2010-2011 year-end results

Turnover and profitability growth

in line with objectives

- Strong growth in reported turnover, and positive organic growth
- Operating profitability in line with objectives
- Decrease in net financial debt and improved debt ratio
- Integration of France Champignon and roll-out in Brazil in line with objectives
- Potential acquisition in Russia
- Significant rebound of the profitability expected in 2011/2012

At its meeting convened on 30 September 2011, the Supervisory Board examined the statutory and consolidated financial statements for fiscal 2010-2011, as presented by the Executive Board and certified by the company's statutory auditors.

Consolidated accounts in millions of euros	2010 - 2011	2009 - 2010	Variation
Turnover	1,726	1,559.6	+ 10.7 %
Operating profit on ordinary activities before taxes	80.7	104.5	- 22.8 %
Operating profit	68.9	101.8	- 32.3 %
Group net profits	30.4	58.3	- 47.9 %

Strong growth in reported turnover: + 10.7 %

For fiscal 2010-2011 (1 July 2010 - 30 June 2011), the Bonduelle Group reported a consolidated turnover of EUR 1,726 million, up 10.7% on the figure of EUR 1,559.6 million reported the previous year.

Changes in the scope of the Group's operations—consolidation of France Champignon based on a full 12 months of operation, as opposed to 3 months in the previous year, and the January 2010 transfer of apple-processing operations—and in foreign-exchange rates impacted positively on turnover (+7.7% and +2.4% respectively).

On a like-for-like (LFL) basis, group turnover was up 0.6% as opposed to a 2.2% drop the previous year.

Europe Zone

In the Europe zone—which comprises all of the European Union countries with the exception of the Balkan states—the Group reported a 10.5% increase in turnover, benefiting from the consolidation of France Champignon operations over a full 12-month period.

On a LFL basis, year-over-year turnover was stable—in contrast with the 0.8% decrease in turnover reported in fiscal 2009-2010—, reflecting an improvement in consumption and the Group's dynamic development in the region's markets.

The year was marked by the price concessions granted on distributor-brand products, negotiated in the spring of 2010, which mainly affected canned products. In addition to this price effect, fourth-quarter sales volumes of national–brand products were impacted by shortages due to poor harvests in the summer of 2010, and to the excellent sales performance of Bonduelle- and Cassegrain-brand products. These shortages caused a temporary slow-down in an otherwise very satisfactory trend in sales volumes, boosted by the extension of the innovative "steamed" range of products.

Frozen-vegetable sales were driven by remarkable growth in both the food-service market and the retail market for Bonduelle-brand products in France, but offset by the impact of the completion of the process involving the transfer of business to the Gelagri joint-venture.

Annual chilled-vegetable sales remained extremely buoyant, showing 4 consecutive quarters of continuous growth, despite a significant slow-down in sales in Germany in the last quarter due to the EHEC bacteria crisis.

Non-Europe Zone

In the Non-Europe Zone, annual turnover was up 11.2%, signalling the return to a situation of very strong growth in Russia and the CIS countries. In North America, although volumes continued to progress satisfactorily, sales of products exported to the U.S. from the Group's Canadian plants were penalized by the strengthening of the Canadian dollar against the U.S. dollar.

In Brazil, sales increased in the 4th quarter, confirming the commercial development expected in that country.

Operating profitability in line with objectives: EUR 80.7 million

Despite a particularly delicate business environment—lowering of distributor-brand canned-vegetable prices in Europe; poor harvests in 2010, resulting in additional production costs and shortages; unfavourable USD/CAD exchange rates—operating profitability amounted to EUR 80.7 million (4.7 % of turnover), in line with the March 2011 upwardly revised annual forecast of EUR 78 - 81 million.

The net burden of non-recurring items totalled EUR 11.7 million, and comprised for the most part of restructuring costs incurred to enhance industrial competitiveness and improve the Group's cost structure.

After deduction of these non-recurring items, operational profitability amounted to EUR 68.9 million, which was also perfectly in line with revised forecasts (EUR 67-70 million).

Net profit down to EUR 30.4 million

Group net profit, which amounted to EUR 30.4 million as opposed to EUR 58.3 million the previous year, was mainly impacted by the decline in operational profitability.

Financial costs amounted to EUR 23.7 million; taxes totalled EUR 14.7 million, representing an effective tax rate of 32.4 %. Profit from companies consolidated using the equity method, comprised for the most part of the profit from the Gelagri joint-venture, amounted to EUR 0.1 million, contrasting with the EUR 0.5 million loss reported at 30 June 2010. This result, achieved in difficult market conditions, highlights the relevance of the partnership policy pursued by the Group in the frozen-vegetable sector.

