

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)

Fiscal 2010-2011 half-year turnover

Strong growth in turnover confirmed in 2nd quarter: + 17 %

Half-year turnover for fiscal 2010-2011 (1 July – 31 December 2010) was up 16.4% to 884.6 million euros. On a like-for-like (LFL) basis at constant foreign exchange rates, sales had risen by 1.6%.

Second-quarter sales, favourably impacted by changes in consolidation scope (+11.9%) and foreign exchange rates (+3.9%), remained very buoyant (+17% as opposed to 15.7% in Q1).

Breakdown of turnover by zone

Consolidated turnover (in millions of euros)	Half-year 2010-2011	Half-year 2009-2010	Current exchange rates	Constant exchange rates and LFL basis	2 nd quarter 2010-2011	2 nd quarter 2009-2010	Current exchange rates	Constant exchange rates and LFL basis
Europe zone	635.8	551.3	15.3 %	0.2 %	326.1	279.0	16.9 %	-0.9 %
Non-Europe Zone	248.8	208.7	19.2 %	5.1 %	138.7	118.3	17.2 %	5.5 %
Total	884.6	760.0	16.4 %	1.6 %	464.8	397.3	17.0 %	1.2 %

Breakdown of turnover by processing technology

Consolidated turnover (in millions of euros)	Half-year 2010-2011	Half-year 2009-2010	Current exchange rates	Constant exchange rates and LFL basis	2 nd quarter 2010-2011	2 nd quarter 2009-2010	Current exchange rates	Constant exchange rates and LFL basis
Canned	482.0	383.8	25.6 %	6.5 %	265.2	211.4	25.4%	5.5 %
Frozen	220.8	212.7	3.8 %	-8.6 %	112.9	109.1	3.4 %	-8.8 %
Chilled	181.8	163.5	11.2 %	4.4 %	86.7	76.8	13.0 %	4.2 %
Total	884.6	760.0	16.4 %	1.6%	464.8	397.3	17.0 %	1.2 %

Europe zone

Second-quarter business in the various markets seem to confirm an improvement in consumption across all processing technologies, but which still falls short of pre-crisis levels.

Branded canned-vegetable sales (Bonduelle and Cassegrain) showed sustained volume growth, which reflected, in part, the extension of the innovative "steamed vegetables" range to include a number of new products (sweet corn, green beans, peas and carrots,...) and packagings (4/4 boxes). In the second half of the year, the range will be extended to the Netherlands and Italy.

Second-quarter distributor-brand sales, while trending positively in terms of volume, were impacted by anticipated declines in market prices during the second quarter, which are expected to have a greater effect on turnover and profitability in the second half of the year.

The poor performance in second-quarter frozen-vegetable sales was again mainly due to difficulties encountered in the Spanish market, and to the scheduled transfers of volumes to the frozen-vegetable Distributor-brand - Gelagri joint venture, which volumes were non-contributory.

Performance in the food-service market, which accounted for more than half of the Group's frozen-vegetable sales in Europe, confirmed the growth in sales thanks to improvements in a still poor consumption climate.

Chilled-vegetable sales benefitted from a vigorous upswing in volumes in the 4 countries served (France, Belgium, Italy, and Germany); the increase in turnover remained significantly impacted by the continuing decline in prices due to strong competition in the sector, and unfavourable weather conditions in December.

Sales in the Euro zone were boosted by the consolidation of France Champignon's half-year operations, which positively impacted all 3 processing technologies to the tune of 90.1 million euros.

Non-Europe Zone

On a LFL basis at constant foreign exchange rates, non-Europe Zone sales figures confirmed the growth recorded in the first quarter (+5.5% as opposed to +4.5%).

As was the case in the first quarter, Eastern Europe (Russia, Ukraine, CIS countries), reaping the benefits of a favourable base effect, saw a marked increase in activity, both in terms of volumes and value.

This excellent performance was offset by the lowering of prices in North American market (absorption of surplus stock, and strengthening of the Canadian dollar against the US dollar) and to the conversion of US-dollar sales into Canadian dollars.

Highlights of the quarter

Changes in Senior Management

On 1 January 2011, Daniel Vielfaure, 49, a Canadian national, took over as the Managing Director of the Bonduelle Group, following the retirement of Pierre Deloffre. Daniel Vielfaure was previously the Managing Director of Bonduelle North America, following the 2007 acquisition of Aliments Carrière.

Green light to build the Cherkassy plant in Ukraine

The Bonduelle Group has received the necessary authorisations for the construction of the Cherkassy plant in Ukraine. The plant is intended to serve the region's high-growth markets (Russia, Ukraine, CIS countries), and to safeguard supplies by distributing climatic risk.

Start-up of sales operations in Brazil

Sales of canned peas and corn in Brazil were launched in November 2010, following the start-up of production in September.

Crop yields and the industrial performance of the Cristalina plant have proven to be very satisfactory and in line with forecast.

Offering a marked level of product differentiation and competitive prices, Bonduelle expects to capture 10% of the canned vegetables market within 3 years.

Prospects

In an economic environment which remains uncertain, the growth in turnover and volume recorded in the first half-year underscores the relevance of the Group's choices in terms of development strategy (multiple processing technologies, national and distributor bands, multi-channel distribution) and the geographic localisation of its operations.

In terms of turnover and profitability, the second half-year is expected to be impacted by declining prices in distributor-brand markets in Europe and North America.

However, in light of the upturn in consumption witnessed in several European countries, the Bonduelle Group is able to confirm its turnover and profitability objectives for fiscal 2010-2011.

Upcoming publications

- Fiscal 2010-2011 half-year results 10 March 2011
- Third quarter turnover 5 May 2011