French limited partnership with share capital of € 56,942,095

Registered office: “La Woestyne” 59173 Renescure - France

Dunkerque (France) Register of Trade and Companies (RCS)

number: B 447 250 044

Financial report at December 31st, 2018

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This document is a free translation into English of the “Rapport financier semestriel” and has no other value than an informative one. Should there be any difference between the French and the English version, only the French-language version shall be deemed authentic and considered as expressing the exact information published by Bonduelle.

1. Activity report on half-year financial statement 2018-2019

The Management Board of Bonduelle approved the consolidated financial statements for the 6 months ended December 31st, 2018, which have been then examined by the Supervisory Board on February 28th, 2019.

Further to their limited review of the interim consolidated financial statements of Bonduelle, the auditors have established a report which is included in the Half-Year Financial Report.

This half-year management report should be read in conjunction with the interim consolidated financial statements and the company's Registration Document for the fiscal year 2017-2018 filed with the Autorité des Marchés Financiers on October 19th, 2018 under number D.18-0882.

Key financial data

(in € millions)	1st HY 2018-2019	1st HY 2017-2018	Variation
Turnover	1,406.6	1,420.3	**-1.-%**
Current Operating Result	60.9	66.-	**-7.7%**
Current Operating Margin	4.3%	4.6%	**- 30 bp**
Consolidated Net Profit	34.8	37.7	**-7.6%**
Net Financial Debt	879.9	826.5	**53.4**

Turnover

The Bonduelle Group's revenue stands for the first half of financial year 2018-2019 at 1,406.6 million of euros, a decrease of -1.-% both on reported figures and a like-for-like basis[(2)]. The changes in the scope of consolidation resulting from the acquisition, early July 2018, of the Del Monte business activities, made a positive contribution of +1.2% to the variation of the revenue over the period and the negative impact of the exchange rates fluctuations, mainly the weakening of the Russian ruble and Canadian dollar, -1.1%.

Activity by Geographic Region

Total consolidated turnover (in € millions)	1st HY 2018-2019	1st HY 2017-2018	Variation at current exchange rates	Variation at constant scope of consolidation and exchange rates
Europe Zone	642.3	633.3	1.4%	1.6%
Non-Europe Zone	764.4	787.0	-2.9%	-3.1%
Total	**1,406.6**	**1,420.3**	**-1.-%**	**-1.-%**

Activity by Operating Segments

Total consolidated turnover (in € millions)	1st HY 2018-2019	1st HY 2017-2018	Variation at current exchange rates	Variation at constant scope of consolidation and exchange rates
Canned	533.3	522.4	2.1%	1.5%
Frozen	322.5	316.4	1.9%	3.6%
Fresh Processed	550.8	581.5	-5.3%	- 5.7%
Total	**1,406.6**	**1,420.3**	**-1.-%**	**-1.-%**

Europe Zone

The revenue growth for the Europe Zone, representing 45.7% of the business activity over the period, posted a global increase of +1.4% on reported figures and +1.6% on a like-for-like basis[(2)] for the first half of the fiscal year, the three operating segments of the group having positively contributed to the evolution of this zone.

The second quarter demonstrated faster growth with a +2.2% percent improvement on reported figures and +2.4% on a like-for-like basis[(2)].

Following a difficult start for this fiscal year, the canned and frozen operating segments recorded a solid growth over Q2. By contrast, following a first quarter boosted by favourable weather conditions, the fresh processed and fresh ready-to-eat operating segment recorded, over Q2, limited growth, that was partially impacted by the demonstrations that took place in France.

Non-Europe Zone

The revenue of the Non-Europe Zone, representing 54.3% of the revenue of the group, was down -2.9% on reported figures and -3.1% on a like-for-like basis[(2)].
In North America, the temporary time lags in the completion of some sales contracts with canned and frozen food manufacturers observed in Q1, have, as expected, been postponed to Q2.
The discontinuation of non-profitable product ranges within Bonduelle Fresh Americas (fresh-cut fruit,…); a health warning regarding the consumption of salads in the US and Canada, without Bonduelle or its suppliers involvement but affecting the entire industry; and a sourcing diversification strategy of one of our customers in the US have all hindered the fresh activities in the zone. This is despite adding new customers and the launch of a Bonduelle-branded range of salad bowls in Canada at the end of the half-year.
During Q2, Russia confirmed strong sales momentum in canned and frozen for the Bonduelle brand observed during the first half of the year, buoyed notably by some innovations in corn, olives and mixed vegetables in jars, now produced in Russia.

Operating profitability

The current operating profitability of the Bonduelle Group for the first half year of FY 2018-2019 stands at 60.9 million of euros, a 7.7% decline in reported figures and 7.8% on a like-for-like basis[(2)]. Consequently, the current operating margin of 4.3% was down 30 bp when compared with the first half of last fiscal year, mainly reflecting the effects of the 2018 poor harvests, as announced last October.

The Europe zone, primarily affected by those poor harvests, posted a profitability of 22.9 million of euros on reported figures and recorded a current operating margin of 3.6% both in reported figures and constant exchange rates, a decline of 50 bp.

