BONGRAIN SA

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2014

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1. Consolidated income statement

		12 months	
In thousands of euro	**Notes**	**2014**	**2013 restated***
NET SALES	**3**	**4,606,920**	**4,204,557**
Purchases adjusted for changes in inventories	4	-3,146,321	-2,763,342
Personnel costs	5	-779,342	-757,958
Depreciation, amortization, impairment and provisions	6	-112,559	-108,576
Other current operating expense	7	-459,310	-431,290
CURRENT OPERATING PROFIT		**109,388**	**143,391**
Other operating expense	8	-33,524	-33,342
Other operating income	8	21,239	12,734
TOTAL OPERATING PROFIT		**97,103**	**122,783**
Financial expense	9	-43,106	-38,370
Financial income	9	12,867	13,802
Group share of results of associates	10	3,751	8,005
PROFIT BEFORE TAX		**70,615**	**106,220**
Taxes on income	11	-25,808	-51,082
Net income from continuing operations		**44,807**	**55,138**
Net income from operations discontinued or in process of sale	2	**-127**	**96**
NET INCOME FOR THE YEAR		**44,680**	**55,234**
Attributable to equity holders of the parent company		39,068	48,893
Attributable to non-controlling interests		5,612	6,341
EARNINGS PER SHARE (in euro)	12		
Attributable to equity holders of the parent company:			
• basic		2.79	3.49
• diluted		2.71	3.38
From continuing operations:			
• basic		2.78	3.48
• diluted		2.71	3.37

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		12 months	
In thousands of euro	**Notes**	**2014**	**2013 restated***
NET INCOME FOR THE YEAR		**44,680**	**55,234**
Other comprehensive income:	,	,	
Foreign exchange differences		12,628	-33,344
Change in fair value of available-for-sale financial assets		317	45
Change in fair value of cash flow hedges(1)		-2,392	-2,512
Recyclable components attributable to associates and joint ventures		561	-679
Total recyclable components of other comprehensive income		**11,114**	**-36,490**
Actuarial gains and losses for post-employment benefit plans		-15,964	5,603
Non-recyclable components attributable to associates and joint ventures		-374	-307
Other movements(2)		-399	-1,717
Total non-recyclable components of other comprehensive income		**-16,737**	**3,579**
Other comprehensive income net of tax	**22**	**-5,623**	**-32,911**
TOTAL COMPREHENSIVE INCOME NET OF TAX		**39,057**	**22,323**
Attributable to equity holders of the parent company		34,467	16,963
Attributable to non-controlling interests		4,590	5,360

(1) Mainly relating to interest rates and raw materials.

(2) Relating in 2014 and 2013 to adjustment of long-term employee benefits

(*) With effect from January 1, 2014 (and with retroactive effect from January 1, 2013) the Group has applied IFRS 11, *Joint Arrangements*. As a result, the financial statements for 2013 have been restated in accordance with the new standard (see note 34).

The notes provided are an integral part of these consolidated financial statements.

2. Consolidated statement of financial position

ASSETS

In thousands of euro	Notes	December 31, 2014	December 31, 2013 restated*
Intangible assets	13	438,376	441,879
Property, plant and equipment	14	858,625	801,312
Other financial assets	15	33,644	35,279
Investments in associates	10	188,561	218,077
Non-current derivative financial instruments	19	2,398	1,691
Deferred tax assets	16	90,889	81,349
TOTAL NON-CURRENT ASSETS		**1,612,493**	**1,579,587**
Inventories and work in progress	17	440,599	430,673
Trade and other receivables	18	813,822	804,089
Tax credits		25,754	16,103
Derivative financial instruments	19	4,320	4,937
Other current financial assets	20	16,357	94,546
Cash and cash equivalents	21	470,356	388,299
TOTAL CURRENT ASSETS		**1,771,208**	**1,738,647**
Assets relating to operations discontinued or in process of sale	2	1,961	1,066
TOTAL ASSETS		**3,385,662**	**3,319,300**

EQUITY AND LIABILITIES

In thousands of euro	Notes	December 31, 2014	December 31, 2013 restated*
Paid-in capital		**94,714**	**94,100**
Reserves		-44,573	-40,292
Retained earnings		1,068,583	1,048,507
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**1,118,724**	**1,102,315**
Equity attributable to non-controlling interests		101,109	102,969
TOTAL EQUITY	**23**	**1,219,833**	**1,205,284**
Provisions	25	122,371	92,306
Non-current borrowings	26	308,379	328,988
Other non-current liabilities	27	57,100	45,405
Non-current derivative financial instruments	29	8,033	11,445
Deferred tax liabilities	16	116,921	118,155
TOTAL NON-CURRENT LIABILITIES		**612,804**	**596,299**
Trade and other payables	28	892,313	908,293
Taxes on income payable		7,459	9,905
Derivative financial instruments		4,226	1,760
Bank borrowings		648,790	597,506
TOTAL CURRENT LIABILITIES		**1,552,788**	**1,517,464**
Liabilities relating to operations discontinued or in process of sale	2	236	253
TOTAL LIABILITIES		**2,165,828**	**2,114,016**
TOTAL EQUITY AND LIABILITIES		**3,385,662**	**3,319,300**

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3. Consolidated statement of cash flows

		12 months	
In thousands of euro	**Notes**	**2014**	**2013 restated***
Net income from operations discontinued or in process of sale		**-127**	**96**
Net income from continuing operations		**44,807**	**55,138**
Taxes on income	11	25,808	51,082
Depreciation, amortization, impairment and provisions	6	112,559	108,576
Gains and losses on disposal of assets		-20,343	169
Group share of results of associates	10	-3,751	-8,005
Net financial expense		17,210	15,907
Other non-cash income and expense		32,480	9,760
Gross operating margin		**208,770**	**232,627**
Interest paid		-28,555	-26,430
Interest received		10,505	10,594
Taxes on income paid		-41,569	-45,440
Change in working capital	30	-30,850	-69,581
Net cash from continuing operations		**118,301**	**101,770**
Net cash for operations discontinued or in process of sale		**-33**	**-42**
NET CASH FROM OPERATING ACTIVITIES		**118,268**	**101,728**
Acquisition of subsidiaries, operating units and non-controlling interests		-8,455	-74,351
Disposal of businesses net of the cash transferred		28,231	4,706
Purchase of tangible and intangible non-current assets		-164,438	-174,623
Proceeds from disposal of assets		5,580	4,195
Acquisition/disposal of financial assets and changes in other current financial assets		80,282	-25,936
Merger adjustments		23	-3,000
Dividends received from associates		2,557	1,569
Net investment associated with continuing operations		**-56,220**	**-267,440**
Net investment associated with operations discontinued or in process of sale		**-**	**-**
NET CASH USED IN INVESTING ACTIVITIES		**-56,220**	**-267,440**
Proceeds from exercise of share purchase options		-	-
Net purchase of treasury shares	23	94	1,156
Change in the parent company's share capital		-	-1,399
Subscription to the share capital of an associate		-	-2,158
Proceeds from borrowings		143,228	211,156
Repayment of borrowings		-146,867	-92,499
Dividends paid		-17,861	-22,700
Net financing associated with continuing operations		**-21,406**	**93,556**
Net financing associated with operations discontinued or in process of sale		**-**	**-**
NET CASH USED IN FINANCING ACTIVITIES		**-21,406**	**93,556**
Impact of foreign exchange differences		20,365	501
Net increase/(decrease) in cash and cash equivalents		**61,007**	**-71,655**
Reclassification of cash and cash equivalents associated with operations discontinued or in process of sale		**-**	**8**
OPENING CASH AND CASH EQUIVALENTS	21	**267,174**	**338,821**
CLOSING CASH AND CASH EQUIVALENTS	21	**328,182**	**267,174**

The notes provided are an integral part of these consolidated financial statements.

(*)With effect from January 1, 2014 (and with retroactive effect from January 1, 2013) the Group has applied IFRS 11, Joint Arrangements. As a result, the financial statements for 2013 have been restated in accordance with the new standard (see note 34).

4. Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent company				
In thousands of euro	**Paid-in capital (note 23)**	**Reserves (note 23)**	**Retained earnings**	**Non-controlling interests**	**Total consolidated equity**
EQUITY AT 01/01/2013 (restated) *	**33,091**	**-9,875**	**1,089,415**	**66,231**	**1,178,862**
Dividends distributed			-18,221	-4,478	-22,699
Total comprehensive income at 12/31/2013 (restated)		**-30,417**	**47,380**	**5,360**	**22,323**
Stock purchase option plans:					
• Value of services provided	548				548
• Sale of treasury shares	61,412		-60,704		708
Purchase of treasury shares	448				448
Change in share capital	-1,399			8	-1,391
Changes in consolidation scope:					
• Purchase of minority interests			51	16,201	16,252
• Put options granted to minority interests			-9,414	-3,517	-12,931
• Increase following business combinations			-	23,164	23,164
EQUITY AT 12/31/2013	**94,100**	**-40,292**	**1,048,507**	**102,969**	**1,205,284**
Dividends distributed			-14,019	-3,842	-17,861
Total comprehensive income at 12/31/2014		**-4,281**	**38,748**	**4,590**	**39,057**
Stock purchase option plans:					
• Value of services provided	520				520
• Sale of treasury shares	-15				-15
Purchase of treasury shares	109				109
Change in share capital					
Changes in consolidation scope:					
• Purchase of minority interests			-2,025	3,399	1,374
• Put options granted to minority interests			-2,628	-6,007	-8,635
EQUITY AT 12/31/2014	**94,714**	**-44,573**	**1,068,583**	**101,109**	**1,219,833**

The notes provided are an integral part of these consolidated financial statements.

(*)With effect from January 1, 2014 (and with retroactive effect from January 1, 2013) the Group has applied IFRS 11, Joint Arrangements. As a result, the financial statements for 2013 have been restated in accordance with the new standard (see note 34).

5. Notes to the consolidated financial statements

Bongrain SA is a *Société Anonyme à Conseil d'Administration* (French limited liability company with a board of directors) domiciled and registered in France and whose registered office is located in Viroflay (78). Its shares are traded in on the Paris stock exchange.

Bongrain SA and its subsidiaries (hereafter the “Group”) operate within two business segments: cheese products and other dairy products (cf. note 3).

The consolidated financial statements were authorized for issue by the Board of Directors on February 26, 2015. Unless otherwise stated they are expressed in thousands of euro. They will become definitive after their approval by stockholders at the Annual General Meeting scheduled for April 22, 2015.

5.1 Basis of preparation of the consolidated financial statements

In accordance with European regulation CE N° 1606/2002 dated July 19, 2002 the Group’s consolidated financial statements at December 31, 2014 have been prepared in accordance with the IFRS Framework as published by the IASB (International Accounting Standards Boards) and adopted by the European Union at that date, as well as on the basis of the International Financial Reporting Standards (IFRSs) published by the IASB. They reflect the individual financial statements of each Group entity which have been restated as necessary in accordance with the Group’s accounting policies. They have been prepared using the historical cost accounting convention with the exception of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments), biological assets and assets and liabilities subject to fair value hedges. Unless otherwise stated, accounting policies have been consistently applied to all the periods presented.

The preparation of financial statements in accordance with IFRSs requires the exercise of judgment by management both for certain material accounting estimates and more generally in the application of certain accounting policies.

In accordance with IFRS 2, *Share-based Payment*, only the share purchase option plans instituted after November 7, 2002, and that had not yet vested at January 1, 2005 have been recognized and accounted for as part of personnel costs. Earlier plans have not been retrospectively recognized.

The Group has applied (in general with retroactive effect from January 1, 2013) the following new or amended standards or interpretations which became obligatory for accounting periods beginning on or after January 1, 2014, with particular impact for the Group in the case of the new standards dealing with consolidation:

- IFRS 10, *Consolidated Financial Statements*, amends IAS 27, *Consolidated and Separate Financial Statements,* which is henceforth entitled *Separate Financial Statements*. IFRS 10 introduces a new principle of control requiring the Group to determine if it has power over the investee, if it has exposure, or rights, to variable returns from its involvement with the investee and if it has the ability to use its power over the investee to affect the amount of the investor's returns. The Group must equally consolidate any entity over which it exercises de facto control. The Group has performed the requisite analysis of its investments, which did not lead to any material impact of first-time application of the new standard.
- IFRS 11, *Joint Arrangements*, supersedes IAS 31, *Interests in Joint Ventures* and SIC 13, *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. The classification of joint arrangements is henceforth based on the rights and obligations of each partner taking into account the structure and legal form of transactions, the rights granted to each party and any other relevant facts and circumstances:
    - A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement, as provided for in IAS 28, *Investments in Associates and Joint Ventures*, unless the entity is exempted under the standard from the requirement to apply the equity method of accounting. Otherwise, the equity method is applied and proportionate consolidation is no longer authorized.
    - A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Each joint operator must recognize the assets, liabilities, revenue and expenses equating with its interest in the joint operation.

  The Group’s analysis of its joint arrangements has led it to recognize a certain number of joint ventures requiring application of the equity method. The resulting impacts are presented in notes 10 and 34.
- IFRS 12, *Disclosure of Interests in Other Entities*, sets out disclosure requirements for investments in subsidiaries, joint arrangements, associates and/or non-consolidated structured entities. The requisite disclosures have been made in note 24.
- IAS 28 (revised), *Investments in Associates and Joint Ventures*, sets out the equity method of accounting for investments in associates (entities over which the Group exercises significant influence) and joint ventures. The modifications introduced by the standard are mainly the result of the new consolidation standards already described. The equity method of accounting and the concept of significant influence are unchanged.

The other amendments to IFRS standards and interpretations applicable with effect from January 1, 2014 have no application, or no material impact, at the level of the Group.

The Group has not made early application of standards and interpretations that will not become applicable until 2015, but reviews all such new standards and interpretations with a view to assessing their potential impact on reported performance and financial statement presentation in 2015. In this respect, it may be noted that the application of IFRIC 21, *Levies*, will have negligible impact for the Group’s annual financial statements and an impact of about €0.3 million for its half-yearly financial statements given the suppression of the possibility of accounting for certain levies on a time basis.

5.2 Bases of consolidation

The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. Subsidiaries are fully consolidated and joint ventures and investments in associates are accounted for using the equity method.

5.2.1 Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control may exist de facto. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. Subsidiaries are fully consolidated and minority interests are disclosed in the statement of financial position in a separate category of equity. Minority interests in profit or loss are presented distinctly in the income statement.

The acquisition of subsidiaries is accounted for using the purchase method as described in IFRS 3 (revised). The consideration transferred is measured on the basis of the fair value, at the date of acquisition, of the elements of remuneration conferred on the seller, excluding any element remunerating transactions distinct from the acquisition of control over the subsidiary, and which may include:

- Assets remitted to the seller;
- Liabilities or contingent liabilities assumed;
- Equity instruments issued by Bongrain; and
- Any price adjustments applicable to the business combination.

Costs directly attributable to business combinations are written off as incurred (to other operating expense) with the exception of:

- Issue costs for any equity instruments issued as consideration for the acquisition, which are deducted from equity; and
- Costs pertaining to any financial liabilities contracted for the purposes of the business combination, which are deducted from the applicable financial liabilities.

The acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. Non-controlling interests are valued on the basis of:

- Either their share of the fair value at the acquisition date of the identifiable net assets of the acquiree (i.e. not taking goodwill into account);
- Or their share of the full fair value of the acquiree.

The amount of goodwill recognized at the date of control thus represents the difference between:

- The consideration transferred for the acquisition of control, measured at its fair value at the date of acquisition, plus the value of any minority interests and plus the fair value at the acquisition date of any previous minority interests held; and
- The fair value at the date of acquisition of the identifiable net assets acquired.

Any "negative" goodwill arising as a result of the above calculation is immediately credited to profit or loss.

In the event of control arising as the result of successive purchases, the interests acquired prior to the date of control are readjusted to their fair value at the date of control by charging or crediting profit or loss.

