BUSINESS AND CORPORATE
Social Responsibility Report
2009

Stories and Smiles...

bel

Sharing smiles

Profile

Sharing smiles!

Made with dairy goodness, Bel's products bring smiles every day to the 120 countries where the Group is present. Its delightful and gourmet brands fly the colors of enthusiasm, a fundamental Bel value.
Whether consumers choose Bel's core brands, The Laughing Cow®, Mini Babybel®, Kiri®, Leerdammer®, and Boursin®, or its local brands, they appreciate the healthy pleasure and cheerfulness delivered by those products.

Bel's story is a family story.
Bel's family-controlled ownership structure allows the Group to combine long-term vision with lasting performance. In 2009, backed by the commitment of its 11,500 employees, Bel generated sales of over €2.2 billion.

Contents

Interview with Antoine Fiévet, Chairman and CEO

Day after day, around the world, our 11,500 employees mobilize to make Bel's business plan come to life.

You took operational command of Bel in 2009.
How would you qualify the year's results?

First, we should look at the goals we set for ourselves a year ago, after a particularly tough 2008, when we were affected by unfavorable raw material prices. We sought to regain volume growth momentum, restore our financial position, and make our organization more flexible and responsive.
These goals were met by the end of 2009, and the results have been very satisfactory. Despite depressed consumer spending, we maintained our sales, grew our volumes and increased our profitability. Lastly, our balance sheet is healthy, which allows us to contemplate the future with confidence and ambition.

But the year was marred by a deep recession.
What impact did it have on Bel's activities in different parts of the world?

The situation we observed was mixed. While Eastern European markets were particularly hard hit, Western Europe showed strong resilience with volumes of all our major brands chalking up growth. Our 2009 performance was fuelled, above all, by the momentum of our activities outside Europe — in North America, despite difficult economic conditions as well, and in Africa, the Middle East and Asia. The expansion outside our historical frontiers has now become a powerful avenue of growth for our Group.

Briefly, how would you explain that performance?

Beyond the power of our brands and a growth strategy adapted to our various markets, the Group was able to lean on the commitment of its 11,500 employees. Day after day, around the world, they were mobilized enthusiastically and professionally to focus on clearly stated priorities.

Bel's business model is resilient even in tough years. What makes it unique and effective?

Our business model is simple and clear. It is based on powerful, differentiated and universal brands that draw customers from all over the world. Our five international brands, which are the central focus of our actions, are successful year after year.

Our mission sets a very high bar for our actions vis-à-vis our customers, employees and the communities in which we operate. It's the foundation of our corporate responsibility.

The anticipated recovery appears to be lagging in many countries. What's the outlook for 2010 and the years ahead?

Bel is a family-controlled company and it has always taken the long-term view by focusing on sustainable and profitable growth. In this area, we have set two ambitious goals to guarantee our independence and to prime the engine of our future expansion. I'm convinced that our potential for organic growth remains considerable. That potential is first of all geographical, in terms of each region where we are already present and the number of countries we have yet to conquer. It is also enhanced by our brands, which are affordable, innovative and full of personality, as well as the products we will launch tomorrow aimed at consumers with very modest purchasing power.

We live in a society that is questioning growth and its rationale. What's your viewpoint and the company's view on this subject?

The question of the purpose of growth is part of a wider discussion about the company's role and responsibilities.
The mission of our company is clear. It is, above all, sharing smiles with families, smiles derived from the pleasure of sharing happy and big-hearted products, smiles associated with dairy goodness.
This mission sets a very high bar for our actions vis-à-vis our customers, employees and the communities in which we operate. It's the foundation of our corporate responsibility.

What does this mission mean for consumers?

Every word in our mission statement is important and refers to very precise objectives. Dairy goodness refers to the quality, safety, nutritional content, flavor, and taste of our products. Smiles, the distinctive signature of all Bel products, is what our loveable, happy and friendly brands bring to our customers. Lastly, in trying to address all families, we have affirmed our commitment to making our products even more affordable.

> *Corporate social responsibility makes just as much of a contribution as financial imperatives — they both go together.*

The mission also addresses the Group’s employees. How do you see Bel’s responsibility in this area?

“Sharing smiles” is a promise primarily intended for our employees and their families, the 11,500 families of the Group worldwide. Our collective responsibility is to build a community based on mutual respect, where every individual can develop and grow, a community motivated and mobilized by a meaningful project, where everybody is sure of his ability to contribute, to play a real role.

Corporate social responsibility (CSR) is sometimes seen as a fad. What is it really at Bel?

Even if it were a fad, and it made us move forward, it would be beneficial. As for me, I believe sincerely that CSR makes just as much of a contribution as financial imperatives — they both go together.
We are therefore determined, while remaining modest. On some of the priorities we have outlined, significant progress has been made over the years, notably in terms of the environmental performance of our production units. For others, we have opened the door and are moving in a common direction.
We approach these challenges with the enthusiasm that has always inspired the men and women of Bel.

BEL’S APPROACH TO CORPORATE SOCIAL RESPONSIBILITY

The mission Bel has assigned itself creates a very demanding framework for action. That framework is the wellspring of the corporate social responsibility (CSR) policy accompanying the Group’s growth.

Perhaps as a sign of the times and ongoing turbulence in the world, the need for meaning has become increasingly important for the public and all stakeholders, including companies. It’s a phenomenon that has clearly been amplified by the recent economic crisis. And it is against this backdrop that Bel has sought to formalize its mission statement, its *raison d’être* and purpose: Sharing smiles with families by bringing the pleasure of dairy goodness.

Smiles play a key role in the various communities where Bel operates.

From mission to responsibility

Bel's mission is demanding and part of a real dynamic. It is the Group's stated commitment to its consumers, employees and the communities where the company operates. As such, it helps to identify all the associated responsibilities and to set priorities.

Effort integrated into the business strategy

In the same way the mission is bringing the company together, CSR is progressively guiding actions at all Bel subsidiaries and functions. It is aimed at allowing Bel to continue growing its business and driving economic performance, while having a positive impact on society, the community and the environment.

Deploying and measuring

The validity of a CSR policy must be assessed on a measured basis of continued progress. This process involves several stages, including analyzing what already exists, setting priorities, setting realistic and ambitious goals, preparing the corresponding action plans, and lastly measuring the progress made with key performance indicators.

Actions have already been undertaken for each of the five pillars of our approach, in some case for many years. Other actions are perpetual and subject to regular target revisions, as described in this business report. Some areas, however, require the collection of data not easily accessible in certain countries as a result of legal or socio-economic barriers. Inventories are thus already under way or have been recently launched.

Generalizing this policy requires deployment and ownership of the priorities at all operational entities and functions, while adapting them to local conditions. Through this cross-sector, deep but calibrated process, the Group will in the years ahead be able to measure and analyze the progress made for the five pillars on which its CSR approach is based.

The 5 pillars guiding Bel's approach to CSR

The five pillars encompass all actions undertaken by Bel in the area of sustainable development.*

1. An affordable nutritional benefit

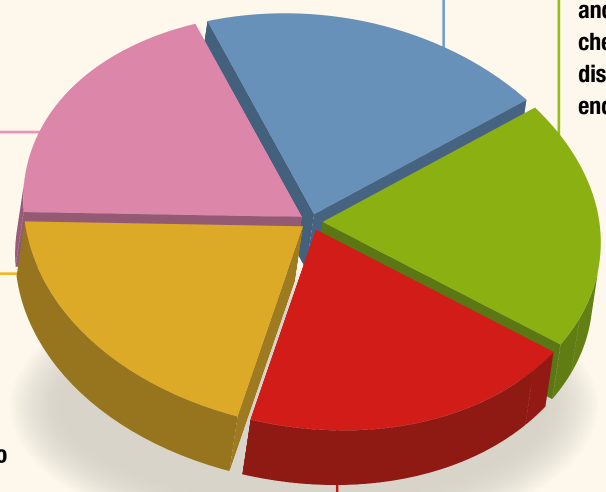
Bel keeps its promise to customers through a nutrition policy adapted to the dietary challenges of the countries where the Group operates, and by developing more affordable product ranges for the populations most in need.

2. The brands' social role

Bel's brands have a place in the family heart and they forge bonds between generations. The brands are therefore well positioned as good allies of parents, to help them raise their children well and to support them in important societal issues such as good nutrition, healthy living, physical exercise, environmental protection, and support for worthy causes.

3. Environment and ecodesign

Bel implements solutions to reduce its environmental footprint by taking into account all aspects of its products' life cycles, including raw material use and selection, packaging, cheese manufacturing, distribution, and product end of life.



5. The Bel community

By virtue of its family owned nature, Bel is a different kind of company, and it plans to remain so by strengthening its values and what makes it special. The goal is to fully integrate and bond with all employees in a dynamic, enthusiastic and meaningful environment by helping each employee reach the pinnacle of her/his ambitions and personal development, regardless of age, sex, nationality, or status.

4. Community relations

Located close to market, Bel is concerned by the societal challenges facing its host communities. The Group takes care to forge partnerships with government entities and local economic players, and encourages them to adopt a responsible approach to sustainable development wherever possible.

**The tables for tracking the Group's CSR approach can be found on pages 46 to 53 of this report.*

CORPORATE GOVERNANCE RENEWED

A family-controlled company, Bel introduced changes to its corporate governance structure in 2009, to meet the challenges ahead. Antoine Fiévet, a descendant of Jules Bel, who founded the company in 1865, was named Bel Chairman and CEO. He subsequently made changes to and expanded the membership of the Group Management Committee.

THE BOARD OF DIRECTORS
Antoine Fiévet,
Chairman and CEO
Michel Arnaud,
Director
Philippe Deloffre,
Unibel's Permanent Representative
James Lightburn*,
Director
Luc Luyten*,
Director
Florian Sauvin,
Director
Johnny Thijs*,
Director

AUDIT COMMITTEE
Philippe Deloffre,
Chairman
James Lightburn*
Johnny Thijs*

APPOINTMENTS AND COMPENSATION COMMITTEE
Luc Luyten*,
Chairman
Antoine Fiévet
Ernst Pankert
(non-director, committee expert)
**Independent director*

DEPUTY GENERAL MANAGER
Bruno Schoch

Fromageries Bel is a French corporation *(société anonyme)* listed on the Euronext Paris stock exchange. At December 31, 2009, the Unibel holding company and members of the Bel/Fiévet family, descendants of the company's founder, held a combined 69.2% of Fromageries Bel's share capital.

Unibel, which is 96.5% owned by members of the Bel/Fiévet family group, is the Bel Group holding company.

In that capacity, Unibel defines the long-term vision and sets the major strategic guidelines to ensure the Group's development, profitability and independence.

THE BOARD OF DIRECTORS

The Group's corporate governance changed in 2009. The change followed a decision by the Board of Directors on January 19, 2009 to terminate Gérard Boivin's mandate as Chairman and Chief Executive Officer, effective as of the end of the Annual General Meeting of May 14, 2009. The Board subsequently named Antoine Fiévet as Chairman and CEO, and confirmed Bruno Schoch as Deputy General Manager, Group Finance, Legal Affairs, Information Technology Systems, and Development.

The Board of Directors includes seven members, three of who are independent directors. It is assisted in its work by two specialized committees, both of which meet an average of four times a year.

THE AUDIT COMMITTEE, operating under the exclusive and joint responsibility of the Board of Directors, monitors the preparation of financial information and the effectiveness of internal control systems, risk management, and the statutory auditing of the annual company and consolidated accounts by auditors. It also ensures the independence of auditors.

