



Economic situation

IAA 80: the Unigrains indicator of agri-food stocks listed in Europe

Highlights of the 3rd quarter of 2017

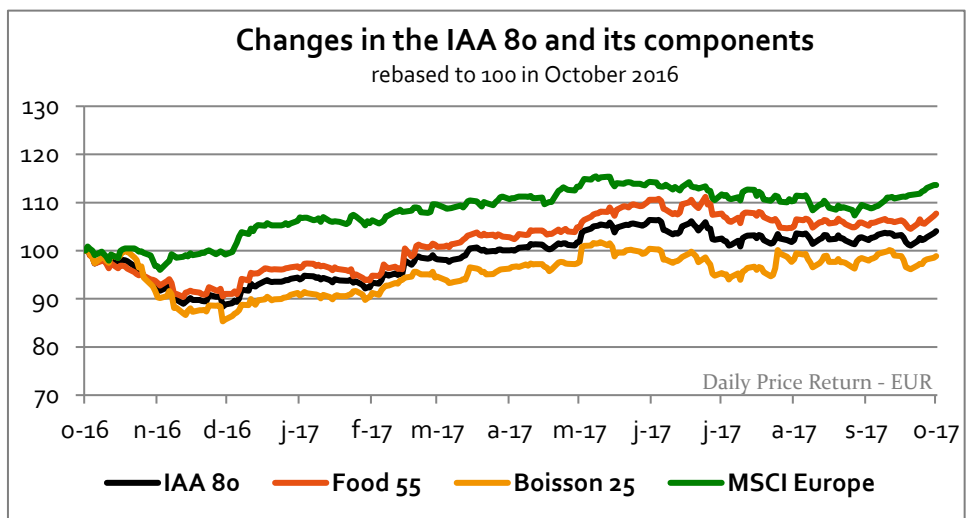
- Despite an increase of 1.5% in Q3 2017, the IAA 80 performed less well than the European market as a whole, which gained 2%.
- The Mid 29 and Small 11 sub-indices were the best performers, up 2.9% and 2.8%, respectively. **Lead 11** recorded a more moderate rise of 1.4% due to the negative impact of Nestlé (-5.0%).
- The **FR 14 sub-index of French securities only went up 0.5%**, hurt by the underperformances of Marie Brizard (-11.6%), Tipiak (-8.4%) and Fleury Michon (-5.8%).
- At end-September, the IAA 80's valuation remained very stable at **14.9x EBITDA**.
- In Q3 2017, the IAA 80 continued to hold up well against the **US 60, which lost 4.8% over the period**.



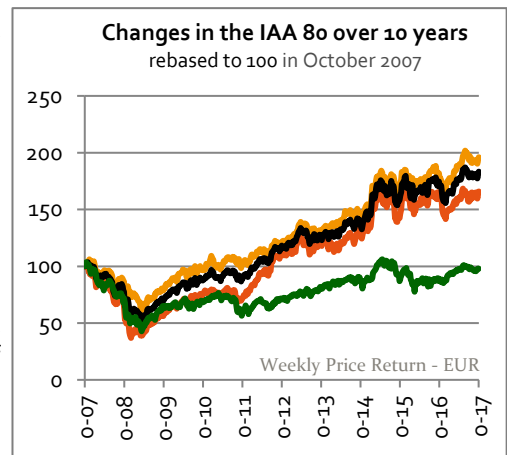
Methodology

Created by Unigrains, the IAA 80 indicator is an index consisting of 80 agri-food stocks listed in Western Europe. Further details concerning the methodology and composition of the IAA 80 indicator and sub-indices by activity (Food/Beverages) or size (Lead/Big/Mid/Small) are presented in appendix.

1.5% increase in the IAA 80 in the 3rd quarter of 2017



- Over the past three months, the IAA 80 rose 1.5% while the European market gained 2%.
- Over one year, the IAA 80 was up 3.6% while the MSCI rose 13.6% in a still very positive economic environment.
- Over ten years, the average annual growth rate of the IAA 80 came in at 6.2%, compared with a decline of 0.2% for the European market.



