



French limited partnership with share capital of € 56,491,956.50

Registered office: "La Woestyne" 59173 Renescure - France

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

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Financial report at December 31st, 2017

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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 2017-2018

The Management Board of Bonduelle approved the consolidated financial statements for the 6 months ended December 31st, 2017, which have been then examined by the Supervisory Board on February 28th, 2018.

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 2016-2017 filed with the Autorité des Marchés Financiers on October 18th, 2017 under number D.17-1001.

Key financial data

(in € millions)	1st HY 2017-2018	1st HY 2016-2017	Variation
Turnover	1,420.3	1,025.6	38.5%
Current Operating Result	66.-	61.-	8.3%
Current Operating Margin	4.6%	5.9%	- 130 bp
Consolidated Net Profit	37.7	36.5	3.3%
Net Financial Debt	826.5	584.2	242.3

For the first half of FY 2017-2018, the Bonduelle Group recorded a strong growth of its turnover and profitability thanks to the acquisition of Ready Pac Foods, now Bonduelle Fresh Americas, consolidated over 6 months.

Beyond the first effects of this transforming acquisition, the historical scope of business of the group showed a remarkable resilience and recorded a growth in turnover and current operating result.

The strict financial discipline of the group enables to report a sound financial structure post-acquisition.

Turnover

The Bonduelle Group's turnover stands at 1,420.3 millions of euro for the 1st half of financial year 2017-2018, an increase of + 38.5% thanks to the integration of Ready Pac Foods over 6 months and a growth of + 1.6% on a like for like basis*, the exchange rates having had little impact over the period.

Activity by Geographic Region

Total consolidated turnover (in € millions)	1 st HY 2017-2018	1 st HY 2016-2017	Variation at current exchange rates	Variation at constant scope of consolidation and exchange rates
Europe Zone	633.3	632.1	0.2%	0.1%
Non-Europe Zone	787.0	393.5	100.-%	4.-%
Total	1,420.3	1,025.6	38.5%	1.6%

Activity by Operating Segments

Total consolidated turnover (in € millions)	1 st HY 2017-2018	1 st HY 2016-2017	Variation at current exchange rates	Variation at constant scope of consolidation and exchange rates
Canned	522.4	504.5	3.6%	3.2%
Frozen	316.4	318.8	- 0.8%	0.4%
Fresh Processed	581.5	202.4	187.4%	- 0.6%
Total	1,420.3	1,025.6	38.5%	1.6%

Europe Zone

The Europe zone, 45% of the total consolidated sales, remained stable over the first 6 months to post + 0.2% on reported figures and + 0.1% % on a like for like basis*.

The can business segment for the Bonduelle and Cassegrain brands continued to grow and gain market shares at the expense of the private label activity, along with the frozen business segment in retail and food service, partially offset by the decrease in sales to industrials and other food companies. The fresh process (delicatessen and single-serve salad bowls) and ready-to-eat (fresh-cut salad in bags) business segment saw a slight return to positive growth over the 2nd quarter.

The performances recorded, despite a slight improvement observed in the 2nd quarter and a return to positive growth, nevertheless confirmed a sluggish consumption climate in the Europe zone.

Non-Europe Zone

The non-Europe zone, now 55% of the total consolidated sales of the group, doubled its sales over the period based on reported figures thanks to the consolidation of Ready Pac Foods over 6 months and a growth of + 4.-% at constant scope of consolidation and exchange rates*.

A moderate recovery in food consumption in Russia, a favorable basis for comparison and the excellent activity recorded over the 1st quarter enabled the Eastern Europe zone to post solid growth over the first 6 months. The canned and frozen segments stability in North America, linked to production capacities now limited, and the anticipated slowdown in sales in Brazil coupled with the repositioning of the canned products category, explained the limited development of the activity of the zone over the period on a like for like basis*.

Ready Pac Foods, now Bonduelle Fresh Americas, with a growth of + 8.5% over 6 months, confirmed the expected increase in the activity on a pro-forma basis, despite a challenging transition between the supply areas, causing limited disruptions but additional costs needed to ensure high quality customer service.