THE APPOINTMENTS AND COMPENSATION COMMITTEE notably issues proposals to the Board of Directors concerning the selection and compensation of Group managers, officers and directors. It also takes part in implementing the Group's strategic plan for human resources management.

GROUP MANAGEMENT COMMITTEE

Working under the authority of CEO and Chairman Antoine Fiévet, the Group Management Committee is in charge of the operating management of the Bel Group, implementing the strategy as established by the Board of Directors for the company as well as for all of its subsidiaries, ensuring the coordination between the various Group entities, and monitoring operating results and directives. Its membership includes the deputy general manager and eight vice-presidents, each one individually responsible for a business activity or an operational region, and all upholding the Group's strategy and mission.

Group Management Committee

EARNINGS ADVANCE

In 2009, steady sales and higher earnings marked the performance of Bel's business model, which is based on highly differentiated, universal brands and balanced international expansion aimed at spreading risk while offering robust prospects for growth.

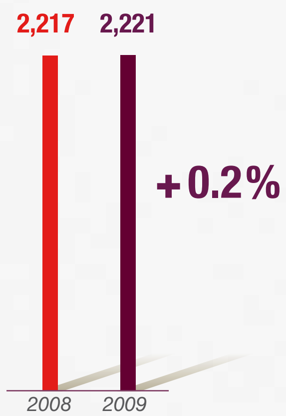
Sales show resilience

In 2009, sales edged up a slight 0.2% to €2,221 million, despite a turbulent economic environment. The "International" region and the "Americas" region both reported double-digit sales growth, confirming their roles as growth vectors for the Group. Conversely, sales in Eastern Europe were severely affected by the recession. In Western Europe, where the Group has strong positions, Bel consolidated its market share by adopting an aggressive sales and marketing strategy.

Earnings trend up

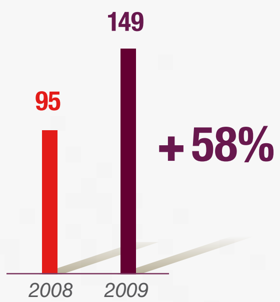
Operating income advanced 58% over 2008, as a result of measures to cut fixed costs and the success achieved through the company's positions in various markets. Although still below the 2007 level, consolidated net profit - Group share grew 73% to €85 million, primarily as a result of lower financing costs. In 2009, the Group cut its debt to €357 million, down 26% from €483 million at end 2008. Going forward, in market conditions expected to remain difficult, the Bel Group will continue to pay close attention to its resource allocation. Nevertheless, building on the results achieved in the past year, the Group enters 2010 with confidence.

Sales*



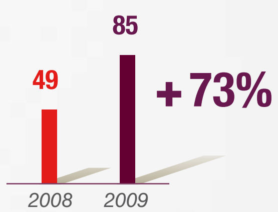
*In millions of euros.

Operating income*



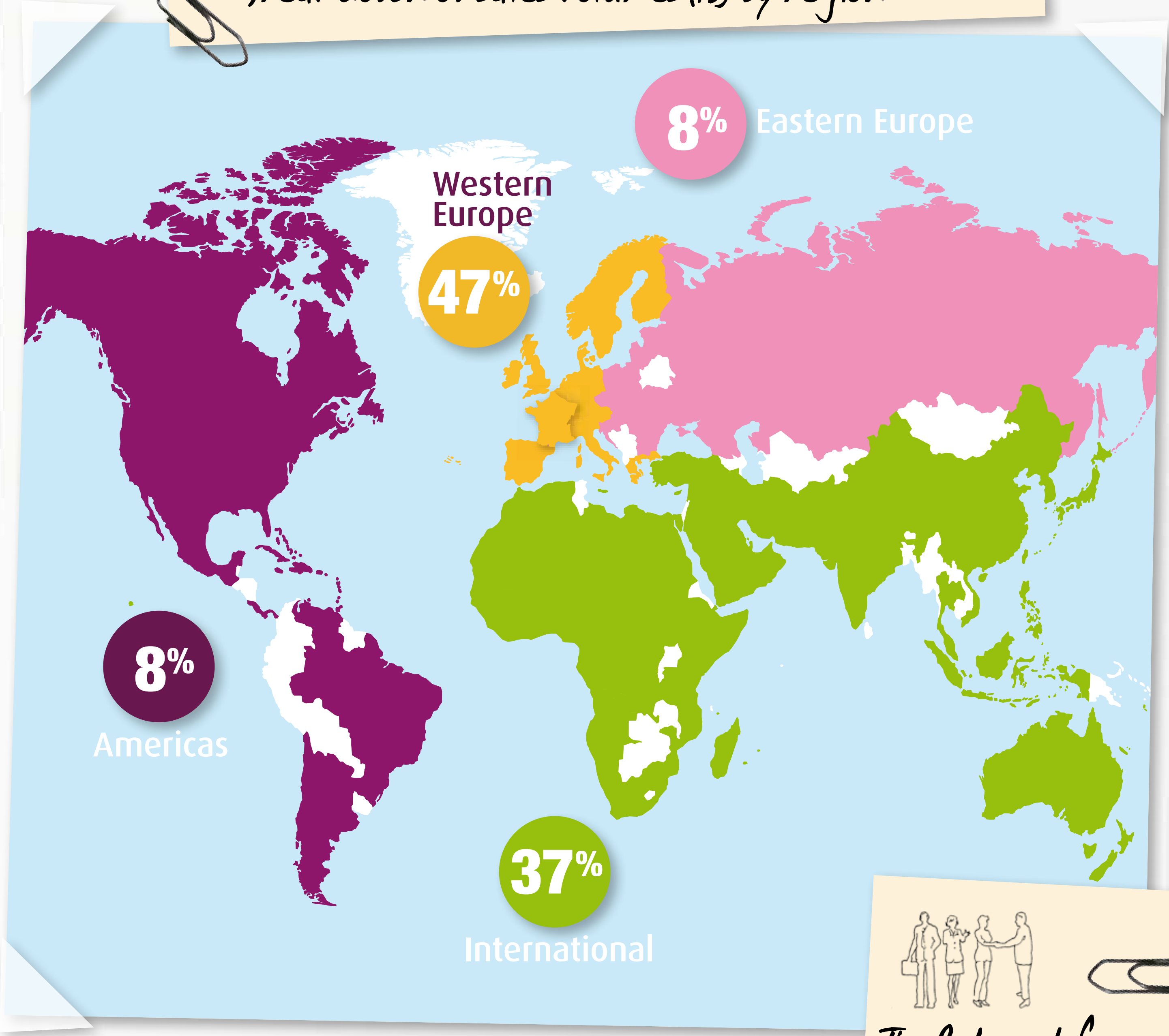
*In millions of euros.

Consolidated net profit - Group share*



*In millions of euros.

Breakdown of sales volumes (%) by region



The Bel workforce

11,500 employees

36 nationalities

31 countries with a Group presence

30 international and local brands

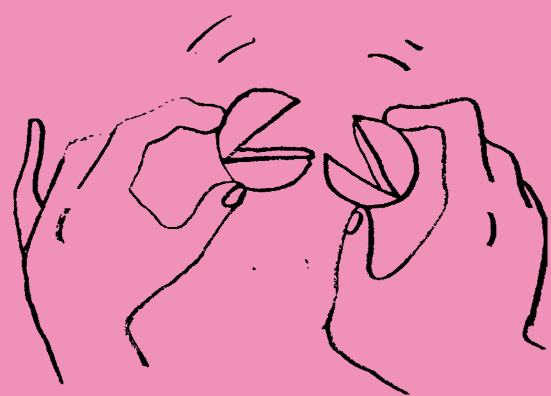
27 production units around the world

Over **120** countries in which Bel products are distributed

The story of Matthias and Lea

A few minutes before going on stage.
Lea and Matthias sit together in the hallway, anxious and enthusiastic about performing a show for their parents. Inseparable from the first rehearsals, the two are partners in the final tableau, but for the moment they are quietly sharing a snack.
Matthias has brought some Mini Babybel® cheese packed for him by his mother. “Here,” he says. “This one is for you because it’s milk and it’s what you need to become a beautiful dancer. Plus,” he adds with a grin, “This cheese is too funny!”

Offering our customers a daily dose of cheerfulness is as essential as offering a daily serving of milk!



SHARING SMILES AND PLEASURE

Bel's success is underpinned by its happy, delightful, irreverent, and gourmet brands. Synonymous with cheerfulness and conviviality and always hallmarked by modernity, Bel's brands have attracted consumers all over the world.

Brands dear to consumers

Bel has successfully fostered strong bonds between consumers and its core brands The Laughing Cow®, Kiri®, Mini Babybel®, Boursin®, and Leerdammer®. These brands are simultaneously universal and dear to consumers. The most emblematic of them, The Laughing Cow®, brings smiles and good humor with its playful wink, in addition to fulfilling the promise of flavor and good taste.
In 2009, Bel capitalized on the well-established consumer ties of its brands and its efforts to develop them globally, demonstrating the brands' strong resilience in tough economic times. As a result, Group led in its category in 24 countries and ranked among the top three in 43 others.

Successful local strategies

After carefully studying local consumer habits, the Group adapts its strategy to each country to develop its brands and build leadership positions. Bel also harnesses the power of its more than 20 other brands, which benefit from strong brand recognition in local markets. A few examples of those brands include the unique cocktail cheese, Apéricube® in France and Japan, Shotska®, the leading cheese in the Ukraine, Maredsous®, the leader in Belgium, and Régal Picon®, a processed cheese sold widely in Africa, the Middle East and the Levant region. These local brands are being developed at the same time as the Group's core brands, which are sold on five continents.

31 products were launched in 2009, including blue-cheese flavored The Laughing Cow® Deli-Light in the UK, backed by an advertising campaign highlighting the products authenticity.

Innovation paves way to enormous potential

At Bel, innovation is a permanent state of mind, one of its founding values. And its brands constitute an inexhaustible source of inspiration.

31 new products in 2009

Bel launched 31 product innovations around the world in 2009, introducing new tastes, new textures and new packaging. Among these were Kiri® Labneh in Kuwait, the United Arab Emirates, Bahrain and Jordan, the Babybel® box, an assortment of 14 natural, goat, cheddar, and Swiss-flavored portions, Boursin® Tartine, an easy-to-spread version of the famous fresh cheese, blue cheese-flavored The Laughing Cow® light in the UK, and new Leerdammer® packaging, which closes back to better preserve taste, notably for the Moelleux tender cheese recipe.

Successful ingredients for innovating include listening to consumers, capitalizing on the power of the core brands and harnessing the expertise of the manufacturing teams who make these products a reality at the Group's 27 production sites.

When customers innovate

Consumers of Bel products are also major innovators, inventing new uses and developing new eating habits. In the Middle East, Kiri® has become a leading ingredient in cooking recipes for the month of Ramadan. During that time, the Group very actively advertises and promotes the brand, and in so doing breaks a new sales record every year. In Belgium, marketing teams observed that a growing number of consumers were using Mini Babybel® for raclette fondues and began promoting the cheese for that very usage.

Offering sliced, shredded and creamy cheeses, Bel adapts its products to the diversified tastes of millions of consumers around the world.

Key figures

120 countries
The Laughing Cow® is enjoyed in nearly all countries.

5 core brands and some 30 local brands.

Bel Foodservice

European consumers can enjoy Bel cheeses in pre-cooked meals, thanks to Bel Foodservice PAI, the intermediary food products unit that sells core Group brands to food industry players. In 2009, co-branded Père Dodu and The Laughing Cow® poultry products, manufactured and sold by the Doux group, received awards in France. Breaded chicken with The Laughing Cow®, a product sold into the catering channel, won the "2009 Catering Flavor of Year", while the pre-cooked Père Dodu and The Laughing Cow® Duo product, sold in retail chains, was named "2010 Flavor of the Year."
In 2009, the Würstels sausage range featuring Leerdammer® cheese, sold by food industry group Wüber, won acclaim from Italian consumers and professionals alike as a significant innovation during the 2009 Tuttofood trade show.

