Bel

French corporation *(société anonyme)* with a share capital of €10,308,502.50
Head Offices: 2 allée de Longchamp - 92 150 Suresnes
SIREN 542 088 067 - RCS Nanterre

First-Half 2019 Financial Report

Should there be any difference between the French and the English version of this Bel Group First-half 2019 Financial Report, only the text in French language shall be deemed authentic and considered as expressing the exact information published by Bel.

The Bel Group

The Bel Group is a world leader in branded cheese and a major global player in the healthy snacks segment. Its portfolio of differentiated and internationally recognized brands, including such products as The Laughing Cow®, Kiri®, Mini Babybel®, Leerdammer®, and Boursin®, as well as some 20 local brands, enabled the Group to generate sales of €3.3 billion in 2018. The acquisition of the MOM Group in 2016 complements a portfolio of strong brands with the integration of the Pom'Potes and GogosqueeZ brands. 12,600 employees in some 32 subsidiaries around the world contribute to the Group's success. Bel products are prepared at more than 32 production sites and distributed in over 130 countries.
www.groupe-bel.com

First-Half 2019 Business Report

1. REVIEW OF OPERATIONS AND EARNINGS

Key figures

(in millions of euros)	**First-half 2019**	**First-half 2018**	*% change*
Sales	1,658	1,626	*+1.9%*
Operating income	126	88	*+43.0%*
Consolidated net profit - Group share	80	53	*+51.4%*

In the first half of 2019, Bel Group's consolidated sales increased 1.9% on a published basis. The positive foreign-exchange impact accounted for 1.8% or €29 million of that growth, with no changes in the scope of consolidation during the period. After a 2.6% organic decline in sales in the first quarter, the Group reported a 2.9% organic increase in sales in the second quarter, resulting in organic growth of 0.1% for the first half of 2019.

Second-quarter and first-half 2019 sales performances are presented by segment in the following table.

	Second quarter			**First half**		
(in millions of euros)	2019 3 months	2018 3 months	% Change	2019 6 months	2018 6 months	% Change
Global markets	714	693	2.9%	1,403	1,392	0.8%
New territories	134	120	12.3%	255	234	8.8%
Group total	**848**	**813**	**4.3%**	**1,658**	**1,626**	**1.9%**

As a reminder, sales reporting is now broken down into two segments, including Global Markets (or mature markets) and New Territories. New Territories encompass the business activities of MOM, as well as markets in Sub-Saharan Africa and Latin America, China and India.

In Global Markets, following a 3.3% decrease in sales on a comparable exchange rate basis in Q1, sales edged up 1.6% in Q2, bolstered by the Q2 Easter holiday season and price increases implemented at the beginning of the year. Sales remained under the influence of severe trade pressures in both Europe and the United States, and the complicated environment in North Africa, in particular in Morocco and Algeria.

Sales remained buoyant in New Territories, particularly in the second quarter. Sales were driven by intensified promotional campaigns launched in the first quarter. In the first half of 2019, New Territories generated organic sales growth of 5.9%, versus the prior-year period.

In the first half of 2019, consolidated operating income totaled €126 million, up 43.0% over the first half of 2018, and broke down as follows:

(in millions of euros)	2019 6 months	2018 6 months	% Change
Global markets	100	63	58.3%
New territories	26	25	3.5%
Group total	**126**	**88**	**43.0%**

The improvement in operating margin, driven mainly by the operating income performance of Global Markets, reflected improved gross margin, as well as the Group's efforts to implement its transformation plan and achieve the savings announced in December 2018 that have begun to materialize. The Group continued its investments to support growth in the New territories.

After taking into account net financial result and income tax expense, consolidated net profit, Group share, totaled €80 million, compared with €53 million at June 30, 2018.

2. Financial situation

The Group's balance sheet remained strong at June 30, 2019, with net financial debt amounting to €738 million (including €98 million in right-of-use liabilities under IFRS 16), versus €755 million (including €101 million in right-of-use liabilities) at December 31, 2018, and equity totaling €1,769 million, compared with €1,740 million at December 31, 2018.

3. Outlook for 2019

Bel continues to deploy its plan announced in December 2018 to cut costs by €120 million. Overall, operating margin for the full year is expected to improve markedly against 2018.

Transformation plan continues

The Group is actively pursuing its transformation aimed at strengthening its innovation momentum and freeing up the resources needed to achieve its sustainable growth goal in the healthy snack market.

Bel aims to double its sales in the medium long term, while maintaining tight control over its finances. The Group's growth rests on its ability to grow in the markets where it operates and to make targeted acquisitions. Given current M&A prices in the food sector, and the deflationary environment observed over the past two years, Bel intends to focus, above all, on the quality of its growth, without timeline constraints to achieve that goal.

4. Main related-party relationships

Main related-party relationships are disclosed in note 8 of the summary consolidated financial statements for the half-year.

5. Significant subsequent events

No significant subsequent event is to be reported.

This report may contain forward-looking statements. Such trend and/or target information should in no way be regarded as earnings forecast data or performance indicators of any kind. This information is by nature subject to risks and uncertainties that may be beyond the Company's control. A detailed description of these risks and uncertainties is provided in the Company's Registration Document, available at (www.groupe-bel.com). More comprehensive information about the Bel Group can be found in the "Regulatory Information" section of the www.groupe-bel.com website

Summary interim consolidated financial statements

Consolidated income statement at June 30, 2019, vs. prior year period

(in thousands of euros)	Notes	First-half 2019	First-half 2018	2018
Sales	4.1	**1,658,103**	**1,626,449**	**3,311,667**
Cost of goods and services sold		(1,181,211)	(1,188,082)	(2,402,316)
Gross margin		**476,892**	**438,367**	**909,351**
Sales and marketing expense		(201,733)	(216,530)	(432,782)
Research and development expense		(11,319)	(11,169)	(23,734)
Administrative and general overhead expense		(131,776)	(131,250)	(249,868)
Other operating income and expense		356	338	659
Recurring operating income		**132,420**	**79,756**	**203,626**
Other non-recurring income and expense	4.2	(6,150)	8,567	(43,873)
Operating income	4.1	**126,270**	**88,323**	**159,753**
Income from cash and cash equivalents	4.3	730	385	864
Cost of gross financial indebtedness	4.3	(13,790)	(14,143)	(28,980)
Cost of net financial indebtedness	4.3	**(13,060)**	**(13,758)**	**(28,116)**
Other financial income and expense	4.3	781	2,404	(2,150)
Pre-tax profit		**113,991**	**76,969**	**129,487**
Income tax expense	4.4	(31,868)	(20,782)	(29,429)
Net profit of the consolidated group		**82,123**	**56,187**	**100,058**
Non-controlling interests		(1,814)	(3,330)	(3,590)
Consolidated net profit - Group share		**80,309**	**52,857**	**96,468**
Earnings per share	4.5	11.83	7.79	14.21
Diluted earnings per share	4.5	11.83	7.79	14.21

