	91,111
Capital gains (losses) on disposals		1,649	695
Reclassification of dividends and borrowing costs		10,304	13,200
Other non-cash items on the income statement		(1,389)	9,725
Cash flow		358,832	298,599
(Increase) decrease in inventories, current receivables and payables	5.1	34,356	(36,780)
(Increase) decrease in non-current receivables and payables		1,859	2,867
Income taxes paid		(68,782)	(84,610)
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	(1)	326,265	180,076
Cash flow from (used in) investing activities			
Acquisition of activities		(54,519)	(477)
Acquisitions of tangible and intangible assets		(98,069)	(122,152)
Disposals of tangible and intangible assets		1,066	1,414
Investment grants received		7,299	2,405
Acquisitions of financial assets		(5,775)	(2,806)
Disposals of financial assets		5,153	2,686
Interest received		0	115
Dividends received		2,393	1,767
NET CASH FLOW FROM (USED IN) INVESTING ACTIVITIES	(2)	(142,452)	(117,048)
Cash flow from (used in) financing activities			
Dividends paid		(45,038)	(48,013)
Interest paid		(12,697)	(14,966)
Change in debt resulting from finance lease contracts		761	(289)
Increase (decrease) in current accounts with entities outside the scope of consolidation	5.3	4,588	8,968
(Purchases)/sales of treasury shares		(261)	(14,597)
Borrowings and financial liabilities issued		69,519	30,341
Repayments of borrowings and financial liabilities		(21,802)	(6,675)
NET CASH FLOW FROM (USED IN) FINANCING ACTIVITIES	(3)	(4,930)	(45,231)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1)+(2)+(3)	178,883	17,797
Net cash and cash equivalents at the beginning of the period		503,063	485,486
Effect of foreign exchange rate fluctuations		(8,342)	(220)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		673,604	503,063
At the closing date, net cash and cash equivalents comprised the following:			
Marketable securities and money market instruments	4.14	420,382	309,871
Cash on hand and balances with banks	4.14	261,838	201,572
Current used bank facilities including overdrafts and accrued interest	4.14	(8,616)	(8,380)
TOTAL		673,604	503,063

The notes to the financial statements form an integral part of the consolidated financial statements.

Summary of notes to the consolidated financial statements

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 • Accounting principles, rules and methods

1.1 Presentation of the annual consolidated financial statements

In application of European regulation 1606/2002 of July 19, 2002, Fromageries Bel's 2015 consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the European Union and published by the Accounting Standards Board (ASB), at the date the financial statements were prepared. Closed on December 31, 2015, the financial statements were approved on March 9, 2016 by the Board of Directors.

International generally accepted accounting practices encompass International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of those standards by the Standing Interpretations Committee (SIC), and the International Financial Reporting Interpretations Committee (IFRIC).

Standards, amendments and interpretations required beginning with the financial year opening January 1, 2015

Since January 1, 2015, the Group has adopted IFRIC 21 – Levies, which provides guidance for recognizing a levy-related liability according to the timing of the obligating event, instead of the calculation basis for the levy.

Other standards, amendments and interpretations issued and effective as of January 1, 2015 had no impact on the Group's consolidated financial statements.

Standards, amendments and interpretations not required but which may be adopted as of the financial year opening January 1, 2015

The Group did not elect to adopt any standards, amendments or interpretations early and believes that such adoptions would have no significant impact on the consolidated financial statements.

Standards, amendments and interpretations published by the IASB, but not yet adopted by the European Union

- IFRS 9 – Financial Instruments.
- IFRS 15 – Revenue from Contracts with Customers.

The impact of the changes to these standards on the consolidated financial statements is under review by the Group.

1.2 Valuation basis used in the preparation of the consolidated financial statements

The consolidated financial statements were prepared according to historical cost, with the exception of certain categories of assets and liabilities, in accordance with IFRS rules. These categories are disclosed in the following notes.

1.3 Estimates

In preparing the financial statements, Group management and the fully consolidated companies used estimates and underlying assumptions to determine the value of some assets and liabilities, expense and income, and to disclose information in the notes to the Group's financial statements.

Those estimates and underlying assumptions were made based on information and positions known at the balance sheet date and may vary significantly from actual values.

The assumptions notably concerned the impairment testing of assets, obligations to employees, deferred taxes, and provisions.

1.4 Consolidation methods

Subsidiaries controlled exclusively by the Group, whether directly or indirectly, were fully consolidated. These are subsidiaries whose financial and operating strategies are guided by the Group so that it may obtain the resulting benefits.

Participating interests in companies other than subsidiaries and associates were not consolidated. They were recorded at fair value under "Financial assets available for sale".

Newly acquired companies were consolidated at the date when control was effectively transferred to the Group, in accordance with the acquisition method described in IFRS 3. Income and expense from subsidiaries acquired or sold during the fiscal year were posted to the consolidated income statement beginning at the date of acquisition and ending at the date of sale.

The Group's consolidated financial statements were prepared based on the financial statements of the consolidated companies. The consolidated companies prepared their financial statements in accordance with the current accounting rules in force in their respective countries. Prior to consolidation, their financial statements were restated to bring them into compliance with international accounting standards.

All significant transactions between the fully consolidated companies as well as consolidated intra-group results were eliminated.

All Group companies closed their accounts on December 31. A list of consolidated companies at December 31, 2015, is presented in Note 10.

1.5 Other significant accounting policies and rules

Translation of financial statements for foreign companies

Subsidiaries outside the euro zone that used their local currency as their transaction currency translated their financial statements into euros based on:

- the average rate for the year for income statement and cash flow items;
- the year-end exchange rate for balance sheet items.

The share of the resulting foreign-exchange differences attributable to the Group was classified as equity under the "Exchange differences" heading on the balance sheet, until the investments from which they arose were sold or disposed of. The translation gains or losses were then recognized in the income statement.

The share attributable to minority interests was recorded in "Minority interest".

Foreign currency transactions

Transactions denominated in foreign currencies were converted into the subsidiary's transaction currency at the exchange rate in effect at the transaction date.

At year-end, receivables, cash and debts denominated in foreign currencies were translated at the closing exchange rate or hedging rate, as the case may be, and the resulting translation differences were recorded in one of the following items on the income statement:

- "Gross margin" for sales transactions;
- "Other financial income and expense" for cash management operations.

Assets and liabilities held for sale

Assets and liabilities immediately available for sale, and for which the sale was highly probable within a period of 12 months, were classified as assets and liabilities held for sale. When several assets were held for sale in a single transaction, the assets and all directly associated liabilities were recognized as a disposal group.

A sale is considered as highly probable when the appropriate level of management has committed to a plan to sell the asset or disposal group, and an active program to find a buyer has been launched.

Assets and liabilities held for sale were classified respectively as "Assets held for sale" or "Liabilities held for sale" on the consolidated balance sheet. They were assessed at carrying value or fair value, whichever was lower, after selling costs were deducted. Once classified as assets or liabilities held for sale, they were no longer depreciated.

Goodwill

Goodwill is the excess of the acquisition cost of shares over the Group's share of identifiable acquired assets and assumed liabilities measured at fair value, after taking into account any deferred taxes

at the acquisition date. If the acquisition costs exceed the fair value of the identifiable acquired assets and assumed liabilities, the excess is recognized in profit and loss for the year when the acquisition is made.

In accordance with IFRS 3 and IAS 36, goodwill is not amortized, but is instead subject to impairment testing at least once annually, or on an ad-hoc basis if events or changes in circumstances indicated that it might be impaired (see "Impairment of assets" note).

Goodwill relating to companies over which the Group exercises "significant influence," was recorded in "Goodwill" on the asset side of the consolidated balance sheet.

Other intangible assets

Other intangible assets included:

- acquired patents;
- acquired, well-known, and readily identifiable brands whose value growth could be verified;
- computer software.

Acquired patents and computer software were recognized on the balance sheet at acquisition cost and are amortized over their useful lives. Computer software is amortized over a period of one to eight years.

Brands are not amortized, but are subject to annual impairment testing (also see the "Impairment of assets" note).

All Research and Development costs were expensed in the year in which they were incurred. Development costs are not capitalized since the recognition criteria established by IAS 38 – Intangible Assets are generally not fulfilled before the products can be launched in the market.

Property, plant and equipment

Property, plant and equipment were measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition), or production cost (excluding financial charges), except for fixed assets legally revalued before January 1, 2000, in accordance with the exception under IFRS 1, or reassessed at fair value at the date of control for business combinations.

The Group applied the component parts approach when certain parts of an acquired fixed asset had different useful lives. The component parts were separately depreciated and recorded in the accounts.

Replacement or renewal expenses of a component part of an asset were recognized as a distinct asset and the replaced asset was written off.

The interest on borrowings used for the acquisition of fixed assets was treated as financial expense and was not capitalized in the cost of the asset.

The Group decided against taking into account the residual values of property, plant and equipment, since such assets are expected to be used throughout their useful lives and, as a general rule, are not slated for sale.

Depreciation was calculated on a straight-line basis over the economic useful life of the property, plant and equipment:

Constructions:

● industrial	30 to 40 years
● administrative and commercial	40 years
● property fittings and fixtures	10 years
Machinery and equipment	5 to 10 years, 15 to 20 years
Vehicles	4 to 10 or 15 years
Furniture and office equipment	4 to 15 years

Investment grants

Investment grants received by the Group were recorded on the balance sheet as "Other liabilities" (current and non-current) and apportioned to the income statement in keeping with the depreciation schedule of the assets they financed.

Finance leases and operating leases

Assets held under a finance lease were capitalized when the leases transferred to the Group substantially all of the risk and rewards inherent to the ownership of the assets.

When a finance lease was initiated, the assets were recorded on the balance sheet in an amount equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments.

The assets were straight-line depreciated on the basis of their estimated useful life, in accordance with the same criteria used for fully Group-owned depreciable assets of a similar nature, or on the basis of the life of the lease, if shorter.

The corresponding liability, net of interest expense, was recorded on the balance sheet.

Lease contracts not meeting finance-lease definition criteria were classified as operating leases, and the related payments were recognized as expense in the period in which they were made.

Impairment of assets

In compliance with provisions under IAS 36 – Impairment of Assets, goodwill and intangible assets with an indefinite useful life are subject to impairment testing at least once a year, or more frequently if events or circumstances indicate a loss of value. Annual impairment testing is carried out in the fourth quarter of the year.

Cash-generating units (CGUs) were identified to realize the tests. The CGUs correspond to subsidiaries or groups of subsidiaries that generate cash flows largely independent of the cash flows from other CGUs.

Other capitalized assets are also subject to impairment testing when events or changed circumstances indicate that carrying values might not be recoverable.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use is obtained by adding the net present values of the future cash flows expected to be derived from the use of an asset or asset group, and from the ultimate disposal of the asset.

The after-tax cash flows over five years used to determine value in use were derived from CGU business plans. Sales and terminal cash flow projections were based on reasonable and supportable assumptions in line with market data available for each CGU.

Fair value is the amount obtainable from the sale of the asset or group of assets in an arm's length transaction between knowledgeable, willing parties.

Impairment losses were recognized when testing showed a loss of value to ensure that the net carrying value of the assets did not exceed their recoverable value.

Property, plant and equipment were subject to impairment testing as soon as indications of impairment arose.

When the recoverable amount of an asset or group of assets was less than its carrying amount, the impairment loss was recorded in the income statement and first posted against goodwill.

Impairment losses relating to goodwill may not be reversed.

Inventories and work-in-progress

Inventories are measured at the lower of cost or net realizable value. The cost of inventories was calculated using the "weighted average unit cost" method or the "first-in, first-out – FIFO" formula.

The cost of materials and supplies is stated at purchase price plus incidental expenses, such as transport, commissions, transit, etc.

Manufactured goods are valued at production cost, including the cost of materials consumed, the depreciation of production assets, and direct or indirect production costs, excluding financial expense.

Cost of inventories was written down when:

- gross amount, as determined above, exceeded market value or net realizable value;
- goods deteriorated.

Financial assets and liabilities

Financial assets

In compliance with IAS 39, the Group classifies its financial assets into three categories, according to its intention at the time of purchase, and these determine the accounting treatment for each instrument.

Financial assets at fair value through the income statement

These assets, held for trading purposes, are expected to be sold in the near term. This category includes marketable securities and derivative instruments other than hedging instruments.

The assets were measured at fair value. Changes in fair value were recognized through the income statement.

Loans and receivables

These are financial assets with fixed or determinable payments that are not quoted in an active market. This category includes commercial loans, trade and other receivables and current bank accounts.

Receivables and payables were recognized at nominal value, and discounted, if necessary, in accordance with IAS 39. They were carried at amortized cost. An allowance for doubtful receivables was recorded when it became probable that the receivable would not be recovered.

Bills for collection were recorded in "Trade and other receivable accounts".

Assets available for sale

These are financial assets that do not belong to the other two categories above and primarily include non-consolidated participating interests, certain marketable securities, and derivative financial instruments used as hedging instruments.

Participating interests available for sale are recognized at fair value at the closing date. For listed shares, fair value is deemed to be the market price of the shares at the designated closing date. Except for impairment losses, which are recorded in the income statement when recognized, changes in the fair value of financial assets available for sale are recognized in equity until the assets are sold. Non-listed shares, for which fair value cannot be reliably assessed, are carried at historical cost.

Derivative instruments are recognized on the balance sheet at market value at the closing date. Changes in the value of derivative instruments are recognized according to the following principles:

- for the effective portion of designated cash-flow hedging instruments, changes in fair value are recognized in equity, with the ineffective portion recognized in the income statement;
- for designated fair-value hedges, changes in fair value are recognized in the income statement.

Financial liabilities

In accordance with IAS 39, the Group distinguishes between three categories of financial liabilities, each of which has a specific accounting treatment:

- financial liabilities held for trading purposes and expected to be sold in the near term. These include derivative instruments other than hedging instruments. They are measured at fair value through the income statement;

- financial liabilities carried at amortized cost. These are mainly borrowings and financial liabilities and trade payables;
- financial liabilities measured at fair value. These include derivative instruments for hedging.

Net cash and cash equivalents

Cash and cash equivalents include current bank account cash balances, term deposits that may be sold or used at very short notice (under three months) with no significant risk of losing value should interest rates change, and certain securities, in particular money market fund units that are highly liquid and carry a very low risk of change in value.

The Group's net cash included marketable securities and money market instruments, cash, and cash equivalents, net of current bank facilities, including overdrafts, or any corresponding interest recorded in current financial liabilities. Changes in the Group's net cash are presented in the cash flow statement.

Treasury shares

Fromageries Bel shares, repurchased by the consolidating company in accordance with Law No. 98-546 of July 2, 1998, were posted directly against consolidated shareholders' equity in an amount corresponding to their acquisition costs, including direct costs linked to the acquisition, net of corresponding tax savings.

Employee benefits

Independent actuaries assessed the main employee benefit obligations.

For defined benefit plans, the obligation was measured on a discounted basis by using the "projected unit credit" method and taking into account assumptions about salary growth, turnover rates, retirement age, and mortality rates. The economic conditions specific to each country were factored into the assumptions used.

The fair value of plan assets, if applicable, was deducted from the calculated obligations, and provisions were recognized on the balance sheet.

Actuarial gains and losses arise from changes in actuarial assumptions in the valuation of obligations and funds from one year to the next, and what actually occurred in terms of market conditions and real data.

For post-employment employee benefits, actuarial gains and losses were recognized in equity in "Items of Other Comprehensive Income", in accordance with IAS 19. Actuarial gains and losses on other long-term benefits were expensed for the year.

Expected proceeds from plan assets that give rise to an expense were calculated using the discount rate.

The costs related to the administration of the funds were also expensed.

For basic and other defined contribution plans, the obligation was charged to income as determined by the amounts to be contributed for the period.

Share-based payments

Stock option plans are equity-settled share-based payment systems under IFRS 2. The grant component is measured based on the Fromageries Bel share price at the grant date and, taking into account the non-payment of dividends during the vesting period, the stock options are recorded as personnel expense with a corresponding increase in equity. The expense is recognized over the length of the vesting period.

Provisions

A provision was booked when the Group had a legal or implicit obligation to a third party that could be reliably estimated and was likely to result in the outflow of resources. If the amount or the settlement date could not be reliably estimated, then the obligation was deemed to be a contingent liability, was disclosed as such, and was recognized as an off-balance sheet item.

Restructuring provisions were booked only after the announcement and establishment of a detailed restructuring plan, or if the start of a restructuring undertaking gave rise to a constructive obligation.

Purchase commitments with minority shareholders

The Group has obligations to purchase interests held by the minority shareholders of some consolidated subsidiaries. For the Group, these purchase obligations are optional, relating to put options.

In accordance with IAS 32 – Financial Instruments: Disclosure and Presentation, firm or conditional obligations to buy minority interests were recognized as liabilities in amounts equal to the purchase prices of the minority interests.

Any differences in the purchase price of a minority interest and the share of the net equity acquired were recognized in equity, without reassessing the value of the acquired assets and liabilities. Subsequent variations in the value of the liability were offset in equity.

Income taxes

Income tax expense corresponds to the income tax due by each tax-consolidated entity, adjusted for deferred income taxes.

In France, Fromageries Bel headed a tax consolidated group that included the following companies: Safr, Fromageries Picon, Fromageries Bel Production France, Fromageries Boursin, Société des Produits Latiers, Sofico, Sicopa, Sopaic, and Atad.

France's 2010 Final Budget Law, approved December 2009, introduced the CET (*Contribution Économique Territoriale*) local tax, which supplanted the *Taxe Professionnelle* business tax. The Group qualifies the CET tax as an operating expense rather than an income tax. Accordingly, the CET tax payable as of 2010 was expensed in the income statement.

Taxes payable for the period but not yet paid were recognized as current payables on the balance sheet. Overpaid income tax vs. income tax owed was recorded in current receivables on the balance sheet.

In accordance with IAS 12, deferred taxes were recorded on the timing differences between the tax and carrying values of assets and liabilities. Based on the balance-sheet liability method, deferred tax assets and liabilities were measured at the tax rates that were expected to apply in the period when the assets were realized or the liabilities were settled, and were classified as non-current assets and liabilities. Changes in the tax rate from one year to another were recorded in the income statement for the year in which the change was recognized.

Deferred tax assets resulting from deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits were limited to the estimated amount of recoverable tax. Deferred tax assets were assessed at the balance sheet date, based on the earnings forecasts of the related tax entities. Deferred tax assets and liabilities were not discounted.

Deferred taxes were recognized as income or expense in the income statement, except when they were associated with items directly credited or charged to equity, in which case, deferred taxes were also recognized in equity.

Sales

Revenues from sales, which included sales of goods, merchandise, raw materials, and other goods and services rendered in the course of the ordinary activities of consolidated Group companies, were recorded as soon as the transfer of significant risks and rewards of ownership took place or as soon as the service was rendered. Revenues from sales were presented net of any granted discounts or commercial rewards, and net of sales tax.

Other non-recurring income and expense

Other non-recurring income and expense primarily included:

- allowances and reversals of provisions for contingencies and losses, including restructuring costs incurred when operations were sold or discontinued as well as costs arising from commitments made to employees affected by layoff plans;
- gains and losses from the disposal of assets;
- impairment of non-current assets;
- any unusual, material gains or losses not linked to recurring operating performance.

Earnings per share

Earnings per share before dilution were calculated by dividing net consolidated profit, Group share, by the number of shares outstanding during the fiscal year. Treasury shares of the parent company held by the Group were excluded from this calculation based on the weighted average number of own shares.

Earnings per share after dilution were calculated by taking into account the effects of all outstanding potential dilutive instruments, with treasury shares excluded based on the weighted average number of shares. Net consolidated profit was adjusted to factor in the after-tax impact of dilutive instruments.

NOTE 2 • Changes in the scope of consolidation and changes in the ownership interest of consolidated entities

The Bel Group completed its acquisition of 69.82% of Safilait's share capital and voting rights on August 10, 2015, after meeting all closing conditions, including a favorable ruling from anti-trust authorities and the Kingdom of Morocco's Economy and Finance Ministry. Established in 2006, Safilait is the third-largest player in Morocco's dairy market with its Jibal® brand.

On September 8, 2015, in line with a shareholders' agreement, one of Safilait's minority shareholder exercised a put option, boosting the Group's stake in the company to 70.48%.

Lastly, Fromageries Bel purchased 788 of its own shares for €0.3 million during the 2015 fiscal year.

NOTE 3 • Income statement

3.1 Business segment information and significant events of the year

Sales and operating income by geographical region are the two key performance indicators used by Group General Management, the main operating decision-maker. Results are prepared by target market on a monthly basis to help monitor and offset the effects of raw-material price and foreign exchange volatility on margins as soon as they occur, across all production entities.

Conversely, cash flow and balance sheet items are not tracked by market. They are instead prepared and tracked on a Group-wide basis.

For the full year, consolidated sales came to €2,949 million, up 5.9% on a published basis and up 0.1% organically versus 2013.

Sales are presented by geographical region in the following table:

<i>(in thousands of euros)</i>	2015	2014	% overall change	% organic growth
Western Europe	1,107,722	1,122,218	-1.3%	-2.9%
North and East Europe	505,105	552,439	-8.6%	-6.5%
Americas, Asia-Pacific	538,863	418,560	28.7%	14.3%
Greater Africa	338,288	287,726	17.6%	8.1%
Near and Middle East	458,796	402,289	14.0%	-3.0%
TOTAL	2,948,774	2,783,232	5.9%	0.1%

For the full year, sales growth can be broken down as follows:

In Western Europe, against an economic backdrop adverse to consumer spending growth and a fiercely competitive market environment, the Group maintained its sales volumes owing to the power of its brands and the effectiveness of its promotional efforts. Sales, however, declined.

Sales in North and East Europe ended the year down, reflecting the decline in industrial product prices as well as operating difficulties in Ukraine.

The Americas, Asia-Pacific region once again reported an increase in sales, fuelled in particular by the volume growth of Mini Babybel® in the United States.

The Greater Africa region continued to thrive over the full year, reporting strong sales growth at constant exchange rates. The region's sales performance includes sales by Safilait, a company acquired during the year.

In the Near and Middle East, against an eroding geopolitical environment and despite very difficult operating conditions in some markets, the Group managed to limit the organic decline in sales to 3.0% over the 12 months of 2015, reflecting daily team efforts to deliver products to territories severely affected by conflicts.

In 2015, the Group rebuilt its operating margin, following a decline reported in the prior year. The performance stemmed from a positive forex impact and favorable raw material prices throughout the year. All told, operating income came to €274 million in 2015, after factoring in nearly €21 million in non-recurring operating expense.

The trend in operating income is presented by geographical region in the following table:

<i>(in thousands of euros)</i>	2015	2014	% change
Western Europe	135,703	119,329	13.7%
North and East Europe	11,383	3,188	257.1%
Americas, Asia-Pacific	19,847	17,060	16.3%
Greater Africa	39,771	27,725	43.4%
Near And Middle East	65,691	31,957	105.6%
TOTAL	272,395	199,259	36.7%

3.2 Operating expense by nature

Operating expense by nature broke down as follows:

<i>(in thousands of euros)</i>	2015	2014
Personnel expense	507,681	470,771
Depreciation and amortization expense	90,379	86,314
Other operating expense	2,057,475	2,011,589
TOTAL OPERATING EXPENSE	2,655,535	2,568,674

Other operating expense included manufacturing raw materials and consumables relating to products sold, as well as other costs relating to goods and services sold.

3.3 Other non-recurring income and expense

Other non-recurring income and expense broke down as follows:

<i>(in thousands of euros)</i>	2015	2014
Gains (losses) on the sale of fixed assets	(1,366)	(695)
Restructuring costs	(7,874)	(3,187)
Other non-recurring income and expense	(11,604)	(11,417)
TOTAL OTHER NON-RECURRING INCOME AND EXPENSE	(20,844)	(15,299)

In 2015, other non-recurring income and expense primarily included the remaining costs associated with moving the Group's headquarters, costs related to acquiring the interest in Safilait and write-downs of fixed assets, chiefly in France and Portugal (see Note 4.3).

Restructuring costs stemmed mainly from the departure of personnel who were not replaced, mostly in France and Morocco.

In 2014, other non-recurring income and expense primarily encompassed costs totaling more than €10 million arising from the planned move of the Group's headquarters, such as the write-down of current furnishings and provisions for future dual rent payments. Also included were a €3.2 million impairment loss write-down on Ukrainian fixed assets (see Note 4.3), and a change in the retirement plan in the Netherlands (see Note 4.11.3) resulting in a credit of €5.7 million.

3.4 Financial income and expense

Financial income and expense broke down as follows:

<i>(in thousands of euros)</i>	2015	2014
Income from cash and cash equivalents	3,137	3,035
Cost of gross financial indebtedness	(14,537)	(16,744)
Cost of net financial indebtedness	(11,400)	(13,709)
Net cost of discounting	(1,531)	(2,375)
Foreign currency gains (losses)	2,288	(1,182)
Other	2,677	1,875
Other financial income and expense	3,434	(1,682)
TOTAL NET FINANCIAL EXPENSE	(7,966)	(15,391)

In 2015, the cost of net financial indebtedness declined significantly, largely as a result of favorable interest rates.

Foreign currency gains and losses stemmed primarily from the reevaluation of foreign assets held by the Group's Syrian and Egyptian subsidiaries, following the devaluations of those two currencies.

In 2014, the decline in the cost of net financial indebtedness resulted mainly from the repayment of high-interest borrowings in 2013.

The net cost of discounting provisions corresponds chiefly to discounting provisions, less the return on underlying assets related to Employee Benefits.

The "Other" item in "Other financial income and expense" corresponds mainly to dividends received.

3.5 Income tax expense

Income tax expense broke down as follows:

<i>(in thousands of euros)</i>	2015	2014
Current tax, including withholding tax	(72,880)	(61,219)
Deferred tax	(3,470)	4,936
TOTAL INCOME TAX EXPENSE	(76,350)	(56,283)

In 2014 and 2015, the applicable tax rate in France came to 38%. The rate included the base corporate tax rate of 33.33%, to which was added a 3.3% social-contribution income tax and a 10.7% tax increase on French companies with annual sales exceeding €250 million.

In 2015, the Group's effective tax rate stood at 28.9%. The difference between the standard and effective income tax rates is summarized below:

<i>(in %)</i>	2015	2014
Standard tax rate (including additional contributions)	38.0%	38.0%
Impact of the difference in the current tax rates of foreign subsidiaries	-8.2%	-8.0%
Impact of change in tax rate	-1.7%	0.2%
Tax credits	-0.7%	-1.7%
Prior-period carryforwards used during the year	-0.7%	0.0%
Unused tax loss carryforwards from the period	0.2%	0.1%
Alternative minimum tax and non-creditable withholding tax	1.4%	2.3%
Permanent differences	0.6%	0.9%
Other items	0.0%	-1.2%
EFFECTIVE INCOME TAX RATE	28.9%	30.6%

The share of earnings in countries with tax rates below French tax rates, i.e. Morocco, Egypt, Algeria, and the Netherlands, accounted for most of the "Impact of the difference in the current tax rates of

foreign subsidiaries". The improvement in the "Impact of change of in tax rate" item stemmed primarily from the favorable tax-rate change in Egypt.

3.6 Earnings per share

Earnings per share were calculated by dividing net consolidated profit, Group share, by the number of ordinary shares (6,872,335 at December 31, 2015), less the weighted average number of own shares (90,078 at December 31, 2015).

Diluted earnings per share were identical to earnings per share as the bonus shares attributed during the period were not dilutive.

NOTE 4 • Balance sheet

4.1 Goodwill

Changes in goodwill items are presented in the following table:

<i>(in thousands of euros)</i>	2015	2014
GROSS VALUE AT PERIOD OPENING	440,099	434,767
Impact of change in consolidation scope	22,822	-
Translation differences	6,637	5,332
GROSS VALUE AT PERIOD CLOSE	469,558	440,099
Accumulated write-downs at period opening	(49,247)	(53,593)
Translation differences	1,711	4,346
Accumulated write-downs at period close	(47,536)	(49,247)
NET CARRYING AMOUNT OF GOODWILL FROM CONTINUING OPERATIONS	422,022	390,852

Goodwill of €22.8 million was recognized following the acquisition of a majority interest in Safilait (see Note 2).

In 2015, as in 2014, the recoverable amount for the other CGUs exceeded their corresponding carrying values. As a result, no further impairment losses on goodwill were recognized during the year.

