



Review of operations and sustainable development report **2010/2011**



Everywhere,
the best of vegetables

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Providing the best of vegetables

Bonduelle, a family-run group established in 1853, is the global market leader in ready-to-use vegetables. The group has always prioritized innovation and a long-term approach, and is currently diversifying its businesses and geographical locations. Its vegetables, grown over an area of more than 95,000 hectares, are sold in 80 countries in all forms, under all types of brands, through all distribution channels and using all available technologies: canned, frozen, pasteurized, dried, fresh/ready-to-use.

The group's key strategic aims encompass sustainability, independence, and the individual development of the women and men **who work to fulfill Bonduelle's goal of making vegetables the future of food.**



31
million
euros

in net income

81
million
euros

in current operating income

1,726
million
euros

in revenue



- **BRAZIL/October 20, 2010** – Inauguration of the Bonduelle Group's first Brazilian plant, located at Cristalina in the state of Goiás.

365 days/year

The subtropical climate of the high plateaus of central Brazil means that vegetables can be grown all year round.

Our group

International scope



The Bonduelle plant in Cristalina, Brazil, is a perfect example of a win-win agreement, based on trust. Cristalina is located in an area with strong agricultural potential and the capacity to meet the rapidly growing demand in the region. As Governor of the state of Goiás, I am delighted to welcome Bonduelle, an internationally-recognized brand with a history spanning 150 years. I am convinced that Bonduelle will become an important creator of jobs and a major source of wealth for our state.



Governador Marconi Perillo,
Governor of the state of Goiás
Brazil



Message from the Executive Management

The 2010-2011 financial year was a particularly busy year for the Bonduelle Group on all fronts. After posting substantial sales growth (+10.7%), and net income in line with forecasts (albeit at a lower level versus the previous year), it has re-established sound foundations for 2011-2012.

Margin pressures in 2010-2011

In spring 2010, there was a significant oversupply of canned and frozen vegetables worldwide, and it became necessary to make deep cuts to prices and production plans in order to reduce stock levels.

Unfortunately, after this action was taken, high temperatures in northern France and Russia and floods in Hungary had a catastrophic effect on harvests.

As a consequence of the poor 2010 harvests, the group's production facilities were underused, leading to a sharp rise in production costs, and in certain cases, insufficient produce led to shortages in spring 2011, while contracted selling prices were falling!

The combination of these two factors therefore squeezed margins, reducing profitability in 2010-2011. However, this unfortunate series of events has led to improvements for 2011-2012.

Investments and restructuring

Faced with the need to improve the group's long-term competitiveness and secure its future, the decision was made to close two plants, even though this meant posting considerable non-recurring items in 2010-2011 (11.7 million euros).

The first plant concerned was the Westmeerbeek facility in Belgium. This plant had not reached 'critical size' and would



Christophe Bonduelle,
Chairman

Daniel Vielfaure,
Chief Executive Officer

require significant investment, particularly as regards waste water treatment. Moreover, the production carried out there could be relocated to the group's French facilities without the need for additional investment. The second case concerned south-west France, where it was possible for the production of three plants to be carried out at two facilities instead, but with no job losses. The

closure of the Saint-Sever plant will lead to substantial savings in general and administrative expenses in 2011-2012. All the staff have been transferred to the Bordères plant, which is 19 km from Saint-Sever.

As for investments, this year saw the inauguration of three major facilities:

- the construction of the Cristalina plant in Brazil was completed in September 2010. Its first year of operations has confirmed that the plant can carry out production on a non-seasonal basis. This represents a new business model with advantages in terms of capital employed, and which will enable the group to capture the heart of the large Brazilian market going forward;
- the start-up of operations at the new plant in San Paolo d'Argon (Italy) took place in spring 2011, following a fire in 2008. This ultra-modern plant is currently Europe's biggest facility producing fresh-cut salads;
- the construction of a large-scale fully-automated cold room in Estrées (France) for frozen vegetable storage

and order preparation was completed. This investment should lead to considerable maintenance savings from 2011-2012.

Bonduelle enters the mushroom business

Following the acquisition of France Champignon in April 2010, the group has expanded its range of activities to include the mushroom business.

2010-2011 was therefore a year of integration for the mushroom business, which, with its 1,300 employees and sales of 170 million euros, represents growth of almost 8% for the group.

The integration naturally involved a lot of changes, notably the closure of the Beaufort en Vallée plant, the significant restructuring of the Bagneux (Saumur) head office (relocation of administration and sales to the group's networks), and the implementation of a major overhaul of agricultural production (50% integrated) following the development of a mechanized mushroom picking process, which promises to be highly effective. All these changes, which were unavoidably painful in terms of job losses, but essential to securing the competitiveness of the mushroom activity, were carried out with a focus on transparency and fairness.

Joint venture with Ardo in Spain

Spain has probably been the European country most severely affected by the economic crisis since 2008. Consumption, particularly of Spanish brands, has fallen, and manufacturers have embarked on a price war in order to preserve their sales volumes.

This situation has led to unsustainable reductions in selling prices.

As a result, the Bonduelle Group sold its Frudesa and Salto brands to Findus, thereby removing a source of recurrent losses, and transferred its Benimodo plant to the agro-industrial joint venture (50/50) entered into with Ardo, which has contributed its logistics center in Marcilla.

This venture, established in Spain in June 2011 by Europe's two leading producers of frozen vegetables, has a supply contract with Findus as well as access to the European sales networks of the Ardo and Bonduelle groups. The future of these sites, which have been



The Bonduelle Group has improved its position after a very difficult year in 2010-2011.



returned to competitiveness through the implementation of production plans that make effective use of their capacity, should now be secure.

Exchange rates

While the depreciation of the euro against a large number of currencies contributed 2.4% to growth in consolidated results in euros, the considerable appreciation of the Canadian dollar against the US dollar is likely to have the most significant impact on the group's competitiveness. Around one-third of North American revenue is generated in the USA from products made in Canadian plants. However, the group has been able to offset these unfavorable one-off effects with savings on production and structural costs, thereby preserving profitability in North America. These improvements should benefit the group considerably if exchange rates return to a more 'normal' level. Lastly, the prudent exchange rate hedging policy adopted by the group led to an improvement in net finance income of 2.7 million euros.

Outlook

The Bonduelle Group has improved its position after a very difficult year in 2010-2011.

Throughout its history, it has never prioritized short-term profit over its long-term vision by delaying costly but necessary decisions or major agro-industrial or R&D investment (the success of the new "steamed" ranges of canned and frozen vegetables demonstrates the validity of this policy).

Similarly, the group has not compromised its sustainable development strategy, especially as the investments involved should be profitable in the long term.

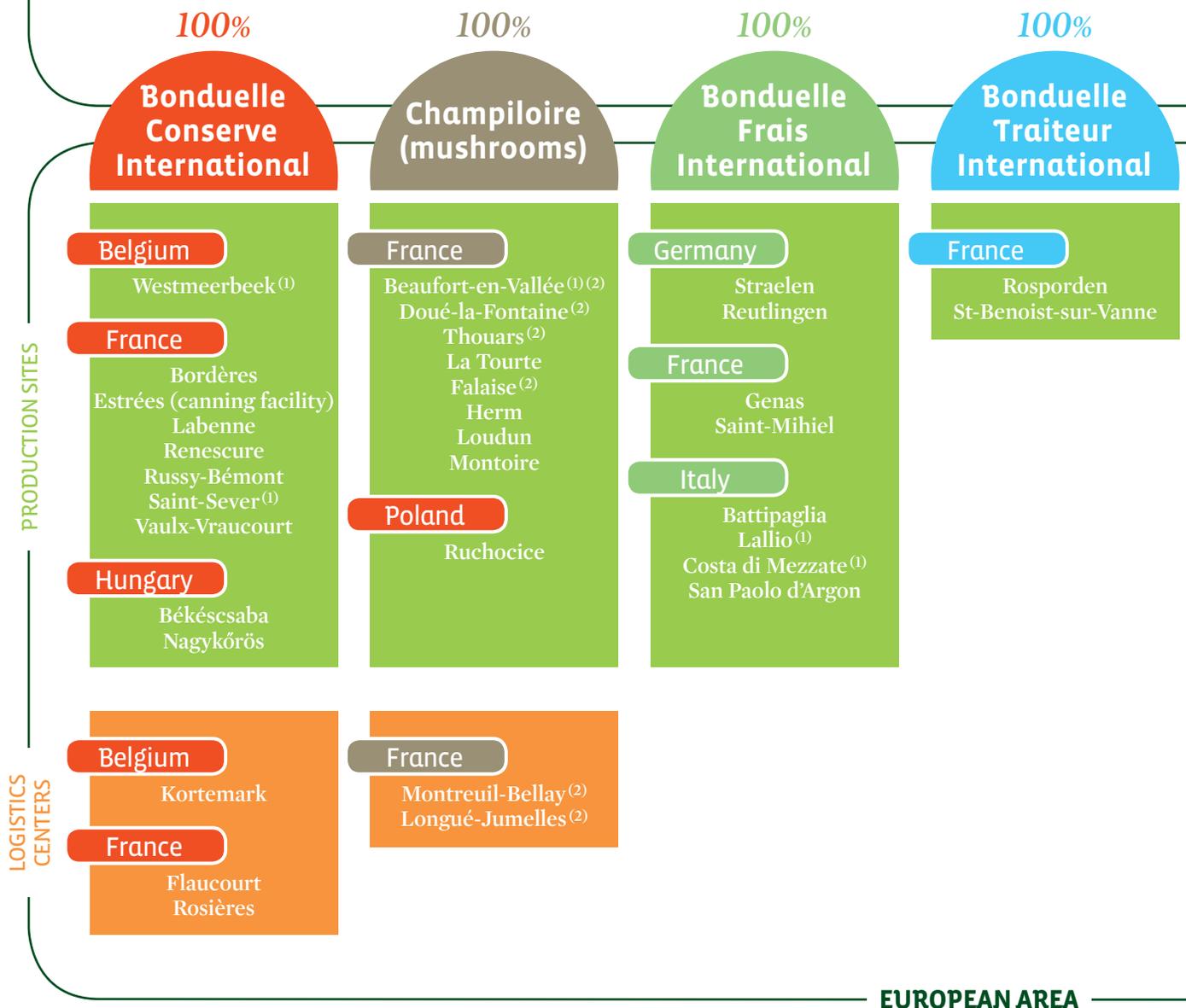
The group is therefore confident that 2011-2012 will represent a 'return to normal', with a significant improvement in profitability.

The vegetable **specialist**

Executive Management

GROUP DEPARTMENTS

- Finance • Human Resources • Corporate Communication and Marketing • Information Systems



⁽¹⁾ Plant closed in 2010-2011

⁽²⁾ In association with the France Champignon co-operative.

• External Relations and Sustainable Development • Research and Development • Purchasing • Audit

100%

Bonduelle Food Service

France

Estrées (frozen food facility)

Portugal

Santarém

Poland

Gniewkowo

Spain

Benimodo

35.5%

Gelagri

Spain

Santaella
Milagro

France

Saint-Caradec
Loudéac

100%

Bonduelle Development

Russia

Krasnodar

Brazil

Cristalina

100%

Bonduelle North America

Canada

Saint-Denis
Saint-Cesaire
Sainte-Martine
Bedford
Strathroy
Ingersoll
Tecumseh

OUTSIDE EUROPEAN AREA

Bonduelle **in the European Area**

Bonduelle is Europe's leading producer of ready-to-use vegetables and operates in all European countries. Through its own brands and the private label brands of its retailer customers, Bonduelle is European leader in fresh and canned vegetables. It is also the second-largest producer of frozen vegetables.

Retail market
for canned and frozen
vegetables

in Central and Eastern Europe:

708
million euros*

in Western Europe:

11,203
million euros*

54,300
hectares cultivated for Bonduelle

75%
of total revenue

38%
of total current
operating income

*Source: Food For Thought 2011.



Find out more at
www.bonduelle.com

(1) Plant closed in 2010-2011.

(2) In association with the France Champignon co-operative.

Bonduelle outside the European Area

With a presence in more than 60 countries, Bonduelle has strategic bases in three key regions: Canada, Brazil, and Russia. The group is market leader in canned and frozen vegetables in Canada and is the biggest producer of canned vegetables in Russia.



Retail market for canned and frozen vegetables in North America:

35,250
million euros⁽²⁾

Retail market for canned vegetables in Brazil:

960
million euros⁽²⁾

Cristalina ●

São Paulo ■

■ Buenos Aires

(1) Source: Food For Thought 2011.

(2) Source: Homescan/NIELSEN - "back data 2009/2010" - 1 EUR = 2.45 BRL (exchange rate on September 28, 2011).

(3) Source: Nielsen CAM August - September 2010 - June - July 2011, Total National Urban; coverage rate = 70% of market exchange rate 1 EUR = 40 RUB. Extrapolation of total market = Nielsen value/0.7.