BRINGING DAIRY GOODNESS

Bel endeavors constantly to create cheeses that appeal to every taste and pocketbook. Hand in glove with its role in offering food to millions of people each day comes the responsibility of ensuring nutritional benefit and affordability

33 million consumers a day

Thanks to their individual portions format and excellent conservation packaging, Bel cheeses can offer the benefits of milk to millions of people around the world. In 2009, the equivalent of 12 billion Bel cheese portions were consumed, representing nearly two portions per earthly inhabitant. Bel's core brands touch no less than 33 million persons each day. Such figures imply real responsibilities.

Opening new frontiers

Those symbolic figures aside, in reality just 5% of the world's population is currently addressed by the Group's cheese. Markets like Brazil and India have yet to be conquered, and other frontiers still have to be opened. Bel is seeking to bring "dairy goodness" to consumers with very modest purchasing power and, in so doing, support balanced nutrition. Bel has been reviewing its model in an attempt to respond to this challenge: to develop products affordable for the half of the earth's population that lives on less than two dollars a day by rethinking recipes, manufacturing, packaging, and distribution. The challenge has motivated employees from across all Group functions. The first fruit of their labor will be introduced in Vietnam in 2010.

The Laughing Cow® brand is translated into all local languages. In Vietnamese, it becomes "Con bo cuoi."

Nutrition at Bel and the pleasure of eating well

Bel's nutrition policy, a fundamental challenge for a Group that reaches millions of people every day, encompasses the notions of food safety and dietary balance without forgetting taste, flavor and the pleasure of eating well.

Food safety and quality

Bel puts its reputation with consumers in play when manufacturing millions of cheese portions daily at its plants. These production facilities comply with very strict standards, and the Group has a rigorous tracking and testing policy to ensure the safety and quality of its products. The start-up of the new Mini Babybel® production line in Slovakia, for example, was subject to 7,000 laboratory tests to ensure compliance in the strictest terms.

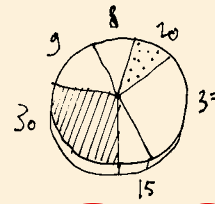
Nutrients for a well balanced diet

Milk contains nutrients key to a balanced diet, including proteins, fat, calcium, and vitamins. Over the past several years, Bel has lowered the salt content of its cheeses significantly and developed low fat versions of its products. The Group has also enriched the vitamin D and calcium content of some recipes, notably in Africa and more recently in The Laughing Cow® portions sold by Bel Foodservice to school cafeterias. To formalize its nutritional policy, Bel in 2009 developed "nutrition passports" to identify targeted levels of all nutrients in each of its products. The passports pinpointed areas where improvements could be made, with the fruits of those efforts expected to bud in 2010.

In 2009, Mini Babybel® advertising highlighted the product's natural and healthy characteristics.

Pleasure first

Bel's nutritional policy is based on the conviction that while a balanced diet is essential, it should not be the only factor. Room must be made for the enjoyment of eating.
From this standpoint, Bel is convinced that a good diet is possible by eating reasonable quantities adapted to the various stages of human growth and individual health, while building on the greatest possible amount of diversity.
Lastly, Bel strives to promote the idea that a balanced diet should be fit within the framework of structured meals, eaten and shared in moments of true conviviality.



Key figures

-25%
The average amount by which salt content has been reduced in Bel products over the past 10 years.

25,000
The number of biological tests conducted annually at each Bel production site.

CLOSE TIES TO CONSUMERS

Bel brands maintain close connections with consumers. To that end, advertising campaigns support the Group's nutrition policy by spotlighting and promoting good eating habits, good cheer and good behavior.

Messages that build bonds

Since its founding, Bel has used an irreverent, warm and lively tone in its messaging. Each of its brands creates memorable and humorous advertising sagas. In France and every other country where Bel is present, advertising successfully builds on the friendly character of the brands.

Focusing on proximity

The number of advertising messages reaching individuals increases every day. Against that backdrop, and in addition to traditional media, Bel focuses on customer proximity. Bel Americas has invested in street marketing campaigns to meet customers and has strengthened its presence at digital media outlets to enable easy and effective contact. Enhancing customer relations via the Internet is another area where the Group has invested, building on its encouraging experience with Bel Tchiz Box in France.

Since 2007, The Laughing Cow® has partnered with the Royal Dutch Swimming Federation, which shares its family- and health-oriented values with Bel.

Social role of brands is to encourage good behavior

Every day, via the media, Bel's brands address and maintain close ties to millions of consumers, creating a sense of responsibility. Through advertising, the brands can become parental allies by keying in on society's challenges to better help children grow.

Responsible communications charter

A signatory of the UDA (French Advertisers Association) charter for responsible communication, Bel has extended its efforts in this area by preparing its own charter. Six commitments are included in the Group's charter, such as providing accurate nutritional information and encouraging good eating habits. Furthermore, because Bel's advertising is often aimed at children, each commitment spells out the rules to be respected when addressing that specific audience. Bel's responsible communications charter is a voluntary commitment that applies to all Group brands worldwide.

Brands and physical activity

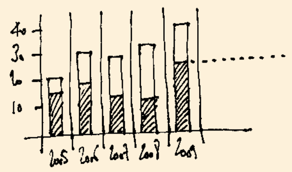
Attentive to a healthy lifestyle and consumer health, Bel encourages its customers to participate in physical activities, an essential partner to eating well. This is notably the case with Mini Babybel®, a cheese for which the advertising message is focused on movement. In the UK, the brand is a partner in the "Walking Bus in Kent" program, which encourages students to walk to school as part of their daily exercise regimen.
In the Netherlands, The Laughing Cow® supports the Royal Dutch Swimming Federation to promote swimming among children.

Nutrition symposium

Bel also plays a role in accommodating better eating habits among peoples.
In North Africa, Bel has organized symposiums led by international experts to sensitize doctors — who are key information sources for their patients — about the importance of good eating habits.

The third "Nutrition and practical health" symposium was held in Casablanca in 2009, with 290 pediatricians, nutritionists and other experts in attendance.
In a similar vein, also undertaken were public initiatives like The Laughing Cow® nutritional guide, which is aimed at mothers and distributed in the Moroccan press each year.

The Mini Babybel® partnership with the "Walking Bus in Kent" program is one of 6 CSR projects led by Bel's subsidiary in the UK.



Key figures

47,000

children participate in the "Walking Bus in Kent" program.

290

people attended the third Bel nutrition symposium in Casablanca.

THE LAUGHING COW®
OUT OF THE BOX!

La Maison de
La vache qui rit

From past to present, the company's flagship brand cultivates new means of expression.

Homage to its origins

La Maison de La vache qui rit® (The Laughing Cow® House) opened its doors for the first time on May 21, 2009, in Lons-le-Saunier, France. While the Jura and Franche-Compté regions are traditionally recognized and appreciated for the famous AOC Comté, Morbier and Mont d'Or cheeses, the Bel Group's presence here is a reminder that the area is also the birthplace of the most famous processed cheese. More than just another company museum, the Group has sought to remake the site in The Laughing Cow®'s image, where visitors rediscover the values of conviviality, humor and innovation that characterize the brand and the numerous advertising campaigns that have contributed to its popularity. Spanning 3,450 square meters, *La Maison de La vache qui rit*® offers the public a wealth of walking trails and a diversity of space wholly exceptional to the Franche-Comté region. The museum in fact covers "just" 1,100 square meters, leaving room for complementary facilities that lend the site its modernity. These include a temporary 150-sqm exhibition hall, an 80-seat auditorium, a shop with over 200 products, a dining area, and a 1,350-sqm children's garden. Located in the heart of the prefecture of Jura, *La Maison de La vache qui rit*® was designed by architects *Reichen et Robert & Associés* and was built according to HPE standards for green building.

La Maison de La vache qui rit® received backing from the city of Lons-le-Saunier, the department of Jura and the Franche-Comté region.

Cross-discipline innovation

La Maison de La vache qui rit® straddles the frontiers of several worlds, including manufacturing, marketing, tourism, leisure, culture, and pedagogy. While building on a mythical and internationally recognized product, this new establishment now must stand on its own, assert and differentiate itself, and add value to the brand, while maintaining the values that have made The Laughing Cow® a success. To accomplish this, *La Maison de La vache qui rit*® must not rest on the product's laurels by simply recounting the past and retracing The Laughing Cow®'s history, glorious as that may be. *La Maison de La vache qui rit*® must also be a place where the brand's future is invented, where new and experimental links are formed between a cheese with a heritage, customers who are now guests and a new means of expression for the company. The establishment's goal, which is to combine a brand's past with its future, to test ideas and to bear witness to the Group's commitments to nutrition and sustainable development, is an original idea not often found in the world of private company museums. But could it be any other way for The Laughing Cow®, which has always based its success on an offbeat and innovative strategy? Can the keys to the success of a food brand be ported to a cultural and touristy site? Can we, as a manufacturer, interest the public in art and culture? That's the bet the Bel Group has made with the opening of *La Maison de La vache qui rit*®.

Key figure

27,000

people visited *La Maison de La vache qui rit*® (The Laughing Cow® House) in its first six months of existence.

Architects *Reichen et Robert & Associés* designed *La Maison de La vache qui rit*®, which was built according to HPE standards for green building.

LOCAL STRATEGIES TO MEET GROUP OBJECTIVES

Giving priority to core brands is a key objective in the Group's drive for international growth. Within that framework, each region implements a strategy adapted to the specifics of its markets and local consumer habits.

Western Europe

The birthplace and starting point of Bel's expansion, Western Europe still accounts for 60% of the Group's sales. In 2009, volumes in the region, where Bel is present in all 12 countries, advanced 2%.

Strong market positions

Western European markets share two main characteristics: fairly weak growth rates typical of mature markets and leading positions for Bel's brands. Under those conditions, Bel's goal has been to consolidate volumes and market share within the region to confront competition that is particularly fierce despite lackluster economic conditions.

Consolidation momentum

In 2009, the Group's core and local brands showed more than just resilience. Bel Western Europe drove momentum by using its in-depth market knowledge to develop effective promotional-offer campaigns and to successfully launch new products, such as Leerdammer® Moelleux in thin slices and wedges, limited series Apéricube® and new Boursin® recipes. As a result, volumes of all core and local brands advanced during the year, and the performance in the first quarter of 2010 was particularly encouraging.

Key figures

4,000 employees

12 subsidiaries

12 production units

SUCCESSFUL LAUNCH OF BOURSIN® TARTINE

Knowing how to offer consumers new delights is a key attribute of a major brand. Proving that in 2009 was Boursin®, which inspired several innovations including the new Boursin® tartine range — two tasty and smooth textured recipes that are easy to spread. The new range, which was warmly received by consumers, contributed to the brand's 10% increase in volumes during the year.

Key figures

2,000 employees

3 subsidiaries

6 production units

Eastern Europe

Bel Eastern Europe includes sales entities in Slovakia, the Czech Republic and Ukraine, and six production sites that distribute Bel products to 16 countries. The main production unit is located in Poland. In 2009, Eastern European sales were severely impacted by the deep recession plaguing the region.