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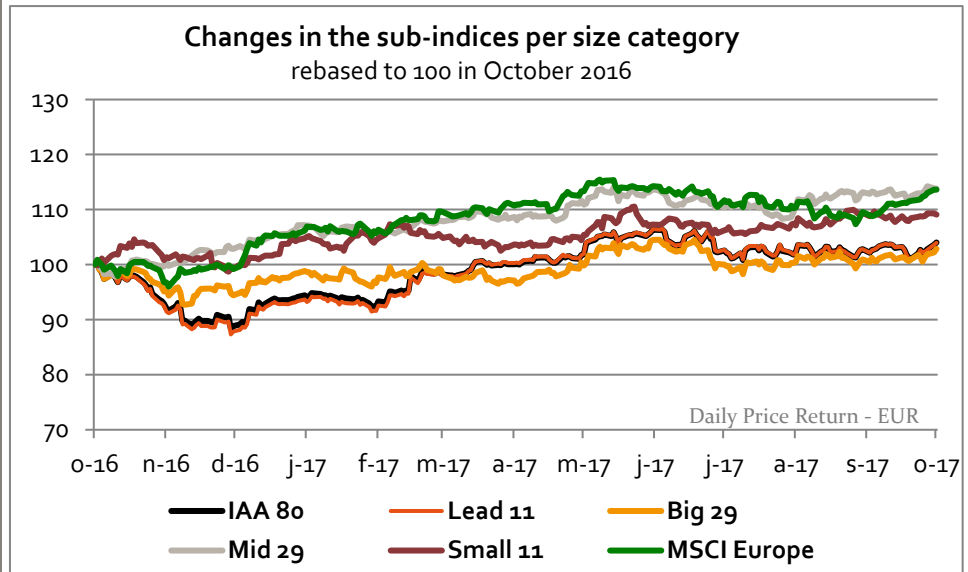
In the 3rd quarter, medium-sized companies outperformed the leaders

IAA 80 stocks are divided into four sub-indices based on their size

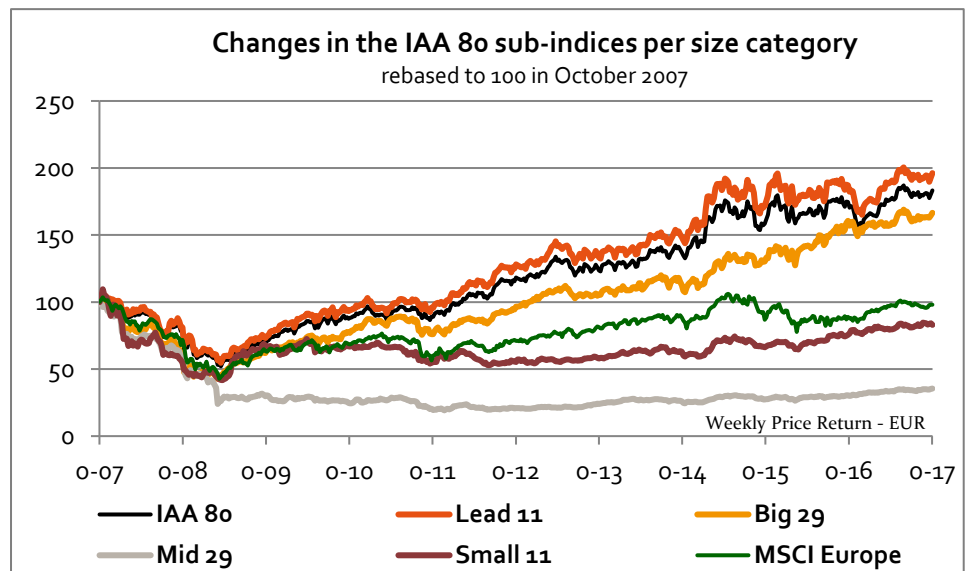
	Market capitalisation of the stocks covered (in €bn)
Lead 11	≥ 10
Big 29	[1 – 10[
Mid 29	[0.2 – 1[
Small 11	< 0.2

The figure in the sub-index's name gives the number of stocks covered

Lead 11 and Big 29 are the only sub-indices to outperform the market over ten years