Operating Profitability

The current operating result stands at 66.- million of euro against 61.- last FY, an increase of 8.3% based on reported figures and 1.7% on a like for like basis*.

In addition to the contribution of Ready Pack Foods to the group's profitability, more limited than expected due to sourcing issues, the group records on its historical scope of business a growth in current operating profitability both in the Europe and Non Europe zones, highlighting its valuation strategy and growth in highly profitable areas.

After non recurrent items, the operating profitability stands at 64.9 million of euro.

Net Result

The net financial expenses amount to 13.8 million of euro against 9.5 million of euro last financial year, the evolution of the latter being mainly linked to the acquisition of Ready Pack Foods, the debt interest rate remaining stable at 2.76% despite the refinancing of the acquisition in US dollar over longer terms.

After result of companies consolidated by equity method and corporate tax deduction, amounting to 13.4 million of euro with an effective tax rate of 26.2% over the period, the net result stands at 37.7 million of euro against 36.5 million of euro last FY.

Financial Situation

The group's net financial debt stands on the 31st of December 2017 at 826.5, million of euro, at a debt peak when considering the seasonal nature of its activity, against 584.2 million of euro last FY, with a gearing ratio of 1.32.

The evolution of the debt is linked to the acquisition of Ready Pack Foods. Adjusted for this acquisition, the gearing ratio stands at 0.72, a substantial improvement when compared to the 31st of December 2016.

** 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, 2017 132.3% (826.5 million euros / 624.8 million euros) versus 95.8% at December 2016 (584.2 million euros / 609.5 million euros))
- **current operating income, net debt and non-recurring items:** definitions of these indicators are available note 1.2 U of the registration document 2016-2017.

2. Consolidated income statement

<i>(in thousands of euros)</i>	Notes	At 2017/06/30	At 2016/12/31	At 2017/12/31
Revenue	4	2,288,124	1,025,593	1,420,263
Purchases and external charges		(1,662,385)	(702,725)	(1,000,532)
Employee benefits expenses		(426,732)	(212,570)	(303,746)
Amortization and impairment		(78,911)	(43,866)	(51,708)
Other operating income		27,258	12,398	16,160
Other operating expenses		(39,060)	(17,878)	(14,442)
Gain/loss on sale of consolidated equity investments		0	0	0
Current operating income		108,295	60,953	65,996
Non-recurring items	5	(8,114)	(695)	(1,082)
Operating profit		100,181	60,258	64,914
Cost of net debt		(19,121)	(8,630)	(12,259)
Other financial income and expenses		918	(824)	(1,500)
Financial result	7	(18,203)	(9,454)	(13,759)
Share of net income from associates		138	141	(71)
Profit before tax		82,116	50,945	51,083
Income tax		(22,308)	(14,475)	(13,396)
NET INCOME		59,808	36,470	37,687
• Attributable to owners of the Company		59,868	36,485	37,674
• Attributable to non-controlling interests		(60)	(15)	13
BASIC EARNINGS PER SHARE	10	1.90	1.16	1.18
DILUTED EARNINGS PER SHARE	10	1.88	1.15	1.18

Gains and losses recognized directly in equity

<i>(in thousands of euros)</i>	At 2017/06/30	At 2016/12/31	At 2017/12/31
Net income for the period	59,808	36,470	37,687
Items that may be reclassified subsequently to P&L	(8,014)	18,040	(14,179)
Cash flow hedge	1,049	137	957
Translation adjustments	(8,708)	17,950	(14,795)
Tax effects	(356)	(47)	(341)
Items that may not be reclassified subsequently to P&L	787	(293)	(883)
Actuarial gains and losses on defined benefit plans	1,516	0	(1,237)
Tax effects	(730)	(293)	354
Income and expenses recognized directly in equity	(7,227)	17,748	(15,062)
TOTAL RECOGNIZED INCOME AND EXPENSES	52,581	54,217	22,625
Attributable to owners of the Company	52,641	54,232	22,612
Attributable to non-controlling interests	(60)	(15)	13