Strong local brands

Specific to this region, Bel's local brands are well entrenched among consumers and their eating habits, and account for 80% of Eastern Europe's sales. Notable among them are Shostka®, the leading cheese brand in Ukraine, Zeletava® in the Czech Republic and Karicka® in Slovakia. The leading positions acquired by these robust and enduring brands are poised to grow stronger thanks to Bel's active support, notably through innovation. The launch of Shostka® slices, for example, marked the introduction of a truly new product in the Ukrainian market.

Core brands given priority

At the same time, Bel's core brands are the strategic priority in the Eastern Europe region and the focus of development and investment efforts. In 2009, The Laughing Cow® got off to a promising start in Ukraine, while Kiri® was solidly established in the Czech market and successfully re-launched in Slovakia. Leerdammer® was also launched in the Czech Republic during the year. Building on the growth momentum, Bel expects the sales of its core brands to double in Eastern Europe in the short term.

SHOSTKA®, THE TOP CHEESE IN UKRAINE

For the fourth time in its history, Shostka®, Ukraine's leading cheese brand, was named "Cheese of the year" in 2009.

MINI BABYBEL® IN MICHALOVCE

Eastern Europe plays an important cheese-manufacturing role because it exports a portion of its production outside the region. In October 2009, a new Mini Babybel® production line was inaugurated at the Michalovce production unit in Slovakia. Local teams, backed by the shared know-how and experience of their colleagues in Évron, France, met the manufacturing challenge and got the export-dedicated line up and running on time and in time to feed other Group regions.

BEL INDUSTRIES

Group division Bel Industries is dedicated to food industry customers to whom it sells specially prepared dairy proteins to meet their needs for manufacturing such products as ice cream, yogurt and dairy-based deserts. In 2009, Bel Industries focused on strengthening its sales and marketing efforts in international markets. As a result of those efforts, the division's sales volumes weathered the recessionary storm well, breaking down evenly between Europe and the rest of the world, despite turbulent economic conditions and strong price volatility.

International

Bel International groups the regional markets of Africa and the Caribbean, the Near and Middle East and Asia Pacific. In 2009, all three regional markets reported robust growth, pushing Bel International's volumes and sales up more than 13% for the year.

Fast growing markets

In 2009, 10 countries in the International region recorded volume growth in excess of 10%, with three of them posting growth of over 40%. The strong performance stemmed from the development of products adapted to local eating habits and highly effective spending on promotional offers.
In the Middle East, TV and on-site campaigns to promote Kiri® for cooking have led to increasingly impressive results year after year.

A strong local presence

Bel's growth is driven by the presence of its teams in the region's various markets, where the Group operates a total of 15 local entities, five of which were opened in the past three years. As a result, Bel is more attuned to customer needs and can respond more rapidly with better adapted products. Innovation also plays an active local role with the launch of new recipes like Kiri® Labneh, inspired by a fermented milk-based recipe popular in the Middle East. Bel has also created new packaging adapted to local habits, such as The Laughing Cow® in glass jars and blocks, as well as new packaging to improve the shelf life of Belcube®, a product exported from France to Japan. These innovations have all contributed to the impressive growth achieved in the International region.

THE LAUGHING COW® COOKS UP SUCCESS IN ALGERIA

To strengthen its position and broaden its cooking range with a new, highly attractive taste, Bel in January 2009 launched garlic and aromatic herb-flavored The Laughing Cow® Chef. The launch of the product in the Algerian market was backed by an advertising campaign and cook booklet giveaways. Initial results were very encouraging with the product winning a 7% market share in very short time, despite very limited distribution.

Key figures

4,000 employees

15 subsidiaries

6 production units

Key figures

600 employees

3 subsidiaries

3 production units

Americas

A new avenue of growth for Bel, the Americas region has been reporting sales growth of more than 10% each year (14.3% in 2009).

Enormous potential

The U.S. and Canada have a combined population of 350 million people. Consumers in these two priority markets enjoy a high standard of living and offer durable growth prospects for Bel's products, which are perfectly adapted to local tastes. Elsewhere in the region, Bel is actively studying expansion opportunities in South America, primarily in Brazil, and in Central America. In 2009, a first step was taken in Mexico via a partnership with Sigma Alimentos, one of the country's main retail food chains, to sell The Laughing Cow® and Mini Babybel®.

Core brand investment strategy

To confront the fierce competition in North American markets, Bel decided to focus its efforts on The Laughing Cow®, Mini Babybel® and Boursin®, and to plan for significant, optimal investment in terms of the advertising required to promote those brands. The strategy has paid off. Following on the success of The Laughing Cow® in 2008, the first Mini Babybel® advertising campaign tailored for the US market was rolled out in 2009 with impressive results. In addition, a promising test campaign carried out at the end of the year for Boursin® pointed to significant growth prospects for Boursin® in 2010.

THE LAUGHING COW® ON THE ROAD

In 2009, 550,000 samples of The Laughing Cow® light were distributed in the US as part of a promotional offer campaign. The campaign targeted working moms seeking healthy food.

MINI BABYBEL® SUCCESS STORY

"Better way to snack on the go".
A TV commercial targeting busy urbanites in the U.S. found the right words to tout the tasty and healthy virtues of Mini Babybel®, which can by eaten anytime, anywhere. After 12 weeks on the air and an innovative on-site promotional-offer campaign, sales of the cheese bounded 30% in 2009.

The story of an idea

At the Tangiers production site.

Since 2003, an annual innovation challenge has encouraged employees in Tangiers to make suggestions aimed at improving security, organization and even product quality. The Tangiers staff came up with an idea that will facilitate the work of several persons at the production site. The idea will certainly be implemented and could be selected as the year's best idea by a jury. Shared drive and enthusiasm keep everything moving forward.

Helping each employee become an enthusiastic contributor to success!

AN ORGANIZATION CLOSER TO MARKET

The center of gravity in the Bel world is shifting. Active on five continents, Bel revised its organizational structure in 2009, to enhance its opportunities for driving international growth.

New geographical breakdown

In 2009, the Group sought to make its international plans even more clear-cut. Accordingly, Bel Eastern Europe was set up to respond to the region's specific characteristics, particularly in terms of purchasing and eating habits, which differ significantly from those observed in Western Europe. The four-region organization, which now includes Bel Western Europe, Bel Eastern Europe, Bel Americas, and Bel International, better reflects the realities of the markets where the Group is active.

Locally delegated responsibility

The main goal of the new organization is to give greater autonomy to regional management by placing decision-making centers closer to markets and consumers. As a result, several functions previously under the authority of central head offices, such as manufacturing operations, application development and supply chain, have been reassigned directly to regional head offices. Means such as the transfer of €22 million for operations and some 100 management functions are now under the same operational responsibility, giving local teams greater agility and faster responsiveness to market opportunities.

Bel's new organization enhances the Group's growth prospects and creates development opportunities for employees.

Making the organization function

The organizational transformation has profoundly changed how the company operates, requiring careful guidance so that the Group and its employees can make the most from the change.

Redefining roles

The decentralization of operational decisions and resources gives the regions greater autonomy over everyday management. At the same time, central divisions like Manufacturing and Technical, Finance, Human Resources, and Marketing and Innovation have become expert and support centers, with stronger roles for their teams in terms of strategy, guidance, innovation, and the performance tracking of their respective functions everywhere within the Group. They are now responsible for projects and cross-sector transformation work, such as deploying a lean manufacturing organization, accelerating global development of the Boursin® brand and rolling out the "People First" human resources program, as well as preparing new solutions destined for local markets.

Accompanying change

As a result of the new organization, some 100 managers will assume new roles and responsibilities, including regional manufacturing managers, supply chain managers, country managers, and production site managers. These changes represent real growth opportunities for those employees and amount to a true managerial advance for many. Group training and individual coaching resources have been deployed to ensure that all the changes are successful.

Sharing experiences is a key focus

Cross-sector work across regions and functions remains a priority in all business areas to ensure the success of the Group's international development. In manufacturing, the "Performance Formula" program rolled out in 2009 to improve raw materials productivity gave rise to new and promising ideas thanks to effective networking. Similarly, inter-production unit sponsorships to transfer expertise between manufacturing sites remains based to a large degree on bonding among teams. Lons-le Saunier, for example, serves as the reference for the Cairo production unit, where technicians were dispatched to share their know-how enthusiastically with their Egyptian colleagues. Experience sharing has not been limited to manufacturing. The PACE project, implemented under Bel's SAP information system, allows all countries in the deployment phase to take advantage of previous experience acquired at other sites around the world.

The experience sharing model for production units enabled teams in Michalovce, Slovakia to take advantage of the Mini Babybel® manufacturing know-how gained by teams in Evron, France.

The Bel workforce

11,500 employees, including 10,000 at production sites

36 nationalities

115 management post changes under the new organization.

DEVELOPMENT FOR ALL

People First, Bel's global human resources program, is based on the idea that men and women are the primary drivers of growth. The program's goal is to coach employees in their professional careers and develop them into enthusiastic participants in the Group's success.

Growing within Bel

In 2009, Bel conducted annual reviews for its 1,300 managers, thereby making this essential component of all human development and performance policies universal. The goal of the reviews, now conducted in countries where previously they were not the local norm, is to measure performance and competence and project them into the future by determining the employee's geographical and/or functional growth prospects and by proposing paths for success, e.g. training, promotion or mobility.

Real prospects for growth

Regularly conducting the reviews gives Bel an exhaustive, individual and collective view of its managers and their prospects for new professional experience and, in so doing, can help them develop. In 2009, the reviews led to 206 promotions and 39 international transfers, bringing the total number of expatriated employees to 67, up 43% versus 2008. Bel's geographical expansion has led to the creation of talent pools in the regions to such a degree that a growing number of the movements concern managers from around the world. As a result of implementing this policy, Bel has made it a longer-term goal to fill two-thirds of its executive positions with in-house talent.

GROWING further TOGETHER

Bel seeks employees who can actively contribute to a group undergoing a complete transformation and can grow within the company. An ambitious program to develop and manage skills puts people at the heart of Bel's success.

Campus, Bel's company university, is broadening its training with new courses covering the Group's functions and managerial approach.

Talent for growing business activities

"Growing Further Together" is how Bel describes its contract to develop the skills and expertise of its employees.

A promise from day one

In 2009, Bel developed an employer brand advertising campaign based on a question to its future employees, "How far can we go together?". The campaign highlighted the real possibility that by joining Bel, a recruit could contribute to the Group's growth as well as his own. The campaign was rolled out on a country-by-country basis, in step with each country's efforts to recruit talent with long-term growth potential at campuses and universities.

Training given priority

Growing international expansion and the new organization have made it vital to develop a common working language and skills in all Bel regions. That's why training is now a priority on the 2010 agenda.
Training at Campus, Bel's company university, was enriched in 2009 (and will be in 2010) with the addition of seven new courses covering general abilities in management and skills evaluation, and such functions as purchasing, trade negotiation, supply chain, and category management.
In 2009, three new function-based skills guides were developed for sales, information systems and human resources. The finance and supply chain skills guides will be developed in 2010.

5 VALUES

Ethics, innovation, enthusiasm, competence, and cohesion are the values that inspire Bel employees every day.

In addition, the company's leadership program will be continued in 2010 with 300 managers expected to participate. The goal of the program is to instill a managerial spirit in sync with Bel's values deep within the organization.

Production units in the spotlight

Bel knows the importance of maintaining know-how and best practices at its production units, which are renowned for their enthusiastic and highly professional teams who manufacture the Group's products. The training programs concern manufacturing, quality control, and hygiene, as well as employee and product safety. Significant efforts are made to ensure the operating excellence of all newcomers.