In the non-Europe zone, the current operating profitability stands at 38.- million of euros, with a current operating margin of 5.-% on reported figures, a decline of 10 bp when compared with the first half of last fiscal year but unchanged at 5.1% at constant exchange rates.

This resilience in the operating margin amid similar harvest effects has been driven by the accretive integration of the Del Monte activities coupled with the strong performance recorded in Russia.

After non recurrent items, the operating profitability stands at 58.1 million of euros against 64.9 over the same period last fiscal year.

Net result

The net financial result remains substantially unchanged at -13.4 million of euros despite the volatility of the ruble. Corporate income tax expense amounts to -9.8 million of euros, for an effective tax rate of 22%. The net result stands at 34.8 million of euros, representing 2.5% of revenue, down 7.6% compared to the same period last fiscal year.

Financial situation

The group's net financial debt stands on December 31, 2018 at 879.9 million of euros against 826.5 million of euros last fiscal year. The gearing ratio[(1)] is at 1.32, stable from one period to another and consistent with the seasonal nature of the group's activity. The evolution of the debt is linked to the acquisition of the Del Monte business activities that took place on July 1, 2018 and to the inventory procurement cost. Meanwhile the average cost of debt is down to 2.69% against 2.76% last fiscal year.

Highlights

Co-optation of a member of the Supervisory Board

At the Supervisory Board meeting of February 28, 2019, Marie-France TISSEAU decided, for personal reasons, to resign as a member of the Board. During the same meeting, the Board appointed Jean-Michel THIERRY, Chartered Accountant and Statutory Auditor, as member of the Board and member of the Accounts and Audit Committee.

Approval of this co-optation will be submitted for ratification to the Annual General Meeting on December 5, 2019 at the latest.

*** at constant currency exchange rate and scope of consolidation basis. The turnover in foreign currency over the given period is translated into the rate of exchange for the comparable period. The impact of business acquisitions (or gain of control) and divestments is restated as follows*

• For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
• For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
• For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
• For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded

Alternative performance indicators:

In its financial reporting, the group presents performance indicators not defined by accounting standards. The main performance indicators are as follows:

- ***gearing**: gearing is the ratio of the net debt (note 9) to Shareholders' equity (At December 31st, 2018 132% (879.9 million euros / 666.6 million euros) versus 132.3% at December 2017 (826.5 million euros / 624.8 million euros))*
- ***current operating income, net debt** and **non-recurring items:** definitions of these indicators are available note 1.2.21 of the registration document 2017-2018.*

2. Consolidated income statement

(in thousands of euros)	Notes	At 2018/06/30	At 2017/12/31	At 2018/12/31
Revenue	**4**	**2,776,641**	**1,420,263**	**1,406,638**
Purchases and external charges		(2,024,536)	(1,000,532)	(988,576)
Employee benefits expenses		(547,632)	(303,746)	(307,383)
Amortization and impairment		(88,514)	(51,708)	(50,499)
Other operating income		38,613	16,160	21,709
Other operating expenses		(30,952)	(14,442)	(20,984)
Gain/loss on sale of consolidated equity investments		0	0	0
Current operating income		**123,620**	**65,996**	**60,906**
Non-recurring items	5	(4,595)	(1,082)	(2,802)
Operating profit		**119,025**	**64,914**	**58,104**
Cost of net debt		(22,675)	(12,259)	(12,042)
Other financial income and expenses		(2,631)	(1,500)	(1,342)
Financial result	**7**	**(25,306)**	**(13,759)**	**(13,384)**
Share of net income from associates		9	(71)	(65)
Profit before tax		**93,727**	**51,083**	**44,655**
Income tax		(21,399)	(13,396)	(9,817)
NET INCOME		**72,328**	**37,687**	**34,837**
• Attributable to owners of the Company		72,435	37,674	34,850
• Attributable to non-controlling interests		(107)	13	(13)
BASIC EARNINGS PER SHARE	**10**	**2.27**	**1.18**	**1.08**
DILUTED EARNINGS PER SHARE	**10**	**2.26**	**1.18**	**1.07**

Gains and losses recognized directly in equity

(in thousands of euros)	At 2018/06/30	At 2017/12/31	At 2018/12/31
Net income for the period	**72,328**	**37,687**	**34,837**
Items that may be reclassified subsequently to P&L	**(26,948)**	**(14,179)**	**(7,116)**
Cash flow hedge	1,919	957	866
Translation adjustments	(28,202)	(14,795)	(7,696)
Tax effects	(666)	(341)	(286)
Items that may not be reclassified subsequently to P&L	**(110)**	**(883)**	**0**
Actuarial gains and losses on defined benefit plans	30	(1,237)	0
Tax effects	(140)	354	0
Income and expenses recognized directly in equity	**(27,058)**	**(15,062)**	**(7,116)**
TOTAL RECOGNIZED INCOME AND EXPENSES	**45,270**	**22,625**	**27,721**
Attributable to owners of the Company	45,377	22,612	27,734
Attributable to non-controlling interests	(107)	13	(13)