3. Consolidated statement of financial position

Assets

<i>(in thousands of euros)</i>	Notes	At 2017/06/30	At 2016/12/31	At 2017/12/31
Non-current assets		1,084,379	729,557	1,039,489
Other intangible assets		42,886	35,136	42,651
Goodwill	11	470,434	199,276	456,299
Property, plant and equipment		505,035	418,529	482,753
Investments in associates		324	8,866	252
Other non-current financial assets		40,985	50,854	32,665
Deferred tax		18,613	13,283	19,995
Other non-current assets		6,103	3,613	4,874
Current assets		970,608	1,145,651	1,167,837
Inventories and work-in-progress		573,052	742,175	727,523
Trade and other receivables		360,978	371,421	404,461
Tax receivables		6,821	9,476	7,068
Other current assets		10,059	7,381	16,786
Other current financial assets		10,487	2,612	3,278
Cash and cash equivalents	9	9,212	12,586	8,720
TOTAL ASSETS		2,054,987	1,875,208	2,207,326

Liabilities

<i>(in thousands of euros)</i>	Notes	At 2017/06/30	At 2016/12/31	At 2017/12/31
Shareholders equity (group share)		598,915	601,907	617,207
Share capital		56,000	56,000	56,492
Additional paid-in capital		22,545	22,545	31,738
Consolidated reserves		520,370	523,362	528,978
Non-controlling interests		7,592	7,636	7,591
Equity		606,507	609,542	624,798
Non-current liabilities		596,409	512,257	729,978
Financial debts	9	535,646	453,607	668,567
Employee benefit obligations		22,052	23,169	23,988
Other non-current provisions		14,543	8,355	13,362
Deferred taxes		11,317	14,005	11,874
Other non-current liabilities		12,852	13,121	12,186
Current liabilities		852,071	753,408	852,550
Current financial debts	9	163,112	174,522	180,927
Current provisions		16,067	13,133	10,129
Trade and other payables		667,733	558,506	653,839
Tax payables		3,108	5,719	6,157
Other current liabilities		2,051	1,529	1,497
TOTAL LIABILITIES		2,054,987	1,875,208	2,207,326

4. Consolidated cash flows statement

<i>(in thousands of euros)</i>	At 2017/06/30	At 2016/12/31	At 2017/12/31
Net income	59,808	36,470	37,687
Share of net income from associates	(138)	(141)	71
Depreciation, amortization and impairment	73,382	39,301	45,448
Other components of net income with no cash impact	(322)	4,379	136
Deferred tax	(1,458)	(974)	(1,431)
Accrued interest	84	2,868	3,857
Gross cash flows from operating activities	131,355	81,903	85,768
Change in working capital requirement	89,881	(189,850)	(201,530)
Net cash flows from operating activities	221,237	(107,947)	(115,761)
Acquisitions of consolidated companies, net of cash and cash equivalents	(376,750)	0	0
Disposals of consolidated companies, gross of cash and cash equivalents	0	0	0
Changes in scope of consolidation	0	0	0
Acquisitions of tangible assets	(64,796)	(29,618)	(51,631)
Acquisitions of financial assets	(54)	(3)	(4)
Disposals of property, plant and equipment and financial assets	11,674	696	1,698
Net change in loans and other non-current financial assets	352	(331)	1,003
Net cash flows from (used in) investing activities	(429,573)	(29,257)	(48,934)
Capital increase	0	(0)	0
(Acquisition) Disposal of treasury shares	797	444	773
Increase (Decrease) in non-current financial liabilities	217,648	122,521	167,977
Increase (Decrease) in current financial liabilities	7,682	20,788	(4,489)
Dividends paid to group and minority Shareholders	(13,791)	0	0
Net cash flows from (used in) financing activities	212,337	143,753	164,262
Impact of exchange rate changes	(814)	12	(59)
Change in cash and cash equivalents	3,186	6,561	(492)
Cash and cash equivalents – opening balance	6,026	6,026	9,212
Cash and cash equivalents – closing balance	9,212	12,586	8,720
CHANGE IN CASH AND CASH EQUIVALENTS	3,186	6,561	(492)

