

PRESS RELEASE: Activity at the end of September 2018

Consolidated data (€m)	Sept. 2018	%	Sept. 2017	%	Changes in %			
					Total	Structure	Forex	Growth
NET SALES:	3,526		3,547		-0.6%	1.7%	-3.6%	1.4%
- Cheese Products	2,024	57.4	2,013	56.8	0.6%	2.5%	-2.3%	0.4%
- Other Dairy Products	1,596	45.3	1,641	46.3	-2.7%	0.6%	-5.3%	2.1%

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 €3,526 million, Savencia Fromage & Dairy's consolidated net sales fell by 0.6%, reflecting a negative foreign exchange impact of 3.6% following the fall in value of the South American currencies and of the US dollar. Scope of consolidation contributed growth of 1.7%, due to the consolidation of the new subsidiaries acquired in Russia and South Korea, whilst organic growth was also positive by 1.4%.

This cumulative organic growth of 1.4% reflected third quarter growth of 0.5% thus consolidating the strong progression of the previous year, with positive development for our international activities offset by a certain fall in the European markets.

Like-for-like for foreign exchange and scope of consolidation, Cheese Product net sales rose by 0.4% at the end of September 2018 equally reflecting the positive development of our international activities.

Other Dairy Product net sales experienced organic growth of 2.1%. Within a sluggish market, in which our sales of ingredients continued to suffer from very low world prices for skim milk powder, butter and cream took advantage of better valorization.

Outlook for 2018

Current operating profit for the second half of the year will continue to be affected by a dairy economy penalized by the price trend for milk and its components, mainly in France, exacerbated by the price war. The growth gap between Europe and international markets will continue, as will currency volatility with, in particular, the impact of Argentina's now official hyperinflation.

The Group's other operating income and expenses should be impacted by the restructuring projects which have been presented in Europe to unions and other employee representatives. The projects involve, in particular, the closure of a plant and expertise pooling within Shared Service Centers.

Confident in its strategy and its teams' commitment to operating excellence, these changes will enable Savencia Fromage & Dairy to continue to adapt to the evolution of its structurally volatile environment and to respond ever more appropriately to its customers and consumers with products and services of the highest quality.

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

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