The Bel workforce

67 expatriated employees, up 43% in 2009

39 international promotions in 2009

206 managerial promotions (geographical and/or functional) in 2009

A COMMUNITY TO THRIVE IN

Bel's promise of "sharing smiles" is aimed employees as well as consumers. The Group's responsibility to its community of employees consists of creating a meaningful bond and work environment to help all staff members contribute to the development of the business every day.

Zero accident objective

Bel's first obligation to its employees is to ensure their safety. Work accidents, their frequency and seriousness are carefully tracked and the data are centralized. Action plans are implemented to significantly reduce their number.
The goal of this approach, followed at all production sites, is to achieve zero accident. Group efforts have cut the accident rate at the French production units by 25% in five years. As a result, there are three times fewer work-related accidents at Bel than in the dairy industry as a whole. The goal over the next three years is to lower the rate even more. Group production units worldwide are involved in the effort. The Cairo plant, for example, became OHSAS 18001-certified for occupational health and safety in December 2009. In France, the Pacy-sur-Eure production unit, which manufactures core cheese brand Boursin®, had already obtained this certification.

Employee safety is the subject of specific action plans at Bel production units around the world.

Bel commits to its employees

To offer a work environment where all employees can contribute to the best of their abilities, Bel decided to formalize its main commitments to the Group's 11,500 staff members and their families through two charters, including one for ethics and the other for labor relations. Several key ideas are contained in the labor-relations charter, which is currently being prepared. In this way, employees at all levels of hierarchy will have the right to a documented and structured annual performance review. Furthermore, compensation and benefits for employees and their families will be assured, even in countries where such obligations are not mandated by law.

The Groupe Bel sailboat has created a bond among company employees. In 2009, skipper Kito de Pavant made stops in Italy, Egypt, Syria, Turkey, Spain, and the United States to meet local teams.

Federating enthusiasm

At the core of Bel's values, cohesion is essential to working at Bel. It unites everybody around Group projects and perpetuates a true community spirit.

Accessible information for all

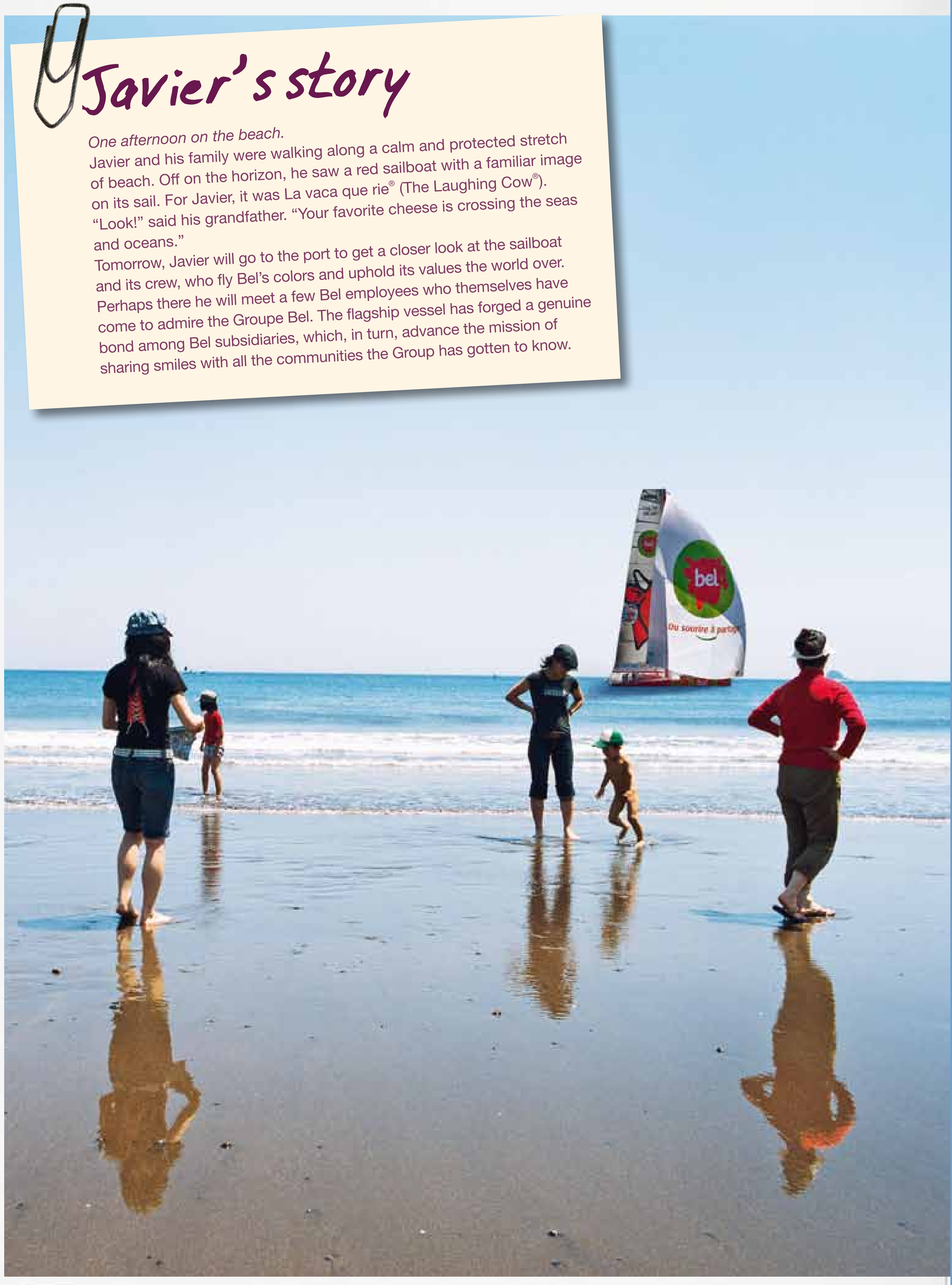
Shared and transparent information is the best tool for uniting teams around common goals and priorities. To that end, the internal newsletter, "DailyBel", offers news about the Group's projects and achievements, as well as stories about Bel team members around the world. Published in 12 languages, "DailyBel" is available to the entire Bel workforce and to over 80% of all employees in their native languages. It effectively complements the information provided by local management.

The Groupe Bel sailboat, flagship of the entire workforce

The sailing sponsorship program, which has partnered with skipper Kito de Pavant since 2005, has inspired all Group subsidiaries and employees. What could have been summed up as an external communications operation has created great excitement within the company. Staff members the world over, particularly at the production units, have united in an outpouring of support for Kito de Pavant and his trials and successes, such as taking second place in the 2009 Transat Jacques-Vabre yachting race. The ship has thus created a bond among all employees. Kito's visits to Bel subsidiaries have become very popular events around the world. And the support of Bel's workforce doesn't end at the shoreline either. As evidence of that encouragement, some 7,500 employee thumbprints are affixed to the mast of the Groupe Bel sailboat.

Javier's story

One afternoon on the beach.
Javier and his family were walking along a calm and protected stretch of beach. Off on the horizon, he saw a red sailboat with a familiar image on its sail. For Javier, it was La vaca que rie® (The Laughing Cow®).
"Look!" said his grandfather. "Your favorite cheese is crossing the seas and oceans."
Tomorrow, Javier will go to the port to get a closer look at the sailboat and its crew, who fly Bel's colors and uphold its values the world over. Perhaps there he will meet a few Bel employees who themselves have come to admire the Groupe Bel. The flagship vessel has forged a genuine bond among Bel subsidiaries, which, in turn, advance the mission of sharing smiles with all the communities the Group has gotten to know.



Acting within communities to broaden the world's smile

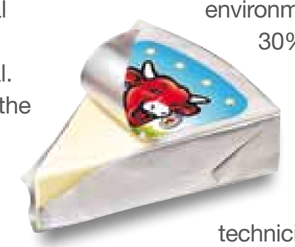
Present in numerous countries to be closer to its customers, Bel invests in the communities where it operates to ensure that its activity is respectful and a source of momentum for local growth.

THE ENVIRONMENT, A COMMON PROPERTY TO BE PRESERVED

Respecting the environment is a core principle of Bel's commitment to communities and it goes hand in hand with the overall view of seeking to reduce the environmental impact of all Group activities.

Effort is based on LCA

Life Cycle Analysis (LCA) uses various barometers to measure the environmental impact of a product over its entire life cycle, from raw material production upstream, to manufacturing, packaging, transport, and waste disposal. Because LCA assesses the phases with the strongest impact, it can identify priority areas that need action. Bel ended 2009 with LCAs begun on six core brand references. All its products stand to benefit from the assessments. The resulting action plans will be progressively deployed on a product-by-product, site-by-site basis.

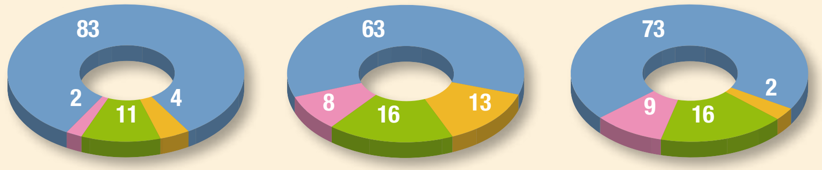


A responsible dialogue with the agricultural world

LCA has brought to light the weight of dairy and dairy raw material production in the environmental footprint of cheese manufacturing, prompting Bel's response to contribute to "sensible" agriculture. French and Dutch milk collection rights, which account for 70% of the 1.7 billion liters of milk acquired directly from dairy farmers, have the most sophisticated controls over production conditions. These certified systems handle quality, food safety, animal health and well-being, and environmental protection. In France, which accounts 30% of milk collection rights, the Group relies on the "Best Farming Practices Charter." One hundred percent, representing 1,400 dairy farmers under contract with Bel in France, signed the charter following an assessment by a Bel technician, trained and authorized to check for compliance. In addition, Bel dairy farmers formally commit to an improvement plan, over the course of which Bel experts continue their support.

Life cycle analysis example

for manufacturing a 12-portion box of The Laughing Cow® in Dole, France



Impact of each phase in the product life cycle broken down for the three key indicators

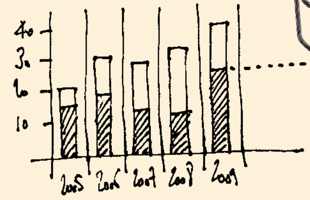
- **Raw materials,** including the production of milk and the manufacture of solid raw materials used in product formulations (including transport).
- **Manufacturing and packaging** of cheeses at Bel production units.
- **Packaging,** including the manufacturing and transport of packaging to Bel production units.
- **Logistics and distribution,** including storage and distribution to the point of sale in France.

Limiting environmental impact

Efforts to minimize the environmental impact at Bel's manufacturing sites are notably aimed at lowering water and energy consumption and cutting all forms pollution, such as greenhouse gas emissions and waste production.

Long-term view

The Group's efforts, for which ambitious targets are set in all areas of environmental impact, are programmed over several years. By the end of 2009, the targets for the 2003-2012 plan had practically been met (see table below). As a result, new targets will be set in 2010.
Key performance indicators measured each year and published in a company reference document called the DDR are used to assess the progress made at the production units. In 2009, the report showed significant improvement.
In the area of water, efforts are aimed primarily at lowering consumption and wastewater discharges, followed by treatment optimization. For fossil fuels and greenhouse gas emissions, the Group is also striving to reduce consumption by improving processes and equipment, thereby decreasing heat needs and increasing the recovery rate.



CSR data

100% of dairy suppliers to Bel in France have signed the "Dairy Farmer Best Practices Charter".

6 plants are certified ISO 14001*.