The following assumptions and parameters were used in the impairment testing of CGUs to determine their value in use:

- explicit forecast periods of five years;
- the weighted average cost of capital: country risk rates established by Coface were used to revise the discount rates determined for each country, to factor in the notions of risk and time according to each CGU's profile and country risk. This review led to using the same discount rates and long-term growth rates as in 2014.

The long-term growth rate and the weighted average cost of capital by region are presented below:

	Goodwill <i>(in thousands of euros)</i>		Long-term growth rate		Discount rate	
	2015	2014	2015	2014	2015	2014
Western Europe	270,005	265,231	0.5%-2%	0.5%-2%	7.5%	7.5%
North and East Europe	45,939	45,333	1%-2%	1%-2%	7.5%-16%	7.5%-16%
Americas, Asia-Pacific	82,936	80,225	2%	2%	8%	8%
Greater Africa	23,142	63	n.a.	n.a.	n.a.	n.a.
Near and Middle East	-	-	2%	2%	11%	11%
GROUP TOTAL	422,022	390,852				

The Group tested the sensitivity of its CGUs to the following three parameters:

- a 1-percentage point increase in the discount rate;
- a 0.5-percentage point decline in the long-term growth rate;

- a 1-percentage point decline in operating margin.

No write-downs would be recognized in the Group's consolidated financial statements if these assumptions were used.

4.2 Other intangible assets

Changes in other intangible assets during the year were as follows:

<i>(in thousands of euros)</i>	2015	2014
Net carrying amount at January 1	288,362	287,976
Impact of change in consolidation scope	15,477	-
Acquisitions	12,437	17,273
Disposals, abandoned assets	(30)	(123)
Translation differences	707	930
Depreciation and write-downs	(17,935)	(17,784)
Reclassifications	542	90
NET CARRYING AMOUNT AT DECEMBER 31	299,560	288,362

A breakdown of intangible assets by nature is presented in the following table:

<i>(in thousands of euros)</i>	December 31, 2015			December 31, 2014
	Gross value	Accumulated depreciation and write-downs	Net carrying amount	Net carrying amount
Concessions and patents	29,821	(14,361)	15,460	16,120
Brands	250,951	(15,862)	235,089	219,095
Software	168,767	(119,893)	48,874	53,018
Other	1,331	(1,194)	137	129
TOTAL	450,870	(151,310)	299,560	288,362

As in 2014, acquisitions of other intangible assets in 2015 were primarily related to Group's IT projects.

The "Impact of change in consolidation scope" item corresponds mainly to the valuation of the Jibal® brand, following the Group's acquisition of a participating interest in Safilait (see Note 2).

The value in use of brands of the relevant CGUs was tested according to the method described in Note 4.1.

4.3 Property, plant and equipment

Changes in property, plant and equipment are presented in the following table:

<i>(in thousands of euros)</i>	2015	2014
Net carrying amount at January 1	637,423	588,370
Impact of change in consolidation scope	36,203	-
Acquisitions	93,674	100,590
Disposals, abandoned assets	(2,355)	(1,985)
Translation differences	15,640	21,509
Depreciation and write-downs	(74,408)	(70,866)
Reclassifications	(537)	(195)
NET CARRYING AMOUNT AT DECEMBER 31	705,640	637,423

A breakdown of property, plant and equipment by nature is presented in the following table:

(in thousands of euros)	December 31, 2015			December 31, 2014
	Gross value	Accumulated depreciation	Net carrying amount	Net carrying amount
Land	27,248	(3,723)	23,525	22,094
Constructions	377,976	(189,788)	188,188	163,798
Technical installations, fixtures, machinery and equipment	1,075,349	(657,325)	418,024	389,416
Other tangible assets	57,143	(37,204)	19,939	16,005
Assets in the course of construction	57,306	(1,342)	55,964	46,110
TOTAL	1,595,022	(889,382)	705,640	637,423

Acquisitions during the year resulted primarily from investments to increase production capacity in France, the Netherlands, Algeria, Vietnam, and Morocco, as well as fittings and furnishings for the Group's new headquarters in France.

The "Depreciations and write-downs" item includes write-downs of fixed assets, mainly in France and Portugal (see Note 3.3).

In fiscal 2014, impairment testing led the Group to write down a further €3.2 million in lost asset value in Ukraine (see Note 3.3).

4.4 Financial assets and financial liabilities

Financial assets broke down as follows:

(in thousands of euros)	December 31, 2015			December 31, 2014
	Amortized cost	Fair value	Balance sheet amount	Balance sheet amount
Assets				
Financial assets available for sale	5,560	196,636	202,196	130,760
Other non-current financial assets	1,736		1,736	1,587
Non-current loans and advances	10,757		10,757	10,209
Non-current trade and other receivables	8		8	10
Current trade and other receivables	497,593		497,593	477,546
Other current financial assets		4,884	4,884	3,000
Current loans and advances	1,289		1,289	788
Current tax assets	22,732		22,732	19,908
Cash and cash equivalents	420,382	261,838	682,220	511,443

Financial liabilities recognizable within the scope of IFRS 7 were recorded in full at amortized cost, with the exception of financial instrument liabilities, which were measured at fair value and are presented in detail in Note 4.15.

4.5 Other non-current assets, excluding deferred taxes

Changes in other non-current assets, excluding deferred taxes, were as follows:

<i>(in thousands of euros)</i>	December 31, 2015	December 31, 2014
Assets available for sale at period opening	130,760	105,056
Change in fair value recognized in Other comprehensive income	66,702	25,749
Other changes	4,734	(45)
ASSETS AVAILABLE FOR SALE AT PERIOD CLOSE	202,196	130,760

Financial assets held for sale included 196,350 Unibel shares held by the Sofico company and acquired at an average purchase price of €14.25 per share. At 31 December 2015, these shares were valued at €196.3 million based on the December 31, 2015 closing price.

At 31 December 2014, these shares were valued at €129.6 million based on the December 31, 2014 closing price.

The resulting €43.7 million revaluation, net of deferred tax, was recognized in other comprehensive income (see Note 4.9).

4.6 Inventories and work-in-progress

Inventories and work-in progress broke down as follows:

<i>(in thousands of euros)</i>	December 31, 2015	December 31, 2014
Raw materials and other supplies	112,537	113,397
Work-in-progress, goods and services	24,978	26,832
Merchandise, finished goods and intermediate goods	138,427	139,231
GROSS VALUE	275,942	279,460
Inventory write-downs	(4,221)	(2,665)
NET CARRYING AMOUNT	271,721	276,795

The change in net inventories for the years presented breaks down as follows:

	2015			2014
<i>(in thousands of euros)</i>	Gross amounts	Write-downs	Net amounts	Net amounts
At January 1	279,460	(2,665)	276,795	259,074
Change in gross inventory	(18,345)	-	(18,345)	11,909
Impact of change in consolidation scope	13,180	(860)	12,320	-
Change in write-downs	-	(704)	(704)	1,662
Translation differences	1,647	8	1,655	4,150
AT DECEMBER 31	275,942	(4,221)	271,721	276,795

4.7 Trade and other receivables

The "Trade and other receivables" item breaks down as follows:

<i>(in thousands of euros)</i>	December 31, 2015	December 31, 2014
Trade and other receivables	503,187	482,591
Write-downs	(5,594)	(5,045)
NET CARRYING AMOUNT	497,593	477,546

The change in trade and other receivables for the years presented breaks down as follows:

<i>(in thousands of euros)</i>	2015			2014
	Gross amounts	Write-downs	Net amounts	Net amounts
At January 1	482,591	(5,045)	477,546	468,037
Changes in WCR	12,560	-	12,560	6,437
Impact of change in consolidation scope	5,539	(540)	4,999	-
Change in write-downs	-	(7)	(7)	724
Reclassifications	53	-	53	(1,144)
Translation differences	2,444	(2)	2,442	3,492
AT DECEMBER 31	503,187	(5,594)	497,593	477,546

At December 31, 2015, current net trade receivables represented 93.3% of total trade and other receivables, with trade receivables under 60 days due accounting for 6.3%, and trade receivables over 60 days due accounting for 0.4%. Receivables older than 120 days not covered by credit insurance were fully provisioned.

4.8 Net deferred taxes

Net deferred tax liabilities and changes in the net deferred tax position for the last two fiscal years were recorded as follows:

<i>(in thousands of euros)</i>	2015	2014
At January 1	(160,387)	(167,630)
Impact of change in consolidation scope	(4,174)	
Change recognized in equity	(34,934)	2,307
Change recognized in the income statement	(3,470)	4,936
AT DECEMBER 31	(202,965)	(160,387)

Basis for deferred tax assets and liabilities

<i>(in thousands of euros)</i>	2015	2014
Goodwill from business	(30,385)	(25,364)
Fixed assets	(79,199)	(73,561)
Brands and concessions	(71,759)	(65,436)
Derivative financial instruments	2,126	5,318
Valuation of Unibel shares	(66,606)	(43,655)
Pensions and similar employee benefits	21,709	22,175
Tax loss carryforwards	7,507	6,709
Other	13,642	13,428
NET DEFERRED TAXES	(202,965)	(160,387)
Of which:		
Deferred tax assets	12,646	14,541
Deferred tax liabilities	(215,611)	(174,928)

The “Other” heading concerned primarily temporary items not deductible from tax expense.

Tax loss carryforwards

The Group had tax-loss carryforwards that offered potential tax savings.

A deferred tax asset is recognized when the recovery of tax loss carryforwards is more likely than not to arise for either of the following reasons:

- the deferred tax assets could be offset against tax liabilities set to mature during the period in which they were “deductible”; or

Tax assets that were unrecognized owing to uncertainties about the potential of recovering the corresponding tax losses carried forward, were as follows:

	December 31, 2015		December 31, 2014	
	Tax loss basis	Unrecognized deferred tax assets	Tax loss basis	Unrecognized deferred tax assets
<i>(in thousands of euros)</i>				
Expires in				
Less than one year	2,001	391	1,018	196
One to five years	2,428	461	5,347	1,056
Over 5 years	476	86	-	-
May be carried forward indefinitely	17,767	4,439	21,883	5,468
TOTAL	22,672	5,377	28,248	6,720

Of the total unrecognized tax assets at December 31, 2015, €2.6 million concerned the Grupo Fromageries Bel España subsidiary.

- taxable earnings were expected during the recovery period, resulting in deferred tax assets.

At December 31, 2015, deferred tax assets related to tax loss carryforwards for the Grupo Fromageries Bel España subsidiary totaled €6.6 million, after €0.5 million were used during the year and an additional €0.9 million were carried forward in 2015.

In fiscal 2014, a change in Spain's tax policy limited the deductibility of tax losses from prior years, albeit with the offsetting possibility of carrying forward tax losses indefinitely.

4.9 Share capital information

Fromageries Bel's share capital is comprised of 6,872,335 shares. In 2015, changes in the Group's equity reflected mainly earnings for the year and the payout of the prior-year dividend in May, as

well as the impact of items recorded in the comprehensive income statement.

Items recognized in the comprehensive income statement are presented in the following table:

		2015			2014
		Group share	Minority interest share	Total	Total
<i>(in thousands of euros)</i>					
Cash flow hedging	Gross amounts	8,316		8,316	(21,990)
	Income tax impact	(3,176)		(3,176)	8,693
Mark-to-market of assets available for sale	Gross amounts	66,702		66,702	25,749
	Income tax impact	(22,953)		(22,953)	(8,865)
Actuarial gains and losses arising on retirement obligations	Gross amounts	9,319	9	9,328	(19,753)
	Income tax impact	(2,951)	(1)	(2,952)	5,878
Translation differences		13,986	234	14,220	30,469
TOTAL		69,243	242	69,485	20,180

The mark-to-market of the main hedges contracted by Group subsidiaries is described in Note 4.15.3.

The mark-to-market of assets available for sale pertained to Unibel shares owned by Sofico (see Note 4.5).

Actuarial gains and losses recognized during the year are described in Note 4.11.2.

Depending on its financial position and changing needs, the Group may adjust its share capital by issuing new shares, for example, or purchasing and canceling existing shares.

The Group is not subject to equity covenants imposed by third parties.

Own shares

In 2015, 4,822 of the Group's own shares were issued, and 788 of its own shares were purchased. The Group held 86,912 of its own shares at December 31, 2015.

Bonus shares

The 2013-2015-bonus share plan was completed in August 2015, with 4,822 shares awarded to beneficiaries.

The 2014-2016 plan was under way, and a new 2015-2017 stock-option plan was approved by the Board of Directors on July 29, 2015.

In accordance with IFRS 2, personnel expense arising from share awards was recognized incrementally over the vesting period, with the corresponding increase recognized in equity.

A summary of the bonus share plans is presented in the following table:

	2015/2018 plan	2014/2016 plan	2013/2015 plan	TOTAL
Number of shares granted at the award date	5,442	5,447	5,130	
Number of shares awarded at December 31, 2015	5,442	5,339	4,822	
Fair value of share award (in €)	305	268	249	
Award criteria: percentage provisioned	100%	100%	100%	
Acquisition period	2 years	2 years	2 years	
Holding period	2 years	2 years	2 years	
Amount expensed at December 31, 2015	340	668	384	1,392

4.10 Provisions

The change in provisions for the years presented breaks down as follows:

(in thousands of euros)	2015	2014
Provisions at January 1	32,609	26,090
Impact of change in consolidation scope	90	-
Increase (charges)	4,855	12,582
Reversals – offset against expenses	(9,830)	(3,267)
Reversals – cancelled provisions	(1,482)	(2,599)
Reclassifications	-	(291)
Translation differences	39	94
PROVISIONS AT DECEMBER 31	26,281	32,609
Of which less than a year	18,026	23,798

Reversals offset against expenses for the year stemmed primarily from non-recurring provisions related to the Group's headquarters move (see Note 3.3), provisioned as other expenses in 2014, in the following table.

(in thousands of euros)	December 31, 2015	December 31, 2014
Provisions for disputes and litigation	11,458	10,961
Restructuring provisions	1,466	599
Provisions for other expenses	770	9,100
Provisions for other contingencies	12,587	11,949
PROVISIONS	26,281	32,609

4.11 Employee benefits

The Group participated in various retirement plans, end-of-career indemnities and other long-term benefit schemes of the countries where it was present, in compliance with local laws and practices.

These plans were either defined contribution plans or defined benefit plans. For defined contribution plans, the charge was recorded in the year in which the contributions were due. No additional retirement provisions were needed since, under such plans, the Group's obligation was limited to the contributions themselves. For defined benefit plans, the obligations were measured according to the projected unit credit method.

4.11.1 Summary of various employee benefits (defined contribution plans)

Employees in some Group companies benefit from defined contribution plans, which primarily offer complementary benefits to those provided under legally mandated retirement schemes. For defined contribution plans, the charge is recorded in the year in which the contributions are due. No additional retirement provisions are needed since, under such plans, the Group's obligation is limited to the contributions themselves.

Nevertheless, an exception exists in the United States. Bel Brands USA contributes to a multi-employer fund that is by its nature a defined benefit plan. The fund manager, however, is unable

to determine with any precision the share of each participating company's obligation for the benefits earned by current employees, with the earned benefits of former employees deferred and retired employees benefiting from life annuities paid by the fund. Under IAS 19 and although the plan is by nature a defined benefit plan, the company recognizes the contributions paid to the fund in the same way it does for a defined contribution plan. Bel Brands USA carries the risk of having to cover a share of the obligation in the event that the fund is underfunded. The amount of the risk is not known at this writing.

4.11.2 Summary of various employee benefits (defined benefit plans)

These plans are primarily plans for supplemental retirement, end-of-career bonuses and long service awards.

Employee benefits concern primarily European countries, with France, Germany and the Netherlands together accounting for €115.2 million, or 95% of a total €120.9 million in employee benefits.

Actuarial gains and losses on post-employment benefits are recognized in "Items of Other Comprehensive Income", during the period in which they arise.

The following table provides a summary of the financial position of defined benefit plans.

<i>(in thousands of euros)</i>	Netherlands	France	Germany	Rest of the world	2015 Total	2014 Total
Gross defined benefit obligation	53,367	43,142	18,667	5,732	120,908	131,732
Fair value of plan assets	(39,491)				(39,491)	(41,563)
NET EMPLOYEE BENEFIT OBLIGATION RECORDED ON THE BALANCE SHEET	13,876	43,142	18,667	5,732	81,417	90,169

Changes in gross employee benefit obligations for defined benefit plans are presented in the following table.

<i>(in thousands of euros)</i>	Netherlands	France	Germany	Rest of the world	2015 Total	2014 Total
Gross defined benefit obligation at January 1	56,742	48,365	20,790	5,835	131,732	116,015
Change in gross defined benefit obligations recorded in profit and loss	984	3,131	746	774	5,635	(12,942)
Actuarial gains and losses recorded to other comprehensive income	(4,307)	(6,367)	(2,044)	(315)	(13,033)	31,309
Translation differences				4	4	(74)
Employer contributions						208
Benefits paid during the year	(52)	(1,987)	(825)	(566)	(3,430)	(2,784)
GROSS OBLIGATION AT DECEMBER 31	53,367	43,142	18,667	5,732	120,908	131,732

The change in the fair value of plan assets is presented in the table below.

<i>(in thousands of euros)</i>	Netherlands	France	Germany	Rest of the world	2015 Total	2014 Total
Fair value of plan assets at January 1	(41,563)				(41,563)	(43,131)
Interest income (expense) on plan assets	(771)				(771)	(882)
Return on plan assets above the discount rate	3,700				3,700	(11,556)
Costs borne by bodies responsible for managing plan assets	58				58	
Benefits paid by funds to recipients during the year	52				52	16,160
Contributions paid to funds	(967)				(967)	(2,154)
FAIR VALUE OF PLAN ASSETS AT DECEMBER 31	(39,491)				(39,491)	(41,563)

In 2015, the net amount expensed to the income statement totaled €4.9 million and broke down as follows:

<i>(in thousands of euros)</i>	Netherlands	France	Germany	Rest of the world	2015 Total	2014 Total
Service cost for the year	83	2,522	389	597	3,591	4,507
Interest income from the present value of the obligations	1,048	939	380	131	2,498	3,375
Past service cost following a plan change				23	23	(5,669)
Costs borne by bodies responsible for managing plan assets	58				58	82
Actuarial gains and losses on other long-term benefits during employment recognized during the year	(147)	(330)	(23)	23	(477)	755
<i>Settlement</i>						(15,992)
CHANGE IN GROSS DEFINED BENEFIT OBLIGATIONS RECORDED IN PROFIT AND LOSS	1,042	3,131	746	774	5,693	(12,942)
Interest income (expense) on plan assets	(771)				(771)	(882)
<i>Settlement</i>						15,992
TOTAL NET EXPENSES RECORDED ON THE INCOME STATEMENT	271	3,131	746	774	4,922	2,168

In the Netherlands, collective bargaining with dairy sector trade organizations over employee retirement benefits resulted in the signature of an agreement in 2014 that replaced the defined benefit

plans with a defined contribution plan on January 1, 2015. The rights acquired by employees at December 31, 2014 were frozen, and the defined benefit plans are now closed to new employees.

Actuarial gains and losses recorded in the comprehensive income statement can be broken down as follows:

<i>(in thousands of euros)</i>	Netherlands	France	Germany	Rest of the world	2015 Total	2014 Total
Actuarial gains and losses on the present value of obligations recognized during the year and arising from experience adjustments	639	(1,862)	(553)	(14)	(1,790)	2,719
Actuarial gains and losses on the present value of obligations recognized during the year and arising from changes to demographic assumptions	2,512	(295)		(149)	2,068	(281)
Actuarial gains and losses on the present value of obligations recognized during the year and arising from changes to financial assumptions	(7,458)	(4,210)	(1,491)	(152)	(13,311)	28,871
ACTUARIAL GAINS AND LOSSES RECORDED TO OTHER COMPREHENSIVE INCOME	(4,307)	(6,367)	(2,044)	(315)	(13,033)	31,309
Return on plan assets above the discount rate	3,700				3,700	(11,556)
TOTAL NET GAINS RECORDED ON THE INCOME STATEMENT	(607)	(6,367)	(2,044)	(315)	(9,333)	19,753

For defined benefit plans, obligations were measured according to actuarial techniques, taking into account long-term assumptions. The main assumptions used by independent actuaries included the discount rate, the rate of salary increases, the turnover rate, and mortality rates.

In Europe, probable future benefits were written down to their present value using discount rates appropriate to each country. The discount rates were determined by using as a benchmark the yield on AA-rated corporate bonds with the same maturities as the obligations.

Assumptions weighted by obligation	December 31, 2015	December 31, 2014
Discount rate (weighted)	2.35%	1.85%
Rate of salary increases (weighted)	3.00%	2.80%
Duration	19.5	17.3

The main financial assumption used to measure the obligation of defined benefit plans is the discount rate, which can have a significant impact on the outcome. A 100-point variation in the discount rate versus the main assumption used at December 31, 2015 would have the following effects:

	Decrease of 100 basis points	Increase of 100 basis points
Impact on obligation at December 31, 2015	22%	-16%

4.11.3 Description of main defined benefit plans

France

The Group's various French entities are subject to a collective bargaining agreement established with the French dairy industry. It calls for the payment of retirement indemnities to employees still present in the company as of their date of retirement, with the age requirement the same as for the settlement of benefits from France's general Social Security retirement scheme. This allocation is calculated based on a percentage of the last active salary, with the percentage determined according to the number of service years of the employee at the time of his/her retirement. As part of mandatory yearly bargaining, the indemnity was increased by mutual agreement by 45% in 2004. Further, these benefits are subject to payroll on-costs, which vary according to occupational category.

This plan is not externally managed.

Germany

Germany has one supplemental defined benefit plan that has been closed to new entrants since March 2003, with new entrants shepherd into a defined contribution plan. The defined benefit plan pays annuities over the life of the retiree, with 60% going to the retiree's spouse in the event of death, and carries disability coverage. The annuities are based on a percentage of the employee's last salary, with the percentage determined by the number of service years rendered by the employee with a 35-year ceiling. The annuities are by law revised for inflation every three years.

This plan is not externally managed.

Netherlands

The Netherlands has two complementary defined benefit retirement plans, including one established by collective bargaining agreement with the dairy industry. The plans pay life annuities at the date of retirement, with the retirement age set at 67. The annuities correspond to the benefits acquired over the employee's period of service in the company. They are annually revised up to the beneficiary's date of retirement. The plans also pay annuities to the employee's spouse or children in the event of death, and provide disability coverage as well. The plans offer no future revaluation guarantees for current retirees, nor do they guarantee any future revaluation of benefits accumulated by former employees with deferred benefits. The indexations are conditioned on the financial health of the funds.

Both plans are financed via a shared multi-employer fund managed by the Interpolis insurance company. The insurance company determines the share of the fund owned by the two plans based on the value of the obligations. That value is calculated in accordance with statutory assumptions, which generally differ from standard assumptions. At end 2015, the fair value of plan assets in the Netherlands totaled €39.5 million, versus €41.6 million at end 2014.

4.12 Other non-current liabilities

Other non-current liabilities broke down as follows:

(in thousands of euros)	December 31, 2015	December 31, 2014
Investment grants	22,398	16,635
Amounts payable to personnel	25,766	23,969
Other	3,940	472
TOTAL	52,104	41,076

Amounts payable to personnel were primarily CET (*Compte Épargne Temps*) Time-Savings Accounts for employees of French companies and provisioned debt related to employee profit-sharing programs at French companies.

4.13 Trade payables and other liabilities

The change in trade payables and other liabilities is presented in the following table:

(in thousands of euros)	2015	2014
At January 1	501,814	516,123
Impact of change in consolidation scope	14,296	-
Changes in WCR	37,167	(20,776)
Reclassifications	3	1,444
Translation differences	1,723	5,023
AT DECEMBER 31	555,003	501,814

4.14 Net financial debt

Net financial debt is presented in the following table:

(in thousands of euros)	December 31, 2015	December 31, 2014
Bonds	159,554	159,437
Bank borrowings	263,987	235,802
Employee profit-sharing	11,777	12,511
Minority shareholders' put options	21,233	100
Deposits and guarantee deposits	23	20
Borrowings and financial liabilities	456,574	407,870
Amounts related to assets held under finance leases	1,004	302
Total long-term liabilities	457,578	408,172
Bank borrowings	28,576	5,103
Employee profit-sharing	3,635	2,879
Commercial paper	104,975	101,976
Sundry loans and financial liabilities	3,565	2,739
Current account liabilities	54,810	49,300
Borrowings and financial liabilities	195,561	161,997
Amounts related to assets held under finance leases	329	361
Total short-term liabilities	195,890	162,358
GROSS FINANCIAL LIABILITIES	653,468	570,530
Current used bank facilities including overdrafts and accrued interest	8,616	8,380
Cash and cash equivalents	(682,220)	(511,443)
NET CASH AND CASH EQUIVALENTS	(673,604)	(503,063)
Current account assets	(930)	(8)
TOTAL NET LIABILITIES	(21,066)	67,459

The main financing transactions for fiscal 2015 are explained in Note 4.15.2.

At December 31, 2015, the amount of long-term debt issued in US dollars came to €105.2 million.

In 2015, the Safilait minority shareholder put options (see Note 2) were included in long-term liabilities and offset in equity.

The Unibel parent company accounted for €53.2 million in current account liabilities (see Note 8.2).

Repayment schedule for long-term financial liabilities at December 31, 2015

<i>(in thousands of euros)</i>	2017	2018	2019	2020	2021 & beyond	Total
Bonds		19,951	139,603			159,554
Bank borrowings	6,987	170,769	12,445	45,482	28,304	263,987
Amounts related to assets held under finance leases	358	470	176			1,004
Employee profit-sharing	1,880	3,751	3,006	3,140		11,777
Minority shareholders' put options		100			21,133	21,233
Deposits and guarantee deposits	23					23
TOTAL LONG-TERM LIABILITIES	9,248	195,041	155,230	48,622	49,437	457,578

4.15 Financial instruments

4.15.1 Market risk management

The Treasury Department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. The department reports to Management on a monthly basis and makes regular presentations to the Audit Committee.

4.15.2 Financial and liquidity risk management

At December 31, 2015, the Group had a positive net financial position of €21.1 million.

The Group implemented policies aimed at limiting liquidity risk. In line with those policies, a significant share of the Group's financial resources is medium term. The Group obtained confirmed credit lines and medium-term financing from its banks and from investors.

At December 31, 2015, the Group had significant liquidity, including:

- a confirmed, untapped €520 million credit line maturing in March 2020, with a possible extension to 2021, if the banks agree;
- a €500 million commercial paper program, of which €105 million was used;
- a €160 million bond subscribed by private investors, with €20 million maturing in December 2018 and €140 million maturing in December 2019;
- a financial transaction on the Schuldschein market in two tranches, including:
 - €140 million with maturities of one year, three years, five years, and eight years at floating or fixed rates,

- USD 110 million, with maturities of one year and three years at floating or fixed rates;

- in 2014, as part of a plant construction in the United States, the Group obtained USD 10 million in subsidized and amortizable financing, in a dual tranche transaction, including:

- USD 2 million maturing in October 2019,
- USD 8 million maturing in October 2024;

- as part of a plant construction operation in Vietnam, the Group secured a VND 100 million credit line maturing in August 2019. The line was fully drawn down at December 31, 2015;

- in August 2015, as part of the deployment of its activities in Morocco, the Group acquired a majority interest in Safilait:

- the company has debt totaling MAD 118.4 million with maturities of under one year, three years and four years,
- the Group secured MAD 280 million in financing maturing in August 2021, as part of that acquisition.

At December 31, 2015, the Group, via Fromageries Bel, had substantial cash and cash equivalents totaling €582 million.

Fromageries Bel committed to keeping its financial leverage ratio below 3.50 over the entire life of the medium and long-term financing mentioned above. The financial leverage ratio is determined by dividing consolidated net debt by the Group's consolidated EBITDA. Failure to meet the ratio could trigger the repayment of a significant part of the debt. At December 31, 2015, the ratio stood at a negative 0.05, versus a positive 0.23 at December 31, 2014.

The Group implemented a policy of pooling liquidity at the Fromageries Bel level for all countries where the local currency was freely convertible and where there were no legal or fiscal limits on pooling local surpluses or financing local needs. Internal current accounts and intra-group compensation payment systems are managed by the Group Treasury Department.