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated comprehensive income statement

(in thousands of euros)		First half 2019	First half 2018	2018
Net profit for the period		**82,123**	**56,187**	**100,058**
Other items of comprehensive income				
Non-reclassifiable items				
Actuarial gains and losses arising on retirement obligations				3,705
Income tax impact		(720)		(1,200)
Gains and losses on financial assets	5.1	(23,569)	7,814	(30,479)
Income tax impact		5,890	(1,956)	7,617
Reclassifiable items				
Translation differences		300	11,132	6,142
Cash flow hedging				
Amounts recognized in equity		2,698	(10,156)	(15,004)
Income tax impact		(768)	3,756	5,275
Balance at June 30, 2019		**(16,169)**	**10,590**	**(23,944)**
Total comprehensive income for the period		**65,954**	**66,777**	**76,114**
Group share		*63,706*	*61,510*	*69,258*
Non- controlling interests		*2,248*	*5,267*	*6,856*

The notes to the financial statements form an integral part of the consolidated financial statements.

Consolidated balance sheet at June 30, 2019, vs. December 31, 2018

ASSETS *(in thousands of euros)*	Notes	**June 30, 2019**	**December 31, 2018**
NON-CURRENT ASSETS			
Goodwill	5.2	797,166	796,052
Other intangible assets	5.2	653,864	647,241
Property, plant and equipment	5.2	960,960	959,689
Property, plant and equipment - right of use	5.2	96,020	99,057
Financial investments		130,114	153,270
Other financial assets		8,428	4,712
Loans and advances		10,849	11,509
Trade and other receivables		1,289	1,119
Deferred tax assets		22,054	26,775
TOTAL		2,680,744	2,699,424
CURRENT ASSETS			
Inventories and work-in-progress		405,624	364,979
Trade and other receivables		522,282	488,115
Other financial assets		3,910	1,128
Loans and advances		2,154	2,022
Current tax assets		33,368	34,924
Cash and cash equivalents	5.5	413,459	337,198
TOTAL		1,380,797	1,228,366
TOTAL ASSETS		4,061,541	3,927,790

EQUITY AND LIABILITIES *(in thousands of euros)*	Notes	**June 30, 2019**	**December 31, 2018**
Share capital		10,308	10,308
Additional paid-in capital		21,967	21,967
Reserves		1,668,777	1,638,815
Treasury shares		(23,534)	(23,362)
EQUITY GROUP SHARE		**1,677,518**	**1,647,728**
NON-CONTROLLING INTERESTS		**91,690**	**91,902**
EQUITY		**1,769,208**	**1,739,630**
NON-CURRENT LIABILITIES			
Provisions	5.4	19,146	19,997
Employee benefits	5.4	77,753	77,211
Deferred tax liabilities		250,365	250,705
Liabilities related to assets held under finance lease -over one year	5.5	86,035	84,588
Long-term borrowings and financial liabilities	5.5	689,377	714,358
Other liabilities		53,660	54,839
TOTAL		1,176,336	1,201,698
CURRENT LIABILITIES			
Provisions	5.4	23,572	26,417
Employee benefits	5.4	3,198	4,715
Liabilities related to assets held under finance lease - less than one ye	5.5	12,206	16,047
Short-term borrowings and financial liabilities	5.5	354,123	268,538
Other financial liabilities			2,703
Trade and other payables		681,053	626,949
Income tax liabilities		31,456	31,679
Current bank facilities and other borrowings	5.5	10,389	9,414
TOTAL		1,115,997	986,462
TOTAL EQUITY AND LIABILITIES		4,061,541	3,927,790

The notes to the financial statements form an integral part of the consolidated financial statements.

Statement of changes in equity

(in thousands of euros)	Number of shares outstanding	Share capital	Additional paid-in capital	Translation differences	Treasury shares	Consolidated net income	Consolidated reserves	Equity-Group share	Non-controlling interests	Total consolidated equity
Balance at December 31, 2017	**6,792,138**	**10,308**	**21,967**	**(135,650)**	**(21,012)**	**179,970**	**1,573,083**	**1,628,666**	**85,423**	**1,714,089**
Appropriation of prior year net income						(179,970)	179,970			
Dividends paid							(47,519)	(47,519)	(4)	(47,523)
Profit (loss) for the period*						52,857		52,857	3,330	56,187
Other items of comprehensive income				9,195			(542)	8,653	1,937	10,590
Other changes in value directly recognized in equity							451	451	110	561
Purchase of treasury shares	(4,306)				(2,188)			(2,188)		(2,188)
Treasury shares distributed										
Balance at June 30, 2018	**6,787,832**	**10,308**	**21,967**	**(126,455)**	**(23,200)**	**52,857**	**1,705,443**	**1,640,920**	**90,796**	**1,731,716**
Appropriation of prior year net income										
Dividends paid									(2,974)	(2,974)
Profit (loss) for the period						43,611		43,611	260	43,871
Other items of comprehensive income				(6,235)			(29,628)	(35,863)	1,329	(34,534)
Other changes in value directly recognized in equity							(778)	(778)	2,491	1,713
Purchase of treasury shares	(459)				(162)			(162)		(162)
Treasury shares distributed										
Balance at December 31, 2018	**6,787,373**	**10,308**	**21,967**	**(132,690)**	**(23,362)**	**96,468**	**1,675,037**	**1,647,728**	**91,902**	**1,739,630**
Appropriation of prior year net income						(96,468)	96,468			
Dividends paid							(33,595)	(33,595)	(2,460)	(36,055)
Profit (loss) for the period						80,309		80,309	1,814	82,123
Other items of comprehensive income				(134)			(16,469)	(16,603)	434	(16,169)
Other changes in value directly recognized in equity							(149)	(149)		(149)
Purchase of treasury shares										
Treasury shares distributed	(542)				(172)			(172)		(172)
Balance at June 30, 2019	**6,786,831**	**10,308**	**21,967**	**(132,824)**	**(23,534)**	**80,309**	**1,721,292**	**1,677,518**	**91,690**	**1,769,208**