Retail market
for canned vegetables

in Russia:

1,289
million euros⁽³⁾

40,700
hectares cultivated for Bonduelle

25%
of total revenue

62%
of total current operating income

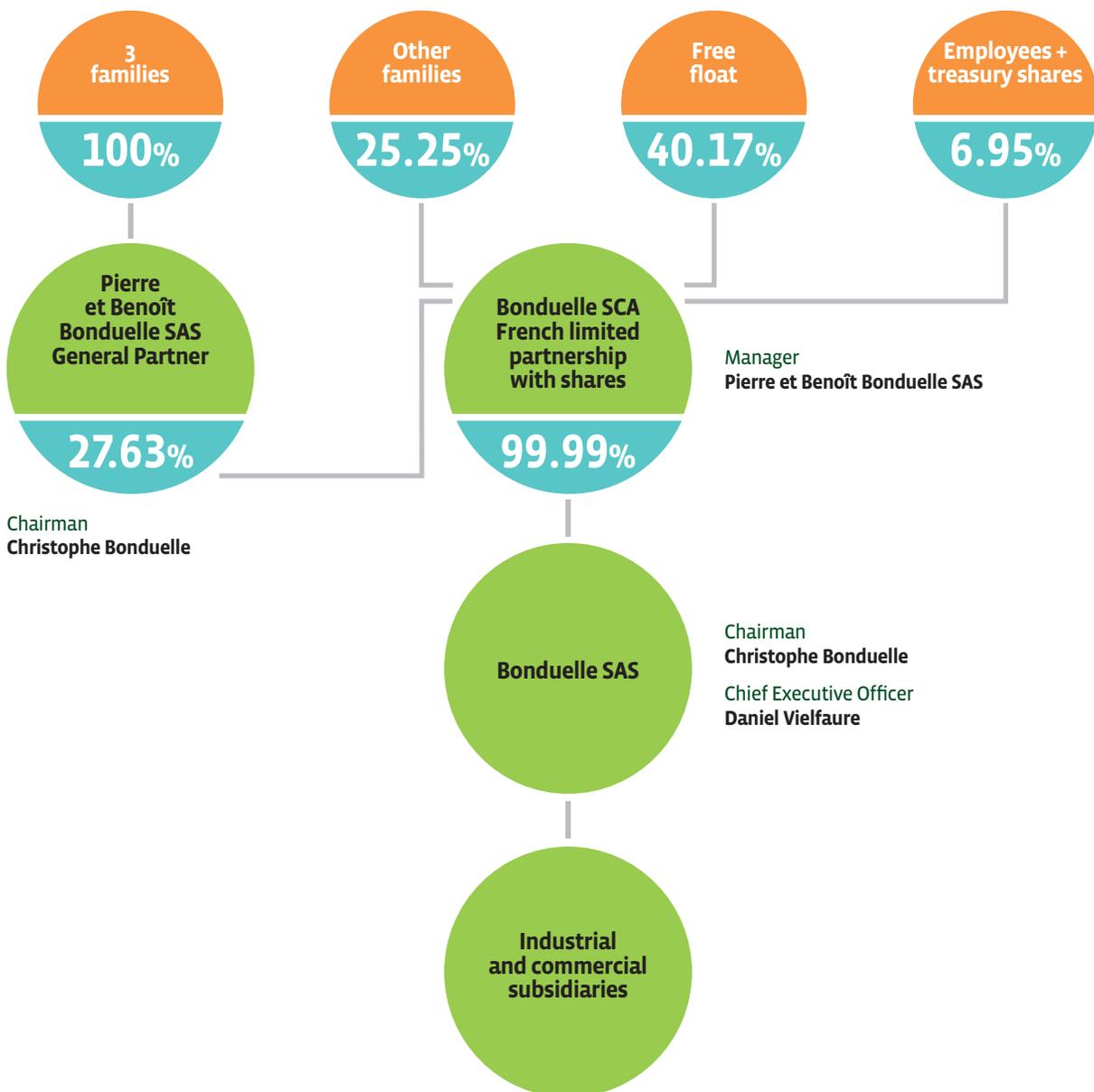
SITES

- Frozen
- Canned
- Sales and Marketing Departments
*(Markets without a dedicated sales department
are managed by the Export Department
of the subsidiary Bonduelle Development.)*

Find out more at
www.bonduelle.com

Corporate Governance

SHAREHOLDER STRUCTURE



BONDUELLE SCA

The limited partnership with shares has two categories of partner

- The company Pierre et Benoît Bonduelle SAS, owned by three families, is the General Partner, and therefore has joint and several unlimited liability for the company's obligations. Elected from among the company's members, the Ownership Strategy Committee has eight members and is responsible for deciding on the ownership options of the family general partners; its members are also directors of Bonduelle SAS.
- The liability of the shareholder partners (other family members, free float, employees + treasury shares) is the same as that of the shareholders of a limited company: it is limited to the amount that they put into the company.

The Supervisory Board

It is responsible for monitoring the management of the company on an ongoing basis (reviewing the financial statements, assessing the conduct of company business) on behalf of the shareholder partners. The composition of the Supervisory Board (whose eight members are independent) ensures that it has the expertise, independence and availability to accomplish its duties and represent the interests of shareholders.

Audit Committee

Set up by the Supervisory Board, this committee is responsible for reviewing the financial statements, evaluating internal controls and assessing the annual audit programs for the statutory auditors.

Members

- Yves Tack, Chairman
- André Crespel
- Daniel Bracquart



- 1 André Crespel, Chairman
- 2 Daniel Bracquart, Vice Chairman
- 3 Louis Bonduelle
- 4 Elisabeth Minard
- 5 Stanislas Dalle
- 6 Isabelle Danjou
- 7 Jean Guéguen
- 8 Yves Tack

Corporate Governance

BONDUELLE SAS

Executive Committee

The Executive Committee brings together the Managers of Bonduelle subsidiaries, the executive Management, and the Directors of finance, human resources, and external relations and sustainable development.

This Committee establishes the group's policies.



Philippe Carreau
Chief Executive Officer,
Bonduelle Conserve
International



Jean-Bernard Bonduelle
Director of External Relations
and Sustainable Development



Bruno Rauwel
Director of Human Resources



Christophe Bonduelle
Chairman



Patrick Néaume
Chief Executive Officer
Bonduelle Traiteur International
and Bonduelle Frais
International



Daniel Vielfaure
Chief Executive Officer

Board of Directors

The Board of Directors mainly comprises members of the Bonduelle family. It is responsible for defining the company's strategy and investment policy.



Jean-Bernard Bonduelle



Benoît Bonduelle



Gilles Lessard



Philippe Vasseur



Pierre Deloffre



Jérôme Bonduelle
Chief Executive Officer
Bonduelle North America



Pascal Bredeloux
Chief Executive Officer
Bonduelle Food Service



Benoît Bonduelle
Chief Executive Officer
Bonduelle Development



Grégory Sanson
Chief Financial Officer

Compensation Committee

The Compensation Committee, which is entirely independent, decides on the systems and levels of compensation of the directors and officers of Bonduelle SAS and employees who are members of the Bonduelle family. It also provides an opinion on compensation policy for certain other senior managers.

Members

- **Daniel Bracquart**,
Former Chairman of the Executive Board of Bonduelle, Vice Chairman of the Supervisory Board of Bonduelle SCA.
- **José-Maria Aulotte**,
Director of Human Resources of Arc International.
- **Yves Delloye**,
Associate Director of Transearch.
- **Antoine Fiévet**,
Chairman of the Executive Board of Unibel.
- **Thomas Derville**,
Former Chairman of Amora-Maille.



Thomas Derville



Christophe Bonduelle,
Chairman



Jérôme Bonduelle



Guillaume Debrosse



Hubert Mulliez



François Bonduelle



Marc Bonduelle

Highlights

Appointment

On January 1, 2011, Daniel Vielfaure, a Canadian national, took up his new post as Chief Executive Officer of the Bonduelle Group. He had previously been Deputy Chief Executive Officer, since August 2009.

“Usine Sobre®” (Frugal factory)

This project was set up to estimate the “ideal” level of energy consumption for the various production processes. This means finding the “minimum energy requirement” by reviewing all the processes involved in the production and storage of vegetables, and the related energy needs. The project looks at energy quality as well as quantity. Three sites are participating in the test study: Vaulx-Vraucourt (Pas de Calais) for canned products, St Mihiel (Meuse) for fresh-cut products, and Bordères (Landes) for canned and frozen products.

The Louis Bonduelle Foundation in Canada

Six years after it was established in Europe, the Louis Bonduelle Foundation now has a presence in Canada. It awarded a first round of grants following its “Appeal for Proposals”, an international program that funds community projects, all of which are aimed at promoting healthy eating habits in the target populations.

Completion of three major projects reflecting our sustainable development policy



The Cristalina plant, the group's first production site in Brazil.



The new plant at San Paolo d'Argon, in Italy.

This year, the Bonduelle Group opened two new plants representing the crystallization of all its technological and environmental know-how. The group's first Brazilian plant, located in Cristalina, will operate year-round, producing 50,000 metric tons of canned peas and sweet corn. This facility, which complies with strict environmental criteria, has a wood-fuelled boiler system. In Italy, the new plant at San Paolo d'Argon was designed in accordance with the principles of the “Usine Sobre®” (Frugal factory) project, prioritizing optimal transportation flows and energy efficiency. It is the largest bagged green salad plant in Europe, with a production capacity of 20,000 metric tons. In addition, the Estrées site in France now has a large-scale cold room for automated storage of frozen products. This facility represents both a reduction in the movement of products to other storage sites and lower energy consumption compared with a conventional cold room, with a total of 500 tons equivalent CO₂ saved every year.

Innovations add flavors!



After the successful launch of the Vapeur range of canned vegetables in France, production is being expanded and developed across Europe. Steam-cooking retains more of the texture and flavor of vegetables than other methods.

Since September 2010, 15 products have been sold under the Bonduelle Vapeur brand in France.

In the Benelux countries, new canned products have been launched under the “Pure” brand already used for a frozen range.



In Italy the packaging for Bonduelle brand canned vegetables has been completely overhauled with the launch of an additive-free range of vegetables cooked using steaming technology. The vegetable medleys are now packaged in rectangular cans,

and the ratatouille comes in a specially-designed container enabling it to be reheated in a microwave oven.



On the fresh counter



Bonduelle Frais International has launched a new “Bio” range of organic bagged salads onto the French market with corn salad and oak leaf lettuce currently available. They are produced using organic farming methods and packaged in oxo-biodegradable plastic bags.

Bonduelle Traiteur International also has two new products: the Box (hot) and Cup (cold) ranges, which represent the equivalent of a complete and balanced vegetable-based meal.



In frozen foods, Bonduelle North America has expanded its Select range sold under the Arctic Gardens brand, with nine new products including extra-fine green beans. This new product, which is very popular on the American continent, has been produced locally by Bonduelle since 2008-2009, and opens up a new market segment for the brand.

Creation of a production joint venture in Spain

In 2011, the Bonduelle and Ardo groups decided to set up a joint venture to supply vegetables to the Findus brand in Spain and Portugal, having signed an exclusive production agreement with Findus. In addition, Bonduelle sold its Frudesa and Salto brands to Findus. Through this partnership, and thanks to the synergies generated, Bonduelle and Ardo aim to create a competitive producer of frozen vegetables.

Successful integration

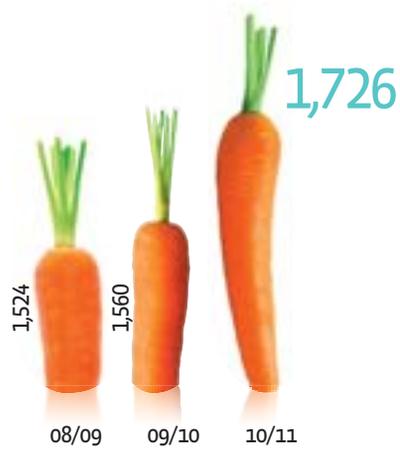
The 2010-2011 financial year saw the successful integration of the mushroom business into the group. The support functions were integrated into the group and the sale of mushrooms is now carried out by its networks in the various countries. The products previously sold under the Royal Champignon and Abra brands are now available under the Bonduelle brand.



La Tourte (Maine-et-Loire), in France. This site uses mechanical cutting processes.

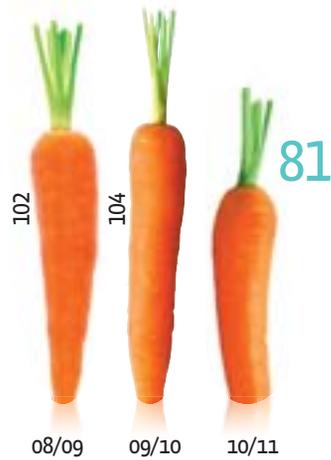


Key group figures



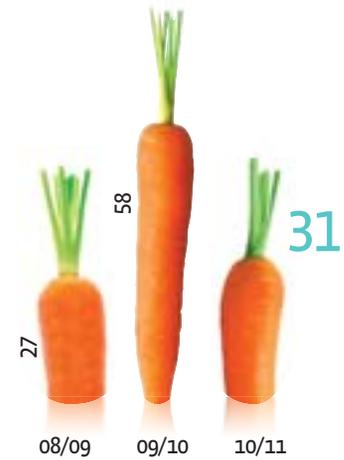
Revenue

in millions of euros



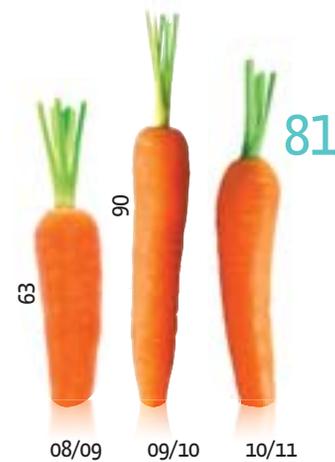
Current operating income

in millions of euros



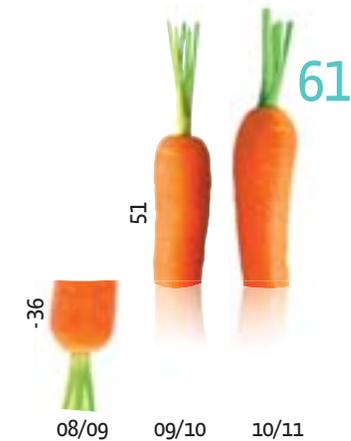
Net income

in millions of euros



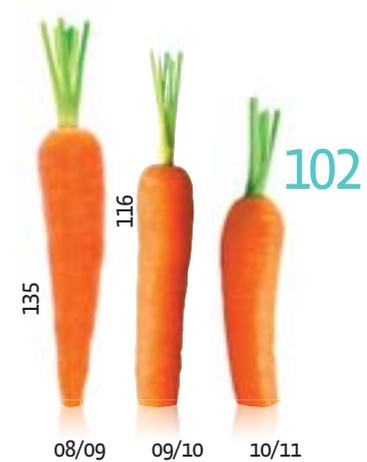
Capital expenditure

in millions of euros



Free cash flow*

in millions of euros



Debt-to-equity ratio (gearing)

in %

* Free cash flow is the amount of cash flow generated from operations, less the change in working capital and cash flow used in investments.