3. Consolidated statement of financial position

Assets

(in thousands of euros)	Notes	At 2018/06/30	At 2017/12/31	At 2018/12/31
Non-current assets		**1,060,168**	**1,039,489**	**1,075,406**
Other intangible assets		44,394	42,651	65,898
Goodwill	11	461,800	456,299	465,483
Property, plant and equipment		502,080	482,753	491,398
Investments in associates		326	252	260
Other non-current financial assets		34,765	32,665	33,803
Deferred tax		12,838	19,995	15,426
Other non-current assets		3,966	4,874	3,138
Current assets		**966,941**	**1,167,837**	**1,188,768**
Inventories and work-in-progress		576,498	727,523	754,889
Trade and other receivables		340,669	404,461	394,067
Tax receivables		7,831	7,068	7,407
Other current assets		13,375	16,786	17,482
Other current financial assets		4,675	3,278	5,168
Cash and cash equivalents	9	23,893	8,720	9,756
TOTAL ASSETS		**2,027,109**	**2,207,326**	**2,264,174**

Liabilities

(in thousands of euros)	Notes	At 2018/06/30	At 2017/12/31	At 2018/12/31
Shareholders equity (group share)		**639,239**	**617,207**	**659,045**
Share capital		56,492	56,492	56,942
Additional paid-in capital		31,738	31,738	38,559
Consolidated reserves		551,010	528,978	563,544
Non-controlling interests		**7,577**	**7,591**	**7,564**
Equity		**646,817**	**624,798**	**666,610**
Non-current liabilities		**502,475**	**729,978**	**655,421**
Financial debts	9	429,959	668,567	586,193
Employee benefit obligations		23,495	23,988	24,211
Other non-current provisions		12,098	13,362	10,724
Deferred taxes		11,033	11,874	10,550
Other non-current liabilities		25,889	12,186	23,743
Current liabilities		**877,818**	**852,550**	**942,143**
Current financial debts	9	229,262	180,927	320,895
Current provisions		8,217	10,129	5,248
Trade and other payables		634,304	653,839	609,363
Tax payables		4,288	6,157	4,930
Other current liabilities		1,746	1,497	1,707
TOTAL LIABILITIES		**2,027,109**	**2,207,326**	**2,264,174**

4. Consolidated cash flows statement

(in thousands of euros)	At 2018/06/30	At 2017/12/31	At 2018/12/31
Net income	**72 328**	**37 687**	**34 837**
Share of net income from associates	(9)	71	65
Depreciation, amortization and impairment	79 866	45 448	47 955
Other components of net income with no cash impact	3 101	136	1 791
Deferred tax	4 579	(1 431)	(3 587)
Accrued interest	845	3 857	2 883
Gross cash flows from operating activities	**160 711**	**85 768**	**83 944**
Change in working capital requirement	(19 237)	(201 530)	(264 196)
Net cash flows from operating activities	**141 474**	**(115 761)**	**(180 251)**
Acquisitions of consolidated companies, net of cash and cash equivalents	0	0	0
Disposals of consolidated companies, gross of cash and cash equivalents di	0	0	0
Changes in scope of consolidation	0	0	0
Acquisitions of tangible assets	(97 723)	(51 631)	(76 768)
Acquisitions of financial assets	0	(4)	(4)
Disposals of property, plant and equipment and financial assets	1 015	1 698	277
Net change in loans and other non-current financial assets	889	1 003	824
Net cash flows from (used in) investing activities	**(95 819)**	**(48 934)**	**(75 671)**
Capital increase	0	0	0
(Acquisition) Disposal of treasury shares	85	773	78
Increase (Decrease) in non-current financial liabilities	78 437	167 977	181 420
Increase (Decrease) in current financial liabilities	(104 310)	(4 489)	60 227
Dividends paid to group and minority Shareholders	(4 851)	0	0
Net cash flows from (used in) financing activities	**(30 640)**	**164 262**	**241 726**
Impact of exchange rate changes	(334)	(59)	59
Change in cash and cash equivalents	**14 682**	**(492)**	**(14 138)**
Cash and cash equivalents – opening balance	9 212	9 212	23 893
Cash and cash equivalents – closing balance	23 893	8 720	9 756
CHANGE IN CASH AND CASH EQUIVALENTS	**14 682**	**(492)**	**(14 138)**