The notes to the financial statements form an integral part of the consolidated financial statements

Consolidated cash flow statement

(in thousands of euros) **Cash flow from(used in) operating activities**	Notes	**First half 2019**	**First half 2018**	**2018**
Pre-tax profit		***113,991***	***76,969***	***129,487***
Adjustments for:				
Depreciation and write-downs		51,796	53,341	131,750
Depreciation on right of use		7,171	6,911	14,216
Capital gains (losses) on disposals		886	442	1,722
Reclassification of financial income		10,080	8,780	26,048
Reclassification of financial expense right-of-use		1,926	1,996	4,024
Other non-cash items in the income statement		(1,696)	974	1,986
Cash flow before changes in WCR		184,154	149,413	309,233
(Increase) decrease in inventories, current receivables and payables		(13,778)	13,806	(38,283)
(Increase) decrease in non-current receivables and payables		(262)	773	4,651
Income taxes paid		(22,923)	(4,203)	(24,888)
Net cash flow from (used in) operating activities	(1)	***147,191***	***159,789***	***250,713***
Cash flow from (used in) investing activities				
Acquisition of activities		(3,691)	(320)	15
Disposal of activities			40	5
Acquisitions of tangible and intangible assets		(73,342)	(87,631)	(176,937)
Disposals of tangible and intangible assets		295	319	1,357
Investment grants received		100	649	125
Acquisitions of financial assets		(1,866)	(3,882)	(5,134)
Disposals of financial assets		1,602	1,238	4,766
Dividends received		1,867	2,173	2,483
Net cash flow from (used in) investing activities	(2)	***(75,035)***	***(87,414)***	***(173,320)***
Cash flow from (used in) financing activities				
Dividends paid		(33,862)	(47,522)	(50,495)
Interests paid		(11,133)	(11,762)	(24,093)
Financial interests - right of use		(1,926)	(1,996)	(4,024)
Change in debt resulting from finance lease contracts		(6,572)	(6,042)	(12,747)
Increase (decrease) in current accounts with entities outside the scope of consolidation		(3,595)	13,528	7,645
(Purchase)/ sale of treasury shares		(172)	(2,188)	(2,350)
Borrowings and financial liabilities issued		99,397	23,594	72,261
Repayments of borrowings and financial liabilities		(35,432)	(87,414)	(198,446)
Net cash flow from (used in) financing activities	(3)	***6,705***	***(117,806)***	***(212,249)***
Net increase (decrease) in cash and cash equivalents	(1)+(2)+(3)	***78,861***	***(45,431)***	***(134,856)***
Net cash and cash equivalents at the beginning of the period		327,784	468,218	468,218
Effect of foreign exchange rate fluctuations		(3,575)	(2,911)	(5,578)
Net cash and cash equivalents at the end of the period	**5.5**	**403,070**	**417,880**	**327,784**
At the closing date, net cash and cash equivalents comprised the following:				
Marketable securities and money market instruments	5.5	91,063	103,406	90,910
Cash on hand and balances with banks	5.5	322,396	326,528	246,288
Current used bank facilities including overdrafts and accrued interest	5.5	(10,389)	(12,054)	(9,414)
Total		**403,070**	**417,880**	**327,784**

Table of contents for the notes to the summary interim consolidated financial statements

1. ACCOUNTING PRINCIPLES, RULES AND METHODS

Basis of preparation and accounting standards

In application of Regulation (EC) No. 297/2008 of March 11, 2008 amending Regulation (EC) No. 1606/2002 of July 19, 2002, Bel's consolidated financial statements were prepared in compliance with International Financial Reporting Standards (IFRS), as adopted by the European Union and published by the International Accounting Standards Board (IASB), at the date the financial statements were prepared.

The Group published summary interim consolidated financial statements approved by the Board of Directors on July 25, 2019.

The consolidated financial statements at June 30, 2019 were prepared in accordance with IAS 34 "Interim Financial Reporting" principles. Further, the same accounting methods and practices used to prepare the consolidated financial statements at December 31, 2018 (and noted in the registration document filed with the AMF under number D. 19.0257) were applied, with the exception of standards, amendments and interpretations issued and effective as of January 1st , 2019.

Standards, amendments and interpretations required as of the financial year opening January 1, 2019

IFRS 16

It is reminded that the Group adopted by anticipation the standard IFRS 16 – Leases, starting January 1st, 2018 and that the simplified retrospective method was elected for transition.

IFRIC 23

The impacts of applying IFRIC 23 – Uncertainty over income tax treatments were identified and estimated. They have no major effect on the Group consolidated financial statements and the accounting rules on tax risks remain unchanged.

Other amendments and interpretations issued and effective as of January 1st, 2019 had no impact on the Group's consolidated financial statements.

Standards, amendments and interpretations not required but which may be early adopted as of the financial year opening January 1, 2019

The Group does not apply by anticipation any standard or interpretation that is not mandatory from January 1st, 2019.

Disclosures specific to the preparation of the interim financial statements

Seasonal nature of the business

The Group observes that seasonal variations in its business activities can impact its sales and product mix from one interim period to another. Accordingly, its interim performance may not necessarily be indicative of the full-year performance.

Employee benefits

Actuarial calculations for retirement and other employee benefits were made during budget preparation. As a result, the amounts of related provisions and expense for the interim period were based on estimates made in the preceding year, with the main actuarial and demographic assumptions remaining unchanged from December 2018.

Income tax

At June 30, income tax expense was assessed according to the best estimate of the annual average rate expected for the full year.

2. CHANGES IN THE SCOPE OF CONSOLIDATION

During the first half of 2019, Bel purchased 542 of its own shares for €172,000.

