

# **BONDUELLE**

Société en Commandite par Actions  
au capital de 56 000 000 EUR  
Siège social : La Woestyne 59173 RENESCURE  
RC Hazebrouck B 447 250 044

## **Financial report at December, 31 2007**

### Contents

Review of operations and half-yearly financial statements for the period ended 31 December 2007

Half yearly consolidated financial statements for the period ended 31 December 2007

Auditors' report on half-yearly financial information

Certification by half-yearly financial report managers

# BONDUELLE

## Review of operations and half-early financial statements at December 31, 2007

### External growth boosts half-year results

Consolidated accounts (in millions of euros)	2006-2007	2007-2008	Variation	Comparable variation (1)
<b>Turnover</b>	603.4	756.1	+ <b>25.3%</b>	+ 4 %
<b>Operating profit on ordinary activities before taxes</b>	31.6	48.5	+ <b>53.6%</b>	+ 0%
<b>Operating margin</b>	5.2%	6.4%	+ <b>120 bp</b>	- 20 bp
<b>Group net profits</b>	<b>17.6</b>	<b>19.8</b>	+ <b>12%</b>	- <b>20.7%</b>

<sup>(1)</sup> On a like-for-like (LFL) basis – see note 3

#### Turnover

At the close of the first 6 months of FY 2007-2008, the Group's consolidated turnover totalled 756.1 million euros, up 25.3% on figure recorded for the same period the previous year.

On a like-for-like basis, growth was up 4%, buoyed as it was by a particularly dynamic second quarter.

Canned-vegetable sales increased by 21.7% (+4.4% on an LFL basis), frozen-vegetable sales by 61.9% (+4% on an LFL basis) and chilled-vegetable sales by 3.4%.

Sales within the European Union were dynamic, and were up 4.5%.

Outside the European Union, turnover surged by 201.2%, benefiting from the integration of the Canadian producer, Aliments Carrière, the acquisition of which was finalised at the beginning of July 2007. Non-EU zone sales now account for a quarter of the Group's turnover.

#### Operating profit

Operating profit on ordinary activities before taxes jumped to 48.5 million euros, even though the Group continued to pursue an investment strategy focussing on its brands (+5.8 million euros in marketing expenses) and its industrial facilities (+1.1 million euros in amortization expenses on an LFL basis).

On a like-for-like basis, operating profit on ordinary activities before taxes remained unchanged at 31.6 million euros. Thus, consolidated Group performance was due exclusively to the impact of the integration of Aliments Carrière, rebaptized Bonduelle North America.

For the period, the new subsidiary posted an operational margin of 13.3%, reaping the benefits of a good production campaign in 2007 and the early synergetic effects of its integration with the Group, despite the increase in value of the Canadian dollar against the US dollar.

**Financial result ( see notes 6 et 10)**

The financial result reflects a burden of 17.4 million euros, up 8.4 million euros on the amount recorded for the same period the previous year.

This increase is mainly attributed to the impact of the acquisition and funding of Aliments Carrière operations (+4.2 million euros) and to the application of IFRS rules for evaluating, at their fair value, instruments used by the Group to hedge its financial risks (+5 million euros).

On a like-for-like basis, the Group's average indebtedness remained unchanged.

**Net profit**

Group Net Profit amounted to 19.8 million euros, up 12% on the figure posted for the same period in FY 2006-2007.

**Prospects**

The worldwide increase in crop prices continues to have a strong inflationary effect on vegetable-production contracts. Given the extent of the phenomenon, any compensatory effect achieved through gains in productivity can only be partial and increases in commercial tariffs seem inevitable.

The Group is pleased to confirm its forecasted annual results for FY 2007-2008.