5. Consolidated statement of changes in equity

<i>(in thousands of euros)</i>	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 1st, 2016	32,000,000	56,000	22,545	(4,590)	(9,203)	(58,901)	554,792	560,643	7,651	568,294
Income recognized directly through equity				787		(8,708)	693	(7,227)		(7,227)
Net income at 2017/06/30							59,868	59,868	(60)	59,808
Share purchase options							442	442		442
Puts on non-controlling interests							(74)	(74)		(74)
Treasury Shares					774		15	789		789
Other							(1,734)	(1,734)		(1,734)
Dividends paid							(13,791)	(13,791)		(13,791)
Equity at June 30, 2017	32,000,000	56,000	22,545	(3,803)	(8,428)	(67,608)	600,211	598,916	7,591	606,507
Equity at July 1st, 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				(883)		(14,795)	616	(15,062)		(15,062)
Net income at 2017/12/31							37,674	37,674	13	37,687
Share purchase options							375	375		375
Puts and transactions on non-controlling interests							(22)	(22)	(15)	(37)
Treasury Shares					1,145		(244)	901		901
Other							(723)	(723)		(723)
Dividends paid	281,118	492	9,193				(14,536)	(4,851)		(4,851)
Equity at December 31, 2017	32,281,118	56,492	31,738	(4,685)	(7,283)	(82,403)	623,349	617,207	7,591	624,798

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 2017-2018 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 2017-2018

These standards are applicable at the first opening accounting period from January 1st, 2017:

- IAS 12 : Recognition of deferred tax assets for unrealized losses.
- IAS 7 : Information related to financing activities.

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 19th, 2018, 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 2017.

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.

SOLEAL is fully consolidated as the company is controlled by Bonduelle and, from a contractual and financial standpoint, SOLEAL's sole intercompany customer is Bonduelle Europe Long Life SAS.

All consolidated Group companies closed their annual financial statements on June 30th, 2017 with the exception of the following companies: Bonduelle Kuban, Coubanskies Conservi, Bonduelle do Brasil, Bonduelle Kazakhstan; all of which were consolidated on the basis of their accounting data at December 31st, 2017.

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.

Europe Zone business units cover the following geographical areas: France, Germany, Italy, Iberian Peninsula, Benelux, Central Europe and Northern Europe.

Bonduelle's Non-Europe Zone business units cover Eastern Europe, the Mercosur, North America and Export activities.

These segments are based on the Bonduelle Group's managerial organization.

The primary indicators published are those used by the group's Executive Management. Revenue, current operating income 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, 2017, except for the standards, updates and interpretations first applicable to July 1st, 2017.

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 has been recognised in the financial statements at December 31st, 2017.

NOTE 3 Changes in the scope of consolidation

On November 30th, 2017, the Bonduelle group sells 10% of its holdings in the company Champiland. The sale of the shares is accompanied by a put exercisable by the minorities within a horizon of 5 years. This transaction has no significant impact on the Group's accounts.

On November 30th, 2017, the Bonduelle Group increased its stake to 100% in SCA Champignonnières de Dampierre and SCA Champignonnières des Hureaux and liquidated them. The non significant impact of the transaction was recorded as non-recurring items over the year.

For reminder, on March 21st, 2017, the Bonduelle Group acquired 100% interest in Ready Pac Foods. Consequently, Ready Pac Foods wasn't consolidated in the first semester of the 2016-2017 fiscal year.

NOTE 4 Segment reporting

<i>(in thousands of euros)</i>	Europe Zone	Non-Europe Zone	Eliminations	Total at 2016/12/31
Income Statement				
Revenue	637,013	393,503	(4,923)	1,025,593
Current operating profit	25,599	35,353		60,952
Non-current assets	504,443	225,114		729,557

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

Information by segment

<i>(in thousands of euros)</i>	Canned/Frozen	Fresh	Total at 2016/12/31
Revenue – excluding intercompany	823,237	202,356	1,025,593

<i>(in thousands of euros)</i>	Canned/Frozen	Fresh	Total at 2017/12/31
Revenue – excluding intercompany	838,776	581,488	1,420,263

Information by geographical area of destination

<i>(in thousands of euros)</i>	At 2016/12/31		At 2017/12/31	
USA	136,143	13%	515,790	36%
France	306,607	30%	303,630	21%
Canada	150,155	15%	149,401	10%
Germany	107,195	10%	108,721	8%
Italy	95,010	9%	98,120	7%
Eastern Europe ⁽¹⁾	84,678	8%	105,439	7%
Benelux	37,304	4%	36,833	3%
Central Europe ⁽²⁾	31,078	3%	30,314	2%
North Europe	27,068	3%	26,859	2%
Iberian peninsula	20,455	2%	19,160	2%
South America	12,703	1%	11,592	1%
Other	17,196	2%	14,404	1%
TOTAL REVENUE	1,025,593	100%	1,420,263	100%

⁽¹⁾ Russia + CIS countries.