3. SIGNIFICANT EVENTS OF THE PERIOD

It is reminded that the Group now monitors its business under two segments: on the one hand Global Markets, and on the other hand New territories. New territories comprise MOM business (Materne, Mont-Blanc), countries in Sub Saharian Africa and Latin America, China and India.

4. INCOME STATEMENT

4.1. Business segment information

First-half sales and operating income by markets are presented in the following table.

(in thousands of euros)	*June 30,2019*		*June 30,2018*		*Variations*	
	Sales	**Operating income**	**Sales**	**Operating income**	**Sales**	**Operating income**
Global Markets	1,403,260	100,627	1,392,111	63,552	0.8%	58.3%
New Territories	254,843	25,643	234,338	24,771	8.8%	3.5%
Group total	**1,658,103**	**126,270**	**1,626,449**	**88,323**	**1.9%**	**43.0%**

4.2. Other non-recurring income and expense

Non – recurring income and expense are detailed below:

(in thousands of euros)	**First half 2019**	**First half 2018**	**2018**
Depreciation and gains (losses) on disposals of fixed assets	(1,439)	(1,687)	(7,749)
Restructuring costs	(3,030)	(1,783)	(34,667)
Other non-recurring income and expense	(1,681)	12,037	(1,457)
Total other non-recurring income and expense	**(6,150)**	**8,567**	**(43,873)**

Depreciation and gains and losses arising from disposal of assets mainly comprise the amortization of brands acquired and which have limited useful life.

Restructuring costs mainly stemmed from the departure of personnel who were not replaced.

On the first half of 2019, other non-recurring income and expense, comprise a profit resulting from transaction with a supplier of Materne North America for €11.9 million.

At end December 2018, restructuring costs include 29 million euros for salary and the Group transformation costs related to the voluntary departures plan in France. This plan was announced in September 28th, 2018.

4.3. Financial income and expense

(in thousands of euros)	First half 2019	First half 2018	2018
Income from cash and cash equivalents	730	385	864
Cost of gross financial debt	(13,790)	(14,143)	(28,980)
Cost of net financial debt	**(13,060)**	**(13,758)**	**(28,116)**
Net cost of discounting	(614)	(638)	(1,726)
Foreign currency gains (losses)	(291)	1,738	(1,588)
Other	1,686	1,304	1,164
Other financial income and expense	**781**	**2,404**	**(2,150)**
Total net financial expense	**(12,279)**	**(11,354)**	**(30,266)**

At June 30, 2019, the "cost of net financial debt" includes the impact of the application of IFRS 16 for € -2.0 million, similar to first half 2018 amount.

4.4. Taxes

(in thousands of euros)	First-half 2019	First-half 2018	2018
Net profit	82,123	56,187	100,058
Total income tax expense recognized on the income statement	(31,868)	(20,782)	(29,429)
Pre-tax profit	113,991	76,969	129,487
Effective income tax rate	**28.0%**	**27.0%**	**22.6%**

At June 30, 2019, the Group estimated its average effective income tax rate for the full year at 28.0%, versus 22.6% at June 30, 2018. The increase in the effective income tax rate stems from the effects of permanent differences.

The difference with the 34.43% standard rate of the Bel parent company stemmed primarily from the share of earnings generated by subsidiaries located in countries applying tax rates lower than in France.

4.5. 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 June 30, 2019), less the weighted average number of own shares (85,474 at June 30, 2019). Diluted earnings per share were identical to earnings per share as the bonus shares attributed during the period were not dilutive.

5. BALANCE SHEET

5.1. Note to Other Comprehensive Income

Non-reclassifiable items

Since the Group applied the standard IFRS 9 starting January 1st, 2018, non reclassifiable items in Other Comprehensive Income include fair value of participating interests that are not held for trading purposes. These amounts are added up with actuarial gains and losses arising from the application of the standard IAS 19.

The Unibel shares held by the subsidiary SOFICO are measured at fair value at closing date for an amount of €120.8 million on June 30th, 2019.

5.2. Fixed assets

(in thousands of euros)	Goodwill	Other intangible assets	Property, plant and equipment	Property, plant and equipment - Rights of use	Total
At December 31, 2018					
Gross value	847,870	834,727	2,086,266	114,966	3,883,829
Accumulated depreciation and write -downs	(51,818)	(187,486)	(1,126,577)	(15,909)	(1,381,790)
Net carrying amount	**796,052**	**647,241**	**959,689**	**99,057**	**2,502,039**
Variation for the period					
Acquisitions	-	4,863	60,007	5,527	70,397
Disposals and write -downs	-	15	547	(1,425)	(863)
Translation differences	1,114	1,662	753	32	3,561
Depreciation and write-downs	-	(6,740)	(51,778)	(7,171)	(65,689)
Reclassfications	-	6,823	(8,258)	-	(1,435)
Net carrying amount at June 30, 2019	**797,166**	**653,864**	**960,960**	**96,020**	**2,508,010**
At June 30, 2019					
Gross value	848,962	848,237	2,134,865	117,911	3,949,975
Accumulated depreciation and write -downs	(51,796)	(194,373)	(1,173,905)	(21,891)	(1,441,965)
Net carrying amount	**797,166**	**653,864**	**960,960**	**96,020**	**2,508,010**

The main acquisitions of property, plant and equipment during the first half of the year were made in France, in Canada and in the USA.

.

In absence of indications of loss in value, Group assets, particularly goodwill and brands, were not tested for impairment at June 30th, 2019.

5.3. Stock options plans

The 2016/2019, the 2017/2020 and the 2018/2021 bonus-share plans are under way at this writing.

The 2019/2022 plan is a new plan granted during the Board meeting held on May 22nd, 2019.
In accordance with IFRS 2, the personnel expense arising from share awards are recognized incrementally over the vesting period, with the corresponding increase recognized in equity.