5. Consolidated statement of changes in equity

(in thousands of euros)	In number of shares	Share capital	Additional paid-in capital	Actuarial gains and losses	Treasury shares	Translation reserves	Accumulated income	Shareholders' equity (group share)	Non-controlling interests	Total equity
Equity at July 1, 2017	**32,000,000**	**56,000**	**22,545**	**(3,803)**	**(8,428)**	**(67,608)**	**600,211**	**598,916**	**7,591**	**606,507**
Income recognized directly through equity				(107)		(28,202)	1,254	(27,055)	(3)	(27,058)
Net income at 2018/06/30							72,435	72,435	(107)	72,328
Share purchase options							452	452		452
Puts on non-controlling interests							(74)	(74)	111	37
Changes in scope of consolidation				7			8	15	(15)	0
Treasury Shares					627		(355)	271		271
Other							(871)	(871)		(871)
Dividends paid	281,118	492	9,193				(14,536)	(4,851)		(4,851)
Equity at June 30, 2018	**32,281,118**	**56,492**	**31,738**	**(3,903)**	**(7,802)**	**(95,810)**	**658,525**	**639,240**	**7,577**	**646,817**
Equity at July 1, 2018	**32,281,118**	**56,492**	**31,738**	**(3,903)**	**(7,802)**	**(95,810)**	**658,525**	**639,240**	**7,577**	**646,817**
Income recognized directly through equity						(7,696)	580	(7,116)		(7,116)
Net income at 2018/12/31							34,850	34,850	(13)	34,837
Share purchase options							758	758		758
Puts and transactions on non-controlling interests							(38)	(38)		(38)
Treasury Shares					651		(375)	275		275
Other							(30)	(30)		(30)
Dividends paid	257,222	450	6,822				(16,165)	(8,893)		(8,893)
Equity at December 31, 2018	**32,538,340**	**56,942**	**38,559**	**(3,903)**	**(7,151)**	**(103,506)**	**678,106**	**659,046**	**7,564**	**666,610**

6. Notes to the condensed half-year consolidated financial statements

NOTE 1 Preparation methods

The consolidated financial statements of the Bonduelle Group and its subsidiaries (“the group”) for the 2018-2019 fiscal year have been prepared in accordance with the “IFRS” (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board), and whose adoption ruling has been published in the official journal of the European Union.

The notes to the half-year consolidated financial statements have been prepared in accordance with IFRS and follow recommendation 2016-09 of the *Autorité des normes comptables* (ANC – French Accounting Standards Board).

Half-year financial statements have been prepared in compliance with IAS 34 Interim Financial Reporting.

STANDARDS, UPDATES AND INTERPRETATIONS FIRST APPLICABLE TO FISCAL YEAR 2018-2019

These standards are applicable at the first opening accounting period from January 1st, 2018:

- IFRS 15 : On May 28th, 2014, IASB has published the new standard IFRS 15 on revenue recognition, which replaces the existing IFRS revenue guidance, in particular IAS 11 and IAS 18. The application is mandatory as at January 1st, 2018 according to IASB.

This new standard, applicable to all sectors of activity, introduces a single model for revenue recognition. It is applies to all contracts with customers. The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized as control is passed either over time or at a point in time.

The transition project consisted of analyzing all existing contracts and assessing the impact of this new standard on revenue recognition. Each new contract will be analyzed under IFRS 15 to identify potential impacts.

The Group has applied IFRS 15 since July 1st, 2018, according to the "simplified retrospective" approach. In view of the non-material effect of this new standard on the Bonduelle Group’s financial statements, the 2017-2018 figures presented for comparison purposes have not been adjusted.

The main restatements resulting from the application of IFRS 15 are non-material and refer mainly to reclassifications in the income statement for the period.

- IFRS 9: Bonduelle has applied the classification, measurement and impairment principles of IFRS 9 retrospectively from July 1st, 2018, with no restatement of prior period comparatives.

Regarding specific measures about hedging accounting, the Group enforces them in a prospective way according to rules promulgated by IFRS 9.

IFRS 9 relating to financial instruments makes changes to the recognition of credit risk relating to financial assets by using an approach based on expected losses rather than incurred losses: this can lead to a loss allowance of trade receivables not yet due.

Regarding the Bonduelle Group, a single provision matrix is no relevant because of the commercial structure. The study of historical defaults recorded on trade receivables has not shown material or recurring amount. In addition, trade receivables are largely covered by insurance, which substantially limits the Group's exposure.

IFRS, applicable to accounting periods starting on, or after, January 1st, 2019 which were not adopted early for this fiscal year:

- IFRS 16: On January 13th, 2016, the IASB issued a new international standard on accounting for leases. The application of this text will lead to recognition in the balance sheet all lease commitments, without distinction between "operating leases" and "finance leases".

The inventory of leases and the collection of necessary data for the assessment of IFRS 16 impacts on Bonduelle financial stituation is on-going, on the basis of the “modified retrospective” approach taking into account the exemptions allowed by the standard.

The main expected impact on the consolidated financial statements is an increase in "use rights" on the assets of the balance sheet and an increase in lease liabilities under contracts classified as "operating leases" in which the Group is a lessee. They mainly concern industrial or office buildings, industrial equipment and vehicles and machinery.

The main commitments related to these contracts are presented in the off-balance sheet commitments of the Group's consolidated financial statements as of June 30th, 2018 (see Note 9.3) .However, taking into account the normative changes and assumptions that Bonduelle will adopt, lease may not be fully representative of the lease debt that will be recognized under IFRS 16.

A. Information concerning the group

Bonduelle SCA is a French limited partnership (*société en commandite par action*) that is listed in Compartment A of Euronext. Bonduelle is a market leader in processed vegetables both within and outside Europe. The Company operates in three business segments: canned, frozen and ready-to-use fresh vegetables (prepared and fresh-cut).