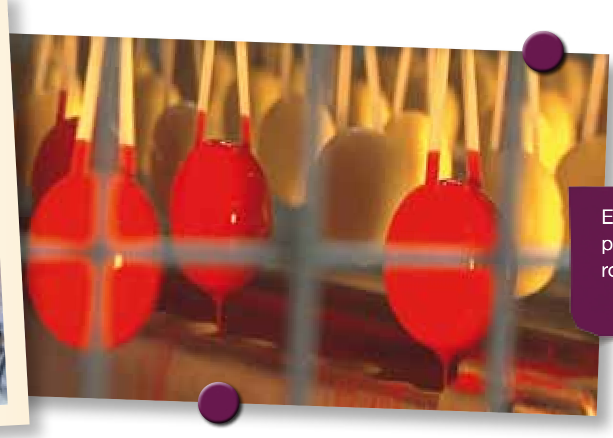
-19.1% The amount by which CO_2 emissions were lowered at the production units from 2003 to 2009.

** The international standard for environmental management.*

	2003-2009 Results	2003-2012 Targets
Water consumption (m^3/t)	- 20.8%	- 20%
Fossil fuel usage in metric ton oil equivalent (TOE) per metric ton of cheese produced	- 19%	- 22%
Greenhouse gas emissions (CO_2 in kilograms per metric ton of cheese produced)	- 19.1%	- 22%
Non-recycled solid waste (kilograms per metric ton of cheese produced)	- 22.2%	- 42%

Durable involvement

While the idea of preserving natural resources may be more advanced and better known in some countries than others, Bel believes it has the same importance everywhere and should receive the same amount of attention in all countries where the Group is present. That's why all 27 of Bel's production units have an organization dedicated to environmental issues, to implement and follow up the actions necessary to reach the company's goals in this area. An environmental safety engineer supports and coordinates the entire network, and ensures that best practices are spread and shared. Lastly, training sessions are held regularly at the production units to ensure that everybody becomes a player in respecting the environment.



Environmental concerns are playing an increasingly larger role in packaging design.

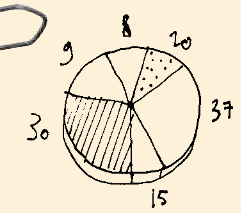
The right amount of packaging

Packaging is one of the defining characteristics of Bel cheeses, and the symbol of the company's know-how. Often presented in portion form, the cheeses are practical and delightful to eat. But individual packaging serves two other functions as well. It makes an appropriate nutritional snack affordable for consumers and it guarantees food safety.
Despite these advantages, such packaging is sometimes criticized for its environmental impact, notably for the amount of waste it generates. Aware of that impact, the Group is working to reduce its global packaging tonnage at the source to minimize its environmental footprint. Since 2005, over 1,200 metric tons of packaging have been cut, including 320.5 metric tons in 2009 alone. Going even further in this direction, Bel has established performance indicators, such as the ratio of packaging weight to product weight and the percentage of material that can be recycled. Targets for these performance indicators will be set as of 2010.

Ecological design initiatives

Bel is working with its suppliers to reduce the weight of its current packaging while guaranteeing sufficient levels of safety, quality, security, and attractiveness for its customers. These efforts involve decreasing the thickness of the aluminum foil around the portions that today ranges from 10 to 12 microns, as well as lowering the weight of the cardboard boxes for The Laughing Cow® and Kiri®. In addition, the Group along with research institutes is studying new, more environmentally friendly materials like vegetable wax to enclose Mini Babybel®.
In regards to packaging end of life, the Group has partnered with Nespresso to recover and recycle micro aluminum waste at pilot sorting centers.
Lastly, Bel is playing a role in encouraging the sorting and recycling of its cardboard boxes. For example, an informative comic strip has been added on the back of Kiri® boxes in France to sensitize young consumers to waste recycling.

For Bel, CSR also means sensitizing young consumers to environmental problems.



CSR data

Over
320
metric tons of packaging was eliminated in 2009.

CSR data

120 suppliers were assessed for their CSR practices in 2009. The goal is to evaluate 350 by 2012.

A DYNAMIC FOR SHARED RESPONSIBILITY

Bel's sustainable development policy does not stop at the company's doors. To improve its impact on the community, the Group is aware that it has the power to extend its efforts among its suppliers. To that end, Bel has committed to undertaking a responsible purchasing program, the cornerstones of which were laid in 2009.

Applying CSR in purchasing

For starters, Bel decided to integrate CSR ideas into the workings of its purchasing department. The first step involved preparing a "Sustainable Purchasing Charter" to share the Group's commitments with its suppliers and to encourage continued progress in terms of the social and environmental aspects of their activities. The charter will be distributed to suppliers during the bidding process or at the beginning of trade relations, in an attempt to gain their commitment.
In 2009, purchasing agents at the head offices were given sustainable purchasing training courses, which will be extended to all purchasing agents in 2010.

Supplier evaluations

With the help of the EcoVadis company, the Group also launched an effort to assess the environmental and social responsibility performance of its suppliers. An initial portfolio of 120 suppliers, constituting a representative sample in terms of purchasing, size and geographical footprint, were polled.
The high response rate showed that awareness is already growing.
Another positive development was that none of the suppliers received an eliminatory rating for unacceptable practices. Bel's goal is to evaluate its 350 strategic suppliers by 2012.

A ripple effect

The evaluation effort opens the door to CSR in Bel's dialogue with its suppliers and creates a space for exchanging best practices. It can identify suppliers at risk, necessitating the preparation of joint plans for improvement.
These action plans, initiated by the suppliers, are also aimed at strengthening the business ties that Bel seeks to reinforce. Following the 2009 evaluation campaign, the first joint action plans are expected to be implemented in 2010. Furthermore, in line with the policy's prevailing view, Bel will include a CSR weighting in its supplier selection criteria during the bidding process in 2010. All else being equal, the decision tends to favor the supplier whose CSR commitments most closely resemble those of the Bel Group.

With the "Sustainable Purchasing Charter", suppliers commit to a CSR policy shared with Bel.

INVOLVEMENT IN SOCIETY'S CHALLENGES

Philanthropic and sponsorship activities are natural extensions of Bel's responsibility to society. Through its brands and corporate foundation, the Group takes action in line with its values related to the societal challenges facing the territories where it is present.

Bel Germany and Leerdammer® led the Ein Herz für Kinder operation to support disadvantaged children.

Red Nose Day!

Group brands play a role in the commitment to societal challenges in countries where Bel operates. Mini Babybel® offers an example in the UK, where Bel UK has been involved in several ambitious projects. Mini Babybel® is a sponsor of Red Nose Day, a national event aimed at raising money to fight poverty and help disadvantaged children. In 2009, Bel UK employees played a personal role in a strong advertising and donation-collection campaign that netted over £305,000, or €350,000.

That success stemmed in large part from employee involvement and the spirit of the operation, a marriage of generosity and laughter, in perfect harmony with the spirit and values of the brand and Bel.

£305,796 were raised for Comic Relief, a non-profit association, as part of "Red Nose Day", sponsored by Mini Babybel® in the UK.

Bel's Corporate Foundation

Bel's business is to offer consumers tasty, useful and healthy products. That's a big responsibility because its products often address children, and food plays such a crucial role in the development and well being of everyone. Founded by Bel and Unibel in 2008, the Bel Corporate Foundation is the result of the willingness of the Group's shareholders to strengthen Bel's charitable role in societal issues.

Helping the well-being of children

The Bel Foundation focuses on children and their well being in France and around the world, notably in two influential areas, food and environmental protection. Rather than back weighty and long-term projects, the Foundation favors a patchwork approach of hope-inspiring actions, which placed end-to-end, create positive momentum for children.

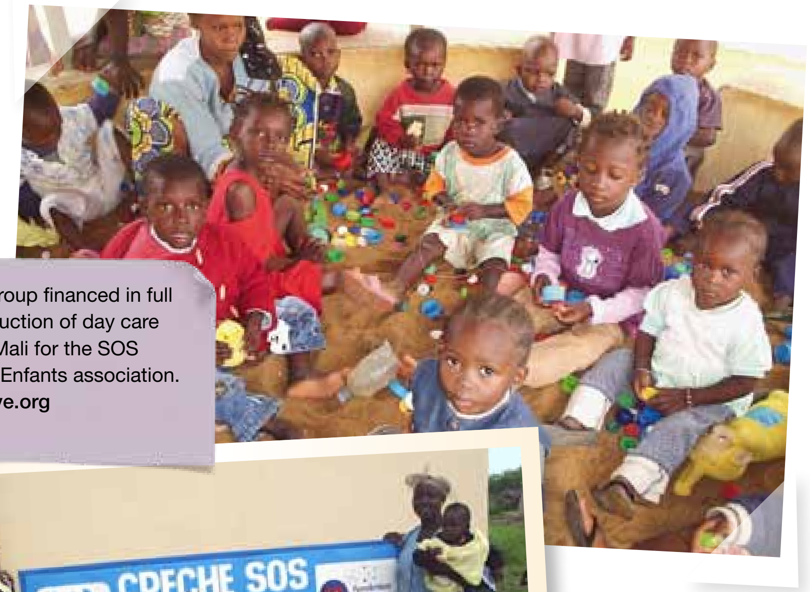
10 projects supported around the globe

In its first 18 months of existence, the Foundation has aided 10 projects led by 9 non-profit associations in 6 different countries.

Among the projects is SOS Children's Villages, a 50-year-old non-profit that provides a welcoming home for children separated from their parents, a place where the children can be raised in a family setting until adulthood. The Bel Foundation financed the construction of a day-care center in Mali for the association, in perfect accordance with its role. Some 50 children are housed there, and families receive information about food and the prevention of diseases and accidents.

Getting employees involved

In December 2009, the Foundation selected seven new projects and sought to encourage Group employees to participate in the Foundation's life and mission. The Board of Directors set up 10 grants to be awarded each year for actions led by non-profit associations, in line with the Foundation's mission and sponsored by Bel employees.



The Bel Group financed in full the construction of day care center in Mali for the SOS Villages d'Enfants association.
www.sosve.org

bel Foundation

FOUNDATION WEBSITE

The Foundation's website at www.fondation-bel.org offers a presentation of the initiatives supported. Non-profits can also use the site to submit projects to Bel's Board of Directors.

CSR data

10 projects supported by the Bel Foundation

- **Compas Austral,** France
- **SOS Villages d'Enfants,** Mali
- **SOS Villages d'Enfants,** Madagascar
- **Un Regard, un Enfant,** Morocco
- **Agronomes et Vétérinaires Sans Frontières,** Mali
- **Antenna Technologies,** Madagascar
- **La Voie de la Lune,** France
- **Les Amis de la Haute-Égypte,** Egypt
- **Oiseau-Lire,** France
- **Pour un sourire d'Enfant,** Cambodia


Mini Babybel
Karička
Bonbel
Gervais
Sylphide
Maredsous
Port Salut
kiri
Apéricube
Syrokrém
Smotanela
Babybel
boursin
Karper
Cantadou
Kaukauna
La Vache qui rit
Prices
Edelcreme
Limiano
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Terra Nostra
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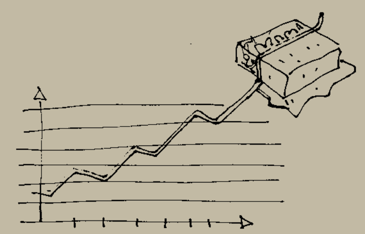
Syrtos
Toastinette
WisPride
Leerdammer

Dashboards



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is now an integral part of Bel's business development strategy. Its aim is to enable the Group to pursue sustainable and profitable growth, while making a positive impact where it operates. Accordingly, CSR has become a strategic imperative that extends to all Group regions and functions.