A summary of the bonus share plans during the period is presented in the following table:

(in thousands of euros)	2016/2019 plan	2017/2020 plan	2018/2021 plan	2019/2022 plan	TOTAL
Number of shares granted at the award date	6,717	8,241	8,809	8,232	
Number of shares awarded at June 30, 2018	2,147	1,140	4,915	8,232	
Faire value of share award (in €)	489	589	472	300	
Award criteria : percentage provisioned	43.8%	25%	71%	100%	
Acquisition period	3 ans	3 ans	3 ans	3 ans	
Holding period	0	0	0	0	
Amount expensed at June 30, 2019	185	241	362	85	873

5.4. Provisions

During the first half of the year, current and non- current provisions changed as developed in the table:

(in thousands of euros)	Employees benefits	Provisions for contingencies and losses
At December 31, 2018		
Non-current	77,211	19,997
Current	4,715	26,417
Net carrying value	**81,927**	**46,414**
Variation for the period		
Increase (charges)	2,158	891
Reversals- offset against expenses	(3,265)	(3,307)
Reversals- cancelled provisions	(633)	(606)
Effects from discounting	729	-
Reclassifications	-	(669)
Translation differences	35	(5)
Net carrying value at june 30, 2019	**80,951**	**42,718**
of which:		
Non-current	77,753	19,146
Current	3,198	23,572

Employee benefits concern primarily European countries, with France, the Netherlands and Germany together accounting for €80.2 million. The discount rate for this provision was similar to December 31st, 2018.

In the first half of year 2019, reversals of provisions include a reversal of €1.2 million related to the voluntary departures plan initiated in 2018.

5.5. Net financial debt

Breakdown of net financial debt

(in thousands of euros)	**June 30, 2019**	**December 31, 2018**
Bonds	498,039	497,837
NEU MTN (1)	50,000	50,000
Banks borrowings	113,812	137,199
Employee profit-sharing	5,918	7,827
Minority shareholders' put option	21,388	21,277
Deposits and guarantee deposits	220	218
Borrowing and financial liabilities	**689,377**	**714,358**
Total long-term liabilities	**689,377**	**714,358**
Bonds	143,675	145,343
Banks borrowings	42,270	15,923
Employee profit-sharing	2,656	2,609
NEU CP (2)	70,000	4,367
Sundry loans and financial liabilities	8,768	10,125
Current account liabilities	86,754	90,171
Borrowing and financial liabilities	**354,123**	**268,538**
Total short-term liabilities	**354,123**	**268,538**
Gross financial debt - excluding finance lease	**1,043,500**	**982,896**
Debt for right-of-use long term	86,035	84,588
Debt for right-of-use short term	12,206	16,047
Debt for right of use	**98,241**	**100,635**
Gross financial debt	**1,141,741**	**1,083,531**
Current used bank facilities including overdrafts and accrued interest	10,389	9,414
Cash and cash equivalent	(413,459)	(337,198)
Net cash and cash equivalents	**(403,070)**	**(327,784)**
Current account assets	(1,045)	(872)
Total net debt	**737,626**	**754,875**
Total net debt - excluding finance lease	**639,385**	**654,240**

(1) Negotiable European Medium Term Notes
(2) Negotiable European Commercial Paper

On June 30th, 2019 the Group used factoring of trade receivables for an amount of €42.6 million to be compared with 52 million euros at year end 2018. These receivables are not recognized to the balance sheet, as in year- end 2018.

Amounts related to assets held under finance lease in long term and short- term debt result from the application of IFRS 16 starting January 1st, 2018. The balance entry is to be found in assets right-of-use (see note 5.2).

The Unibel parent company accounted for €49.1 million in current account liabilities (see note 8.2).

Ageing of long-term debt excluding finance lease liabilities are detailed in Note 5.6.4 Interest rate risk management.

Ageing balance of finance lease liabilities at June 30, 2019:

in thousands of euros	Total	2020	2021	2022	2023
Financial debt - right of use - short-term	**12,206**	12,206			
Financial debt - right of use - long-term	**86,035**		15,909	31,037	39,089
Total financial debt - Right of use	**98,241**	**12,206**	**15,909**	**31,037**	**39,089**

5.6. Financial instruments

5.5.1 Market risk management

The Group Treasury Department, which is attached to the Group Corporate Finance Department, has the requisite skills and tools to manage market risk management. The Department reports to Management on a monthly basis and makes regular presentations to the Audit Committee.

5.5.2 Financial and liquidity risk management

At June 30, 2019, the Group had a negative net financial position of €737 million, including the liabilities for assets under finance lease due to the application of IFRS 16. Excluding these liabilities for leases, net debt was worth €639 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 has confirmed credit lines and medium-term financing from its banks and from investors.

In the first half of 2019 no significant operation was conducted on the long- term debt. Regarding its short-term financing, the Group issued a €70 million of NEU Commercial Papers and reimbursed the $5 million Neu Commercial Papers it had in portfolio at year-end 2018.

At June 30, 2019, the Group had significant liquidity level, including:

- two confirmed syndicated credit lines maturing in 2023 of €520 million and €300 million. These lines have not been drawn.
- a €500 million NEU commercial paper program, of which €70 million has been used;
- a €200 million NEU MTN program, of which €50 million has been used;
- a €140 million Euro PP bond, maturing in December 2019 contracted with private investors;
- a €500 million bond issue maturing in April 2024;
- an amortizable term loan of $100 million maturing in 2023;
- financing on the Schuldschein market, comprising €42 million on maturity between 2020 and 2023;

At June 30, 2019, the Group also has substantial cash and cash equivalents totaling €403 million, of which €370 million in Bel.

In its syndicated credit lines, Euro PP and the Schuldschein, Bel has 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. Failure to meet the ratio could trigger the repayment of a significant part of the debt. On June 30, 2019, this ratio stood at 1.78 versus 2.11 at December 31, 2018.

The Group implemented a policy of pooling liquidity at the Bel level for all countries where the local currency is freely convertible and where there are no legal or fiscal limits on pooling local surpluses or liquidity needs. Internal current accounts and intragroup compensation payment systems are managed by the Group Treasury Department.

In countries where the pooling of surpluses and liquidity needs is not allowed, subsidiaries invest their surpluses in money-market funds denominated in their local currency and, if needed, finance themselves mainly in local currency. The policy of systematic dividend payment also aims to limit recurring surpluses at subsidiaries level.

For information, available cash in North African and the Middle Eastern countries amounted to €15.5 million on June 30, 2019, representing the majority of the non-centralizable cash available.