Half-year financial statements at December 31st, are characterized by a high level of seasonality. Production of canned and frozen technologies is primarily realized during this first half-year of the Bonduelle financial year. At December 31st, expenses directly related to the production of these technologies are accounted according to costs incurred during the year to take into account material effects of seasonality.

On February 25th, 2019, the Management Board approved the consolidated half-year financial statements prepared under IFRS, and authorized the publication of the financial statements for the 6 months ended 31st December 2018.

B. Consolidation methods

The consolidated financial statements fully consolidate the financial statements of all subsidiaries controlled either directly or indirectly by the group.

The definition of control according to IFRS 10 includes three elements: power over an investee, exposure or rights to variable returns of the investee and the ability to use power over the investee to affect the investor’s returns.

Full consolidation allows recognition of all of assets, liabilities and income statement items of the companies concerned, after elimination of all intercompany transactions and earnings, with the portion of income and equity attributable to group companies (“group share”) distinguished from the portion concerning the interests of other Shareholders (“Non-controlling interests”). All companies over which Bonduelle does not exercise exclusive control yet still exerts notable influence or a joint control are accounted for using the equity method.

Soléal is fully consolidated, as the company is controlled by the group and, from a contractual and financial standpoint, Soléal’s sole intra-group customer is Bonduelle Europe Long Life (BELL).

All consolidated group companies closed their annual financial statements on June 30, 2018, with the exception of the following companies: Bonduelle Kuban, Coubanskie Conservi, Agro-Rost, Bonduelle do Brasil and Bonduelle Kazakhstan. All these companies were consolidated on the basis of their accounting data at December 31st, 2018.

Companies are included within the consolidation scope with effect from the date on which control or significant influence is acquired.

Companies are deconsolidated with effect from the date on which control or significant influence is lost.

All income and expenses related to subsidiaries acquired or disposed of during the fiscal year are recognized in the consolidated income statement with effect from the acquisition date or until disposal.

All transactions between consolidated companies and intercompany income (including dividends) are eliminated.

C. Segment reporting

Segment data is reported on the basis of the operating segments used for internal reporting purposes. This is referred to as the “management approach”.

The two operating segments are the Europe Zone and Non-Europe Zone.

The Europe Zone covers the following geographical areas: France, Germany, Italy and the Iberian Peninsula which form Southern Europe, Northern Europe and Central Europe.

The Non-Europe Zone covers Eastern Europe, Asia, the Mercosur, North America and Export markets.

The primary indicators published are those used by the group’s Executive Management. Revenue, operating profit and non-current assets are presented by geographical region. Revenue is also presented by operating segment.

D. Translation of transactions denominated in foreign currencies and the financial statements of companies outside the euro zone

Translation of transactions denominated in foreign currencies

Transactions denominated in foreign currencies are valued using the exchange rates applicable on the transaction dates. All receivables and liabilities denominated in foreign currencies recognized in the statement of financial position at the end of the period are valued at the closing rates. All foreign exchange gains and losses generated by the translation of transactions denominated in foreign currencies are included under the “financial income” and “financial expenses” headings of the income statement, except for those on borrowings denominated in foreign currencies or other instruments used to hedge long-term equity investments in that same currency, which are included on the line “Accumulated translation adjustments” of the consolidated Shareholders’ equity.

Translation of the financial statements of companies outside the Euro Zone

The balance sheet of companies with a functional currency other than the euro are translated into euros at the official rate at the end of the fiscal period. In each income statement income and expenses must be translated at the exchange rate at the date of the transactions. For practical reasons, the yearly arithmetic average exchange rate is used to convert income and expense items. However, if exchange rates record significant fluctuations, a calculation method other than the yearly arithmetic average may be used.

The exchange differences resulting from the application of these various foreign exchange rates are included on the line “Accumulated translation adjustments” in consolidated Shareholders’ equity until such time as the foreign holdings to which they pertain are sold or liquidated.

NOTE 2 Accounting principles

Since these interim consolidated financial statements are condensed, they may not include all the information required under IFRS for the preparation of the annual consolidated financial statements. Therefore, these interim condensed consolidated financial statements must be read in conjunction with the consolidated financial statements of the Group for the year ended June 30th, 2018, except for the standards, updates and interpretations first applicable to July 1st, 2018.

Monitoring of intangible assets values

The carrying amount of goodwill is tested for impairment at least once a year; all other intangible assets are tested when other events and conditions suggest that they are likely to have experienced a loss of value. An impairment loss is recognized when the recoverable amount of the intangible assets becomes less than their net carrying amount.

Following the review of impairment indicators, no impairment was recognised in the financial statements at December 31st, 2018.

Accounting principles amended following the application of IFRS 15:

Revenue (note 1.2.13 of the consolidated financial statements of the Group for the year ended June 30th, 2018):

The revenue mainly comprise sales of finished products. They are recognized in the income statement when the transfer of control of goods to the customers is effective, in others words, when the customer has the ability to direct the use of the asset, and obtain substantially all of the remaining benefits from the asset.

Revenues are stated net of trade discounts and customers rebates, costs related to commercial agreements, referencing costs or costs related to promotional actions invoiced by distributors as well as any penalties incurred by Bonduelle. It may also include the costs of transport invoiced by Bonduelle to its customers. These amounts are estimated at the time of recognition revenue, based on agreements and commitments with the customers concerned.