As required by IAS 27, the impact of increases or decreases in percentage interests not affecting control is directly recognized in equity.

In the event of loss of exclusive control, the full impact of the disposal is recognized even if a residual interest is retained.

5.2.2 Joint operations

A joint operation is a joint arrangement in which the Group has rights to the assets, and obligations for the liabilities, relating to the arrangement. Each joint operator must recognize the assets, liabilities, revenue and expenses equating with its interest in the joint operation.

5.2.3 Joint ventures

A joint venture is a joint arrangement in which the Group has rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method, so the Group's consolidated financial statements include its share of the arrangement's profits and losses from the date of commencement of significant influence to the date at which such significant influence ceases. If the Group's share of losses exceeds the amount of its investment, the carrying amount of the investment is reduced to zero. Additional losses are not taken into account unless the Group is so obliged.

5.2.4 Elimination of intragroup transactions and balances

Intragroup transactions and balances are eliminated, as are unrealized gains resulting from intragroup transactions. Unrealized gains resulting from transactions with associates or jointly controlled entities are eliminated to the extent of the Group's interest therein.

5.2.5 Assets held for sale, operations discontinued or in process of sale

A group of assets and liabilities is defined as held for sale when its carrying amount is intended to be recovered by means of a sale and not by its continuing use. Such classification requires that the assets be available for immediate sale and that their effective sale be highly probable. The assets, measured at the lower of their carrying amount or estimated net sales proceeds, are presented separately from other assets in the statement of financial position as are the associated liabilities.

An operation in process of sale is defined as a business component either covered by a sale agreement, or classified as discontinued or held for sale, and which either:

- Represents a significant activity or geographical zone for the Group; or
- Forms part of an overall proposal for disposal of a significant activity or geographical zone for the Group; or
- Is a material subsidiary acquired solely with a view to its subsequent resale.

There is no change in the statement of financial position presentation of discontinued operations. Separate presentation of the income statement and statement of cash flows data (for all periods presented) relating to discontinued operations is made if their impact is material.

5.2.6 Foreign currencies

Transactions of Group companies denominated in foreign currencies are initially translated at the exchange rates applying at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are subsequently translated at the exchange rates applying at the year-end and any differences arising are recognized in profit or loss.

For consolidation purposes, Group entities' assets and liabilities expressed in foreign currencies are translated into euro using the exchange rates applying at the year-end. Income and expense items are translated using the average exchange rates for the period or the specific rates applying at the transaction dates. Exchange differences arising from this process are recognized in other comprehensive income.

The goodwill and fair value adjustments associated with the acquisition of foreign operations are accounted for as assets and liabilities of the foreign operation and as such, are translated into euro using the exchange rates applying at the year-end. The financial statements of Group companies operating in hyperinflationary economies are restated, using official indices, to reflect the changes in the general purchasing power of the local currencies, and are then translated into euro using the exchange rates applying at the year-end.

5.2.7 Segment reporting

The Group's segment information is presented in accordance with IFRS 8, "Operating Segments".

The standard requires the presentation of segment information in accordance with the internal reporting format regularly used by the Chief Executive Officer, the main operational decision-taker, for the purposes of assessing the performance of each operating segment and allocating resources.

Segment results represent the operating results for each segment after appropriate allocation of head office overhead and research and development costs.

Segment assets comprise all the applicable current and non-current assets, including allocation of those head office assets used by operating segments and of the Group's interests in entities accounted for using the equity method.

5.2.8 Income statement

Income and expenses are classified in the income statement according to their nature. Expenses include purchases (raw materials, additives, utilities etc.) adjusted for changes in inventories, personnel costs, depreciation and amortization and other current operating expense (professional fees, rent etc.).

5.2.9 Measurement bases and definitions

5.2.9.1 NET SALES

Net sales comprise third party sales of goods and services net of all rebates. Net sales are recognized when the significant risks and rewards of ownership of the goods or benefit from the services have been transferred to the buyer, and are measured at the fair value of the consideration received or receivable. Disposals of surplus milk, exchanges of milk and sales of by-products are recognized as part of the net cost of raw material purchases.

For customer loyalty programs, the portion of net sales equating with benefits granted for use in the future is deferred, based on the fair value of the benefits, and is credited to the income statement at the time the benefits are used.

5.2.9.2 LEASES

Leases under which the lessor retains a substantial portion of the risks and rewards incidental to ownership of the leased assets are classified as operating leases. Operating lease payments (net of any incentives provided by the lessor) are recognized as an expense on a straight-line basis over the lease term.

5.2.9.3 CURRENT OPERATING PROFIT

Current operating profit is as defined by CNC recommendation 2009-R.03 and does not take into account other operating income and expense resulting from unusual or abnormal events that only occur infrequently.

5.2.9.4 FINANCIAL INCOME AND EXPENSE

Financial expense includes both the interest payable on third party borrowings, bank commissions and foreign exchange differences.

Financial income includes both the interest receivable from deposits with third parties, the foreign exchange differences associated with financial assets and liabilities and the gains and losses arising from interest rate hedging instruments accounted for in profit or loss.

5.2.9.5 TAXES ON INCOME

Taxes on income comprise both current and deferred tax. The tax effect of items accounted for outside profit or loss is also recognized outside profit or loss.

For reasons of substance over form, French research tax credit is treated as an operating subsidy as provided for by IAS20 and the French tax credit designed to stimulate competitiveness and employment is treated as a deduction from personnel costs.

As provided for by IAS 12, *Income taxes*, deferred tax, calculated using the statement of financial position liability method, is provided in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized in respect of all taxable temporary differences. Deferred tax assets are recognized, in respect of both tax losses carried forward and other deductible temporary differences, to the extent that it is probable that adequate future taxable profits will be available to absorb them. At the end of each reporting period, the carrying amount of net deferred tax assets is reviewed in the light of the Group's three-year plans and impairment is recognized whenever the expectations of profit, and therefore of tax charges, are not adequate to ensure their recoverability.

Deferred tax assets and liabilities are measured using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effect of changes in tax rates is recognized in profit or loss with the exception of the portion relating to items recognized outside profit or loss.

5.2.9.6 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment owned by the Group are recognized at historical cost less accumulated depreciation and impairment losses. Each component is depreciated on a straight-line basis over its estimated useful life and taking any residual value into account.

The principal estimated useful lives are as follows:

• Building, fixtures and fittings	10 to 30 years
• Plant and equipment	5 to 20 years
• Tooling, furniture, computer equipment and miscellaneous items	3 to 15 years
• Vehicles	4 to 7 years

Land is not depreciated.

Interest financing the construction of items of property, plant and equipment is recognized in accordance with IAS 23 (revised). Subsequent expenditure is recognized in profit or loss as incurred unless it increases the capacity of the assets concerned to generate future economic benefits.

Leases under which substantially all the risks and rewards incidental to ownership of the leased assets are transferred to the Group are classified as finance leases. In this case, the leased property is initially recognized in the statement of financial position at an amount equal to its fair value or, if lower, the present value of the minimum lease payments at the inception of the lease, and is subsequently measured at this amount less depreciation, and less any impairment losses, calculated on the same basis as for other similar assets. The associated finance is classified as a financial liability.

Investment grants are deducted from the gross amount of the assets financed.

5.2.9.7 INTANGIBLE ASSETS

Intangible assets comprise goodwill and other acquired intangible assets such as management information systems, intellectual property rights, other rights of use (e.g. exclusive distribution rights, leasehold rights etc.) and brands.

Goodwill, including goodwill in respect of milk collection zones, represents the excess of the acquisition cost of a business over the fair value of the identifiable net assets acquired measured as of the date of acquisition. Goodwill relating to investments in associates is included within the carrying amount of the investments. Goodwill is tested for impairment on an annual basis (or whenever indications of impairment are noted) and is measured at cost less accumulated impairment losses (which are not reversible). The gain or loss recognized on disposal of an entity takes account of the carrying amount of related goodwill (which is therefore derecognized). For the purpose of impairment testing, goodwill is allocated to the cash-generating unit, or groups of cash-generating units, associated with the business combinations giving rise to the goodwill. A cash-generating unit generally equates with a geographical zone.

Purchased intangible assets are recognized at historical cost and amortized on a straight-line basis over their estimated useful lives when determinable, which is the case for management information systems (3 to 7 years), intellectual property rights (based on the length of legal protection afforded) and other rights of use (based on the contractual arrangements). The useful lives of purchased brands are of indefinite length so they are not amortized; instead, their estimated useful lives are reviewed annually, or more often if any indication of impairment arises, and any impairment loss is recognized on the same basis as for goodwill.

Costs of acquisition of software licenses and other costs directly attributable to installation of the software are recognized as assets, whilst software running costs, and costs of maintenance, are recognized in profit or loss as incurred. Development costs (comprising personnel costs and an appropriate overhead allocation) which confer unique qualities on software or related products acquired by the Group are recognized as assets inasmuch as they are expected to generate future economic benefits for the Group and are amortized over the estimated useful lives of the associated software.

Research expenditure is recognized in profit or loss as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following can be demonstrated:

(a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) The intention to complete the intangible asset and use or sell it;

(c) The ability to use or sell the intangible asset;

(d) How the intangible asset will generate probable future economic benefits, e.g. by demonstrating the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;

(f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group's development costs are related to new products and are not capitalized as the probability of obtaining future economic benefits can only be confirmed once the products have been launched.

5.2.9.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets with indefinite useful lives are not depreciated but are subject to annual impairment testing. Depreciable assets are subject to impairment testing whenever indications exist that their carrying amount may exceed their recoverable amount. Impairment losses are recognized as other operating expense on the basis of any excess of carrying amounts over recoverable amounts and are first allocated as a reduction of any related amount of goodwill.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is calculated by discounting, using the Group's weighted average cost of capital adjusted for the geographical risks inherent in the asset (and for inflation in the case of countries outside the euro zone), the future cash flows expected to be derived from the asset (based on three-year forecasts approved by management plus a terminal value assuming no further growth). Assets are grouped into cash-generating units defined as the smallest identifiable groups of assets that generate largely independent cash flows.

Brands are tested for impairment by estimating the future cash flows expected to be derived from the branded product with the flows that could be expected for an unbranded product.

With the exception of goodwill, prior impairment losses for non-financial assets are reviewed for potential reversal at the end of each annual or interim reporting period.

5.2.9.9 FINANCIAL ASSETS

Financial assets (other than own equity instruments) with a maturity in excess of one year include non-current receivables and other financial instruments such as investments in respect of which the Group exercises neither control nor significant influence. These assets are classified, depending on the Group's intention in acquiring them, as held-to-maturity investments or available-for-sale financial assets, and they are recognized immediately the Group undertakes to purchase them.

Non-interest-bearing receivables are measured at their fair value based on market rates of interest.

The majority of the Group's financial assets are classified as available for sale or held to maturity.

Financial assets available for sale are measured at their fair value with changes in fair value recognized in other comprehensive income except in the case of material or lasting impairment, in which case the associated losses are charged to profit or loss. When assets are disposed of, the accumulated fair value adjustments previously recognized in equity are transferred to profit or loss. Fair value is determined on the basis of market prices at the time contracts are signed or, if no market price is available, by using appropriate discounted cash flow modeling techniques incorporating market data.

Non-current receivables and other debt instruments barred from sale by contract are designated as held-to-maturity investments and measured at amortized cost less any applicable impairment losses.

5.2.9.10 INVENTORIES

Inventories are measured at the lower of cost and net realizable value.

Purchased milk is measured at actual purchase cost at the year-end. Milk produced by the Group's dairy herds is measured at its fair value at the date of production less estimated point-of-sale costs. Goods purchased for resale are measured at actual purchase cost. Work in progress and manufactured products are measured at cost, including direct conversion costs and an allocation for production overhead (including depreciation of production facilities), but excluding any borrowing costs.

Inventory movements for non-dairy raw materials and goods purchased for resale are accounted for on a first-in, first-out (FIFO) basis, whilst other inventories are measured on a weighted average cost basis.

If net realizable value, i.e. the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, is lower than cost as described above, the difference is recognized as an impairment loss.

5.2.9.11 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized at their fair value and subsequently measured at amortized cost, using the effective interest method, less any applicable impairment losses. Impairment losses are recognized whenever indications exist that the Group will be unable to recover amounts due totally and in accordance with the timing provided for at the original transaction dates. Such indications may include significant financial difficulties on the part of the debtor, a probability that the debtor may be involved in bankruptcy or financial restructuring, or non-payment. The amount of any impairment loss is based on the excess of the asset's carrying amount over the present value of future cash flows discounted at the asset's initial effective interest rate, and is recognized as part of other operating expense. Trade and other receivables also include prepaid expenses.

Bad debts are written off when the debtor's irremediable default has been proven e.g. by receipt of a certificate of irrecoverableness or by expiry of any basis for legal claim.

5.2.9.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, bank deposits and other fixed rate investments subject to an insignificant risk of changes in value and with a maturity of no more than three months at the acquisition date. Bank deposits with maturities in excess of three months may also be classified as cash equivalents so long as they provide from the outset the option for cancellation at will, or at least every three months, without penalty. Other investments with maturities in excess of three months (or of less than three months, but subject to changes in their value) are classified as “Other current financial assets” in accordance with IAS 7 and as recommended by the *Autorité des Marchés Financiers* (AMF, the French financial market regulator).

Cash and cash equivalents are measured at their fair value with changes in fair value recognized in profit or loss.

Negotiable securities held with a view to short-term gain are measured at their fair value with changes in fair value recognized in profit or loss. Fair value is determined on the basis of market prices or, if no market price is available, by using appropriate discounted cash flow modeling techniques incorporating market data.

5.2.9.13 DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments to manage its business exposure to foreign currency risk, interest rate risk and certain commodity price risks. The principal derivatives utilized by the Group are firm or optional forward exchange contracts, raw material forward purchases or options and contracts providing for the exchange of foreign currencies or interest rates.

All derivatives are measured at their fair value which is based on:

- The prices quoted in an active market; or
- The use of appropriate option valuation or discounted cash flow modeling techniques incorporating market data; or
- The use of other valuation techniques integrating parameters estimated by the Group, in the absence of observable data.

In certain circumstances, hedge accounting may be applied to financial instruments which are designed to compensate, wholly or partly, for changes in the fair value of recognized assets or liabilities or unrecognized firm commitments, or for variability in the cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, or for changes in the value of a net investment in a foreign operation. The effectiveness of hedges is assessed at regular intervals and at least once per quarter.

Fair value hedges comprise derivatives designed to hedge exposure to foreign currency and/or interest rate risk. The gain or loss from remeasuring such hedging instruments at fair value at the end of the reporting period is recognized in profit or loss, whilst the gain or loss on the hedged items attributable to the hedged risks adjusts the carrying amount of the hedged items and is also recognized in profit or loss.

Derivatives may also be used to hedge the exposure to variability in cash flows of future transactions such as export sales, purchases of plant and equipment denominated in foreign currencies, commodity purchases (whether in terms of price variability or foreign currency risk) and transactions subject to interest rate risk. Gains or losses relating to the effective portion of such hedges are recognized in other comprehensive income, in a specific cash flow hedge reserve, whilst the ineffective portion of such gains or losses is recognized in profit or loss. When the hedged forecast transaction subsequently results in the recognition of a financial asset or financial liability, the associated gains or losses that were recognized in other comprehensive income are reclassified as part of the cost of acquisition of the asset or liability.

Derivatives are equally used to reduce the exposure to foreign currency risk of net investments in foreign operations. Changes in the fair value of such instruments are recognized directly in other comprehensive income until such time as the foreign operation is disposed of.

Trading derivatives include derivatives used in accordance with the Group’s hedging policies, but to which hedge accounting is not applied, as well as derivatives acquired in order to attain targeted returns on investment portfolios. Changes in the fair value of such derivatives are recognized in profit or loss.