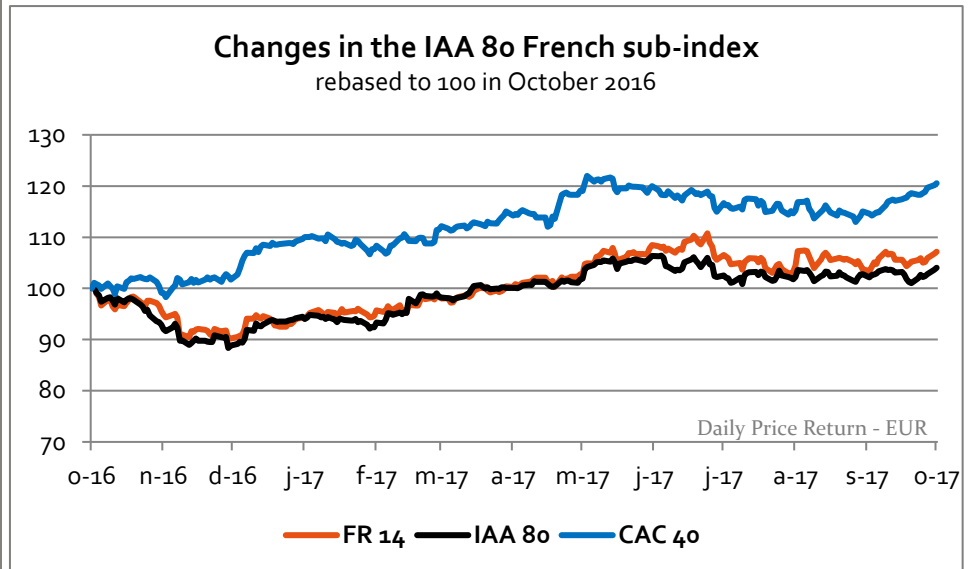


- The Mid 29 and Small 11 sub-indices were the best performers of the quarter, up 2.9% and 2.8%, respectively. British companies Fevertree (+29.6%) and Stock Spirits (+44.0%) recorded stellar performances.
- Big 29 followed with an increase of 2.5%, ahead of Lead 11, up 1.4% due to the negative impact of Nestlé's 5.0% decline.
- Over 12 months, the sub-indices under-performed the market, with the exception of the Mid 29, which gained 13.9%. The Big 29 posted the weakest performance with an increase of 2.2%.



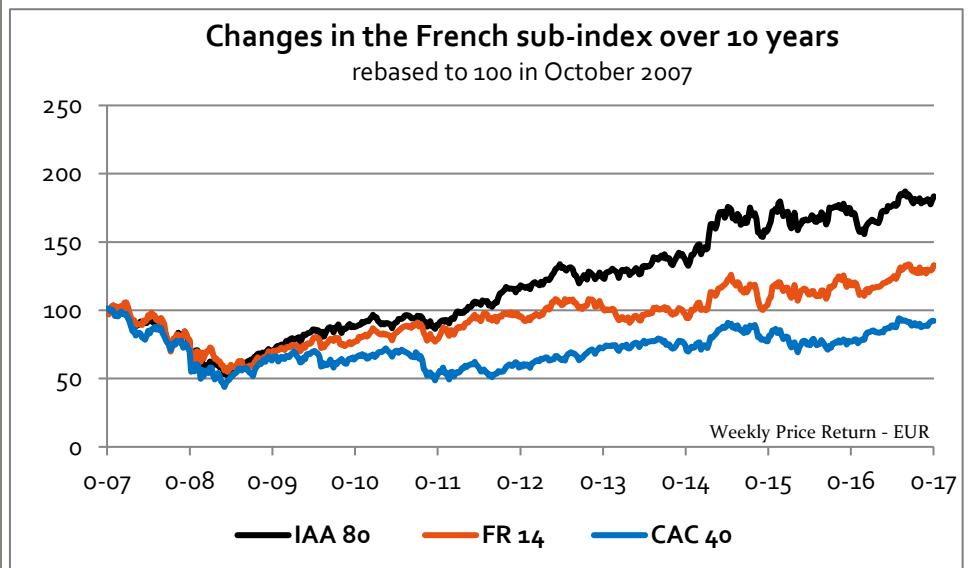


The French sub-index underperformed the IAA 80 and the CAC 40 in the 3rd quarter



- Over the past 3 months, FR 14 gained 0.5%, compared with a rise of 3.4% for the CAC 40. Marie Brizard (-11.6%), Tipiak (-8.4%) and Fleury Michon (-5.8%) recorded the biggest declines, while Bonduelle (+8.3%) and Laurent Perrier (+3.3%) were the best performers.
- In the past year, FR 14 rose 6.8%, outperforming the IAA 80 but underperforming the Paris stock market index, which gained 20.1%.

Over ten years, the French sub-index has outperformed the CAC 40 but significantly lagged the IAA 80