In countries where surplus and financing pooling was not allowed, subsidiaries invested their surpluses in money market funds denominated in their local currency and, if needed, financed themselves primarily in local currency. Further, the dividend policy was systematically aimed at limiting recurring surpluses at the subsidiaries.

For purposes of disclosure:

- most of the non-pooled available cash and cash equivalents, which totaled €78.7 million at December 31, 2015, stemmed from countries in the Greater Africa and Near and Middle East regions;
- following the Safilait acquisition, the Group decided to set up a cash-pooling system that encompasses all Moroccan entities, with Fromageries Bel Maroc as the centralizing entity.

Some subsidiaries may have had no alternatives to local currency financing. In cases where the local currency was devalued, the subsidiaries recognized the related financial loss.

Surplus liquidities were invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit.

4.15.3 Foreign exchange risk management

The Bel Group is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

Group entities are exposed to foreign exchange risk on sales and financial transactions recognized on the balance sheet as well as foreign exchange risk on highly probable future transactions when such business is transacted in currencies other than their functional currency, e.g., imports, exports and financial transactions.

The Group does not hedge its exposure to translation differences arising from consolidating its foreign subsidiaries. Conversely, it hedges exposure to translation differences arising from the payment of intra-group dividends denominated in foreign currencies.

Hedging policy for foreign exchange exposure

Management policy is to hedge risk on transactions denominated in foreign currencies through the use of derivative financial instruments. While the Treasury Department is not a profit center, the Group applies a global exchange-rate policy for all French, European and North American entities to hedge annual budgeted flows against risks linked to currency trading. The Group Treasury Department handles the necessary exchange rate hedging for these entities.

For subsidiaries in countries where there are no financial hedging instruments, the policy has been to maximize natural hedging as much as possible through billing currencies, for example. However, local currency devaluations can significantly impact the profitability of the concerned entity.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. At December 31, 2015, the maturity of the derivatives portfolio did not extend beyond January 31, 2017. The cash flow from the budgeted 2015 and 2016 hedges are expected in 2016 and 2017, and will thus impact income in the 2016 financial year.

Hedging of foreign exchange rate fluctuations on imports, exports and financial transactions

Group entities recalculate their net foreign exchange exposure periodically, during each budgetary review. To manage its exposure, the Group mainly uses futures contracts, currency options, and cross-currency swaps.

Hedging positions for foreign exchange, interest rate and raw materials risk, versus the prior year:

Value of hedges secured by the Bel Group

(in thousands of euros)	At December 31, 2015				At December 31, 2014			
	Equity	Operating income	Net financial result	Market value	Equity	Operating income	Net financial result	Market value
Foreign exchange	1,363	(520)	(60)	783	(4,114)	(2,759)	(284)	(7,156)
Operations	1,559	(520)	(23)	1,016	(3,252)	(2,759)	(320)	(6,331)
Futures	836	(476)		360	(1,460)	(2,289)		(3,749)
Options	723	(44)	(23)	656	(1,792)	(470)	(320)	(2,582)
Dividends	(196)	-	-	(196)	(860)	-	-	(860)
Futures	(196)			(196)	(860)			(860)
Options								
Capex				-	(2)			(2)
Financing			102	102			47	47
Other transactions			(139)	(139)			(11)	(11)
Interest rate	(21)	-	1,107	1,086	78	-	507	585
USD interest-rate swaps	(21)			(21)	78			78
EUR/TRY Cross Currency swaps			1,107	1,107			507	507
FOREIGN EXCHANGE AND INTEREST RATE TOTAL	1,342	(520)	1,047	1,869	(4,035)	(2,759)	223	(6,571)
RAW MATERIALS	(2,698)		(100)	(2,798)	(5,103)		(1,055)	(6,158)
BEL GROUP TOTAL				(929)				(12,729)

At December 31, 2015, the Group had secured the following hedges:

Portfolio of currency forward contracts backed by trade receivables, trade payables or futures transactions

(in thousands of euros)			At December 31, 2015			
			Commitment	Equity	Operating income	Market value
Transaction type	Direction	Cross				
FUTURES	Buy	EURGBP	20,150	278	69	347
FUTURES	Buy	EURJPY	10,500	(106)	(138)	(244)
FUTURES	Sell	EURPLN	24,500	(232)	(33)	(265)
FUTURES	Buy	EURUSD	81,250	309	(481)	(172)
FUTURES	Buy	OTHER	25,073	546	91	637
FUTURES	Sell	OTHER	6,819	41	16	57
TOTAL				836	(476)	360

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Sell EURPLN signifies that the Group is selling EUR and buying PLN.

At December 31, 2014

(in thousands of euros)						
Transaction type	Direction	Cross	Commitment	Equity	Operating income	Market value
FUTURES	Buy	EURGBP	31,500	(334)	(145)	(479)
FUTURES	Buy	EURJPY	15,042	546	377	923
FUTURES	Sell	EURPLN	26,500	(158)	21	(137)
FUTURES	Buy	EURUSD	73,959	(1,439)	(2,575)	(4,014)
FUTURES	Buy	OTHER	29,897	(51)	75	24
FUTURES	Sell	OTHER	7,368	(24)	(42)	(66)
TOTAL				(1,460)	(2,289)	(3,749)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Sell EURPLN signifies that the Group is selling EUR and buying PLN.

Portfolio of currency options backed by trade receivables, trade payables or futures transactions

At December 31, 2015

(in thousands of euros)						
Transaction type	Cross	Commitment	Equity	Operating income	Net financial result	Market value
Call purchase	EURGBP	51,500	67	-	689	756
Put sale	EURGBP	32,500	-	-	(225)	(225)
Call purchase	EURJPY	14,700	-	-	111	111
Put sale	EURJPY	8,575	(56)	(34)	(112)	(202)
Put purchase	EURPLN	26,250	-	-	148	148
Call sale	EURPLN	17,500	(87)	-	(223)	(310)
Call purchase	EURUSD	176,857	-	-	1,246	1,246
Put sale	EURUSD	123,442	(104)	(10)	(1,833)	(1,947)
Call purchase	OTHER	39,497	928	-	294	1,222
Put sale	OTHER	21,370	(25)	-	(118)	(143)
TOTAL			723	(44)	(23)	656

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Call purchase EURGBP signifies that the Group is buying a EUR call/GBP put option.

At December 31, 2014

(in thousands of euros)						
Transaction type	Cross	Commitment	Equity	Operating income	Net financial result	Market value
Call purchase	EURGBP	45,500	-	-	154	154
Put sale	EURGBP	22,750	(9)	-	(275)	(284)
Call purchase	EURJPY	10,389	254	-	146	400
Put sale	EURJPY	5,735	-	-	(34)	(34)
Put purchase	EURPLN	27,000	-	-	237	237
Call sale	EURPLN	16,250	(10)	-	(255)	(265)
Call purchase	EURUSD	151,174	-	-	336	336
Put sale	EURUSD	73,793	(2,244)	(465)	(773)	(3,482)
Call purchase	OTHER	41,242	313	-	282	595
Put sale	OTHER	18,942	(97)	(5)	(139)	(241)
TOTAL			(1,793)	(470)	(321)	(2,584)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Call purchase EURGBP signifies that the Group is buying a EUR call/GBP put option.

Portfolio of currency forward and option contracts to hedge future dividend or share transaction flows

(in thousands of euros) Transaction type	Direction	Cross	At December 31, 2015			At December 31, 2014		
			Commitment	Equity	Market value	Commitment	Equity	Market value
FUTURES	Buy	EURGBP	-	-	-	2,000	(79)	(79)
FUTURES	Buy	EURUSD	9,320	(184)	(184)	6,374	(621)	(621)
FUTURES	Buy	OTHER	600	(12)	(12)	4,750	(160)	(160)
TOTAL				(196)	(196)		(860)	(860)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Buy EURUSD signifies that the Group is buying EUR and selling USD.

Portfolio of currency forward contracts to hedge future investment outflows on fixed assets

(in thousands of euros) Transaction type	Direction	Cross	At December 31, 2015			At December 31, 2014		
			Commitment	Equity	Market value	Commitment	Equity	Market value
FUTURES	Buy	EURUSD	-	-	-	300	(2)	(2)
TOTAL				-	-		(2)	(2)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Buy EURUSD signifies that the Group is buying EUR and selling USD.

Portfolio of swaps to hedge financing flows denominated in local currencies

(in thousands of euros) Transaction type	Direction	Cross	At December 31, 2015		
			Commitment	Net financial result	Market value
SWAP	Sell	EURGBP	13,003	74	74
SWAP	Buy	EURJPY	6,873	(65)	(65)
SWAP	Buy	EURPLN	97	1	1
SWAP	Sell	EURUSD	28,218	65	65
SWAP	Sell	OTHER	18,961	29	29
SWAP	Buy	OTHER	726	(2)	(2)
TOTAL				102	102

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Sell EURGBP signifies that the Group is selling EUR futures and buying GBP futures.

(in thousands of euros) Transaction type	Direction	Cross	At December 31, 2014		
			Commitment	Net financial result	Market value
SWAP	Sell	EURGBP	6,124	36	36
SWAP	Buy	EURJPY	8,311	(96)	(96)
SWAP	Sell	EURPLN	5,486	56	56
SWAP	Sell	EURUSD	5,240	5	5
SWAP	Sell	OTHER	15,242	48	48
SWAP	Buy	OTHER	1,118	(3)	(3)
TOTAL				46	46

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Sell EURGBP signifies that the Group is selling EUR futures and buying GBP futures.

Other transactions outside the hedging transactions category

(in thousands of euros) Transaction type	Cross	At December 31, 2015			At December 31, 2014		
		Commitment	Net financial result	Market value	Commitment	Net financial result	Market value
Call sale	OTHER	2,163	(139)	(139)	1,687	(11)	(11)
TOTAL			(139)	(139)		(11)	(11)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Call sale EURZAR signifies that the Group is selling an EUR call/ZAR put option.

At December 31, 2014, all hedges that had been accounted for in equity, with a negative €4.1 million market value, were recognized in the income statement during fiscal year 2015.

At December 31, 2015, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity totaled a positive €1.4 million.

The Group's main currency exposure was with the U.S. dollar, the pound sterling and the Polish zloty. The valuations shown exclude the impact of deferred taxes.

A 1% decline in the EUR/USD currency risk before hedging would positively impact operating income by €2.8 million.

A 1% decline in the EUR/GBP currency risk before hedging would positively impact operating income by €0.8 million.

A 1% increase in the EUR/PLN currency risk before hedging would positively impact operating income by €0.5 million.

At December 31, 2015, 80% to 100% of the net exposure relative to the main currencies in the 2016 budget was hedged, depending

on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

Hedge measurements complied with market practices in terms of data for yield curves, foreign exchange rates and volatility curves, as well as valuation models. The Treasury Department has the requisite in-house means for calculating the valuations. However, the Bel Group used an outside provider to determine the valuations.

4.15.4 Interest-rate risk management

Most of the Group's financing is arranged by the Fromageries Bel company, which also handles interest-rate risk management centrally. The policy governing interest-rate derivatives is designed to protect against an unfavorable rise in interest rates, while partially taking advantage of any interest rate declines.

At December 31, 2015, the Group hedged interest-rate risk through interest-rate swaps or cross-currency swaps.

(in thousands of euros) Transaction type	Commitment currency	At December 31, 2015		At December 31, 2014	
		Nominal	Market value	Nominal	Market value
Fixed-rate borrower swaps	USD	45,926	(21)	41,183	78
Cross-currency EURTRY swap	TRY	4,499	1,107	7,082	507
TOTAL			1,086		585

The following hedging balance corresponds to hedges on some of the Group's floating-rate loans.

Hedging schedule in USD

(in millions of USD)	2016	2017	2018
Interest-rate swaps	50	30	30

As at December 31, 2014, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity was non-material at December 31, 2015.

An increase of 1% across the yield curve would positively impact Group equity by €0.6 million.

A decrease of 1% across the yield curve would negatively impact Group equity by €0.7 million.

Breakdown of gross financial indebtedness by type, maturity and interest rate type at December 31, 2015

(in thousands of euros)	Maturity	Type	Gross financial liabilities			Impact of derivative instruments			Financial liabilities after impact of derivative instruments		
			Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
	2016		(7,146)	(188,744)	(195,890)	(22,870)	22,870	-	(30,016)	(165,874)	(195,890)
		Sundry loans and financial liabilities		(2,982)	(2,982)			-	-	(2,982)	(2,982)
		Commercial paper ^(a)		(104,975)	(104,975)			-	-	(104,975)	(104,975)
		Current account liabilities		(54,810)	(54,810)			-	-	(54,810)	(54,810)
		Amounts related to assets held under finance leases		(329)	(329)			-	-	(329)	(329)
		Bank borrowings		(982)	(982)			-	-	(982)	(982)
		Employee profit-sharing		(3,635)	(3,635)			-	-	(3,635)	(3,635)
		Interest-rate swaps			-	(22,870)	22,870	-	(22,870)	22,870	-
		EUR Schuldschein		(16,000)	(16,000)			-	-	(16,000)	(16,000)
		USD Schuldschein		(2,296)	(2,296)			-	-	(2,296)	(2,296)
		Borrowings by subsidiaries	(7,146)	(2,735)	(9,881)			-	(7,146)	(2,735)	(9,881)
	2017		(6,987)	(2,261)	(9,248)			-	(6,987)	(2,261)	(9,248)
		Deposits and guarantee deposits		(23)	(23)			-	-	(23)	(23)
		Amounts related to assets held under finance leases		(358)	(358)			-	-	(358)	(358)
		Employee profit-sharing		(1,880)	(1,880)			-	-	(1,880)	(1,880)
		Borrowings by subsidiaries	(6,987)		(6,987)			-	(6,987)	-	(6,987)
	2018		(39,273)	(155,768)	(195,041)	(27,556)	27,556	-	(66,829)	(128,212)	(195,041)
		Ukraine minority shareholders' put options	(100)		(100)			-	(100)	-	(100)
		Amounts related to assets held under finance leases		(470)	(470)			-	-	(470)	(470)
		Employee profit-sharing		(3,751)	(3,751)			-	-	(3,751)	(3,751)
		Interest-rate swaps			-	(27,556)	27,556	-	(27,556)	27,556	-
		EUR Schuldschein	(4,989)	(59,866)	(64,855)			-	(4,989)	(59,866)	(64,855)
		USD Schuldschein	(6,876)	(91,681)	(98,557)			-	(6,876)	(91,681)	(98,557)
		Bond issue	(19,951)		(19,951)			-	(19,951)	-	(19,951)
		Borrowings by subsidiaries	(7,357)		(7,357)			-	(7,357)	-	(7,357)

(in thousands of euros)	Maturity	Type	Gross financial liabilities			Impact of derivative instruments			Financial liabilities after impact of derivative instruments		
			Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
	2019		(147,962)	(7,268)	(155,230)	-	-	-	(147,962)	(7,268)	(155,230)
		Amounts related to assets held under finance leases		(176)	(176)			-	-	(176)	(176)
		Employee profit-sharing		(3,006)	(3,006)			-	-	(3,006)	(3,006)
		Bond issue	(139,603)		(139,603)			-	(139,603)	-	(139,603)
		Borrowings by subsidiaries	(8,359)	(4,086)	(12,445)			-	(8,359)	(4,086)	(12,445)
	2020		(28,664)	(19,958)	(48,622)	-	-	-	(28,664)	(19,958)	(48,622)
		Employee profit-sharing		(3,140)	(3,140)			-	-	(3,140)	(3,140)
		EUR Schuldschein	(21,936)	(16,818)	(38,754)			-	(21,936)	(16,818)	(38,754)
		Borrowings by subsidiaries	(6,728)		(6,728)			-	(6,728)	-	(6,728)
	2021		(27,480)	-	(27,480)	-	-	-	(27,480)	-	(27,480)
		Borrowings by subsidiaries	(6,347)		(6,347)			-	(6,347)	-	(6,347)
		Safilait minority shareholders' put options	(21,133)		(21,133)			-	(21,133)	-	(21,133)
	2022		(686)	-	(686)	-	-	-	(686)	-	(686)
		Borrowings by subsidiaries	(686)		(686)			-	(686)	-	(686)
	2023		(20,650)	-	(20,650)	-	-	-	(20,650)	-	(20,650)
		EUR Schuldschein	(19,933)		(19,933)			-	(19,933)	-	(19,933)
		Borrowings by subsidiaries	(717)		(717)			-	(717)	-	(717)
	2024		(621)	-	(621)	-	-	-	(621)	-	(621)
		Borrowings by subsidiaries	(621)		(621)			-	(621)	-	(621)
	TOTAL		(279,469)	(373,999)	(653,468)	(50,426)	50,426	-	(329,895)	(323,573)	(653,468)

(a) Although commercial paper is issued at fixed rates, it is treated as a floating rate instrument in the table owing to the issues' short maturities and expected renewals.

4.15.5 Counterparty risk management

All short-term cash investments and financial instruments were arranged with major counterparties, in accordance with both safety and liquidity rules. "Major counterparties" were mainly banks from the banking pool and were primarily French establishments. Money-market mutual funds offering daily liquidity, term deposits or certificates of deposit accounted for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) on the Group's foreign exchange and interest rate hedges were not material at December 31, 2015 (negative €1 thousand).

4.15.6 Raw materials risk management

The Group is exposed to price increases of raw materials, particularly for milk, cheese, milk powder and butter. As of this writing, the Group had not implemented a comprehensive, systematic strategy to hedge raw material prices. The only Group entities with a hedging policy for raw materials were the U.S. entities, which use the Chicago futures market.

At December 31, 2015, Bel Brands and Bel USA had the following positions:

CME Class III Milk

<i>(in thousands of euros)</i> Transaction type	At December 31, 2015		At December 31, 2014	
	Number of contracts	Market value	Number of contracts	Market value
Hedging				
Future purchase	432	(1,240)	307	(865)
Call purchase	942	280	1,376	498
Put sale	834	(1,523)	1,366	(3,775)
Non-hedging				
Future sale	-	-	-	-
Call sale	-	-	-	-
Put purchase	-	-	-	-
TOTAL		(2,483)		(4,143)

CME Dry Whey

<i>(in thousands of euros)</i> Transaction type	At December 31, 2015		At December 31, 2014	
	Number of contracts	Market value	Number of contracts	Market value
Hedging				
Future purchase	-	-	39	(141)
Call purchase	-	-	48	2
Put sale	-	-	24	(47)
Non-hedging				
Future sale	-	-	-	-
Call sale	-	-	-	-
Put purchase	-	-	-	-
TOTAL		-		(186)

CME Cash Settled Cheese

<i>(in thousands of euros)</i> Transaction type	At December 31, 2015		At December 31, 2014	
	Number of contracts	Market value	Number of contracts	Market value
Hedging				
Future purchase	282	(506)	237	(633)
Call purchase	360	195	460	137
Put sale	300	(369)	460	(1,264)
Non-hedging				
Future sale	-	-	-	-
Call sale	-	-	-	-
Put purchase	-	-	-	-
TOTAL		(679)		(1,760)

CME Cash Settled Butter

<i>(in thousands of euros)</i> Transaction type	At December 31, 2015		At December 31, 2014	
	Number of contracts	Market value	Number of contracts	Market value
Hedging				
Future purchase	71	364	20	20
Call purchase	-	-	120	122
Put sale	-	-	120	(212)
Non-hedging				
Future sale	-	-	-	-
Call sale	-	-	-	-
Put purchase	-	-	-	-
TOTAL		364		(69)

At December 31, 2015, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity totaled a negative €2.7 million. At December 31, 2014, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity totaled a negative €5.1 million.

The market values of hedges on the contracts for whey, butter and Boursin-related activity were recognized directly in the income statement.

4.15.7 Share-price risk management

At December 31, 2015, the Group had no equity-based derivatives. Concerning the valuation of Unibel shares, please refer to section 4.5.

4.15.8 Fair value hierarchy disclosures based on IFRS 7

<i>(in thousands of euros)</i> Description	December 31, 2015	Level 1	Level 2	Level 3
Foreign exchange derivatives	783		783	
Interest rate derivatives	1,086		1,086	
Raw materials derivatives	(2,798)	(2,798)		
TOTAL	(929)	(2,798)	1,869	
Mutual funds	420,382	420,382		
Term deposits				
TOTAL MUTUAL FUNDS & TERM DEPOSITS	420,382	420,382		
TOTAL	419,453	417,584	1,869	

<i>(in thousands of euros)</i> Description	December 31, 2014	Level 1	Level 2	Level 3
Foreign exchange derivatives	(7,156)		(7,156)	
Interest rate derivatives	585		585	
Raw materials derivatives	(6,158)	(6,158)		
TOTAL	(12,729)	(6,158)	(6,571)	
Mutual funds	309,871	309,871		
Term deposits				
TOTAL MUTUAL FUNDS & TERM DEPOSITS	309,871	309,871		
TOTAL	297,142	303,713	(6,571)	

NOTE 5 • Cash flow**5.1 Cash flow from (used in) operating activities**

The “(Increase) decrease in inventories, current receivables and payables” item breaks down as follows:

<i>(in thousands of euros)</i>	Note	2015	2014
Change in inventories and write-downs	4.6	19,049	(13,571)
Change in trade and other receivables	4.7	(12,553)	(7,161)
Change in trade payables and other liabilities		27,860	(16,048)
(INCREASE) DECREASE IN INVENTORIES, CURRENT RECEIVABLES AND PAYABLES		34,356	(36,780)

Reconciliations with the “Change in trade payables and other liabilities” on the balance sheet is as follows:

Trade payables and other liabilities			
<i>(in thousands of euros)</i>	Note	2015	2014
Changes in WCR	4.13	37,167	(20,776)
Adjustments for fixed asset payables		(8,042)	4,289
Change in fair value of hedging instruments		(1,265)	439
CHANGE IN TRADE PAYABLES AND OTHER LIABILITIES		27,860	(16,048)

5.2 Cash flow from (used in) investing activities

Acquisitions of tangible and intangible assets mainly encompassed production capacity increases in France, the Netherlands, Algeria, Vietnam, and Morocco (see Notes 4.2 and 4.3).

5.3 Cash flow from (used in) financing activities

The item “Increase (decrease) in current accounts with entities outside the scope of consolidation” breaks down as follows:

<i>(in thousands of euros)</i>	2015	2014
Increase (decrease) in current accounts with		
Unibel	5,305	6,094
Other non-consolidated companies	(717)	2,874
TOTAL	4,588	8,968

Issues and repayments of borrowings and financial liabilities are described in Note 4.15.2.

NOTE 6 • Financial commitments

<i>(in thousands of euros)</i>	2015	2014
Commitments given	182,589	140,809
Off-balance sheet commitments given, related to Company financing	25,266	19,514
Financial guarantees given	19,101	13,296
Other	6,165	6,218
Commitments received, related to the issuer's operating activities	157,323	121,295
Asset orders	26,940	15,257
Operating leases	128,530	104,470
less than a year	15,938	18,352
one to five years	53,664	34,467
more than five years	58,928	51,651
Other	1,853	1,568

<i>(in thousands of euros)</i>	2015	2014
Commitments received	544,100	560,558
Off-balance sheet commitments given, related to Company financing	520,000	520,000
Credit lines received and unused	520,000	520,000
Commitments received, related to the issuer's operating activities	24,100	40,558
Financial guarantees received	24,031	32,858
Other	69	7,700

Financial guarantees given correspond primarily to two guarantees totaling €11.3 million and granted by Fromageries Bel to cover a credit facility agreement for the two consolidated Ukrainian subsidiaries.

By signing a lease on its future headquarters in the first half of 2014, the Group made a firm commitment to pay rent on the new premises over the next 12 years, representing a total amount of €67 million.

NOTE 7 • Disputes and litigation

The Group was engaged in a certain number of lawsuits and disputes in the normal course of its business. Provisions were set up for any probable and measurable costs that might arise from those lawsuits and disputes. Management knows of no dispute carrying significant risk that could adversely impact the Group's earnings or financial position that was not provisioned for at December 31, 2015.

The companies making up the Group are periodically subject to tax audits in the countries where they are based.

- Tax arrears and penalties were booked for accepted tax adjustments and provisioned if the amounts in question were not definitively known.

- Contested tax adjustments were carefully reviewed and generally provisioned, unless it was clear that the company would be able to assert the validity of its position in the course of the dispute. In December 2015, Fromageries Bel Maroc, which was subject to a tax audit for the fiscal years 2011 to 2014, was notified of tax adjustment totaling MAD 340 million, or roughly €31 million. The Group believes that the major components of the adjustment are unfounded and it plans to contest them.

NOTE 8 • Related parties**8.1 Management benefits**

<i>(in thousands of euros)</i>	2015	2014
Remuneration and benefits in kind	7,614	6,885
Director's fees	207	217
TOTAL SHORT-TERM BENEFITS	7,821	7,102
Bonus shares	960	827
TOTAL LONG-TERM BENEFITS	960	827

Management in this note refers to Board of Directors and Management Committee members.

8.2 Related party relationships

<i>(in thousands of euros)</i>	2015	2014
Amount of transactions	20,963	16,401
of which Unibel	6,673	6,727
of which other non-consolidated companies	14,290	9,517
Associated receivables	463	78
Associated payables and current accounts	57,098	51,242
of which Unibel	54,136	48,309
of which other non-consolidated companies	2,962	2,933
Unibel shares	196,252	129,591

At December 31, 2015, transaction amounts with related parties included the Unibel holding company for €6.7 million, of which €6.2 million in personnel expense were billed back to Fromageries Bel under a service contract signed December 12, 2001, and non-consolidated Group companies Bel Proche et Moyen-Orient Beyrouth, Bel Middle East, Bel China and others for €14.3 million in operating expense billed back to Fromageries Bel.

Related parties associated payables and current accounts mainly concerned the Unibel holding company, with a €53.2 million current account, versus €47.9 million at December 31, 2014 (see Note 4.14).

The Unibel shares held by Sofico were valued at €196.3 million, based on the closing share price at December 31, 2015 (see Note 4.5).

The Group has no significant off-balance sheet commitments with related parties.

NOTE 9 • Significant subsequent events

At this writing, no significant subsequent events have occurred since the end of the reporting period.