At the General Shareholders Meeting scheduled to be held on 8 December 2011, the Executive Board will recommend a dividend of EUR 1.50 per share (unchanged from the previous two years).

Decrease in net financial debt and improved debt ratio

At 30 June 2011, the Group's net financial debt totalled EUR 492 million, down EUR 65 million compared to the previous year.

The improvement in the Group's debt ratio—135% in 2009; 116% in 2010; 102% in 2011—reflected an increase in the generation of free cash flow (1) (EUR 60.8 million vs. EUR 51.3 million at 30 June 2010)—despite the decline in profit—as well as the Group's strategies to optimize capital employed (lowering of stock levels and reduction in customer credit; administrative real-estate disposal programme; partnerships in the consumer frozen-vegetable sector in France and Spain).

By increasing its long-term debt (through a USD 165 million private placement issued in August 2010), the Group was able to increase its average debt maturity to 3.5 years thanks to medium- and long-term financing accounting for 90% of its financing needs. In so doing, the Group has secured the financing required for its operations, and now possesses the financial resources necessary for it to pursue its policy on external growth.

Development of drivers of growth and profitability

Despite a decline in profitability in fiscal 2010-2011, the Bonduelle Group continued to pursue investments aimed at developing the company and enhancing its competitiveness:

- Extension of "steamed" ranges to include canned- and frozen-vegetable products;
- Start-up of industrial and commercial operations in Brazil in September 2010;
- Introduction of mechanical mushroom cutting, and development of the mushroom range under the Bonduelle brand in several European countries;
- Opening of the largest bagged-salad processing plant in Europe, in San Paolo, Italy, supporting the Group's growth in the chilled-vegetables market;
- Setting up of a 50-50 industrial joint-venture in Spain with Europe's leading player in the frozen-vegetable market (Ardo), and the sale of the Group's consumer frozen-vegetable brands in Spain (Frudesa and Salto);
- Opening in Picardie (France) of a fully automated high-rise cold store for the storage and preparation of frozen-vegetable orders.

Potential acquisition in Russia

The Bonduelle Group has entered into exclusive discussions with Cecab regarding the latter's Russian agri-industrial and commercial assets (i.e., regarding the acquisition of the d'aucy and Globus brands of processed vegetables) in Russia and CIS countries (Community of Independent States).

With a commercial presence in Russia and the CIS countries since the mid-90s, and agri-industrial operations in Russia since 2004, Bonduelle now occupies the leading position in the canned-vegetables sector in this area.

Supplies to the Group's markets in the region are assured through its Hungarian plants (40%) and its Russian plant in Novotitarovskaia (60%), which is currently operating at maximum capacity.

To meet the Russian facility's supply requirements, the Bonduelle Group operates, through long-term lease agreements, two fully irrigated kolkhozes (production farms) of more than 3,000 hectares each, which provide the Russian processing facility with 60% of their raw-vegetable needs. These internally produced raw-vegetable supplies are supplemented through various external crop production contracts.

The Cecab Group, which has had a presence in Russia since 2001, has invested in 2007 through the construction of a plant in Timachevsk situated 30 kilometres from the Bonduelle plant.

Additionally, the Cecab Group, through a long-term lease agreement, operates a 6,000-hectare to supply its plant with raw-vegetables.

The Bonduelle Group has entered into exclusive discussions with the aim of:

- acquiring the Cecab Group's commercial assets, i.e. sales under the brands d'aucy and Globus (acquired in 2007);
- quickly ramping up crop production at the Cecab kolkhoze through an increase of the production capacity of the Timachevsk facility;
- capitalizing on the obvious synergies to be gained as a result of the geographic proximity of the two agri-industrial facilities (logistics, ...), which are both located in the Krasnodar Krai (Kuban Province, south of Russia).

This project, which is conditional upon the approval of the Anti Trust Authorities, could be finalized in the winter of 2011, with the operational phase being implemented in time for the 2012 planting and harvesting seasons.

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)

Prospects

Despite a consumer climate marked by renewed uncertainty in light of the current economic and financial context, the Group is able to confirm its forecasted recovery in respect of internal growth (+3 to +5%) and operating profitability (EUR 95 - 100 million expected at June 30 th 2012, i.e. +40 %) including a strong growth of marketing investments (about 10 million euros).

Upcoming publications

- Fiscal 2011-2012 first-quarter turnover: November 3, 2011

- Fiscal 2011-2012 half-year turnover: February 2, 2012

- Fiscal 2011-2012 half-year results: 29 February 2012

For full details on all year-end results, visit www.bonduelle.com

(1) Free Cash Flow represents the net cash generated from the business minus the net expenditure on tangible and intangible fixed assets.