

PRESS RELEASE: activity at the end of September 2017

Consolidated data (€m)	Sept. 2017	% net sales	Sept. 2016	% net sales	Changes in %			
					Total	Structure	Forex	Growth
NET SALES	3,547		3,193		11.1%	0.0%	-0.4%	11.5%
- Of which: Cheese Products	2,013	56.8	1,885	59.0	6.8%	0.0%	0.3%	6.5%
- Of which: Other Dairy Products	1,641	46.3	1,403	43.9	17.0%	0.0%	-1.2%	18.4%

The definitions and bases of calculation of aggregates such as changes in Group structure, foreign exchange or organic growth have not evolved in comparison with the previous year; they are defined in the Group's financial report.

At €3,547 million, Savencia Fromage & Dairy's net sales have increased by 11.1% reflecting organic growth of 11.5% and a negative foreign exchange impact of 0.4%, in turn mainly reflecting the fall in value of the Argentinian, Chinese, Egyptian and British currencies partially offset by a gain in value of the Brazilian real against the euro.

The organic growth of 11.5% is driven by a more sustained development of our international activities beyond the confines of Europe. In parallel, the relative weight of the French market within the activity of Savencia Fromage & Dairy as a whole has fallen back.

Assuming constant foreign exchange rates and Group structure, Cheese Products net sales were up by 6.5% at the end of September. Nevertheless, the Group's activity for the third quarter has been characterized by stagnant volumes in most of our European markets outside France, penalized by price increases only partly reflecting the increased price of our dairy raw materials.

Other Dairy Products have recorded strong organic growth of 18.4% as a direct result of the increase in world prices for industrial products. Pursuit of the Group's international development has compensated for the relative flatness of business in France.

Outlook for 2017

Current operating profit for 2017 should be affected by:

- The general evolution of the dairy economy;
- The difficulty of adjusting, mainly in France, the selling prices for retail products to reflect the increasing cost of raw materials; and by
- A general slowdown in organic growth at the end of the year.

Confident in its long-term strategy and in the superior quality of its products, Savencia Fromage & Dairy relies on its employees' commitment to continuing their efforts to adapt and remain competitive. The Group's international development allows it to consolidate its financial equilibrium.

Additional information may be consulted on our savencia-fromagedairy.com website

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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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