



## First Half Year 2014-2015 Financial Results (1<sup>st</sup> July 2014 – 31<sup>st</sup> December 2014)

### High Record Activity and Profitability for the Bonduelle Group in the first half of FY 2014-2015

- Turnover exceeds 1 billion of Euro, an increase of +5.5%\*
- Record-breaking Current Operating Result at 66.5 million of Euro, an increase of 12.4%
- Net Result increases by 30% at 36.4 million of Euro
- Ongoing development in North America
- Financial structure strengthens by lower debt
- Raise of the annual objective of profitability

#### Significant Results

(in millions of Euros)	1 <sup>st</sup> HY 2014 - 2015	1 <sup>st</sup> HY 2013 - 2014	Variation
Turnover	1,018.8	987.7	+3.1%
Current Operating Result	66.5	59.1	+12.4%
Current Operating Margin	6.5%	6.-%	+50 bp
Consolidated Net Profit	36.4	28.-	+30.-%
Net Financial Debt	675.9	696.3	(20.4)

Committed to its profitable growth model and its 2025 VegeGo! ambition, the Bonduelle Group recorded, over the first 6 months, a turnover increase of 3.1% on reported figures and + 5.5% on a like for like basis as well as a current operating margin increase of 50 basis points (bp).

Despite a consumption that remained fairly sluggish, the Europe zone improves its current operating margin, the Non-Europe zone still recording a high and stable current operating profitability in a strong growth environment. This solid economic performance, recorded over the first 6 months, helps to strengthen the financial structure of the group and its development capacity. Given these results, the group is reviewing its profitability growth objective upwards for FY 2014-2015.

*To be the world reference in "well living" through vegetable products*  
[www.bonduelle.com](http://www.bonduelle.com)

## Turnover

The Bonduelle Group's turnover exceeded for the first time ever one billion Euro over the first 6 months to reach 1.019 billion Euro in the first half year of FY 2014-2015, an increase of + 5.5% on a like for like basis and, despite the impact of adverse currency movements, + 3.1% based on published figures.

It should be noted that all areas and technologies are growing over the first half of the financial year.

### Activity by Geographic Region

Total consolidated turnover (in € millions)	1 <sup>st</sup> HY 2014-2015	1 <sup>st</sup> HY 2013-2014	Variation at current exchange rates	Variation at constant scope of consolidation and exchange rates
<b>Europe Zone</b>	639.4	632.6	1.1%	1.1%
<b>Non-Europe Zone</b>	379.4	355.1	6.8%	13.7%
<b>Total</b>	<b>1,018.8</b>	<b>987.7</b>	<b>3.1%</b>	<b>5.5%</b>

### Activity by Operating Segments

Total consolidated turnover (in € millions)	1 <sup>st</sup> HY 2014-2015	1 <sup>st</sup> HY 2013-2014	Variation at current exchange rates	Variation at constant scope of consolidation and exchange rates
<b>Canned</b>	558.-	546.8	2.-%	5.1%
<b>Frozen</b>	270.4	264.4	2.3%	4.7%
<b>Fresh processed</b>	190.4	176.5	7.9%	7.9%
<b>Total</b>	<b>1,018.8</b>	<b>987.7</b>	<b>3.1%</b>	<b>5.5%</b>

### Europe Zone

In Europe, the turnover stands at 639.4 million of Euro, an increase of 1.1% on both reported and comparable basis\* for the first half year of 2014-2015, representing 63% of the group's turnover.

In mature markets, the sales of branded products both in the canned and frozen segment showed an increase and some on-going substantial market share gains in the retail sector. The food service segment remained adversely impacted despite a timid recovery observed at the end of the period.

Fresh-cut salad in bags and delicatessen salads activities again recorded strong growth in all the countries served (France, Germany, Italy). In France, the strengthening of the commercial momentum coupled with some innovations have enabled the Bonduelle brand to become for the first time the co-leader in the fresh-cut salad in bags product range and to consolidate its leadership in the delicatessen segment thanks to both the baseline products and the ever-growing snacking activity. In Italy, in a nevertheless challenging environment, Bonduelle recorded another semester of business growth thanks to the launch of new product lines in the salad category.

The outstanding performance of the sales of national brands (Bonduelle and Cassegrain) further strengthens the group's strategy on accessible innovation, supported by reinforced marketing investments.

***To be the world reference in "well living" through vegetable products***  
**www.bonduelle.com**

## **Non-Europe Zone**

In the Non-Europe Zone, the turnover stands at 379.4 million of Euro over the first half of 2014-2015, an increase of +13.7%\* on a like for like basis, representing 37% of the group's turnover. The growth stands at + 17.2%\* for quarter 2.

In North America, the commercial activity remained strong in Canada and, in the United States, the volume gains were on-going in the various sectors of activity. This performance was achieved despite of the fire of the factory in Tecumseh (Ontario) in July 2014 which slowed down certain sales.

In Russia, sales growth, mainly driven by volumes, proved to be exceptionally high. Essentially locally produced, the Bonduelle and Globus canned vegetables saw greater accessibility enhanced by an imported inflation and the embargo on other food product categories.

## **Operating Profitability**

The current operating result records a sharp increase of + 12.4% at 66.5 million of Euro, the current operating margin increasing of 50 bp at 6.5%. On a like for like basis, it stands at 6.7%.

This growth in current operating profitability is fuelled in the Europe zone by the increase in sales of Bonduelle and Cassegrain branded products in all technologies and by the significant improvement in profitability of the fresh process segment (fresh-cut salads in bags and delicatessen salads) resulting in an increase of 120 bp at 4.2%. In the Non-Europe zone, the strong sales growth is coupled with a current operating margin remaining at a very high level (10.9% on a like for like basis).

