

Thursday October 27, 2016

PRESS RELEASE: activity through September 2016

Consolidated data in millions of euro	Sept. 2016	% net sales	Sept. 2015	% net sales	Changes in %			
					Total	Structure	Forex	Growth
NET SALES	3,193		3,261		-2.1%	0.0%	-3.1%	1.0%
- of which: Cheese Products	1,885	59.0	1,895	58.1	-0.5%	0.0%	-1.5%	1.0%
- of which: Other Dairy Products	1,403	43.9	1,457	44.7	-3.7%	0.0%	-5.2%	1.6%

The definitions and bases of calculation of the underlying aggregates for structure, forex and growth variances reflect industry practices and will be detailed in the Group's forthcoming annual report

Net sales for Savencia Fromage & Dairy have fallen by 2.1% with a foreign exchange impact of -3.1% reflecting the general devaluation of world currencies against the euro, with particular impact from the Argentinian peso, the Brazilian real and the Chinese renminbi.

The organic growth of 1.0% at the end of September reflects the positive development of our activities both in Europe and internationally, in particular during the third quarter.

Like-for-like, Cheese Product net sales gained 1.0% thanks to positive volume-mix impacts during the third quarter. Our strategic brands have been reinforced over all geographical zones with the exception of Latin America currently suffering from economic conditions directly impacting consumption.

For Other Dairy Products, the negative impact of weak world prices for industrial products has been offset by increasing activity during the third quarter.

The dairy economy is rebalancing during the second half of the year with:

- a slowdown in European dairy production deriving from the price of milk, climatic conditions and national and European subsidies;
- an increase in the price of milk and in world prices for industrial products.

In this context Savencia Fromage & Dairy, confident in its brand strategy and in its employees' commitment, will continue its efforts of adaptation and competitiveness. The strength of its brands and the reinforcement of its international development will enable Savencia Fromage & Dairy to consolidate its financial position.

Additional information may be consulted on our website: www.savencia-fromagedairy.com
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 A French joint stock company in the form of a *Société anonyme* with share capital of €14,032,930
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