5.2.9.14 PAID-IN CAPITAL

Paid-in capital is included as part of equity. Costs directly attributable to the issue of new equity shares or options are recognized in equity, net of tax, as a deduction from the issue proceeds.

When a Group company purchases shares of the Company (treasury shares), the amount of consideration paid, including any directly attributable costs net of tax, is treated as a deduction from consolidated equity pending any cancellation, re-issue or sale. In the event of re-issue or sale, the amount of consideration received, less any directly attributable costs net of tax, is added to the amount of equity attributable to equity holders of the parent company.

5.2.9.15 SHORT, MEDIUM AND LONG-TERM BORROWINGS

Interest-bearing debts are initially recognized at their fair value net of transaction costs and are subsequently measured at amortized cost using the effective interest method. They are classified as current liabilities unless the Group has an unconditional right to defer repayment for at least twelve months after the end of the reporting period.

5.2.9.16 PUT OPTIONS GRANTED TO NON-CONTROLLING STOCKHOLDERS

Under IAS 32, when non-controlling stockholders dispose of put options in respect of their investments, those interests are reclassified as financial liabilities measured at the present value of the exercise prices for the options.

Under the revised version of IAS 27 applicable with effect from January 1, 2010, any difference between the exercise price of options granted and the historical value of the applicable non-controlling interests classified as financial liabilities is eliminated by adjusting the Group share of equity. Bongrain has chosen to freeze any differences in respect of put options granted prior to the revision of IAS 27, but to adjust the Group share of equity (as opposed to goodwill previously) for any subsequent changes in the estimated exercise value of options. The impact of unwinding the discounted value of the financial liability continues to be recognized in profit or loss.

Put options are classified as part of other non-current liabilities given their materiality at the level of the Group (cf. IAS 1.58).

5.2.9.17 EMPLOYEE BENEFITS AND SHARE-BASED PAYMENT

In accordance with the laws and practices of each country, Group companies incur obligations for pensions and other retirement or early retirement benefits and for other provident or miscellaneous benefits such as long service medals etc. These obligations generally apply to all employees and/or ex-employees of the companies concerned.

In the case of defined contribution plans and of short-term benefit obligations, annual expense is recognized on the basis of the contributions payable or benefits earned.

In the case of defined benefit plans, benefit obligations are estimated using the projected unit credit method based on the particular rules applicable to each plan as well as on actuarial assumptions for such matters as mortality rates, staff turnover and salary increases. Future obligations (and returns on plan assets) are discounted using rates determined by reference to market yields on high quality corporate bonds (or on government bonds if there is no deep market in corporate bonds) in the currencies of, and for similar terms to, the obligations.

The actuarial gains and losses arising from changes in actuarial assumptions or improved experience are recognized in other comprehensive income as they arise, and are never recycled to profit or loss.

Past service cost following the introduction of, or changes to, a defined benefit plan is recognized immediately as an expense. For each plan, if the defined benefit obligation less any related plan assets and less any unrecognized gains and losses is a net liability, the amount is disclosed within provisions; if the net amount is an asset, it is disclosed within other financial assets.

Post-employment benefit costs are classified as personnel costs with the exception of financial costs and the expected return on plan assets which are classified as financial income or expense.

Certain subsidiaries propose other post-employment benefits mainly in the form of long-service benefits the cost of which is estimated on an actuarial basis and charged to profit or loss over the applicable service periods. Actuarial gains and losses are recognized immediately.

The Group has instituted a remuneration plan involving the attribution of stock options. The fair value of the services rendered by employees in exchange for the stock options is recognized as an expense such that the total expense recognized over the period of acquisition of rights equates with the fair value (as of the date of allocation) of the options granted. At each end of the reporting period, the Group reassesses the number of options liable to be exercised and, if necessary, recognizes an adjustment in profit or loss and a corresponding adjustment in equity. The consideration received when options are exercised, net of any directly attributable transaction costs, is credited to share capital (for the nominal share amount) and to share premium for the surplus.

5.2.9.18 OTHER PROVISIONS

Provisions for site restoration, restructuring, legal action and other risks are recognized when the Group is under a legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Restructuring provisions, which include amounts relating to penalties for termination of leases and employee termination benefits, are not recognized until detailed plans have been prepared and implementation has commenced or valid expectations as to the discharge of the obligation have otherwise been created (notably by an announcement). Provisions are never recognized for future operating losses.

When there exist a certain number of similar obligations, the probability that an outflow of resources may be required to discharge the obligations is considered for the category of obligations taken as a whole and, albeit the probability of an outflow of resources for each individual element may be low, if it is probable that a certain outflow of resources will be required to discharge the category of obligations as a whole, a provision is recognized.

The amount recognized as a provision is the best estimate of the present value of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to each liability. Unwinding of discount is recognized as part of net financial expense.

5.2.10 Management of financial risk

5.2.10.1 FINANCIAL RISK

The Group’s activities expose it to different types of financial risk: market risk, credit risk and liquidity risk. The Group engages in risk management, sometimes involving the use of derivative financial instruments, in order to minimize the potentially unfavorable effects of these risks on the Group’s financial performance.

Risk management is carried out in accordance with policies approved by the Board of Directors. Financial risks are identified, measured and hedged in close cooperation with the Group’s operating units. Specific procedures for each transaction category specify the instruments which may be employed, the maximum authorized amounts, the authorized counterparties and the controls to be applied.

5.2.10.2 MARKET RISK

Market risk may be defined as the exposure to changes in factors such as foreign exchange rates, interest rates and the price of equity instruments, liable to affect the Group’s financial performance or the value of its financial instruments. Management of market risk is designed to contain such exposure within acceptable limits whilst optimizing the tradeoff between risk and profitability. As regards raw material prices (mainly for milk, butter and powder), the Group can only manage the associated risks where organized markets exist and this is only the case in the USA.

5.2.10.3 FOREIGN CURRENCY RISK

The Group has an international presence but suffers little exposure to foreign currency risk given that its products are for the most part locally manufactured. Foreign currency risk otherwise applies to forecast commercial transactions, recognized assets and liabilities denominated in foreign currency and net investments in foreign operations.

The Group uses firm or optional forward exchange contracts to hedge its exposure to foreign currency risk in respect of forecast commercial transactions and recognized assets and liabilities. In this respect, the Group’s policy is to hedge approximately 80% of the amount of its forecast transactions in each significant foreign currency for the coming 12 months.

The Group possesses certain investments in foreign operations whose net assets are exposed to foreign currency risk.

5.2.10.4 INTEREST RATE RISK

The Group is exposed to interest rate risk on its borrowings. Borrowings initially contracted at variable rates expose the Group to the risk of variation in future cash flows, whilst borrowings initially contracted at fixed rates expose the Group to the risk of changes in fair value. The Group adapts its policy in respect of hedging of interest rate risk according to the evolution of interest rates and of its borrowings.

5.2.10.5 CREDIT RISK

Credit risk may be defined as the exposure to loss as a result of the failure of a customer, or of the counterparty to a financial instrument, to honor its contractual obligations. The risk is essentially associated with trade receivables (cf. note 18), investments (cf. note 15) and derivative financial instruments with asset balances (cf. note 19).

The Group does not have material exposure to credit risk, since it has implemented policies which enable it to ensure that customers purchasing its products present appropriate credit credentials. The Group also selects its banking partners in such a way as to spread its deposits and requirements for derivative financial instruments judiciously and to ensure that it deals with first class banks and financial institutions, thus avoiding any material concentration of financial risks.

5.2.10.6 LIQUIDITY RISK

Liquidity risk arises when certain counterparties are liable not to discharge their obligations for financing or investment. In terms of financing, the Group ensures its liquidity via a policy of confirmed medium- and long-term facilities which are only partially used. In terms of investment, liquidity is ensured by limiting recourse to non-monetary investments (cf. notes 26 and 29).

5.2.10.7 ESTIMATION OF FAIR VALUES

Certain of the Group’s accounting policies and required disclosures involve estimation of the fair value of both financial and non-financial assets and liabilities. The requisite estimation is performed under supervision by the Group’s finance department.

Fair value is based on:

- The prices quoted in an active market; or
- The use of appropriate option valuation or discounted cash flow modeling techniques incorporating market data; or
- The use of other valuation techniques integrating parameters estimated by the Group, in the absence of observable data.

The fair value of trade and other receivables and payables is assumed to equate with their nominal amount less any applicable impairment losses.

5.2.10.8 CRITICAL JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in accordance with IFRSs requires the use of estimates and assumptions liable to affect the value of the Group’s assets, liabilities, equity and earnings. Such estimates and assumptions mainly relate to the valuation of goodwill and other intangible assets, tangible assets, provisions, post-employment benefit obligations and deferred tax. Estimates are prepared on the basis of the information available at the time the financial statements are prepared and are detailed in the applicable notes (cf. notes 8, 13, 14, 16 and 25).

5.2.10.9 CAPITAL MANAGEMENT

The Group’s policy is to maintain a sufficient level of equity to preserve the confidence of its investors and creditors and of the market in general and to sustain the future development of its operations.

The Group’s employees hold 2.16% of the parent company’s ordinary shares via a company savings plan.

The Group occasionally repurchases its own shares. The rhythm of any purchases is determined by the perceived requirements of capital management and by the market price. Shares are mainly acquired within the framework of the Group’s stock option plans. Decisions for the purchase or resale of shares are taken on an ad hoc basis.

No changes were made in the Group’s capital management policy during 2014.

Neither the parent company nor its subsidiaries are subject to any specific external requirements in respect of capital.

NOTE 1. CHANGES IN CONSOLIDATION SCOPE

The following changes took place in 2014:

- Sale on March 4, 2014 of a 10% interest in Rupp AG (Austria);
- Acquisition of control over Delaco following the purchase on April 1, 2014 of an additional 20% interest;
- Sale on December 22, 2014 of a 34% interest in Emmi Fondu AG;
- Sale on December 26, 2014 of a 25% interest in Ground Dairy Industry Company;
- Sale on December 31, 2014 of Schratter (USA);
  (all the above movements relate to the cheese products operating segment);
- Acquisition on June 19, 2014 of an additional 33.3% interest in Corman Deutschland GmbH (a company classified in the other dairy products operating segment).

The following changes took place in 2013:

- Acquisition in January 2013 of a 55% interest in Dutch Cheese Masters SAS;
- Acquisition on March 19, 2013 of control over Fromagerie Berthaut, in which the Group has a 90% stake;
- Sale on June 10, 2013 of Fromagerie Paul Renard, a dormant subsidiary;
- Acquisition of control over Söbbeke GmbH (80%) and Rogge KG (92.49%), German companies specializing in bio dairy products;
- Sale on October 8, 2013 of a 29% interest in Jiangsu Howbetter Food and Chemical Company Ltd (China);

- Creation of a joint venture with Terra Lacta, Fromageries Lescure, of which Bongrain Europe holds 51% and which is mainly engaged in the production and sale of goat's milk cheeses. Terra Lacta also transferred its cow's milk processing and soft cheese activities to Fromageries St Saviol;
  (all the above movements relate to the cheese products operating segment);
- Acquisition of 100% control over Sinodis
- Transfer by Terra Lacta of its activities of production and sale of butter, cream, cow's milk cheeses and dairy ingredients to Compagnie Laitière Européenne (CLE), a subsidiary of Bongrain SA. In return, Terra Lacta has become a minority shareholder of CLE;
- Acquisition on December 19, 2013 of Sodilac, a company manufacturing special milk powders, and of various intangible assets held by the Ordesa Group (Spain)
  (the last three movements relate to the other dairy products operating segment).

NOTE 2. OPERATIONS DISCONTINUED OR IN PROCESS OF SALE

The consolidated assets and liabilities at December 31, 2014 and 2013 relating to operations discontinued or in process of sale were as follows:

In thousands of euro	**December 31, 2014**	**December 31, 2013**
Non-current assets	1,251	899
Current assets	710	167
TOTAL ASSETS IN PROCESS OF SALE	**1,961**	**1,066**
Non-current liabilities		
Current liabilities	236	253
TOTAL ASSOCIATED LIABILITIES	**236**	**253**

Operations discontinued or in process of sale had no material profit or loss impact for the Group in 2014 or 2013. No amount of income or expense related to the operations held for sale has been recognized outside profit or loss.

NOTE 3. SEGMENT REPORTING

The Group's segment reporting reflects the internal reporting used by the Chief Executive Officer, the Group's main operational decision-taker. The data reported is prepared in accordance with the Group's accounting framework.

Two operating segments are distinguished:

The **cheese products segment:** manufacture and distribution of branded cheeses and cheese specialties in most markets;

The **other dairy products segment:** manufacture and distribution of fresh butter and cream for mass consumption, food service products such as fresh and long-life cream, dessert preparations, butter for baking and milk-based preparations for international luxury hotels, as well as technical butters and highly specialized dairy proteins for the food, nutrition and health industries.

The Group's summarized income statement by operating segment may be reconciled as follows to its overall income statement:

	12 months		**12 months**		**12 months**		**12 months**	
	Cheese products		**Other dairy products**		**Other items**		**Total**	
In thousands of euro	**2014**	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**
Net sales by segment	2,721,993	2,498,252	1,996,752	1,788,526	55,227	61,175	4,773,972	4,347,953
Inter-segment revenue	-91,871	-66,753	-38,824	-31,572	-36,356	-45,071	-167,051	-143,396
Third party net sales	**2,630,122**	**2,431,499**	**1,957,928**	**1,756,954**	**18,871**	**16,104**	**4,606,921**	**4,204,557**
Charges for depreciation, amortization, impairment and provisions	-75,143	-73,666	-29,244	-26,124	-8,172	-8,786	-112,559	-108,576
Current operating profit/(loss)	**91,840**	**90,233**	**36,036**	**71,768**	**-18,487**	**-18,610**	**109,389**	**143,391**
Restructuring costs	-14,046	-2,492	-1,919	-4,485	-429	-	-16,394	-6,977
Impairment of assets	381	-10,700	-4,407	185	-	-	-4,026	-10,515
Segment profit/(loss)	**78,175**	**77,041**	**29,710**	**67,468**	**-18,916**	**-18,610**	**88,969**	**125,899**

Assets employed by operating segment may be reconciled as follows to the Group's statement of financial position:

	12 months		**12 months**		**12 months**		**12 months**	
	Cheese products		**Other dairy products**		**Other items**		**Total**	
	2014	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**
Total assets of which:	**1,997,245**	**2,002,204**	**1,201,782**	**1,125,281**	**186,634**	**191,815**	**3,385,661**	**3,319,300**
Investments in associates	121,034	146,040	63,317	68,139	4,210	3,898	188,561	218,077

Investing cash flows by operating segment may be reconciled as follows to the Group's cash flows:

	12 months		**12 months**		**12 months**		**12 months**	
	2014	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**	**2014**	**2013 restated**
Investment in tangible and intangible non-current assets	87,616	,104,314	68,906	43,217	7,916	27,092	164,438	174,623

Reconciliation of segment profit to net income for the year:

	12 months	
	2014	2013 restated
Segment profit	**88,969**	**125,899**
Other operating expense	-9,461	-10,719
Other operating income	17,595	7,602
Operating profit	**97,103**	**122,782**
Financial expense	-43,106	-38,370
Financial income	12,867	13,802
Group share of results of associates	3,751	8,005
Profit before tax	**70,615**	**106,219**
Taxes on income	-25,808	-51,082
Net income from operations discontinued or in process of sale	-127	96
Net income for the year	**44,680**	**55,233**

Net sales and investment in tangible and intangible non-current assets by geographical zone:

In thousands of euro	France	Rest of Europe	Rest of the world
Net sales			
2014	1,467,746	1,835,108	1,304,066
2013 restated	1,265,288	1,725,932	1,213,337
Investment in tangible and intangible non-current assets			
December 31, 2014	88,046	33,060	43,332
December 31, 2013 restated	85,607	34,159	54,857
Total assets			
December 31, 2014	2,869,024	331,390	185,248
December 31, 2013 restated	2,736,653	408,124	174,523

NOTE 4. PURCHASES ADJUSTED FOR CHANGES IN INVENTORIES

	12 months	
In thousands of euro	2014	2013 restated
Raw materials and goods consumed	-3,461,018	-2,944,440
Changes in inventory	14,699	70,262
Expenditure capitalized	3,340	3,401
Other consumption	-236,301	-216,890
Sales of surpluses and by-products and exchanges of milk	532,959	324,325
	-3,146,321	**-2,763,342**

NOTE 5. PERSONNEL COSTS

	12 months	
In thousands of euro	2014	2013 restated
Gross remuneration	-508,757	-492,610
Social contributions	-205,563	-201,340
Profit-sharing	-11,185	-13,855
Temporary personnel	-54,243	-50,355
Grants received	406	202
	-779,342	**-757,958**

The Group had an average of 19,246 employees (including temporary employees) in 2014 (compared with 18,395 in 2013 restated), of whom 7,635 were employed in France, 6,025 in the rest of Europe and 5,586 in the rest of the world. Of employees working in France 18% were employed as managers, 29% as technicians or supervisors and 53% as operatives.