NOTE 10 • Scope of consolidation

		2015		2014	
		December 2015 Percentage of controlling interest	December 2015 Percentage interest	December 2014 Percentage of controlling interest	December 2014 Percentage interest
Company	Country				
Fully consolidated					
Fromageries Bel	France	Parent company	Parent company	Parent company	Parent company
Fromageries Picon	France	99.99	99.99	99.99	99.99
Fromageries Bel Production France	France	100.00	100.00	100.00	100.00
Safr	France	100.00	100.00	100.00	100.00
SICOPA	France	100.00	100.00	100.00	100.00
SOFICO	France	100.00	100.00	100.00	100.00
SOPAIC	France	100.00	100.00	100.00	100.00
Fromagerie Boursin SAS	France	100.00	100.00	100.00	100.00
Société des Produits Laitiers	France	100.00	100.00	100.00	100.00
Spa Fromagerie Bel Algérie	Algeria	100.00	100.00	100.00	100.00
Bel Deutschland GmbH	Germany	100.00	100.00	100.00	100.00
Bel Belgium	Belgium	100.00	100.00	100.00	100.00
Bel Canada	Canada	100.00	100.00	100.00	100.00
Bel Egypt Distribution	Egypt	100.00	100.00	100.00	100.00
Bel Egypt Expansion For Cheese	Egypt	100.00	100.00	77.22	100.00
Grupo Fromageries Bel Espana	Spain	100.00	100.00	100.00	100.00
Bel Americas Inc.	United States	100.00	100.00	100.00	100.00
Bel Brands USA Inc.	United States	100.00	100.00	100.00	100.00
Bel USA Inc.	United States	100.00	100.00	100.00	100.00
Bel UK Ltd	United Kingdom	100.00	100.00	100.00	100.00
Fromageries Bel Hellas	Greece	100.00	100.00	100.00	100.00
Bel-Rouzaneh Dairy Products Company	Iran	100.00	100.00	100.00	100.00
Bel Italia Spa	Italy	100.00	100.00	100.00	100.00
Bel Japon	Japan	100.00	100.00	100.00	100.00
Fromageries Bel Maroc	Morocco	67.99	67.99	67.99	67.99
S.I.E.P.F.	Morocco	100.00	100.00	100.00	100.00
Bel Africa	Morocco	100.00	100.00	-	-
Safilait	Morocco	70.48	60.88	-	
Bel Nederland B.V.	Netherlands	100.00	100.00	100.00	100.00
Bel Leerdammer B.V.	Netherlands	100.00	100.00	100.00	100.00
Bel Polska	Poland	100.00	100.00	100.00	100.00
Fromageries Bel Portugal	Portugal	100.00	100.00	100.00	100.00
Syraren Bel Slovensko a.s.	Slovakia	99.88	99.88	99.88	99.88
Bel Nordic A.B.	Sweden	100.00	100.00	100.00	100.00
Bel Suisse	Switzerland	100.00	100.00	100.00	100.00
Bel Syrie	Syria	100.00	100.00	100.00	100.00
Bel Syry Cesko a.s.	Czech Republic	100.00	100.00	100.00	100.00
Bel Karper	Turkey	100.00	100.00	100.00	100.00
Bel Shostka Ukraine	Ukraine	96.92	96.92	96.92	96.92
Bel Shostka Service	Ukraine	99.89	96.81	99.89	96.81
Bel Cheese Mexico	Mexico	100.00	100.00	100.00	100.00
Bel Queso de Mexico	Mexico	100.00	100.00	100.00	100.00
Bel Vietnam	Vietnam	100.00	100.00	100.00	100.00
Queijo Bel Brasil	Brazil	95.00	95.00	95.00	95.00

Statutory Auditors' report on the consolidated financial statements

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- our audit of Fromageries Bel's consolidated financial statements for the year ending December 31, 2015, as presented in the present report;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015, and of the results of its operations for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

II. Justification of our assessments

In application of Section L. 823-9 of the Commercial Code regarding evaluation justification, we call your attention to the following items:

- Note 1.5 of the notes to the financial statements primarily discloses the accounting policies relating to provisions. Our work consisted of assessing the data and assumptions on which the estimates were based, examining on a test basis the calculations made by the Group, and reviewing management's procedures for approving the estimates. We also evaluated the reasonableness of those estimates.
- Note 1.5 of the notes to the financial statements additionally describes the terms and conditions under which post-employment employee benefits were measured. Those obligations were subject to external actuarial assessments. Our work consisted of reviewing the data used, assessing the assumptions made and verifying that the appropriate information was disclosed in Note 4.11.
- The Company on a systematic, annual basis tested goodwill and assets with an indefinite useful life for impairment at each closing date. Furthermore, it assessed whether there were any indications of impairment loss on long-term assets, in accordance with the conditions described in Notes 1.5 and 4.1 to the financial statements. We examined the methods used to test for impairment loss, as well as the cash flow projections and assumptions made, and verified that the appropriate information was disclosed in Note 4.1.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the Group-related information presented in the management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris, March 31, 2016

The Statutory Auditors

Deloitte & Associés

Pierre-Marie MARTIN

Grant Thornton

French member of Grant Thornton International

Vincent FRAMBOURT

4.5.2 Company financial statements for the year ended December 31, 2015

Income statement at December 31, 2015, vs. prior year

(in thousands of euros)

	Notes	2015	2014
OPERATING INCOME			
Sales of merchandise (goods purchased for resale)		120,693	127,465
Production sold			
Sales – goods		1,271,002	1,260,394
Sales – construction work			
Sales – services			
Revenue from ancillary operations		42,464	36,002
TOTAL PRODUCTION SOLD		1,313,466	1,296,396
REVENUE FROM SALES (INCLUDING EXPORTS OF 763,055)	3	1,434,159	1,423,861
Change in finished goods and in-progress inventories			
Work-in-progress goods			
Work-in-progress services		(955)	1,222
Finished goods		1,469	6,350
TOTAL CHANGE IN FINISHED GOODS AND IN-PROGRESS INVENTORIES		514	7,572
Self-constructed fixed assets		7,071	3,924
Government grants – operations		142	139
Reversals of provisions, write-downs, depreciation, and amortization		3,542	4,728
Expense transfers	4	27,598	23,503
Other revenue		93,623	57,339
TOTAL I		1,566,649	1,521,066
OPERATING EXPENSE			
Cost of merchandise (goods purchased for resale) sold during the year			
Purchase of merchandise (goods purchased for resale)		68,305	77,110
Change in inventories of merchandise (goods purchased for resale)		3,432	5,247
TOTAL COST OF MERCHANDISE (GOODS PURCHASED FOR RESALE) SOLD		71,737	82,357
Operating costs incurred through third parties and consumed during the period			
Purchases of inventoried raw materials and supplies			
Raw materials		0	0
Other production supplies		509	1,848
Increase (decrease) in raw material and supply inventories		(224)	1
Purchases from sub-contractors		754,003	814,203
Purchases of non-inventoried materials and supplies		2,348	2,151
Outside services			
Outside personnel	5	10,964	6,457
Lease payments			
Other		496,434	417,502
TOTAL OPERATING COSTS INCURRED THROUGH THIRD PARTIES		1,264,034	1,242,162
Taxes other than income tax			
On remunerations		2,986	3,287
Other		12,757	9,765
TOTAL TAXES OTHER THAN INCOME TAX		15,743	13,052
Personnel expense			
Wages and salaries		77,212	77,198
Payroll on-costs		33,096	33,674
TOTAL PERSONNEL EXPENSE	5	110,308	110,872
Depreciation and provision expense for the year			
Depreciation expense on fixed assets		12,762	12,901
Provision expense on fixed assets			
Provision expense on current assets		175	539
Provision expense for contingencies and losses		3,225	5,866

(in thousands of euros)		Notes	2015	2014
TOTAL DEPRECIATION AND PROVISION EXPENSE FOR THE YEAR			16,162	19,306
Sundry expenses			4,276	4,955
TOTAL II			1,482,260	1,472,704
1 - PROFIT FROM OPERATIONS (I - II)			84,389	48,362
NET PROFITS/(LOSSES) FROM JOINT VENTURES				
PROFIT OR LOSS TRANSFERRED III				
LOSS OR PROFIT TRANSFERRED IV				
FINANCIAL INCOME				
From participating interests			78,571	65,531
From other long-term marketable securities and receivables			1	1
Other interest and similar income			1,896	2,009
Reversal of provisions and transfers of financial expense			2,713	2,262
Foreign exchange gains			97,913	41,600
Net profits from sales of marketable securities			400	783
TOTAL V			181,494	112,186
FINANCIAL EXPENSE				
Depreciation and write-down charges for the year			3,526	2,713
Interest and similar expense			14,220	16,602
Foreign exchange losses			113,719	32,511
Net losses from sales of marketable securities				
TOTAL VI			131,465	(51,826)
2 - NET FINANCIAL RESULT (V - VI)		6	50,029	60,360
3 - PRE-TAX PROFIT (LOSS) ON ORDINARY ACTIVITIES (I - II + III - IV + V - VI)			134,418	108,722
EXTRAORDINARY INCOME				
From operations			15	22
From capital transactions				
Proceeds from disposals of fixed assets			395	14,158
Investment grants transferred to income			321	336
Other				0
TOTAL CAPITAL GAINS			716	14,494
Reversal of provisions and transfers of extraordinary expense			26,953	18,572
TOTAL VII			27,684	33,088
EXTRAORDINARY EXPENSE				
From operations			16,342	8,459
From capital losses				
Carrying amount of capitalized assets and long-term investments sold			3,710	2,744
Other			569	975
TOTAL CAPITAL LOSSES			4,279	3,719
Depreciation and provision expense for the year				
Regulated provision expense			10,232	7,420
Depreciation and other provision expense for the year			1,778	14,413
TOTAL DEPRECIATION AND PROVISION EXPENSE FOR THE YEAR			12,010	21,833
TOTAL VIII			32,631	34,011
4 - EXTRAORDINARY PROFIT (LOSS) (VII - VIII)		7	(4,947)	(923)
Employee profit-sharing (IX)			3,259	3,279
Income tax (X)		8	10,069	6,579
Total income (I + III + V + VII)			1,775,827	1,666,340
Total expense (II + IV + VI + VIII + IX + X)			1,659,684	1,568,399
5 - NET PROFIT (LOSS)		9	116,143	97,941

Balance sheet at December 31, 2015 vs. prior year

		2015			
Assets (in thousands of euros)	Notes	Gross amounts	Depreciation and write-downs	Net amounts	2014 Net amounts
FIXED ASSETS					
Intangible fixed assets					
Concessions, patents, licenses, brands, processes, software, rights, and similar assets		73,891	58,308	15,583	19,608
Goodwill from businesses (a)		221,533		221,533	221,533
Other					
Intangible assets in progress		10,735		10,735	5,265
		306,159	58,308	247,851	246,406
Property, plant and equipment					
Land		755	420	335	386
Suspense account					
Constructions		23,200	6,893	16,307	5,620
Technical installations, fixtures, machinery, and equipment		46,141	29,126	17,015	19,664
Other		5,919	3,011	2,908	4,352
Assets in the course of construction		4,577	27	4,550	3,422
Advances and down-payments		938		938	409
		81,530	39,477	42,053	33,853
Long-term investments (b)					
Participating interests		1,011,315	17,713	993,602	993,220
Loans to and receivables from participating interests		11,154	2,140	9,014	6,761
Other long-term financial assets		5,282		5,282	239
Loans		6,458	1	6,457	6,157
Other		23,419	21	23,398	23,752
		1,057,628	19,875	1,037,753	1,030,129
TOTAL I	9	1,445,317	117,660	1,327,657	1,310,388
CURRENT ASSETS					
Inventories and work-in-progress					
Raw materials and other supplies		1,177	23	1,154	919
Work-in-progress (goods and services)		7,937		7,937	8,893
Finished and intermediate goods		8,941	98	8,843	13,668
Merchandise (goods purchased for resale)		7,028	20	7,008	4,231
		25,083	141	24,942	27,711
Advances and down-payments made to suppliers		1,718		1,718	285
Receivables from operations (c)					
Trade and other receivables		247,706	2,085	245,621	239,634
Other	10	28,098		28,098	21,089
		275,804	2,085	273,719	260,723
Sundry receivables (c)	11	35,349	0	35,349	39,354
Subscribed capital called and unpaid					
Marketable securities and money market instruments	12	398,103		398,103	305,917
Short-term financial instruments	13	10,995		10,995	4,526
Cash on hand and balances with banks		191,092		191,092	158,522
Prepaid expenses and suspense account for unrealized losses on financial instruments (c)	14	3,266		3,266	10,328
TOTAL II		941,410	2,226	939,184	807,366
Expenses amortized over several years III					
Bond discounts to be amortized IV					
Unrealized losses on foreign exchange V	15	2,776		2,776	2,500
TOTAL ASSETS (I + II + III + IV + V)		2,389,503	119,886	2,269,617	2,120,254
(a) Of which leasehold rights					
(b) Of which current/less than a year (gross)					
(c) Of which non current/more than a year (gross)					

Liabilities (in thousands of euros)	Notes	2015	2014
EQUITY			
Share capital (of which, paid: 10,308)	17	10,308	10,308
Paid-in capital		22,106	22,106
Revaluation adjustments		60	61
Reserves:			
Legal reserve		1,099	1,099
Regulated reserves		168	168
Other		487,657	487,657
Retained earnings		285,820	230,262
Profit for the year		116,143	97,941
Investment grants		867	1,189
Regulated provisions	18	41,802	42,478
TOTAL I	19	966,030	893,269
PROVISIONS FOR CONTINGENCIES AND LOSSES			
Provisions for contingencies		15,274	17,474
Provisions for losses		6,751	14,837
TOTAL II	20	22,025	32,311
DEBTS ^(a)			
Financial liabilities			
Convertible bonds			
Other bonds	21	160,156	160,156
Bank borrowings ^(b)	22	249,188	232,835
Sundry borrowings and financial liabilities	23	337,356	322,463
		746,700	715,454
ADVANCES AND DOWN-PAYMENTS RECEIVED		101	142
Payables from operations			
Trade and other payables		209,439	191,299
Taxes payable and payroll and on-cost amounts payable		39,538	39,127
Other	24	27,138	26,155
		276,115	256,581
Other liabilities			
Amounts payable to fixed asset suppliers and related accounts		9,911	645
Income tax payable		0	769
Other	25	238,871	209,328
		248,782	210,742
SHORT-TERM FINANCIAL INSTRUMENTS	13	4,512	8,370
DEFERRED INCOME AND SUSPENSE ACCOUNT FOR UNREALIZED GAINS ON FINANCIAL INSTRUMENTS	26	3,897	386
TOTAL III		1,280,106	1,191,675
Unrealized gains on foreign exchange transactions IV	15	1,455	2,999
TOTAL LIABILITIES (I + II + III + IV + V)		2,269,617	2,120,254
(a) Of which non current/more than a year		398,697	603,649
Of which current/less than a year		873,001	579,270
(b) Of which current used bank facilities and cash at bank		7,165	1,290

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 • Accounting rules and methods

To give a true and fair view of the operating performance of the past year and the financial position of the Company at December 31, 2015, the annual financial statements have been prepared in accordance with French generally accepted accounting principles and the rules and regulations of France's accounting standards authority, the *Autorité des Normes Comptables* (ANC).

The recommended rules and methods were applied with respect to the general principles listed in France's Commercial Code, and in particular those pertaining to a going concern, independence of financial years, the recognition of items in the financial statements on a historical cost basis, prudence, and the permanence of accounting methods from one year to the next.

The various items recorded in the accounts were measured using historical cost, except for property, plant and equipment, and long-term investments adjusted under legal revaluations.

The principal methods used were as follows:

1.1 Intangible fixed assets

These include:

- computer software, amortized over a period of five years, except for the PACE project to implement SAP, amortized over an eight-year period;
- goodwill from businesses acquired or received as contributions by Group companies. Goodwill is not amortized but is subject to annual impairment testing, and is recorded as assets in the individual balance sheets at acquisition price;
- merger deficits.

Impairment testing consists of comparing the net carrying amount of the asset to its recoverable amount, which is the higher of the asset's fair value or its value in use.

Value in use was obtained by adding the pre-tax net present value of the future cash flows expected to be derived from the use of an asset or CGU, and the terminal cash flow.

The cash flows used as to determine value in use were derived over five years for the business plans of entities using the brands. Sales and future cash flow projections were based on reasonable and supportable assumptions in line with market data available for each user entity.

All Research and Development costs were expensed in the year in which they were incurred.

Start-up costs were also expensed in the year in which they were incurred.

1.2 Property, plant and equipment

Property, plant and equipment were measured at acquisition cost (purchase price plus additional costs of bringing the assets to working condition), or production cost (excluding financial expense).

In compliance with the components approach described in Section 214-9 of the General Accounting Charter, each item comprised in a fixed asset was accounted for separately and was assigned a specific depreciation schedule.

The assets were straight-line depreciated over the period they were actually used, as follows:

Constructions:	
• administrative and commercial	40 years
• property fittings and fixtures	10 years
Machinery and equipment	5 to 20 years
Vehicles	4 to 15 years
Furniture and office equipment	4 to 15 years

In compliance with paragraph 111 of the official tax bulletin *Bulletin Officiel des Impôts* 4 A-13-05, when the first original component's normal useful life exceeds the asset's useful life, the said component may be depreciated over the asset's useful life rather than over its normal useful life.

In this context, depreciation was calculated for tax purposes according to terms allowed by French tax authorities, i.e. accelerated depreciation, extraordinary depreciation, etc. when appropriate. The resulting difference between tax depreciation and depreciation calculated as above was posted to an equity account under the "Excess tax depreciation" heading in Regulated provisions.

When subjected to impairment losses, all items, depreciable or not, were marked down to current value.

1.3 Long-term investments

Participating interests and other long-term investments were recognized on the balance sheet at their acquisition cost, less write-downs for impairment losses deemed necessary or prudent.

The Company decided as of January 1, 2007, to integrate the transfer duties, fees and commissions arising from such acquisitions into the acquisition price, in accordance with opinion 2007-C of France's CNC national accounting board, thereby qualifying them for a tax deduction in the form of excess tax depreciation over five years.

The value of such investments at the closing date reflected their value-in-use based on cash flow projections derived from five-year budgetary data.

Value in use was obtained by adding the pre-tax net present value of the future cash flows expected to be derived from the use of an asset or CGU, and the terminal cash flow.

The cash flows used to determine value in use were derived from the subsidiaries' business plans.

Fromageries Bel shares purchased under the authorizations granted by the Annual General Shareholders' Meeting were included in "Long-term investments" at their acquisition price. If necessary, write-downs for impairment losses based on the weighted average listed share price of the last month of the financial year are recorded.

1.4 Inventories and work-in-progress

Inventories were measured at cost, calculated using the "weighted average unit cost" method or the "first-in, first-out – FIFO" formula.

The gross cost of materials and supplies was stated at purchase price plus incidental expenses, such as transport, commissions, transit, etc.

Cost of inventories was written down when:

- gross amount, as determined above, exceeded market value or net realizable value;
- goods deteriorated.

The parent company primarily owns finished goods inventories acquired from its French production company, Fromageries Bel Production France, with the aim of selling those inventories, as well as work-in-progress inventories (internally developed IT projects), which will be billed back to its subsidiaries.

1.5 Receivables and payables

Receivables and payables were recognized at nominal value.

Impairment loss write-downs were recognized based on the degree of non-recoverability of the receivables.

Bills for collection were recorded in trade and other receivable accounts as soon as they were issued or received.

1.6 Marketable securities and money market instruments

Marketable securities were recorded at their purchase price, excluding incidental expenses, and were written down to market value at the closing date when market value was less than their carrying amount.

1.7 Foreign currency transactions

Foreign-currency denominated income and expense items were recorded in euros based on the exchange rate in effect at the transaction date.

Receivables, cash and debts denominated in foreign currencies were translated into euros at the closing exchange rate at year-end.

The resulting translation differences were posted to:

- the income statement for cash and cash-equivalents;
- foreign exchange differences on the balance sheet for receivables and debts.

Unrealized gains on foreign exchange transactions were not taken into account in the income statement.

Conversely, contingency provisions were booked for unrealized losses on foreign exchange transactions that were not offset.

1.8 Provisions for contingencies and losses

Provisions for contingencies and losses were booked when the Company had an obligation to a third party at the balance sheet date in cases where the nature of the obligation was precisely known but there were uncertainties about the amount or timing of related outflows, and there were no expectations for at least an equivalent, offsetting obligation from the same third party.

Provisions for contingencies and losses were assessed by using the most probable assumptions for future events.

1.9 Obligations arising from pensions, retirement and similar post-employment benefits

The only retirement obligation that had to be taken into account was the allocation of end-of-career post-employment benefits established by a collective bargaining agreement with the French dairy industry.

The end-of-career benefits allocated to employees were not provisioned for but were recorded in Off-balance sheet commitments.

Conversely, obligations arising from Bel employee loyalty benefits have been provisioned in full based on an actuarial valuation realized under the same conditions as end-of-career allocation benefits.

1.10 Financial instruments

Fromageries Bel was exposed to foreign exchange risks as a result of its international activity and presence.

Since 2002, the Company has used a centralized exchange-rate strategy for all French, European and North American entities, to hedge against budgetary risks arising from currency transactions.

Accordingly, the Company hedged all exposure to exchange risks inherent to transactions denominated in foreign currencies by using prime counterpart, market-listed derivative instruments, such as purchases and sales of foreign currency futures and options, with limited counterparty risk. The management period for the hedges did not exceed 18 months.

Conversely, the exchange risk on net investment in foreign subsidiaries was not hedged, except for the amount of dividends receivable.

While receivables and debts denominated in foreign currency were recorded on the balance sheet in euros at year-end, unrealized net hedging results on transactions already realized had no impact on earnings, unless those results were losses, or offsetting gains for unrealized losses on hedging instruments marked to market at the balance sheet date. Provisions were set up in the event of unrealized losses, but not for offsetting gains.

Unrealized gains and losses arising from hedging transactions yet to be settled were deferred until the day the transactions are actually realized.

The majority of the Group's financing is arranged by Fromageries Bel, which also handles interest-rate risk management centrally.

All Fromageries Bel financing is issued at floating rates.

To protect against an unfavorable rise in interest rates, while partially taking advantage of any interest rate declines, Fromageries Bel hedged interest-rate risk through interest-rate swaps or collars, which combine simultaneous cap purchases and floor sales.

1.11 Income tax

In France, Fromageries Bel heads a tax consolidated group that includes the following companies: Fromageries Bel Production France, Safr, Fromageries Picon, Société des Produits Latiers, Sofico, Sicopa, Sopaic, Atad, and Fromagerie Boursin.

As the lead company, Fromageries Bel is designated as the sole company liable for corporate income taxes due by the tax-consolidated group encompassing it and the companies included in the tax-consolidation scope.

Income tax that would be payable in the absence of tax consolidation was recorded in the accounts of the tax consolidated companies. Tax savings or expense related to tax losses or arising from adjustments are now integrated by the parent company and restored to the subsidiaries when they become profitable.

1.12 Investment grants

Investment grants received were recorded in the balance sheet as equity.

They were released to income, reported as extraordinary income and apportioned over the same schedule as the depreciation schedule of the assets they financed.

NOTE 2 • Major developments

Fiscal year 2015

The Group has made its headquarters in Suresnes, France, since November 2015.

1.13 Sales

Revenues from sales, which included sales of goods, merchandise, raw materials, and other goods and services rendered in the course of ordinary activities, were recorded as soon as the transfer of ownership took place or as soon as the service was rendered.

Revenues from sales were presented net of any granted discounts or allowances.

Charges arising from commercial cooperation agreements with distribution channels were disclosed in "Other outside services".

1.14 Advertising expense

Also included in "Other outside services" were advertising, promotional and public relations costs, which were expensed in the year in which they were incurred.

1.15 Distinction between income from ordinary activities and extraordinary income

Profit from ordinary activities was derived from the sum of profit from operations and net financial result. It included all income and expense directly related to the Company's operational activities.

Extraordinary income and expense were comprised of material items that could not be considered inherent to the Company's operational activities because of their nature or unusual character.

1.16 Estimates

In preparing the financial statements, the Company sometimes used estimates and assumptions to determine the value of assets and liabilities, notably for provisions, participating interests and intangible assets.

Those estimates and assumptions were made based on information and positions known at the balance sheet date and may vary significantly from actual values.

NOTE 3 • Sales

Revenue from sales disclosure takes into account the specific characteristics of Fromageries Bel's sector of activity in accordance with the professional accounting guide for the French dairy industry (*Guide Comptable Professionnel de l'Industrie Laitière*).

Sales by geographic region		
(in thousands of euros)	2015	2014
France	671,104	695,039
Other European countries	325,294	318,467
Rest of the world	437,761	410,356
	1,434,159	1,423,861

Sales increased 0.72% vs. 2014, when sales grew 1.93%.

On a constant exchange-rate basis, using the average exchange rate for the past year, sales declined 3.04% in 2015, and grew 2.16% in 2014.

NOTE 4 • Expense transfers

Expense transfers for a total amount of €27,598,000 included primarily €11,407,000 in advertising and distributor services costs, €5,504,000 in personnel and expatriate expense, and €9,163,000 in unallocated expenses.

NOTE 5 • Remuneration and headcount

Management compensation

	2015	2014
Directors' fees paid to members of the Board of Directors (included in "Other operating expenses")	207	217

It should be recalled that executive management is paid by Unibel, with those costs – which totaled €3,006,000 in 2015 – billed back to Fromageries Bel.

Average headcount

	Salaried personnel		Personnel seconded to the Company	
	2015	2014	2015	2014
Executives and managers	639	629	1	1
Non-executive technicians and supervisors	279	281	9	7
Staff employees	75	77	3	3
Workers	1	1	0	6
	994	988	13	17

Tax credit for competitiveness and employment

A €708,000 gain from France's CICE tax credit for competitiveness and employment was recognized during the year as a personnel expense deduction.

NOTE 6 • Net financial result

Net financial result encompassed:

<i>(in thousands of euros)</i>	2015	2014
Dividends	78,571	65,531
Other revenue	1	1
Gains from sales of marketable securities	400	783
Write-downs and (reversals) on exchange rate risks	502	(1,188)
Write-downs and (reversals) on participating interests ^(a)	(1,315)	736
Interest income (expense)	(12,323)	(14,592)
Foreign exchange gains (losses)	(15,807)	9,089
	50,029	60,360

(a) Write-downs of loans and receivables related to the participating interest in Iran-based Bel Rouzaneh.

NOTE 7 • Extraordinary profit (loss)

Extraordinary profit (loss) consisted primarily of:

<i>(in thousands of euros)</i>	2015	2014
Regulated provisions	676	3,129
Provisions for disputes and litigation and other extraordinary expenses	(2,226)	(11,953)
Net profit (loss) from disposals of fixed assets	3	11,413
Termination indemnities	(3,166)	(1,631)
Recognized dispute and litigation expense	0	(1,384)
Other extraordinary income	14	22
Loss on repurchase of shares awarded to employees	(569)	(855)
Share of investment grants transferred to income	321	336
	(4,947)	(923)

Expenses related to moving the Group's headquarters to Suresnes, France totaled €3,315,000.

NOTE 8 • Income tax

Income tax breaks down as follows:

Income tax payable for the fiscal year, concerning <i>(in thousands of euros)</i>	2015		2014	
	Base	Amount	Base	Amount
Profit (loss) from ordinary activities	131,160	14,810	105,443	8,469
Extraordinary profit (loss)	(4,947)	(4,232)	(923)	(2,609)
Effect of the tax consolidation regime		(508)		719
		10,069		6,579

Effect of prospective increases and decreases

Tax base	Balance at Dec. 31, 2015	Changes in 2015	Balance at Dec. 31, 2014
TAX-BASE INCREASE			
Excess tax depreciation	40,086	(672)	40,758
Revaluation	1,786	(2)	1,788
Financial instruments	248	(2,601)	2,849
Other temporary differences	377	11	366
TOTAL 1	42,497	(3,264)	45,761
TAX-BASE DECREASE			
Employee benefits	17,714	(1,497)	19,211
Discounting of deposits and guarantee deposits	2,378	(35)	2,413
Inventory valuation difference	1,477	(457)	1,934
Provisions for contingencies and losses	1,028	(1,567)	2,595
Non-deductible expenses	2,403	(54)	2,457
Employee profit-sharing	3,404	44	3,360
Provision for asset write-downs	1,634	(75)	1,709
Corporate/tax value adjustment on property, plant and equipment	0	(3,844)	3,844
Other temporary differences	8,133	5,710	2,423
TOTAL 2	38,171	(1,775)	39,946
TOTAL A: NET INCREASE IN BASE	4,326	(1,489)	5,815
PROSPECTIVE INCREASE IN INCOME TAX	1,167	(512)	1,679

2014 Effective tax rate = 38%.

2015 Effective tax rate = 38%.

In 2015, the applicable tax rate in France came to 38.0%. The rate included the base corporate tax rate of 33.33%, to which was added a 3.3% social-contribution surtax and a temporary 10.7% surtax on French companies with annual sales exceeding €250,000,000.

NOTE 9 • Fixed assets**Fiscal year 2015****Statement of fixed assets**

<i>(in thousands of euros)</i>	Gross amount at Jan. 1, 2015	Increases	Decreases	Transfers	Gross amount at Dec. 31, 2015
INTANGIBLE FIXED ASSETS					
Concessions, patents, licenses, brands, processes, software, rights, and similar assets	70,255	830	15	2,821	73,891
Goodwill from businesses	221,533				221,533
Other					
Intangible assets in progress	5,265	8,158		(2,688)	10,735
PROPERTY, PLANT AND EQUIPMENT					
Real property	15,318	8,447	263	453	23,955
Technical installations, fixtures, machinery and equipment	46,263	170	477	185	46,141
Other	25,098	2,198	21,419	42	5,919
Assets in the course of construction	3,422	865		290	4,577
Advances and down-payments	409	1,632		(1,103)	938
LONG-TERM INVESTMENTS					
Participating interests	1,010,933	382			1,011,315
Other	37,756	32,241	23,684		46,313
	1,436,252	54,923	45,858		1,445,317

Statement of depreciation and amortization

<i>(in thousands of euros)</i>	At Jan. 1, 2015	Increases	Decreases	At Dec. 31, 2015
INTANGIBLE FIXED ASSETS				
	50,647	7,670	9	58,308
PROPERTY, PLANT AND EQUIPMENT				
Real property	9,312	1,059	3,057	7,313
Technical installations, fixtures, machinery and equipment	26,599	2,949	422	29,126
Other	20,746	1,085	18,820	3,011
	107,304	12,763	22,308	97,759

Intangible fixed assets

The goodwill arising from the acquisition of Boursin totaled €220,039,000.