## Half yearly consolidated financial statements, at December 31, 2007

### Consolidated income statement

<i>in thousands of euros</i>	Notes	<i>As at 30/06/07 12 months</i>	<i>As at 31/12/06 6 months</i>	<i>As at 31/12/07 6 months</i>
<b>Sales</b>	4	<b>1,252,989</b>	<b>603,391</b>	<b>756,098</b>
Purchases and external charges		(864,971)	(395,244)	(482,717)
Personnel costs		(249,805)	(141,736)	(171,786)
Depreciation and amortisation		(51,601)	(30,878)	(35,682)
Other operating income		27,667	14,814	16,318
Other operating charges		(42,344)	(18,746)	(33,687)
Gain on sale of consolidated shareholdings				
<b>Operating income from continuing operations</b>		<b>71,936</b>	<b>31,600</b>	<b>48,544</b>
Non-recurring items	5	12,083	(270)	(1,124)
<b>Operating income</b>		<b>84,018</b>	<b>31,331</b>	<b>47,420</b>
Financial income		29,924	15,066	19,938
Financial expenses		(42,188)	(24,102)	(37,371)
<b>Net financial expense</b>	6	<b>(12,264)</b>	<b>(9,036)</b>	<b>(17,433)</b>
Income from associates	3	3,856	2,171	0
<b>Income before tax</b>		<b>75,610</b>	<b>24,465</b>	<b>29,987</b>
Income tax		(23,894)	(7,565)	(9,812)
<b>Net income</b>		<b>51,716</b>	<b>16,901</b>	<b>20,175</b>
. Group share		51,803	17,650	19,773
. Minority interests		(87)	(749)	403
<b>BASIC EARNINGS PER SHARE</b>		<b>6.58</b>	<b>2.25</b>	<b>2.51</b>
<b>FULLY DILUTED EARNINGS PER SHARE</b>	7	<b>6.58</b>	<b>2.24</b>	<b>2.51</b>

## Consolidated balance sheet

### Assets

<i>in thousands of euros</i>	Notes	<i>As at 30/06/07</i>	<i>As at 31/12/06</i>	<i>As at 31/12/07</i>
<b>Non-current assets</b>		<b>454,949</b>	<b>432,438</b>	<b>530,257</b>
Other intangible assets		42,890	41,223	45,453
Goodwill	8	75,312	75,312	103,566
Property, plant and equipment		297,838	278,580	365,657
Investments in associates	9	27,621	24,081	51
Other non-current financial assets		2,495	3,174	2,745
Deferred taxes		8,312	9,926	11,432
Other non-current assets		480	142	1,352
<b>Current assets</b>		<b>785,891</b>	<b>784,148</b>	<b>977,230</b>
Inventories and work-in-process		319,205	376,222	518,883
Trade and other accounts receivable		374,313	335,260	373,689
Tax receivables		6,241	5,060	9,639
Other current assets		4,200	5,607	6,363
Other current financial assets		18,820	11,414	13,445
Cash and cash equivalents		63,112	50,585	55,210
<b>Total assets</b>		<b>1,240,840</b>	<b>1,216,586</b>	<b>1,507,486</b>

### Liabilities and shareholders' equity

<i>in thousands of euros</i>	Notes	<i>As at 30/06/07</i>	<i>As at 31/12/06</i>	<i>As at 31/12/07</i>
<b>Shareholders' equity - group share</b>		<b>360,692</b>	<b>325,149</b>	<b>368,819</b>
Share capital		56,000	56,000	56,000
Additional paid-in capital		22,545	22,545	22,545
Consolidated reserves		282,147	246,604	290,274
<b>Minority interests</b>		<b>21,133</b>	<b>20,076</b>	<b>19,383</b>
<b>Total shareholders' equity</b>		<b>381,825</b>	<b>345,224</b>	<b>388,202</b>
<b>Non-current liabilities</b>		<b>264,717</b>	<b>293,806</b>	<b>418,281</b>
Financial liabilities - non-current portion	10	228,805	268,409	374,041
Employee benefits		5,696	4,470	4,878
Other non-current provisions		9,221	6,835	10,286
Deferred taxes		10,699	4,304	18,200
Other non-current liabilities		10,296	9,788	10,876
<b>Current liabilities</b>		<b>594,298</b>	<b>577,555</b>	<b>701,003</b>
Financial liabilities - current portion	10	131,553	157,324	210,378
Current provisions		2,544	3,365	4,092
Trade and other accounts payable		450,974	410,239	462,914
Tax payables		7,685	5,749	10,929
Other current liabilities		1,542	878	12,689
<b>Total liabilities and shareholders' equity</b>		<b>1,240,840</b>	<b>1,216,586</b>	<b>1,507,486</b>