Bel's CSR effort is under way and it seeks to irrigate all Group operating activities. At the organizational level, a steering committee sets the tone by exploring and proposing key guidance, which is then submitted to the Group Management Committee, where the CSR function has permanent representation. The CSR network is supported by dedicated functional heads, who lead working groups specific to each major function. After a long period devoted to a complete inventory and prioritization, the time has come to deploy the Group's overall strategy in each of the functions and regions.

It's a particularly delicate exercise requiring adaptation to a variety of local realities because Bel's many operating subsidiaries are spread over five continents.

In many cases, local regulations and/or cultural diversity will require localization work that will likely take a considerable amount of time. The process, however, is now under way and by the end of 2010 is expected to lead to the development of differentiated roadmaps for each of the major countries where the Group operates. End 2010 is also the deadline for the consolidation of higher precision performance indicators in all areas, to enable better CSR guidance.

Nevertheless, the overall objectives and partial indicators, which figure in the following dashboards, already show key programs associated with the five pillars underpinning CSR across the entire Group.

THE FIVE PILLARS	AREAS OF PROGRESS (THREE-TO-FIVE YEAR HORIZON)	POSITION AND ACHIEVEMENTS IN 2009	OBJECTIVES FOR 2010
AN AFFORDABLE NUTRITIONAL BENEFIT Bring an affordable and adapted nutritional benefit to the widest number of customers through our products.	**1.** Develop a coherent nutritional policy on an international Group scale recognized and validated by nutritional experts.	• Goals to improve the nutritional composition of our international brands ("Nutrition Passport") were established and subsequently validated by the Group Management Committee.	• Develop action plans based on the "Nutrition Passport" for all four of the Group's operational regions.
	2. Adapt the formulation of our products by 2015 to composition targets recommended and validated by a panel of experts.	• Target thresholds and limits were established for calcium, fat and salt, three essential nutrients in our products.	• Identify and launch formulation renovation programs to reach nutritional composition targets set for 2013 and 2015, depending on the brand. • Where relevant, formalize the progress process through publicly stated charters (minimum in France in 2010).
	3. Strengthen the organization dedicated to nutrition; train teams.	• Ad hoc committees were created, and the international "nutrition network" was set up and activated.	• Strengthen existing training programs and determine the target audiences. • Raise awareness of the Group's nutrition program among all 11,500 employees within the 33 subsidiaries and in 15 languages. • Build a nutrition dedicated portal aimed at all employees.
	4. Make our product range more affordable for consumers with very modest purchasing power.	• A formulation specially adapted for the nutritional needs of Vietnamese consumers was developed.	• Launch the product range in Vietnam. • Form partnerships with associations aimed at exploring a fair breakdown of added value in the distribution channel.

THE FIVE PILLARS	AREAS OF PROGRESS (THREE-TO-FIVE YEAR HORIZON)	POSITION AND ACHIEVEMENTS IN 2009	OBJECTIVES FOR 2010
SOCIAL ROLE OF THE BRANDS Give our brands a "vector of social progress" role by encouraging consumers to adopt responsible behaviors.	**1.** Define the mission specific to each of the Group's international brands in the effort to promote responsible behavior by our customers.	• First frames aimed principally at children were realized for brands: – The Laughing Cow® and guidance on nutritional habits, – Mini Babybel® and advocacy of healthy living and physical activity, – Kiri® and education, whetting taste.	• Formalize the mission of concerned brands using expert opinions for each issue. • Prepare corresponding action plans, adapted to local issues.
	2. Develop information programs focusing on balanced diets and nutrition.	• Initiatives were taken in several countries to provide information aimed at health practitioners, parents and others.	• Integrate these programs into action plans broken down by region.
	3. Lend our support to social organizations working on behalf of the poor.	• Initiatives were taken in most countries pertaining to the donation of unsold products or products whose sell-by dates were too short to place the products on the shelves.	• Formalize the "prohibition" of product destruction and set up networks for making donations to non-profits.
	4. Adopt responsible communication rules.	• Bel France became a signatory of the UDA (French Advertisers Association) Charter for responsible communication.	• Account for annual commitments and achievements.
		• The worldwide Bel Charter for responsible communication was prepared with six commitments and a particular focus on children: – Improve access to nutritional information, – Encourage good eating habits, – Develop promotional offers where the benefit is clear and unambiguous, – Manage customer-related data with loyalty to our customers, – Proscribe behavior contrary to the respect of others in our advertising messages, – Take into account the environmental impact of our advertising efforts.	• Systematically submit the charter to all consulted outside agencies. • Ensure that the six commitments are taken into account. • Broaden employee awareness about responsible communication by following the dedicated Belmark training program. • Integrate the CSR management visa in the validation process of advertising campaign principles.

THE FIVE PILLARS	AREAS OF PROGRESS (THREE-TO-FIVE YEAR HORIZON)	POSITION AND ACHIEVEMENTS IN 2009	OBJECTIVES FOR 2010
ENVIRONMENT AND ECODESIGN Reducing the environmental footprint of all our activities.	**1.** Gather reliable, hard data to guide choices and priorities in reducing environmental impact.	• A life Cycle Analysis (LCA) of six major reference products was conducted, leading to the development of a model for the environmental impact of our entire production. • Key indicators were identified and quantified, including water consumption, fossil fuel consumption, greenhouse gas emissions, and non-recycled solid waste. • Results were presented and awareness raised among all teams concerned.	• Create and deploy action plans by product, site and life cycle phase.
	2. Lower the environmental impact of our production units — 2012 plan compared to 2003 (measures per metric ton of cheese produced): – Water consumption (m^3/t): -20%, – Fossil fuel consumption (TOE/t): -22%, – Greenhouse gas emissions (CO_2 in kg/t): -22%, – Non-recycled solid waste (kg/t): -42%.	• 2009 performance was compared to 2003 (measures per metric ton of cheese produced): - Water consumption (m^3/t): -21%, - Fossil fuel consumption (TOE/t): -19%, - Greenhouse gas emissions (CO_2 in kg/t): -19%, - Non–recycled solid waste (kg/t): -22%.	• Considering 2009 results compared to 2012 objectives: set new medium-term targets for key indicators.
	• ISO 14001-certify the environmental management systems of the production units with all cheese production sites certified by 2013.	• Six production units out of 27 total were certified by end 2009.	• Progressively put environmental management systems into place to meet 2013 target.

THE FIVE PILLARS	AREAS OF PROGRESS (THREE-TO-FIVE YEAR HORIZON)	POSITION AND ACHIEVEMENTS IN 2009	OBJECTIVES FOR 2010
ENVIRONMENT AND ECODESIGN Reducing the environmental footprint of all our activities.	**3.** Encourage more environmentally friendly farming practices.	• Mutual commitments to best practices and other progress were made with dairy producers in France and the Netherlands, which together account for 70% of the Group's milk collection rights.	• Revise and strengthen the "Charter of Best Farming Practices" in France (contribution at the initiative of the farming trade).
		• A CSR assessment of raw materials used in new or renewed production formulations was implemented.	• Obtain RSPO certification for our supply of palm oil.
	4. Develop more environmentally friendly packaging.	• An environmental impact analysis of packaging was conducted as part of a product life cycle analysis (LCA). • Key environmental indicators were established, including: - Packaging weight per kilogram of cheese, - Percentage of recycled original material, - Recyclability rate, - Recycling rate.	• Strengthen the ecodesign efforts for packaging: - Build a database by packaging type, - Define targets by packaging type for the Group's main brands, setting thresholds and limits for these references.
		• An ecodesign manual was drafted for all Group employees involved in packaging.	• Recruit an expert in packaging eco-design.
		• The establishment of recycling channel for aluminum micro waste was promoted in France (Club Cela, in partnership with Nespresso).	• Validate the economic viability of the channel at our 3 pilot sites.
		• Packaging was reduced by more than 300 metric tons in 2009, bringing the total reduction to 1,050 metric tons since 2007.	• Continue research on source reduction and alternative materials compatible with our production systems.
		• Children were encouraged to recycle and made aware of environmental issues through the Kiri® brand in Europe.	
	5. Take greater account of the environment in non-industrial activities.	• An "ecocitizen office" program was rolled out at Group headquarters to implement selective sorting, paper recycling and the reorganization of printers and photocopying machines, etc.	• Systematically catalogue supplies meeting sustainable development criteria. • Limit travel by improving the video-conferencing system.
		• Sales force eco-driving training courses were given to 25 employees of Bel Foodservice.	• Extend the eco-driving training program to other sales forces within the Group.

THE FIVE PILLARS	AREAS OF PROGRESS (THREE-TO-FIVE YEAR HORIZON)	POSITION AND ACHIEVEMENTS IN 2009	OBJECTIVES FOR 2010
COMMUNITY RELATIONS Affirming our footprint in all countries where we are present	**1.** Optimize the economic and social usefulness of the Company and its operations in host countries.	• Thirty-three subsidiaries were operating around the world.	• Model the value of our main locations' social and economic impact; define the KPIs.
		• Twenty-seven production units were located close to consumer areas.	
	2. Make our purchasing policy an area of CSR progress that is shared with our suppliers.	• A sustainable purchasing charter was drawn up.	• Implement plans to improve the CSR of the supplier group assessed in 2009.
		• A CSR clause was included in contracts and bid invitations.	
		• CSR performance and practices were assessed for 120 strategic suppliers.	• Deploy the second phase of the supplier evaluations, i.e., the new sample of 120 suppliers with a view to assessing all 350 strategic suppliers in the next three years.
		• All central purchasing people were trained in sustainable purchasing.	• Continue training among non-central purchasers.
	3. Set aside a portion of the value created by the Company for the disadvantaged.	• Bel's Corporate Foundation completed its first year of operations with 10 projects in 6 countries, including France, Morocco, Madagascar, Mali, Egypt, and Cambodia involving the well-being of children or in the areas of the environment and nutrition.	• Continue and track programs. • Strengthen employee involvement by awarding 10 grants annually for employee-advocated projects to help local communities.