1,726

million euros
in revenue:

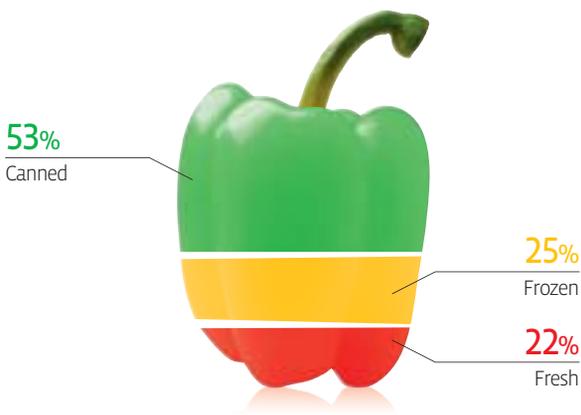
25%
outside European
Area

75%
European Area

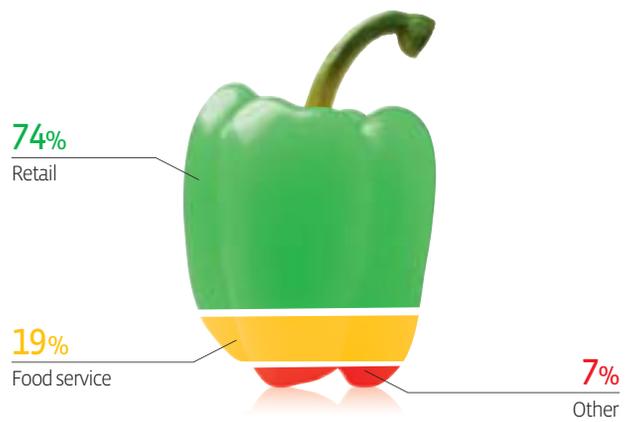
Find out more at
www.bonduelle.com

BREAKDOWN OF REVENUE 2010-2011

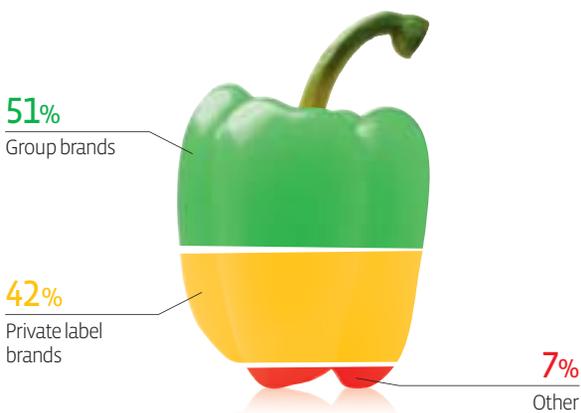
By segment



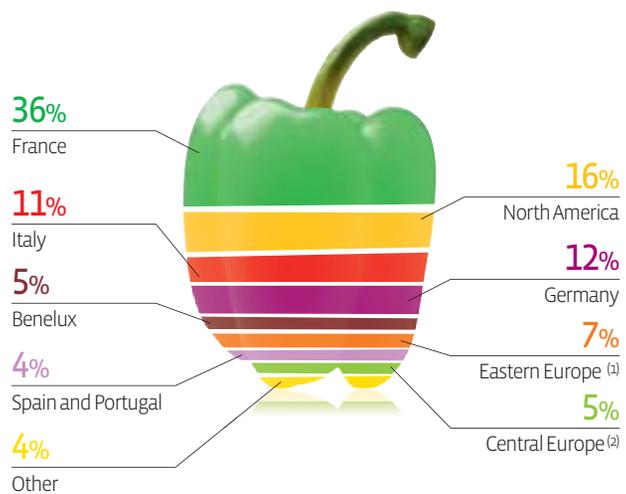
By distribution channel



By brand



By region



⁽¹⁾ Russia + CIS countries.

⁽²⁾ Former Eastern Bloc countries now in the EU.

9.6
million euros

spent on reducing
the environmental impact
of the group's operations
(water, air and energy,
industrial waste,
and green waste)
in 2010-2011.

Key sustainable development data

Agricultural production

2009-2010

Sourcing charter

Signature rate: 91%

Agricultural services

213 employees

2010-2011

Sourcing charter

Signature rate: 91%

Agricultural services

209 employees

Biodiversity:

- Almost 500 vegetable varieties distributed in the group's various ranges
- 219 collections enabled 882 plant varieties to be observed in 2010-2011

Quality and nutrition

2009-2010

Total quality control personnel

476 employees (*full-time equivalent*)

Certified factories

- 16 have been certified ISO 9001
- 19 have been certified BRC and/or IFS
- 5 produce certified organic vegetables

2010-2011

Total quality control personnel

540 employees (*full-time equivalent*)

Certified factories

- 15 have been certified ISO 9001
- 30 have been certified BRC and/or IFS and/or FSSC22000
- 8 produce certified organic vegetables

People

2009-2010

Total employees

- 6,239 permanent staff
 - 8,252 employees on **long-term, short-term, and seasonal contracts** (*full-time equivalent*)
 - **Average seniority:** 14.05 years
 - **New hires** (*in number of contracts*):
 - Long-term: 308
 - Short-term: 974
 - Seasonal: 6,561
 - **Turnover all employees** (*including retirees*): 12.61%

Training

1.57% of gross payroll

Safety conditions

Accident rate: 22.16

2010-2011

Total employees

- 7,248 permanent staff
 - 9,650 employees on **long-term, short-term, and seasonal contracts** (*full-time equivalent*)
 - **Average seniority:** 15.28 years
 - **New hires** (*in number of contracts*):
 - Long-term: 485
 - Short-term: 624
 - Seasonal: 6,606
 - **Turnover all employees** (*including retirees*): 13.12%

Training

1.71% of gross payroll

Safety conditions

Accident rate: 24.39

Natural resources

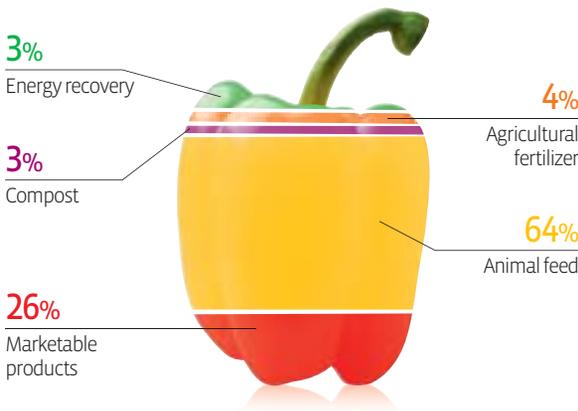
BONDUELLE GENERATES

Waste and by-products

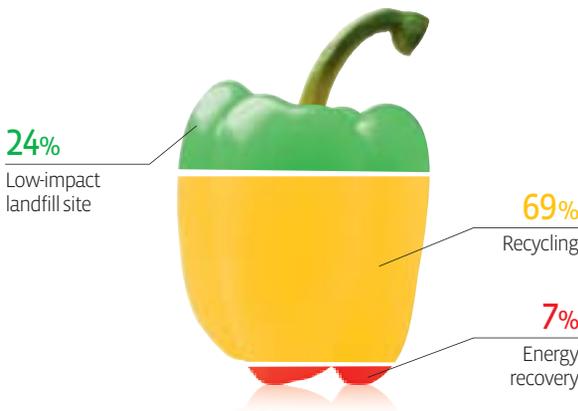
(in kg per metric ton of product produced)



Recovery of green waste 2010-2011



Recovery of ordinary industrial waste 2010-2011



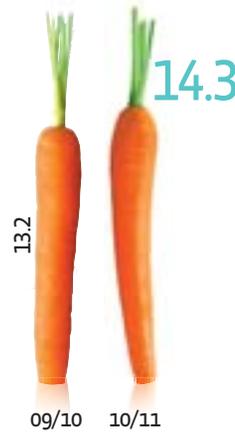
BONDUELLE CONSUMES

Energy consumption in 2010-2011

- Electricity: 371 GWh
- Natural gas: 510 GWh (SCV)
- Fuel (*very low sulfur content*): 5,189 metric tons
- Propane: 926 metric tons
- LPG: 154 metric tons
- Domestic fuel oil: 1,102 metric tons

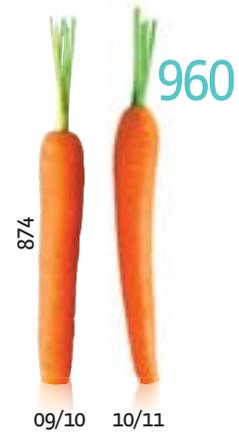
Water consumption

(in m³ per metric ton of product produced)



Energy consumption

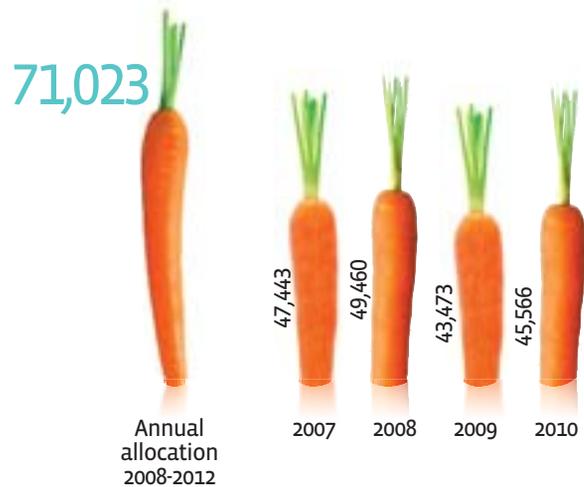
(in kWh per metric ton of product produced)



GREENHOUSE GAS EMISSION QUOTAS

(in TEQ CO₂/year)

European regulation 2003.
Applies to 4 Bonduelle Group plants.





● **ITALY/May 20, 2011** – Bonduelle opens a new plant at San Paolo d'Argon, Italy, the biggest bagged green salad plant in Europe.

17,500 tons

of salad are produced in the new Italian plant in San Paolo d'Argon, which has been completely rebuilt to meet the twin aims of modernization and respect for the environment.

Strategy and sustainable development

Protect vegetables and environment



Thanks to Bonduelle, the producers' organization that I represent is the biggest in Italy. We are now operating at national level, supporting a large number of producers that have demonstrated their reliability both in terms of quality and volumes. Our partnership with the group has enabled us to considerably improve the planning of the investments required for our activity. Bonduelle has also given a fresh boost to agriculture by promoting the development of new plant varieties and focusing on the fight against elements that are harmful to plantations, helping to reduce pesticide use.



Santo Bellina,
Chairman of the Consorzio OASI
(agricultural producers' organization),
Italy



Corporate strategy and **policies**

Sustainability, independence, and the individual development of our employees:

the Bonduelle Group bases its strategy on these three key objectives. Bonduelle's shareholding structure has a large family dimension that provides the group with stability and continuity as it pursues its corporate mission: placing vegetables at the heart of our diets while fostering growth and sustainable development.

1

Long-term priority

"Never sacrifice the future for short-term gain." This philosophy has made a family-owned company, established in 1853, the global leader in ready-to-use vegetables. In order to achieve sustainable development, the group strives to diversify its businesses and geographical locations, while pursuing a dynamic capital expenditure policy to ensure that it keeps up with the latest technologies. To this end, despite the difficult economic environment, the capital investment made by the group in 2010-2011 (81 million euros) led to two ultra-efficient plants coming on stream: Cristalina in Brazil and San Paolo d'Argon in Italy.

2

Growth

The group's proactive sales and marketing operations, coupled with its acquisition and partnership strategy – as reflected in the joint venture agreement signed in June 2011 by Bonduelle and Ardo, Europe's leading producer of frozen foods – play their part in delivering steady and sustainable growth (10.7% in 2010-2011).

3

Food safety

The quality and safety of Bonduelle products, which are recognized all over the world, are subject to continuous monitoring and rigorous controls. To ensure that it provides consumers with the best of vegetables, in 2010-2011 the group invested in optical sorters and laser detectors, and carried out a large number of quality audits of its suppliers. Moreover, the *E. coli* crisis – which did not affect the group's products – enabled the effectiveness of its control procedures to be verified, particularly thanks to the full traceability of supplies and deliveries.

4

Respect for the environment

Cutting energy and water consumption, and greenhouse gas emissions: reducing the environmental footprint of the group's activities has long been a top priority. This is achieved, for example, through the design of leading-edge production facilities (Cristalina, San Paolo d'Argon) that minimize the use of resources and protect the natural environments. Furthermore, the group is participating in the Frugal Factory research program, which is aimed at making the next generation of plants even more energy efficient, while improving performance in terms of product quality and carbon emissions.

5 Profitability

The group's long-term growth strategy seeks to increase profitability through rigorous management, productivity improvements, diversification of industrial and commercial risks, and the development of innovative activities and products with high value added. Despite a slight drop in profitability compared with the previous year – due to the lower prices applied in relation to market oversupply and poor harvests caused by adverse weather conditions – the group's profitability was at the high end of its forecast range in 2010-2011.

6 Brand strategy

Bonduelle, Cassegrain, Arctic Gardens: the group has a portfolio of brands that are recognized all over the world, and sells vegetables “in all forms, under all types of brands, through all distribution channels, and using all available technologies”. This marketing approach was strengthened in 2010-2011 with the European launch of canned mushrooms under the Bonduelle brand. In addition to selling vegetables under its own brands, the group supplies large retailers with private label products.

7 Innovation

Innovation – whether it concerns products or technologies – is at the heart of the strategy adopted by the group, and is essential for it to differentiate itself from competitors and anticipate changes in consumption trends. For example, in 2010-2011, Bonduelle continued to roll out its Vapeur range of steamed products in Europe, adapted this cooking method for certain frozen products, developed new packaging (Cup and Box ranges) to meet demand for “snacking” products, and launched a range of organic salads in biodegradable bags.