⁽²⁾ Former Eastern European countries that have joined the European Union.

NOTE 5 Non-recurring items

<i>(in thousands of euros)</i>	At 2016/12/31	At 2017/12/31
Reorganization and restructuring costs	(445)	(216)
Other expenses and honoraries	(250)	(866)
TOTAL NON-RECURRING ITEMS	(695)	(1,082)

NOTE 6 Employee benefit obligations

As at December 31, 2017, actuarial assumptions for calculating termination benefit obligation are the same as at June 31, 2017, only discount rate has been updated. The discount rate decreased from 1.65% to 1.30% as at December 31, 2017.

The total impact is 1.238 thousands euros before tax affect, and is recognised in equity for 824 thousands euros after deferred tax.

NOTE 7 Financial result

<i>(in thousands of euros)</i>		At 2016/12/31	At 2017/12/31
Cost of net debt	A	(8,630)	(12,259)
Cash and cash equivalents		12	48
Interest expense (at effective interest rate)		(8,834)	(12,103)
Gains and losses on liabilities covered by fair value hedges		(1,004)	5,055
Gains and losses on fair value hedging derivatives		1,195	(5,260)
Other financial income and expenses	B	(824)	(1,500)
Foreign exchange gain (loss)		(903)	(3,230)
Ineffective portion of cash flow hedges		141	1,808
Net gain (loss) on derivatives ineligible for hedge accounting (foreign currency & interest rate risk)		168	85
Other finance costs		(229)	(163)
FINANCIAL RESULT	A+B	(9,454)	(13,759)

At December 31st, 2017 the group's financial result came out at -13.8 million euros compared to -9.5 million euros a year earlier.

The net borrowing costs amounted to -12.3 million euros as at December 31st, 2017 compared to -8.6 million euros as at December 31st, 2016. It is made up of interest paid at the effective interest rate (-12.1 million euros) and residual inefficiency (-0.2 million euros) calculated as the difference between the gains and losses on debt covered by fair value hedges (+5.1 million euros) and the gains and losses on fair value hedging derivatives (-5.3 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 increase in interest expense is explained by the financing raised for the acquisition of Ready Pac Foods.

The interest rate, calculated on the group's average debt in all currencies and restated to account for IFRS impacts, amounted to 2.76% compared to 2.79% the previous year.

Other financial income and expenses (-1.5 million euros) mostly come from foreign exchange hedges relating to commercial activities in foreign currencies.

NOTE 8 Derivative financial instruments

Derivatives at 2017/06/30

(in thousands of euros)	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges	393,696	394	2,964	394	2,964
Fair value hedges	233,246	3,093	1,085	3,093	1,085
Hedges ineligible for hedge accounting under IFRS	7,500	0	168	0	168
<i>including forward contracts: Basis swaps</i>	7,500	0	168	0	168
<i>including options: Caps</i>	0	0	0	0	0
<i>including options: Floors</i>	0	0	0	0	0
Current portion				0	181
Non-current portion				3,488	4,035
Foreign currency derivatives (B)					
Cash flow hedges	52,324	651	70	651	70
<i>including forward contracts</i>	41,326	638	66	637	66
<i>including options</i>	10,998	13	4	13	4
Fair value hedges	127,059	13,999	0	13,999	0
Hedges ineligible for hedge accounting under IFRS	122,275	9,837	10,341	9,837	10,341
<i>including forward contracts</i>	110,491	9,496	9,991	9,496	9,991
<i>including options</i>	11,784	341	350	341	350
Current portion				10,487	10,400
Non-current portion				13,999	12
TOTAL DERIVATIVES (A+B)					
Current portion				10,487	10,581
Non-current portion				17,486	4,047