NOTE 6. DEPRECIATION, AMORTIZATION AND PROVISIONS

	12 months	
In thousands of euro	2014	2013 restated
Depreciation and amortization	-113,187	-106,412
Movements on operating provisions	628	-2,164
	-112,559	**-108,576**

NOTE 7. OTHER CURRENT OPERATING INCOME AND EXPENSE

	12 months	
In thousands of euro	**2014**	**2013 restated**
Purchased services (1)	-425,152	-397,934
Taxes other than taxes on income	-39,205	-36,961
Other current operating income (2)	5,047	3,606
	-459,310	**-431,290**

(1) Including €0 million of acquisition costs (€2.9 million in 2013 restated)
(2) Including €3.7 million of research tax credits (€4.1 million in 2013 restated)

NOTE 8. OTHER OPERATING INCOME AND EXPENSE

Other operating income and expense for 2014 included net impairment of certain assets (€4 million), industrial restructuring (€16.4 million), net costs of litigation including in respect of tax (€4.4 million) and other net income (€3.7 million).

Other operating income and expense for 2013 included net impairment of certain assets (€10.5 million), industrial restructuring (€7 million), net costs of litigation including in respect of tax (€2.7 million) and other net expense (€0.4 million).

The impairment losses recognized in 2014 and 2013 follow systematic impairment testing of all cash-generating units including intangible assets with indefinite useful lives as well as testing of other cash-generating units for which indications of impairment had been noted.

The main assumptions applied in determining value in use related to:
- Market trends;
- The trend in prices for milk, butter and powder;
- Foreign exchange rates and hedging costs, inflation and interest rates;
- Discount factors.

The assumptions used were based on market data when available (for foreign exchange and interest rates etc.) or failing that (with regard to raw materials), were determined on the basis of internal historical data adjusted for anticipated changes in market conditions.

The discount rates applied reflect the Group's average weighted cost of capital adjusted by risk factors for each country in which the Group undertakes cheese and other dairy product activities. The adjusted rates are as follows:
- 5% for Western Europe, Japan and the United States;
- 7% for Southern Europe;
- Between 6% and 9% for the European Union Member States of Central and Eastern Europe, China and Chile;
- Between 10% and 21% for Serbia, Russia, Ukraine, India, Brazil, Uruguay, Egypt and Argentina.

In 2014 the outlook for the Group's long-range plan took account of new trends in the markets and competition, as well as of the difficult economic situation of certain countries not expected to exit from economic crisis in the near future, resulting in the recognition of €4.9 million of impairment losses against intangible assets in Latin America. €0.9 million of impairment losses previously recognized against underused tangible assets were reversed.

At the end of December 2014, the cumulative impairment losses amounted to €67 million concentrated on Southern Europe (€31 million), Eastern Europe (€25 million), Latin America (€6 million) and the Middle East (€4 million).

A change of 0.5% in the discount factors applied would have an impact of plus or minus €2.2 million on the impairment losses recorded against the Latin America cash-generating unit, €3 million in the case of Southern Europe but no impact elsewhere.

In 2013 the outlook for the Group's long-range plan took account of new trends in the markets and competition, as well as of the difficult economic situation of certain countries not expected to exit from economic crisis in the near future, resulting in the recognition of €2.7 million of impairment losses against intangible assets and €10.1 million of impairment losses against tangible assets including €9.8 million for the European Union Member States of Central and Eastern Europe cash-generating unit, €1.8 million for Serbia and €1.2 million for Ukraine. €2.2 million of impairment losses previously recognized against tangible assets in Uruguay were reversed.

NOTE 9. NET FINANCIAL EXPENSE

	12 months	
In thousands of euro	**2014**	**2013 restated**
Interest payable	-24,220	-21,514
Bank commissions	-7,573	-6,817
Other net financial expense	-4,455	-8,890
Net result of interest rate hedging	-4,959	-
Net foreign exchange losses	-1,899	-1,149
FINANCIAL EXPENSE	**-43,106**	**-38,370**
Financial income	12,867	13,268
Net result of interest rate hedging	-	534
Net foreign exchange gains	**12,867**	**13,802**
FINANCIAL INCOME	**-30,239**	**-24,568**
Net financial expense	-16,312	-7,712

Net financial expense for 2014 has been affected both by increased net debt and by the impact of foreign currency and interest rate hedging.

NOTE 10. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Group has joint venture relationships involving 50% interests in Compagnie des Fromages et Richesmonts (CF&R) in France and its subsidiary Sodiaal GmbH in Germany. The partnership with Sodiaal was created at the beginning of 2008 as a means of mutually benefiting from the complementarity of the two groups' brands, industrial resources, commercial positions and know-how.

The Group's main associate is Capsa, in Spain, in which the Group holds a 27% interest. The Group also has interests in other associates which, taken individually, are not material.

	12 months	
In thousands of euro	**2014**	**2013 restated**
Group share of results before tax	9,585	14,595
Group share of taxes on income	-5,834	-6,590
TOTAL	**3,751**	**8,005**

The change in investments in joint ventures and associates may be explained as follows:

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
At January 1 (published)	**218,077**	**133,534**
IFRS 11 restatement at January 1, 2014		85,670
At January 1 (restated)	**218,077**	**219,204**
Change in consolidation scope	-31,028	-2,902
Result for the period	3,751	1,578
Dividends distributed	-2,551	-1,413
Other items	-372	2,165
Conversion differences	684	-555
CLOSING BALANCE	**188,561**	**218,077**

	Compagnie des Fromages et RichesMonts		**Capsa**	
In thousands of euro	**December 31, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
	2014	**2013**	**2014**	**2013**
Current assets	163,211	168,514	175,057	175,071
Non-current assets	167,747	163,800	195,408	206,579
ASSETS	**330,958**	**332,314**	**370,465**	**381,650**
Equity	170,327	162,335	210,411	205,023
Current liabilities	125,115	137,485	129,754	134,497
Non-current liabilities	35,517	32,494	30,300	42,130
EQUITY AND LIABILITIES	**330,959**	**332,314**	**370,465**	**381,650**
Cash and cash equivalents	2,123	483		
Current financial liabilities	253	3,792		
Non-current financial liabilities	4,809	5,605		

	Compagnie des Fromages et RichesMonts		**Capsa**	
In thousands of euro	**12 months**	**12 months**	**12 months**	**12 months**
	2014	**2013**	**2014**	**2013**
Net sales	596,220	586,479	576,655	575,100
Net income	11,569	12,831	4,923	1,448
Adjustments	-10	-	2,080	-618
Other comprehensive income	-746	-614	-	-
Comprehensive income	10,813	12,217	7,003	830

	Compagnie des Fromages et RicheMonts		**Capsa**	
In thousands of euro	**12 months**	**12 months**	**12 months**	**12 months**
	2014	**2013**	**2014**	**2013**
Dividends received from the joint venture or associate	-1,415	-	-	-

Reconciliation of the above with the investment carrying amounts:

In thousands of euro	Compagnie des Fromages et RichesMonts December 31, 2014	Compagnie des Fromages et RichesMonts December 31, 2013	Capsa December 31, 2014	Capsa December 31, 2013
Equity	170,327	162,335	210,411	205,023
Percentage interest	50%	50%	27%	27%
Share of equity	85,164	81,168	56,811	55,356
Other adjustments	4,497	4,502	6,043	12,338
Value of the Group's interest	**89,661**	**85,670**	**62,854**	**67,694**
Net income	11,559	12,831	7,003	830
Percentage interest	50%	50%	27%	27%
Group share of net income and adjustments	**5,780**	**6,416**	**-4,401**	**224**
Group share of other comprehensive income	**-373**	**-307**	**-**	**-**

Amounts for other subsidiaries are not material.

NOTE 11. TAXES ON INCOME

Taxes on income may be broken down as follows:

In thousands of euro	12 months 2014	12 months 2013 restated
Current tax	-29,467	-41,397
Deferred tax	3,659	-9,685
	-25,808	**-51,082**

The Group's effective tax charge differs from the theoretical weighted average charge applying to the profits of consolidated subsidiaries for the following reasons:

In thousands of euro	12 months 2014	12 months 2013 restated
Profit before tax	70,615	106,220
Theoretical tax based on national tax rates	**22,150**	**37,721**
Tax impact of:		
• Restatement of tax for associates	-1,639	-3,041
• Non-taxable profits and non-deductible expenses	-5,942	-3,359
• Current and deferred tax resulting from the analysis of France's CVAE as a tax on income	5,233	5,140
• Tax credits	-253	-671
• Use of tax losses not previously recognized and Impairment of net deferred tax assets (1)	3,541	7,950
• Tax rate changes affecting deferred tax	1,418	-67
• Other items (2)	1,300	7,409
Income tax charge	**25,808**	**51,082**
Weighted average tax rate	**36.55%**	**48.09%**

(1) Deferred tax assets are recognized in respect of tax losses carried forward to the extent that their recovery appears probable. In 2014 the Group's forecast taxable profits for the three coming years have required the recognition of €3.5 million of impairment losses against its deferred tax assets compared with €10.3 million in 2013.
(2) Including the impact of tax inspections.

The parent company's tax rate amounts to 38%.

The capping of tax losses carried forward did not result in any additional consolidated current tax charge.

NOTE 12. EARNINGS AND DIVIDEND PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to equity holders of Bongrain SA by the weighted average number of shares outstanding during each period with the exception of treasury shares held by the parent company (see note 23).

In thousands of euro	**2014**	**2013**
Net income attributable to equity holders of Bongrain SA	**39,068**	**48,893**
Weighted average number of shares in circulation	14,025,358	14,021,032
Basic earnings per share	**2.79**	**3.49**

Diluted earnings per share is calculated by increasing the weighted average number of shares outstanding by the number of additional shares which would be created assuming the exercise of all outstanding share purchase options.

In thousands of euro	**2014**	**2013**
Net income attributable to shareholders of Bongrain SA	**39,068**	**48,893**
Weighted average number of shares in circulation	14,025,358	14,021,032
Dilutive effect of share purchase options	394,148	443,389
Adjusted weighted average number of shares	14,419,506	14,464,421
Diluted earnings per share	**2.71**	**3.38**

Dividends paid in 2014 and 2013 amounted respectively to €1 and €1.30 per share. The Board of Directors will propose at the Annual General Meeting on April 14, 2014 that a dividend of €0.80 per share be distributed in respect of the fiscal year ending December 31, 2014.

NOTE 13. INTANGIBLE ASSETS

In thousands of euro		**Goodwill** [(1)]	**Intellectual property rights and brands** [(2)]	**Other rights of use**	**Total**
At 12/31/2012					
Cost		267 989	208 850	36 849	513 688
Cumulative amortization and impairment losses		-1,605	-72,049	-16,224	-89,878
CARRYING AMOUNT		**266,384**	**136,801**	**20,625**	**423,810**
IFRS11 restatement		-18,808	-19,453	-	-38,261
Carrying amount at 01/01/2013 restated for IFRS 11		**247,576**	**117,348**	**20,625**	**385,549**
2013 restated for IFRS11					
Foreign exchange differences		-1,138	-209	-129	-1,476
Acquisitions		-	7,459	3,437	10,896
Disposals		-	-33	-	-33
Impairment	(Note 8)	-2,698	-1	-	-2,699
Change in consolidation scope		29,907	28,246	18	58,171
Amortization charge	(Note 6)	-	-6,594	-1,935	-8,529
CARRYING AMOUNT		**273,647**	**146,216**	**22,016**	**441,879**
At 12/31/2013					
Cost		277,950	224,624	40,175	542,749
Cumulative amortization and impairment losses		-4,303	-78,408	-18,159	-100,870
CARRYING AMOUNT		**273,647**	**146,216**	**22,016**	**441,879**
2014					
Opening carrying amount		273,647	146,216	22,016	441,879
Foreign exchange differences		2,263	13	142	2,418
Acquisitions			5,291	-208	5,802
Disposals			-64		-853
Impairment	(Note 8)	-4,908	-1		-4,909
Change in consolidation scope [(3)]		-1,466	3,521	-21	2,034
Amortization charge	(Note 6)		-6,391	-1,604	-7,995
CARRYING AMOUNT		**269,536**	**148,585**	**20,255**	**438,376**
Cost		278,608	228,783	38,882	546,273
Cumulative amortization and impairment losses		-9,072	-80,198	-18,627	-107,897
CARRYING AMOUNT		**269,536**	**148,585**	**20,255**	**438,376**

(1) Net goodwill for the cheese products reporting segment amounted to €81.5 million (2013 restated: €81.6 million) and that for the other dairy products segment amounted to €188 million (2013 restated: €192.1 million).

(2) Net brands for the cheese products reporting segment amounted to €91.4 million (2013 restated: €87.7 million) and net brands for the other dairy products segment amounted to €33.6 million (2013 restated: €33.6 million).

(3) *The goodwill applicable to changes in consolidation scope is subject to change during the twelve months following the date of acquisition. The impacts for the period included the goodwill for the acquisition of Delaco (Rumania) and the disposal of Schratter (USA).*

The amount of Net goodwill about variation of scope can be changed during a period of affectation of twelve months.

Intangible assets with indefinite lives had a carrying amount of €394.5 million at December 31, 2014 compared to €394.9 million at December 31, 2013 restated. They comprise goodwill and brands.