8 Agro-industrial commitment

Conscious that the land is a precious resource, Bonduelle encourages the best farming practices by limiting use of inputs and fostering the natural biological activity of the soil. The group helps farmers to carry out predictive tests to prevent diseases and encourages the deployment of observation networks to detect the arrival of pests. This initiative forms part of the biological monitoring system established by the Ministry of Agriculture and supported by the group.

9 International expansion

Bonduelle is always on the look-out for new growth horizons, and continues to expand internationally. This strategy also increases risk diversification and enables the group to meet the specific product requirements of the regions in which it operates. As part of this strategy, in 2010-2011 Bonduelle launched production at the Cristalina plant in Brazil.

10 Personal development

The success of the group's strategy depends on the commitment of all its employees. To achieve this on a day-to-day basis, Bonduelle places great importance on communications within the group, offers multiple training opportunities, conducts annual reviews, and promotes job mobility to give all its employees the means to further their professional and personal development.

Nutrition, a key aspect of the group's strategy

Rich in minerals, vitamins, and fiber, vegetables play a part in protecting us from developing cardiovascular diseases, obesity, diabetes, ...Fully aware of these public health issues, Bonduelle has made nutrition a key aspect of its strategy by focusing on the benefits and pleasure we get from eating high quality vegetables that are grown with care and preserved in a healthy way. This commitment is transmitted by the Louis Bonduelle Foundation...

Laurence Depezay, Nutrition Manager

The fourth Conference of the Louis Bonduelle Foundation, organized on May 10, 2011 brought together more than 180 participants – including associations, health professionals, and institutions – to discuss an important subject: “Human nutrition: yesterday, today, and tomorrow”. The sixth Louis Bonduelle Research Prize was also awarded at this annual event. Two winners were presented with a check for 10,000 euros: Ling Chun Kong, from the Centre de Recherche des Cordeliers, in Paris, and Florent Vieux, from Université d’Aix-Marseille. In addition, the second ECOG (European Childhood Obesity Group) – Louis Bonduelle Research Prize, which is given to a public health research project or initiative tackling childhood obesity, was awarded in November 2010 to Dr Pascale Isnard, representing the team from the Robert Debré Hospital in Paris, for its project: “The psychopathological evaluation of adolescents suffering from obesity.”



Daniel Vielfaure awards the Louis Bonduelle Prize 2011 to Florent VIEUX (Université d’Aix-Marseille) and Ling CHUN KONG (Centre de Recherche des Cordeliers, Paris).

Launch of the Foundation in Canada

Lastly, another major event of the year was the launch of the Louis Bonduelle Foundation in Canada on January 25, 2011. To mark the occasion, the Foundation paid out more than 40,000 Canadian dollars in grants to around ten organizations to support their initiatives promoting the consumption of vegetables.

Supporting research

Also with a view to increasing nutritional knowledge, Bonduelle took part in the Euro-Mediterranean Symposium on Fruit and Vegetable Processing. Organized by INRA (French National Institute for Agronomic Research) and the Université d'Avignon et des Pays du Vaucluse, this symposium provided an opportunity for

Bonduelle to present various scientific posters and talk about its research, especially on the bioavailability of nutrients in vegetables and the effects of vegetable extracts on health.

“Mistral Gagnant” project

2011 also saw the launch of the “Mistral Gagnant” project, consisting of the updating of databases on vegetable nutrition sold by the group, to include the latest changes in EU regulations. Combined with analysis of the research projects conducted by Bonduelle over the last ten years, this should contribute to optimizing the nutritional qualities of Bonduelle products, and informing the wider public of these qualities through a dedicated marketing campaign.

Find out more at

www.bonduelle.com

www.fondation-louisbonduelle.org



Promoting the consumption of vegetables in Europe

We all know that it is advisable to eat at least five portions of fruit and vegetables every day. The problem is not, therefore, that consumers lack information: we need to look at why people are not eating more fruit and vegetables. This is the subject of the study published by the Louis Bonduelle Foundation, which covers the determining factors and obstacles relating to fruit and vegetable consumption, the different measures introduced in European countries, and the initiatives that need to be launched to improve long-term eating habits.



Bonduelle and sustainable development

The Bonduelle Group's sustainable development strategy has a new impetus that is fully in line with its corporate mission: "Making vegetables the future of food."

Jean-Bernard Bonduelle, Director of External Relations and Sustainable Development

The Bonduelle Group has embarked on the path to sustainable development with conviction. A number of initiatives undertaken in this area have enabled us to deliver significant results over the last five years: a reduction in water consumption of almost 15%, and in energy consumption of 11%. However, this year's results, with increases in water and energy consumption of 5.2% and 3.6% respectively, attributable to a long and difficult harvest season, will lead to us redoubling our efforts.

The initiatives put in place to ensure the well-being and safety of our employees have halved the accident rate over the last five years, and this year's level was broadly in line with the previous year. These results will encourage us to step up our efforts and consult more extensively with stakeholders and experts so that we can make our commitment even stronger.

Greater involvement with stakeholders

Making vegetables the future of food means making the benefits and pleasure we get from eating high quality vegetables available to everyone, all year round: this is, today more than ever, a major challenge for our group, which helps boost health through food, and therefore contributes to the general interest. Our mission also involves growing vegetables with care, keeping up with

developments in farming practices, preserving vegetables in a natural way, and ensuring the quality of our products. This provides a guarantee of confidence and longevity, essential elements in sustainable development.

The commitment of our men and women

Since we believe that the individual development of our men and women, who strive on a daily basis to make the group a major player in our sector, is absolutely key, our mission also requires us to ensure that we offer them better working conditions and meaningful opportunities for personal and professional development.

The land, our precious resource

Lastly, the land that we work on is a precious resource. Our respect for the land has led us to undergo a historical transition from an agro-industrial model "exploiting" ecosystems in a conventional manner, towards a model of "managing" ecosystems in a sustainable way. Ground-breaking initiatives such as the "Usine Sobre" (Frugal factory) project (Usine Sobre®) and the pilot program for integrated production* launched in Picardie (France) in 2009, are crucial to our commitment to progress that places sustainable development firmly at the heart of our group.

*Agricultural production techniques based on agronomic practices (soil management, crop rotation, genetics, intermediate crops, etc.) with the aim of reducing the use of inputs and the impact of farming on the environment.

The initiatives undertaken by the Bonduelle Group to promote sustainable development may be classified into **five major areas** of concern:



Bonduelle is an active supporter of the World Forum for a Responsible Economy, a symposium initiated in 2007 to encourage widespread promotion of sustainable development issues.



Bonduelle has also been a member of the UN Global Compact since 2003. This United Nations agreement requires signatories to apply ten basic principles relating to human rights, the fight against corruption, and labor and environmental standards.

TARGETS/RESULTS 2010-2011

OUTLOOK 2011-2012

PEOPLE

Accident rate at work:

Target: 20
Result: 22.60 on a like-for-like basis
24.39 in total

Annual review

Target: 100 %
Result: 80.23% of annual reviews carried out

In-house magazine

Bonduelle Actus distributed at 70% of sites

Diversity policy

Percentage of disabled people employed at sites in France: 6.2%

Code of Ethics currently being drafted

- Progress towards a long-term goal of zero accidents, with a 15% reduction in the accident rate this year
- Carry out 100% of annual reviews, improve employability
- Launch a workplace program on gender equality
- Continue the action plan supporting disabled people
- Complete and distribute the Code of Ethics

AGRICULTURE

Signing of the sourcing charter

Target: 100 %
Result: 91% (59% of farmers have been assessed)

Optimization of spraying techniques and establishment of metrics

Result: Increased use of optimum dosage techniques, metrics in test phase

Integrated production*

Result: Initial training at pilot farms

- Draft the 4th sourcing charter in consultation with stakeholders
- Reduce pesticide use by 20% over 3 years
- Measure the environmental impact of agricultural practices, introduce metrics
- Continue research into integrated production*

NATURAL RESOURCES

Reduce energy consumption by 5%

Result (like-for-like basis):
• 11% reduction over 5 years (keeping production volumes constant)
• Increase of 3.6% compared with 2009-2010

Reduce water consumption by 3%

Result (like-for-like basis):
• Result: 15% reduction over 5 years (keeping production volumes constant)
• Increase of 5.2% compared with 2009-2010

"Usine Sobre®" (Frugal factory project)

Result: Launch of the "Usine Sobre®" (Frugal factory) project at 3 plants producing canned, frozen, and fresh products and adoption of the project's principles for the construction of the new fresh products facility a San Paolo d'Argon, Italy

Eco-design charter

Result: awareness of eco-design raised through the launch of the Vapeur range (Europe) and the relaunch of the Agita @ Gusta range (Italy)

- Conduct a fresh review of the group's environmental impact
- Reduce energy consumption in plants by 5% per year
- Reduce water consumption in plants by 3% per year
- Recover >75% of ordinary industrial waste
- Develop alternative energy projects (biomass, biogas, etc.)
- Initiate an eco-design charter

QUALITY AND NUTRITION

Launch the sourcing charter for 100% of suppliers

Result: Signature rate: 21%

Visa Santé project

Result: The *Visa Santé* project is being rolled out internationally

- Extend the sourcing charter to 100% of suppliers
- Formalize the group's quality policy
- Continue the *Visa Santé* project

TRANSPORTATION

Reduce CO₂ by 5% in the canned product business

Result: 6.83% reduction in CO₂ (1,732 metric tons)

Extend the implementation of metrics to all product segments

Result: Roll out of metrics upstream and downstream for the transportation of canned and fresh products

Alternatives to road transportation

Result: Use of mixed rail-road routes

Upstream-downstream transportation

Result: Generation of transportation synergies between sites for deliveries to large retail chains

- Reduce CO₂ by 3% per metric ton transported
- Extend the implementation of transportation metrics to all subsidiaries and countries
- Increase use of mixed rail-road systems
- Optimize upstream-downstream logistics
- Share downstream transportation with other sites

Our **human resources** policy

The individual development of the men and women who strive on a daily basis to make the group the global leader in ready-to-use vegetables is extremely important. Bonduelle therefore implements a broad range of initiatives to offer its 9,650 employees (full-time equivalent) optimum working conditions and meaningful opportunities for personal and professional development.

Accident rate:

24.39

Accident severity rate:

1.84

Bruno Rauwel, Group Director of Human Resources • Stéphan Fertikh, Director of Human Resources, France



Two examples of the in-house magazine (*Bonduelle Actus*) for the plants in Krasnodar in Russia and Santarém in Portugal.

Following the initiatives that began the previous year, in 2010-2011 Bonduelle continued to carry out annual reviews with its employees, covering all subsidiaries and geographical locations. The reviews have two aims: to ascertain employees' needs and identify possible avenues for career advancement. Annual reviews were carried out with 80.23% of the group's employees (2012 target: 100%), including staff working in the mushroom business. Another key development over the past year was the strengthening of communications within the group, with the launch of an in-house magazine, including a page of group news and a page dedicated to the activities of each entity. The magazine is currently available at 70% of Bonduelle's sites throughout the world. In Canada, this initiative was accompanied by the installation of TV screens in plant cafeterias, which show information relating to safety, work, sustainable development projects, etc.

Bonduelle has also been giving group employees the opportunity to share in the company's success for nearly 25 years, by subscribing to the group savings plan. Employees who make voluntary contributions benefit from an employer's contribution in France, of 50% for the first 200 euros and

Find out more at
www.bonduelle.com



Santarém plant in Portugal.

then 20% for amounts beyond this (in 2011 the employer's contribution was limited to 5,091 euros per year). This voluntary contribution by the company enables employees to build savings under favorable conditions at the same time as being shareholders of the company.

Spotlight on diversity

In order to promote diversity, we first need to know what the current situation is at the group. This is why, in 2010-2011, Bonduelle began the "Diversity in the group" survey, to enable it to adopt an appropriate plan, while taking into account the specific cultural and legal environment in each country. In a similar vein, Bonduelle lodged a training project from its European employee representatives committee with the European Commission. This project, validated by the authorities in Brussels, brings together employer and employee organizations. Its aim is to provide training for members on their rights and responsibilities, to help them read and implement European directives more effectively, and to improve the way in which the project operates.

Bonduelle is also increasing the number of disabled

Focus Strathroy plant: three years of operations with zero lost time accidents

Awareness raising sessions, special training programs for all employees, regular information campaigns: in Canada, the Strathroy plant (Ontario) has worked on all fronts to promote the health and safety of its 135 employees (235 during peak periods). Efforts are also made to continuously improve working conditions, analyze the causes of any accidents, and adopt corrective measures.

Opportunities for improvement 2009/2012

- Increase safety.
- Improve health.
- Promote diversity.
- Develop skills and career opportunities.

people that it employs through various initiatives in France and in other countries.

Skills and career opportunities

Diversity, but also the development of skills and career opportunities: following on from the annual reviews, Bonduelle has organized a skills review. The group has also, *via* the Institut de Formation Pierre et Benoît Bonduelle, strengthened the "Bonduelle Executive Program". These are two good ways to anticipate the future managerial organization of the group and to identify key employees, thereby capitalizing on existing talent as the group develops.

Sustainable agricultural production

Predictive testing, observation networks, biological monitoring...

all of these have been increased since 2009 thanks to the support of field supervisors and producer organizations. Because the land is a precious resource, the Bonduelle Group encourages the best farming practices by limiting the use of pesticides and fostering the natural biological activity of the soil.

Géry Capelle, Agronomy Development Manager BCI Nord-Picardie

Optimizing agricultural production is a key factor in sustainable development. It prevents the waste of raw materials (seeds, fertilizers, water, etc.) while preserving the richness of the soil, and ensuring high quality harvests to the benefit of consumers and the group. Bonduelle is a strong believer in this approach and supports producers with a variety of agronomy initiatives, such as predictive soil testing. Through tests carried out on different areas of the land, this method enables any diseases that could endanger seedlings to be detected early and reduces the risks of crop failure. The effectiveness of this method has led the group to use it more widely, on pea and bean plantations.



TOP:

An owllet moth on a spinach leaf.