NOTE 3 Changes in the scope of consolidation

On July 3th, 2018, the Bonduelle Group has finalized the acquisition of the Del Monte processed fruit and vegetable business in Canada. This acquisition is part of Bonduelle Canada and includes the right to use the Del Monte brand on different segments of processed fruits and vegetables and inventories of products. The acquired business excludes all industrial assets and human resources.

NOTE 4 Segment reporting

(in thousands of euros)	Europe Zone	Non-Europe Zone	Eliminations	Total at 2017/12/31
Income Statement				
Revenue	638,961	786,987	(5,685)	1,420,263
Intercompany sales	(5,685)	0	5,685	0
TOTAL	**633,276**	**786,987**	**0**	**1,420,263**
Current operating profit	26,094	39,902		65,996
Non-current assets	476,520	562,969		1,039,489

(in thousands of euros)	Europe Zone	Non-Europe Zone	Eliminations	Total at 2018/12/31
Income Statement				
Revenue	647,573	764,371	(5,307)	1,406,638
Intercompany sales	(5,307)	0	5,307	0
TOTAL	**642,266**	**764,371**	**0**	**1,406,638**
Current operating profit	22,856	38,049		60,906
Non-current assets	475,525	599,791		1,075,316

Information by segment

(in thousands of euros)	Canned	Frozen	Fresh	Total at 2017/12/31
Revenue – excluding intercompany	522,414	316,362	581,488	1,420,263

(in thousands of euros)	Canned	Frozen	Fresh	Total at 2018/12/31
Revenue – excluding intercompany	533,279	322,522	550,837	1,406,638

Information by geographical area of destination

(in thousands of euros)	At 2017/12/31		At 2018/12/31	
United States	515,790	36%	487,833	35%
France	303,630	21%	313,139	22%
Canada	149,401	11%	154,440	11%
Southern Europe	117,239	8%	117,615	8%
Germany	108,721	8%	108,340	8%
Eurasia [1]	105,439	7%	103,116	7%
Northern Europe	63,692	4%	62,352	5%
Central Europe [2]	30,354	2%	34,067	2%
Other	25,997	2%	25,735	2%
TOTAL REVENUE	**1,420,263**	**100%**	**1,406,638**	100%

[1] Russia + CIS countries.

[2] Former Eastern European countries that have joined the European Union.

NOTE 5 Non-recurring items

(in thousands of euros)	At 2017/12/31	At 2018/12/31
Reorganization and restructuring costs	(216)	(1,723)
Insurance deductibles *	0	(1,000)
Other expenses and honoraries	(866)	(79)
TOTAL NON-RECURRING ITEMS	**(1,082)**	**(2,802)**

** Climate events and natural disasters.*

NOTE 6 Employee benefit obligations

As at December 31, 2018, actuarial assumptions for calculating termination benefit obligation are the same as at June 30, 2018, so a discount rate of 1.65%.

NOTE 7 Financial result

(in thousands of euros)		At 2017/12/31	At 2018/12/31
Cost of net debt	**A**	**(12,259)**	**(12,042)**
Cash and cash equivalents		48	45
Interest expense (at effective interest rate)		(12,103)	(12,102)
Gains and losses on liabilities covered by fair value hedges		5,055	(871)
Gains and losses on fair value hedging derivatives		(5,260)	886
Other financial income and expenses	**B**	**(1,500)**	**(1,342)**
Foreign exchange gain (loss)		(3,230)	(1,585)
Ineffective portion of cash flow hedges		1,808	(92)
Net gain (loss) on derivatives ineligible for hedge accounting (foreign currency & interest rate risk)		85	530
Other finance costs		(163)	(195)
FINANCIAL RESULT	**A+B**	**(13,759)**	**(13,384)**

At December 31st, 2018 the group's financial result came out at -13.4 million euros compared to -13.8 million euros a year earlier.

The net borrowing costs amounted to -12 million euros as at December 31st, 2018 compared to -12.3 million euros as at December 31st, 2017. It is made up of interest paid at the effective interest rate (-12.1 million euros) and residual inefficiency calculated as the difference between the gains and losses on debt covered by fair value hedges (-0.9 million euros) and the gains and losses on fair value hedging derivatives (+0.9 million euros). This shortfall is due solely to the effect of interest rate changes (debts denominated in foreign currencies being fully hedged for currency risk or backed by assets in the same currency).

The interest rate, calculated on the group's average debt in all currencies and restated to account for IFRS impacts, amounted to 2.69% compared to 2.76% the previous year.

Other financial income and expenses (-1.3 million euros) mostly come from foreign exchange hedges relating to commercial activities in foreign currencies.

