

# 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 annual turnover

### Turnover up by 2.3%

- Sales sustained despite an uncertain consumer climate
- Market-share gains for branded products
- France Champignon successfully integrated as planned
- Start-up of operations in Brazil in August 2010
- Expected increase in operational profitability confirmed

As of June 30th, 2010, consolidated turnover stood at 1,559.6 million Euros, compared to 1,523.9 million Euros in the previous financial year.

At constant foreign exchange rates and on a like-for-like basis, the turnover was down 2.2 %.

Once again the Bonduelle Group demonstrated its capability for resistance in the face of:

- low consumption volumes and significant efforts on consumer retail prices in Western Europe;
- the non-materialisation of an economic upturn in Central and Eastern Europe;
- an unfavourable USD-to-CAD parity in North America.

With the France Champignon acquisition, and the start-up of operations in Brazil, the Group underscores its intention to pursue investments in growing areas.

### Breakdown of turnover by geographical zone

Consolidated turnover (in millions of Euros)	2009-2010	Current exchange rates	Like for like basis <sup>(1)</sup>	Q4 2009-2010	Current exchange rates	Like for like basis <sup>(1)</sup>
Europe Zone	1174.6	+1.5 %	- 0.8 %	342.7	+ 10.1%	- 1.7 %
Non-Europe Zone	385.0	+ 5.0 %	- 6.1 %	89.1	+ 6.8 %	- 14.9 %
Total	1559.6	+ 2.3 %	- 2.2 %	431.8	+ 9.4 %	- 4.8 %

### Breakdown of turnover by processing technology

Consolidated turnover (in millions of Euros)	2009-2010	Current exchange rates	Like for like basis <sup>(1)</sup>	Q4 2009-2010	Current exchange rates	Like for like basis <sup>(1)</sup>
Canned	793.7	+ 2.9 %	- 2.7 %	224.9	+ 9.7 %	- 7.2 %
Frozen	420.9	+ 1.2 %	- 3.9 %	106.2	+ 9.5 %	- 8.1 %
Chilled	345.0	+ 2.4 %	1.1 %	100.7	+ 8.8 %	+ 4.2 %
Total	1559.6	+ 2.3 %	- 2.2 %	431.8	+ 9.4 %	- 4.8 %

(1) Constant exchange rates and scope of consolidation

## **Canned-vegetable sales**

Canned-vegetable sales closed up 2.9 %. When restated to account for consolidation-scope effects (integration of France Champignon sales at April 1, 2010; full-year impact of the November-2008 acquisition of La Corbeille; transfer of apple- and pickle-transformation operations in January 2010) and exchange rate variations, sales had receded by 2.7 %.

In a western-European market in which retail volumes were generally in negatively oriented, the Bonduelle Group saw increases in branded-product sales in its 3 main markets (France, Germany, and Italy)—thanks notably to significant investments in advertising, major promotional operations, the successful market performance of its innovations (steamed products in France, and the Cassegrain sweet-and-savoury line in particular)—as well as market-share gains in practically all of its territories.

Globally, canned-vegetable sales were penalised by the non-materialisation of an upturn in consumption in Central and Eastern Europe, and by voluntary restrictions on customer credit in this region.

## **Frozen-vegetable sales**

Frozen-vegetable sales rose by 1.2 %. When restated to account for consolidation-scope effects (incorporation of France Champignon; full-year impact of the Family Tradition and Omstead Food acquisitions in April and June 2009 respectively; April-2009 deconsolidation of Gelagri's European distributor-brand frozen-vegetables operations) and exchange-rate variations, sales were down by 3.9 %.

Despite growth in Food Service sales in Western Europe, and market-share gains by Bonduelle-brand products in the French mass retail sector, global frozen-vegetable sales were negatively affected by the impact of a strong Canadian dollar on US sales.

## **Chilled-vegetable sales**

Chilled-vegetable sales were up 2.4 %—and 1.1 % when restated to account for the incorporation of France Champignon in the scope of consolidation—marking a revival in growth in this technology sector, particularly in terms of volume, in markets which had regained their dynamism.

The increase in sales was accompanied by market-share gains by Bonduelle-brand products in both the packaged- and prepared-salads sectors in France.

## **Highlights of the quarter**

### Integration of France Champignon

The incorporation of France Champignon's operations is proceeding as planned, i.e.:

- Continued rationalisation of production facilities;
- Ongoing efforts to achieve administrative synergies and economies of scale (purchasing).

The Group confirms the prospects of a significant improvement in the profitability of this business, and its contribution to an improvement, within 3 years, in the Group's Return on Capital Employed (ROCE).

### Transfer of the production facility in Stabroek

At the end of June, the Group completed the transfer of the production facility in Stabroek (Belgium), acquired on the occasion of the take-over of La Corbeille, and whose operations were discontinued in FY 2009/2010.

### Start-up of the Cristalina site in Brazil confirmed for August 2010

With the completion of the first phase of the Cristalina industrial facility—designed for a total production capacity of 50,000 tons—, production (canned peas then corn) is scheduled to begin in August 2010, with the first products appearing on the market in November 2010.

## Prospects

Despite a more-difficult-than-anticipated 4th quarter, the Bonduelle Group expects, this year again, to show an increase in operating profitability in FY 2009-2010.

Through asset transfers (Stabroek; apple processing operations) and careful management of working capital requirements, the Group expects to improve its debt ratio (135 % at June 30, 2009), despite the end-of-year acquisition of France Champignon.

With poor production campaigns in certain regions (high temperatures), the non-materialisation of an upturn in consumption in Western, Central and Eastern Europe, and the absorption of an overall excess inventory both in Europe and North American markets, the Group is intent on redoubling efforts to adapt its cost structure, while pursuing a selective innovation and investment policy in growth zones.

The acquisition of France Champignon opens new and significant prospects for growth in profitability, and with its healthy financial situation, the Bonduelle Group's remains ever attentive to further acquisition opportunities.