The increase in intangible fixed assets stemmed primarily from internally developed IT projects totaling €3,520,000.

Property, plant and equipment

The €8,979,000-decrease in property, plant and equipment resulted mainly from outfitting the new headquarters in Suresnes and the scrapping of fittings, fixtures, furnishings and equipment not recovered from the old Paris and Vincennes sites.

Long-term investments

Gross participating interests rose €382,000 to €1,011,315,000 (see list of subsidiaries and affiliates).

The increase resulted from:

(in thousands of euros)

A new Bel Vietnam share	+382
-------------------------	------

It should be recalled that Bel Syrie shares were written down in full, in the amount of €15,660,000, and Bel Tunisie shares were written down in the amount of €2,053,000.

Loans to and receivables from participating interests included loans granted to the following subsidiaries:

Bel Karper	+10,088
Bel Tunisie Distribution	+796
Bel Rouzane Company	+1,344

Loans to Iran-based Bel Rouzaneh and Tunisia-based Bel Tunisie Distribution were written down in full. Bel Tunisie Distribution entered into court-ordered liquidation.

At December 31, 2015, Fromageries Bel held 86,912 of its own shares, valued at €21,110,000. At December 31, 2014, the Company held 90,946 of its own shares, valued at €21,743,000.

NOTE 10 • Other receivables from operations

This line item includes:

(in thousands of euros)

	2015	2014
Trade and other payables	8,223	3,639
Value added tax	19,752	17,335
Of which the reimbursement of requested VAT credits	4,767	3,887
Other	123	115
	28,098	21,089

NOTE 11 • Sundry receivables

This line item includes:

(in thousands of euros)

	2015	2014
Income tax receivables	1,452	2,951
Current accounts	30,937	34,296
Tax consolidation accounts	782	596
Other	2,178	2,352
	35,349	40,195

At December 31, 2015, the gross value of outstanding cash advances to subsidiaries came to:

<i>(in thousands of euros)</i>	2015	2014
SICOPA	13,515	
FBPF		13
Bel Italia		38
Atad	13	
Bel Syry Cesko AS	214	363
Bel Tunisie Marketing	8	8
Bel USA	3	11
Bel Polska	99	1
Bel Côte d'Ivoire	890	
Bel Portugal	2,187	4,293
Bel Japon	6,944	8,414
Quesos Bel Mexico	799	816
Bel Canada	608	1
Bel Suisse	976	179
Bel Brands USA	4,662	20,156
Bel Australia	19	
Other outstanding cash advances (less than €1 million)		
	30,937	34,293

Additionally, the balance of income tax payable due by tax consolidated companies totaled €782,000 in 2015, versus €597,000 in 2014.

NOTE 12 • Marketable securities and money market instruments

Cash equivalents, which consisted mainly of marketable securities and money market instruments, were measured at the last known closing price or net asset liquidation value. In 2015, cash equivalents totaled €398,103,000, vs. €305,917,000 in 2014.

NOTE 13 • Other short-term financial instruments

Other short-term financial instruments included premiums paid (assets) and received (liabilities) on currency options and interest rate hedges marked to market at the balance sheet date.

Because these were for hedging purposes, the corresponding adjustments were posted to the following balance-sheet line items:

- prepaid expenses and unrealized losses on financial instruments;

- deferred income and suspense account for unrealized gains on financial instruments;

and treated in accordance with the symmetry principle.

NOTE 14 • Prepaid expenses

Prepaid expenses related to *operational activities* totaled €2,110,000, up from €1,936,000 in 2014, while prepaid expenses related to *financial activities* amounted to €1,156,000, vs. €8,391,000 in 2014.

NOTE 15 • Foreign exchange differences

Fiscal year 2015

(in thousands of euros)

	Amounts	Differences offset	Provision for foreign exchange losses ^(a)
UNREALIZED LOSSES ON FOREIGN EXCHANGE			
From long-term investments	1,103		1,103
From trade receivables	1,171	485	686
From short-term financial instruments	2	2	0
From financial liabilities	127	1	126
From debts	373	364	9
	2,776	852	1,924
UNREALIZED GAINS ON FOREIGN EXCHANGE TRANSACTIONS			
From long-term investments			
From trade receivables	674	431	
From short-term financial instruments	2	2	
From debts	779	608	
	1,455	1,041	

(a) From translation differences only.

Fiscal year 2014

(in thousands of euros)

	Amounts	Differences offset	Provision for foreign exchange losses ^(a)
UNREALIZED LOSSES ON FOREIGN EXCHANGE			
From long-term investments	1,006		1,006
From trade receivables	163	137	26
From short-term financial instruments			
From financial liabilities			
From debts	1,331	260	1,071
	2,500	397	2,103
UNREALIZED GAINS ON FOREIGN EXCHANGE TRANSACTIONS			
From long-term investments			
From trade receivables	2,810	2,799	
From short-term financial instruments	5	5	
From debts	184	98	
	2,999	2,902	

(a) From translation differences only.

NOTE 16 • Provisions and write-downs

Fiscal year 2015

<i>(in thousands of euros)</i>	Amount at beginning of year	Increase (charges)	Decrease (reversals)	Amount at year-end
Intangible fixed assets	1,637			1,637
Property, plant and equipment		27		27
Long-term investments	18,560	1,315		19,875
Inventories and work-in-progress	66	98	23	141
Trade receivables	2,129	49	93	2,085
Sundry receivables	841		841	
Marketable securities and money market instruments				
	23,233	1,489	957	23,765
Of which charges and reversals:				
posted to operating income/expense		174	116	
posted to financial income/expense		1,315		
posted to extraordinary income/expense			841	

The €1,315,000 charge for loans and receivables related to participating interests concerned Iran-based Bel Rouzaneh.

The €841,000 reversal of write-downs for sundry receivables arose from the difference in the 20% rate of withholding tax on royalties for Bel Egypt, versus an internationally agreed rate of 15%.

Fiscal year 2014

<i>(in thousands of euros)</i>	Amount at beginning of year	Increase (charges)	Decrease (reversals)	Amount at year-end
Intangible fixed assets	1,637			1,637
Property, plant and equipment				
Long-term investments	19,296		736	18,560
Inventories and work-in-progress	314	22	270	66
Trade receivables	2,974	517	1,362	2,129
Sundry receivables	3,076		2,235	841
Marketable securities and money market instruments				
	27,297	539	4,603	23,233
Of which charges and reversals:				
posted to operating income/expense		539	2,205	
posted to financial income/expense			736	
posted to extraordinary income/expense			1,662	

Bel Tunisie Distribution accounted for €2,542,000 of the €4,603,000 in reversals, following the debt forgiveness granted to that subsidiary in 2014.

The balance of the reversals stemmed mainly from reversing a €736,000 charge for loans to and receivables from the participating interest in Bel Rouzaneh and a €573,000 charge arising from the difference in the 20% rate of withholding tax on royalties for Bel Egypt, versus an internationally agreed rate of 15%.

NOTE 17 • Share capital

Share capital was comprised of 6,872,335 shares with a par value of €1.50 and corresponding to 13,365,722 exercisable voting rights at the Annual General Meeting of Shareholders. Of the shares comprising the share capital, the Company held 86,912 of its own shares at December 31, 2015, with 4,822 shares awarded in August 2015 under the two-year 2013-2015 plan.

Double voting rights are attributed to any, fully paid-up registered shares held for at least four years by the same shareholder. At December 31, 2015, there were 6,493,387 double voting rights exercisable at the Annual General Meeting of Shareholders.

NOTE 18 • Regulated provisions

Provision charges and reversals corresponding to regulated provisions were recorded in extraordinary income (expense).

Fiscal year 2015				
(in thousands of euros)	Amount at beginning of year	Increase (charges)	Decrease (reversals)	Amount at year-end
Provision for investment				
Provisions for price increases				
Excess tax depreciation	40,758	10,232	10,905	40,085
Special revaluation provisions ^(a)	13		3	10
Reinvested capital gains	1,707			1,707
	42,478	10,232	10,908	41,802

(a) Only concerns the constructions line item.

The decrease in excess tax depreciation was primarily related to intangible assets, in particular internally produced software.

Fiscal year 2014				
(in thousands of euros)	Amount at beginning of year	Increase (charges)	Decrease (reversals)	Amount at year-end
Provision for investment				
Provisions for price increases				
Excess tax depreciation	43,884	7,419	10,546	40,758
Special revaluation provisions ^(a)	17		3	13
Reinvested capital gains	1,707			1,707
	45,608	7,419	10,549	42,478

(a) Only concerns the constructions line item.

NOTE 19 • Changes in equity*(in thousands of euros)*

Shareholders' equity at December 31, 2013	841,503
Revaluation adjustments	(1)
Dividends (Combined AGM of May 14, 2014)	(42,952)
Additional paid-in capital	
Cancellation of dividends on treasury shares	243
Free reserves	
Investment grants	(336)
Regulated provisions	(3,129)
Profit for the year	97,941
Shareholders' equity at December 31, 2014	893,269
Revaluation adjustments	(1)
Dividends (Combined AGM of May 12, 2015)	(42,952)
Additional paid-in capital	
Cancellation of dividends on treasury shares	568
Free reserves	
Investment grants	(321)
Regulated provisions	(676)
Profit for the year	116,143
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2015	966,030

NOTE 20 • Provisions for contingencies and losses

<i>(in thousands of euros)</i>	Amount at beginning of year	Increase (charges)	Decrease (reversals)		Amount at year-end
			Reversals – offset against expenses	Reversals – cancelled provisions	
Disputes and litigation	12,184	1,778	224	2,386	11,352
Foreign exchange losses	2,713	2,211	2,713		2,211
Restructurings	437		437		
Withholding tax	2,576	1,468	2,333		1,711
Stock option plan	4,536	986	294		5,228
Other	9,864	771	8,763	349	1,523
	32,310	7,214	14,764	2,735	22,025
Of which charges and reversals:					
posted to operating income/expense		3,225	3,077	349	
posted to financial income/expense		2,211	2,713	-	
posted to extraordinary income/expense		1,778	8,974	2,386	

The main reversals for the year arose from trade disputes and extraordinary costs related to the decision to move the Company's headquarters in 2015.

NOTE 21 • Other bonds

In 2012, two bonds were issued, including one for €140,000,000 maturing December 20, 2019, and the other for €20,000,000 maturing December 20, 2018, excluding €156,000 in accrued interest not yet due. Both bonds, which were fully subscribed at the issue date, were issued at par.

NOTE 22 • Bank borrowings

This line item consisted primarily of a financial transaction in the Schuldschein market, which had several tranches:

- €140,000,000, with maturities of three years, five years and ten years at floating or fixed rates;
- USD 110,000,000 (€101,038,000), with maturities of three years and five years at floating or fixed rates.

These amounts do not include €982,000 in accrued interest not yet due.

NOTE 23 • Sundry borrowings and financial liabilities

The main components of this line item were liabilities related to the participating interests in Grupo Fromageries Bel Espana for €112,004,000 including accrued interest (vs. €107,001,000 in 2014), Bel Belgique for €95,333,000 including accrued interest (vs. €90,419,000 in 2014), and Bel Egypt Expansion for Cheese for €18,419,000, including accrued interest (vs. €15,982,000 in 2014). Also encompassed were sundry borrowings in commercial paper totaling €105,000,000 (vs. €102,000,000 in 2014), and €7,056,000, including accrued interest, for the employee profit-sharing fund (vs. €6,552,000 in 2014).

NOTE 24 • Other credits from operations

This line item was entirely comprised of trade and related receivables with credit balances totaling €27,138,000, vs. €26,155,000 in 2014.

NOTE 25 • Other liabilities – sundry payables

Of which: (in thousands of euros)	2015	2014
Interest-bearing advances from Group companies, excluding accrued interest	229,822	203,699
Surplus income tax payment on the profits of companies included in the tax consolidation scope	3,334	674
Provisioned debt for employee profit-sharing plan	3,404	3,366
Other	2,311	1,589
	238,871	209,328

NOTE 26 • Deferred income and unrealized gains on financial instruments

This line item consisted chiefly of the €3,856,000 valuation balance of derivatives posted to the balance sheet (see Note 13).

NOTE 27 • Effect of tax exemption assessments

<i>(in thousands of euros)</i>	2015	2014
Net profit for the year	116,143	97,941
Income tax	10,069	6,579
PRE-TAX PROFIT	126,212	104,520
Change in regulated provisions	(676)	(3,129)
PRE-TAX PROFIT EXCLUDING ASSESSED TAX EXEMPTIONS	125,536	101,391

NOTE 28 • Deferred income, accrued expense and receivables and payables represented by bills of exchange

Deferred income		
<i>(in thousands of euros)</i>	2015	2014
Trade and other receivables	8,105	7,716
Other receivables from operations	20,138	15,015
Sundry receivables	3	194
Cash on hand and balances with banks	191	85
	28,437	23,010

Accrued expenses		
<i>(in thousands of euros)</i>	2015	2014
Bonds	156	156
Bank borrowings	985	943
Sundry borrowings and financial liabilities	441	543
Trade and other payables	99,797	79,888
Taxes payable and payroll and on-cost amounts payable	31,432	32,231
Other credits from operations	27,023	25,909
Amounts payable to fixed asset suppliers and related accounts	1,342	151
Other liabilities – sundry payables	1,131	345
	162,307	140,166

Receivables and payables represented by bills of exchange		
<i>(in thousands of euros)</i>	2015	2014
Trade and other receivables	9,065	5,833
Trade and other payables		
Amounts payable to fixed asset suppliers and related accounts		

The Company does not make payments by bills of exchange. Its payables are settled by bank transfer.

NOTE 29 • Financial commitments

(in thousands of euros)	2015	2014
COMMITMENTS GIVEN		
Bank guarantees	3,593	3,605
Guarantees made on behalf of a foreign subsidiary (Bel Rouzaneh and Bel Australia)	837	761
Partnership liability in GIEs, SCIs, etc.	1,495	1,472
Retirement indemnities (see Note 29.1 below)	16,520	19,211
Guarantees made on behalf of a foreign subsidiary (Bel Shostka Ukraine and Bel Shostka Service) ^(a)	11,344	9,613
	33,789	34,662
COMMITMENTS RECEIVED		
Syndicated credit lines (see Note 29.2 below)	520,000	520,000
Export receivable guarantees	15,786	25,564
Performance bond		
	535,786	545,564
RECIPROCAL COMMITMENTS (EXCLUDING CURRENCY FUTURES AND FINANCE LEASES)		
Real estate rentals (see Note 29.3 below)	67,087	72,342
Less than a year 1,048		
One to five years 25,158		
More than five years 40,881		
Asset rentals	1,276	1,200
Less than a year 713		
One to five years 563		
More than five years		
Asset orders	5,294	1,620
Stock option plan (see Note 29.4 below)	1,456	1,451
	75,113	76,613

(a) Amount modified versus the 2014 Registration Document.

29.1 Obligations arising from pensions, retirement and similar employee benefits

The end-of-career allocation was subject to an actuarial valuation using the “projected unit credit” method based on the following assumptions:

- voluntary retirement (giving rise to the additional payment of payroll on-costs) at the age of:
 - 62 for managers and executives and progressively 65 depending on the year of birth,
 - 60 for non-executive technicians and supervisors and progressively 63 depending on the year of birth,
 - 60 for all other employees and progressively 63 depending on the year of birth;

- employee service years, mortality rate and employee turnover rate;
- the discount rate and the rate of inflation:
 - 2015: a nominal discount rate of 2.35%, including an inflation rate of 2.00%,
 - 2014: a nominal discount rate of 1.85%, including an inflation rate of 2.00%.

The end-of-career benefits allocated to employees were not provisioned for but were recorded in Off-balance sheet commitments (see above).

29.2 Financial instruments

29.2.1 Market risk management

The Treasury Department, which is attached to the Group Finance Department, has the requisite skills and tools to manage market risk. The department reports to Management on a monthly basis and makes regular presentations to the Audit Committee.

29.2.2 Financial and liquidity risk management

At December 31, 2015, the Group had significant liquidity, including:

- a confirmed, untapped €520,000,000 credit line maturing in March 2020, with a possible extension to 2021, if the banks agree;
- a €500,000,000 commercial paper program, of which €105,000,000 was used;
- a €160,000,000 bond subscribed by private investors, with €20,000,000 maturing in December 2018 and €140,000,000 maturing in December 2019;
- a financial transaction on the Schuldschein market in two tranches, including:
 - €140,000,000, with maturities of one year, three years, five years, and eight years at floating or fixed rates,
 - USD 110,000,000, with maturities of one year and three years at floating or fixed rates.

Fromageries Bel committed to keeping its financial leverage ratio below 3.50 over the entire life of the medium and long-term financing mentioned above. The financial leverage ratio is determined by dividing consolidated net debt by the Group's consolidated EBITDA. Failure to meet the ratio could trigger the repayment of a significant part of the debt.

The Group implemented a policy of pooling liquidity at the Fromageries Bel level for all countries where the local currency was freely convertible and where there were no legal or fiscal limits on pooling local surpluses or financing local needs. Internal current accounts and intra-group compensation payment systems are managed by the Group Treasury Department.

In countries where surplus and financing pooling was not allowed, subsidiaries invested their surpluses in money market funds denominated in their local currency and, if needed, financed themselves primarily in local currency. Further, the dividend policy was systematically aimed at limiting recurring surpluses at the subsidiaries.

Some subsidiaries, however, may have had no alternatives to local currency financing. As a result, in cases where the local currency was devalued, the subsidiaries recognized the related financial loss.

Surplus liquidities were invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit.

29.2.3 Foreign exchange risk management

Fromageries Bel is subject to foreign exchange rate fluctuations as a result of its international operations and presence.

The Company is exposed to foreign exchange risk on sales transactions recognized on the balance sheet and on highly probable future transactions, i.e. imports, exports and financial transactions.

Hedging policy for foreign exchange exposure

Management policy is to hedge risk on transactions denominated in foreign currencies through the use of derivative financial instruments. While the Treasury Department is not a profit center, the Group applies a global exchange-rate policy for all French, European and North American entities to hedge annual budgeted flows against risks linked to currency trading. Fromageries Bel harbors the Group Treasury Department and provides the necessary exchange rate hedging for these entities.

When the budget is prepared, budgeted currency prices are set according to market conditions for use as benchmarks to set up hedges. The management period for budgeted hedges does not exceed 18 months. At December 31, 2015, the maturity of the derivatives portfolio did not extend beyond January 31, 2017. The cash flow from the budgeted 2015 and 2016 hedges are expected in 2016 and 2017, and will thus impact income in the 2016 fiscal year.

Hedging of foreign exchange rate fluctuations on imports, exports and financial transactions

Fromageries Bel recalculates its net foreign exchange exposure periodically, during each budgetary review. To manage its exposure, Fromageries Bel mainly uses futures contracts, currency options, and cross-currency swaps.

At December 31, 2015, the Group had secured the following hedges:

Portfolio of currency forward contracts backed by trade receivables, trade payables or futures transactions

Transaction type (in thousands of euros)	Direction	Cross	At December 31, 2015		At December 31, 2014	
			Commitment	Market value	Commitment	Market value
FUTURES	Buy	EURGBP	20,150	347	31,500	(479)
FUTURES	Buy	EURJPY	10,500	(244)	15,042	923
FUTURES	Sell	EURPLN	24,500	(265)	26,500	(137)
FUTURES	Buy	EURUSD	81,250	(172)	73,959	(4,014)
FUTURES	Buy	OTHER	25,073	637	29,897	24
FUTURES	Sell	OTHER	6,819	57	7,368	(66)
TOTAL				360		(3,749)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Sell EURPLN signifies that the Group is selling EUR and buying PLN.

Portfolio of currency options backed by trade receivables, trade payables or futures transactions

Transaction type (in thousands of euros)	Cross	At December 31, 2015		At December 31, 2014	
		Commitment	Market value	Commitment	Market value
Call purchase	EURGBP	51,500	756	45,500	154
Put sale	EURGBP	32,500	(225)	22,750	(284)
Call purchase	EURJPY	14,700	111	10,389	400
Put sale	EURJPY	8,575	(202)	5,735	(34)
Put purchase	EURPLN	26,250	148	27,000	237
Call sale	EURPLN	17,500	(310)	16,250	(265)
Call purchase	EURUSD	176,857	1,246	151,174	336
Put sale	EURUSD	123,442	(1,947)	73,793	(3,482)
Call purchase	OTHER	39,497	1,222	41,242	595
Put sale	OTHER	21,370	(143)	18,942	(241)
TOTAL			656		(2,584)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Call purchase EURGBP signifies that the Group is buying a EUR call/GBP put option.

Portfolio of currency forward contracts set up with Group subsidiaries

Transaction type (in thousands of euros)	Direction	Cross	Entity	At December 31, 2015		At December 31, 2014	
				Commitment	Market value	Commitment	Market value
FUTURES	Buy	DKKSEK	Bel Nordic	658	(9)	689	51
FUTURES	Sell	EURSEK	Bel Nordic	1,277	15	1,500	(103)
FUTURES	Buy	NOKSEK	Bel Nordic	245	(44)	231	(10)
FUTURES	Buy	EURCAD	Bel Canada	170	6	-	-
FUTURES	Sell	EURCAD	Bel Canada	-	-	555	(3)
FUTURES	Sell	EURCHF	Bel Suisse	1,753	222	-	-
FUTURES	Sell	EURCZK	Bel Stry Cesko	1,068	39	639	(40)
FUTURES	Sell	EURGBP	Bel UK	10,399	1,072	8,000	777
FUTURES	Buy	EURPLN	Bel Polska	3,175	59	2,408	34
FUTURES	Sell	EURUSD	Bel Brands USA	1,848	426	1,041	72
FUTURES	Sell	EURUSD	Bel USA	-	-	171	16
FUTURES	Buy	EURUSD	Bel USA	50	(12)	-	-
FUTURES	Sell	EURUSD	Bel Americas	120	28	-	-
FUTURES	Sell	USDCAD	Bel Canada	426	(117)	968	(98)
FUTURES	Sell	EURJPY	Bel Japon	4,999	301	5,077	(568)
FUTURES	Sell	EURGBP	SICOPA	-	-	2,000	79
FUTURES	Sell	EURCAD	SICOPA	-	-	4,750	144
TOTAL				1,986		351	

Fromageries Bel guarantees its subsidiaries' foreign-currency denominated budget year flows through annual foreign exchange guarantees. These guarantees are issued once the previous budget year has been collected. At December 31, 2015, Fromageries Bel's subsidiary hedging portfolio hedged only the subsidiaries' foreign exchange risks related to the 2015 budget year and collected in 2016.

Portfolio of currency forward and option contracts to hedge future dividend or share transaction flows

Transaction type (in thousands of euros)	Direction	Cross	At December 31, 2015		At December 31, 2014	
			Commitment	Market value	Commitment	Market value
FUTURES	Buy	EURGBP	-	-	2,000	(79)
FUTURES	Buy	EURUSD	9,320	(184)	6,374	(621)
FUTURES	Buy	OTHER	600	(12)	4,750	(160)
TOTAL				(196)	(860)	

NB: The transactions are presented according to the direction of the cross currency operation, e.g., Buy EURUSD signifies that the Group is buying EUR and selling USD.

Portfolio of currency forward contracts to hedge future investment outflows on fixed assets

Transaction type (in thousands of euros)	Direction	Cross	At December 31, 2015		At December 31, 2014	
			Commitment	Market value	Commitment	Market value
FUTURES	Buy	EURUSD	-	-	300	(2)
TOTAL				-		(2)

NB: The transactions are presented according to the direction of the cross currency operation, e.g., Buy EURUSD signifies that the Group is buying EUR and selling USD.

Portfolio of swaps to hedge financing flows denominated in local currencies

Transaction type (in thousands of euros)	Direction	Cross	At December 31, 2015		At December 31, 2014	
			Commitment	Market value	Commitment	Market value
SWAP	Sell	EURGBP	13,003	74	6,124	36
SWAP	Buy	EURJPY	6,873	(65)	8,311	(96)
SWAP	Buy	EURPLN	97	1	-	-
SWAP	Sell	EURPLN	-	-	5,486	56
SWAP	Sell	EURUSD	28,218	65	5,240	5
SWAP	Sell	OTHER	18,961	29	15,242	48
SWAP	Buy	OTHER	726	(2)	1,118	(3)
TOTAL				102		46

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Sell EURGBP signifies that the Group is selling EUR futures and buying GBP futures.

Other transactions outside the hedging transactions category

Transaction type (in thousands of euros)	Cross	At December 31, 2015		At December 31, 2014	
		Commitment	Market value	Commitment	Market value
Call sale	OTHER	2,163	(139)	1,687	(11)
TOTAL			(139)		(11)

NB: The transactions are presented according to the direction of the cross-currency operation, e.g., Call sale EURZAR signifies that the Group is selling an EUR call/ZAR put option.

Fromageries Bel's main currency exposure was with the U.S. dollar and the Japanese yen. The valuations shown exclude the impact of deferred taxes.

At December 31, 2014, 80% to 100% of the net exposure relative to the main currencies in the 2015 budget was hedged, depending on the currency managed. Currency fluctuation gains and losses arising from the recognition of sales and purchasing transactions of Group entities can thus be offset up to the hedge amount by gains and losses from the hedges.

Hedge measurements complied with market practices in terms of data for yield curves, foreign exchange rates and volatility

curves, as well as valuation models. The Treasury Department has the requisite in-house means for calculating the valuations. However, Fromageries Bel used an outside provider to determine the valuations.

29.2.4 Interest-rate risk management

Most of the Group's financing is arranged by the Fromageries Bel company, which also handles interest-rate risk management centrally. The policy governing interest-rate derivatives is designed to protect against an unfavorable rise in interest rates, while partially taking advantage of any interest rate declines.

At December 31, 2015, the Group hedged interest-rate risk through interest-rate swaps or cross-currency swaps.

Transaction type (in thousands of euros)	Commitment currency	At December 31, 2015		At December 31, 2014	
		Nominal	Market value	Nominal	Market value
Fixed-rate borrower swaps	USD	45,926	(21)	41,183	78
Cross-currency EURTRY swap	TRY	4,499	1,107	7,082	507
TOTAL			1,086		585

The following hedging balance corresponds to hedges on some of Fromageries Bel's floating-rate loans.

Hedging schedule in USD			
(in millions of USD)	2016	2017	2018
Interest-rate swaps	50	30	30

Vanilla derivatives include only interest-rate swaps.

29.2.5 Counterparty risk management

All short-term cash investments and financial instruments were arranged with major counterparties, in accordance with both safety and liquidity rules. "Major counterparties" were mainly banks from the banking pool and were primarily French establishments. Money-market mutual funds offering daily liquidity or certificates of deposit accounted for most of the short-term cash investments.

The DVA (Debt Value Adjustments) and CVA (Credit Value Adjustments) of the Group's foreign exchange and interest rate hedges were not material, i.e. less than €1,000, at December 31, 2015.

29.2.6 Share-price risk management

At December 31, 2015, Fromageries Bel had no equity derivatives.

29.3 Real estate rentals

By signing a lease on its future headquarters in the first half of 2014, the Group made a firm commitment to pay rent on the new premises over the next 12 years, representing a total amount of €67,000,000.

29.4 Existing stock option plans

The commitment given corresponds to the difference between the award amount, which takes into account the rate of completion of performance milestones, and the provision recorded in the amount of €5,228,000.

A breakdown of bonus share plans is presented in the following table:

(in thousands of euros)	2015 cash plan	2015 share plan	2014 cash plan	2014 share plan	Total
Number of shares awarded at December 31, 2015	5,754	5,442	5,867	5,339	
Share value in €	307,43	183,99	285,80	183,99	
Award criteria: percentage provisioned	100	100	100	100	
Amount expensed in 2014			(104)	227	123
Amount expensed in 2015	1,905	665	(76)	(22)	2,472

Also included in personnel expense was the provision for the 2014 Fromageries Bel cash plan totaling €936,000 and representing 4,295 shares, as well as the provision for the 2015 Fromageries Bel cash plan totaling €458,000 and representing 4,674 shares.

29.5 Other commitments

Litigation and disputes

The Company was engaged in a certain number of lawsuits and disputes in the normal course of its business. Provisions were set up for any probable and measurable costs that might arise from

those lawsuits and disputes. Management knows of no dispute carrying significant risk that could adversely impact the Company's earnings or financial position that was not provisioned for at the balance sheet date.