## Consolidated cash flow statement

	<i>As at 30/06/2007</i>	<i>As at 31/12/2006</i>	<i>As at 31/12/2007</i>
in thousands of euros			
Notes			
<b>Net income</b>	<b>51,716</b>	<b>16,901</b>	<b>20,175</b>
Income from associates	(3,856)	(2,171)	(0)
Depreciation, amortization and impairment	51,760	29,351	36,522
Elimination of other non-cash sources	(1,147)	158	1,010
Taxes paid	(14,827)	(4,497)	(14,821)
Income tax expense	23,894	7,565	9,812
Accrued interest	482	50	1,322
<b>Cash flows from operating activities</b>	<b>108,023</b>	<b>47,356</b>	<b>54,019</b>
Change in net working capital	(29,372)	(78,181)	(108,490)
<b>Net cash flows provided by operating activities</b>	<b>78,651</b>	<b>(30,825)</b>	<b>(54,472)</b>
Purchase of consolidated companies, cash deducted	(0)	(9,776)	(89,317)
Transfer of consolidated companies, <u>with</u> deduction of cash transferred	0	0	9
Acquisitions of non-current assets	(63,379)	(36,770)	(35,008)
Acquisitions of financial assets	(9,437)	(76)	873
Disposals of non-current assets and financial assets	7,023	4,247	658
Net changes in loans and other non-current assets	(201)	158	27
<b>Cash flows used by investing activities</b>	<b>(65,993)</b>	<b>(42,216)</b>	<b>(122,757)</b>
Capital increase	132	0	0
Net sale (acquisition) of treasury stock	705	0	0
New borrowings	10,744	57,450	177,678
Repayments of borrowings	(3,325)	(22,574)	(2,305)
Net change in bank lines and other financial assets	7,779	52,556	3,800
Dividends paid to group and minority shareholders	(10,316)	(10,572)	(11,106)
<b>Cash flows (used) provided by financing activities</b>	<b>5,720</b>	<b>76,860</b>	<b>168,068</b>
Impact of changes in exchange rates	88	1,587	796
<b>Change in cash balances</b>	<b>18,466</b>	<b>5,406</b>	<b>(8,365)</b>
Cash and cash equivalents - opening balance	44,308	44,308	62,774
Cash and cash equivalents - closing balance	62,774	49,714	54,409
<b>Change in cash balances</b>	<b>18,466</b>	<b>5,406</b>	<b>(8,365)</b>