Derivatives at 2017/12/31

(in thousands of euros)	Notional amount	Market value		Carrying value	
		Assets	Liabilities	Assets	Liabilities
Interest rate derivatives (A)					
Cash flow hedges	330,357	1,494	2,944	1,494	2,944
Fair value hedges	229,213	1,639	857	1,639	857
Hedges ineligible for hedge accounting under IFRS	7,500	0	6	0	6
<i>including forward contracts: Basis swaps</i>	7,500	0	6	0	6
<i>including options: Caps</i>	0	0	0	0	0
<i>including options: Floors</i>	0	0	0	0	0
Current portion				12	121
Non-current portion				3,121	3,687
Foreign currency derivatives (B)					
Cash flow hedges	27,760	583	143	583	143
<i>including forward contracts</i>	19,809	512	125	512	125
<i>including options</i>	7,951	71	18	71	18
Fair value hedges	120,904	7,843	0	7,843	0
Hedges ineligible for hedge accounting under IFRS	218,681	2,685	1,594	2,685	1,594
<i>including forward contracts</i>	193,782	2,502	1,018	2,502	1,018
<i>including options</i>	24,899	183	577	183	577
Current portion				3,268	1,738
Non-current portion				7,843	0
TOTAL DERIVATIVES (A+B)					
Current portion				3,280	1,859
Non-current portion				10,964	3,687

NOTE 9 Net debt

1. Analysis of net debt by component

At 2017/06/30

<i>(in thousands of euros)</i>	Nominal	Market value	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	128,235	145,176	0	0	116,033	27,903	143,936
Bonds (EURO PP)	145,000	144,834	0	0	144,834	0	144,834
Finance leases	2,530	2,530	78	78	793	1,580	2,530
Other bank borrowings	348,039	348,039	63,627	44,602	239,810	0	348,039
Other borrowings and financial debts	3,319	3,319	1,336	1,336	646	0	3,319
Accrued interest	3,763	3,763	3,763	0	0	0	3,763
Current bank lines	37,710	37,710	37,710	0	0	0	37,710
Total gross debt before derivatives	668,595	685,371	106,514	46,017	502,116	29,483	684,130
Derivatives – Liabilities			10,214	367	2,578	1,469	14,628
o.w. derivatives hedging a debt in a fair value hedge			0	0	0	1,085	1,085
o.w. other derivatives			10,214	367	2,578	384	13,543
Total gross debt after fair value of derivatives			116,728	46,384	504,694	30,952	698,757
Derivatives – Assets			10,298	188	14,113	3,373	27,973
o.w. derivatives hedging a debt in a fair value hedge			0	0	13,719	3,373	17,092
o.w. other derivatives			10,298	188	394	0	10,881
Securities	517	517	517	0	0	0	517
Cash	8,694	8,694	8,694	0	0	0	8,694
TOTAL NET DEBT			97,218	46,196	490,581	27,579	661,572

At 2017/12/31

<i>(in thousands of euros)</i>	Nominal	Market value	< 6 months	< 1 year	1 to 5 years	> 5 years	Total
Bonds (USPP)	319,926	342,702	0	27,528	110,112	190,477	328,117
Bonds (EURO PP)	145,000	144,883	0	0	144,883	0	144,883
Finance leases	2,355	2,355	79	79	283	1,914	2,355
Other bank borrowings	278,556	278,556	61,930		216,626		278,556
Other borrowings and financial debts	3,483	3,483	213	2,684	586		3,483
Accrued interest	7,654	7,654	7,654	0	0	0	7,654
Current bank lines	78,902	78,902	78,902	0	0	0	78,902
Total gross debt before derivatives	835,877	858,536	148,779	30,291	472,490	192,391	843,951
Derivatives – Liabilities			1,712	146	2,434	1,252	5,544
o.w. derivatives hedging a debt in a fair value hedge			0	0	31	826	857
o.w. other derivatives			1,712	146	2,403	427	4,687
Total gross debt after fair value of derivatives			150,491	30,437	474,925	193,643	849,495
Derivatives – Assets			3,232	47	9,128	1,836	14,242
o.w. derivatives hedging a debt in a fair value hedge			0	0	7,367	1,836	9,482
o.w. other derivatives			3,232	47	1,761	0	4,760
Securities	789	789	789	0	0	0	789
Cash	7,930	7,930	7,930	0	0	0	7,930
TOTAL NET DEBT			138,539	30,390	465,797	191,808	826,533

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, 2017 the group complies with these covenants.