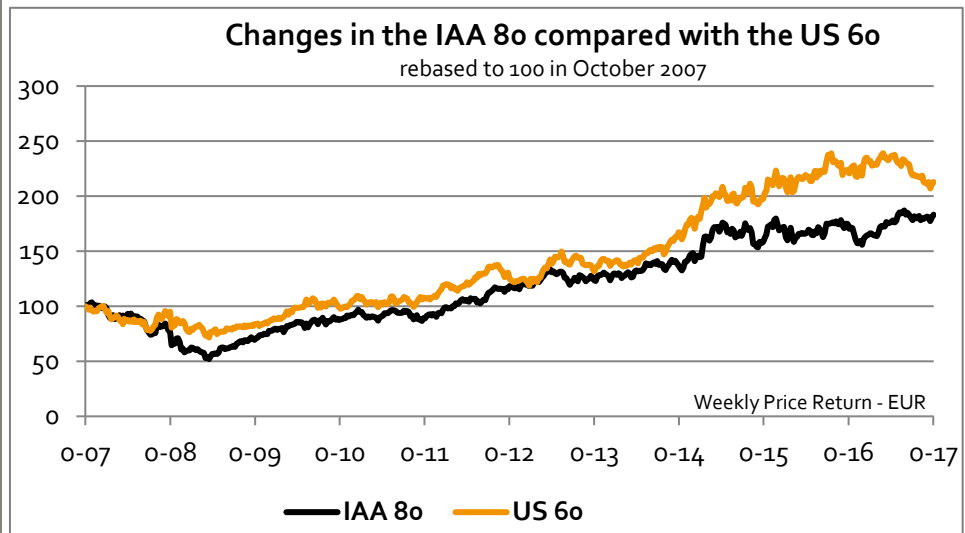




Comparison of changes in European and American agri-food stocks

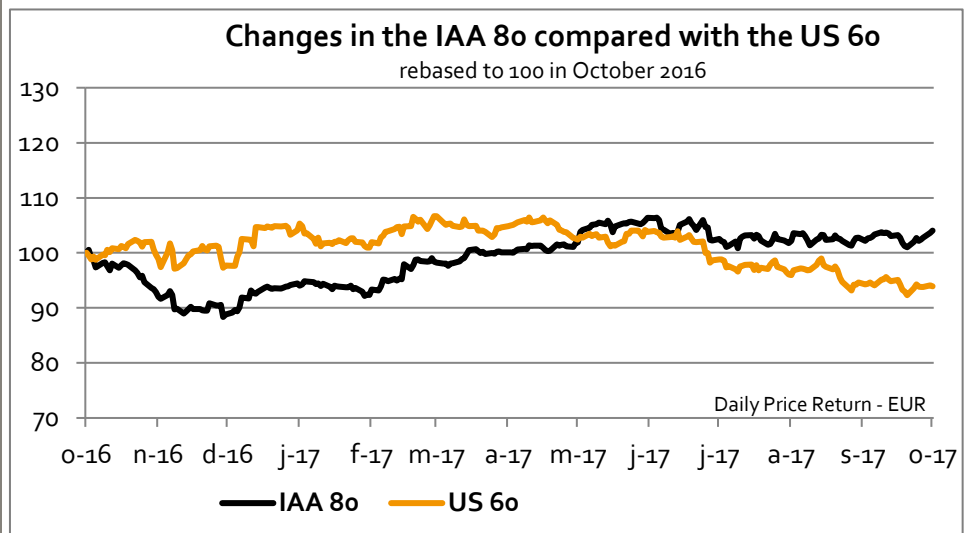
The US 60 is the Unigrains indicator of 60 agri-food stocks listed in the United States. See page 9 for its composition.

Over 10 years, the US 60 has outperformed the IAA 80



- The US 60 has grown by an average of 7.7% a year over 10 years. It was hurt less than other indices by the 2008 financial crisis, and its price in euro was boosted by the dollar's appreciation that started in 2014 (expressed in dollars, the prices of the IAA 80 and US 60 reflect a similar trend, with the US 60 outperforming the IAA 80).

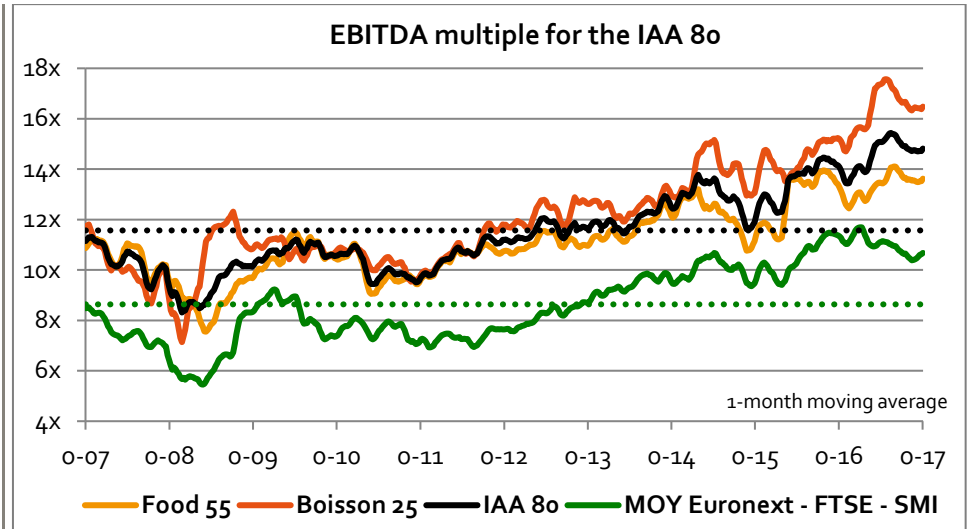
In the 3rd quarter of 2017, the IAA 80 continued to outperform the US 60



- Over the past quarter, the US 60 lost 4.8% and 5.9% year-on-year, while the IAA 80 rose 1.5% over the quarter and 3.6% year-on-year. In the United States, meat companies Sanderson Farms (+35.2%) and Pilgrim's Pride Corporation (+26.9%) were the best performers, while drinks manufacturers New Age Beverages Corporation (-34.7%) and Castle Brands (-25.7%) recorded the sharpest losses of the quarter.