# Consolidated statement of changes in shareholders' equity

In thousands of euros

	Numbers of shares/per share	Share capital	Additional paid-in capital	Actuarial losses	Treasury stock	Cumulative translation adjustments	Retained earnings	Shareholders' equity - group share	Minority interests	Total shareholders' equity
<b>Shareholders' equity at July 1, 2006</b>	8 000 000	<b>56 000</b>	<b>22 545</b>	<b>-120</b>	<b>-1 664</b>	<b>-5 131</b>	<b>240 694</b>	<b>312 324</b>	<b>20 750</b>	<b>333 074</b>
Net change in fair value of financial instruments							2 077	2 077		2 077
Stock options							121	121		121
Translation adjustments						3 409		3 409	-95	3 314
Change of scope								0		0
Treasury stock					215			215		215
Other							-153	-153	170	17
<b>Subtotal of items recorded directly in shareholders' equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215</b>	<b>3 409</b>	<b>2 045</b>	<b>5 669</b>	<b>75</b>	<b>5 744</b>
Net income 31/12/2006							17 650	17 650	-749	16 901
<b>Total income and expenses recorded for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215</b>	<b>3 409</b>	<b>19 695</b>	<b>23 319</b>	<b>-674</b>	<b>22 645</b>
Dividends paid	1.25						-10 495	-10 495		-10 495
<b>Shareholders' equity at December 31, 2006</b>	<b>8 000 000</b>	<b>56 000</b>	<b>22 545</b>	<b>-120</b>	<b>-1 449</b>	<b>-1 722</b>	<b>249 894</b>	<b>325 148</b>	<b>20 076</b>	<b>345 224</b>
<b>Shareholders' equity at July 1, 2007</b>	<b>8 000 000</b>	<b>56 000</b>	<b>22 545</b>	<b>-839</b>	<b>-628</b>	<b>623</b>	<b>282 991</b>	<b>360 692</b>	<b>21 133</b>	<b>381 825</b>
Cash flow hedging, net of income tax							-88	-88		-88
Stock options							40	40		40
Net share subscription OBSAAR 2013							3 563	3 563		3 563
Translation adjustments						-2 417		-2 417	-593	-3 010
Change of scope							-670	-670	317	-353
Treasury stock					-1 250			-1 250		-1 250
Actuarial losses				116				116		116
Other							166	166	-1 877	-1 710
<b>Subtotal of items recorded directly in shareholders' equity</b>				<b>116</b>	<b>-1 250</b>	<b>-2 417</b>	<b>3 010</b>	<b>-541</b>	<b>-2 153</b>	<b>-2 694</b>
Net income 31/12/2007							19 773	19 773	403	20 175
<b>Total income and expenses recorded for the period</b>				<b>116</b>	<b>-1 250</b>	<b>-2 417</b>	<b>22 784</b>	<b>19 232</b>	<b>-1 750</b>	<b>17 483</b>
Dividends paid	1.35						-11 106	-11 106		-11 106
<b>Shareholders' equity at December 31, 2007</b>	<b>8 000 000</b>	<b>56 000</b>	<b>22 545</b>	<b>-723</b>	<b>-1 878</b>	<b>-1 794</b>	<b>294 669</b>	<b>368 819</b>	<b>19 383</b>	<b>388 202</b>

# Notes to the half yearly consolidated financial statements

## Note 1 – Preparation

The consolidated financial statements of the Bonduelle group and its subsidiaries (“the Group”) for the 2007-08 financial half-year have been prepared in compliance with the International Financial Reporting Standards (IFRS) published by the IASB (International Accounting Standards Board) from the adoption regulation is published in the Official Journal of the European Union at the closing date. Half-yearly financial statements have been prepared in compliance with IAS 34 Interim Financial Reporting

The following standards have not been applied in advance:

- IFRS 8 Operating Segments – implementation of the management approach, which will take effect on January 1, 2009
- IAS 23 Borrowing Costs, which will take effect on January 1, 2009

### A. Information concerning the group

Bonduelle SCA is a French limited partnership (société en commandite par action) that is listed in Compartment B of Euronext. Bonduelle is a market leader in value-added vegetables both within and outside the European Union. The Company’s business is divided into three activities: canned, frozen and chilled vegetables.

Half-year financial statements at December, 31 are characterized by a high level of seasonality. Production is primarily realized during this first half-year of the Bonduelle financial year. At December, 31, expenses directly related to the production are accounted according to costs incurred during the year to take into account material effects of seasonality.

On February 25, 2008, the Management Board approved the consolidated financial statements prepared under IFRS, and authorized the publication of the financial statements for the 6 months ended December 31, 2007.

### B. Consolidation methods

The consolidated financial statements fully consolidate the financial statements of all subsidiaries controlled either directly or indirectly by the Group. The Group considers that it has exclusive control of a company when it is in a position to influence the operational and financial policies of the company, regardless of its percentage of ownership. Accordingly, certain companies are fully consolidated, even though the Group holds a percentage of the voting rights equal to or less than 50%. Full consolidation allows recognition of all of assets, liabilities and income statement items of the companies concerned, after elimination of all intercompany transactions and earnings, with the portion of income and equity attributable to group companies (“Group share”) distinguished from the portion concerning the interests of other shareholders (“Minority interests”). All companies over which Bonduelle does not exercise exclusive or joint control yet still exerts notable influence are accounted for by the equity method.

All consolidated Group companies closed their annual financial statements on June 30, 2007, with the exception of Bonduelle Kuban, Bonduelle Do Brasil and Bonduelle Canada, Bonduelle Ontario and Terricole, which were consolidated on the basis of their accounts at December 31, 2007.

A company is included within the consolidation scope as of the date on which the Company first acquires control or notable influence, and is deconsolidated as of the date on which the Company first loses control or notable influence.