NOTE 30 • Parent company consolidating the Group's financial statements

The financial statements of Fromageries Bel, the parent company of the Bel group, were included in the consolidation of the Unibel Group.

NOTE 31 • Significant subsequent events

No significant subsequent events to be reported have occurred since the end of the reporting period.

Maturities of receivables and payables at December 31, 2015

Headings and line items <i>(in thousands of euros)</i>	Gross amounts	Maturity	
		Due in 1 year or less	Due in more than 1 year ⁽⁵⁾
RECEIVABLES			
Fixed asset receivables:			
Loans to and receivables from participating interests	11,154	11,154	
Loans ⁽¹⁾	6,458	314	6,144
Other	28,701	998	27,703
Current asset receivables			
Trade and other receivables	247,706	247,706	
Other	65,165	65,165	
Prepaid expenses	3,266	2,036	1,230
	362,450	327,374	35,076
DEBTS			
Other bonds ⁽²⁾	160,156	156	160,000
Borrowings ⁽²⁾ and current used facilities at banks ⁽³⁾	248,203	25,461	222,742
Sundry borrowings and financial liabilities ^{(2) (4)}	338,341	333,205	5,136
Trade and other payables	209,439	209,439	
Taxes payable and payroll and on-cost amounts payable	39,538	32,153	7,385
Amounts payable to fixed asset suppliers and related accounts	9,911	9,911	
Income tax payable			
Other liabilities ^{(4) (5)}	266,046	262,641	3,404
Deferred income			
	1,271,633	872,966	398,667
(1) Loans granted during the year	300		
Loans recovered during the year			
(2) Borrowings subscribed during the year	288,646		
Borrowings reimbursed during the year	273,651		
(3) Of which			
- originally no more than two years	25,461		
- originally more than two years	222,742		
(4) To associates (other debts line item)	233,155		
(5) Debts maturing in more than five years	3,404		

Participating interests and investments in associates

(in thousands of euros)	Amounts	
	Subsidiaries	Affiliated companies
PARTICIPATING INTERESTS	993,602	
Loans to and receivables from participating interests	9,014	
Other long-term financial assets	21,110	
Loans		4
Other financial investments		
Trade and other receivables	91,734	
Other current assets	37,270	
Subscribed capital called and unpaid		
Sundry borrowings and financial liabilities	225,756	
Trade and other payables	93,242	
Amounts payable to fixed asset suppliers and related accounts		
Other liabilities	237,472	
Dividends and interest income	78,571	
Other financial income	720	
Financial expense	1,693	

Related-party relationships:

Cash management agreement with Unibel

At December 31, 2015, the Company had received a €53,239,000 cash advance from the Unibel company. The advance, bearing interest at the EONIA rate plus 100 basis points, generated a financial cost of €465,000, which was expensed in the 2015 fiscal year.

Service agreement with Unibel

In 2015, €6,459,000 were expensed as part of the service agreement with Unibel.

List of subsidiaries and affiliates

	(currencies in thousands)			(in thousands of euros)				
Company	Share capital ^(a)	Equity other than share capital ^(a)	% of share capital held	Carrying amount of shares held		Outstanding loans and advances granted by the Company	Amount of endorsements, guarantees, and letters of intent provided by the company	Dividends collected by the Company during the year
				Gross amounts	Net amounts			
I - DETAILED INFORMATION								
Subsidiaries (more than 50%-owned by the Company)								
French companies								
Fromageries Picon – 2 Allée de Longchamp – 92150 Suresnes	EUR 600	EUR 4,024	99.975	5,638	5,638			2,999
Fromageries Bel Production France – 2 Allée de Longchamp – 92150 Suresnes	EUR 48,917	EUR 126,672	100.000	132,209	132,209			14,543
Société Anonyme des Fermiers Réunis – 2 Allée de Longchamp – 92150 Suresnes	EUR 7,200	EUR 10,890	99.848	18,118	18,118			1,006
Sofico – 2 Allée de Longchamp – 92150 Suresnes	EUR 2,339	EUR 8,436	99.965	2,376	2,376			1,247
Fromagerie Boursin SAS – Route de St-Aquilin – 27120 Croisy-sur-Eure	EUR 2,825	EUR 17,580	100.000	23,630	23,630			1,297
Sicopa – 2 Allée de Longchamp – 92150 Suresnes	EUR 591,402	EUR 354,650	100.000	780,174	780,174	13,515		43,369
LVQR Diffusion – 2 Allée de Longchamp – 92150 Suresnes	EUR 50	EUR 237	100.000	50	50			
MVQR Gestion – 25 rue Richebourg – 39000 Lons-le-Saunier	EUR 50	EUR 110	99.998	50	50			
Foreign companies								
Bel Tunisie – Tunis/Tunisia	TND 3,000	TND (7,695)*	99.000	2,053	0			
Bel Syrie – Damascus/Syria	SYP 1,045,000	SYP 11,395	99.976	15,660	0			
Bel Algérie SpA – Algiers/Algeria	DZD 2,358,693	DZD 5,711,196	99.023	21,185	21,185			8,175
II - GENERAL INFORMATION								
Subsidiaries not covered in paragraph I								
a) French subsidiaries (aggregate)				102	102	13		
b) Foreign subsidiaries aggregate				10,085	10,085	799		5,476
Affiliates not covered in paragraph I								
a) French companies (aggregate)								
b) Foreign companies (aggregate)								

* 2008 data.

(a) General Accounting Charter data for French companies and IFRS data for foreign companies.

Table of investments and participating interests

(in thousands of euros)		Net carrying amount on the balance sheet 2015	Net carrying amount on the balance sheet 2014
PARTICIPATING INTERESTS			
French companies			
3,706,666	Fromagerie Boursin SAS	23,630	23,630
239,635	Société Anonyme des Fermiers Réunis "SAFR"	18,118	18,118
39,426,793	Société Industrielle Commerciale et de Participation "SICOPA"	780,174	780,174
132,208,521	Fromageries Bel Production France	132,209	132,209
155,865	Société Financière et Commerciale "SOFICO"	2,376	2,376
19,995	Fromageries Picon	5,638	5,638
2,377	ATAD	83	83
999	Société des Produits Laitiers "SPL"	15	15
3,333	LVQR Diffusion	50	50
49,999	MVQR Gestion	50	50
<i>Companies with a net carrying value below €15 per category of shares</i>		4	4
		962,347	962,347
Foreign companies			
94,796	Bel Egypt Expansion for Cheese Production	8,931	8,931
2,335,653	Bel Algerie SpA	21,170	21,170
594	Bel Tunisie		
1,044,745	Bel Syrie		
10	Bel Vietnam	1,152	770
<i>Companies with a net carrying value below €15 per category of shares</i>		2	2
		31,255	30,873
TOTAL PARTICIPATING INTERESTS		993,602	993,220
OTHER LONG-TERM FINANCIAL ASSETS			
French companies			
5,162	Lactoserum France	140	140
1,120	Sogal- Socamuel	17	17
86,912	Fromageries Bel	21,110	21,743
<i>Companies with a net carrying value below €15 per category of shares</i>		25	25
		21,292	21,925
Foreign companies			
26,044	Parmalat	56	56
		56	56
Total other long-term financial assets		21,348	21,981
MARKETABLE SECURITIES AND MONEY MARKET INSTRUMENTS		398,103	305,917

Company earnings and other financial highlights over the last five years (sections R. 225-81, R. 225-83 and R. 225-102 of the Commercial Code)

Item	2011	2012	2013	2014	2015
I. SHARE CAPITAL AT YEAR-END					
Share capital	10,308,503	10,308,503	10,308,503	10,308,503	10,308,503
Number of outstanding common shares	6,872,335	6,872,335	6,872,335	6,872,335	6,872,335
II. TRANSACTIONS AND RESULTS FOR THE FISCAL YEAR					
Revenue, net of VAT	1,323,239,235	1,348,442,118	1,396,926,890	1,423,861,417	1,434,159,274
Profits before income tax, employee profit-sharing, amortization, depreciation and provisions	68,029,363	82,403,232	120,942,743	126,089,383	127,959,921
Income tax	2,110,277	5,375,821	32,504,903	6,579,315	10,069,368
Employee profit-sharing for the year	1,473,720	3,170,277	2,870,214	3,279,297	3,258,259
Earnings after income tax, employee profit-sharing, amortization, depreciation and provisions	61,536,908 ⁽¹⁾	30,085,250	83,681,844	97,941,058	116,143,510
Dividends paid out	34,361,675*	42,952,094*	42,952,094*	42,952,094*	61,851,015*
III. EARNINGS PER SHARE					
Earnings after income tax and employee profit-sharing, but before amortization, depreciation and provisions	9.38	10.75	12.45	16.91	16.68
Earnings after income tax, employee profit-sharing, amortization, depreciation and provisions	8.95	4.38	12.18	14.25	16.90
Dividend per share	5.00	6.25	6.25	6.25	9.00
IV. PERSONNEL					
Average number of employees during the year	884	944	973	988	994
Total payroll for the year	67,262,028	68,690,186	70,028,440	72,600,991	71,725,992
Total payroll on-costs for the year (social security, employee welfare)	31,461,689	33,097,576	35,220,021	38,271,055	38,582,462

* Theoretical amount since treasury shares held by the Company are not entitled to dividends. The corresponding amount of unpaid dividends is allocated to "Retained earnings".

(1) Amount modified versus the 2011 Registration Document.

Statutory Auditors' report on the annual financial statements

For the year ended December 31, 2015

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying financial statements of Fromageries Bel;
- the justification of our assessments;
- the specific verification and information required by law.

These annual financial statements have been approved by Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the annual financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the annual financial statements. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2015, and of the results of its operations for the year then ended, in accordance with French accounting principles.

II. Justification of our assessments

In application of Section L. 823-9 of the Commercial Code regarding evaluation justification, we call your attention to the following items:

- Participating interests were measured at acquisition cost and were written down based on their value in use, as described in Note 1.3 to the annual financial statements.

Our work consisted of assessing the data and assumptions on which the estimates were based, particularly the cash flow projections made by the Company's operating divisions, examining on a test basis the calculations made by the Company, and reviewing management's procedures for approving the estimates.

- Furthermore, as disclosed in Note 1.8 to the financial statements, your Company used estimates in accounting for risks related to litigation and disputes.

We assessed your Company's approaches, data and assumptions on which the estimates were based, reviewed the calculations made by the Company, and examined management's procedures for approving the estimates.

These assessments were made as part of our audit of the annual financial statements taken as a whole, and therefore contributed to the opinion we formed and expressed in the first part of this report.

III. Specific verifications and information

We have also performed specific procedures required by law, in accordance with professional standards applicable in France.

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information provided in the Board of Directors' Management Report, or in the documents addressed to shareholders with respect to the financial position and the annual financial statements.

Concerning the information given in accordance with the requirements of article L. 225-102-1 of the French Commercial Code (*Code de Commerce*) relating to remunerations and benefits received by the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

As required by law, we have also verified that the identity of shareholders and holders of voting rights were disclosed in the management report.

Neuilly-sur-Seine and Paris, March 31, 2016

The Statutory Auditors

Deloitte & Associés

Pierre-Marie MARTIN

Grant Thornton

French member of Grant Thornton International

Vincent FRAMBOURT

4.5.3 Information related to the Statutory Auditors

Identity of the Statutory Auditors and alternate Statutory Auditors of the financial statements

Statutory Auditors:

Deloitte & Associés, represented by Pierre-Marie Martin

185, avenue Charles-de-Gaulle – 92200 Neuilly-sur-Seine

The Deloitte Touche Tohmatsu company, which became Deloitte & Associés in 2005, was appointed statutory auditor by the Combined Annual General Meeting of Shareholders on June 25, 1988. Its mandate was renewed by the May 12, 2010 Combined Annual General Meeting of Shareholders for a period of six years expiring in 2016, at the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

The Deloitte & Associés company is a member of the Versailles Institute of Statutory Auditors (*Compagnie régionale des commissaires aux comptes de Versailles*).

Grant Thornton, represented by Vincent Frambourt

100, rue de Courcelles – 75017 Paris

The Grant Thornton company was appointed statutory auditor by the May 12, 2010 Combined Annual General Meeting of Shareholders for a period of six years, expiring in 2016, at the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2015.

The Grant Thornton company is a member of the Paris Institute of Statutory Auditors (*Compagnie régionale des commissaires aux comptes de Paris*).

Alternate Statutory Auditors:

Société Bureau d'Études Administratives Sociales et Comptables (BEAS)

7/9, Villa Houssay – 92200 Neuilly-sur-Seine

The BEAS company was appointed alternate statutory auditor by the June 25, 1998 Combined General Meeting of Shareholders. Its mandate as alternate statutory auditor to Deloitte & Associés was renewed by the May 12, 2010 Combined General Meeting of Shareholders for a period of six years, expiring in 2016, at the end of the Ordinary General Meeting of Shareholders called to approve the financial statements for the year ending December 31, 2015.

The BEAS company is a member of the Versailles Institute of Statutory Auditors (*Compagnie régionale des commissaires aux comptes de Versailles*).

L'Institut de Gestion et d'Expertise Comptable (IGEC)

3, rue Léon Jost – 75017 Paris

The IGEC company was appointed alternate statutory auditor by the May 12, 2010 Combined General Meeting of Shareholders for a period of six years, expiring in 2016, at the end of the Ordinary General Meeting of Shareholders called to approve the financial statements for the year ending December 31, 2015.

The IGEC company is a member of the Paris Institute of Statutory Auditors (*Compagnie régionale des commissaires aux comptes de Paris*).

Information related to the resignation or non-renewal of Statutory Auditors

There were no resignations or non-renewals during the 2015 financial year.

Fees paid to the Statutory Auditors and members of their networks

	Deloitte & Associés				Grant Thornton			
	Amounts		%		Amounts		%	
(currencies in thousands)	2015	2014	2015	2014	2015	2014	2015	2014
AUDIT								
Auditorship, auditing, review of company and consolidated financial statements								
• Issuer	212	181	28%	26%	194	189	28%	28%
• Fully consolidated companies	469	419	62%	61%	440	411	63%	60%
Other due diligence and services directly related to the auditors' mission								
• Issuer	36	57	5%	8%	22	34	3%	5%
• Fully consolidated companies	0	2	0%	0%	0	0	0%	0%
SUB-TOTAL	717	659	95%	96%	656	634	94%	93%
Other services provided by the auditors' networks to fully consolidated subsidiaries								
Legal, tax advisory, labor-related	35	30	5%	4%	28	25	4%	4%
Other					16	26	2%	4%
SUB-TOTAL	35	30	5%	4%	44	51	6%	7%
TOTAL	752	689	100%	100%	700	685	100%	100%

4.6 Auditing of annual financial information

4.6.1 Certification of auditing of historical financial information

Refer to the Statutory Auditors' reports related to the consolidated financial statements and the annual financial statements for the year ended December 31, 2015, in paragraphs 4.5.1 and 4.5.2 respectively of the present Registration Document.

For prior years, refer to the following reports, which are incorporated by reference into the present Registration Document, pursuant to article 28 of Regulation (EC) No. 809/2004 of the European Commission:

- the Statutory Auditors' reports relative to the consolidated financial statements and the annual financial statements for the year ended December 31, 2014, as well as the financial statements themselves, may be consulted under paragraphs 4.5.1 and 4.5.2 respectively of the Company's
- Registration Document, filed with AMF on April 2, 2015, under filing number D15-0283;
- the Statutory Auditors' reports relative to the consolidated financial statements and the annual financial statements for the year ended December 31, 2013, as well as the financial statements themselves, may be consulted under paragraphs 4.5.1 and 4.5.3 respectively of the Company's Registration Document, filed with AMF on April 3, 2014, under filing number D14-0280;
- The two Registration Documents mentioned above are available at the AMF website (www.amf-france.org) and at the Company's website www.groupe-bel.com.

4.6.2 Other information verified by the Statutory Auditors

In the consolidated financial statements

The amount of Research and Development expenditure totaled €16,730,000 for the 2015 financial year.

In the annual financial statements

Trade payables by due date are presented in the following tables:

At December 31, 2015 (in euros)

Trade payables due at the end of the year	Trade payables due at 31 days	Trade payables due at 60 days	Trade payables due at over 60 days	Total
4,633,465	102,065,361	6,575,301	3,331,070	116,605,197

In accordance with Section 223 quarter and Section 39.4 of the French Tax Code, non-tax deductible expenditure and expenses totaled €338,744 and corresponded to €128,723 in tax.

At December 31, 2014 (in euros)

Trade payables due at the end of the year	Trade payables due at 31 days	Trade payables due at 60 days	Trade payables due at over 60 days	Total
5,339,797	95,983,595	9,760,070	280,356	111,363,818

4.6.3 Financial information not included in the financial statements

This paragraph is not applicable.

4.7 Date of latest financial information

The most recent fiscal year for which financial information was audited was the year ended December 31, 2015.

4.8 Financial information for interim and other periods

4.8.1 Quarterly and half-year financial information

None.

4.8.2 Financial information for interim periods

These paragraphs are not applicable since at the time of this writing no financial positions had been reported after December 31, 2015.

4.9 Dividend payout policy

Fromageries Bel has paid out the following dividends per share over the past five years:

(in euros per share)	2011	2012	2013	2014	2015 (subject to approval of the AGM of May 12, 2016)
Net dividend	5.00	6.25	6.25	6.25	9.00

The Combined Annual General Meeting of Tuesday, May 12, 2016, will be asked to approve a dividend of €9.00 per share for the 2015 financial year. The dividend will be payable as of May 20, 2016.

The declaration of future net dividends will depend on the Company's ability to generate profitable earnings, its financial position, its growth strategy, and any other factor deemed relevant by the Board of Directors.

4.10 Legal and arbitration proceedings

Information pertaining to legal and arbitration proceedings is disclosed in paragraph 1.6.3 "Legal risks" of the present Registration Document.

4.11 Significant change in the issuer's financial or trading position

The Group's net financial debt has remained stable over the past three fiscal years, ranging from €54 million (representing 4% of equity) at December 31, 2013, to a positive net cash position of €21 million (representing minus 1% of equity) at December 31, 2015.

Over the past three years, there have been no acquisitions or disposals of operations that have significantly impacted the Group's debt.

SHAREHOLDING AND STOCK MARKET ⁽¹⁾

5

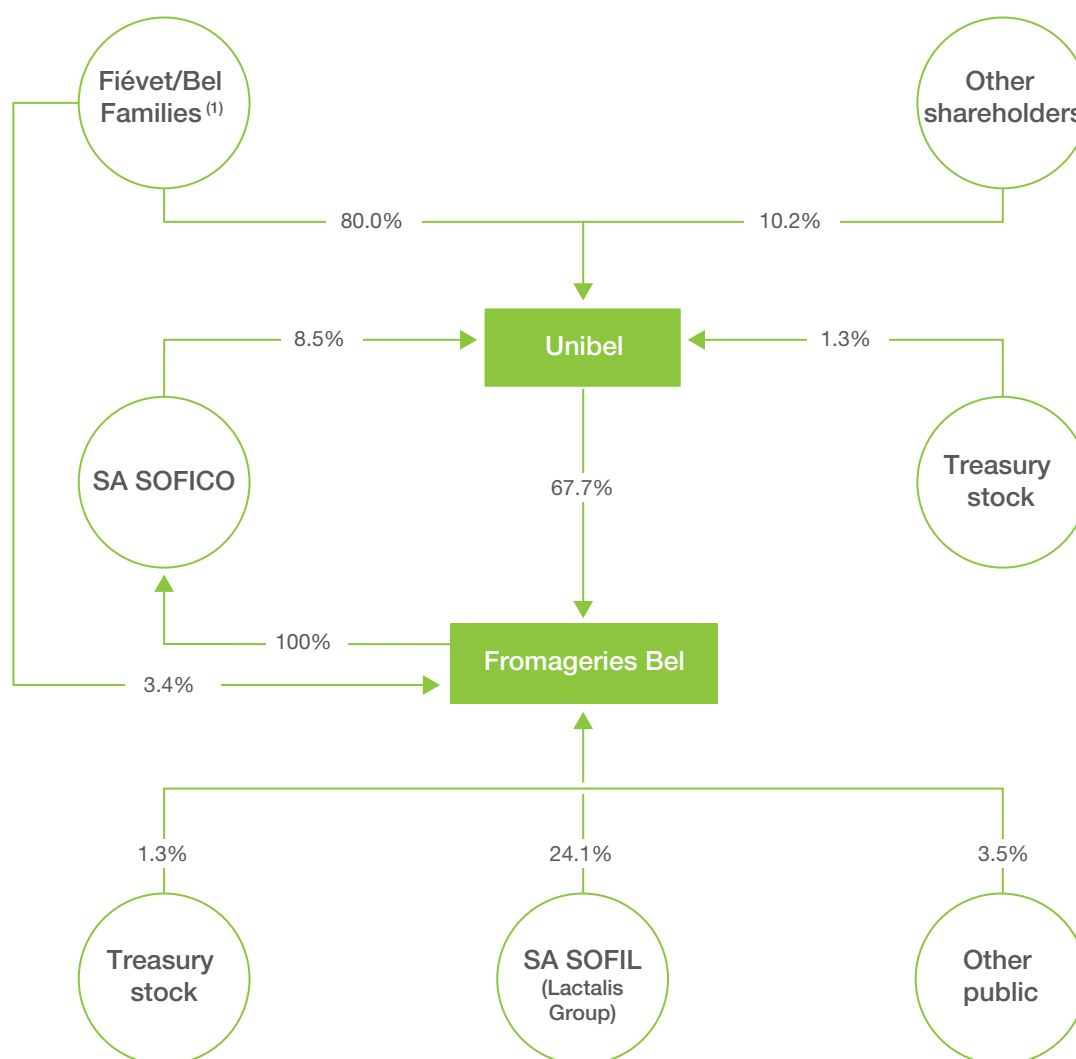
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(1) This chapter is part of the Report of the Chairman of the Board of Directors.

5.1 Shareholding and share capital

5.1.1 Shareholding as at December 31, 2015 and over the last three years

Shareholding organizational chart of the Bel Group (as % of capital)



(1) Signatory of the Unibel shareholders' agreement published on September 26, 2013 and controlled companies.

To the issuer's knowledge, Fromageries Bel's share capital is broken down between shareholders as follows:

Fromageries Bel as at December 31, 2015	Share capital		"Gross" voting rights		GM voting rights	
	Number	%	Number	%	Number	%
Unibel ^(a)	4,651,237	67.68%	9,286,134	69.03%	9,286,134	69.48%
Fiévet-Bel family group ^(b)	237,221	3.45%	473,959	3.52%	473,959	3.54%
SUB-TOTAL CONCERT	4,888,458	71.13%	9,760,093	72.55%	9,760,093	73.02%
SOFIL/Lactalis Group ^(c)	1,653,323	24.06%	3,306,646	24.58%	3,306,646	24.74%
Other shareholders	243,642	3.55%	298,983	2.22%	298,983	2.24%
SUB-TOTAL PUBLIC	1,896,935	27.61%	3,605,629	26.80%	3,605,629	26.98%
Treasury stock	86,912	1.26%	86,912	0.65%	-	0.00%
TOTAL	6,872,335	100.00%	13,452,634	100.00%	13,365,722	100.00%

(a) Company controlled at the highest level by the Fiévet-Bel family.

(b) Signatories of the Unibel agreement of September 2013.

(c) Company controlled at the highest level by the Besnier family and not represented on the Board of Directors.

No material change has occurred in shareholding or voting rights since December 31, 2015.

The share capital is comprised of 6,872,335 shares, to which 13,452,634 gross voting rights and 13,365,722 voting rights eligible for General Meetings are attached. This difference corresponds to treasury shares.

97.7% of shares are in registered form and held by 232 shareholders. 95.8% of the shares receive double voting rights after being registered continuously for four years. In early July 2013, 1,381 shareholders together held 202,362 bearer shares, i.e., more than 99% of existing bearer shares. The issuer does not have any more recent information regarding bearer shareholders.

Unibel, a French corporation (*société anonyme*) with a Management Board and Supervisory Board, held more than two thirds of the share capital and voting rights (AMF notice No. 210C0461 dated May 28, 2010). It is controlled by members of the Fiévet-Bel family group, who are bound by an agreement published by the French Financial Markets Authority on September 26, 2013. This agreement is described in AMF notice No. 213C1436 dated September 26, 2013 and in Unibel's Registration Document. These shareholders currently control 80.0% of the share capital and 88.0% of the gross voting rights of Unibel.

In addition, Société Financière et Commerciale, SOFICO, a wholly-owned subsidiary of Fromageries Bel, holds 8.5% of Unibel shares in treasury.

The Lactalis Group, controlled by the Besnier family, holds through its subsidiary Société pour le Financement de l'Industrie Laitière (SOFIL) more than 20% of the share capital and voting rights of Fromageries Bel (AMF notice No. 211C0106 dated January 28, 2011).

To the Company's knowledge, no other shareholder directly or indirectly holds, alone or in concert, more than 5% of the share capital or voting rights. No shareholder outside the family group or SOFIL holds more than 1% of the share capital or voting rights.

No threshold crossings were declared during the year.

Under articles 787 B, 885 I b and 885 I d of the French General Tax Code, share retention agreements, known as "Dutheil agreements", have been signed by shareholders, and in particular by members of the Fiévet-Bel family group and Unibel.

The most recent commitments have the following features:

Retention commitment

Regime	collective
Record date/start date	12/24/2013
Initial duration of the collective commitment	2 years
Renewal	tacit, every 3 months
% of share capital on the signing date	38%
% of voting rights on the signing date	39%
Executive signatory	Antoine Fiévet
Signatory holding at least 5% of the share capital	Unibel

"Dutheil agreements" provide direct or indirect shareholders covered by the scope of the agreement with tax exemptions of 75% of the tax base in terms of transfer duties and solidarity tax on wealth. In return, beneficiaries of these exemptions commit to a minimum individual or collective share retention period of six years.

Changes in the breakdown of share capital over the last three years

The following table indicates the breakdown of share capital and voting rights that can be exercised at General Shareholders' Meetings over the last three years.

	12/31/2015			12/31/2014			12/31/2013		
	Shares	% of share capital	% of GM voting rights	Shares	% of share capital	% of GM voting rights	Shares	% of share capital	% of GM voting rights
Unibel ^(a)	4,651,237	67.68%	69.48%	4,651,237	67.68%	69.54%	4,634,897	67.44%	68.77%
Fiévet-Bel family group ^(b)	237,221	3.45%	3.54%	237,221	3.45%	3.55%	237,221	3.45%	3.57%
SUB-TOTAL CONCERT	4,888,458	71.13%	73.02%	4,888,458	71.13%	73.09%	4,872,118	70.89%	72.34%
SOFIL/Lactalis Group ^(c)	1,653,323	24.06%	24.74%	1,653,323	24.06%	24.76%	1,653,323	24.06%	24.90%
Other shareholders	243,642	3.55%	2.24%	239,608	3.49%	2.14%	301,520	4.39%	2.76%
SUB-TOTAL PUBLIC	1,892,931	27.61%	26.98%	1,892,931	27.55%	26.91%	1,954,843	28.45%	27.66%
Treasury stock	86,912	1.26%	0.00%	90,946	1.32%	0.00%	45,374	0.66%	0.00%
TOTAL	6,872,335	100.00%	100.00%	6,872,335	100.00%	100.00%	6,872,335	100.00%	100.00%

(a) Company controlled at the highest level by the Fiévet-Bel family.

(b) Signatories of the Unibel agreement of September 2013 or April 2001 agreement for previous years.

(c) Company controlled at the highest level by the Besnier family and not represented on the Board of Directors.

5.1.2 Information on the control of the share capital

To the Company's knowledge, no agreement exists which contains clauses concerning at least 0.5% of shares or voting rights and which provides for preferential sale or purchase conditions, nor does any agreement exist whose implementation could, at a later date, lead to a change in control of the Company.

In the event of a change in control of Fromageries Bel, its banks and investors may request the reimbursement of the bond issue dated December 20, 2012 (tranches of €20 and €140 million), the advances granted for the €520 million multi-currency revolving credit facility from June 8, 2011 and its extension dated March 5, 2014, the Schuldschein issues carried out in 2013 in US dollars and euros, with maturities ranging from three to ten years, for an equivalent of €241 million and a few financing arrangements for certain non-French subsidiaries for a total amount of less than €15 million, plus interest and any other sums due, and provided that the majority of the banks/lenders request this reimbursement. A change in control would occur if the Company's principal shareholders ceased to hold, directly or indirectly, more than half of the share capital and voting rights of Fromageries Bel.