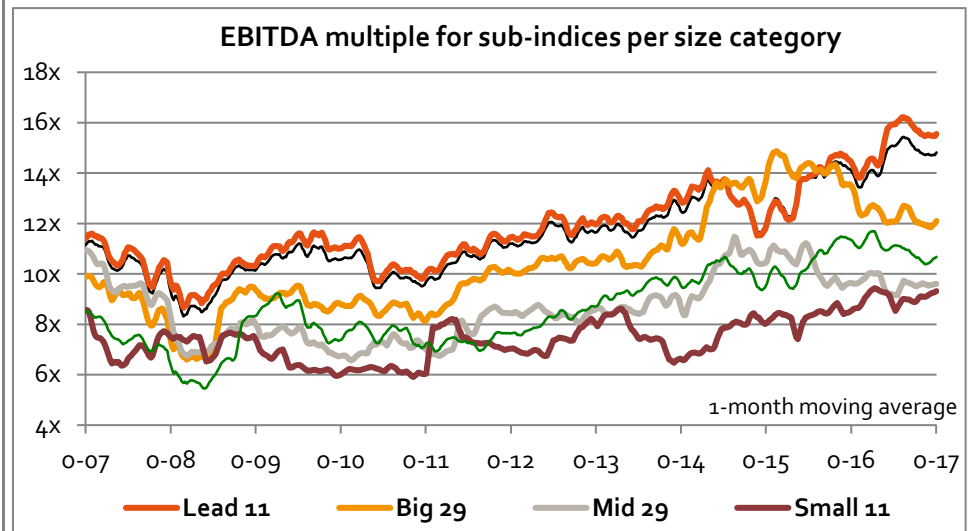


The valuation of the IAA 80 remained very stable in the 3rd quarter



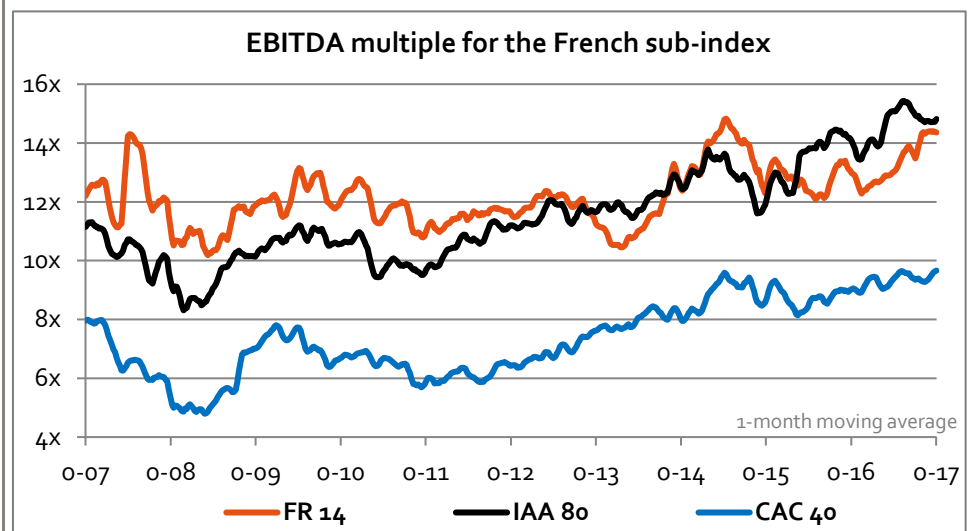
The IAA 80 ended the quarter at 14.9x EBITDA, while the average valuation of the main indices, Euronext 100, FTSE 100 and SMI, continued to fall, inching down to 10.7x EBITDA.

The valuation of the Lead 11 and Big 29 decreased while the Mid 29 and Small 11 appreciated



The Lead 11 ended the quarter at 15.6x EBITDA and the Big 29 at 12.1x. The Mid 29 and the Small 11 ended September at 9.3x and 9.6x EBITDA, respectively.

The valuation of the FR 14 continued to rise and reached 14.4x EBITDA at end-September 2017





Appendix 1 - Additional figures and definitions

Stock market performances

Performance* of agri-food indices as at 30/09/2017

	Annualised growth						
	1 month	3 months	6 months	1 year	3 years	5 years	10 years
IAA 80	0.9%	(2.7%)	3.0%	4.9%	9.6%	9.4%	6.1%
Food 55	0.6%	(3.8%)	3.0%	7.3%	10.3%	10.1%	6.8%
Beverages 25	1.2%	(0.9%)	2.9%	1.4%	8.6%	(8.2%)	5.0%
Lead 11	1.0%	(2.7%)	2.9%	4.6%	9.2%	9.1%	6.8%
Big 29	0.1%	(3.0%)	3.3%	5.7%	13.5%	11.7%	5.1%
Mid 29	0.8%	0.6%	3.3%	14.1%	10.8%	11.3%	(9.9%)
Small 11	1.4%	1.6%	5.3%	10.2%	10.2%	8.6%	(1.7%)
FR 14	0.1%	(4.2%)	5.6%	8.8%	10.3%	6.4%	2.6%
MSCI Europe	1.7%	(2.3%)	1.1%	11.6%	3.5%	6.4%	(0.2%)