THE FIVE PILLARS	AREAS OF PROGRESS (THREE-TO-FIVE YEAR HORIZON)	POSITION AND ACHIEVEMENTS IN 2009	OBJECTIVES FOR 2010
GROWING THE BEL COMMUNITY Developing a community where employees bond with and are at the heart of the business plan.	**1.** Better reflect the diversity of our markets in our teams and promote equality of opportunity.		
	• Promote cultural diversity and international integration.	• 36 nationalities worked at the Group.	• Aim for French-non-French parity at the Group's main management posts.
		• 67 employees were expatriated, up 43% vs. 2008. 39 employees were promoted internationally.	• Raise the percentage of non-French expatriates to 30%.
	• Tend toward gender parity.	• Of the Group's 80 primary managers, 20% were women and 80% were men.	• Aim for male/female employment parity at the Group's main management posts.
	• Develop specific programs to favor diversity, including the employment of disabled persons.	• Employment of disabled persons was developed at headquarters (cafeteria management, collections and selective sorting in the offices).	• Launch pilot programs to encourage diversity, equality of opportunity and private/professional life balance at subsidiaries in Algeria, the U.K., France, the Netherlands, Portugal, and Slovakia.
	2. Develop a standardized social reporting process for the Group and its subsidiaries.		
	• Complete the implementation of a Group-wide HRIS by 2012.	• The first elements of a consolidated international monthly reporting process were implemented.	• Define key performance indicators that are compatible with the diverse HR systems at our 33 subsidiaries.
	3. Develop skills, training and safety.		
	• Make Bel a "talent factory" at all its main functions.	• A managerial behavior guide was disseminated.	• Determine the target number of annual training hours per employee.
	• Be the sector benchmark for skills development.	• Efforts to establish guides for Group functions were continued.	• Strengthen key functions by developing Campus training programs (10 training programs, including 5 new ones).
		• The "Talent Factory" approach was formalized with Morocco serving as the pilot.	• Strengthen training spending for all Group employees.
	• Develop a "zero accident" policy.	• Accident frequency rate totaled 10.29* vs. 37.4 for the French dairy sector. **Number of accidents with work stoppage, divided by the number of hours worked times 1,000,000.*	• Make a complete inventory and standardized reporting process at the international level.
		• A Group safety function and worldwide coordination policy were developed.	• Increase awareness and communication about the "zero accident" program.
		• Egyptian site became the second production unit to obtain OHSAS 18001 certification.	
	4. Workforce social protection and benefits.		
	• Develop good quality social protections adapted to labor conditions at each of our locations.	• Best market practices were benchmarked.	• Take inventory of all our subsidiaries.
			• Define priorities on a country-by-country basis.
	5. Facilitate labor relations bonds, respect fundamental rights.		
	• Develop common labor management charters and policies for the entire Group.	• Goals and priorities were identified.	• Prepare policies and the corresponding commitments for deployment in 2011.
	• Draft a Group-wide ethics charter.	• Local ethics charters were adopted in Poland and Portugal.	• Assemble a working and drafting group to deploy the Group's ethics charter in 2011.
	• Develop a tool to conduct a Group-wide human resources climate survey by 2011.		• Design the survey and prepare the action plan.
	6. Involve all employees in the Group's CSR effort.		
	• Integrate CSR into the company's operating guidance.	• Group Management Committee redefined CSR priorities and validated the Group's roadmap.	• Base action plans at the main operating subsidiaries and functions on Group policy.
	• Make employees aware and players in the effort.	• Group's 11,500 employees were made aware of efforts with tools adapted for different audiences.	• Set up a network of CSR correspondents.
			• Introduce an award for best practices.
		• Structure for central guidance and functional managers was beefed up.	• Strengthen reporting formalization.

SUMMARY MANAGEMENT REPORT

In 2009, consolidated sales and volume showed strong resilience in a particularly turbulent environment.

Key figures

in millions of euros	2009	2008	% change
Sales	2,221	2,217	+0.2%
Operating income	149	95	+58%
Consolidated net profit – Group share	85	49	+73%

Organic growth, i.e. sales excluding foreign exchange fluctuations and changes in the scope of consolidation, edged down a slight 0.4% for the full year, despite a recovery observed in the fourth quarter. Sales of branded cheeses, the Group's core activity, continued to advance, but the growth was not enough to offset the contraction in industrial product sales caused by steep price declines.

Debt reduction continues.

The "International" and "Americas" regions continued to offer strong growth vectors for the Group. Both regions reported double-digit sales growth, benefiting from investments made over the past years, the adaptation of international brands in the regions' various markets and carefully selected distribution channels.

In the mature markets of Western Europe where Bel has strong positions, the Group maintained market share by adapting its sales and marketing strategy to soft consumer spending. Accordingly, a number of promotional offers were implemented. Those efforts, coupled with the drop in dairy by-product prices, adversely impacted Western European sales, which were down sharply.

Business in Eastern Europe was severely impacted by the recession and will require tough measures to turn the situation around.

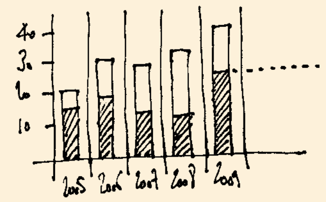
The advance in 2009 earnings stemmed from active measures implemented since 2008 to cut fixed costs and the success of positioning the company's business activity more equally across various markets.

Operating income, which totaled €149 million, was impacted by asset write-downs during the year, notably in Eastern Europe.

Net financing costs decreased more than 30% versus the previous year as a result of lower interest rates and efforts to pay down debt. After taking into account net financing costs and income tax expense for the year, consolidated net profit — Group share totaled €85 million, up from €49 million in 2008, but still below 2007.

Sales remain steady.

At December 31, 2009, the Group's total equity stood at €902 million, compared with €850 million a year earlier. Net financial debt was reduced to €357 million, representing 40% of equity at end 2009, down from 57% and €483 million a year earlier.



2009 annual results

M€2,221
Sales

M€149
Operating income

M€85
Consolidated net profit – Group share

Operating income rebuilt by momentum in Group's international markets.

Dividend

On March 24, 2010, the Board of Directors voted to propose a dividend of €4.85 per share, payable as of May 19, 2010. The dividend is subject to the approval of the Ordinary General Meeting of Shareholders, scheduled for May 12, 2010.

Outlook for 2010

Following the severe global economic turbulence that marked 2009, Fromageries Bel expects market conditions to remain difficult in 2010.
Furthermore, the Group believes the economic recovery — if confirmed — will be weak in developed countries, where consumer spending is suffering from high unemployment. In response, a policy of sustained promotional offers will be needed.
Against this backdrop and new pressure on raw material prices observed at end 2009, the Group will continue its efforts to tightly control fixed costs and to closely monitor resource allocation.

Despite the uncertainty, the Group remains confident in the performance of its business model going forward. The Bel model is based on highly differentiated, universal brands (The Laughing Cow®, Boursin®, Leerdammer®, Kiri®, and Mini Babybel®) and balanced international expansion, which spreads risk while offering robust prospects for growth.

CONSOLIDATED INCOME STATEMENT

at December 31, 2009 vs. prior year

in thousands of euros	DECEMBER 2009	DECEMBER 2008
REVENUE FROM SALES	2,220,655	2,216,975
Cost of goods and services sold	(1,517,065)	(1,609,884)
GROSS MARGIN	703,590	607,091
Sales and marketing expense	(340,124)	(346,470)
Research and development expense	(17,610)	(18,450)
Administrative and general overhead expense	(150,838)	(135,010)
Other operating income and expense	912	953
INCOME FROM ORDINARY ACTIVITIES	195,930	108,114
Other non-recurring income and expense	(46,950)	(13,573)
OPERATING INCOME	148,980	94,541
Income from cash and cash equivalents	4,171	13,214
Cost of gross financial indebtedness	(25,278)	(44,680)
COST OF NET FINANCIAL INDEBTEDNESS	(21,107)	(31,466)
Other financial income and expense	(3,479)	(8,034)
PRE-TAX PROFIT	124,394	55,041
Income tax expense	(36,770)	(6,017)
NET PROFIT OF THE CONSOLIDATED GROUP	87,624	49,024
Minority interest	(2,670)	132
CONSOLIDATED NET PROFIT - GROUP SHARE	**84,954**	**49,156**
EARNINGS PER SHARE (IN EUROS)	**12.43**	**7.20**
DILUTED EARNINGS PER SHARE (IN EUROS)	**12.32**	**7.16**

CONSOLIDATED BALANCE SHEET

at December 31, 2009 vs. prior year, before appropriation of earnings

Assets *(in thousands of euros)*	DECEMBER 2009	DECEMBER 2008
NON CURRENT ASSETS		
Goodwill	382,523	406,340
Other intangible assets	311,234	322,307
Property, plant and equipment	549,419	567,178
Assets available for sale	38,357	51,646
Other financial assets	1,192	236
Loans and advances	7,157	6,493
Trade and other receivables	1,721	12
Deferred tax assets	11,657	6,095
Non-current assets held for sale	578	720
TOTAL	**1,303,838**	**1,361,027**
CURRENT ASSETS		
Inventories and work-in-progress	178,529	219,135
Trade and other receivables	386,191	411,859
Other financial assets	361	195
Loans and advances	177	243
Collectible tax assets	27,336	39,864
Cash and cash equivalents	116,281	245,807
TOTAL	**708,875**	**917,103**
TOTAL ASSETS	**2,012,713**	**2,278,130**

EQUITY AND LIABILITIES *(in thousands of euros)*	DECEMBER 2009	DECEMBER 2008
Share capital	10,308	10,308
Additional paid-in capital	21,967	21,967
Reserves	846,491	793,155
Treasury shares	-7,390	-7,757
EQUITY (Group share)	871,376	817,673
MINORITY INTEREST	30,520	32,215
EQUITY	901,896	849,888
NON CURRENT LIABILITIES		
Provisions	8,729	6,823
Employee benefits	36,105	36,136
Deferred tax liabilities	140,816	133,868
Liabilities related to assets held under finance lease - over one year		81
Long-term borrowings and financial liabilities	409,973	619,239
Other liabilities	33,529	30,340
TOTAL	**629,152**	**826,487**
CURRENT LIABILITIES		
Provisions	16,016	6,411
Employee benefits	1,947	2,258
Liabilities related to assets held under finance lease - less than one year	82	97
Short-term borrowings and financial liabilities	54,691	98,636
Other financial liabilities	11,010	23,621
Trade and other payables	364,325	435,875
Due tax liabilities	25,085	24,101
Current bank facilities and other borrowings	8,509	10,756
TOTAL	**481,665**	**601,755**
TOTAL EQUITY AND LIABILITIES	**2,012,713**	**2,278,130**

CONSOLIDATED CASH FLOW STATEMENT
at December 31, 2009

(In thousands of euros)		DECEMBER 2009	DECEMBER 2008
Cash flow from (used in) operating activities			
Pre-tax profit		124,394	55,041
Adjustments for:			
Depreciation and write-downs		121,602	68,426
Capital gains (losses) on disposals		5,813	3,202
Reclassification of dividends and borrowing costs		23,876	34,330
Other non-cash items on the income statement		(133)	(120)
Cash flow		275,552	160,879
Increase (decrease) in inventories, current receivables and payables		(4,990)	75,541
Increase (decrease) in non-current receivables and payables		666	1,090
Income taxes paid		(20,753)	(12,282)
Net cash flow generated by operating activities	*(1)*	**250,475**	**225,228**
Cash flow from (used in) investing activities			
Acquisition of activities (included in the scope of consolidation)		(1,184)	(414,591)
Disposals of activities (included in the scope of consolidation)			8,254
Acquisitions of tangible and intangible assets		(78,922)	(138,022)
Disposals of tangible and intangible assets		1,467	1,431
Investment grants received		2,442	10,459
Acquisitions of financial assets		(1,860)	(1,750)
Disposals of financial assets		1,792	7,287
Interest received			61
Dividends received		545	709
Net cash flow from (used in) investing activities	*(2)*	**(75,720)**	**(526,162)**
Cash flow from (used in) financing activities			
Dividends paid		(23,520)	(35,090)
Interest paid		(24,375)	(35,096)
Treasury shares			(2,499)
Repayment of debt resulting from finance lease contracts		(98)	(154)
Increase (decrease) in current accounts with entities outside the scope of consolidation		431	10,537
Borrowings and financial liabilities issued		13,744	670,591
Repayments of borrowings and financial liabilities		(276,603)	(114,839)
Net cash flow from (used in) financing activities	*(3)*	**(310,421)**	**493,450**
Net increase (decrease) in cash and cash equivalents	*(1)+(2)+(3)*	**(135,666)**	**192,516**
Net cash and cash equivalents at the beginning of the period		235,051	40,319
Effect of foreign exchange rate variations		(2,147)	2,738
Other items with no effect on cash		10,486	(522)
Net cash and cash equivalents at the end of the period		**107,724**	**235,051**
At the closing date, net cash and cash equivalents comprised the following:			
Marketable securities and money market instruments		62,206	142,311
Cash on hand and balances with banks		54,027	103,496
Current used bank facilities including overdrafts and accrued interest		(8,509)	(10,756)
TOTAL		**107,724**	**235,051**

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