RIGHT:

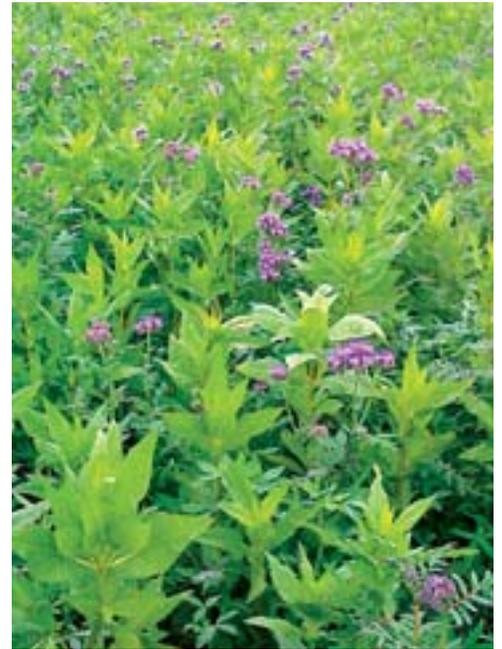
Pheromone trap to catch owllet moths in a spinach field.

When these insects are caught in the traps, it indicates a risk of damage and enables the crop to be protected.

**Focus
Bonduelle
supports “le bulletin
de santé du végétal”
(Culture health bulletin)**

Faithful to its aim of supporting change in the agriculture sector, Bonduelle invests alongside the producer organizations in crop monitoring through “le bulletin de santé du végétal” (Culture health bulletin). This process, which was previously carried out by the regional departments of the Ministry of Agriculture, has been transferred, under the “general review of public policy” (RGPP) to sector professionals, who regularly publish a bulletin on the state of health of fields and warn of any threats to crops.

Find out more at
www.bonduelle.com



RIGHT:
Vegetable cover:
an intermediate crop
protecting the soil from
erosion in fall and winter,
which also facilitates
biological activity.

BELOW:
A Brazilian seed drill sowing
seeds into soil that has not
undergone mechanical
preparation (direct sowing).



Early detection is the best approach

The implementation of observation networks on all cultivated land is another concrete example of the group’s commitment to farming practices that are more respectful of the environment. The purpose of these networks is to warn before the arrival of pests on crops. To support the networks, Bonduelle and the producer organizations run training sessions for field supervisors and producers, and provide the latter with specific technical recommendations, depending on the risks detected. This initiative has a similar rationale to the biological monitoring system established by the Ministry of Agriculture, which has been run by industry professionals since 2010.

**Opportunities
for improvement 2009/2012**

- **Promote** the new sourcing charter to increase agricultural players’ sense of responsibility.
- **Adapt** farming methods to reduce inputs.
- **Drive** progress in agronomic research.

Simplified farming techniques

In parallel with these preventive measures, for many years Bonduelle has been raising the awareness of farmers with regard to better management of crop protection products, emphasizing the use of more efficient spraying techniques which are just as effective as they are targeted. In addition, a joint initiative is in place with seed growers to select more resistant varieties, using traditional cross-breeding methods. Lastly, the group monitors developments in farming techniques in countries including France, Brazil, Canada, Poland, and Spain, particularly as regards simplified techniques based, where applicable, on biological soil activity rather than systematic agriculture. This is a more ecological approach that reduces fuel consumption and is synonymous with a smaller carbon footprint, and is therefore fully consistent with the Bonduelle Group’s commitment to sustainable development.

Preservation of natural resources

The action undertaken by Bonduelle at all its subsidiaries has led, in just a few years, to a significant reduction in energy and water consumption, and in the emission of greenhouse gases from its plants and packaging. These efforts continued in 2010-2011. The integration of the mushroom activity and poor harvests have, however, impacted on the group's environmental performance.

Cécile Lovichi, Environment Manager

The implementation of innovative technological solutions and the adoption of campaigns to raise awareness of the need to reduce consumption of resources in the group's various entities in Europe and Canada resulted in an 11% fall in energy consumption in five years. At the same time, water consumption was reduced by 15% (for a constant level of tonnage per activity). Moreover, total emissions of 92,000 TEQ CO₂ have been reduced over the last four years thanks to the improvement in energy performance made by plants compared with 2006-2007. However, despite the group's ongoing efforts to improve, with a target for reducing the amount of energy consumed by plants of 5% per year (-3% for water) until 2012 (taking data for 2005-2006 as a base), its environmental performance in 2010-2011 was impacted by a number of factors: the specific characteristics of the new mushroom business, longer production programs for other vegetables (deseasonalization), and above all, poor harvests (mainly due to floods in Eastern Europe), which led to production equipment being underused. As a result, energy consumption rose to 960 kWh per metric ton of manufactured product (TMP), from 874 kWh/TMP in 2009-2010.

Water consumption, meanwhile, rose to 14.3 m³/TMP, from 13.2 m³/TMP in 2009-2010. The plants of the Champiloire subsidiary (mushrooms), as well as the new facilities at Cristalina (Brazil) and San Paolo d'Argon (Italy), are included in Bonduelle's energy policy and targets for 2011-2012.

“Usine Sobre®” (Frugal factory): the next generation of plants

To further enhance its energy performance, Bonduelle entered into a partnership with the Ecole des Mines de Paris and gained the support of ADEME (Environment and Energy Management Agency) to begin the Frugal Factory project in 2009, which is aimed at ascertaining the minimum amount of energy needed for its vegetable-processing operations. By June 2011, the project had led to the identification of energy optimization measures and research programs. The group's endeavors in respect of developing the next generation of plants is also illustrated by the energy-efficient design of the San Paolo d'Argon plant in Italy (operational since February 2011), which has achieved its target of halving energy consumption com-

Find out more at
www.bonduelle.com



Focus Bonduelle participates in environmental information project

To provide consumers with reliable environmental information and combat unfounded allegations, Bonduelle is participating in a project on environmental impact measurement led by the Ministry of Ecology. The project involves the development of standard calculation methods appropriate to such information, which firms will need to use in order to comply with the French "Grenelle" law on the environment. As part of the project, the group measured the environmental impact of a family-size can of extra-small peas (850 ml). The greenhouse gas emissions per 100 grams of net drained weight were measured at 94 grams CO₂ equivalent over the entire life cycle of the product. Water consumption for the same product was measured at 0.9 liters per 100 grams net drained weight based only on the water used to wash the peas and fill the can, due to the lack of data and an established methodology.



Opportunities for improvement 2009/2012

- **Reduce** consumption of water and energy.
- **Increase** the recovery of industrial waste.
- **Measure** the performance of waste water treatment facilities.

pared with the initial design. Similarly, the construction of an ultra-modern cold room at Estrées-Mons was completed in 2010-2011. This new facility will use half the energy of a conventional one. Furthermore, to take full advantage of this facility, a "negative cold production" training module has been tested with the operators of this site and will be extended to the entire group.

Supporting alternative energies and investing in waste water treatment

In addition to reducing its energy consumption, Bonduelle is producing alternative energies such as biogas* from the methanation of industrial effluent (a fifth digester was built at the Nagykőrös site in Hungary in 2010), and from a methanation project based on corn by-products, along the lines of the system used by Seaciff Energy at the Tecumseh plant in Leamington, Ontario, since February 2011. Another key element in the group's policy is the improvement of waste water treatment. In conjunction with the various stakeholders, Bonduelle carried out two major projects in this area in 2010-2011: the upgrade of an agricultural fertilizer



WASTE WATER TREATMENT FACILITY
Békéscaba plant in Hungary.

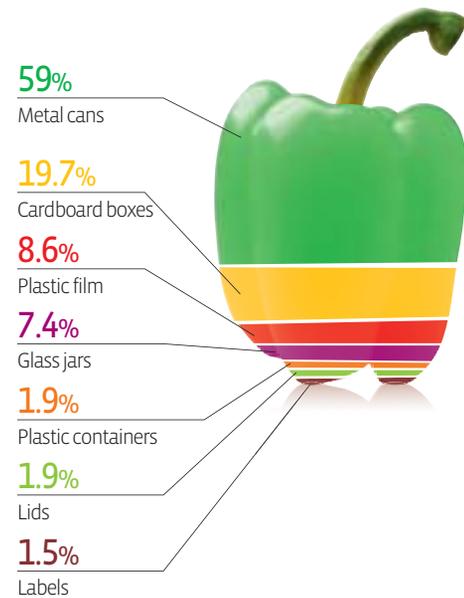
* The Bonduelle Group's biogas production increased from 832,251 Nm³ in 2009-2010 to 1,066,085 Nm³ in 2010-2011.

system at the Thouars site in France (removing all problem odors), and the addition of complete waste treatment plants at the Békéscsaba and Nagykőrös plants in Hungary.

Greener packaging

The group has also made efforts to reduce the environmental impact of packaging. For example, it has a program in place to reduce the thickness of cans. As part of this project, Bonduelle North America saved 1,200 metric tons of metal between 2007 and 2011. In frozen foods, Bonduelle has launched a project to analyze complex films and packaging with the aim of reducing their carbon footprint, while ensuring that the highest quality of finished products is maintained. Lastly, the group's R&D teams are evaluating the advantages of organic materials made using plants for primary and secondary packaging, while ensuring that these elements do not compromise the amount of land needed to grow food for human consumption.

Breakdown of packaging materials (as a % of total weight in 2010-2011)



-35%

reduction in water consumption achieved by Bonduelle Frais International.

The efforts made by the German, French, and Italian plants of this subsidiary have also reduced energy consumption by 25% (results over five years, for a constant level of tonnage per activity).

In the words of



We are continuing, with the Bonduelle Group, the partnership forged over a number of years with France Champignon.

Our approach consists of recovering the juices released in the mushroom cooking process, which previously went to the waste treatment plant with the mushroom stalks. These co-products are washed and the flavor is extracted using a 100% natural process. The resulting powder can be used in sauces or soups, or is sold to the Bonduelle Group in a concentrated form as a flavor enhancer. Everything has its use...



Philippe Gueguen,
Director, Arôme de Chacé (France)



Optimizing transportation

Measuring CO₂ emissions so that we can reduce them, developing rail-road routes, sharing and optimizing freight resources...

in 2010-2011 Bonduelle continued its efforts to reduce the environmental impact of transporting its products.

Hervé Chenault, Supply Chain Director, Bonduelle Conserve International

Metrics

Following its launch in 2008, the CO₂ emissions measurement program has been extended to all intersite flows (plants and logistics centers of Bonduelle Conserve International) and customer deliveries, in all the European countries in which the group operates.

These measurements, calculated using the method devised by ADEME (Environment and Energy Management Agency) and validated by an independent firm (Bio Intelligence Service), have highlighted the progress made, mainly thanks to the development of rail-road transportation routes: 40,409 metric tons of goods (equivalent to 6.9% of intersite movements of canned vegetables in Europe) were transported using these routes in 2010-2011, versus 30,579 metric tons the previous year, generating savings of 1,732 TEQ CO₂.

The Bonduelle Group is continuing the roll-out of the calculation tool to its other subsidiaries, with a view to identifying the most effective solutions for optimizing the transportation of goods.

In the words of



We have been working for a number of years now with Bonduelle, which pays a lot of attention to saving energy and reducing greenhouse gas emissions. Over and above any economic criteria, the group favors the best environmental solutions for its deliveries and intersite flows. Our entire fleet therefore meets the Euro 5 standard, the strictest emissions standard that has been introduced. Our drivers receive training in eco-driving and we regularly analyze their fuel consumption so that we can continue to make progress in this area. These initiatives, inspired by a common vision, contribute to strengthening our partnership. A recent example of this was the launch of 44 metric ton-loads, which has led to a reduction of more than 15% in road transportation.



Damien Guewy,

Director of Transports Duminil, Vaulx-Vraucourt (France)

Opportunities for improvement 2009/2012

- **Extend** the implementation of metrics to all product segments (canned, frozen, fresh, prepared).
- **Reduce** CO₂ emissions.

Sharing resources

The group has also begun to share resources with other firms, enabling it to reduce the number of trucks on the road. Feasibility studies conducted in 2010-2011 with Cereal Partners (a producer of breakfast cereals) should lead to the first joint customer deliveries in the last quarter of 2011. This initiative may also be extended to other partners.

44 metric tons in France

Lastly, following the authorization (made official in France at the start of 2011) given to loads of 44 metric tons (against 40 metric tons previously), Bonduelle has worked with two of its main transportation suppliers to increase the loads of almost all of its intersite flows in France accordingly, taking more than 230 trucks off the road, which would have travelled a distance of around 17,000 km. In addition, the significant investments made in storage (ambient temperature and cold rooms) should generate major transportation savings in 2011-2012 (Santarém, Strathroy, Ingersoll, Estrées, Labenne, Békéscaba).

Providing healthy, **high quality vegetables**

The Bonduelle Group's quality policy is fundamental to ensuring customer satisfaction worldwide, and is applied to all stages of cultivation and processing. This key commitment is reflected in a continuous improvement approach adopted internally and by our suppliers.

Laurence Depezay, Nutrition Manager • Jérôme Lefèbvre, Director of Quality

The effectiveness of the group's quality control system was demonstrated during the *E. coli* crisis that affected certain vegetables last spring.

As soon as the alarm was raised, Bonduelle mobilized all the means at its disposal to ensure that its products – especially cucumbers – posed no risk to health, mainly thanks to the full traceability of its supplies and deliveries.

This unprecedented situation, which did not concern any group products, illustrated the group's ability to manage a crisis in terms of both its investigation of the potential causes and communications with its customers and suppliers.



Bonduelle is committed to offering consumers products that are as healthy and tasty as possible.

Find out more at
www.bonduelle.com

In the words of

“**Bonduelle has made a voluntary commitment to improve its quality policy.** We have noted this in carrying out, each year since 2007, certification and control audits for the ISO 9001, BRC and IFS standards relating to customer satisfaction and food safety. Our reports underline the group's commitment in these areas; and this commitment is shared by the management and operating teams. It demonstrates Bonduelle's ability to question its actions and mobilize the resources necessary to make significant and lasting improvements, ensuring that progress is made on an ongoing basis.