2. Liquidity

At December 31st, 2017 the RCF (Revolving Credit Facility) is used up to 35 million euros (99.9 million euros at December 2016). The group had several committed bank credit lines with maturities up to four years, bringing the amount of committed bank lines (including RCF) to 440 million euros (460 million euros at December 31st, 2016), of which 111 million euros had been drawn on December 31st, 2017 (192 million euros at December 31, 2016).

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 0.45 euros per share has been voted to the Shareholders' Meeting to be held on December 7th, 2017.

Following the expiry of the option for the delivery of the dividend in shares on December 27th, 2017, Bonduelle SCA's share capital comprised 32,281,118 shares with a par value of 1.75 euros per share at December 31st, 2017.

<i>(in thousands of euros)</i>	At 2016/12/31	At 2017/12/31
Group net income	36,485	37,674
Number of shares used to calculate:		
• Basic earnings	31,501,720	31,868,705
• Diluted earnings	31,766,157	32,057,371
Earnings per share <i>(in euros)</i>		
• Basic earnings per share	1.16	1.18
• Diluted earnings per share*	1.15	1.18

* 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:

<i>(in thousands of euros)</i>	At 2016/06/30	Acquisitions or charges	Sale, disposal or recovery	Other ⁽¹⁾	At 2016/12/31
GROSS CARRYING AMOUNT	197,269			2,008	199,276
Impairment					
NET CARRYING AMOUNT	197,269			2,008	199,276

<i>(in thousands of euros)</i>	At 2017/06/30	Acquisitions 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

⁽¹⁾ Translation adjustments.

As a reminder, goodwill of 290,407 thousands of euros was recognized at the date of acquisition of Ready Pac Foods in the second half of the previous year.

NOTE 12 Contingent liabilities

<i>(in thousands of euros)</i>	At 2017/06/30	At 2017/12/31
Commitments given		
Guarantees and security deposits given (net of uses)	40,216	41,343
Commitments received		
Guarantees and security deposits received (net of uses)	2,915	9,361

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

Acquisition of Del Monte business in Canada

Bonduelle announced on February, 20, 2018 that it has signed an agreement with Conagra Brands Inc. to acquire its Del Monte processed fruit and vegetable business in Canada.

The acquisition includes the right to use the Del Monte brand on different segments of processed fruits and vegetables and stocks of products marketed by Conagra for a total value of \$43 million Canadian. The acquired business excludes all industrial and personnel assets because co-packers and Bonduelle's existing production capabilities will be used.

This transaction will become final after suspensive conditions are lifted before the end of May 2018.

Conagra's Del Monte business in Canada, with revenues of approximately \$60 million Canadian, will complement Bonduelle Americas Long Life business unit's canned and frozen vegetable business, which is largely conducted under retailer's store brands. This highlights the group's desired development in brand activities and expansion beyond vegetables to vegetable products.

7. Certification by half-year financial report managers

We hereby certify that, to the best of our knowledge, the condensed accounts for the previous half-year have been drawn up according to the applicable accounting standards and provide a faithful impression of the assets, financial situation and results of the company Bonduelle SCA and all the firms within its consolidation structure and that the half-year business report presents a faithful impression of the important events occurring during the first six months of the financial year, their effects on the accounts, the main transactions between associated parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

The Executive Manager

Pierre and Benoît Bonduelle SAS
Represented by Christophe Bonduelle

The Chief Financial Officer

Grégory Sanson

8. Statutory Auditors' report on the consolidated half-year condensed financial statements

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2-III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Bonduelle, for the period from July 1st, 2017 to December 31st, 2017,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Management Board. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Lille, February 28th, 2018

The Statutory Auditors

French original signed by

MAZARS

Deloitte & Associés

Jean-Maurice El Nouchi

Pierre-Marie Martin