NOTE 8 Derivative financial instruments

Derivatives at 2018/06/30

(in thousands of euros)	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges [1]	413,526	3,559	2,848	3,559	2,848
Fair value hedges	231,489	786	42	786	42
Hedges ineligible for hedge accounting under IFRS	0	0	0	0	0
o.w. forward contracts: Swaps	*0*	*0*	*0*	*0*	*0*
o.w. options: Caps	*0*	*0*	*0*	*0*	*0*
o.w. options: Floors	**0**	**0**	**0**	**0**	**0**
Current portion				**103**	**491**
Non-current portion				**4,243**	**2,400**
Foreign currency derivatives (B)					
Cash flow hedges	21,347	148	257	148	257
o.w. forward contracts	*11,840*	*80*	*230*	*80*	*230*
o.w. options	*9,507*	*69*	*27*	*69*	*27*
Fair value hedges	120,904	11,318	0	11,318	0
Hedges ineligible for hedge accounting under IFRS	155,489	2,161	6,630	2,161	6,630
o.w. forward contracts	*139,511*	*1,685*	*5,731*	*1,685*	*5,731*
o.w. options	*15,977*	*477*	*899*	*477*	*899*
Current portion				**4,573**	**6,833**
Non-current portion				**9,054**	**54**
TOTAL DERIVATIVES (A+B)					
Current portion				**4,675**	**7,323**
Non-current portion				**13,297**	**2,454**

[1] *Including out-of-the-money caps.*

Derivatives at 2018/12/31

(in thousands of euros)	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges	363,371	2,348	2,307	2,348	2,307
Fair value hedges	216,376	2,127	0	2,127	0
Hedges ineligible for hedge accounting under IFRS	0	0	0	0	0
o.w. forward contracts: Swaps	*0*	*0*	*0*	*0*	*0*
o.w. options: Caps	*0*	*0*	*0*	*0*	*0*
o.w. options: Floors	*0*	*0*	*0*	*0*	*0*
Current portion				**322**	**438**
Non-current portion				**4,153**	**1,869**
Foreign currency derivatives (B)					
Cash flow hedges	50,123	860	128	860	128
o.w. forward contracts	*35,360*	*414*	*77*	*414*	*77*
o.w. options	*14,764*	*446*	*51*	*446*	*51*
Fair value hedges	126,638	10,862	0	10,862	0
Hedges ineligible for hedge accounting under IFRS	201,903	1,271	5,700	1,271	5,700
o.w. forward contracts	*178,219*	*1,108*	*5,409*	*1,108*	*5,409*
o.w. options	*23,684*	*162*	*290*	*162*	*290*
Current portion				**4,847**	**5,828**
Non-current portion				**8,146**	**0**
TOTAL DERIVATIVES (A+B)					
Current portion				**5,168**	**6,266**
Non-current portion				**12,299**	**1,869**

NOTE 9 Net debt

1. Analysis of net debt by component

At 2018/06/30

(in thousands of euros)	Nominal	Market value	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	321,124	345,806	27,944	0	111,775	192,732	332,450
Bonds (EURO PP)	145,000	144,932	0	144,932		0	144,932
Finance leases	2,198	2,198	79	79	461	1,580	2,198
Other bank borrowings	146,607	146,607	0	26,196	120,411	0	146,607
Other borrowings and financial debts	3,388	3,388	1,420	1,420	547	0	3,388
Accrued interest	4,697	4,697	4,697	0	0	0	4,697
Current bank lines	15,172	15,172	15,172	0	0	0	15,172
Total gross debt before derivatives	**638,186**	**662,800**	**49,312**	**172,627**	**233,194**	**194,312**	**649,444**
Derivatives – Liabilities			**6,770**	**553**	**2,412**	**42**	**9,778**
o.w. derivatives hedging a debt in a fair value hedge			*0*	*0*	*0*	*42*	*42*
o.w. other derivatives			*6,770*	*553*	*2,412*	*0*	*9,735*
Total gross debt after fair value of derivatives			**56,082**	**173,180**	**235,606**	**194,354**	**659,222**
Derivatives – Assets			**4,416**	**260**	**13,297**	**0**	**17,973**
o.w. derivatives hedging a debt in a fair value hedge			*2,365*	*0*	*9,460*	*0*	*12,104*
o.w. other derivatives			*2,051*	*260*	*3,837*	*0*	*5,869*
Securities	**101**	**101**	**101**	**0**	**0**	**0**	**101**
Cash	**23,792**	**23,792**	**23,792**	**0**	**0**	**0**	**23,792**
TOTAL NET DEBT			**27,773**	**172,920**	**222,309**	**194,354**	**617,356**

