

H1 2014 profit

Mixed fortunes on the markets and a rebound in Q2 activity after a drop in Q1

Fleury Michon posted €348.7 million in revenue in H1, representing a slight 0.9% decline compared to H1 2013, against a background of particularly challenging conditions for household consumption.

Nonetheless, the group managed to reverse the trend seen in Q1, recording a 1.8% rise in Q2 revenue to €180.7 million after suffering a 3.7% drop to €168 million in Q1. This rebound in Q2 activity was mainly attributable to charcuterie sales (up 1.6%), sales of Fleury Michon-branded products (up 3.7%) and sales in Service Division (up 8.7%), including those for Room Saveurs (+12.7%).

It should also be noted that Fleury Michon-branded surimi rose 9%, thanks to commercial investments, a broader product range and the 'Come try it' campaign.

Net margin maintained over the half-year

Elements of the IFRS P&L Account (€m)	H1 2013	H1 2014
Revenue	352.0	348.7
Current operating profit	18.8	12.5
<i>Current operating margin</i>	5.3%	3.6%
Operating profit	17.7	12.5
<i>Operating margin</i>	5.0%	3.6%
Finance costs - net	-0.8	-0.7
Tax	-6.3	-5.2
Share in profit (loss) of associates	-2.4	1.2
Net profit for the period	8.2	7.8
<i>Net margin</i>	2.3%	2.2%

The operation margin was affected by several factors:

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- Market contraction
- Higher purchase price of raw materials, especially pork ham, the price of which reached record levels in H1,
- Marketing and commercial investments necessary to support activity and the launch of new products, both in France and abroad.

Given these elements, the operating margin at 30th June 2014 stood at 3.6% compared to 5% recorded for H1 2013.

Revenue

-0.9% in H1
1.8% improvement in Q2

3.7% increase in Q2 for the Fleury Michon brand

Profit

Drop in operating profit
Net margin stable at 2.2%

Financial structure

Reinforcement of equity
 Continued de-leveraging

Fleury Michon eligible for investment vehicles reserved for SMEs

Regarding the share in profit (loss) of associates, the Spanish and Italian activities improved their performance considerably. In Italy, the settlement of the insurance claim related to the December 2013 incident (production unit burnt) had a favourable impact on the books).

Net profit after tax stood at €7.8 million compared to the €8.2 million posted in H1 2013.

A healthy financial structure and continued de-leveraging

This half-year position allowed the group to consolidate its financial structure. At 30th June 2014, the Group's Balance Sheet showed equity of €179.7 million, representing a €8.3m increase compared to H1 2013.

Net financial debt continued to decrease considerably and stood at €78.4 million at 30th June 2014 (€91.1m at 31st December 2013). The Group's gearing during this period was 43.5%, almost 10 points lower than at 30th June 2013.

Revenue outlook

In the face of unfavourable conditions, the Fleury Michon Group intends to maintain its strategy of domination on its various markets and wherever it is present internationally.

As already indicated in the press release dated 24th July, the Group is maintaining its revenue growth target for the financial year.

The half-yearly financial report is available on the website, www.fleurymichon.fr, under heading 'Finance', then '2014 Documents' and '2014 Activity Report'.

23 October 2014
Publication of Q3 revenue at the close of trading

Fleury Michon...

Founded in 1905, Fleury Michon still remains a medium-size independent family-run company. Its 3,730 employees renew their commitment to excellence every day. The company is present in France, Italy, Spain, Slovenia and Canada. In France, it is the leader on the Supermarket, Self-service charcuterie, Fresh prepared meals and Surimi segments. Fleury Michon is the leader on the Delivered Meal tray business provided to companies in the Paris region.

... Promoting healthy eating every day by presenting another nutritional model.

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