NOTE 14. PROPERTY, PLANT AND EQUIPMENT

In thousands of euro		Land	Buildings, fixtures and fittings	Plant, equipment and tooling	Other items	Total
At 12/31/2012						
Cost		40,209	544,457	1,357,784	235,651	2,178,101
Cumulative depreciation, amortization, impairment		-1,961	-317,576	-991,113	-123,115	-1,433,765
CARRYING AMOUNT		**38,248**	**226,881**	**366,671**	**112,536**	**744,336**
IFRS11 restatement		-1,535	-13,366	-24,025	-3,450	-42,376
Opening carrying amount restated for IFRS 11		**36,713**	**213,515**	**342,646**	**109,086**	**701,960**
2013 restated for IFRS11						
Foreign exchange differences		-738	-4,555	-7,250	-5,616	-18,159
Acquisitions		504	26,247	85,927	51,608	164,286
Disposals		-312	-2,462	-1,663	-456	-4,893
Impairment	(Note 8)	202	-4,637	-5,199	-727	-10,361
Reversal of impairment	(Note 8)	1	1,314	1,221	3	2,539
Change in consolidation scope		2,072	36,873	23,323	1,380	63,648
Amortization charge	(Note 6)	-,	-20,500	-64,790	-12,593	-97,883
Impact operations in process of sale		38	137	-	-	175
CARRYING AMOUNT		**38,480**	**245,932**	**374,215**	**142,685**	**801,312**
At 12/31/2013						
Cost		39,957	545,154	1,332,334	272,170	2,189,615
Cumulative depreciation, amortization, impairment		-1,477	-299,222	-958,119	-129,485	-1,388,303
CARRYING AMOUNT [(1)]		**38,480**	**245,932**	**374,215**	**142,685**	**801,312**
2014						
Opening carrying amount		**38,480**	**245,932**	**374,215**	**142,685**	**801,312**
Foreign exchange differences		583	2,398	4,312	1,266	8,559
Acquisitions		246	26,800	100,538	29,153	156,737
Disposals		-50	-2,039	-1,323	-828	-4,240
Impairment	(Note 8)	-18	-232	-69	-37	-356
Reversal of impairment	(Note 8)	36	451	711	629	1,827
Change in consolidation scope		301	666	-966	326	327
Amortization charge	(Note 6)	-	-23,436	-68,597	-13,159	-105,192
Impact operations in process of sale		-71	-278	-	-	-349
CARRYING AMOUNT		**39,507**	**250,262**	**408,821**	**160,035**	**858,625**
At 12/31/2014						
Cost		40,954	579,596	1,427,458	286,648	2,334,656
Cumulative depreciation, amortization, impairment		-1,447	-329,334	-1,018,636	-126,614	-1,476,031
CARRYING AMOUNT [(1)]		**39,507**	**250,262**	**408,822**	**160,034**	**858,625**
Gross finance lease items		140	25,325	8,083	7,268	40,816
Depreciation of finance lease items		-	-16,839	-6,447	-3,144	-26,430
[(1)] Of which: net finance lease items		140	8,486	1,636	4,124	14,386

The expense for leased items of property, plant and equipment amounted to €45.6 million in 2014 and €39 million in 2013 restated.

Bank borrowings of €0.4 million were secured against land and buildings at December 31, 2014 (2013 restated: €0.5 million).

In 2014, investment grants of €9.1 million were deducted from the cost of the assets financed (2013 restated: €8.4 million).

Items of property, plant and equipment under construction amounted to €106 million (2013 restated: €91 million).

NOTE 15. OTHER FINANCIAL ASSETS

In thousands of euro	December 31, 2014	December 31, 2013 restated
Available-for-sale financial assets	7,652	7,742
Held-to-maturity investments	14,658	15,248
Loans and receivables	18,221	19,483
Impairment losses	-6,887	-7,194
	33,644	**35,279**

The impairment losses mainly relate to non-controlling interests classified as held-to-maturity investments.

NOTE 16. DEFERRED TAX

Deferred tax recognized in the statement of financial position reflects all the temporary differences existing between the carrying amounts of consolidated assets and liabilities and their amounts for tax purposes.

Deferred tax assets relate principally to liabilities for taxes and social contributions, and for employee benefits, in respect of which tax deductibility is subordinated to the effective payment of amounts. They also relate to prior period tax losses carried forward mainly for periods in excess of five years.

Unrecognized deferred tax assets amounted to €54.4 million at December 31, 2014 and €55.8 million at December 31, 2013 restated, mainly relating to tax losses.

Deferred tax liabilities relate principally to differences in the rhythm of depreciation of property, plant and equipment and amortization of intangible assets for accounting purposes and for tax purposes in the various countries where the Group is present.

The €3.7 million deferred tax charge recognized for the year is essentially the result of the impairment of deferred tax assets.

An €8.8 million deferred tax adjustment was recognized in other comprehensive income to take account of the change in fair value of the Group's available-for-sale securities and other financial instruments, as well as of actuarial gains and losses.

The Group has decided to treat CVAE tax as a tax on income and as a result, recognized an applicable deferred tax liability of €3.3 million as of December 31, 2009. With effect from 2010, the total current and deferred charge for CVAE tax is included as part of the same line item.

In thousands of euro	**At January 1, 2014 restated**	**Expense/ income**	**Changes in fair value**	**Actuarial gains and losses**	**Changes of accounting policy**	**Changes in scope**	**Other changes**	**Conversion differences**	**At December 31, 2014**
Intangible assets and property, plant and equipment	24,149	-2,392	-	-	-	-	-22	-404	21,331
Provisions	14,448	2,207	-	-	-	-382	333	129	16,735
Provisions for employee benefits	18,204	120	-	7,352	204	17	-1,278	185	24,804
Financial instruments and other financial assets	11,828	947	-3,302	-	-	-	-	4	9,477
Tax losses	59,115	3,438	-	-	-	-3,425	-	789	59,917
Other deferred tax assets	9,414	1,196	3,821	-	-	-741	-604	-111	12,975
Deferred tax assets	**137,158**	**5,516**	**519**	**7,352**	**204**	**-4,531**	**-1,571**	**592**	**145,239**
Impairment of deferred tax assets	-55,809	-1,619	-	-	-	3,999	-	-921	-54,350
Net deferred tax assets	**81,349**	**3,897**	**519**	**7,352**	**204**	**-532**	**-1,571**	**-329**	**90,889**
Intangible assets and property, plant and equipment	103,135	-1,393	-	-	-	-116	-10	903	102,519
Financial instruments and other financial assets	9,077	-1,381	103	-	-	-116	-	37	7,720
Other deferred tax liabilities	5,943	3,012	-675	-	-	-2	-1,561	-35	6,682
Deferred tax liabilities	**118,155**	**238**	**-572**	**-**	**-**	**-234**	**-1,571**	**905**	**116,921**
TOTAL	**-36,806**	**3,659**	**1,091**	**7,352**	**204**	**-298**	**-**	**-1,234**	**-26,032**

NOTE 17. INVENTORIES AND WORK IN PROGRESS

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Raw materials, work in progress and miscellaneous items	203,842	181,461
Goods purchased for resale	15,655	26,620
Finished products	240,507	237,371
Impairment losses	-19,405	-14,779
	440,599	**430,673**

The impairment losses relate essentially to inventories of intermediate and finished products. A charge of €4.7 million was made in 2014 compared with a charge of €3 million in 2013 restated.

NOTE 18. TRADE AND OTHER RECEIVABLES

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Trade receivables	686,809	690,737
Payroll and tax receivables (excluding taxes on income)	65,232	69,997
Miscellaneous receivables*	64,062	44,395
Prepayments and other miscellaneous items	10,893	12,893
Impairment losses	-13,174	-13,933
	813,822	**804,089**

**Including for sales of assets.*

The Group has little exposure to credit risk in respect of its trade receivables, given that our products are essentially sold to major distributors and that the associated receivables are often covered by specific insurance, thus leaving only residual amounts subject to risk. A total non-guaranteed amount of €3.3 million was more than six months overdue as of December 31, 2014 compared with €2.1 million as of December 31, 2013 restated.

A net reversal of impairment of €0.3 million was recognized in 2014 compared to a net reversal of €0.9 million in 2013 restated.

Prepaid expenses mainly comprise insurance and rent.

NOTE 19. FINANCIAL ASSETS – DERIVATIVES

	December 31, 2014		Maturity in 2015		Maturity beyond 2015	
In thousands of euro	**Fair value**	**Underlying**	**Fair value**	**Underlying**	**Fair value**	**Underlying**
Fair value hedges:						
Commodity derivatives	527	-	527	-	-	-
Interest rate swaps (1)	-	-	-	-	-	-
Currency derivatives	19	-	19	-	-	-
Instruments held for trading:						
Currency derivatives	3,609	39,243	3,609	39,243	-	-
Interest rate derivatives (2)	2,398	365,000	-	-	2,398	365,000
Commodity derivatives	165	-	165	-	-	-
	6,718	**-**	**4,320**	**-**	**2,398**	**-**
Of which: classified as current	4,320	-	4,320	-	-	-
Of which: classified as non-current	2,398	-	-	-	2,398	-

1) Repaid early on 11/27/2014.

2) Maturity in 2017 (165,000), 2018 (150,000), 2019 (20,000) and 2020 (30,000).

	December 31, 2013		Maturity in 2014		Maturity beyond 2014	
In thousands of euro	**Fair value**	**Underlying**	**Fair value**	**Underlying**	**Fair value**	**Underlying**
Fair value hedges:						
Commodity derivatives	430	-	430	-	-	-
Interest rate swaps (1)	90	110,000	-	-	90	110,000
Currency derivatives	17	-	17	-	-	-
Instruments held for trading:						
Currency derivatives	4,170	82,408	4,170	82,408	-	-
Interest rate derivatives (2)	1,601	455,000	-	-	1,601	455,000
Commodity derivatives	320	-	320	-	-	-
	6,628	**-**	**4,937**	**-**	**1,691**	**-**
Of which: classified as current	4,937	-	4,937	-	-	-
Of which: classified as non-current	1,691	-	-	-	1,691	-

1) Maturity in 2015.

2) Maturity in 2017 (165,000), 2018 (150,000), 2019 (20,000) and 2020 (110,000).

NOTE 20. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets comprise short-term investments not meeting all the criteria, based on analysis of the related issue prospectuses and of market data, enabling them to be recognized as cash equivalents. Compliance analysis is led on basis of the information included in the leaflet of broadcast of each UCITS as well as on the history of the evolution of their liquidation value.

NOTE 21. CASH AND CASH EQUIVALENTS

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Cash	152,345	133,039
Cash equivalents	318,011	255,260
TOTAL	**470,356**	**388,299**

Cash equivalents essentially comprise available-for-sale financial assets (term deposits, shares in unit trusts etc.).Cash and cash equivalents per the statement of cash flows may be reconciled as follows to the Group's consolidated statement of financial position:

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Cash and cash equivalents	470,356	388,299
Bank overdrafts and financial current account payables	-142,174	-121,125
CASH AND CASH EQUIVALENTS	**328,182**	**267,174**

Note 22. BREAKDOWN BY NATURE OF OTHER COMPREHENSIVE INCOME

	12 months					
	2014			2013 restated		
In thousands of euro	Pre-tax amount	Tax effect	Net of tax amount	Pre-tax amount	Tax effect	Net of tax amount
Translation differences	**12,628**	**-**	**12,628**	**-33,344**	**-**	**-33,344**
Changes in fair value of available-for-sale financial assets	484	-167	317	70	-25	45
Changes in fair value of future cash flows	-3,650	1,258	-2,392	-3,830	1,318	-2,512
Share of associates and joint ventures in recyclable components	561	-	561	-679	-	-679
Total elements available for recycling to profit or loss	**10,023**	**1,091**	**11,114**	**-37,783**	**1,293**	**-36,490**
Actuarial gains and losses for post-employment benefit plans	-23,316	7,352	-15,964	8,796	-3,193	5,603
Share of associates and joint ventures in non-recyclable components	-570	196	-374	-468	161	-307
Other movements	-603	204	-399	-2,601	884	-1,717
Total elements not re-classifiable to profit or loss	**-24,489**	**7,752**	**-16,737**	**5,727**	**-2,148**	**3,579**
OTHER COMPREHENSIVE INCOME	**-14,466**	**8,843**	**-5,623**	**-32,056**	**-855**	**-32,911**

Note 23. EQUITY

	Evolution of paid-in capital				
In thousands of euro	Number of shares outstanding	Ordinary shares	Share premium	Treasury shares	Total
BALANCE AT 01/01/2013	**14,015,981**	**15,432**	**80,184**	**-62,525**	**33,091**
Share purchase option plan					
• Value of services rendered			548		548
• Sale/cancellation of treasury shares	17,720	-1399		61,412	60,013
• Purchase of treasury shares	-19,149			448	448
BALANCE AT 12/31/2013	**14,014,552**	**14,033**	**80,732**	**-665**	**94,100**
Share purchase option plan					
• Value of services rendered			520		520
• Sale of treasury shares	41,000	-		-15	-15
• Purchase of treasury shares	-32,854			109	109
BALANCE AT 12/31/2014	**14,022,698**	**14,033**	**81 252**	**-571**	**94,714**

In thousands of euro	Hedging reserves	Available-for-sale financial asset fair value reserves	Actuarial gains and losses	Translation differences	Total
BALANCE AT 01/01/2013 (published)	**-3,086**	**-2,307**		**6,213**	**820**
Revaluation – gross			-15,886		**-15,886**
Revaluation – tax effect			5,191		**5,191**
BALANCE AT 01/01/2013 (restated)	**-3,086**	**-2,307**	**-10,695**	**6,213**	**-9,875**
Revaluation – gross	,	70			**70**
Revaluation – tax effect	,	-25			**-25**
Revaluation – associates					
Cash flow hedges					
• Fair value adjustments for the period	-3,830				**-3,830**
• Tax effect	1,318				**1,318**
Actuarial gains and losses – gross			8,322		**8,322**
Actuarial gains and losses – tax effect			-2,865		**-2,865**
Translation differences					
• Group				-32,720	**-32,720**
• Associates				-687	**-687**
BALANCE AT 12/31/2013	**-5,598**	**-2,262**	**-5,238**	**-27,194**	**-40,292**
Revaluation – gross		484			**484**
Revaluation – tax effect		-167			**-167**
Revaluation – associates					
Cash flow hedges					
• Fair value adjustments for the period	-3,650				**-3,650**
• Tax effect	1,258				**1,258**
Actuarial gains and losses – gross			-22,678		**-22,678**
Actuarial gains and losses – tax effect			7,234		**7,234**
Translation differences					
• Group				12,677	**12,677**
• Associates				561	**561**
BALANCE AT 12/31/2014	**-7,990**	**-1,945**	**-20,682**	**-13,956**	**-44,573**

The company's share capital, fully paid-up at December 31, 2014, comprises 14,032,930 shares with a par value of €1 per share.

Shares held in a registered account and in the same name for at least six years have dual voting rights.

As of December 31, 2014 Bongrain held 10,232 (2013: 18,378) treasury shares of which 7,952 (2013: 4,098) held in the context of the Group's liquidity agreement. The Group's various share purchase option plans represented 363,780 shares at December 31, 2014 (419,780 at December 31, 2013). Share premium and similar reserves, representing a total amount of €81,252 thousand at December 31, 2014, comprise the French legal reserve for €1,613 thousand, share premium arising from mergers and other share issues for €73,609 thousand and share premium arising on the exercise of options for €6,030 thousand.

Share purchase options have been granted to certain directors and managers of the Company and its subsidiaries. Their exercise prices are equal to the average market prices for the twenty days preceding their dates of issue. They may be exercised between one and ten years from their dates of issue (between four and ten years commencing with the 2006 plan with any resale only allowed after the sixth year).