Some subsidiaries may have no alternative but to use local currency financing. In this case, if the local currency is devalued, the subsidiaries recognize the related financial loss.

Surplus liquidity is invested in money-market mutual funds, term deposit accounts or short-term certificates of deposit.

5.5.3 Foreign exchange risk management

The 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 commercial 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 exchange rate exposure arising from the payment of intragroup dividends denominated in foreign currency.

Hedging policy for foreign exchange exposure

The policy consists in hedging risk on transactions denominated in foreign currency through the use of derivative financial instruments. 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 and North American entities. The Group Treasury Department provides these entities with the necessary currency hedges.

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

When the budget is prepared, budgeted currency prices are set according to market conditions and use as benchmarks in setting up hedges. The Hedge tenors for budget management does not exceed 18 months. On June 30, 2019, the maturity of the derivatives portfolio did not go beyond December 31, 2020. The cash flow resulting from 2019 and 2020 budgets hedges is expected in 2019 and 2020 and will thus impact income in 2019 and 2020.

Hedging for foreign exchange rate fluctuations on imports, exports and financial transactions

Group entities recalculate their net foreign exchange exposures periodically during each budgetary review. To manage its exposure, the Group mainly uses forward contracts, currency options and cross-currency swaps.

HEDGING POSITIONS FOR FOREIGN EXCHANGE, INTEREST RATE AND RAW MATERIALS RISKS

Value of hedges secured by the Group:

Hedging positions for foreign exchange, interest rate and raw material risk versus the previous year:

	At June 30, 2019				At December 31, 2018			
(in thousands of euros)	Equity	Operating income	Financial income	Market value	Equity	Operating income	Financial income	Market value
Portfolio related to foreign exchange risk								
Forward on operationnal transactions	(730)	(51)	-	(781)	(944)	(1 331)	-	(2 275)
Options on operationnal transactions	2 841	(309)	-	2 532	(1 134)	(5)	-	(1 139)
Forwards on dividends and investments	(110)	-	-	(110)	(145)	-	-	(145)
Options on futures dividends	-	-	-	-	(457)	-	-	(457)
Transactions on financing	-	-	(55)	(55)	-	-	(89)	(89)
Other operations	-	-	(39)	(39)	-	-	(74)	(74)
Total portfolio related to foreign exchange	2 001	(360)	(94)	1 547	(2 680)	(1 336)	(163)	(4 179)
Total portfolio related to interest rate	(880)	-	240	(640)	2 087	-	-	2 087
Portfolio related to risk of variation in raw material prices	(156)			(156)	17	-	-	17
Total portfolio France	965	(360)	146	751	(576)	(1 336)	(163)	(2 075)
Portfolio related to risk of variation in US raw material prices	1 770		56	1 826	(572)	-	(39)	(611)
Total Bel Group				2 577				(2 686)

The valuation of hedges implemented by the Group are booked to the lines “Other financial assets” and “Other financial liabilities” in the balance sheet.

On June 30, 2019, the Group had secured the following hedges:

		At June 30, 2019					At December 31, 2018				
(in thousands of euros)	**Currencies**	**Commitment**	**Equity**	**Operating income**	**Financial income**	**Market value**	**Commitment**	**Equity**	**Operating income**	**Financial income**	**Market value**
Portfolio related to foreign exchange risk											
1- Currency forward contracts backed by trade receivables, trade payables or futures transactions											
Forward purchase	EUR GBP	27 000	392	131		523	25 750	171	(24)		147
Forward sale	EUR PLN	24 500	516			516	30 500	66	5		71
Forward purchase	EUR USD	90 130	(1 234)	12		(1 222)	78 211	(990)	(1 223)		(2 213)
Forward sale	EUR USD	4 058	299			299					
Forward purchase	Autres	34 773	(703)	(194)		(897)	47 848	(149)	(90)		(239)
Forward sale	Autres	175				-	2 195	(41)			(41)
Forward on operationnal transactions			**(730)**	**(51)**	**-**	**(781)**		**(944)**	**(1 331)**	**-**	**(2 275)**
2 - Currency options backed by trade receivables, trade payables or futures transactions											
Call purchase	EUR GBP	63 150	1 357			1 357	54 600	1 083			1 083
Put sale	EUR GBP	34 650	(215)			(215)	32 050	(371)			(371)
Put purchase	EUR PLN	47 500	699	115		814	39 000	373			373
Call sale	EUR PLN	20 700	(47)			(47)	21 000	(137)			(137)
Call purchase	EUR USD	184 847	2 003			2 003	155 645	402			402
Put sale	EUR USD	98 211	(914)	(405)		(1 319)	57 323	(2 726)			(2 726)
Call purchase	Autres	60 596	472			472	64 268	756			756
Put sale	Autres	28 570	(514)	(19)		(533)	32 791	(515)	(5)		(519)
Options on operationnal transactions			**2 841**	**(309)**	**-**	**2 532**		**(1 134)**	**(5)**	**-**	**(1 139)**
3-Currency forward to hedge future dividend or share transaction flows											
Forward purchase	EUR USD						8 404	(301)			(301)
Forward sale	Autres	7 000	(110)			(110)	4 635	156			156
Forwards on dividends and investments			**(110)**	**-**	**-**	**(110)**		**(145)**	**-**	**-**	**(145)**
4- Currency options to hedge future dividend											
Put sale	EUR USD						8 214	(459)			(459)
Call purchase	EUR USD						15 534	2			2
Options on futures dividends			**-**	**-**	**-**	**-**		**(457)**	**-**	**-**	**(457)**
5-Transactions to hedge financing flows											
Swap sale	EUR GBP	11 228			(77)	(77)	7 738			86	86
Swap sale	EUR PLN	6 334			15	15	2 564			(8)	(8)
Swap sale	EUR USD	4 394			(3)	(3)	53 785			(155)	(155)
Swap sale	Autres	3 588			14	14	263			2	2
Swap purchase	Autres	10 600			(4)	(4)	25 132			(14)	(14)
Transactions on financing			**-**	**-**	**(55)**	**(55)**		**-**	**-**	**(89)**	**(89)**
5-Other transactions outside the hedging transactions category											
Call sale	EUR GBP	3 000			(39)	(39)	4 000			(52)	(52)
Call sale	EUR USD	3 906				-	3 906			(6)	(6)
Call sale	Autres	361				-	978			(16)	(16)
Other operations			**-**	**-**	**(39)**	**(39)**		**-**	**-**	**(74)**	**(74)**
Total portfolio related to foreign exchange			**2 001**	**(360)**	**(94)**	**1 547**		**(2 680)**	**(1 336)**	**(163)**	**(4 179)**

The transactions are expressed according to the direction of the currency cross .