At 2018/12/31

At 2018/12/31

(in thousands of euros)	Nominal	Market value	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	296,256	322,869	0	28,429	85,287	194,662	308,378
Bonds (EURO PP)	145,000	144,966	144,966				144,966
Finance leases	2,058	2,058	66	66	125	1,801	2,058
Other bank borrowings	371,096	371,096	69,187	0	301,910	0	371,096
Other borrowings and financial debts	3,421	3,421	1,440	1,440	542	0	3,421
Accrued interest	7,624	7,624	7,624	0	0	0	7,624
Current bank lines	61,411	61,411	61,411	0	0	0	61,411
Total gross debt before derivatives	**886,866**	**913,445**	**284,693**	**29,935**	**387,863**	**196,463**	**898,954**
Derivatives – Liabilities			**6,239**	**27**	**1,869**	**0**	**8,135**
o.w. derivatives hedging a debt in a fair value hedge			*0*	*0*	*0*	*0*	*0*
o.w. other derivatives			*6,239*	*27*	*1,869*	*0*	*8,135*
Total gross debt after fair value of derivatives			**290,932**	**29,962**	**389,732**	**196,463**	**907,089**
Derivatives – Assets			**2,001**	**3,167**	**11,157**	**1,142**	**17,467**
o.w. derivatives hedging a debt in a fair value hedge			*0*	*2,892*	*8,955*	*1,142*	*12,989*
o.w. other derivatives			*2,001*	*275*	*2,202*	*0*	*4,479*
Securities	**187**	**187**	**187**				**187**
Cash	**9,568**	**9,568**	**9,568**				**9,568**
TOTAL NET DEBT			**279,176**	**26,795**	**378,575**	**195,320**	**879,866**

The issues are subject to financial covenants, principally an early redemption clause should Bonduelle default on its financial liabilities (cross default), and in the event of failure to comply with the following ratios:

- Long-term debt/long-term equity ratio less than or equal to 0.60;
- Consolidated current assets/consolidated current liabilities greater than or equal to 1.10.

At December 31st, 2018 the group complies with these covenants.

2. Liquidity

At December 31st, 2018 the RCF (Revolving Credit Facility) is used up to 140 million euros (35 million euros at December 2017). The group had several committed bank credit lines with maturities up to three years, bringing the amount of committed bank lines (including RCF) to 440 million euros (440 million euros at December 31st, 2017), of which 222 million euros had been drawn on December 31st, 2018 (111 million euros at December 31, 2017).

Utilisations made on committed bank credit lines (including RCF) with a final maturity beyond one year are classified in consolidated financial statement as non-current financial liabilities.

NOTE 10 Earnings per share

A dividend of 0.50 euros per share has been voted to the Shareholders' Meeting to be held on December 6th, 2018.

Following the expiry of the option for the delivery of the dividend in shares on December 28th, 2018, Bonduelle SCA's share capital comprised 32,538,340 shares with a par value of 1.75 euros per share at December 31st, 2018.

(in thousands of euros)	At 2017/12/31	At 2018/12/31
Group net income	**37,674**	**34,850**
Number of shares used to calculate:		
• Basic earnings	31,868,705	**32,141,238**
• Diluted earnings	32,057,371	**32,455,699**
Earnings per share *(in euros)*		
• Basic earnings per share	1.18	**1.08**
• Diluted earnings per share*	1.18	**1.07**

** Dilution relates to free shares being granted. The risk of dilution mentioned above is considered as limited according to the allocation of the treasury shares to the objective of coverage for securities giving rights to allocations of shares.*

NOTE 11 Goodwill

Changes in goodwill were as follows:

(in thousands of euros)	At 2017/06/30	Acquisitons or charges	Sale, disposal or recovery	Other (1)	At 2017/12/31
GROSS CARRYING AMOUNT	**470,434**			**(14,134)**	**456,299**
Impairment					
NET CARRYING AMOUNT	**470,434**			**(14,134)**	**456,299**

(in thousands of euros)	At 2018/06/30	Acquisitons or charges	Sale, disposal or recovery	Other (1)	At 2018/12/31
GROSS CARRYING AMOUNT	**461,800**			**3,683**	**465,483**
Impairment					
NET CARRYING AMOUNT	**461,800**			**3,683**	**465,483**

(1) Translation adjustements.

NOTE 12 Contingent liabilities

(in thousands of euros)	At 2018/06/30	At 2018/12/31
Commitments given		
Guarantees and security deposits given (net of uses)	55,939	50,617
Commitments received		
Guarantees and security deposits received (net of uses)	6,010	4,972

Our commitments relate to our current activities.

Environment

None of the group's activities generates any major environmental liabilities.

The group occasionally incurs refurbishing costs on closed industrial sites.

NOTE 13 Subsequent events

Bonduelle continues its development in frozen food in the United States with the acquisition of the Lebanon plant

On February 12, 2019, the Bonduelle Group announced that it had reached a definitive agreement with the American company Seneca (NASDAQ: SENEA, SENEB) to acquire its plant in Lebanon (Pennsylvania, USA).

This plant, which is used for the packaging of frozen products, was built in 2008 and acquired by Seneca in 2010, has a capacity of 45,000 tons on seven packaging lines in perfect working order, with a large storage capacity, and has 140 permanent employees.

The Bonduelle Americas Long Life business unit (BALL), which until recently was limited in its development capacity, is thus completing its frozen industrial facility in North America, with 4 industrial facilities in the Eastern United States and 6 in Canada. In addition to the additional packaging capacity generating revenue, this acquisition will allow both industrial and logistical synergies with existing facilities and will offer enhanced quality of service for the benefit of BALL business unit customers.

This acquisition, including industrial assets, stocks of frozen products and the personnel of the Lebanon industrial site, effective February 11, 2019, will, given the seasonality of the activity, be accretive from the 2019-2020 financial year.