Marketing investments increased by 12.4% over the period and focused on both the Europe and Non-Europe zone.

After non recurrent items (€ 0.8 M), the operating profitability stands at 65.7 million of Euro, representing 6.4% of the turnover, an increase of 16.9%.

## **Financial Result and Net Result**

Financial charges reached 11.6 million of Euro against 15.8 million of Euro for the first half of last financial year.

Mainly composed of the debt charges, the financial result benefits from the on-going deleveraging of the group and lower rates. The dynamic management of the exchange rates, highly volatile over the period, enables to report no negative currency result.

After result of companies consolidated by equity method (€- 1,- M) and corporate tax deduction (€ 16.8 M), the overall net result and group part result stand at 36.4 million of Euro, representing 3.6% of the turnover, an increase of 30%.

***To be the world reference in "well living" through vegetable products***

**[www.bonduelle.com](http://www.bonduelle.com)**

## **Financial Situation**

The group's net financial debt was set on the 31<sup>st</sup> of December 2014 at 675.9 million of Euro against 696.3 million of Euro on the 31<sup>st</sup> of December 2013. The strong control on investments and working capital, decreasing despite an increase of activity, enabled to continue to reduce the group's debt. The average cost of debt is set at 3.27% with a debt maturity of 4.3 years and a disintermediated rate close to 50%.

The on-going improvement of the financial profile allows the group to increase its capacity to raise funding for internal and external growth projects in accordance with its development model.

## **Significant events**

### **The Bonduelle Group is rewarded for the quality of its relationships with its investors**

The Bonduelle Group, listed since 1998, received on the 1<sup>st</sup> of December 2014 in Paris at the headquarters of Euronext, the silver trophy of the Investors Relation - Midcap category - during the 7th edition of the Forum of Investors Relations and Financial Communication 2014.

The trophy rewards the constant efforts of the group in terms of availability, transparency and pedagogy toward financial analysts and its 10,000 individual and institutional shareholders in France and outside France.

### **Completion of the acquisition of the frozen plant of Lethbridge (North America)**

The Bonduelle Group and the Canadian distribution group Sobeys signed on the 3<sup>rd</sup> of February 2015, the Asset Purchase Agreement related to the acquisition by Bonduelle of a factory of frozen vegetables. This production tool in excellent condition and with a capacity of 15,000 tons is located in Lethbridge, in Alberta on the border with the United States. This new tool strengthens the presence of Bonduelle in North America in the west of the continent, thus enabling its commercial deployment and logistic savings in this area.

This transaction of a limited amount comes with the signing of a long term (7 years), exclusive supply contract between Sobeys (2<sup>nd</sup> Canadian distributor) and Bonduelle for several product lines on Canadian territory. This partnership, therefore, ensures a long term sourcing of vegetables with producers from Alberta, Quebec and Ontario.

### **For the first time, Bonduelle is participating to the International Agricultural Trade Show.**

For the first time, from the 21<sup>st</sup> of February to the 1<sup>st</sup> of March 2015, Bonduelle will be participating to the International Agricultural Trade Show. This participation will enable to promote and value the vegetable industry and the group's best practices on sustainable development, from the field to the plate. Bonduelle farmers' representatives will be present every day to explain to the general public their jobs and the production of field vegetables, salads or mushrooms.

The involvement in its upstream agriculture is an integral part of the company's genes; its agronomic organization is one of the fundamental bedrocks to become the "world reference in well-living through vegetable products."

***To be the world reference in "well living" through vegetable products***

**[www.bonduelle.com](http://www.bonduelle.com)**

## Outlooks

While the environment remains complex and changing, the excellent performance observed in the first half of 2014-2015 and the solid economic model of Bonduelle, marked by a growing international presence and a diversification of its business, enable the group to raise its 2014-2015 objectives upward.

	Adjusted objectives 14-15 February 2015 *		Initial objectives 14-15 September 2014*		Published 13-14
	€M	Change 13-14	€M	Change 13-14	€M
<b>Current Operating Result</b>	110 - 115	+ 7% to + 12%	106 - 109	+ 3% to + 6%	102.7

The current operating profitability at constant exchange rates includes the confirmation of a substantial increase in its marketing expenditures (+ 5 to 10%).

\* at constant scope of consolidation and exchange rates

## Next financial events

- 2014-2015 3<sup>rd</sup> Quarter FY Turnover : 7<sup>th</sup> of May 2015 (prior to stock exchange trading session)
- 2014-2015 FY Turnover : 4<sup>th</sup> of August 2015 (prior to stock exchange trading session)
- 2014-2015 FY Results : 29<sup>th</sup> of September 2015 (prior to stock exchange trading session)

**Find the complete recorded Half Year results on [www.bonduelle.com](http://www.bonduelle.com)**

### About Bonduelle

Bonduelle, a family business, was established in 1853. Its mission is to be the world reference in "well-living" through vegetable products. Prioritising innovation and long-term vision, the group is diversifying its operations and geographical presence. Its vegetables, grown across more than 128,000 hectares all over the world, are sold in 100 countries under various brand names and through various distribution channels and technologies. Expert in agro-industry with 58 industrial sites or own agricultural production, Bonduelle produces quality products by selecting the best crop areas close to its customers.

Bonduelle is listed on the NYSE - Euronext compartment B - Indices: CAC MID & SMALL - CAC ALL-TRADABLE - CAC ALL SHARES  
Code ISIN: FR0000063935 - Code Reuters: BOND.PA - Code Bloomberg: BON FP

**To be the world reference in "well living" through vegetable products**  
**[www.bonduelle.com](http://www.bonduelle.com)**