*Share price performance throughout the corresponding period, excluding dividends

Volatility: average weekly variation (absolute)

	1 year	3 years	5 years	10 years
IAA 80	1.1%	1.6%	1.5%	1.6%
Food 55	1.1%	1.5%	1.4%	1.6%
Beverages 25	1.5%	2.0%	1.8%	2.1%
Lead 11	1.2%	1.7%	1.5%	1.7%
Big 29	1.1%	1.5%	1.4%	1.7%
Mid 29	0.8%	1.1%	1.0%	1.7%
Small 11	0.9%	1.1%	1.0%	1.5%
FR 14	1.3%	1.8%	1.6%	2.0%
MSCI Europe	1.0%	1.7%	1.5%	1.9%

Key financial data in 2016

Average	Sales (€m)	EBITDA/Sales	ROCE	Gearing	Leverage
IAA 80	4,600	15%	11%	0.5	2.3
Food 55	4,802	14%	11%	0.4	1.7
Beverages 25	4,154	19%	11%	0.6	3.7
Lead 11	25,194	21%	10%	0.6	2.2
Big 29	2,169	19%	13%	0.4	1.4
Mid 29	822	13%	11%	0.5	3.2
Small 11	373	9%	6%	0.4	2.5
France 14	3,146	12%	7%	0.7	5.2
Euronext 100	20,710	21%	9%	0.1	2.3

MSCI Europe: index representing the European stock market

Weighted index consisting of 437 Western European stocks. Average market capitalisation of €15 billion.

EBITDA multiple = EV/EBITDA

EV (enterprise value) = market capitalisation + net financial debt + minority interests

ROCE = EBIT * (1-33%) / (net fixed assets + working capital requirement) avg year n/n-1

Gearing = net financial debt/shareholders' equity

Leverage = net financial debt/EBITDA

Financial figures are from the CIQ database, which adjusts them according to its own methodology to produce consistent indicators.

Financial performances

Definitions



Appendix 2 - Methodology

Created by Unigrains, the IAA 80 indicator is an index consisting of 80 listed agri-food stocks based in 13 countries of Western Europe (Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom). It is weighted by market capitalisation. The selected stocks have a market capitalisation of more than €50m and a minimum free float of 15%. The IAA 80 is divided into several sub-indices based on three criteria:

- Activity: Food 55 and Beverages 25, composed respectively of 55 and 25 stocks.
- Size: Lead 11, Big 29, Mid 29 and Small 11 with a breakdown of businesses based on their market capitalisation; thresholds at €200m, €1,000m and €10,000m.
- Geographic region: France 14, composed of 14 French stocks.

All of the figures in this memorandum come from the S&P Capital IQ database and are calculated in EUR.

IAA 80 stocks

Company	Country	Sector	Sub-sector	Market capitalisation at 03/01/17 (in €m)	Size category in IAA 80
NESTLÉ	CH	Food	Sweet and savoury groceries	204,936	Lead 11
AB-INBEV	BE	Beverages	Brewing	195,497	Lead 11
UNILEVER	NL	Food	Sweet and savoury groceries	111,429	Lead 11
DIAGEO	UK	Beverages	Wine & spirits	61,924	Lead 11
HEINEKEN	NL	Beverages	Brewing	40,618	Lead 11
DANONE	FR	Food	Sweet and savoury groceries	36,831	Lead 11
PERNOD-RICARD	FR	Beverages	Wine & spirits	27,328	Lead 11
ABF	UK	Food	Sweet and savoury groceries	25,307	Lead 11
LINDT & SPRUENGLI	CH	Food	Chocolate, confectionery	12,671	Lead 11
CARLSBERG	DK	Beverages	Brewing	12,584	Lead 11
KERRY	IE	Food	Agri-food ingredients	11,951	Lead 11
ORKLA	NO	Food	Sweet and savoury groceries	8,848	Big 29
MARINE HARVEST	NO	Food	Seafood products	7,781	Big 29
BARRY CALLEBAUT	CH	Food	Chocolate, confectionery	6,365	Big 29
DAVIDE CAMPARI	IT	Beverages	Wine & spirits	5,424	Big 29
GLANBIA	IE	Food	Agri-food ingredients	4,658	Big 29
SUDZUCKER	DE	Food	Sugar	4,624	Big 29
RÉMY COINTREAU	FR	Beverages	Wine & spirits	4,018	Big 29
TATE & LYLE	UK	Food	Agri-food ingredients	3,841	Big 29
ARYZTA	CH	Food	Sweet and savoury groceries	3,712	Big 29
SALMAR	NO	Food	Seafood products	3,199	Big 29
LERØY SEAFOOD	NO	Food	Seafood products	3,153	Big 29
EMMI	CH	Food	Dairy products	3,076	Big 29
EBRO FOODS	ES	Food	Sweet and savoury groceries	3,054	Big 29
AAK	SE	Food	Agri-food ingredients	2,683	Big 29
VISCOFAN	ES	Food	Agri-food ingredients	2,215	Big 29
GREENCORE	IE	Food	Sweet and savoury groceries	2,024	Big 29
LOTUS BAKERIES	BE	Food	Sweet and savoury groceries	1,998	Big 29
ROYAL UNIBREW	DK	Beverages	Brewing	1,953	Big 29
AUSTEVOLL SEAFOOD	NO	Food	Seafood products	1,879	Big 29
P/F BAKKAFROST	DK	Food	Seafood products	1,838	Big 29



