BONDUELLE

A French SCA (Partnership Limited by Shares) with a capital of 56,000,000 Euros
Head Offices: La Woestyne 59173 Renescure, France
Business registration number: B 447 250 044 (Dunkerque Registrar of Businesses)

FY 2009-2010 half-year results
(July 1 – December 31, 2009)

Profit from operations up 10 %

*** Turnover up 3.5 % at constant exchange rates**
*** Operating margin up 58 base points (bps) to 6.9 %**
*** Sharp increase in net profit to 25.2 million euros**
*** Debt ratio down to 147 %, as opposed to 177 % in year N-1**
*** Confirmation of profitability objectives for FY 2009- 2010**

Key figures

(in millions of euros)	1st half-year 2008-2009	1st half-year 2009-2010	Variation
Turnover	752.2	760.0	**+ 1.0 %**
Operating profit on ordinary activities before taxes	47.5	52.4	**+ 10.3 %**
Operating margin	6.3 %	6.9 %	**+ 58 bps**
Consolidated net profit	6.0	25.2	**+ 320.0 %**
Gearing	177.2 %	146.5 %	**- 30.7 pts**

Turnover for the first half-year stood at 760 million euros, up 3.5 % at constant foreign exchange rates. Changes in scope of consolidation—as a result of various acquisitions in FY 2008-2009 ie the canned-vegetables producer La Corbeille ; Family Tradition and Omstead Food, and the deconsolidation of non branded products operations brought to Gelagri's in frozen-vegetables operations—impacted favourably on turnover, accounting for 3.4 % of the figure.

Turnover

Breakdown of turnover by geographical area

Consolidated turnover (in millions of euros)	Semester 1 2008-2009	Semester 1 2009-2010	Variation Current exchange rate	Variation Constant exchange rates	Variation Comparable data*(1)*
Europe Zone	546.7	551.3	0.9 %	1.9 %	0.6 %
Non-Europe Zone	205.5	208.7	1.5 %	7.8 %	- 1.2 %
Total	**752.2**	**760.0**	**1.0 %**	**3.5 %**	**0.1 %**

Breakdown of turnover by processing technology

Consolidated turnover (in millions of euros)	Semester 1 2008-2009	Semester 1 2009-2010	Variation Current exchange rate	Variation Constant exchange rates	Variation Comparable data*(1)*
Canned	377.4	383.8	1.7 %	6.1 %	0.1 %
Frozen	212.6	212.7	0.0 %	0.9 %	- 0.3 %
Chilled	162.2	163.5	0.8 %	0.8 %	0.8 %
Total	**752.2**	**760.0**	**1.0 %**	**3.5 %**	**0.1 %**

(1) constant scopes of consolidation and exchange rates

Canned-vegetable sales

In HY1, canned-vegetable sales increased by 6.1 % at constant exchange rates, but remained stable (+ 0.1 %) when restated to take account of consolidation-scope effects.

Operations in Central and Eastern Europe contributed negatively to the progression in turnover. This was mainly due to restrictions on customer credit implemented at the beginning of the financial year and carried over into the 2nd quarter.

Western Europe, with sales progressing 0.8 % at constant foreign-exchange rates and on a like-for-like basis, exhibited admirable resistance in a consumer climate which remained globally bleak.

Frozen-vegetable sales

Frozen-vegetable sales, up 0.9 % in the first half-year (at constant exchange rates), showed a marked recovery in Q2 (+1.7 % as opposed to + 0.1 % in Q1), reflecting dynamic organic growth (+ 2.3 %, at constant exchange rates, as opposed to – 2.9 % in Q1) both in Western Europe and in North America.

Chilled-vegetable sales

Half-year chilled-vegetable sales gained 0.8 %, confirming in Q2 (+ 0.9 %) the performance recorded in Q1 (+ 0.7 %).

Operating margin

Operating profit on ordinary activities, up 10.3 %, amounted to 52.4 million euros.

Operating margin rose sharply by 58 bps to 6.9 % of turnover.

In the Europe zone, profitability was up 88 bps, at 4.2 % of turnover.

In the Non-Europe zone, operating margin was 13.9 % of turnover—as opposed to 14.2 % at December 31, 2008, reflecting the extremely accretive nature of the acquisitions in Canada in FY 2008-2009 and the stability of margin rates in Central and Eastern European countries.

After taking account of 2.5 million euros in non-recurring items, operating profit stood at 49.9 million euros, as opposed to 47.1 million euros in the previous financial year.

Net profit and financial situation

The financial burden was 12.1 million euros (as opposed to 38.5 million euros in the previous financial year), of which the cost of indebtedness, favourably impacted by the decline in average outstanding debt, and the fall in interest rates, amounted to 11.9 million euros. At December 31, 2009, the ratio of indebtedness was 146.5 %, as opposed to 177.2 % in the previous financial year.
When the results of the consolidated companies and the tax burden at an effective rate of 31 % were taken into account, consolidated net profit had risen sharply to 25.2 million euros, as opposed to 6.0 million euros at December 31, 2008.

Highlights of the half-year

On February 3, 2010, the Bonduelle Group announced that it had finalised the terms and conditions of the transfer of the France Champignon Group by BUTLER CAPITAL PARTNERS. The take-over and consolidation will become effective once the operation has been approved by the French Competition Authorities. The German authorities have already approved the operation.

In December 2009, the Bonduelle Group announced plans to build a bagged-salad production facility in northern Italy, to replace the plant destroyed by fire in February 2008 and support growth in this market in Italy.

The transfer of the canned fruit and pickle operations and production facility in Rijkevorsel (Belgium) to the Belgian company, Scana Noliko—announced in December 2009—was finalised on January 29th, 2010.

Finally, the Group continues to pursue its industrial-development projects in Ukraine and Brazil, with construction work on the latter project scheduled to begin in mid-2010.

Prospects

In a consumer climate which is far from dynamic, the Bonduelle group will pursue its policy of offering affordably priced products—notably through an active policy on promotion—and launching products which are perceived as innovative by the consumer, such as its steamed-vegetable products in France, or its rice-and-vegetable products in North America.

In pursuing this strategy, the Group expects to increase the gain in market share recorded in the first half-year, and forecasts an annual turnover—inclusive of the impact of the acquisition of France Champignon—of the order of 1,580 million euros (i.e., up 3.7 %.)

In light of the success of its Sustainable Competitiveness Plan, and the quality of harvesting campaigns in 2009, the Bonduelle Group confirms its objective to increase profit from operations by 6-7 % compared to the previous financial year, on a like-for-like basis at constant exchange rates (the impact of the acquisition of the France Champignon group on the profit for the financial year is expected to be non-significant).