No other agreement would be modified or would end in the event of a change in control of the Company.

The family shareholders are represented by Antoine Fiévet, Chairman and Chief Executive Officer, who is also Chairman of the Unibel Management Board, and by Florian Sauvin, Unibel's permanent representative on the Board of Directors, member of the Management Board and Chief Executive Officer of Unibel.

Unibel, the Group's lead holding company, is a Director of the Company. Bruno Schoch, member of Unibel's Management Board, is Deputy General Manager of the Company.

Measures taken to ensure that control is not abused are as follows:

- the Board has a majority of four independent Directors out of seven members: Thierry Billot, Fatine Layt, James Lightburn and Nathalie Roos;
- a charter modeled on the IFA (*Institut Français des Administrateurs* – the French Institute of Directors) Charter has been put in place, to which all Directors are required to adhere. The charter defines a Director's duties, specifying, in particular, that Directors must act in the best interest of the Company under any circumstances; that they must represent all shareholders; that they are duty-bound to abstain in the event of a conflict of interests;
- the Chief Executive Officer's powers have been curtailed (see paragraph 3.1.4 "Organization and work performed by the Governance Bodies" above).

The composition of the administrative and management bodies and the governance principles applied are detailed in paragraph 3.1 "Governance principles" and in paragraph 3.2 "Compensation and benefits".

5.1.3 Share capital

Situation as at December 31, 2015

The amount of share capital subscribed for and fully paid up as of December 31, 2015 is €10,308,502.50. It is divided into 6,872,335 shares with a par value of €1.50.

Each share confers the right to ownership in the Company's assets, a share in the profits and in the liquidation surplus, proportional to the percentage of share capital that it represents.

Securities giving access to the capital, shares that do not represent share capital, options

As at December 31, 2015, there are no securities giving access to the capital, no shares that do not represent share capital, nor any options. Information on free share award programs in place is detailed below in paragraph 5.2.3 "Stock options/performance shares".

Delegations and authorizations granted by the General Meeting to the Board of Directors (in accordance with article L. 225-100 of the French Commercial Code) currently valid or terminated during the year

Date of the Meeting	Purpose of the delegation	Maximum nominal amount authorized or number of shares	Duration and/or expiration date of the delegation	Date and terms of use by the Board of Directors
May 12, 2015	Authorization given to the Board of Directors to grant free shares, already existing or to be issued by the Company for personnel and/corporate officers of the Company and of its subsidiaries.	30,000 shares	38 months, i.e., until July 11, 2018	(a)
May 14, 2014	Authorization given to the Board of Directors to increase share capital in favor of employees who are members of a company savings scheme, without preferential subscription rights for the latter.	The maximum nominal amount of capital increases may not exceed 1% of the share capital	26 months, i.e., until July 13, 2016	None

(a) In accordance with this delegation, the Board of Directors meeting of July 29, 2015 adopted a free share award plan relating to existing shares. The Board granted 5,527 shares, subject to presence and performance conditions being met. Therefore, based on this resolution, it can still grant 24,473 shares.

History of the share capital over the last five years

Date	Type of transaction	Number of shares created or canceled	Change in nominal capital (in euros)	Reserves	After the nominal transaction (in euros)	Number of shares
01/01/2011	Starting position	-	-	-	10,308,502.50	6,872,335
12/31/2015	Final position	-	-	-	10,308,502.50	6,872,335

Crossing statutory thresholds

In addition to the thresholds defined in legal and regulatory provisions, article 10 of Fromageries Bel's articles of association states that any individual or legal entity, acting alone or in concert, who has obtained, in any manner, alone or in concert, within the meaning of articles L. 233-7 *et seq.* of the French Commercial Code, a number of securities representing a share equal to 1% of share capital and/or voting rights at the General Meeting or any multiple of this percentage, must inform the Company of the total number of shares that they possess via certified mail with return receipt requested, addressed to the head office within 15 days of crossing the 1% threshold. This obligation applies under the same conditions mentioned above each time that the percentage

of share capital and/or voting rights possessed falls below one of the above thresholds. In the event that the above-mentioned stipulations are not complied with, the shares exceeding the threshold that are subject to disclosure shall be stripped of their voting rights. If adjusted, the corresponding voting rights may not be exercised until the expiration of the time frame provided for by law and regulations currently in effect. However, except in the case of crossing one of the thresholds listed in aforementioned article L. 233-7, this penalty shall only be applied upon the request of one or more shareholders holding, together or separately, at least 5% of share capital and/or voting rights of the Company, and recorded in the General Meeting minutes.

Changes to shareholders' rights

Any change in rights attached to securities making up the Company's share capital is governed by legal requirements. The articles of association do not define any specific provisions.

General Meetings – Meeting notification method – Terms of admission and conditions for exercising voting rights

Meeting notification methods, terms of admission and conditions for exercising voting rights for the General Meeting are governed by law and articles 20 and 21 of the Company's articles of association, and read as follows:

- Ordinary and Extraordinary General Meetings are made up of all shareholders, regardless of the number of shares they hold;
- the Annual Ordinary General Meeting meets at least once per year, during the six months following the closure of each financial year, subject to the extension of this deadline by adjudication;
- Extraordinary General Meetings or Ordinary General Meetings convened extraordinarily may meet during the year;
- General Meetings take place at the head office, or in any other location indicated in the notice of meeting;
- the agenda is approved by the party issuing the summons, subject to the exceptions provided for by law. Only items on the agenda may be discussed, except for circumstances permitted by law concerning the removal of Directors and their replacement;

- the right to participate in General Meetings is subject to the registration of securities in the shareholder's name or in the name of the intermediary registered on their behalf, pursuant to article L. 228-1 of the French Commercial Code, by the second business day prior to the General Meeting at midnight, Paris time, either in the registered securities accounts kept by the Company or in the bearer securities accounts kept by the authorized intermediary;
- regarding bearer securities, the registration or recording of securities in the accounts held by the authorized intermediary is recorded by a registration certificate issued by the latter;
- shareholders may also vote by mail, in accordance with applicable laws and regulations.

If unable to attend the General Meeting in person, any shareholder may participate by either:

- voting by mail;
- or by appointing the Chairman, his or her spouse or partner in a civil union, another shareholder or any other person (individual or legal entity) of his or her choice as his or her representative, under the terms and conditions set forth by the legal and regulatory provisions in force, or even without appointing a proxy.

For any power of attorney given by a shareholder without indicating a specific proxy, the Chairman of the General Meeting shall vote in favor of adopting draft resolutions presented or approved by the Board of Directors and shall vote against adopting any other draft resolutions.

The proxy and vote by mail forms are drawn up and made available to shareholders pursuant to current legislation.

5.1.4 Double voting rights

On December 2, 1935, the Extraordinary General Meeting instituted double voting rights.

In accordance with article 24 of the articles of association, a double voting right that is conferred to bearer shares is granted to fully paid-up shares for which evidence has been provided that the share has been registered under the same shareholder for at least four years.

The double voting right automatically ceases for any share that has been converted to bearer form or is transferred. However, transfer following inheritance, liquidation of marital property between spouses, or inter vivos donations for a spouse or relative entitled to inherit shall not interrupt the aforementioned four-year time frame and shall retain the rights acquired.

Furthermore, in the event of a capital increase by incorporation of reserves, profits or issue premiums, the double voting right may be conferred, as from their issue, to registered shares granted freely to a shareholder in connection with old shares that received this right.

The double voting right may be removed by a decision of the Extraordinary General Meeting after approval by the Special Meeting of Beneficiary Shareholders.

5.2 Stock market

Fromageries Bel was listed on the Paris stock exchange on December 11, 1946.

There are 6,872,335 Fromageries Bel shares listed on double call auction on the Euronext Paris Exchange, Compartment A. Fromageries Bel's shares are eligible for "long-only" Deferred Settlement Service (SRD): given the limited liquidity of the security, short selling is not authorized.

ISIN code: FR 0000121857 – mnemonic: FBEL.

5.2.1 Change in Fromageries Bel share price and traded share volumes

	(in euros)			Number of securities traded	Volume (in thousands of euros)	Average trading price (in euros)	Average closing price for CAC All Tradable Index
	Highest	Lowest	Last				
2009	134.90	78.02	129.00	57,816	6,036	104.40	2,654
2010	159.94	114.04	152.50	39,650	5,293	133.49	2,711
2011	177.00	138.99	174.90	30,371	4,817	158.61	2,654
2012	192.88	170.00	181.10	24,993	4,585	183.46	2,511
2013	300.00	180.00	271.01	27,210	6,985	256.71	2,983
January 2014	290.00	268.50	285.00	727	205	281.32	3,239
February 2014	290.00	281.00	285.00	524	148	282.67	3,284
March 2014	295.00	275.10	276.61	823	237	287.85	3,328
April 2014	308.00	277.05	295.00	1,913	550	287.64	3,399
May 2014	308.00	265.20	288.50	2,670	732	274.04	3,433
June 2014	290.01	277.00	286.00	68,806	19,268	280.03	3,465
July 2014	300.00	275.60	280.20	834	239	286.50	3,348
August 2014	284.00	270.00	273.20	739	205	277.08	3,252
September 2014	295.00	270.01	290.00	1,769	506	285.86	3,373
October 2014	314.00	290.02	300.00	603	185	306.20	3,148
November 2014	310.00	291.60	296.03	309	94	302.88	3,259
December 2014	300.00	286.00	292.00	856	251	292.71	3,275
2014	314.00	265.20	292.00	80,573	22,618	280.71	3,316
January 2015	300.00	285.00	297.00	13,698	4,000	292.32	3,381
February 2015	309.70	288.01	300.00	577	171	296.58	3,673
March 2015	310.00	290.00	305.00	800	243	303.82	3,850
April 2015	309.00	296.05	296.24	783	237	303.28	3,978
May 2015	345.40	300.00	314.00	521	167	319.95	3,903
June 2015	325.00	300.00	321.00	2,100	646	307.39	3,802
July 2015	320.00	303.15	320.00	663	207	311.48	3,818
August 2015	345.00	315.01	334.50	715	241	337.75	3,759
September 2015	347.00	326.20	344.95	1,138	384	337.00	3,488
October 2015	374.40	344.95	372.00	752	274	364.64	3,624
November 2015	439.00	370.00	418.00	2,829	1,139	402.59	3,770
December 2015	440.00	420.00	436.90	1,571	681	433.75	3,612
2015	440.00	285.00	436.90	26,147	8,390	334.19	3,721
January 2016	440.00	405.00	435.00	1,550	671	431.35	3,369
February 2016	450.00	412.80	450.00	797	343	435.17	3,247

Source: Euronext.

5.2.2 Summary of transactions by managers and similar persons

No transactions by managers and similar persons involving the Company's shares have been recorded since early 2015 under article 621-18-2 of the French Monetary and Financial Code and article 223-26 of the AMF General Regulations.

Manager	Type of transaction	Number of transactions	Amount of transactions (in thousands of euros)
	None		

5.2.3 Stock options/performance shares

No stock option program is in effect within the Group for the year ended December 31, 2015 or prior years.

However, free share award plans (AGA) were implemented starting in 2007, subject to performance conditions. Beneficiaries of this first plan have been free to sell the shares awarded in this context since April 2011.

Since this date, a plan has been put in place each year. The following table contains a summary of plans that have had an impact on the 2015 financial year.

Fromageries Bel AGA Plans

Plan Number	4	5	6	7	8	9
Award date	03/24/2010	05/12/2011	05/10/2012	08/29/2013	08/27/2014	07/29/2015
Vesting date	03/24/2013	05/12/2013	05/10/2014	08/30/2015	08/29/2016	07/30/2017
Availability date	03/24/2015	05/12/2015	05/10/2016	08/30/2017	08/29/2018	07/30/2019
Number of securities granted	12,010	7,243	7,234	5,130	5,447 ^(a)	5,527 ^(a)
Number of securities transferred	8,578	5,282	6,557	4,822	n/a	n/a
Number of employee beneficiaries	69	76	84	84	100 ^(a)	110 ^(a)

^(a) Subject to presence and performance conditions.

In 2015, the vesting period for the 2013 AGA No. 7 plan ended after two years. Based on achieving 100% of the target ROCE (Return On Capital Employed) and EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization) measured over two years, the ownership of 4,822 existing shares was transferred to 84 beneficiaries.

On July 29, 2015, the Board of Directors voted the ninth AGA plan. A total of 5,527 existing shares were awarded to 110 beneficiaries. These shares will be transferred to the beneficiaries on July 30, 2017, depending on the ROCE and EBITDA performance achieved in 2015 and 2016 and subject to a condition of presence. With these shares, 11,092 performance units valued at the average share price between February and July 2015 and subject to the same performance conditions have been granted for payment in July 2017.

No corporate officer was awarded free shares.

The ten largest awards to employees represented 1,960 shares.

After taking into account the known results and departures, as at December 31, 2015, 10,781 existing shares could still be awarded under the eighth and ninth plans.

As at December 31, 2015, employees did not hold any stake in Fromageries Bel's share capital within the meaning of article L. 225-102 of the French Commercial Code.

5.2.4 Share buyback program: report and description

Report on share buyback programs

The Combined General Meeting of May 12, 2015 authorized the Board of Directors, for a period of 18 months from said Meeting (*i.e.*, until November 11, 2016), to implement a share buyback program in accordance with the provisions of the AMF General Regulations and European Commission Regulation No. 2273/2003 of December 22, 2003. This authorization replaced the one granted by the General Meeting on May 14, 2014.

In 2015, Fromageries Bel acquired 788 treasury shares at an average share price of €328 for a total amount of €259,000.

A total of 4,822 shares were transferred to the beneficiaries of the seventh free share award plan.

No reallocation of treasury shares to another purpose occurred in 2015.

Number of treasury shares as at Thursday, December 31, 2015

Number of treasury shares	86,912
% of capital in treasury stock	1.26%
Value based on purchase price	€21,110,000
Net carrying value	€21,110,000
Par value	€130,000

Description of the share buyback program submitted to the Combined General Meeting on Thursday, May 12, 2016

Pursuant to the provisions of article 241-2 of the AMF General Regulations, as well as European Regulation No. 2273/2003 of December 22, 2003, this description outlines the purposes and terms of the Company's share buyback program. This program will be subject to the authorization of the General Meeting on May 12, 2016.

Breakdown by objective of share capital held on Monday, February 29, 2016

Number of shares held directly and indirectly: 86,912, representing 1.26% of share capital.

Number of shares held broken down by objective:

Supporting the stock price via a liquidity contract	None
External growth transactions	None
Covering stock options or other employee shareholding plans	86,912
Covering marketable securities entitling the allocation of shares	None
Cancellation	None

Fromageries Bel does not use derivatives; therefore, there are no open purchase or sale positions.

At the end of 2015, 10,781 shares could still be awarded to Group employees under the free share award programs in place, subject to performance and presence conditions. This figure is to be compared with 86,912 treasury shares held as of the same date.

New share buyback program

- Subject to the program's approval by the General Shareholders' Meeting on Thursday, May 12, 2016.
- Securities concerned: ordinary shares.
- Maximum proportion of share capital authorized for the buyback: 10% of share capital (*i.e.*, 687,233 shares as of the date of this report), it being specified that this limit is set on the day of the buyback in order to take into account potential capital increases or decreases that could take place throughout the duration of the program. The number of shares taken into account to calculate this limit corresponds to the number of purchased shares, less the number of shares resold during the program for liquidity purposes.
- The Company may not hold more than 10% of its share capital. Considering the number of shares already held (86,912 shares, *i.e.*, 1.26% of share capital), the maximum number of shares that may be purchased is 600,321 shares (*i.e.*, 8.74% of share capital) unless the securities already held are sold, transferred or canceled.
- Maximum purchase price: €540.
- Maximum program amount: €371,105,820.

Terms of the buyback: purchases, disposals and transfers may be carried out by any means on the market or over-the-counter, including by transactions on blocks of securities, it being specified that the resolution submitted for shareholder vote does not limit the portion of the program that can be carried out by purchasing blocks of securities. These transactions may also be carried out during a public offering in compliance with the regulations in effect.

- Objectives:

- ensure the coverage of stock option plans and/or free share award plans (or similar plans) for employees and/or corporate officers of the Group as well as any allocations of shares for a company or group savings scheme (or similar plan) for employee profit-sharing and/or any other forms of share allocations to employees and/or corporate officers of the Group;
- keep the purchased shares for subsequent use in exchange or in payment for potential external growth transactions, it being specified that the shares purchased to this effect may not exceed 5% of the Company's share capital;

- ensure the coverage of securities entitling the allocation of Company shares under current regulations;
 - potentially cancel the shares purchased, in accordance with the authorization granted by the General Shareholders' Meeting on May 12, 2016, in its fifth extraordinary resolution;
 - support the secondary market or the liquidity of the stock through an investment service provider via a liquidity contract, in compliance with the AMAFI Code of Conduct approved by the French Financial Markets Authority, if such a contract is implemented.
- Duration of the program: 18 months starting from the General Meeting on May 12, 2016, *i.e.*, until November 11, 2017.

COMBINED GENERAL MEETING ON MAY 12, 2016

6

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6.1 Agenda

ORDINARY ITEMS

1. Approval of the annual financial statements for the year ended December 31, 2015 and approval of expenses and charges that are not tax-deductible
2. Approval of the consolidated financial statements for the year ended December 31, 2015
3. Allocation of income and setting of the dividend to be distributed
4. Statutory Auditors' Special Report on regulated agreements and undertakings, and approval of these agreements
5. Authorization to be granted to the Board of Directors to have the Company buy back its own shares as provided for under article L. 225-209 of the French Commercial Code, duration of the authorization, purposes, terms, and ceiling
6. Renewal of the term of office of James Lightburn as Director
7. Renewal of the term of office of Fatine Layt as Director
8. Renewal of the term of office of Deloitte & Associés as Statutory Auditor
9. Renewal of the term of office of BEAS as Alternate Statutory Auditor
10. Renewal of the term of office of Grant Thornton as Statutory Auditor
11. Renewal of the term of office of IGEC as Alternate Statutory Auditor
12. Ratification of the head office relocation and the corresponding amendment of article 4 of the articles of association

EXTRAORDINARY ITEMS

13. Authorization to be granted to the Board of Directors to cancel the shares that the Company purchased as provided for under article L. 225-209 of the French Commercial Code, duration of the authorization and ceiling
14. Authorization to be granted to the Board of Directors to grant free shares, already existing and/or to be issued, to employees and/or certain corporate officers of the Company and related companies, waiver of preferential subscription rights, duration of the authorization, ceiling, length of vesting periods particularly where the retention period is invalid
15. Harmonization of article 21 of the articles of association
16. Powers to carry out formalities

6.2 Text of the draft resolutions

ORDINARY ITEMS

First resolution – Approval of the annual financial statements for the year ended December 31, 2015 and approval of expenses and charges that are not tax-deductible

The General Meeting, after having reviewed the Board of Directors' Report, the Chairman's Report and the Statutory Auditors' Reports for the year ended December 31, 2015, approves, as presented, the annual financial statements for the year then ended, which show a profit of €116,143,509.74.

The General Meeting approves the amount of expenses and costs referred to in article 39.4 of the French General Tax Code, totaling €338,743.62, as well as the corresponding amount of tax.

Second resolution – Approval of the consolidated financial statements for the year ended December 31, 2015

The General Meeting, after having reviewed the Board of Directors' Report, the Chairman's Report and the Statutory Auditors' Reports on the consolidated financial statements for the year ended December 31, 2015, approves the consolidated financial statements as presented, which show a profit of €184,453,000 (Group share).

Third resolution – Allocation of income for the year and setting of the dividend to be distributed

The General Meeting, upon the proposal of the Board of Directors, decides to allocate the income for the year ended Thursday, December 31, 2015 as follows:

Starting point

Retained earnings previously brought forward	€285,819,807.06
Profit for the period	€116,143,509.74
Distributable profit	€401,963,316.80

Allocation of income

Distribution of a dividend of €9 per share, i.e., a maximum dividend to distribute equal to	€61,851,015.00
Minimum retained earnings to carry forward after allocation	€340,112,301.80
DISTRIBUTABLE PROFIT	€401,963,316.80

The General Meeting notes that the overall gross dividend per share is set at €9 and that the total amount distributed is therefore eligible for the 40% tax allowance mentioned in article 158-3-2 of the French General Tax Code.

The ex-dividend date is set for May 18, 2016. Dividends will be paid on May 20, 2016.

As the Fromageries Bel shares that may be held by the Company on the ex-dividend date are not intended for this purpose, the sums corresponding to the unpaid dividends for these shares shall be allocated to retained earnings.

In compliance with the provisions set out in article 243 bis of the French General Tax Code, the General Meeting notes that the distributed dividends and income for the last three years were as follows:

For the fiscal year	Earnings eligible for the tax allowance		Earnings not eligible for the tax allowance
	Dividends	Other distributed earnings	
2012	€42,952,093.75 ^(a) or €6.25 per share	-	-
2013	€42,952,093.75 ^(a) or €6.25 per share	-	-
2014	€42,952,093.75 ^(a) or €6.25 per share	-	-

(a) Including the amount of the dividend corresponding to treasury shares not paid out and allocated to retained earnings.

Fourth resolution – Statutory Auditors' Special Report on regulated agreements and undertakings, and approval of the new agreement

The General Meeting, deliberating on the Statutory Auditors' Special Report on regulated agreements and undertakings presented to it, approves the new agreement mentioned therein along with the terms of this report.

Fifth resolution – Authorization to be granted to the Board of Directors to have the Company buy back its own shares as provided for under article L. 225-209 of the French Commercial Code, duration of the authorization, purposes, terms, and ceiling

The General Meeting, after having reviewed the Board of Directors' Report, authorizes the Board of Directors, for a period of eighteen months, in accordance with the provisions of articles L. 225-209 *et seq.* of the French Commercial Code, to purchase, on one or more occasions, at the time or times it shall deem fit, shares in the Company representing up to a maximum of 10% of share capital, and where applicable, adjusted in order to take into account potential capital increases or decreases that could take place during the program.

This authorization terminates the authorization given to the Board of Directors by the General Meeting on May 12, 2015 in its seventh ordinary resolution.

Buybacks may be carried out to:

- support the secondary market or the liquidity of Fromageries Bel stock through an investment service provider via a liquidity contract, in compliance with the AMAFI Code of Conduct approved by the regulations;
- keep the purchased shares for subsequent use in exchange or in payment for potential external growth transactions;
- ensure the coverage of stock option plans and/or free share award plans (or similar plans) for employees and/or corporate officers of the Group as well as any allocations of shares for a company or group savings scheme (or similar plan) for employee profit-sharing and/or any other forms of share allocations to employees and/or corporate officers of the Group;
- ensure the coverage of securities entitling the allocation of Company shares under current regulations;
- potentially cancel all or part of the shares purchased, subject to the authorization granted or to be granted by the Extraordinary General Meeting.

These buyback may be carried out in any form, including as blocks of shares, and at the time of the Board of Directors' choosing.

The Company reserves the right to use options or derivatives, pursuant to applicable regulations.

The maximum purchase price is set at €540 per share. In the event of a transaction on the share capital, notably a stock split or reverse stock split or free share awards, the aforementioned amount will be adjusted proportionally (multiplier coefficient equal to the ratio between the number of shares making up the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the transaction is set at €371,105,820.

The General Meeting confers all powers to the Board of Directors to carry out these transactions, to determine the terms and conditions, to enter into any agreement and to carry out any required formalities.

Sixth resolution – Renewal of the term of office of James Lightburn as Director

The General Meeting, after noting that the term of office of James Lightburn expires at the end of this Meeting, decides to renew his term as Director for a four-year period, to expire at the end of the General Meeting to be held in 2020 to approve the financial statements for the previous financial year.

Seventh resolution – Renewal of the term of office of Fatine Layt as Director

The General Meeting, after noting that the term of office of Fatine Layt expires at the end of this Meeting, decides to renew her term as Director for a four-year period, to expire at the end of the General Meeting to be held in 2020 to approve the financial statements for the previous financial year.

Eighth resolution – Renewal of the term of office of Deloitte & Associés as Statutory Auditor

The General Meeting, having reviewed the Board of Directors' Report, decides to renew the term of office of the firm Deloitte & Associés, 185 avenue Charles de Gaulle, 92200 Neuilly sur Seine, as Statutory Auditors for a further six-year period, *i.e.*, until the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021.

Ninth resolution – Renewal of the term of office of BEAS as Alternate Statutory Auditor

The General Meeting, having reviewed the Board of Directors' Report, decides to renew the term of office of the firm BEAS, 7/9 villa Houssay, 92200 Neuilly-sur-Seine, as Alternate Statutory Auditors for a further six-year period, *i.e.*, until the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021.

Tenth resolution – Renewal of the term of office of Grant Thornton as Statutory Auditor

The General Meeting, having reviewed the Board of Directors' Report, decides to renew the term of office of the firm Grant Thornton, 100 rue de Courcelles, 75017 Paris, as Statutory Auditors for a further six-year period, *i.e.*, until the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021.

Eleventh resolution – Renewal of the term of office of IGEC as Alternate Statutory Auditor

The General Meeting, having reviewed the Board of Directors' Report, decides to renew the term of office of the firm IGEC, 3 rue Leon Jost, 75017 Paris, as Alternate Statutory Auditors for a further six-year period, *i.e.*, until the Ordinary General Meeting to be held in 2022 to approve the financial statements for the year ending December 31, 2021.

Twelfth resolution – Ratification of the head office relocation and the corresponding amendment of article 4 of the articles of association

The General Meeting expressly ratifies, in accordance with article L. 225-36 of the French Commercial Code:

1. the relocation of the Company's head office from 16 boulevard Malesherbes, 75008 Paris to 2 allée de Longchamp, 92150 Suresnes, effective November 12, 2015; and
2. the amendment of article 4 of the articles of association, which now reads as follows:

“Article 4 – Head office

The head office is located at 2 allée de Longchamp, 92150 Suresnes.”

Pursuant to a decision by the Board of Directors adopted on November 12, 2015.

The rest of article 4 remains unchanged.

EXTRAORDINARY ITEMS

Thirteenth resolution – Authorization to be granted to the Board of Directors to cancel the shares that the Company purchased as provided for under article L. 225-209 of the French Commercial Code, duration of the authorization and ceiling

The General Meeting, after having reviewed the Board of Directors' Report and the Statutory Auditors' Report:

1. authorizes the Board of Directors to cancel, at its sole discretion, one or more times, subject to a limit of 10% of share capital calculated on the day the cancellation decision is made, deducting any potential shares canceled during the previous 24 months, the shares that the Company holds or could hold following the buybacks carried out under article L. 225-209 of the French Commercial Code, as well as to reduce the share capital proportionally in accordance with the legal and regulatory provisions in effect;
2. grants this authorization for a period of twenty-four (24) months as from this Meeting;
3. fully empowers the Board of Directors to carry out the transactions required for such cancellations and corresponding reductions of share capital, to amend the Company's articles of association accordingly and to accomplish any formalities required.

Fourteenth resolution – Authorization to be granted to the Board of Directors to grant free shares, already existing and/or to be issued, to employees and/or certain corporate officers of the Company and related companies, waiver of preferential subscription rights, duration of the authorization, ceiling, length of vesting periods particularly where the retention period is invalid

The General Meeting, after having reviewed the Board of Directors' Report and the Statutory Auditors' Special Report, authorizes the Board of Directors to grant, on one or more occasions, in accordance with articles L. 225-197-1 and L. 225-197-2 of the French Commercial Code, ordinary shares in the Company, already existing or to be issued, to:

- employees of the Company or companies related directly or indirectly thereto, pursuant to article L. 225-197-2 of the French Commercial Code; and/or
- corporate officers meeting the conditions set out in article L. 225-197-1 of the French Commercial Code.

The total number of free shares thus granted cannot represent more than 30,000 Company shares at a par value of €1.50.

The allocation of these shares to beneficiaries will be definitive following a vesting period set by the Board of Directors, the duration of which may not be less than one year. Beneficiaries must, where applicable, retain these shares for a period set by the Board of Directors, at least equal to the period necessary so that the combined duration of the vesting and retention periods is not less than two years.