Company	Country	Sector	Sub-sector	Market capitalisation at 03/01/17 (in €m)	Size category in IAA 8o
BRITVIC	UK	Beverages	Soft drinks	1,740	Big 29
BELL	CH	Food	Meat	1,635	Big 29
NOMAD FOODS	UK	Food	Sweet and savoury groceries	1,618	Big 29
L.D.C.	FR	Food	Meat	1,589	Big 29
FEVERTREE	UK	Beverages	Soft drinks	1,535	Big 29
CRANSWICK	UK	Food	Meat	1,379	Big 29
C&C GROUP	IE	Beverages	Wine & spirits	1,190	Big 29
DAIRY CREST	UK	Food	Dairy products	1,019	Big 29
ROYAL WESSANEN	NL	Food	Sweet and savoury groceries	1,015	Big 29
NORWAY ROYAL SALMON	NO	Food	Seafood products	973	Mid 29
GRIEG SEAFOOD	NO	Food	Seafood products	966	Mid 29
SAVENCIA	FR	Food	Dairy products	958	Mid 29
CLOETTA	SE	Food	Chocolate, confectionery	861	Mid 29
BONDUELLE	FR	Food	F&V	764	Mid 29
NICHOLS	UK	Beverages	Soft drinks	712	Mid 29
A.G.BARR	UK	Beverages	Soft drinks	679	Mid 29
GREENYARD FOODS	BE	Food	F&V	653	Mid 29
OLVI OYJ	FI	Beverages	Brewing	591	Mid 29
RAISIO	FI	Food	Sweet and savoury groceries	575	Mid 29
HILTON FOOD	UK	Food	Meat	534	Mid 29
BARON DE LEY	ES	Beverages	Wine & spirits	514	Mid 29
MARIE BRIZARD	FR	Beverages	Wine & spirits	501	Mid 29
PREMIER FOODS	UK	Food	Sweet and savoury groceries	455	Mid 29
LAURENT-PERRIER	FR	Beverages	Wine & spirits	425	Mid 29
ORIOR	CH	Food	Meat	413	Mid 29
STOCK SPIRITS	UK	Beverages	Wine & spirits	410	Mid 29
HOCHDORF	CH	Food	Agri-food ingredients	408	Mid 29
FROSTA	DE	Food	Sweet and savoury groceries	377	Mid 29
SCANDI STANDARD	SE	Food	Meat	361	Mid 29
HÜGLI	CH	Food	Sweet and savoury groceries	344	Mid 29
ATRIA	FI	Food	Meat	332	Mid 29
LA DORIA	IT	Food	F&V	283	Mid 29
DEOLEO	ES	Food	Sweet and savoury groceries	271	Mid 29
FLEURY MICHON	FR	Food	Meat	270	Mid 29
TER BEKE	BE	Food	Meat	248	Mid 29
MASSIMO ZANETTI	IT	Beverages	Coffee	239	Mid 29
LANSON-BCC	FR	Beverages	Wine & spirits	237	Mid 29
VRANKEN POMMERY	FR	Beverages	Wine & spirits	201	Mid 29
THE SCOTTISH SALMON	UK	Food	Seafood products	199	Small 11
HKSCAN	FI	Food	Meat	179	Small 11
FINSBURY FOOD	UK	Food	Sweet and savoury groceries	178	Small 11
MIKO	BE	Food	Sweet and savoury groceries	137	Small 11
ADVINI	FR	Beverages	Wine & spirits	131	Small 11
SCHLOSS WACHENHEIM	DE	Beverages	Wine & spirits	121	Small 11
EUROGERM	FR	Food	Agri-food ingredients	111	Small 11
GROUPE MINOTERIES	CH	Food	Cereal, oilseed & protein crop processing	105	Small 11
HARBOES BRYGGERI	DK	Beverages	Brewing	85	Small 11
APETIT	FI	Food	Sweet and savoury groceries	78	Small 11