– forwards purchase EUR USD means that the Group is buying EUR and selling USD;
– call purchase EUR GBP means that the Group buys a EUR call/GBP put option;
– swap on futures sale EUR GBP means that the Group borrows EUR so is selling futures on EUR, lends GBP so is purchasing futures on GBP.

At June 30, 2019, the market value of derivatives hedging highly probable future transactions and recognized in equity was negative at €2 million compared with a negative €2.7 million at year-end 2018.

The Group's main currency exposure is the US dollar, the Pound Sterling and the Polish Zloty. The valuations shown exclude the impact of deferred taxes.

A 1% increase in the EUR/USD rate before hedging would negatively impact operating income by €2.3 million, on an annual basis.
A 1% increase in the EUR/GBP rate before hedging would negatively impact operating income by €0.9 million, on an annual basis.
A 1% decrease in the EUR/PLN rate before hedging would negatively impact operating income by €0.7 million, on an annual basis.

On June 30, 2019, 2019 budget net exposure relative to the main currencies was hedged at a ratio between 75% and 100%, depending on the currency managed. Currency fluctuations gains and losses arising from 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 valuation 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 uses an external provider to determine the valuations.

The above items are presented in accordance with hedge accounting principles of IFRS 9. As of January 1, 2018, the impact of the first application of IFRS 9 on the hedging of exchange rate and commodities risk consisted of reclassifying changes in the time value of cash flow hedge options in the active portfolio on January 1, 2018, from reserves to recyclable comprehensive income for an amount of -€2.1 million.

5.5.4 Interest rate risk management

Most of the Group's financing is arranged by Bel, 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.

On June 30, 2019 the Group had hedged interest rate risk through interest rate swaps:

(in thousands of euros)		At June 30, 2019					At December 31, 2018				
Category of transactions	**Currency**	**Commitment**	**Equity**	**Operating income**	**Financial income**	**Market value**	**Commitment**	**Equity**	**Operating income**	**Financial income**	**Market value**
Potfolio related to interest rate											
Fixed-rate borrower swaps	EUR	50 000	(725)			(725)	50 000	(457)			(457)
Fixed-rate payer swaps	EUR	10 000			240	240	10 000	46			46
Fixed-rate borrower swaps	USD	87 873	(101)			(101)	87 336	2 498			2 498
Currency swaps	EUR/CAD	20 144	(54)			(54)					
Total portfolio related to interest rate			**(880)**	**-**	**240**	**(640)**		**2 087**	**-**	**-**	**2 087**

The following hedging balance corresponds to hedges of Group's floating rate loans.

Change in the interest rate hedging portfolio on June 30, 2019

(In millions of euros)		**At June 30, 2019**	**2020**	**2021**	**2022**	**2023**
Interest-rate swaps	EUR	60	57,5	52,5	45	35
Interest-rate swaps	USD	100	95	85	70	50
Currency swaps	EUR/CAD	30	30	7,5	-	-

A 1% increase accross the yield curve would positively impact Group equity by €3.4 million, on an annual basis.
A 1% decrease across the yield curve would negatively impact Group equity by €2.5 million, on an annual basis.

Breakdown of gross debt (excluding finance lease) by type, maturity and interest rate type

At June 30, 2019 *(In thousands of euros)*	**Net financial debt**			**Impact of derivative instruments**			**Financial debt after impact of derivative instruments**		
Maturity date between :	**Fixed rate**	**Variable rate**	**Total**	**Fixed rate**	**Variable rate**	**Total**	**Fixed rate**	**Variable rate**	**Total**
01/07/2019 - 30/06/2020	(180 297)	(173 825)	(354 122)	(6 894)	6 894	-	(187 191)	(166 931)	(354 122)
01/07/2020 - 30/06/2021	(2 708)	(11 508)	(14 216)	(8 751)	8 751	-	(11 459)	(2 757)	(14 216)
01/07/2021 - 30/06/2022	(27 051)	(34 605)	(61 656)	(5 573)	5 573	-	(32 624)	(29 032)	(61 656)
01/07/2022 - 30/06/2023	(20 008)	(28 496)	(48 504)	(27 575)	27 575	-	(47 583)	(921)	(48 504)
01/07/2023 - 30/06/2024	(10 373)	(54 788)	(65 161)	(58 937)	58 937	-	(69 310)	4 149	(65 161)
> 01/07/2024	(499 840)		(499 840)			-	(499 840)	-	(499 840)
TOTAL	**(740 277)**	**(303 222)**	**(1 043 499)**	**(107 730)**	**107 730**	**-**	**(848 007)**	**(195 492)**	**(1 043 499)**

NEU Commercial papers are issued at fixed rate but are treated as floating rate instruments in the table owing to its short maturities and expected renewals.

5.5.5 Counterparty risk management

All short-term cash investments and financial instruments are arranged with major counterparties in accordance with both safety and liquidity rules. "Major counterparties" are mainly French banks from the banking pool. Money-market mutual funds offering daily liquidity or certificates of deposit account 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 immaterial at June 30, 2019.

5.5.6 Raw material risk management

The Group is exposed to price increases of raw materials, particularly for milk, cheese, milk powder and butter. So far, the Group has not been able to implement a global systematic policy to hedge raw materials prices. The US units have a raw materials hedging policy using forward markets in Chicago. During 2018, on behalf of French subsidiary FBPF, Bel implemented a few hedging contracts for its butter purchases on the European Energy Exchange.

