2017 RESULTS

- Net profit of €8.6 million for 2017, with a net margin of 1.2% and €717.0 million in revenue
- Recovery in recurring operating profit during the second half of the year
- Continued robust financial position

€8.6M
2017 net profit

1.2%
2017 net margin

€717.0M
2017 consolidated revenue

Pouzauges – 3 April 2018: “In today’s changing, more challenging environment, 2017-2018 is a period of active redeployment for the Group. We began to reap the rewards of our transformation plan in the second half of 2017. Our already robust financial position was strengthened during the year, driving us back towards profitable growth which will be supported by innovation and targeted acquisitions. We also rolled out a number of original new projects in 2017 that reflect the Group’s commitment to the Eating Better initiative, as demonstrated by our recent agreement with Ferme France. We aim to return to a rhythm of profitable, strong and lasting growth and to improve consumers’ eating habits, helping people eat better every day.”
Régis Lebrun, Chief Executive Officer of Fleury Michon

The Group reported consolidated revenue of €717.0 million in 2017, down 2.8% year on year, without taking into account joint ventures PFI (Italy) and Platos Tradicionales (Spain). Recurring operating profit for 2017 stood at €8.5 million, with a recurring operating margin of 1.2%. Net profit for the year came in at €8.6 million and net margin at 1.2%.

<table>
<thead>
<tr>
<th>IFRS income statement items (in €m)</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>737.8</td>
<td>717.0</td>
</tr>
<tr>
<td>Recurring operating profit</td>
<td>24.2</td>
<td>8.5</td>
</tr>
<tr>
<td><strong>Recurring operating margin</strong></td>
<td>3.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>21.6</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td>2.9%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Net financial loss</td>
<td>-0.7</td>
<td>-0.8</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-6.1</td>
<td>-4.7</td>
</tr>
<tr>
<td>Share in profits and losses of equity-accounted companies</td>
<td>2.0</td>
<td>2.6</td>
</tr>
<tr>
<td>Consolidated net profit</td>
<td>16.8</td>
<td>8.6</td>
</tr>
<tr>
<td><strong>Net margin</strong></td>
<td>2.3%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

The consolidated financial statements were approved by the Board of Directors on 3 April 2018. They have been audited, and the Statutory Auditors are currently preparing their reports.
REVENUE PERFORMANCE
As previously announced, the Group’s 2017 revenue was down due to market pressure in the French Supermarkets business segment. Revenue from the French Supermarkets business segment decreased by 3.9% overall, and by 2.7% for Fleury Michon-brand products. International Operations reported growth of 7.5%, while revenue for Sales and Services was down by a slight 1.4%.
The food market in France is changing at a fast pace, with the entire industry caught between:
- the requirements of consumers, who rightly expect quality products that are also good for health, the environment and society; and
- a price war among retail players, which is pushing prices down across all ranges.
Anticipating this situation, in 2014 Fleury Michon made a strong commitment to its corporate project of “Helping people eat better every day” in order to actively contribute to improving consumers’ eating habits in partnership with players from across the retail and agricultural sectors.

RECURRING OPERATING PROFIT AND OPERATING PROFIT
As well as these market conditions in France, first-half 2017 was marked by a sharp rise in raw material costs which was not made up for in retail prices. This affected the Group’s recurring operating profit, which came in at €8.5 million for the year with a recurring operating margin of 1.2% versus 3.3% in 2016.
To address this situation, Fleury Michon rolled out a competitiveness strategy named the Renaissance Plan in the first half of the year, aiming to reorganise the Group for quicker, more efficient and more cost-effective operations. Following a recurring operating loss of €1.3 million in the first six months of 2017 (operating margin of negative 0.3%), this plan began to pay off in the second half, when recurring operating profit bounced back to €9.8 million for a recurring operating margin of 2.7%, a figure similar to the 3.0% reported in second-half 2016. Operating profit for 2017 came in at €11.5 million for an operating margin of 1.6%.

SHARE IN PROFITS AND LOSSES OF EQUITY-ACCOUNTED COMPANIES AND NET PROFIT
The share in profits and losses of equity-accounted companies (PFI and Platos Tradicionales) totalled €2.6 million in 2017, compared with €2.0 million in 2016. Taking this into account, consolidated net profit came to €8.6 million for a net margin of 1.2%, versus 2.3% in 2016.

FINANCIAL POSITION
The Group ended the year with equity of €225.6 million, up 1.8% from €221.7 million at 31 December 2016. Net debt (long- and short-term borrowings, less cash and cash equivalents and investments) fell sharply to €40.5 million at 31 December 2017 from €54.1 million at end-2016. Gearing (net debt/equity) improved accordingly, to 18.0%.

RECOMMENDED DIVIDEND
At the Annual General Meeting of 27 June 2018, shareholders will be asked to approve a dividend of €1.10 per share. An interim dividend will be paid on 15 May 2018.

OBJECTIVES
- Step up our commitment to the “Eating Better” project
- Sustainably return to growth in revenue and recurring operating profit
- Strengthen International Operations and Sales and Services
In 2018, the Group will continue to focus on improving recurring operating profit and repositioning its range.

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Fleury Michon is an independent, medium-sized French 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.

Fleury Michon shares (codes: ISIN FR 0000074759, Reuters FLMI PA, Bloomberg FLE FP) are listed on the Euronext Paris market, Eurolist B, and are eligible for French SME equity-based savings accounts.