

Thursday February 4, 2016

PRESS RELEASE

Net sales for 2015

Consolidated data (€m)	Dec. 2015	% Net sales	Dec. 2014	% Net sales	Changes in %			
					Total	Structure	Forex	Organic
NET SALES	4,442		4,607		-3.6	-2.5	1.9	-2.9
- Cheese Products	2,602	58.6	2,722	59.1	-4.4	-4.4	0.8	-0.8
- Other Dairy Products	1,962	44.2	1,997	43.3	-1.7	0	3.5	-5.0

In 2015, Savencia Fromage & Dairy achieved total net sales of €4,442 million, down 3.6% over 2014. Assuming constant foreign exchange rates and Group structure ("like-for-like"), the fall was limited to 2.9%. The positive foreign exchange impact amounted to 1.9%. The reinforcement of the US dollar and Chinese yuan, with average annual increases against the euro of respectively almost 20% and 17%, largely offset the devaluation of the Brazilian real which experienced an average fall in value over the year of about 16%. The 2.5% negative impact of the Group's structure reflected the sale at the end of December 2014 of Schratte, a North American importer and distributor.

Like-for-like, net sales of Cheese Products fell by 0.8% as a result of negative pricing in all markets in line with the falling world price for milk. The dynamism of our strategic brands, in particular in Western Europe and beyond Europe, however helped to significantly limit the impact of this factor.

Like-for-like, net sales of Other Dairy Products fell by 5.0% as a direct result of low world prices for industrial products due to excess milk production worldwide impacting the selling prices for milk ingredients. The fall was nevertheless contained thanks to a favorable development of sales volumes for products with higher added value.

2015 was thus marked by overall imbalance in the world's dairy economy attributable to a significant increase in milk production in Europe, North America and Australia combined with a slowdown in exports to China and the Russian embargo. The resulting significant drop in the price of dairy raw materials and world prices for industrial products accentuated the dairy industry's crisis both in France and in Europe more generally.

Despite this context, the Group's financial ratios have benefited, throughout 2015, from our teams' dynamism, from our efforts directed towards industrial and commercial competitiveness, from our strong focus on our strategic brands and from the reinforcement of our international market positions.

The next publication will take place on March 3, 2016.

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