On June 30, 2019 Bel and Bel Brands have the following positions:

	At June 30, 2019		At December 31, 2018	
Category of transactions	Number of contracts	Market value *(in thousand euros)*	Number of contracts	Market value *(in thousand euros)*
EEX Cash Settled Butter				
Forward purchase	50	(156)	110	17
Total EEX Cash Settled Butter		(156)		17
TOTAL France		**(156)**		**17**
CME Class III Milk				
Forward purchase	525	533	371	(479)
Call purchase	854	757	942	382
Put sale	427	(21)	446	(137)
Total CME Class III Milk		1 269		(234)
CME Cash Settled Cheese				
Forward purchase	102	130	215	(447)
Call purchase	240	437	300	183
Put sale	162	(10)	228	(111)
Total CME Cash Settled Cheese		557		(375)
CME Cash Settled Butter				
Forward purchase			4	(2)
Total CME Cash Settled Butter		-		(2)
TOTAL U.S.		**1 826**		**(611)**
Total Bel Group		**1 670**		**(594)**

At June 30, 2019, the market value of derivatives allocated to hedge highly probable future transactions and recognized in equity was a positive €1.7 million compared to a negative €0.6 million at December 31, 2018.

5.5.7 Fair value hierarchy disclosures based on IFRS 7

IFRS7 classification	At June 30, 2019				At December 31, 2018			
(in thousands of euros)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Foreign exchange derivatives		1 547				(4 179)		(4 179)
Interest rate derivatives		(640)				2 087		2 087
Raw materials derivatives	1 670				(594)			(594)
Total	**1 670**	**907**	**-**	**2 577**	**(594)**	**(2 092)**	**-**	**(2 686)**
Mutual funds	91 063				90 910			90 910
Total	**92 733**	**907**	**-**	**2 577**	**90 316**	**(2 092)**	**-**	**88 224**

6. FINANCIAL COMMITMENTS

As a reminder, the Group received from the MOM group managers the promise to sell *(call)* their shares to Bel upon request of Bel on April 30, 2022 the latest.

No material variation in financial commitments is to be reported for this first half 2019.

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 recognized 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 June 30, 2019.

The companies included in the Group are periodically subject to tax audits in the countries where they are based. Tax arrears and penalties are 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.

8. RELATED PARTIES

8.1. Management benefits

Management in this note refers to Board of Directors and Management Committee members. During the first half of 2019, no notable changes were made to the principles used to determine management remuneration and similar benefits.

8.2. Related party relationships

(in thousands of euros)	First half 2019	First half 2018	December 31, 2018
Amount of transactions	6,863	10,668	15,524
of which Unibel	2,468	3,647	6,567
of which other non-consolidated companies	4,395	7,021	8,957
Associated receivables	5	49	99
Associated payables and current accounts	87,383	97,241	90,745
of which Unibel	84,898	94,474	88,361
of which other non-consolidated companies	2,485	2,767	2,384
Unibel shares	120,755	182,606	144,317

At June 30, 2019, transaction amounts with related parties included the Unibel holding company for € 2.5 million, of which € 2.2 million in personnel expense billed back to Bel and 4.4 million of operating expenses charged back to Bel by non-consolidated companies (Bel Proche et Moyen-Orient, Bel Beyrouth, Bel Middle East).

Related parties associated payables and current accounts mainly concerned the Unibel holding company, with a €84.9 million current account, versus €88.4 million at December 31, 2018 (see note 5.5).

The Unibel shares held by Sofico were measured at €120.8 million, based on the closing share price at June 30, 2019.

The Group has no significant off-balance sheet commitments with related parties.

9. SIGNIFICANT SUBSEQUENT EVENTS

No significant subsequent event is to be reported.

Deloitte & Associés
6, place de la pyramide
92908 Paris La Défense Cedex

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles

Grant Thornton
29, rue du Pont
92200 Neuilly-sur-Seine

Commissaire aux Comptes
Membre de la compagnie
Régionale de Versailles

BEL

French corporation *(Société Anonyme)*

2 allée de Longchamp
92150 Suresnes

Statutory Auditor's report on the 2019 interim consolidated financial statements

Period from January 1, 2019 to June 30, 2019

To the shareholders of the Bel company,

In our capacity as statutory auditors entrusted by the Annual General Shareholders' Meeting and in accordance with Article L.451-1-2 III of the French Monetary and Financial Code, we hereby submit:

- our limited review of Bel's summary consolidated financial statements for the half-year period covering January 1, 2019 to June 30, 2019, as appended to the present report,
- our verification of the information contained in the half-year business report.

The summary consolidated financial statements for the first half of 2019 were prepared under the authority of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

1. Conclusion on the financial statements

We have carried out our limited review in accordance with professional auditing standards applicable in France. A limited review consists of making inquiries with management members responsible for accounting and financial matters and applying analytical procedures. A limited review is substantially less in scope than an audit carried out in accordance with professional standards applicable in France, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying summary consolidated financial statements for the first half of 2019 are not prepared in all material respects in compliance with IAS 34, the standard of IFRS as adopted by the European Union applicable to interim financial reporting.

2. Specific verification

We have also verified information presented in the interim business report on the summary consolidated financial statements for the first half of 2019 that were subject to our limited review.

We have nothing to report with respect to the fairness of the information or its consistency with the summary consolidated financial statements for the first half of 2019.

Paris- La Défense and Neuilly-sur-Seine, July 25, 2019

The Statutory Auditors

Deloitte & Associés	Grant Thornton French member of Grant Thornton International
Pierre-Marie MARTIN	Virginie PALETHORPE

Statement of the company officer responsible for the interim financial report

The undersigned hereby declares that, to the best of his knowledge, the summary consolidated financial statements for the first half of 2019 have been prepared in accordance with applicable accounting standards and present a fair and reliable picture of the assets, financial position and earnings of the Bel company and all its entities included in the scope of consolidation. Further, the undersigned hereby declares that, to the best of his knowledge, the business report above presents a fair and reliable picture of significant events taking place in the first six months of the year, their impact on the financial statements and main related-party relationships, and describes the main risks and uncertainties for the remaining six months of the financial year.

Suresnes - July 25, 2019

Chairman and Chief Executive Officer

Antoine Fiévet

The present interim report is available at Bel's website http://www.groupe-bel.com
Copies may also be obtained free of charge at the company's head office.

French corporation *(société anonyme)* with a share capital of €10,308,502.50
2 allée de Longchamp - 92150 Suresnes
Siren 542 088 067 - RCS Nanterre