The number of share purchase options outstanding and their weighted average exercise prices are as follows:

	2014		2013	
	Weighted average exercise price (euro per share)	**Options**	**Weighted average exercise price (euro per share)**	**Options**
At January 1	52.06	419,780	51.89	471,500
Granted	47.36	-41,000	44.69	-17,720
Expired	53.23	-15,000	53.61	-34,000
AT DECEMBER 31	**52.54**	**363,780**	**52.06**	**419,780**

The dates of expiry and exercise prices of share purchase options outstanding at the end of the reporting period are as follows:

	Exercise price (euro per share)	Options outstanding	
		2014	**2013**
December 13 2014	51.67	-	29,000
December 12, 2015	46.17	17,500	20,500
December 14, 2016	68.73	46,500	46,500
December 12, 2017	75.84	59,500	60,500
December 11, 2018	42.78	58,280	76,780
December 16, 2019	51.14	34,000	35,000
December 16, 2020	57.11	72,500	73,500
December 15, 2021	46.87	75,500	78,000

Note 24. INTERESTS OF NON-CONTROLLING SHAREHOLDERS

The shares in Group entities held by non-controlling interests are as follows:

	Compagnie Laitière Européenne		Other entities		TOTAL	
In thousands of euro	**December 31, 2014**	**December 31, 2013 Restated**	**December 31, 2014**	**December 31, 2013 Restated**	**December 31, 2014**	**December 31, 2013 Restated**
% of voting rights	14.14%	14.14%	-	-	-	-
% ownership	15.42%	15.42%	-	-	-	-
Share of net income	2,887	4,684	2,725	1,657	5,612	6,341
Share of other comprehensive income	-969	-835	-53	-146	-1,022	-981
Share of total comprehensive income	1,918	3,849	2,672	1,511	4,590	5,360
Cumulative non-controlling interests	72,502	72,446	28,608	30,523	101,110	102,969
Dividends paid to non-controlling interests	754	1,171	3,088	3,307	3,842	4,478

Summarized IFRS financial data (100% interest) before intragroup eliminations:

BALANCE SHEET

	Compagnie Laitière Européenne	
In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Current assets	554,349	492,888
Non-current assets	593,227	558,457
ASSETS	**1,147,576**	**1,051,345**
Equity	418,670	414,465
Current liabilities	559,295	477,062
Non-current liabilities	169,611	159,818
EQUITY AND LIABILITIES	**1,147,576**	**1,051,345**

INCOME STATEMENT

In thousands of euro	**12 months**	**12 months**
	2014	**2013 restated**
Net sales	1,670,214	1,419,988
Net income	8,769	37,751
Comprehensive income	5,806	36,656

NOTE 25. PROVISIONS

In thousands of euro	Pensions, other retirement benefits and long-service benefits	Restructuring	Other contingencies and costs	Total
At January 1, 2013 (published)	**31,926**	**5,954**	**21,068**	**58,948**
IAS19 (amended) restatement	41,088	-	-	41,088
IFRS11 restatement	-3,416	-26	-1,096	-4,538
At January 1, 2013 (restated)	**69,598**	**5,928**	**19,972**	**95,498**
Translation differences	-229	-23	-541	-793
Charges	6,863	1,942	5,306	14,111
Uses	-6,712	-2,431	-3,892	-13,035
Changes in consolidation scope	5,591	-	428	6,019
Change in actuarial differences	-9,494	-	-	-9,494
At December 31, 2013 (restated)	**65,617**	**5,416**	**21,273**	**92,306**
Translation differences	168	81	-150	99
Charges (1)	7,567	12,058	4,455	24,080
Uses (2)	-6,246	-1,982	-10,495	-18,723
Changes in consolidation scope	-96	-	70	-26
Change in actuarial differences (3)	23,779	-	-	23,779
Change of accounting policy	856	-	-	856
At December 31, 2014	**91,645**	**15,573**	**15,153**	**122,371**

(1) The restructuring provisions relate to plans for rationalization both in France and abroad. €3.8 million was also charged for litigation and €0.6 million for other contingencies and costs.

(2) €3 million of reversal was made for provisions used (including €1.1 million of provisions for litigation) and €7.5 million for provisions no longer required.

(3) Essentially reflecting changes in discount rates.

Provisions for contingencies and disputes are destined to cover known risks and litigation. Provisions for disputes are not recognized until such time as the Group, in agreement with its legal advisors, deems that it will be faced with an unfavorable settlement.

In 1999, a subsidiary was subject to an assessment for €3.3m of additional tax and interest for late payment, and €6.1m of penalties, for which the company has recognized no provision since it has always refuted the elements with which it is reproached. In 2014, the company was liquidated. The dispute is thus over and has had no impact on the Group's consolidated financial statements.

At December 31, 2014 the principal contingencies and disputes provided for related to restructuring for €15.6 million (2013 restated: €5.4 million), to commercial disputes for €0.5 million (2013 restated: €0.9 million), to disputes relating to matters of employment or social security for €4.9 million (2013 restated: €4.1 million), to tax disputes for €0.8 million (2013 restated: €5.9 million) and to miscellaneous other contingencies for €9 million (2013 restated: €10.4 million).

Post-employment benefit plans

The post-employment benefits provided by the Group vary depending on each entity's legal requirements. They may be provided under defined contribution or defined benefit plans.

Defined contribution plans

Defined contribution plans involve the payment of periodic contributions to third parties responsible for the administrative and financial management of the plans. The employer has no subsequent obligation for the payment of benefits over and above the amount of its contributions.

Defined benefit plans

Defined benefit plans involve the employer in an obligation to pay benefits to its employees and to recognize due provision. Benefit obligations are estimated periodically, by independent actuaries, using the projected unit credit method based on actuarial assumptions for the applicable demographic, economic and financial variables. They mainly relate to lump-sum retirement bonuses and supplementary pensions and may or may not be subject to specific partial funding. The partially funded plans are mainly located in France, Germany, the UK, Benelux and the USA; the associated employer's contributions may be transferred to third parties, notably insurance companies. The non-funded plans relate essentially to lump-sum retirement bonuses and other benefits which only vest if the employee is still employed within the Group at the time of retirement.

The assumptions relating to pensions, other retirement benefits and long-service benefits vary according to each country and its applicable requirements. They may be summarized as follows:

	France		Germany		USA		UK		Belgium	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Discount rate (1)	1.40%	2.95%	1.40%	2.95%	4.02%	4.86%	3.90%	4.40%	1.90%	2.95%
Rate of salary increases	2.00%	2.50%	3.00%	3.00%	-	-	3.00%	3.90%	2.00%	2.00%

(1) 1.3% for annuities and long-service benefits in 2014 (2.3% in 2013).

The discount rates employed were based on the IBOXX AA10+ index equating with the issue rate for first-class corporate bonds in France and Germany.

A 0.5% increase in the rates would reduce the present value of the obligations by €3.4 million for France, €5.1 million for Germany and €3 million for the USA.

A 0.5% decrease in the rates would increase the present value of the obligations by €3.6 million for France, €1.6 million for Germany and €3.1 million for the USA.

The expected return on plan assets is determined for each plan (under IAS 19 (revised)) based on the discount rates applicable for each country.

Mortality rates are based on each country's published death and life expectancy statistics. Retirement age reflects the rules applying in each country.

Evolution of benefit obligations	2014	2013 restated
Opening benefit obligations	**148,854**	**144,541**
Interest expense	4,932	4,724
Cost of services rendered	5,843	5,279
Past service cost	-	-
Actuarial gains and losses:	-	-72
Related to demographic assumptions	1,709	183
Related to financial assumptions	30,637	-7,092
Related to experience	614	-589
Benefits paid	-4,488	-4,750
Internal reclassification	144	87
Taxes and administrative costs	-90	10
Translation differences	4,912	-1,660
Changes in consolidation scope	-	7,972
Other movements	6,857	221
Closing benefit obligations	**199,924**	**148,854**

The closing benefit obligations of €199.9 million may be broken down as to €20.6 million for non-funded plans and €179.4 million for partially funded plans.

Evolution of plan assets	2014	2013 restated
Opening plan assets	**83,237**	**74,943**
Expected return from plan assets	3,269	3,130
Benefits paid	-3,319	-3,479
Contributions paid by Group companies	5,056	5,432
Internal reclassification	-	-
Taxes and administrative costs	-75	-72
Translation differences	4,689	-1,431
Actuarial gains and losses	9,181	1,996
Changes in consolidation scope	96	2,468
Other movements	6,145	250
Closing plan assets	**108,279**	**83,237**

Charge for the period	2014	2013 restated
Cost of services rendered	5,843	5,279
Past service cost	-	-72
Total service cost	**5,843**	**5,207**
Interest expense	4,932	4,724
Yield on plan assets	-3,269	-3,130
Net interest expense	**1,663**	**1,594**
Taxes and administrative costs	61	62
Charge for the period	**7,567**	**6,863**

Opening actuarial gains and losses impacting other comprehensive income	2014	2013 restated
Amounts recognized during the period:		
- Related to demographic assumptions	1,709	183
- Related to financial assumptions	30,637	-7,092
- Related to experience	614	-589
- Related to assets (other than financial income)	-9,181	-1,996
Closing actuarial gains and losses impacting other comprehensive income	**23,779**	**-9,494**

Evolution of provisions	**2014**	**2013 restated**
Opening provisions	**65,617**	**69,598**
Charge for the period	7,567	6,863
Actuarial gains and losses impacting other comprehensive income	23,779	-9,494
Benefits paid directly by the employer	-1,190	-1,280
Translation differences	168	-229
Contributions paid by Group companies	-5,056	-5,432
Transfers and other adjustments	856	87
Changes in consolidation scope	-96	5,504
Closing provisions	**91,645**	**65,617**

Reconciliation of net benefit obligations and provisions	**2014**	**2013 restated**
Net obligations	**199,924**	**148,854**
Plan assets	-108,279	-83,237
Closing provisions	**91,645**	**65,617**

The Group paid €0.9 million of contributions for 2015 in respect of its French companies.

Most Group companies have insured all or part of their liability for lump sum retirement benefits. The estimated amount of the related third party funds as of December 31, 2014 may be broken down as follows:

	France		**Germany**		**USA**		**UK**		**Belgium**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Equity instruments	37.0%	34.2%	4.8%	4.0%	-	-	36.3%	42.6%	-	-
Debt instruments	54.0%	54.8%	50.1%	51.6%	-	-	49.0%	43.8%	-	-
Real estate	5.0%	5.0%	10.9%	10.2%	-	-	13.1%	11.4%	-	-
Insurance policies	-	-	-	6.5%	100.0%	100.0%	-	-	100.0%	100.0%
Other assets	4.0%	6.0%	34.2%	27.7%	-	-	1.6%	2.2%	-	-

Note 26. BORROWINGS AND OTHER FINANCIAL LIABILITIES

In thousands of euro	**December 31, 2014**	**Non-current**	**Current**	**December 31, 2013 restated**	**Non-current**	**Current**
Borrowings from financial and similar institutions	606,534	123,520	483,014	587,753	138,367	449,386
Deferred liabilities for profit-sharing payments	14,810	11,882	2,928	14,142	11,729	2,413
Bond issues	189,984	169,134	20,850	197,007	176,077	20,930
Finance lease borrowings	5,621	3,843	1,778	6,477	2,815	3,662
Current bank facilities	140,220	-	140,220	121,115	-	121,115
TOTAL	**957,169**	**308,379**	**648,790**	**926,494**	**328,988**	**597,506**

Bond issues include a private placement of 2003, with a nominal amount of €100m, repayable in five annual installments commencing in 2014, and a second private placement made in 2011 and 2013, maturing in 2026, with a nominal amount of $132.5 million and repayable in installments commencing on November 22, 2019.

Borrowings from financial and similar institutions represent the use of credit facilities such as the syndicated facility arranged in 2014 with a final maturity of up to seven years. The Group's average borrowings from financial and similar institutions amounted in 2014 to €1,073 million, with an average interest cost of 3% after hedging and inclusive of bank commission.

In order to limit the impact on its results of changes in interest rates, the Group uses interest rate swaps and options to hedge its total net medium and long-term floating rate euro borrowings. The principal variable rates used by the Group are Euribor and Eonia.

Equally, to limit the impact of changes in the value of the dollar, the Group applies a policy of foreign currency hedging covering the total amount, and total duration, of its dollar-denominated borrowings.

The borrowings mentioned above are repayable as follows:

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Within one year	648,791	597,318
In from two to five years	203,809	230,444
In excess of five years	104,569	98,732
	957,169	**926,494**

They are denominated in the following currencies:

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
EUR	774,501	762,544
JPY	2,621	2,704
USD	133,365	112,364
Other currencies	46,682	48,882
	957,169	**926,494**

They may be broken down as follows by type of interest payable:

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Fixed rate borrowings	234,823	237,283
Floating rate borrowings	722,346	689,211
	957,169	**926,494**

Floating rate borrowing costs are based on Euribor or Eonia plus margins not exceeding 100 basis points. The above analysis is before the impact of hedging.

Gross borrowings are determined as follows (restated amounts):

In thousands of euro	**2014**
Opening borrowings (published)	**973,326**
Restatement at January 1, 2014	-46,832
Restated opening borrowings	**926,494**
New borrowings	143,228
Repayment of existing borrowings	-146,867
Change in other bank facilities and financial current accounts	20,355
Change in finance lease liabilities	-835
Translation differences	13,777
Change of consolidation scope	1,017
Borrowings at December 31, 2014	**957,169**

Gross borrowings increased by €30.7 million over the year. After taking into account cash and cash equivalents, net borrowings increased by €27.2 million to €470.5 million as of December 31, 2014.

Certain of the Group's facilities are subject to clauses requiring compliance with a financial ratio expressed in terms of maximum indebtedness expressed as a multiple of current EBITDA and equity. The ratio is always met by the Group.

The Group's unused confirmed long-term borrowing facilities are adequate to cover its use of short-term facilities. In 2014, its syndicated facility was renewed for up to seven years.

Net borrowings are determined as follows (in the case of the syndicated facility and the majority of the Group's bilateral contracts) for the purpose of calculating the financial ratio:

In thousands of euro	**December 31, 2014**	**December 31, 2013 restated**
Non-current borrowings	-308,379	-328,988
Current bank borrowings	-648,790	-597,506
Bank borrowings	**-957,169**	**-926,494**
Other current financial assets	16,357	94,546
Cash and cash equivalents	470,356	388,299
Net borrowings	**-470,456**	**-443,649**
Treasury shares	268	665
Net borrowings (*)	**-470,188**	**-442,984**

(*) *Applicable to the syndicated facility and the majority of the Group's bilateral contracts, adjusted for put options granted to non-controlling interests but not yet exercised during the two fiscal years presented (cf. note 27).*

NOTE 27. OTHER NON-CURRENT LIABILITIES

Other non-current liabilities represent the value of the put options granted to certain non-controlling interests, disclosed here in 2014 (and by retroactive reclassification for 2013) given their materiality at the level of the Group (previously included as part of non-current borrowings).

NOTE 28. TRADE AND OTHER PAYABLES

In thousands of euro	December 31, 2014	December 31, 2013 restated
Operating payables	636,283	660,853
Fixed asset payables	9,978	12,082
Payroll and tax liabilities (excluding taxes on income)	205,718	196,703
Deferred revenue	897	666
Other items	39,437	37,989
CLOSING BALANCES	**892,313**	**908,293**

NOTE 29. FINANCIAL LIABILITIES – DERIVATIVES

	December 31, 2014		Maturity in 2015		Maturity beyond 2015	
In thousands of euro	Fair value	Underlying	Fair value	Underlying	Fair value	Underlying
Fair value hedges:						
Commodity derivatives	33	-	33	-	-	-
Interest rate swaps (1)	1,534	109,134	-	-	1,534	109,134
Interest rate options	-	-	-	-	-	-
Instruments held for trading:						
Currency derivatives	4,031	58,680	4,031	58,680	-	-
Interest rate derivatives (2)	6,499	170,000	-	-	6,499	170,000
Commodity derivatives	162	-	162	-	-	-
	12,259	**-**	**4,226**	**-**	**8,033**	**-**
Of which: classified as current liabilities	4,226	-	4,226	-	-	-
Of which: classified as non-current liabilities	8,033	-	-	-	8,033	-

1) Maturity in 2025 and 2026.
2) Maturity in 2017 (60,000), 2018 (20,000) and 2020 (€90,000).

	December 31, 2013		Maturity in 2014		Maturity beyond 2014	
In thousands of euro	Fair value	Underlying	Fair value	Underlying	Fair value	Underlying
Fair value hedges:						
Commodity derivatives	-	-	-	-	-	-
Interest rate swaps (1)	11,182	96,077	-	-	11,182	96,077
Interest rate options	-	-	-	-	-	-
Instruments held for trading:						
Currency derivatives	1,441	21,125	1,441	21,125	-	-
Interest rate derivatives (2)	263	80,000	-	-	263	80,000
Commodity derivatives	319	-	319	-	-	-
	13,205	**-**	**1,760**	**-**	**11,445**	**-**
Of which: classified as current liabilities	1,760	-	1,760	-	-	-
Of which: classified as non-current liabilities	11,445	-	-	-	11,445	-

1) Maturity in 2015 and 2026
2) Maturity in 2017 (60,000) and 2018 (20,000).

The Group uses derivative financial instruments to manage its exposure to market risks and in particular, to interest rate risk in respect of its borrowings and to foreign currency risk in respect of its future commercial transactions.