By way of exception, shares may be fully vested prior to the end of the vesting period in the event of the beneficiary's disability, pursuant to the second or third categories defined by article L. 341-4 of the French Social Security Code.

All powers are conferred to the Board of Directors to:

- set the conditions and, where applicable, the criteria for allocating shares;
- establish the identity of beneficiaries, along with the number of shares to be allocated to each of them;
- where applicable:
 - recognize the existence of sufficient reserves and transfer, for each allocation, to an unavailable reserve account the amounts necessary to pay for the new shares to be granted,
 - decide, at the appropriate time, to increase the share capital by incorporating reserves, premiums or profits as a result of the issue of free shares,
 - acquire the necessary shares as part of the share buyback program and allocate those shares to the award plan,
 - determine the impact on the rights of the beneficiaries of transactions modifying the share capital or likely to affect the value of the granted shares and carried out during the acquisition period and, as a result, modify or adjust, if necessary, the number of shares granted to preserve the rights of beneficiaries,
 - take all appropriate measures to ensure that beneficiaries comply, where applicable, with the obligation to retain shares, and
 - generally do everything that is required to implement the present authorization in accordance with applicable regulations.

This authorization entails the express waiver by shareholders of their preferential subscription rights to new shares issued by incorporation of reserves, profits or issue premiums.

It is granted for a period of thirty-eight (38) months starting from this Meeting.

It shall cancel, for the portion not used, any authorization previously given to the same effect.

Fifteenth resolution – Harmonization of article 21 of the articles of association

The General Meeting, having reviewed the Board of Directors' Report, resolves:

- to align the articles of association with the provisions set out in article R. 225-85 of the French Commercial Code, as amended by decree No. 2014-1466 dated December 8, 2014;
- to amend the second paragraph of article 21 of the articles of association accordingly and as follows, with the rest of the article remaining unchanged:

"Regarding bearer securities, the registration of securities in the accounts held by the authorized intermediary is recorded by a registration certificate issued by the latter."

Sixteenth resolution – Powers to carry out formalities

The General Meeting gives all powers to anyone who possesses an original, a copy or an excerpt of these Meeting minutes in order to carry out any filing and disclosure formalities required by law.



ADDITIONAL INFORMATION

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7.1 Person responsible for the Registration Document and Annual Financial Report

Name and position

Antoine Fiévet, Chairman and Chief Executive Officer of Fromageries Bel.

Declaration of the person responsible

I hereby attest, after taking every reasonable measure to this effect, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with facts and does not contain any omission likely to impair the scope of this information.

To the best of my knowledge, I further attest that the financial statements are prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and of all the companies included in its scope of consolidation, and that the Management Report, included in this Registration Document in the chapters and paragraphs indicated in the cross-reference tables in chapter 7, present an accurate depiction of the development of the business, results and financial position of the Company and of all the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties they face.

I have received a letter from the Statutory Auditors confirming that they have completed the work necessary to verify the information on the financial position and financial statements given in this Registration Document and have read the document in its entirety.

The historical financial information presented in this document was the subject of the Statutory Auditors' Reports, which are published following this information in paragraphs 4.5.1 and 4.5.2.

Paris, April 1, 2016

Chairman and Chief Executive Officer

Antoine Fiévet

7.2 Information about the Company

Corporate name, trade name and acronym

Fromageries Bel

This legal name may or may not be followed by the tag line:
La vache qui rit [The Laughing Cow].

Acronym: F.B.S.A.

Place of registration and registration number

RCS (Trade and Companies Registry) number: 542 088 067
Nanterre

NAF/APE code (French industry classification number): 1051 C –
Manufacture of cheese

Date of incorporation and duration

Date of incorporation: November 16, 1922

Expiration date: December 31, 2040, unless the Company is dissolved early or the Extraordinary General Shareholders' Meeting decides to extend the duration.

Head office, legal form and applicable legislation

Registered head offices: 2 allée de Longchamp – 92150 Suresnes

Phone: +33 1 84 02 72 50

Legal form: French corporation (*société anonyme*) with a Board of Directors

Fromageries Bel is a French corporation (*société anonyme*) governed under French law, subject to all legislation governing commercial businesses in France, and particularly the provisions set forth by the French Commercial Code and the provisions of its articles of association.

Corporate financial year

From January 1 to December 31 each year.

Corporate purpose

(Excerpt from the articles of association – article 2)

The Company's purpose, in all countries, is:

- the trade, manufacture and transformation of all dairy products, their derivatives and their components;

- the construction, acquisition, sale, leasing, transformation and appropriation of all buildings and premises required for the Company's operation;
- the study, creation, registration, purchase, hire, use or representation of all patents, manufacturing processes or marks;
- the acquisition of holdings in all companies which manufacture and market all chemical products.

More generally, all industrial, commercial or financial operations, involving both real and intangible property, which may relate directly or indirectly to the corporate purpose or likely to promote its development, such as for example, the dissemination or sale of objects of an advertising nature or intended to promote sales.

And all of the aforementioned, in all ways, direct or indirect, in accordance with the methods which will seem appropriate, without any restriction both as an intermediary and by intervention and, in particular, by the study and the creation of new companies or by acquiring interests in any existing companies, either in the form of shareholdings, concessions of licenses, or through subscriptions or purchases of securities, shares and corporate rights, or by merging with any companies or absorbing them.

Conditions on fixing and allocation of profit

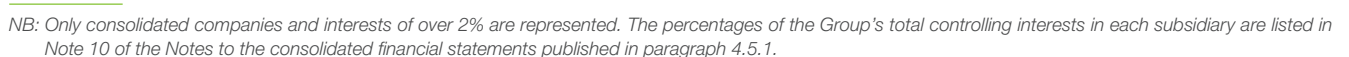
(Excerpt from the articles of association – article 26)

If the distributable profits determined in accordance with the law and noted by the Annual Ordinary General Shareholders' Meeting after approval of the accounts are sufficient, the General Shareholders' Meeting may decide to assign them to one or several reserve accounts whose allocation or use it controls, to carry them over or to distribute them to the shareholders as dividends.

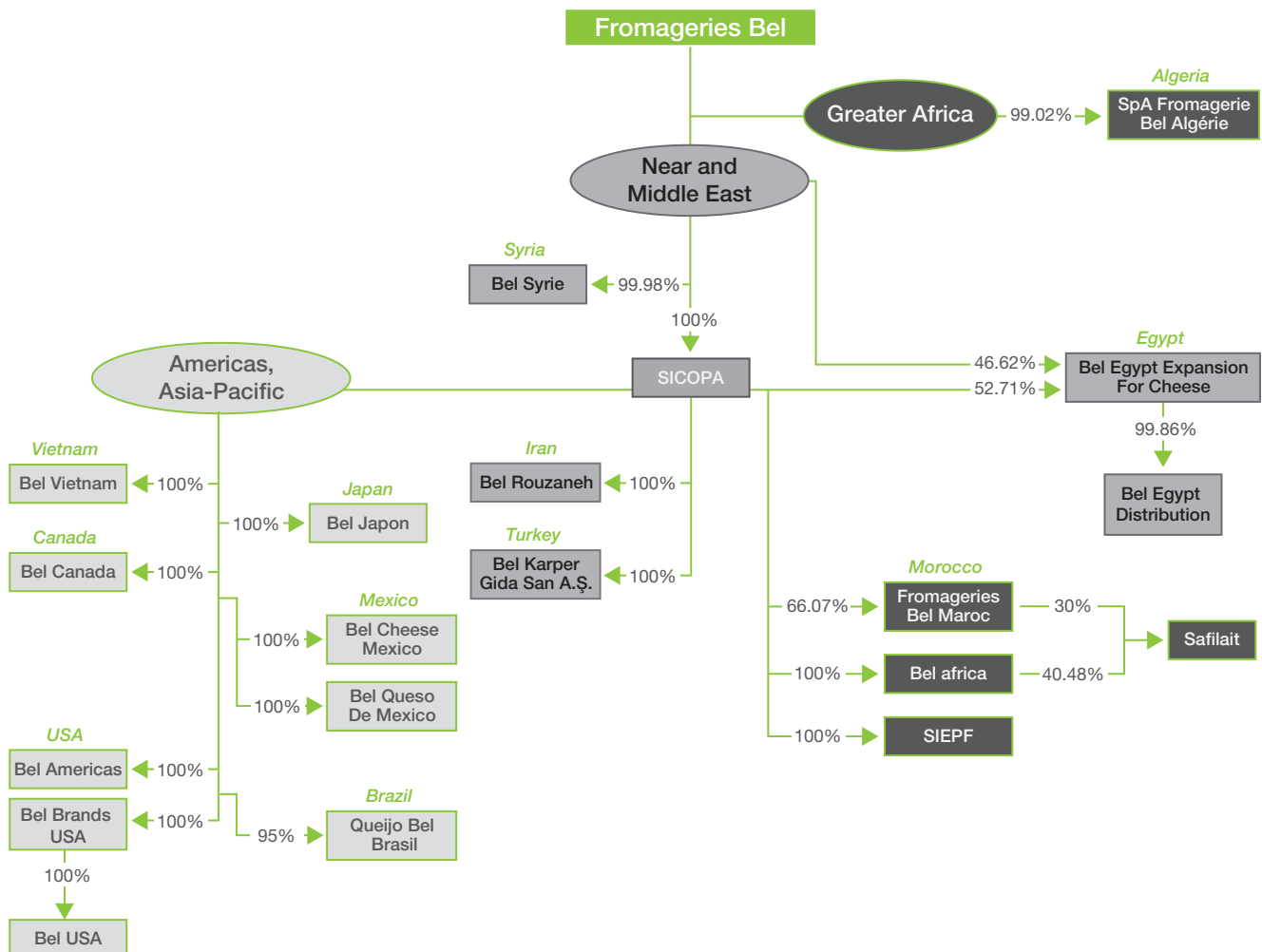
The Annual General Shareholders' Meeting has the ability to grant each shareholder, for all or part of the dividends paid or interim dividends, an option between payment in cash and/or in shares.

The Meeting may, in addition, collect all sums in the reserve funds at its disposal for their distribution to shareholders, on condition that the accounts from which the debits thus made are stated. However, dividends are preferably paid out of the distributable profits for the period.

Europe



Rest of the world



NB: Only consolidated companies and interests of over 2% are represented.

7.4 Material contracts

Agreements concluded by the Company and its subsidiaries in the normal course of business are not presented below.

The Group has committed to acquiring interests held by third parties, shareholders in certain consolidated companies, if they wish to exercise their option to sell. The exercise price of these options is generally dependent upon the profitability and financial position of the entity concerned on the date the option is exercised.

Please refer to paragraph 4.4.2 "Sources and amounts of the Group's consolidated cash flow" of this Registration Document concerning the amount of commitments recognized as at December 31, 2015.

Information regarding the current service agreement between Unibel and Fromageries Bel is provided in paragraph 3.5.2 "Related parties".

7.5 Publicly available documents

Information on the Group is available in the Finance section of the corporate website www.groupe.bel.com.

The articles of association, General Meeting minutes, Statutory Auditors' Reports as well as other corporate documents can be consulted at the Company's head office, located at 2 allée de Longchamp, 92150 Suresnes, France, by contacting the Secretariat of the Board of Directors.

7.6 Cross-reference tables

7.6.1 Cross-reference table with Annex 1 of European Regulation No. 809/2004

This cross-reference table lists the headings of Annex 1 of European Regulation No. 809/2004 and corresponds to the paragraphs of the Registration Document that contain the corresponding information.

		Chapters or paragraphs of the Registration Document
1	Responsible persons	7.1
1.1	Persons responsible for information	7.1
1.2	Declaration of the person responsible for the Registration Document	7.1
2	Statutory Auditors	4.5.3
2.1	Name and address	4.5.3
2.2	Potential changes	4.5.3
3	Selected financial information	1
3.1	Historical financial information	1
3.2	Interim financial information	Not applicable
4	Risk factors	1.6
5	Information about the issuer	1, 7.2
5.1	History and development of the Company	1.1.3
5.1.1	Corporate name and trade name	7.2
5.1.2	Place of registration and registration number	7.2
5.1.3	Date of incorporation and duration	7.2
5.1.4	Head office and legal form, applicable legislation	7.2
5.1.5	Important events in the development of the Company's business	1.1.3
5.2	Main investments	1.5.2
5.2.1	Main investments made	1.5.2
5.2.2	Main investments in progress	1.5.2
5.2.3	Main future investments	1.5.2
6	Overview of business activities	1
6.1	Main business activities	1.3
6.1.1	Nature of the Company's operations and its primary business activities	1.3
6.1.2	Significant new products or services launched on the market	1.3
6.2	Primary markets	1.3
6.3	Exceptional events	1.3
6.4	Dependency	1.6
6.5	Competitive position	1.1.7
7	Organizational chart	7.3
7.1	Brief description of the Group	1.1
7.2	List of main subsidiaries	4.5.1 Note 10
8	Property, plant and equipment	1.5
8.1	Existing or planned property, plant and equipment	1.5.1
8.2	Environmental impact from the use of its assets	2.7

		Chapters or paragraphs of the Registration Document
9	Review of the financial position and results	4.3
9.1	Financial position	4.3.1
9.2	Operating income	4.3.2
9.2.1	Important factors	4.3.2
9.2.2	Significant changes in sales or net proceeds	4.3.2
9.2.3	External influences	4.3.2
10	Cash and share capital	4.4
10.1	Information on share capital	4.4.1
10.2	Cash flow	4.4.2
10.3	Borrowing conditions and funding structure	4.4.3
10.4	Restriction of the use of share capital	4.4.4
10.5	Expected sources of financing	4.4.5
11	Research and Development, patents and licenses	1.1.4 and 1.1.6
12	Information on trends	1.2
12.1	Main trends	1.2
12.2	Factors likely to have a material effect on the outlook	1.2
13	Profit forecasts or estimates	Not applicable
13.1	Main assumptions	Not applicable
13.2	Statutory Auditors' Report	Not applicable
14	Administrative, Management and Executive Management bodies	3
14.1	Information concerning corporate officers	3.1.2
14.2	Conflicts of interest at the administrative, management and executive management level	3.1.3
15	Compensation and benefits	3.2
15.1	Compensation paid	3.2.1 and 3.2.2
15.2	Provision for retirement or others	3.2.3
16	Functioning of the administrative and management bodies	3
16.1	Expiration date of terms of office	3.1.2 and 3.1.4
16.2	Service contracts linking members of the administrative and management bodies	3.1.3
16.3	Information on Committees	3.1.4
16.4	Compliance with the corporate governance regime in effect	3.1.1
17	Employees	2.5
17.1	Number of employees	2.5.1
17.2	Shareholding and stock options	3.2.2 and 5.2.3
17.3	Employee shareholding agreement	5.2.3
18	Main shareholders	5.1
18.1	Company shareholding	5.1.1
18.2	Voting rights	5.1.4
18.3	Control of the Company	5.1.2
18.4	Change in control	5.1.1, 5.1.2 and 5.2.2
19	Related-party transactions	3.5 and Note 8.2 of paragraph 4.5.1

		Chapters or paragraphs of the Registration Document
20	Financial information concerning the assets, financial position and results of the Company	4
20.1	Historical financial information	4.1
20.2	Pro forma financial information	4.2
20.3	Financial statements (annual and consolidated financial statements)	4.5
20.4	Audits of historical annual information	4.6.1
20.5	Date of last financial information	4.7
20.6	Interim financial information and other	4.8
20.7	Dividend distribution policy	4.9
20.8	Legal proceedings and arbitration	4.10
20.9	Significant change in the financial or commercial position	4.11
21	Additional information	
21.1	Share capital	5.1.3 and 5.2.4
21.2	Articles of incorporation and articles of association	3.1.2, 5.1.3, 5.1.4 and 7.2
22	Material contracts	7.4
23	Information from third parties, expert certifications	Not applicable
23.1	Identity	Not applicable
23.2	Declaration	Not applicable
24	Publicly available documents	7.5
25	Information on shareholdings	7.3

7.6.2 Cross-reference table with the Annual Financial Report

In order to make it easier to read this report, the cross-reference table below identifies the information which makes up the Annual Financial Report that listed companies must publish, in accordance with articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF's General Regulations.

	Chapters or paragraphs of the Registration Document
ANNUAL FINANCIAL REPORT	
1 Annual financial statements	4.5.2
2 Consolidated financial statements	4.5.1
3 Management Report (within the meaning of the French Monetary and Financial Code)	
3.1 Information contained in article L. 225-100 and L. 225-100-2 of the French Commercial Code	
• Analysis of the development of the business	1.3
• Analysis of the results	4.3.2
• Analysis of the financial position	4.3.1
• Employee-related indicators	2.5
• Main risks and uncertainties	1.6
• Summary table of delegations in progress pertaining to capital increases	5.1.3
3.2 Information contained in article L. 225-100-3 of the French Commercial Code	
• Factors liable to have an impact in the event of a public offer	5
3.3 Information contained in article L. 225-211 of the French Commercial Code	
• Company share buybacks	5.2.4
4 Declaration of the individuals who assume responsibility for the Annual Financial Report	7.1
5 Statutory Auditors' Reports on the annual and consolidated financial statements	4.5.1 and 4.5.2
OTHER DOCUMENTS INCLUDED IN THE REGISTRATION DOCUMENT	
6 Communication relating to Statutory Auditors' fees	4.5.3
7 Chairman's Report on the conditions under which the work of the Board and internal control procedures have been prepared	
• Composition of the Board	3.1.2 and 3.1.3
• Corporate governance	3.1
• Internal control procedures and risk management	3.3
• Participation in General Meetings	5.1.3
• Compensation policy for corporate officers	3.2
• Factors liable to have an impact in the event of a public offer	5
8 Statutory Auditor's Report on the Chairman's Report	3.4
9 Description of the share buyback program	5.2.4

7.6.3 Cross-reference table with the Board's Management Report to the Annual General Meeting

This Registration Document constitutes the Board's Management Report to the Annual General Meeting: the appendix below refers readers to the items required by articles L. 225-100 *et seq.*, L. 232-1 and R. 225-102 *et seq.* of the French Commercial Code.

MANAGEMENT REPORT OF THE PARENT COMPANY	Chapters or paragraphs of the Registration Document
Situation and business activities of the Company during the year	1.1, 1.3 and 4.5.2
Analysis of the change in business, results and financial position	1.3, 4.3 and 4.5.2
Progress made and difficulties encountered	1.3
Non-financial performance indicators	2
Foreseeable changes in the situation and outlook	1.2 and 1.4
Significant post-balance sheet events	4.5.2 Note 31
Research and Development activities	1.1.4 and 4.6.2
Business activities of the subsidiaries	1.3
Significant equity investments or controlling interests	4.5.2
Notice of holding more than 10% of the share capital of another corporation	7.3
Items of calculation and result of potential adjustments for securities giving access to share capital in the event of a transaction with preferential subscription rights, free share awards, distribution of reserves or issue premiums, change in profit sharing or capital depreciation	Not applicable
Items of calculation and result of potential adjustments of the basis for exercising options to subscribe for or purchase stock or marketable securities giving access to share capital in the event that the Company buys treasury shares at a higher price than that quoted on the stock exchange	Not applicable
Injunctions or financial penalties for anti-competitive practices	Not applicable
Information on payment terms for the Company's accounts payable and accounts receivable	4.6.2
Terms of office and positions held by each corporate officer	3.1.2
Information on the use of financial instruments	4.5.1 Note 4.15
Description of the main risks and uncertainties	1.6
Exposure to price, credit, liquidity and cash flow risks	1.6.4 and 4.5.1 Note 4.15 and 4.5.2 Note 1.10
Information pertaining to the breakdown of share capital	5.1
Treasury shares	5.1
Employee shareholding on the last day of the financial year	5.2.3
A summary statement of transactions carried out by managers on the Company's securities	5.2.2
Table on delegations pertaining to capital increases	5.1.3
Information defined in article L. 225-211 of the French Commercial Code in the event that transactions are carried out by the Company on its own shares	5.2.4
Information set forth in article L. 224-100-3 of the French Commercial Code liable to have an impact in the event of a public offer	5
Non tax-deductible expenses	4.6.2
Amount of dividends distributed during the last three years	4.9
Compensation and benefits of any kind of each corporate officer	3.2
Exercise and lock-up conditions of options by executive corporate officers	Not applicable
Lock-up conditions for the free shares granted to executive corporate officers	3.2.1 and 3.1.3
Table of results over the last five years	4.5.2

It also refers to the paragraphs containing the items in the Group's Management Report as provided for by articles L. 233-26 and L. 225-100-2 of the French Commercial Code.

Group Management Report	Chapters or paragraphs of the Registration Document
Situation and business activities during the year	1.1, 1.3 and 4.5.2
Foreseeable changes in the situation and outlook	1.2 and 1.4
Significant events that occurred after year-end	4.5.1 Note 9
Research and Development activities	1.1.4, 1.1.6 and 4.6.2
Information on the use of financial instruments	4.5.2 Note 1.10 and 4.5.1 Note 4.15
Analysis of the change in business, results and financial position	1.1 and 4.3
Description of the main risks and uncertainties	1.3 and 1.6

7.6.4 Cross-reference table of employee-related, environmental and societal information

Chapter 2 satisfies the requirements of the decree implementing article 225 of France's "Grenelle II" law of July 10, 2010 (articles L. 225-102, R. 225-105-1 and R. 225-105-2 of the French Commercial Code).

Employee-related information		Paragraph(s) of the Registration Document	
a) Employment	Total workforce	2.5.1	Employer Bel: key figures
	Breakdown of employees by gender, age, and geographical region	2.5.1	Employer Bel: key figures
		2.5.4	Equal opportunities
	Hires and dismissals	2.5.1	Employer Bel: key figures
	Compensation and salary increases	1	Presentation of the Group and its activities (key figures – Sharing the value created)
		2.5.6	Compensation
b) Organization of work	Organization of working hours	2.5.3	Health, safety and well-being at work
	Absenteeism	2.5.3	Health, safety and well-being at work
c) Labor-management relations	Organization of social dialog: rules and procedures regarding information, consultation and negotiation with personnel	2.2.3	Ethical business practices (Code of Best Business Practices)
		2.5.7	Labor-management relations
	Overview of collective agreements	2.5.7	Labor-management relations (overview of collective agreements for the year)
d) Health and safety	Health and safety conditions	2.5.3	Health, safety and well-being at work
	Report on the agreements signed with trade unions or staff representatives regarding health and safety at work	2.5.7	Labor-management relations (overview of collective agreements for the year)
	The frequency rate and severity rate of work accidents and accounting for occupational illnesses	2.5.3	Health, safety and well-being at work (uncomfortable working conditions and occupational illness)
		2.5.3	Health, safety and well-being at work (monitoring accidents)
e) Training	Training policies implemented	2.5.5	Training
	Total number of training hours		
f) Equal treatment	Measures favoring gender equality	2.5.4	Equal opportunities for men and women
	Measures favoring the employment and integration of disabled people	2.5.4	Equal opportunities (disability)
	The anti-discrimination policy	2.2.3	Ethical business practices (Code of Best Business Practices)
		2.5.4	Equal opportunities

Employee-related information		Paragraph(s) of the Registration Document	
g) Promotion of and compliance with the ILO fundamental conventions	Respect for the freedom of association and the right to bargain collectively	2.2.3	Ethical business practices (Code of Best Business Practices)
		2.2.4	Respect for human rights and labor standards
		2.5.7	Labor-management relations
	Elimination of employment and professional discrimination	2.2.3	Ethical business practices (Code of Best Business Practices)
		2.2.4	Respect for human rights and labor standards
		2.2.7	Respect for children's rights
		2.5.4	Equal opportunities
		2.5.5	Training (versatility and mobility)
	Elimination of forced labor and compulsory labor	2.2.3	Ethical business practices (Code of Best Business Practices)
		2.2.4	Respect for human rights and labor standards
		2.2.7	Respect for children's rights
	Effective abolition of child labor	2.2.3	Ethical business practices (sustainable purchasing)
		2.2.4	Respect for human rights and labor standards
		2.2.7	Respect for children's rights

Environmental information		Paragraph(s) of the Registration Document	
a) General environmental policy	Organization of the Company to deal with environmental issues and, when required, environmental assessment or certification measures	2.2.1	Corporate social responsibility as the cornerstone of governance (Investment Committee)
		2.2.3	Ethical business practices (Code of Best Business Practices)
		2.2.3	Ethical business practices (Sustainable Purchasing Charter)
		2.2.6	Respect for the environment
		2.6.1	Promoting the development of a sustainable dairy sector
		2.7.1	General environmental policy
	Training and informing employees on environmental protection	2.5.5	Training
		2.7.1	General environmental policy
	Resources devoted to preventing environmental risks and pollution	1.5.2	Investments
		2.7.2	Sustainable use of water
b) Pollution and waste management	Amount of provisions and guarantees for environmental risks	1.5.2	Investments
	Measures to prevent, reduce or redress emissions into the air, water and soil that are adversely affecting the environment	2.7.2	Sustainable use of water
		2.7.3	Energy and greenhouse gas emissions
	Measures to prevent, recycle and eliminate waste	2.2.6	Respect for the environment (combating deforestation)
		2.3.3	Individual portions
		2.4	Consumer guidance
		2.7.4	Fighting food waste
	Dealing with noise pollution and any other form of pollution specific to an activity	2.6.2	Contributing to the vitality of its host regions
c) Sustainable use of resources	Water consumption and water supply according to local constraints	2.7.2	Sustainable use of water
	Raw material consumption and measures to improve their efficiency in use	2.7.4	Fighting food waste
	Energy consumption and measures taken to improve energy efficiency and use of renewable energies	2.7.3	Energy and greenhouse gas emissions
	Land use	2.2.6	Respect for the environment (land use)
d) Climate change	Greenhouse gas (GHG) emissions	2.6.1	Promoting the development of a sustainable dairy sector
		2.7.3	Energy and greenhouse gas emissions
	Adapting to the effects of climate change	2.6.1	Promoting the development of a sustainable industry
		2.5.2	Sustainable use of water
		2.7.3	Energy and greenhouse gas emissions
e) Protection of biodiversity	Measures taken to safeguard or develop biodiversity	2.6.1	Promoting the development of a sustainable dairy sector

Information on societal commitments in favor of Sustainable Development		Paragraph(s) of the Registration Document	
a) Territorial, economic and social impact of the Company's business	Regarding employment and regional development	1	Presentation of the Group and its activities (key figures – Sharing the value created)
		2.6.1	Promoting the development of a sustainable dairy sector
		2.6.2	Contributing to the vitality of its host regions
	On neighboring or local populations	2.6.2	Contributing to the vitality of its host regions
b) Dealings with people or organizations benefiting from the Company's activity	The conditions for dialog with stakeholders	2.1.2	Mapping of the Group's issues
		2.2.2	Bonds of trust with stakeholders
		2.4.1	Providing consumers with the information they want
		2.5.7	Labor-management relations
		2.6.1	Promoting the development of a sustainable dairy sector
	Partnership or sponsorship actions	2.2.3	Ethical business practices (sustainable purchasing)
		2.2.7	Respect for children's rights
		2.6.3	Bel's corporate foundation
c) Subcontracting and suppliers	Factoring social and environmental challenges into the purchasing policy	2.2.3	Ethical business practices (sustainable purchasing)
	The significance of subcontracting and social and environmental responsibility in dealings with suppliers and subcontractors	2.2.3	Ethical business practices (sustainable purchasing)
	Actions to prevent corruption	2.2.3	Ethical business practices (Code of Best Business Practices)
		2.2.5	Fighting corruption
	Measures to protect consumer health and safety	2.2.3	Ethical business practices (Code of Best Business Practices)
		2.2.4	Respect for human rights and labor standards
		2.3.1	Quality and food safety
		2.3.2	Nutritional quality
	Other actions in favor of human rights	2.6.2	Contributing to the vitality of its host regions

(1) The Group considers that the average salary per employee indicator is not representative of its salary policy. Fluctuations may be solely due to the geographic movement of employees.

(2) The Group chose to monitor absenteeism due to illness as a performance indicator of the People First policy. It wants to ensure that working conditions do not become a factor of absenteeism.



Sharing smiles

Fromageries Bel

2 allée de Longchamp
92150 Suresnes
www.groupe-bel.com

A French limited company (*société anonyme*)
with capital of €10,308,502.50
SIREN no. 542 088 067 – Paris Trade and Companies Register
NAF/APE code (French industry classification number): 1051 C