



Press release

Beaucaire, 20 September 2012

BELVEDERE'S RESTRUCTURING REACHES A NEW MILESTONE

APPROVAL OF THE PROPOSALS FOR THE SETTLEMENT OF LIABILITIES BY THE CREDITOR COMMITTEES AND THE SOLE GENERAL ASSEMBLY OF BONDHOLDERS

The creditor committees and the sole general assembly of the bondholders of Belvédère S.A. (« **Belvédère** » or the « **Company**») which were convened on 20 August 2012 in the framework of the judicial rehabilitation proceedings ("redressement judiciaire") to vote on the proposals for the settlement of liabilities on Tuesday, 18 September 2012, and Wednesday, 19 September 2012, respectively, have approved these proposals by the legally required majorities of the financial institutions committee, the major suppliers committee and the sole general assembly of the bondholders.

Among other, the proposals were approved by the bondholders representing - depending on the resolution - 91% or more of total bondholder claims of which 100% of the claim of the floating rate notes ("FRN Claim").

As indicated in the press release of 20 August 2012, these proposals for the settlement of liabilities, which mandatorily need to be also approved by a general assembly of the Company's shareholders due to be held by no later than 20 March 2013, comprise two alternative scenarios both of which are leading to a massive deleveraging of the Company at the cost of an important dilution of its current shareholders:

- One scenario allowing the Company to sell assets and to use the disposal proceeds therefrom to repay its creditors according to the legally prescribed ranking including a portion of the FRN Claim, the remainder of which being converted into share capital;
- Another scenario of conversion of 100% of the FRN Claim into share capital if the disposal prices in the to-be-received purchase offers for disposable assets do not allow executing the disposal scenario.

Thus, if the disposal proceeds leading to a repayment of the FRN Claim reach a target value of €310m, the remainder of the FRN Claim will be automatically converted into 55% of the share capital post-restructuring thereby mechanically implying a dilution of the existing shareholders to 45% of the post-restructuring share capital.

If the disposal proceeds leading to a repayment of the FRN Claim are between €310m and the total amount of the FRN Claim, the percentage of the share capital in which the remaining FRN Claim will be converted, will be calculated by means of a linear interpolation between 55% and 0% of the post-restructuring share capital.

If the potential disposal proceeds reach between €275m and €310m, they will be used to repay the FRN Claim if the FRN holders decide so by a simple majority whereas the remainder of the FRN Claim will be converted into the share capital.

If the disposal scenario cannot be executed, the total FRN Claim will be converted into 87% of the post-restructuring share capital of the Company, thereby leaving 13% to existing shareholders. Based on the current capital structure, the conversion price of the FRN Claim would amount to c. €20.6 per share taking into account c. 21 million new shares to be issued in addition to the currently outstanding 3.3m shares.

Furthermore, as part of the restructuring, holders of the subordinated bonds (issued as so-called *OBSAR*) as well as existing shareholders will obtain anti-dilutive warrants.

In order to allow the implementation of the proposals for the settlement of liabilities, a positive vote of the current shareholders of Belvédère is indispensable. For this purpose, a general assembly will be convened.

If the proposals for the settlement of liabilities are approved by the general assembly of the shareholders, the rehabilitation plan (*plan de redressement*) will be submitted by the judicial administrator for an approval by the Commercial Court of Dijon in the course of Q1/2013.

Finally, on 18 September 2012, the Company has reached an agreement with the majority holders of the FRN Claim in order to obtain their support in the implementation of the proposals for the settlement of liabilities according to the consent solicitation launched on 5 September 2012 which was approved by 97.52% of the ultimate holders of the FRN Claims on 17 September 2012. At this occasion, the holders of the FRN Claim, The Bank of New York Mellon, in its capacity as Trustee and Common Depositary, as well as Belvédère have jointly surrendered ongoing legal actions and committed themselves to not initiate new actions subject to the approval of the rehabilitation plan by the Commercial Court of Dijon.

Krzysztof Trylinski, CEO of Belvédère: "My priority was to deleverage the group and to terminate the legal proceedings which have slowed Belvédère in its development since four years. I am glad to turn this page. Subject to a positive vote from the shareholders which are asked to make a significant but decisive effort for the continuation of the Company, Belvédère will be able to resume its innovations which have allowed its brands to rapidly gain a major position on their respective markets."

Frederic Abitbol, judicial administrator of Belvédère: "The creditors have accepted significant concessions in order to avoid a true risk of liquidation proceedings of Belvédère, thus allowing to continue activities and rescue jobs of a now deleveraged company. The effort made by the creditors must be now validated by the shareholders who will be soon asked to approve the proposals for the settlement of liabilities by accepting a significant but necessary dilution proportionate to Belvédère's vast difficulties. To put it the other way around, a refusal by the shareholders would inevitably entail a high risk of both job and value destructive liquidation proceedings leaving scarce recovery prospects for creditors and even less for shareholders of the Company."

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