Laurent Château,
Agri-food Market Manager, Bureau Veritas Certification (France)



•• Opportunities • for improvement 2009/2012

Significant investment

As part of its commitment to sustainable development and farming practices that are more respectful to the environment, the group has begun a program of reducing pesticide use, and at the same time, embarked on a significant investment in laser or magnetic optical sorters that can detect the presence of any foreign bodies during processing. The purchase of this high-tech equipment will further enhance the quality of finished products and has led to a considerable drop (-5%) in complaints related to the presence of undesirable elements.

More extensive audits

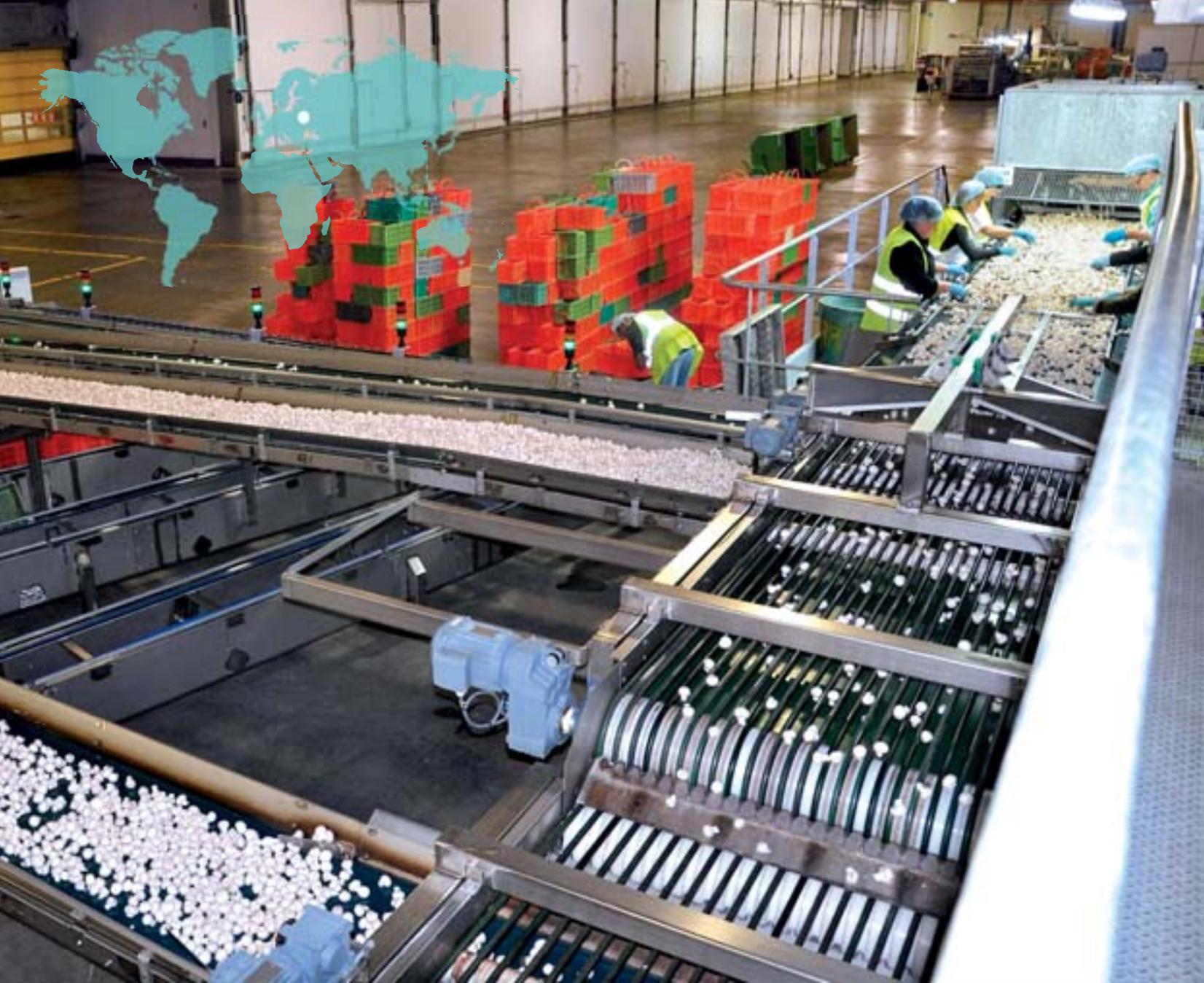
The goal of continuously improving quality has also led to the application of a standard to suppliers, which was established in 2009. In 2010-2011 more than 200 quality audits were carried out, with evaluations of performance in terms of the quality of goods delivered as well as delivery times and reactivity. This initiative has been supplemented by an online quality questionnaire for the

- **Improve** quality processes:
 - expand use of sensorial analysis,
 - manage customer complaints effectively.
- **Preserve** nutritional qualities of vegetables.

buyers at Bonduelle's plants all over the world, which provides a detailed view of the level of service they receive.

Visa Santé project

In addition, during the past year, Bonduelle launched a comprehensive review of its product ranges aimed at optimizing nutritional quality. This review was carried out as part of the Visa Santé project. One of the objectives of this project is to reduce the salt content of recipes by 5-25%.



● **POLAND/February 3, 2010** – Integration of the mushroom business: Ruchocice plant in Poland.

9,650 employees
(full-time equivalent) in **18** countries.

Our mission

Commitment to our customers



The long-term growth approach of Bonduelle Poland is, in my view, the factor that characterizes our management most effectively. This approach has a number of implications for our employees. Bonduelle pays constant attention to the well-being of its employees, by improving working conditions and safety, fostering personal and professional development, and taking into account the specific needs of employees who are encountering difficulties. The willingness to enter into constructive dialogue is also reflected in the transparency policy followed by the management committee in relation to producers.



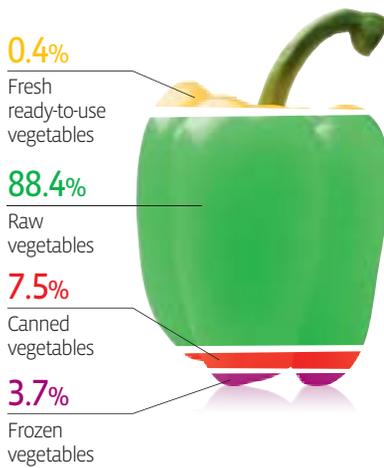
Zenon Tomaszewski,
Head of Health, Safety
and Environment, President (unpaid)
of the Solidarnosc trade union
at the Gniewkowo plant, Poland



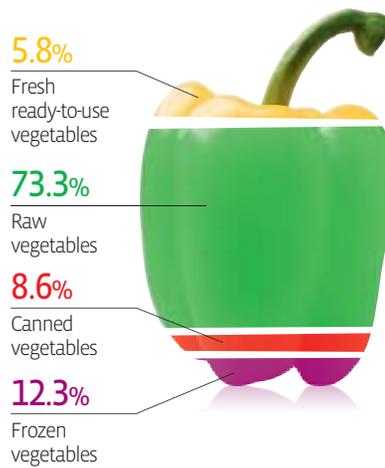
The global vegetable market

MARKET SHARE BY SEGMENT AND REGION IN 2010 (in value terms)

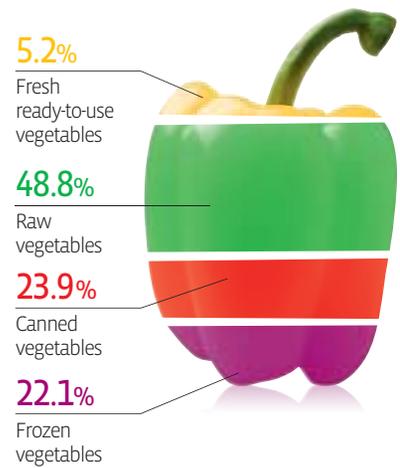
Central and Eastern Europe



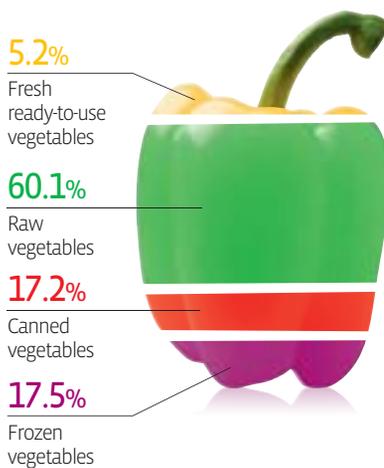
Western Europe



North America



Breakdown for the 3 regions combined



Source: Food For Thought 2011.

Ready-to-use vegetables

Canned



Fresh-cut



Prepared



Frozen



Raw vegetables



Focus on Brazil

With a population of almost 192 million, Brazil is a growing economy in which the quality of life is improving day by day. From 2005 to 2008, the middle classes grew from 34% of the population to 53%, and the proportion represented by the most disadvantaged groups fell from 51% to 25%. In 2010, incomes rose by 5%, while unemployment has fallen by more than one percentage point each year since 2002, with the exception of 2009. Consumption habits have become more sophisticated, and ready-to-use products are ideally placed to meet the new requirements of the local population. For example, 84.1% of Brazilian households buy canned vegetables, and the country's annual consumption of 400,000 metric tons equates to an average purchase per household of 2.7 kg per year. Consumption is highest in the state of São Paulo and in the south of the country. It mostly comprises sweet corn and peas, which represent 60.4% and 27.7% respectively of the canned vegetable market in Brazil.

Source: IBGE (Census 2007) Nielsen, Homescanr – September 2009 to August 2010.

Vegetables are the height of convenience

In today's consumer society, people work long hours, and with numerous leisure pursuits available to them, they are always looking to save time. The popularity of "ready-to-eat" foods has therefore increased. A vast choice of canned food, and fresh and frozen ready meals is now on offer. Products such as processed vegetables, which marry speed and quality, are the ideal solution for a healthy, natural, and balanced diet. Control of the production process and product origin ensures the best quality. The fall in prices thanks to mass production methods has made processed vegetables affordable to all sections of society.

Increase in market share of ready-to-use vegetables

In Europe, raw vegetables account for a large proportion of the market. However, the market share of raw vegetables is falling year-on-year, and the share of canned, frozen, and fresh ready-to-use vegetables is increasing. The market share of raw vegetables fell from 75.6% in 2009 to 73.3% in 2010 in Western Europe, and from 91.2% in 2009 to 88.4% in 2010 in Central and Eastern Europe⁽¹⁾.

The differences between vegetable categories on the North American market are less marked. Raw vegetables account for around half the market, followed by canned, frozen, and fresh ready-to-use vegetables. Consumers in this market, which is more mature than the market in Europe, are increasingly opting for products that are quick and easy to eat, such as processed vegetables.

As a proportion of the total food market, vegetables represent 10.6% by value in North America, compared with 5.5% in Europe⁽²⁾.

Expectations vary according to distribution channel

Vegetables are distributed *via* two different channels:

- "retail" in which vegetables are sold directly to consumers in stores. In this market, fresh vegetables are most popular, but the market share of canned, frozen, and fresh ready-to-use vegetables in Europe is increasing, and stood at 24% in 2010, up from 22% in 2009⁽³⁾.
- the "food service", sector is a professional market, in which vegetables are usually bought in bulk. Ready-to-eat vegetables, which are perfectly suited to the constraints of the food service sector, guarantee consistent quality, ease of preparation, and competitive operating costs. Ready-to-eat vegetables account for a larger proportion of this market than is the case for the retail sector: 45% in Europe, and 65% in North America⁽⁴⁾.

Vegetables as a proportion of the total food market, by region, in 2010



Source: Food For Thought 2011.

(1) (2) (3) (4) Food For Thought 2011 - (figures in value terms).

Bonduelle Conserve International

The innovation strategy pursued by Bonduelle Conserve International, combined with numerous promotional campaigns, has enabled this subsidiary to strengthen its position in terms of both own brands and private label brands. This excellent performance was also evident on the frozen food market, with a sharp rise in sales.

Philippe Carreau,
Chief Executive Officer, Bonduelle Conserve International



After recording steady falls of around 1% per year over the last three years, the canning market in Western Europe posted modest growth of 0.4% in 2010-2011, though sales of “hard discount” and private label products were flat.

This indicates the continued appeal of canned foods to consumers, as they are tasty, healthy, and cheap, with the recent decline in sales being mainly due to consumers reacting to the economic crisis by preferring to use up their stocks rather than add to them. The return to growth in 2010-2011 benefited Bonduelle Conserve International (BCI), both with regard to the Bonduelle brand and the Cassegrain premium range of products.

The increase in sales was particularly notable in France and Italy, and more moderate in Germany.

Focus New Cassegrain products

In France, the innovation strategy for Cassegrain has led to the launch of new original recipes such as “Haricots Coco” (haricot beans cooked in a tomato and herb sauce). Innovative products are being sold under the Cassegrain brand in the pulses segment, following the successful launch of cooked lentils and haricot beans. Cassegrain Haricot Coco is a completely new product to the canned vegetable segment. It is made using a small, melt-in-the-mouth variety of haricot bean, in a fresh-tasting sauce containing tomato, bay leaf, and sage. These beans have a delicate taste, similar to hazelnuts or chestnuts.



Find out more at
www.bonduelle.com

In Spain, however, where the economy remains in difficulty, sales fell slightly.

Expansion of the Vapeur range

In 2010-2011, the Vapeur range of steamed products continued to be expanded: potatoes, peas, sliced carrots, lentils, chick peas, zucchini, endives, green beans and peas/carrots. Following the success in France of steamed products, which are firmer and have more flavor, over the last year Bonduelle Conserve International began to roll out the Vapeur range in the Netherlands and Italy, before launching it in Spain and the other European countries in which BCI operates. In addition, following the acquisition of the mushroom business, in April 2010, the sale of



mushrooms under the Bonduelle brand (previously sold under the Royal Champignon brand) began in France, and then in the Benelux countries, Hungary, Spain, the Baltic states, Portugal, Sweden, Denmark, and Poland, with an increased profile in stores thanks to the launch of certain high quality and differentiated products. Lastly, Bonduelle Conserve International has maintained its levels of promotional activity, enabling it to reduce the price difference between its own brands and private label brands.

