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)

First-quarter turnover for FY 2010-2011

Fast growing first-quarter: + 15.7 %

The Bonduelle Group reported a turnover of 419.8 million euros, up 15.7% on the first quarter of FY 2010-2011.

Sales had been positively impacted by an 8.9 base-point variation in scope of consolidation (due mainly to the April 1 2010 acquisition of France Champignon) and a 4.7 base point variation in exchange rates.

On a like-for-like basis (constant scopes of consolidation and foreign exchange rates), turnover had progressed by 2.1 %.

Breakdown of turnover by zone

Total consolidated turnover (in millions of euros)	From July 1st to September 30th 2010	Variation at constant foreign exchange rates	Variation at constant exchange rates and scopes of consolidation
Europe zone	309.7	13.7 %	1.2 %
Non-Europe Zone	110.1	21.9 %	4.5 %
Total	**419.8**	**15.7 %**	**2.1 %**

Breakdown of turnover by processing technology

Total consolidated turnover (in millions of euros)	From July 1st to September 30th 2010	Variation at constant foreign exchange rates	Variation at constant exchange rates and scopes of consolidation
Canned	216.8	25.8 %	7.8 %
Frozen	107.9	4.2 %	- 8.5 %
Chilled	95.1	9.6 %	4.6 %
Total	**419.8**	**15.7%**	**2.1 %**

Canned-vegetable sales

Reported canned-vegetable sales were up 25.8%, reflecting the inclusion of new mushroom sales in the consolidation.

On a like-for-like basis, sales had risen by 7.8 %.

Sales had been positively affected by a favourable summer season in Europe—in sweet corn sales in particular—, an positive base effect in Eastern Europe, and early deliveries of subcontracting contracts in Canada.

Distributor-brand sales in Europe benefited from deliveries of balances remaining on 2009-2010 contracts, with the drop in selling prices being carried over into the following quarters.

Frozen-vegetable sales

The Group reported 4.2% growth in frozen-vegetable sales.
On a like-for like basis, the marked drop in sales (- 8.5 %) was mainly due to the negative impact of the strengthening of the Canadian dollar against the US dollar (up 16 % over the period), which penalized sales in North America—owing to the conversion of sales into US dollars, and increased aggressiveness on the part of more competitive US competitors—, and to the transfer to the Gelagri joint-venture of certain retail markets in Europe.

Sales in the food-service market in Europe remained favourable.

Chilled-vegetable sales

Sales in the chilled-vegetables market (bagged, ready-to-eat salads, and prepared salads) continued their upward trend, confirming the recovery observed in spring 2010.

Reported sales increased by 9.6 % and 4.6% on a like-for-like basis, reflecting, albeit imperfectly, on account of an unfavourable price effect, the dynamic volume effect in this sector.

Highlights of the quarter

Harvesting season

The harvesting season remained poor in October—including for bagged ready-to-eat salads—, confirming the expected trend towards cost overruns in the financial year.

Bond issue in the United States

On September 8, 2010, the Bonduelle Group announced a private bond issue in the amount of 165 million dollars—due for maturity in 12 years—to refinance the debt incurred to acquire France Champignon, and to provide the Group with the financial flexibility required to pursue its policy of targeted acquisitions.

Negotiated at attractive conditions from leading financial institutions, the issue allows the Group to extend the maturity of the debt, underscore its "Investment Grade" credit rating, and diversify its sources of financing.

Canned vegetable production begins in Brazil

The new Cristalina plant in Brazil, which began producing canned peas in September and sweet corn in October, was officially inaugurated on 26 October 2010 in the presence of local authorities and the senior management of the Bonduelle Group.

The plant, catering to a large and growing local canned-vegetables market, was designed for year-round operation in high-altitude, tropical conditions.

Prospects

As forecasted, sales in the first quarter were positively affected by contract deferrals and favourable base effects. The cost overruns arising as a result of the difficult harvesting season confirm the forecast of 70 to 75 million euros in operational profit for the financial year closing 30 June 2011.

Upcoming publications

- FY 2010-2011half-year turnover 3 February 2011
- FY 2010-2011 half-year results 24 February 2011