Fair value hedging was 100% effective so involved no profit or loss impact.

Currency and interest rate hedging instruments are accounted for under IFRS as trading instruments.

INTEREST RATE HEDGING

Cash flow hedges have been treated as instruments held for trading since 2008 with the exception of the USD loan which qualifies as a cash flow hedge.

The Group's interest rate hedging policy favors the use of interest rate options classified as trading instruments. It also, in 2013, implemented €60 million of interest rate swaps deferred by two years to August 2015, when they will protect the Group against any increase in interest rates through 2020. The policy has the following impact on the classification of the Group's borrowings:

Borrowings	**Euro**			**Other currencies**			**Total**		
	Fixed rate	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**	**Fixed rate**	**Floating rate**	**Total**
Pre-hedging	**101,107**	**673,394**	**774,501**	**133,716**	**48,952**	**182,668**	**234,823**	**722,346**	**957,169**
• Swap									
• Cap	255,000	-255,000					255,000	-255,000	
• Collar									
Post-hedging	**356,107**	**418,394**	**774,501**	**133,716**	**48,952**	**182,668**	**489,823**	**467,346**	**957,169**
Other current financial assets		8,021	8,021		8,336	8,336		16,357	16,357
Cash and cash equivalents		335,450	335,450		134,907	134,907		470,356	470,356
TOTAL NET CASH ACQUIRED		**343,471**	**343,471**	**-**	**143,243**	**143,243**	**-**	**486,714**	**486,714**

In terms of sensitivity to any increase in short-term interest rates as of December 31, 2014 it may be noted that a rise of 1% would have an impact of €7.2 million in respect of the Group's gross floating rate debt, and an impact estimated at €4.8 million in respect of its floating rate short-term investments, whence an overall impact of about €2.4 million on the Group's net financial expense.

FOREIGN CURRENCY HEDGING

With regard to forward contracts and options and the cover in place as of December 31, 2014, the Group is principally exposed to the risk of changes in the US dollar, the pound sterling and the yen (in the table below + = currency purchase, - = currency sale).

In thousands of currency units	**Total currency 1**		**Total currency 2**		**Cover in thousands of EUR**	**EUR amount for currency 1**		**12/31/2014 fixing**
USD EUR	-58,965	USD	46,822,	EUR	-1,164	-48,567	EUR	1.2141
GBP EUR	-21,409	GBP	26,527	EUR	-212	-27,486	EUR	0.7789
JPY EUR	-1,218,745	JPY	8,648	EUR	202	-8,392	EUR	145.2300
PLN EUR	-50,373	CZK	11,912	EUR	231	-11,788	EUR	4.2732
RUB EUR	-51,821	PLN	848	EUR	146	-716	EUR	72.3370
SEK EUR	-52,800	CAD	5,642	EUR	152	-5,621	EUR	9.3930
Other currencies					223	4,647	EUR	
TOTAL					**-422**	**-97,923**	**EUR**	

In terms of sensitivity to any change in foreign exchange rates it may be noted that a change of 1% in the rates of exchange for the Group's main foreign currencies (GBP, USD and JPY), compared to the rates prevailing at December 31, 2014, would have an impact of €836 thousand on the Group's financial income and expense.

The following tables disclose the carrying amounts and fair values of the Group's financial instrument assets and liabilities within each applicable category:

In thousands of euro **ASSETS**	Financial instruments at fair value through profit or loss (1)	Hedging derivatives (2)	Financial assets and liabilities at fair value through profit or loss (2)	Available-for-sale financial assets (2)	Loans and receivables	Financial liabilities measured at amortized cost	Carrying amount	Fair value
December 31, 2014								
Non-current investments	-	-	-	4,418		-	4,418	4,418
Non-current financial assets held for trading	-	-	-	3,234		-	3,234	3,234
Non-current loans and receivables	-	-	-	-	7,771	18,221	25,992	25,992
Other non-current financial assets	**-**	**-**	**-**	**7,652**	**7,771**	**18,221**	**33,644**	**33,644**
Interest rate derivatives	2,398	-	-	-		-	2,398	2,398
Non-current derivative financial instruments	**2,398**	**-**	**-**	**-**		**-**	**2,398**	**2,398**
Trade receivables	-	**-**	**-**	**-**		**677,801**	**677,801**	**677,801**
Commodity hedging derivatives	-	527	-	-		-	527	527
Foreign currency hedging derivatives	-	19	-	-		-	19	19
Other commodity hedging derivatives	165	-	-	-		-	165	165
Other foreign currency hedging derivatives	3,609	-	-	-		-	3,609	3,609
Current derivative financial instruments	**3,774**	**546**	**-**	**-**		**-**	**4,320**	**4,320**
Current financial assets held for trading	**-**	**-**	**6,245**	**-**		**10,112**	**16,357**	**16,357**
Cash	-	-	-	-		152,344	152,344	152,344
Cash equivalents	-	-	318,011	-		-	318,011	318,011
Cash & cash equivalents	**-**	**-**	**318,011**	**-**		**152,344**	**470,355**	**470,355**
TOTAL ASSETS	**6,172**	**546**	**324,256**	**7,652**	**7,771**	**858,478**	**1,204,875**	**1,204,875**

(1) Fair value based on the prices quoted in an active market (level 1 instruments).
(2) Fair value based on other directly or indirectly observable data.

Fair value is assessed at different levels of fair value precision based on the input data used:

- ✓ Level 1: use of unadjusted list prices in active markets available at the valuation date for identical assets or liabilities;
- ✓ Level 2: use of other directly or indirectly observable data;
- ✓ Level 3: use of non-observable data.

The Group's determination of level 2 fair value for over-the-counter financial instruments is based on prices communicated by financial institutions. The Group verifies that those prices are reasonable and reflect the instrument's credit risk as adjusted for any factors specific to the Group or its counterparts.

During the year, the Group did not make any changes in its fair value valuation hierarchy.

In thousands of euro **LIABILITIES**	Financial instruments at fair value through profit or loss (1)	Hedging derivatives (2)	Financial assets and liabilities at fair value through profit or loss (2)	Financial liabilities measured at amortized cost	Carrying amount	Fair value
December 31, 2014						
Bond issues	-	-	-	169,134	169,134	169,134
Other borrowings	-	-	-	139,245	139,245	139,245
Non-current borrowings	**-**	**-**	**-**	**308,379**	**308,379**	**308,379**
Other interest rate derivatives	6,499	1,534	-	-	8,033	8,033
Put options granted to minority shareholders	-	-	57,088	-	57,088	57,088
Non-current derivative financial instruments	**6,499**	**1,534**	**57,088**	**-**	**65,121**	**65,121**
Trade payables	-	-	-	**636,283**	**636,283**	**636,283**
Commodity hedging derivatives	-	33	-	-	33	33
Other commodity derivatives	162	-	-	-	162	162
Other foreign currency derivatives	4,031	-	-	-	4,031	4,031
Current derivative financial instruments	**4,193**	**33**	**-**	**-**	**4,226**	**4,226**
Current financial liabilities	-	-	-	506,409	506,409	506,409
Financial current accounts	-	-	-	2,162	2,162	2,162
Current bank facilities	-	-	-	140,220	140,220	140,220
Current borrowings	**-**	**-**	**-**	**648,791**	**648,791**	**648,791**
TOTAL LIABILITIES	**10,692**	**1,567**	**57,088**	**1,593,453**	**1,662,800**	**1,662,800**

(1) Fair value based on the prices quoted in an active market (level 1 instruments).
(2) Fair value based on other directly or indirectly observable data.

The Group uses derivative financial instruments to manage its exposure to market risks and in particular, to interest rate risk in respect of its borrowings and to foreign currency risk in respect of its future commercial transactions.

Fair value hedging was 100% effective so involved no profit or loss impact.

In thousands of euro **ASSETS**	Financial instruments at fair value through profit or loss (1)	Hedging derivatives (2)	Financial assets and liabilities at fair value through profit or loss (2)	Available-for-sale financial assets (2)	Loans and receivables	Financial liabilities measured at amortized cost	Carrying amount	Fair value
12/31/13 restated								
Non-current investments	-	-	-	5,367		-	5,367	5,367
Non-current financial assets held for trading	-	-	-	2,375		-	2,375	2,375
Non-current loans and receivables	-	-	-	-	8,054	19,483	27,537	27,537
Other non-current financial assets	**-**	**-**	**-**	**7,742**	**8,054**	**19,483**	**35,279**	**35,279**
Interest rate derivatives	1,601	90	-	-		-	1,691	1,691
Non-current derivatives	**1,601**	**90**	**-**	**-**		**-**	**1,691**	**1,691**
Trade receivables	-	**-**	**-**	**-**		**681,378**	**681,378**	**681,378**
Commodity hedging derivatives	-	430	-	-		-	430	430
Foreign currency hedging derivatives	-	17	-	-		-	17	17
Other commodity hedging derivatives	320	-	-	-		-	320	320
Other foreign currency hedging derivatives	4,170	-	-	-		-	4,170	4,170
Current derivatives	**4,490**	**447**	**-**	**-**		**-**	**4,937**	**4,937**
Current fin. assets held for trading	**-**	**-**	**41,168**	**-**		**53,378**	**94,546**	**94,546**
Financial current accounts	-	-	-	-		1,284	1,284	1,284
Cash	-	-	-	-		131,755	131,755	131,755
Cash equivalents	-	-	255,260	-		-	255,260	255,260
Cash & cash equiv.	**-**	**-**	**255,260**	**-**		**133,039**	**388,299**	**388,299**
TOTAL ASSETS	**6,091**	**537**	**296,428**	**7,742**	**8,054**	**887,278**	**1,206,130**	**1,206,130**

(1) Fair value based on the prices quoted in an active market (level 1 instruments).
(2) Fair value based on other directly or indirectly observable data.

In thousands of euro	Financial instruments at fair value through profit or loss (1)	Hedging derivatives (2)	Financial assets and liabilities at fair value through profit or loss (2)	Financial liabilities measured at amortized cost	Carrying amount	Fair value
LIABILITIES						
December 31, 2013 restated						
Bond issues	-	-	-	176,077	176,077	176,077
Other borrowings	-	-	-	152,911	152,911	152,911
Non-current borrowings	**-**	**-**	**-**	**328,988**	**328,988**	**328,988**
Other interest rate derivatives	263	11,182	-	-	11,445	11,445
Put options granted to minority shareholders	-	-	45,390	-	45,390	45,390
Non-current derivative financial instruments	**263**	**11,182**	**45,390**	**-**	**56,835**	**56,835**
Trade payables	-	-	-	**660,853**	**660,853**	**660,853**
Commodity hedging derivatives	319	-	-	-	319	319
Other foreign currency derivatives	1,441	-	-	-	1,441	1,441
Current derivative financial instruments	**1,760**	**-**	**-**	**-**	**1,760**	**1,760**
Current financial liabilities	-	-	-	475,097	475,097	475,097
Financial current accounts	-	-	-	1,294	1,294	1,294
Current bank facilities	-	-	-	121,115	121,115	121,115
Current borrowings	**-**	**-**	**-**	**597,506**	**597,506**	**597,506**
TOTAL LIABILITIES	**2,023**	**11,182**	**45,390**	**1,587,347**	**1,645,942**	**1,645,942**

(1) Fair value based on the prices quoted in an active market (level 1 instruments).
(2) Fair value based on other directly or indirectly observable data.

NOTE 30. CHANGE IN WORKING CAPITAL

In thousands of euro	**2014**	**2013 restated**
Trade receivables	-2,964	-84,549
Inventories	-19,323	-91,630
Trade payables	-14,338	97,454
Miscellaneous receivables and payables	5,775	9,144
CLOSING BALANCES	**-30,850**	**-69,581**

NOTE 31. CONTINGENT ASSETS AND LIABILITIES

The Group's contingent assets and liabilities at December 31, 2014 comprised:

a) Undertakings given and received in respect of three investments and amounting in total to €42.6 million (2013 restated: €52.8 million);

b) Contingent liabilities related to financing activities: financial guarantees provided to Group companies amounted in total to €144.3 million (2013 restated: €130.2 million);

c) Contingent assets and liabilities related to operating activities.

Contingent liabilities:

Contingent liabilities included operating lease payment commitments for €73.9 million (2013 restated: €70 million), finance lease payment commitments for €6.2 million (2013 restated: €6.8 million) and other commitments for €99.6 million (2013 restated: €122.6 million).

The operating and finance lease payment commitments may be detailed as follows:

In millions of euro	**Operating lease payments**	**Minimum finance lease payments**
In 2015	27.4	2.3
From 2016 to 2019	40.3	3.8
Beyond 2019	6.2	0.1

Individual training entitlement amounts to 641,945 hours for the Group's French companies, of which 635,606 hours are not yet covered by any request for allocation.

The Group has entered into milk supply contracts with several producers, based on normal market conditions.

Contingent assets:

Miscellaneous commitments received by the Group amount to €32.7 million (2013 restated: €20 million).

NOTE 32. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are only deemed to have been performed at arm's length conditions if such is demonstrably the case.

The Group is controlled by Soparind SCA, a company registered in France which directly or indirectly holds 66.64% of the parent company's share capital. The balance of share capital is held by a large number of shareholders and is dealt in on the Paris stock exchange. Certain subsidiaries (see note 35 detailing the Group's consolidation scope) are not fully owned by Bongrain SA. For the most part, their minority shareholders are milk production or collection cooperatives which supply the Group and may also purchase from the Group; those transactions constitute the Group's main related party transactions. Sales to related party cooperatives amounted to €90.1 million in 2014 (2013: €90.3 million) and purchases to €859.9 million in 2014 and €529.5 million in 2013. The Group also engages in treasury management on behalf of related parties and received total remuneration of €1.6 million for such services performed during 2014 (2013: €0.6 million).

In the framework of the takeover of Terra Lacta's operations, Terra Lacta engages in sales to hypermarkets, supermarkets and food service operators and provided supply chain, computer and administrative services during a transitional period that ended at the latest on July 31, 2014.

The Group has created a joint venture with Sodiaal called La Compagnie des Fromages et Richesmonts. The Group supplies this company with part of its milk requirement and purchases part of its industrial by-products, as well as providing logistic, commercial, IT and administrative services and distributing the company's products in a certain number of foreign countries. The Group's other financial assets include a €4.5 million loan to La Compagnie des Fromages et RichesMonts.

Group sales to associates amounted to €243 million in 2014 (2013 restated: €228.2 million) and purchases from associates amounted to €213.7 million (2013 restated: €207.3 million). The transactions essentially related to dairy materials.

A total of € 4,2 million (2013: €4.4 million) of gross remuneration, comprising €4.1 million of short-term benefits and €0.1 million of post-employment benefits, was paid during the period to directors. No other long-term benefits exist and no provision is made for compensation in the event of termination of employment contracts. No share-based payments were made in 2013 or 2014.

The main directors include the chairman of the board of directors, managing and deputy managing directors and other board members.

NOTE 33. EVENTS AFTER THE YEAR-END

No significant event has occurred since the year-end.