Operational efficiency

With a strong presence in private label brands, BCI has had to operate in a highly uncertain environment over

the last year. At the end of 2010 it held large stocks of finished products, as did its competitors, which intensified price competition. Following on from this period, adverse weather conditions (heat-waves, floods, etc.) affected harvests, which impacted on production costs. Against this turbulent backdrop, the operational efficiency of BCI's teams and the company's supply chain delivered a modest increase in sales volumes over the year as a whole.



“Pure” performance

The frozen vegetable segment also produced satisfactory results, mainly thanks to the French market holding up well, the popularity of the “Pure” range in the Netherlands, and the updating of the range, complemented by more attractive packaging, in Central Europe. The launch of pre-cooked vegetables (single varieties) – making preparation even easier for consumers – should also boost performance.

Find out more at
www.bonduelle.com

Focus “New look” range in Italy

Previously sold in Tetra Paks, Bonduelle's range of vegetables sold in Italy was completely overhauled in 2010-2011. It is now sold in cans (Vapeur range single-variety vegetables), rectangular cans (cooked mixed vegetables), and in microwaveable plastic bowls (ratatouille). These different forms of packaging have been very well-received by Italian consumers and will be at the center of a major marketing campaign in the third quarter of 2011.



Bonduelle Traiteur International

While 2009-2010 saw a significant return to growth, 2010-2011 was a more difficult year for the French market for prepared foods, both for private label and group brands. Despite fierce price competition, Bonduelle Traiteur International maintained its position on the market and continued its strategy of differentiation through innovation.



Patrick Néaume,
Chief Executive Officer,
Bonduelle Traiteur International



“Cup”, a new range of prepared salads

Launched in spring 2011, the Cup range of four original-recipe salads, is based on pasta, raw, grilled or ‘confit-style’ vegetables and a source of protein, such as grilled chicken, tuna flakes, parmesan shavings, etc. These new recipes provide a harmonious combination of ingredients making a complete healthy and balanced meal (individual 280 g portion).

Another advantage: these salads are ultra-convenient. A fork is provided so they can be eaten straight away, and the packaging is easy to open.

Growth in the prepared food market slowed to around 3% in value terms in 2010-2011, from 4.5% the year before. Producers had surplus capacity, which led to a fall in prices for private label products, and weighed on growth in value terms and therefore profitability. As a result, the market entered a period of restructuring, as seen by the merger of two big players Martinet and Belle-Henriette (the former acquiring the latter).

New opportunities: eating on-the-go

The situation for private label brands also affected national brands, with extensive promotional campaigns being implemented by the major players. However, Bonduelle Traiteur International showed its resilience in this fiercely competitive environment, maintaining its leading position by investing, in particular, in the development of new snacking products. Already present in this segment with the Solo 180g range and a wide

variety of salads in the “Bols Fraîcheur” range, in spring 2011, Bonduelle Traiteur International launched its new “Cup” range of prepared salads featuring original recipes and innovative packaging.

The four healthy and delicious recipes, which can be eaten anytime and anywhere, offer bright prospects in a fast-growing segment: +21.2% by volume and +19.3% by value.

Bonduelle Frais International

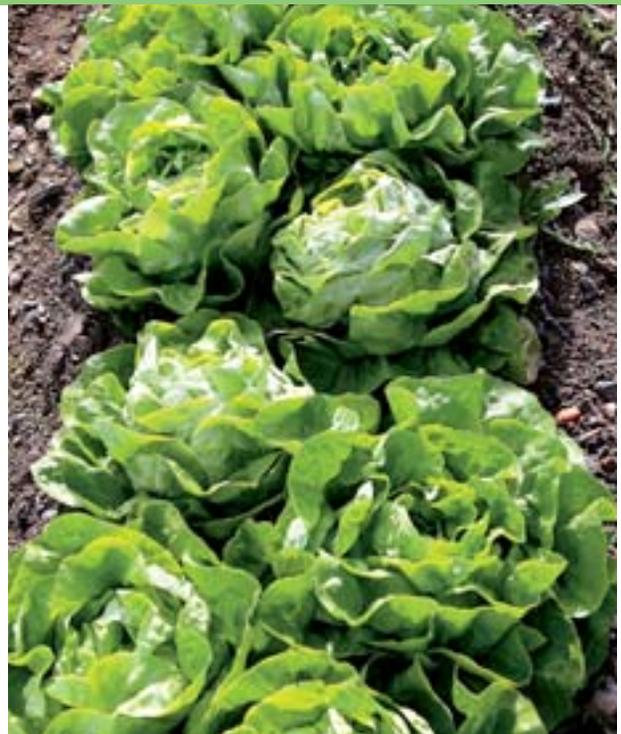
In 2010-2011, fresh-cut product sales were up for the second year in a row in Italy and Germany, while the French market was flat. However, Bonduelle Frais International increased its sales in all of these markets, and is set to boost its growth following the start-up of the new Italian facility in San Paolo d'Argon, which is the biggest bagged green salad plant in Europe.



Patrick Néaume,
Chief Executive Officer, Bonduelle Frais International

The French market for fresh-cut products was flat versus the previous year by volume, but in value terms it suffered a decline because of the sharp drop in the private label segment. Growth continued in Italy (+5%) and Germany, but the *E. coli* crisis of spring 2011 dampened growth in the latter country to 11%, from the 20% previously expected.

Although the French market was flat, Bonduelle increased its sales by 7%. This performance was attributable to a significant rise in both volumes and market share, further consolidating the Bonduelle brand as number two in the sector. A 4% rise in Italian sales in 2010-2011 was also a satisfactory result for Bonduelle Frais International, which maintained its leading position on this market, despite a slight drop in market share, owing to the difficult environment for food



San Paolo d'Argon: a model plant

This new ultra-efficient plant, located in Italy's most populous region, will enable the group to strengthen its position as market leader, as regards both the Bonduelle brand and private label brands. Supplies for this site will come from the OASI producers' organization, which has been a Bonduelle partner for many years. Its expertise will enable the group to offer retail and food service customers high quality products and services.



Find out more at
www.bonduelle.com

products and the increase in the proportion of sales represented by private labels. Finally, with growth of 13% in Germany, this subsidiary considerably strengthened its leading position, partly due to the *E. coli* crisis, which highlighted the reassurance conveyed by the brand.

Prioritizing sustainable development

In addition to these good performances, another key event of the past year was the inauguration, in May 2011, of the new Italian plant at San Paolo d'Argon, near Bergamo. The previous plant was destroyed by a fire in 2008, and the new facility was constructed on the same site. This new high-tech plant was designed in accordance with the principles of sustainable development, with a focus on optimal transportation flows and energy efficiency. It has a production capacity of 20,000 metric

tons of finished products per year, and is the biggest bagged salad facility in Europe.

Tighter control of supplies

In the Murcia region of Spain, Bonduelle Frais International, via BF Agricola, grows more than 140 hectares of mature salad plants and young leaves. Alongside the company's long-standing and close partnerships with producer organizations in each country in which it operates, the main aim of stepping up the integrated production of salads has been to strengthen quality control and increase the security of supplies in winter.

Bonduelle Food Service

In an environment that continues to be impacted by the economic crisis,

Bonduelle Food Service delivered sales growth of 4% in 2010-2011.

The year also saw the formalization of a joint venture that will be important for the growth of this subsidiary, as well as significant investment in quality and sustainable development.

Pascal Bredeloux,
Chief Executive Officer, Bonduelle Food Service

After the economic turbulence of the second quarter of 2010, the European food service sector experienced a recovery in the first six months of 2011. Despite this improvement, the sector recorded an average decline of 1.8%, with France faring best (-0.8%), followed by Germany (-1.1%), Italy (-1.7%), the UK (1.9%), and Spain (-2.9%). Aside from the geographical differences, it is also worth noting that commercial foodservice operations (-1.3%) held up better than the catering segment (-3%).

Adapting to the market

Following on from the action taking previously, Bonduelle Food Service (BFS) continued its policy of adapting its offering, by introducing ranges with simplified preparation methods, for example the cooked



“Minute” products – bringing savings for restaurant owners through lower energy and labor requirements – and promoting lower-cost ranges such as “Basic by Bonduelle”. These efforts were accompanied by new product launches: grilled vegetables, stir fries, and snacking products, to be eaten hot or cold. Also in the area of innovation, Bonduelle Food Service has begun

Find out more at
www.bonduelle.com



Focus

Bonduelle and Ardo create a joint venture in Spain

Ardo, Europe's leading producer of frozen foods, and Bonduelle, the second-ranking company in the segment, formalized a production joint venture in June 2011, under the name Ultra Congelados de la Ribera. The aim of the joint venture is to supply the Spanish and Portuguese markets, especially the Findus brand, for which an exclusive production agreement has been signed. At the same time, Bonduelle sold its Frudesa and Salto brands to Findus, which now manages sales of these brands in addition to its own brand. Thanks to the synergies generated, Bonduelle and Ardo have created a competitive producer of frozen vegetables while being part of the consolidation of a sector that is undergoing rapid change.

to sell mushrooms, and is promoting them as a vegetable served with a meal, rather than just a recipe component.

Gelagri: complementary business model pays off

The good performance of Bonduelle Food Service also illustrates the effectiveness of the Gelagri joint venture, which has enabled it to mitigate the effects of the crisis, with BFS operating *via* its own brands, while Gelagri specializes in private label brands. The complementary nature of the two companies also extends into farming, providing a more varied pool of resources. The Gelagri joint venture, established in 2009, was followed in June 2011 by the signing of an agreement between Bonduelle

and Ardo, leading to the creation of Ultra Congelados de la Ribera in Spain.

Dedicated storage facility

Optical sorters, infra red, X-rays: 2010 was a year of huge capital investment, enabling BFS to deliver products that meet the highest quality standards. In addition, in May 2011, BFS began using a new cold room with a 25,000-pallet capacity. Located in Estrées, this dedicated storage facility optimizes logistics (frozen foods used to be stored at several different sites) and reduces the need for goods to travel by road. Lastly, it has been designed in accordance with high quality environmental standards, and represents another step along the path to sustainable development.

Champiloire (mushrooms)

2010-2011 was a very busy year for Bonduelle's eighth subsidiary, with the integration of its teams into the group and the European launch of the sale of its canned mushrooms under the Bonduelle brand. Champiloire (mushrooms) has also pursued a policy of modernizing its agro-industrial equipment and has adopted an approach of differentiation through innovation.

Frédéric Beylier,
Chief Executive Officer of Champiloire (mushrooms)



The similar values and reciprocal contribution of skills between the teams, as well as the merger of the sales and marketing structures, which began in March 2010, represented one of the highlights of the past year. In addition, 2010-2011 saw the European launch (Belgium, Spain, Hungary, the Baltic states, Scandinavia and Portugal) of a range of canned mushrooms under the Bonduelle brand. In France and Poland there was a change of brand too, as this range used to be sold, respectively, under the names Royal Champignon and Abra. Lastly, in Germany, where Bonduelle has been present in this segment since 2009, a new product – sliced mushrooms – was launched in 2010-2011.

Focus

Responsible and sustainable farming

Champiloire has adopted the "Agriconfiance" standard for its mushroom production, a guarantee of respect for the environment, effective traceability, and responsible and sustainable farming.

The mechanical cutting system produces cleaner mushrooms, resulting in energy savings at processing plants, and a reduction in water consumption of some 25%. Lastly, an energy analysis is under way at each site to identify potential energy savings.



Find out more at
www.bonduelle.com



LA TOURTE (MAINE-ET-LOIRE), FRANCE

This site uses mechanical cutting processes and produces 30,000 metric tons of mushrooms per year.

A broad range

Despite the slight decline in the canned mushroom market [65% of Champiloire's (mushrooms) business], these launches, synonymous with an increase in quality, have been well-received by retailers. The range has been expanded in France with the addition of mushrooms to the Bonduelle Vapeur list of products. Consumers will now be able to enjoy the taste of freshly-cooked mushrooms.

For private labels, sales coverage has been strengthened by the integration within the group, particularly with regard to Scandinavia and Germany.

On the fresh counters, the launch of a range of packaged mushrooms that are harvested mechanically has increased competitiveness with Polish products, while the French origin of the products continues to be promoted.

Investment program

A major investment program has been put in place to roll out mechanical cutting systems to all of the Bonduelle Group's mushroom growing houses and implement the changes needed at processing plants as a result. The Doué-la-Fontaine plant has been upgraded with the introduction of short wash cycles and automated production lines. In continuation of the plan that began in 2009, the mechanical cutting system should soon be extended to Champiloire's co-operative partners.

Bonduelle North America

In 2010-2011, Bonduelle North America faced a difficult situation with consumption in the region continuing to be affected by the economic crisis, particularly in the food service sector. However, the company maintained its market share and enjoyed sales and marketing successes that bode well for the future as the market enters recovery.

Jérôme Bonduelle,
Chief Executive Officer Bonduelle North America

High stock levels, falling consumption, prices driven downward, and an unfavorable CAD/USD exchange rate all had an impact on the 2010-2011 financial year. Against this backdrop, the company modified its private label contracts in order to maintain its market share. On the food service side, Bonduelle North America rationalized the portfolio of brands acquired in 2009 with Omstead Foods and Family Tradition, enabling it to strengthen its leading position and return to targeting growth after a period spent consolidating these acquisitions.

Exclusive six-year contract with General Mills

Another key event during the year was the renewal – formalized in March 2011 – of the exclusive supply contract for the Green Giant brand (General Mills

Group) in Canada. This contract illustrates the durability of the partnership and guarantees large sales volumes for the next six years. To give new impetus to its retail offering, Bonduelle also added nine products to the Arctic Gardens “Select” range, including extra-fine green beans and spinach, and introduced some new products into its Club Pack range, an economically-priced 1.75 kg family-size format, which gains popularity when household budgets are squeezed. In canned products, the company is preparing to start selling mushrooms in a premium private label format, which should boost this segment and put Bonduelle in a good position in this market. Innovation is also important in the food service market, illustrated by the launch of a range of “old-fashioned” soups, which have been very well-received by customers.



