Fleury Michon, the French leader in fresh Charcuterie, Prepared Meals and Surimi products, reported revenue of €359.8 million in the first half of 2017, down 3.3% year-on-year.

- Decline in revenue
- Increase in raw materials costs, impacting profit
- Accelerating roll-out of Fleury Michon’s strategy

**€359.8m**
in consolidated revenue

<table>
<thead>
<tr>
<th>Revenue by quarter (in €m)</th>
<th>First-half 2016</th>
<th>First-half 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>First quarter</td>
<td>184.7</td>
<td>177.7</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Second quarter</td>
<td>187.3</td>
<td>182.1</td>
<td>-2.8%</td>
</tr>
<tr>
<td><strong>Total first half</strong></td>
<td><strong>372.0</strong></td>
<td><strong>359.8</strong></td>
<td><strong>-3.3%</strong></td>
</tr>
</tbody>
</table>

The Charcuterie ranges (72.6% of segment revenue) reported revenue of €219.9 million, down 1.7% year-on-year. Revenue for the Surimi (11% of revenue) and Prepared Meals (16.4% of revenue) ranges came in at €33.4 million, down 10.3%, and €49.6 million, down 8.2%, respectively.

In food markets, growth is expected to be restored by meeting consumers’ high expectations for Eating Better. The Charcuterie ranges (72.6% of segment revenue) reported revenue of €219.9 million, down 1.7% year-on-year. Revenue for the Surimi (11% of revenue) and Prepared Meals (16.4% of revenue) ranges came in at €33.4 million, down 10.3%, and €49.6 million, down 8.2%, respectively.

In an environment impacted by sharp rises in raw materials costs, Fleury Michon curbed its promotional spending, which adversely affected revenue.
A STRONGER-THAN-FORECAST RAW MATERIALS IMPACT ON PROFIT

As regards operating profit for first-half 2017, Fleury Michon’s French Supermarkets segment will be impacted beyond what was previously forecast due to a higher-than-expected rise in raw materials costs. This additional rise in costs, representing an overall impact of more than €5 million (mainly affecting pork hams), was not passed on to retail clients in first-half 2017. In light of these circumstances, Fleury Michon is forecasting a significant decrease in recurring operating profit, falling into slightly negative territory for the first half of the year, while net profit is expected to be slightly positive.

Despite these challenges, the Group has greatly increased its advertising-related expenditure compared with the first half of 2016. Several ad campaigns for television and print and digital media were rolled out during first-half 2017 for prepared meals and the J’aime, Organic and Côté Végétal ranges. Additional ad campaigns have been planned for the second half of the year.

A STRONG FOUNDATION ON WHICH TO CONTINUE IMPLEMENTING A STRATEGY FOCUSED ON PROFITABLE, SUSTAINABLE GROWTH

The Fleury Michon Group remains confident in the future due to its solid fundamentals, including:
- the “Helping people eat better every day” project, launched two years ago to significantly improve consumers' eating habits;
- retail clients, who view the Group’s commitment to Eating Better as a strategic focus for growth;
- sound corporate management that values responsiveness without falling into the trap of short-term thinking.

Fleury Michon continues to be the leader in all of its markets, reflecting consumer confidence in its offering, brand and positioning.

FLEURY MICHON IS AN INDEPENDENT, MEDIUM-SIZED FAMILY COMPANY WITH AN INTERNATIONAL OUTLOOK. FOUNDED IN 1905, WE ARE NOW ONE OF FRANCE’S LEADING FOOD BRANDS. WE PREPARE FRESH, READY-TO-EAT, EVERYDAY MEALS.

OUR CORPORATE PROJECT OF “HELPING PEOPLE EAT BETTER EVERY DAY” REFLECTS OUR VISION FOR THE FUTURE. IT’S THE VISION OF A BRAND AND A COMPANY THAT IS OPEN TO THE WORLD AND CLOSE TO ITS CUSTOMERS, RECOGNISES THE VALUE OF ITS PEOPLE AND ENCOURAGES COOPERATION WITH ITS STAKEHOLDERS. IT’S THE VISION OF AN INNOVATIVE, RESPONSIBLE BRAND THAT WANTS TO HELP PEOPLE EAT BETTER IN THE FUTURE.