

H1 2015 profit

Sustained momentum

Fleury Michon posted revenue of €374.5m in H1, representing a 7.4% increase on H1 2014.

The **French supermarket division** (87% of consolidated revenue) rose 7.2% compared with H1 2014, on a market where fresh, mass-marketed self-service products edged up 0.7%. Fleury Michon-branded products climbed 8.4%, driven by its three benchmark segments (Charcuterie, Prepared Meals, Surimi) where the Group continued to gain market share.

Integrated **International operations** (6% of consolidated revenue) jumped 16.0% (up 9.5% at constant exchange rates) thanks to soaring sales of Fleury Michon-branded products on the Canadian market, combined with a favourable euro/US dollar exchange rate. Italian and Spanish operations (unconsolidated joint ventures) also rose 14.1%.

The **Services division (Out-of-home catering and miscellaneous:** 7% of consolidated revenue) rose 3.0%

Improved operating margin and stable net margin in H1 2015 compared with H1 2014

Elements of P&L Account - IFRS (€m)	H1 2014	H1 2015
Revenue	348.7	374.5
Recurrent operating profit Operating profit	12.5	15.4
<i>Operating margin</i>	3.6%	4.1%
Finance costs - net	-0.7	-0.7
Tax	-5.2	-5.9
Share in profit (loss) of associates	1.2	-0.6
Consolidated net profit	7.8	8.2
<i>Net margin</i>	2.2%	2.2%

As at 30th June 2015, the **operating margin** stood at 4.1% compared with 3.6% for 30th June 2014. Margin was driven by business momentum across all of the Group's divisions, boosted by sustained advertising campaigns that were mainly favourable for Fleury Michon-branded products. This performance was achieved in particularly challenging conditions marked by:

- Persistently difficult economic conditions both in France and abroad;
- Alliances amongst French distributors;
- Sustained price wars in France;
- The application of new IFRIC 21 accounting standard.

Up 7.4%:
consolidated
revenue
H1 2015 vs H1 2014

Up 8.4%: revenue
generated by
Fleury Michon-
branded products
H1 2015 vs H1 2014

Up 0.5 points:
operating margin
H1 2015 vs H1 2014

2.2%: stable net
margin
H1 2015 vs H1 2014

Change in equity,
+€20.8m
H1 2015 vs H1 2014

**Change in net
financial debt**
-€23.3m
H1 2015 vs H1 2014

**Fleury Michon
eligible for
investment vehicles
reserved for SMEs**

Regarding the **share in profit (loss) of associates**, H1 2014 results included a favourable insurance claim settled in Italy following an incident in December 2013 (one Piatti Freschi Italia production unit burnt). Excluding this exceptional item, associates' share in profit (loss) in H1 2015 rose €0.7m in both Spain and Italy, compared with H1 2014.

After tax, **net profit** stood at €8.2m with a **net margin** representing 2.2% of revenue, stable in relation to H1 2014.

A healthy financial structure and sustained deleveraging

H1 momentum allowed the Group to consolidate its financial structure. Consequently, as at 30th June 2015, its Balance Sheet showed equity of €200.5m, €6.2m more than at 31st December 2014 and €20.8m higher than at 30th June 2014.

Net financial debt continued to decrease. As at 30th June 2015, it amounted to €55.1m compared with €60.5m at 31st December 2014 and €78.4m at 30th June 2014. H1 gearing stood at 27.5%, i.e., 4 points below that of 31st December 2014 and 16 points lower than at 30th June 2014.

Outlook for the end-2015

Given the current business momentum and with the desire to support the French agricultural sector, the Group is predicting revenue growth in FY 2015 compared with FY 2014 and stable net profit.

The Group also forecasts an improved financial structure and continued deleveraging.

The half-yearly financial report is available on the website www.fleurymichon.fr under heading 'Finance', section '2015 Documents', item '2015 Activity Reports'.

Publication of Q3 revenue on **22 October 2015** at the close of trading.

Fleury Michon

Founded in 1905, Fleury Michon still remains a medium-size, independent, family-run company.

Its 3,800 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.



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