Find out more at
www.bonduelle.com

Focus Vegetable Day in Canada

As part of the activities of the Louis Bonduelle Foundation in Canada, Bonduelle North America launched an initiative known as Vegetable Day, in partnership with Sodexo. In March 2011, Arctic Gardens and Bonduelle vegetables were featured in all of Sodexo's company restaurants in Quebec. This initiative was clearly very popular with the head chefs involved, as sales of frozen vegetables jumped by around 30% as a result.



Launch of the Louis Bonduelle Foundation in Canada

Wal-Mart, a retailer with strong growth in Canada, demonstrated its confidence in Bonduelle by designating us “supplier of the month” in February 2011. Full use was made of this honor in the company’s marketing strategy, which was designed to raise its profile and put vegetables center stage. Bonduelle also worked together with growers in Quebec on a poster campaign illustrating the benefits of locally-grown vegetables, both fresh and frozen.

With a similar aim, the Louis Bonduelle Foundation was officially launched in Canada on January 25, 2011, to contribute in a concrete and sustainable way to the health of Canadians, by sharing the latest information on vegetables and supporting initiatives to encourage



their consumption. To mark the occasion, the Foundation awarded a first round of grants totaling more than 40,000 Canadian dollars, which will enable around ten of the country’s associations to pursue projects in this area.

Bonduelle Development

After a challenging year in 2009-2010, Bonduelle Development benefited from a more favorable economic environment in 2010-2011 to return to growth. A dynamic sales strategy for Eastern Europe – especially Russia and Ukraine – as well as the start-up of operations at the Cristalina plant in Brazil contributed to the good performance of Bonduelle Development.

Benoît Bonduelle,
Chief Executive Officer of Bonduelle Development

With its cash position stabilized, the upturn in consumer confidence, and the global recovery in consumption after a period of crisis, 2010-2011 was a satisfactory year for Bonduelle Development (BDV), which strengthened its position in Eastern Europe, particularly in Russia – where the company is now operating direct deliveries to its partners – and in Ukraine.

In these two countries, dynamic promotional operations and advertising campaigns enabled the company to withstand the price pressures imposed by competitors, while rationalizing stock levels at the same time. Furthermore, this strategy countered the effects of the poor harvests in Russia due to the very high temperatures of summer 2010.



KRASNODAR PLANT, Russia.

INAUGURATION of the Cristalina plant in Brazil, on October 20, 2010.





Focus Promoting our difference

Through promotional activities in Russia – offering one million rubles in prizes – and in Ukraine – with a car to be won – alongside in-store special offers and TV campaigns in both countries, BDV's incisive marketing strategy enabled it to increase its market share.

In Brazil, Bonduelle is the only canned vegetable producer using fresh and not rehydrated peas and offering sweet corn that has been steamed. BDV has also organized numerous tastings at points of sale to promote the difference in quality of its products and to attract new clients.



Find out more at
www.bonduelle.com

Price pressures

While Bonduelle Development also recorded a significant rise in sales in Kazakhstan and Uzbekistan, the environment was more problematic in Romania and Bulgaria, which were affected by the economic crisis with a six month time lag compared to other countries in the region. Despite this difficult environment, BDV succeeded in maintaining its market share.

Highly promising performance from the Cristalina plant

2010-2011 was also notable for the progress made on two major projects carried out by Bonduelle Development – the group company dedicated to international activities outside the EU or North America. Firstly, in Ukraine, Bonduelle Development began cultivating the land of

the “Kolkhoze” (former collective farms) in Cherkassy (acquired in spring 2010). Secondly, a major development project, the Cristalina plant in Brazil – a model for sustainable development – began operating in September 2010. The first harvests of peas and corn met BDV's expectations in both agricultural and industrial terms, with very promising yields and productivity rates. Products from the plant went on sale in Brazil at the end of 2010, and in Argentina in June 2011 (the latter country is another avenue for growth being developed by BDV in Latin America).



- **USA/August 2010** – 165 million US dollar bond issued at attractive conditions in a private bond placement. This long-term funding (12 years) has expanded the group's sources of finance from banks and institutional investors.

3.5 years

average maturity of the group's debt.

The Bonduelle Group improves its debt ratio every year. By increasing the proportion of its long-term debt, it has secured the financing of its operations and obtained sufficient funding to pursue its acquisition policy.

Financial report

Focusing on the long term



Bonduelle is synonymous with integrity, innovation and continuous research of the highest quality. These values are reflected in the products sold by the group as well as in its relations with customers, employees and producers. Bonduelle's long-term approach is a key element that makes it a leader with whom Pricoa – which manages a portfolio of approximately 12 billion euros – has maintained a strategic partnership for nearly 10 years. The members of the Bonduelle family and the company's management team jointly contribute to generating long-term, continuously improving performance.



Marie Fioramonti,
General Manager,
Pricoa Capital Group,
USA



Shareholder **information**

Letter from the Chairman of the Supervisory Board

During the 2010-2011 financial year, the Management Board provided the Supervisory Board with all the documents required to evaluate the performance of its obligations and to review the separate and consolidated financial statements. The Bonduelle Group also kept us informed of its performance throughout the year. At the forthcoming Shareholders' Meeting on December 8, 2011, you will be asked to vote on the appointment of Matthieu Duriez and Marie-France Tisseau. A specific report by the Chairman of the Supervisory Board is attached to the report of the Management Board to the shareholders on corporate governance principles, the internal control procedures implemented by the group and the preparation and the organization of the work of the Supervisory Board and its committees during the year.

André Crespel,
Chairman

Net dividend per share
in 2010-2011

1.5 euro



Find out more at
www.bonduelle.com

Performance of Bonduelle shares relative to the CAC 40 and SBF 120 indices

(base 100 July 2010)



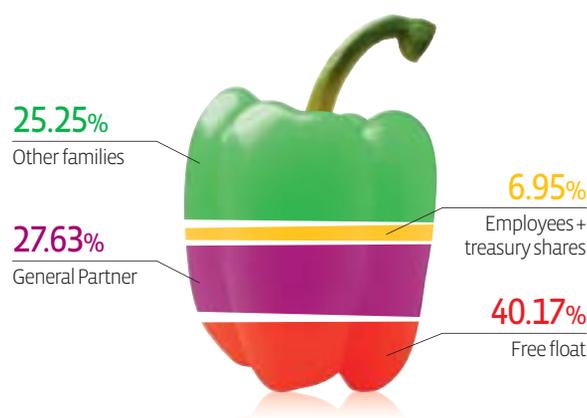
Bonduelle share information



Summary sheet

Market	Euronext Paris
Market segment	Euronext French stocks
Type	Compartment B (Mid-caps)
ISIN code	FR 0000063935
Reuters code	BOND.PA
Bloomberg code	BON FP
Shares outstanding	8,000,000
Indices	MID 100 and Next 150
Eligible for	deferred settlement service (SRD)

Shareholder structure at June 30, 2011



Stock market data

Share price (in euros)	2009-2010	2010-2011
High	88.88	74.27
Low	53.50	58.43
Year's closing price	74.26	69.35
Market capitalization at June 30 (in millions of euros)	594.00	554.80
Average monthly trading volume	181,894	182,870

The Management Board will request that the shareholders at the Shareholders' Meeting of December 8, 2011 approve the payment of a net dividend of 1.50 euros per share. Bonduelle's shareholding structure includes a majority of family shareholders, providing the group with stability and the ability to pursue a long-term strategy. In addition, more than 2,600 Bonduelle employees hold Bonduelle shares through company savings plans.

Financial releases scheduled for financial year 2011-2012

11/03/2011	First quarter revenue
02/02/2012	First half revenue
02/29/2012	First half results
05/03/2012	Third quarter revenue
08/02/2012	Net revenue for the year
10/02/2012	Annual results
12/06/2012	Annual Shareholders' Meeting



Investor relations

The Bonduelle Group provides its shareholders with several sources of information. The annual report, published in French and English, presents all the annual financial statements, reviews the highlights of the year and sets out the group's strategy, as well as providing a detailed business review for each subsidiary.

The Bonduelle Group also publishes specific information on corporate social and environmental responsibility. All of these documents, in addition to the registration document (document de référence), may be viewed and downloaded in the "Finance" section of the group's website: www.bonduelle.com. The website also provides real-time share price information and access to Bonduelle news and recent developments. Since 1998, an annual letter to shareholders has provided a summary of key financial information and recent events concerning the group and its subsidiaries, especially as regards the latest product launches. This newsletter is now sent to all shareholders (both bearer and registered) based on the most recent update of the shareholder register. It can also be downloaded in French or English from the "Finance" section of the Bonduelle website.

Meetings

The group's management meets with investors on a regular basis at news briefings and individual presentations. Many investors participated in meetings in financial year 2010-2011, both in France and other countries.

Contact

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Find out more at
www.bonduelle.com

Consolidated **statement of financial position**

Assets

<i>(in thousands of euros)</i>	At 06/30/10	At 06/30/11
Non-current assets	745,192	730,049
Other intangible assets	44,138	33,603
Goodwill	192,406	189,425
Property, plant and equipment	470,552	469,273
Investments in associates	9,786	8,371
Other non-current financial assets	14,018	9,619
Deferred tax liabilities	13,927	12,368
Other non-current assets	366	7,390
Current assets	903,905	966,770
Inventories and work-in-progress	515,674	495,299
Trade and other receivables	340,484	329,126
Tax receivables	6,594	18,396
Other current assets	5,842	5,579
Other current financial assets	7,609	6,982
Cash and cash equivalents	27,702	111,389
Total Assets	1,649,098	1,696,819

Liabilities

<i>(in thousands of euros)</i>	At 06/30/10	At 06/30/11
Equity attributable to owners of the company	460,085	467,929
Share capital	56,000	56,000
Additional paid-in capital	22,545	22,545
Consolidated reserves	381,540	389,384
Non-controlling interests	17,102	15,845
Equity	477,187	483,774
Non-current liabilities	543,220	566,348
Financial liabilities	455,707	482,096
Employee benefit obligations	10,439	8,464
Other non-current provisions	33,983	38,005
Deferred tax liabilities	28,652	23,093
Other non-current liabilities	14,439	14,690
Current liabilities	628,690	646,697
Current financial liabilities	145,307	132,832
Current provisions	1,957	1,560
Trade and other payables	473,298	506,415
Tax payables	4,342	2,167
Other current liabilities	3,788	3,724
Total Liabilities	1,649,098	1,696,819

Consolidated **income statement**

<i>(in thousands of euros)</i>	At 06/30/10	At 06/30/11
Revenue	1,559,589	1,725,998
Purchases and external charges	(1,089,274)	(1,232,881)
Employee benefits expense	(295,806)	(336,999)
Depreciation, amortization and impairment	(65,087)	(70,189)
Other operating income	44,922	41,657
Other operating expenses	(49,231)	(46,904)
Gain/loss on sale of consolidated equity investments	(656)	(1)
Current operating income	104,457	80,681
Non-recurring items	(2,626)	(11,737)
Operating profit	101,830	68,944
Net borrowing costs	(20,884)	(29,465)
Other finance income and costs	3,045	5,811
Net financial expense	(17,839)	(23,654)
Share of net income from associates	(528)	58
Profit before tax	83,464	45,348
Income tax	(25,754)	(14,685)
Net income	57,710	30,663
Attributable to owners of the company	58,343	30,436
Attributable to non-controlling interests	(633)	227
Basic earnings per share	7.51	3.94
Diluted earnings per share	7.51	3.94

Gains and losses recognized directly in equity

<i>(In thousands of euros)</i>	At 06/30/10	At 06/30/11
Net income for the period	57,710	30,663
Cash flow hedge	(827)	5,010
Translation adjustments	36,372	(8,843)
Actuarial gains and losses on defined benefit plans	(1,467)	945
Tax effects	751	(2,106)
Income and expenses recognized directly in equity	34,829	(4,994)
Total recognized income and expenses	92,539	25,669
Attributable to owners of the company	93,006	25,568
Attributable to non-controlling interests	(467)	101

Consolidated statement of cash flows

<i>(in thousands of euros)</i>	At 06/30/10	At 06/30/11
Net income	57,710	30,663
Share of net income from associates	528	(58)
Depreciation, amortization and impairment	58,199	70,808
Other non-cash sources (jobs)	10,138	6,622
Taxes paid	(27,305)	(20,200)
Income tax expense	25,754	14,685
Accrued interest	(1,601)	651
Cash flow	123,422	103,172
Change in working capital requirement	26,606	45,870
Net cash flows from operating activities	150,028	149,041
Acquisitions of consolidated companies, net of cash and cash equivalents	(29,947)	(2,904)
Disposals of consolidated companies, net of cash and cash equivalents disposed of	9,295	345
Impact of changes in method		(11)
Acquisitions of property, plant and equipment	(84,519)	(96,898)
Acquisitions of financial assets	(95)	(250)
Disposals of property, plant and equipment and financial assets	5,995	11,743
Net change in loans and other non-current financial assets	505	(316)
Net cash flows from (used in) investing activities	(98,767)	(88,291)
Capital increase	(0)	(0)
(Acquisition) disposal of treasury shares	(341)	(3,122)
Increase (Decrease) in non-current financial liabilities	(53,053)	126,417
Increase (Decrease) in current financial liabilities	(25,387)	(87,872)
Dividends paid to group and minority shareholders	(11,493)	(11,915)
Net cash flows from (used in) financing activities	(90,274)	23,508
Impact of exchange rate changes	4,039	(571)
Change in cash and cash equivalents	(34,974)	83,687
Cash and cash equivalents – opening balance	62,676	27,702
Cash and cash equivalents – closing balance	27,702	111,389
Change in cash and cash equivalents	(34,974)	83,687





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