

PRESS RELEASE: financial statements for 2017
Reinforcement of international positions

Key figures in €m	12/31/2017	% net sales	12/31/2016	% net sales	Changes in %			
					Total	Structure	Forex	Growth
Net sales:	4 853		4 418		9.8	0.0	-0.9	10.8
- for Cheese Products	2 761	56.9	2 612	59.1	5.7	0.0	-0.3	6.0
- for Other Dairy Products	2 233	46.0	1 942	43.9	15.0	0.0	-1.7	17.0
Current operating profit	172.7	3.6	187.1	4.2				
Operating profit	153.3	3.2	181.0	4.1				
Net financial expense	-16.1	0.3	-28.1	0.6				
Taxes on income	-46.1	0.9	-47.7	1.1				
Group share of net income	93.0	1.9	104.5	2.4				
Net debt	532		340					
Equity	1 378		1 362					

The statutory audit procedures have been completed and the audit report is in the process of issuance.

The definitions and bases of calculation of aggregates such as the impacts of changes in structure, foreign exchange or organic growth are unchanged, as defined in the Group's financial report

Groupe Savencia Fromage & Dairy's net sales increased by 9.8% in 2017 compared to 2016, reflecting organic growth of 10.8% and a negative foreign exchange impact of 0.9% as discussed in the Group's press release dated February 7, 2018.

Current operating profit for 2017, at €172.7 million or 3.6% of net sales, was penalized by the significant rises in dairy raw material prices which, given their increasing volatility, could not be fully passed on in selling prices. However the development of branded volumes, as well as the performance on international markets, succeeded in offsetting the fall in French retail business.

Operating profit amounted to €153.3 million or 3.2% of net sales, reflecting in particular the impairment of assets related to disposals and to the economic context of South America.

Net financial expense improved by €12 million reflecting both the impact of the fall in short-term interest rates and the reduction of foreign exchange losses.

The Group's share of net income, at €93 million, represents 1.9% of net sales. The Group's financial structure remains healthy. The net debt/equity ratio of 38.6% takes account of the financing of the Russian acquisition at the end of December 2017.

Dividend

At the Annual General Meeting to be held on April 26, the Board of Directors will propose the distribution of a dividend of €1.40 per share.

Outlook for 2018

The volatility of dairy raw material prices, and the necessity of passing them on in selling prices, remain key issues for the coming year. Within this environment Savencia Fromage & Dairy, confident in the dynamism of its teams, will continue to focus on its fundamentals: the development of specialty brands, the improvement of competitiveness and the reinforcement of the Group's international positions.

Within this context, Savencia Fromage & Dairy has increased its non-controlling interests to 50% for Compagnie Fromagère in Tunisia and 49% for Ferrari in Italy. The Group is also in the process of acquiring Bake Plus, a distribution company, in South Korea. As the competition authorities' agreement has been obtained, the transaction will shortly be finalized.

Additional information may be consulted on the Group's website: savencia-fromagedairy.com

SAVENCIA SA

42 rue Rieussec, 78223 VIROFLAY Cedex – France – T +33 1 34 58 63 00
 A French joint stock company in the form of a *Société anonyme* with share capital of €14,032,930
 847 120 185 RCS Versailles – VAT: FR 46 847 120 185