NOTE 34. CONSOLIDATED FINANCIAL STATEMENTS FOR 2013 RESTATED FOR THE IMPACT OF THE APPLICATION OF IFRS 11

RESTATED CONSOLIDATED INCOME STATEMENT

	12 months		
In thousands of euro	**2013 published**	**IFRS11 restatement**	**2013 restated**
NET SALES	**4,407,548**	**-202,991**	**4,204,557**
CURRENT OPERATING PROFIT	**153,692**	**-10,301**	**143,391**
OPERATING PROFIT	**133,490**	**-10,707**	**122,783**
PROFIT BEFORE TAX	**112,809**	**-6,590**	**106,220**
Net income from continuing operations	**55,138**	**-**	**55,138**
Net income from operations discontinued or in process of sale	**96**	**-**	**96**
NET INCOME FOR THE YEAR	**55,234**	**-**	**55,234**
Attributable to equity holders of the parent company	48,893	-	48,893
Attributable to non-controlling interests	6,341	-	6,341

RESTATED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	12 months		
In thousands of euro	**2013 published**	**IFRS11 restatement**	**2013 restated**
NET INCOME FOR THE YEAR	**55,234**	**-**	**55,234**
Other comprehensive income:		,	
Total recyclable components of other comprehensive income	**-36,490**	**-**	**-36,490**
Total non-recyclable components of other comprehensive income	**3,579**	**-**	**3,579**
Other comprehensive income net of tax	**-32,911**	**-**	**-32,911**
TOTAL COMPREHENSIVE INCOME NET OF TAX	**22,323**	**-**	**22,323**
Attributable to equity holders of the parent company	16,963	-	16,963
Attributable to non-controlling interests	5,360	-	5,360

RESTATED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	December 31,			December 31,		
In thousands of euro	**2013 published**	**IFRS11 restatement**	**2013 restated**	**2012 restated for IAS19R**	**IFRS 11 restatement**	**2012 restated for IAS19R and IFRS11**
TOTAL NON-CURRENT ASSETS	**1,577,995**	1,592	**1,579,587**	**1,440,819**	**-1,952**	**1,438,867**
TOTAL CURRENT ASSETS	**1,800,129**	-61,482	**1,738,647**	**1,610,279**	**-53,489**	**1,556,790**
Assets relating to operations discontinued or in process of sale	1,066	-	1,066	1,283	-	1,283
TOTAL ASSETS	**3,379,190**	**-59,890**	**3,319,300**	**3,052,381**	**-55,441**	**2,996,940**

EQUITY AND LIABILITIES

In thousands of euro	December 31, 2013 published	IFRS11 restatement	2013 restated	December 31, 2012 restated for IAS19R	IFRS 11 restatement	2012 restated for IAS19R and IFRS11
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,102,315**	**-**	**1,102,315**	**1,112,631**	**-**	**1,112,631**
Equity attributable to non-controlling interests	102,969	-	102,969	66,231	-	66,231
TOTAL EQUITY	**1,205,284**	**-**	**1,205,284**	**1,178,862**	**-**	**1,178,862**
TOTAL NON-CURRENT LIABILITIES	**609,931**	**-13,632**	**596,299**	**672,587**	**-13,213**	**659,374**
TOTAL CURRENT LIABILITIES	**1,563,722**	**-46,258**	**1,517,464**	**1,200,636**	**-42,228**	**1,158,408**
Liabilities relating to operations discontinued or in process of sale	253	-	253	296	-	296
TOTAL LIABILITIES	**2,173,906**	**-59,890**	**2,114,016**	**1,873,519**	**-55,441**	**1,818,078**
EQUITY AND LIABILITIES	**3,379,190**	**-59,890**	**3,319,300**	**3,052,381**	**-55,441**	**2,996,940**

RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of euro	12 months 2013 published	IFRS11 restatement	2013 restated
Net income from operations discontinued or in process of sale	**96**	**-**	**96**
Net income from continuing operations	**55,138**	**-**	**55,138**
Gross operating margin	**250,173**	**-17,546**	**232,627**
NET CASH FROM OPERATING ACTIVITIES	**111,118**	**-9,390**	**101,728**
NET CASH USED IN INVESTING ACTIVITIES	**-276,038**	**8,598**	**-267,440**
NET CASH USED IN FINANCING ACTIVITIES	**93,678**	**-122**	**93,556**
Impact of foreign exchange differences	501	-	501
Net increase/(decrease) in cash and cash equivalents	**-70,741**	**-914**	**-71,655**
Reclassification of cash and cash equivalents associated with operations discontinued or in process of sale	**8**	**-**	**8**
Opening cash and cash equivalents	**336,314**	**2,507**	**338,821**
CLOSING CASH AND CASH EQUIVALENTS	**265,581**	**1,593**	**267,174**

NOTE 35. LIST OF THE PRINCIPAL CONSOLIDATED ENTITIES

Fully consolidated entities	**Country**	**Siren N°**	**% voting rights 12/31/2014**	**12/31/2013**	**% economic interest 12/31/2014**	**12/31/2013**
France						
BONGRAIN SA	FRANCE	847 120 185	Parent	Parent	Parent	Parent
Alliance Food Service SAS	FRANCE	389 330 739	100.00	100.00	84.58	84.58
Alliance Fromagère SAS	FRANCE	394 530 703	100.00	100.00	100.00	100.00
Alliance Laitière Européenne SAS	FRANCE	388 435 539	100.00	100.00	98.50	98.50
Armor Protéines SAS	FRANCE	679 200 287	100.00	100.00	84.58	84.58
B.G. SAS	FRANCE	331 339 275	99.97	99.97	99.97	99.97
Beurlait SAS	FRANCE	552 001 497	-	100.00	-	84.58
BONGRAIN Europe SAS	FRANCE	351 014 352	100.00	100.00	100.00	100.00
BONGRAIN Export Overseas SAS	FRANCE	325 508 653	99.96	99.96	99.96	99.96
BONGRAIN International SAS	FRANCE	402 927 628	100.00	100.00	100.00	100.00
Bressor Alliance SA	FRANCE	379 657 570	66.66	66.66	66.66	66.66
Bressor SA	FRANCE	383 228 764	99.74	99.74	66.48	66.48
C.F.V.A. SAS	FRANCE	314 830 050	99.97	99.97	99.97	99.97
Centre Bretagne Lait SA	FRANCE	387 493 315	100.00	100.00	84.58	84.58
CLE-PS SAS	FRANCE	389 297 748	100.00	100.00	84.58	84.58
CLE-PSO SNC	FRANCE	444 475 016	100.00	100.00	84.58	84.58
Compagnie Générale Laitière SA	FRANCE	775 668 999	99.99	99.99	84.58	84.58
Compagnie Laitière de Derval SAS	FRANCE	403 001 068	100.00	100.00	84.58	84.58
Compagnie Laitière Européenne SA	FRANCE	780 876 421	85.86	85.86	84.58	84.58
Compagnie Laitière Normandie-Bretagne SAS	FRANCE	349 652 560	100.00	100.00	84.58	84.58
Société des Beurres et Crèmes des Régions d'Europe	FRANCE	487 220 295	100.00	100.00	84.58	84.58
Dutch Cheese Masters SAS	FRANCE	789 660 743	55.00	55.00	55.00	55.00
Elvir SAS	FRANCE	389 297 664	100.00	100.00	84.58	84.58
Etablissement L. Tessier SAS	FRANCE	667 180 392	99.71	99.71	99.71	99.71

Fully consolidated entities	Country	Siren N°	% voting rights		% economic interest	
Fromagerie Berthaut SA	FRANCE	316 608 942	90.00	90.00	90.00	90.00
Fromagerie de Vihiers SAS	FRANCE	350 546 719	100.00	100.00	100.00	100.00
Fromagerie des Chaumes SAS	FRANCE	314 830 183	99.94	99.94	99.93	99.93
Fromagerie F. Paul-Renard SAS	FRANCE	585 650 211	-	99.94	-	99.93
Fromageries Lescure SAS	FRANCE	794 040 956	51.00	51.00	51.00	51.00
Fromagerie Perreault SAS	FRANCE	316 085 620	99.98	99.98	99.98	99.98
Fromageries Saint Saviol SAS	FRANCE	793 801 028	100.00	100.00	84.58	84.58
Fromagerie Rambol SAS	FRANCE	315 130 641	99.95	99.95	99.95	99.95
Fromapac SAS	FRANCE	402 180 541	100.00	100.00	100.00	100.00
Fromarsac SAS	FRANCE	331 260 083	100.00	100.00	100.00	100.00
Fruisec SAS	FRANCE	307 963 389	100.00	100.00	100.00	100.00
Grand'Ouche SAS	FRANCE	314 815 457	99.83	99.83	99.83	99.83
La Compagnie des Fromages SAS	FRANCE	393 257 654	100.00	100.00	84.58	84.58
Les Fromagers de L'Europe SAS	FRANCE	428 744 973	100.00	100.00	100.00	100.00
Les Fromagers Associés SAS	FRANCE	349 542 415	100.00	100.00	100.00	100.00
Les Fromageries de Thiérache SAS	FRANCE	315 332 569	100.00	100.00	100.00	100.00
Messageries Laitières SNC	FRANCE	313 966 103	61.31	61.31	51.86	51.86
Normandie Bretagne Transports SAS (NBT)	FRANCE	403 128 051	100.00	100.00	84.58	84.58
Prodilac SNC	FRANCE	389 297 714	100.00	100.00	84.58	84.58
SB Alliance SNC	FRANCE	409 080 538	84.99	84.99	84.98	84.98
SB Alliance Informatique	FRANCE	780 876 405	100.00	100.00	84.58	84.58
SB Biotechnologies SAS	FRANCE	450 983 051	100.00	100.00	97.50	97.50
SDIL SAS	FRANCE	352 135 180	-	100.00	-	84.58
Sodilac SAS	FRANCE	689 806 470	100.00	100.00	84.58	84.58
Soficle SAS	FRANCE	304 141 856	-	100.00	-	84.58
Sofivo SAS	FRANCE	352 848 725	100.00	100.00	84.58	84.58
Sogasi SAS	FRANCE	315 062 224	99.99	99.99	99.99	99.99
Sogeps SAS	FRANCE	384 557 880	100.00	100.00	84.58	84.58
Soredab SAS	FRANCE	317 705 267	97.50	97.50	97.50	97.50
Société Les Vergers des Coteaux du Périgord SAS	FRANCE	330 479 213	100.00	100.00	100.00	100.00

Fully consolidated entities	Country	% voting rights		% economic interest	
Other countries		**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**
Advanced Food Products LLC	USA	65.00	65.00	65.00	65.00
Alouette Cheese USA LLC	USA	100.00	100.00	100.00	100.00
Arab French Company for Dairy and Cheese Products	EGYPT	100.00	100.00	100.00	100.00
Balderama N.V.	NETHERLANDS	100.00	100.00	84.58	84.58
BC Nordics	DENMARK	100.00	100.00	100.00	100.00
BEV OOO	RUSSIA	100.00	100.00	100.00	100.00
BONGRAIN A.G.	SWITZERLAND	100.00	100.00	100.00	100.00
BONGRAIN Bénélux SA	BELGIUM	100.00	100.00	100.00	100.00
BONGRAIN Deutschland GmbH	GERMANY	100.00	100.00	100.00	100.00
BONGRAIN Europarticipations BV	NETHERLANDS	100.00	100.00	100.00	100.00
BONGRAIN GmbH	AUSTRIA	100.00	100.00	100.00	100.00
BONGRAIN Italia Spa	ITALY	100.00	100.00	100.00	100.00
BONGRAIN Nederland BV	NETHERLANDS	100.00	100.00	100.00	100.00
Bonprole SA	URUGUAY	90.00	90.00	90.00	90.00
Bresse Bleu Japon KK	JAPAN	100.00	100.00	100.00	100.00
BSI Tianjin Foods Cy Ltd	CHINA	100.00	100.00	100.00	100.00
Corman Deutschland GmbH	GERMANY	100.00	66.67	84.58	56.39
Corman Italia Spa	ITALY	100.00	100.00	84.58	84.58

Fully consolidated entities	Country	% voting rights		% economic interest	
Corman Miloko Ireland Ltd	IRELAND	55.00	55.00	46.52	46.52
Corman SA	BELGIUM	100.00	100.00	84.58	84.58
Delaco	RUMANIA	72.00	-	72.00	-
Dabon International Ltd	INDIA	89.99	89.99	89.99	89.99
Edelweiss GmbH Co KG	GERMANY	100.00	100.00	100.00	100.00
Eurexpan BV	NETHERLANDS	100.00	100.00	98.50	98.50
Food Garden	SWEDEN	100.00	100.00	99.96	99.96
Fromagers Associés Japon KK	JAPAN	51.00	51.00	51.00	51.00
Fromunion SA	BELGIUM	100.00	100.00	100.00	100.00
ICC Paslek	POLAND	100.00	100.00	84.58	84.58
Mantequerias Arias SA	SPAIN	100.00	100.00	100.00	100.00
Mashreq des Produits Laitiers SA	EGYPT	100.00	100.00	100.00	100.00
Milex Nové Mesto AS	SLOVAKIA	99.99	99.99	99.99	99.99
Milkaut	ARGENTINA	99.78	99.70	99.78	99.70
Mleczarnia Turek Sp ZOO	POLAND	100.00	100.00	100.00	100.00
Mleko Produkt	SERBIA	100.00	100.00	100.00	100.00
Molkerei Sobbeke GMBH	GERMANY	80.00	80.00	80.00	80.00
Molkerei Gebr Rogge GMBH	GERMANY	92.49	92.49	92.49	92.49
Novomilk	SLOVAKIA	100.00	100.00	100.00	100.00
Pannontej Rt.	HUNGARY	100.00	100.00	100.00	100.00
Paturain BV	NETHERLANDS	100.00	100.00	100.00	100.00
Petra SA	URUGUAY	100.00	100.00	100.00	100.00
Polenghi Ltda	BRAZIL	100.00	100.00	100.00	100.00
Povltavske Mlékarny AS	CZECH REPUBLIC	-	100.00	-	100.00
S.B.M.S. SA	BELGIUM	99.98	99.98	99.98	99.98
Santa Rosa Chile	CHILE	99.99	99.99	99.99	99.99
SB International	BELGIUM	100.00	100.00	100.00	100.00
Schratter Foods Incorporated	USA	-	75.00	-	75.00
Sinodis Limited	CHINA	100.00	100.00	100.00	100.00
TDSI	USA	100.00	100.00	100.00	100.00
TPK SRO	CZECH REPUBLIC	100.00	100.00	100.00	100.00
ULN UK Limited	UK	100.00	100.00	100.00	100.00
Zausner Foods Corp. and subsidiaries	USA	100.00	100.00	100.00	100.00
Zvenigorodka	UKRAINE	99.96	99.96	99.96	99.96

Proportionately consolidated entities	Country	% voting rights		% economic interest	
France		**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**
CF & R Gestion	FRANCE	-	50.00	-	42.29
Compagnie des Fromages & Richesmonts	FRANCE	-	50.00	-	42.29
Other countries					
Sodiaal GmbH	GERMANY	-	50.00	-	42.29
Delaco	RUMANIA	-	52.00	-	52.00

Entities consolidated using the equity method	Country	% voting rights		% economic interest	
France		**12/31/2014**	**12/31/2013**	**12/31/2014**	**12/31/2013**
Financière Louis	FRANCE	10.38	10.38	10.38	10.38
CF & R Gestion	FRANCE	50.00		42.29	
Compagnie des Fromages & Richesmonts	FRANCE	50.00		42.29	
Lacto Sérum France SA	FRANCE	24.94	24.94	24.94	24.94
Poitou Chèvre SAS	FRANCE	48.96	48.96	24.97	24.97

Entities consolidated using the equity method	Country	% voting rights		% economic interest	
Sica Silam	FRANCE	40.16	36.41	39.82	36.10
Sanicoopa SARL	FRANCE	37.99	37.99	32.13	32.13
Other countries					
Andechser Molkerei Scheitz GmbH	GERMANY	24.84	24.84	24.84	24.84
Forlactaria SA	SPAIN	40.00	40.00	40.00	40.00
Val d'Arve SA	SWITZERLAND	33.34	33.34	33.34	33.34
EMMI Fondue AG	SWITZERLAND		34.00		34.00
Rupp AG	AUSTRIA	-	10.00	-	10.00
La Compagnie Fromagère SA	TUNISIA	42.50	42.50	42.50	42.50
Esbon SA	TURKEY	50.00	50.00	50.00	50.00
Ferrari	ITALY	27.00	27.00	27.00	27.00
Capsa	SPAIN	27.00	27.00	22.84	22.84
Sodiaal GmbH	GERMANY	50.00	-	42.29	-