TIPIAK	FR	Food	Sweet and savoury groceries	68	Small 11
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US 60 stocks

Company	Sector	Sub-sector	Market capitalisation at 03/01/17 (in €m)
THE COCA-COLA COMPANY	Beverages	Soft drinks	173,070
PEPSICO	Beverages	Soft drinks	144,084
THE KRAFT HEINZ COMPANY	Food	Sweet and savoury groceries	102,286
MONDELEZ INTERNATIONAL	Food	Sweet and savoury groceries	66,496
GENERAL MILLS	Food	Sweet and savoury groceries	34,572
CONSTELLATION BRANDS	Beverages	Wine & spirits	29,855
MONSTER BEVERAGE CORPORATION	Beverages	Soft Drinks	24,962
KELLOGG COMPANY	Food	Sweet and savoury groceries	24,716
TYSON FOODS	Food	Meat	22,273
THE HERSHEY COMPANY	Food	Chocolate, confectionery	21,173
MOLSON COORS BREWING COMPANY	Beverages	Brewing	20,191
HORMEL FOODS CORPORATION	Food	Meat	17,915
CAMPBELL SOUP COMPANY	Food	Sweet and savoury groceries	17,875
BROWN-FORMAN CORPORATION	Beverages	Wine & spirits	16,877
CONAGRA BRANDS	Food	Sweet and savoury groceries	16,709
DR PEPPER SNAPPLE GROUP	Beverages	Soft Drinks	16,025
THE J. M. SMUCKER COMPANY	Food	Sweet and savoury groceries	14,415
MCCORMICK & COMPANY	Food	Sweet and savoury groceries	11,322
INGREDION INCORPORATED	Food	Ingredients	8,715
PINNACLE FOODS	Food	Sweet and savoury groceries	6,088
LAMB WESTON HOLDINGS	Food	Sweet and savoury groceries	5,255
POST HOLDINGS	Food	Sweet and savoury groceries	5,084
PILGRIM'S PRIDE CORPORATION	Food	Meat	4,681
BLUE BUFFALO PET PRODUCTS	Food	Pet food	4,616
SEABOARD CORPORATION	Food	Meat, agric. commodities, etc.	4,508
FLOWERS FOODS	Food	Pastry and bakery	3,973
TREEHOUSE FOODS	Food	Sweet and savoury groceries	3,960
THE HAIN CELESTIAL GROUP	Food	Sweet and savoury groceries	3,919
LANCASTER COLONY CORPORATION	Food	Sweet and savoury groceries	3,730
SNYDER'S-LANCE	Food	Sweet and savoury groceries	3,552
FRESH DEL MONTE PRODUCE	Food	F&V	3,044
B&G FOODS	Food	Sweet and savoury groceries	2,757
J&J SNACK FOODS	Food	Sweet and savoury groceries	2,382
TOOTSIE ROLL INDUSTRIES	Food	Chocolate, confectionery	2,364
NATIONAL BEVERAGE CORP.	Beverages	Soft drinks	2,274
DARLING INGREDIENTS	Food	Ingredients	2,117
SANDERSON FARMS	Food	Meat	2,103
CAL-MAINE FOODS	Food	Eggs	2,038
THE BOSTON BEER COMPANY	Beverages	Brewing	2,029
DEAN FOODS COMPANY	Food	Dairy products	1,876
COCA-COLA BOTTLING	Beverages	Soft drinks	1,607
HOSTESS BRANDS	Food	Sweet and savoury groceries	1,218
CALAVO GROWERS	Food	F&V	1,028
MGP INGREDIENTS	Beverages	Wine & spirits	791



JOHN B. SANFILIPPO & SON	Food	F&V	757
SUNOPTA INC.	Food	Ingredients	689
AMPLIFY SNACK BRANDS	Food	Sweet and savoury groceries	648
FARMER BROS.	Food	Sweet and savoury groceries	578
OMEGA PROTEIN CORPORATION	Food	Agri-food ingredients	554
SENECA FOODS CORPORATION	Food	F&V	382
LANDEC CORPORATION	Food	F&V, ingredients	361
CRAFT BREW ALLIANCE	Beverages	Brewing	316
PRIMO WATER CORPORATION	Beverages	Soft Drinks	298
INVENTURE FOODS	Food	Sweet and savoury groceries	184
LIFEWAY FOODS	Food	Dairy products	174
CASTLE BRANDS	Beverages	Wine & spirits	122
BRIDGFORD FOODS CORPORATION	Food	Sweet and savoury groceries	100
NEW AGE BEVERAGES CORPORATION	Beverages	Soft drinks	85
ROCKY MOUNTAIN CHOCOLATE FACTORY	Food	Chocolate, confectionery	56
REED'S	Beverages	Soft drinks	54