All income and expenses related to subsidiaries acquired or disposed of during the financial year are recognized in the consolidated income statement with effect from the acquisition date or until disposal.

All transactions between consolidated companies and intercompany income (including dividends) are eliminated.

### **C. Segment reporting**

A business segment is a distinct component of an entity that supplies products or services that are subject to risks and returns different from those of the other operating segments.

A geographical region supplies products or services under specific economic conditions that are subject to risks and returns different from those of the other operating segments of activity, which operate under different economic conditions.

In light of the Group's risk and profitability structure, the primary reporting segment is the geographical region, while the secondary reporting segment is the business segment.

The primary reporting segments are:

- European Union (27 Member States)
- Rest of world

The secondary reporting segments are:

- Canned (canned vegetables)
- Frozen (frozen vegetables)
- Chilled (fresh ready prepared and delicatessen)
- Other (support and unallocated activities)

Sales by segment are calculated based on the location of the assets, which is the same as the location of the markets.

Any transfers between segments are immaterial and are carried out at arm's length.

### **D. Translation of transactions denominated in foreign currencies and the financial statements of the non-French companies**

#### *Translation of transactions denominated in foreign currencies*

Transactions denominated in foreign currencies are translated using the exchange rates on the transaction dates. All receivables and liabilities denominated in foreign currencies recognized in the balance sheet at the end of the period are translated into euros at the closing rate. All foreign exchange gains and losses generated by the translation of transactions denominated in foreign currencies are included under the financial income and financial expenses headings of the income statement, except for those on borrowings denominated in foreign currencies or other instruments used to hedge long-term equity investments in that same currency, which are included on the line "Cumulative translation adjustments" of the consolidated shareholders' equity.

#### *Translation of the financial statements of companies outside the euro zone*

The balance sheets of companies with a functional currency other than the euro are translated into euros at the official closing rate, and their income statements are translated into euros using the average exchange rate (excluding hyperinflation) for each currency during the period. The exchange differences resulting from the application of these various foreign exchange rates are included on the line "Cumulative translation adjustments" in consolidated shareholders' equity until such time as the foreign holdings to which they pertain are sold or liquidated.

## Note 2 : Accounting policies

These condensed financial statements don't include all IFRS requirements. They have to be read in relationship with annual financial consolidated statements.

Accounting principles used for these condensed half-year financial statements are the same as principles used for annual accounts on June 30, 2007

## Note 3 : Change of scope

### 3.1 Acquisition of 100 % of Aliments Carrière

Companies acquired by the Group are Bonduelle Canada Inc (ex Aliments Carrière Inc), Bonduelle Ontario Inc (ex Aliments Carrière Ontario Inc) et Terricole, hereafter named Bonduelle Canada.

Bonduelle finalized the acquisition of 100% of Bonduelle Canada at the beginning of July 2007. Firstly, the Group took a 13% stake in June 2006 and an additional 10% in July 2006. Bonduelle Canada was accounted for by the equity method on July 2006, date of the notable influence.

Since July 2007, Bonduelle Canada Inc (ex Aliments Carrière Inc) and his subsidiaries have been fully consolidated at the rate of 100%.

For the period from July, 1st 2007 to December 31, 2007, this acquisition contributed to the net income of the Group for 7 million euros.

The goodwill resulting from the acquisition of 100% of Bonduelle Canada is amounted to 28.3 million euros including 3.9 millions euros for the fair value of the acquired assets and liabilities.

This provisional goodwill results of preliminary allocation of the « purchase price » based on the faire value of acquired assets and liabilities. Valuations of assets and liabilities remain subject to potential modification during the allocation period (12 months as from purchase date). As at 31 December 2007, primarily adjustments between carrying amount and fair value of acquired assets and liabilities of Bonduelle Canada are related to the brand Arctic Gardens recognized in intangible asset distinct from the goodwill, the revaluation of the inventories and the lands.

Fair value and cash flow from the acquisition of Bonduelle Canada are as follows:

in thousands of euros	July 2007 Carrying amount before acquisition	July 2007 Fair value of acquired assets and liabilities
Goodwill	3,930	3,930
Other intangible assets	1,040	3,265
Property, plant and equipment	83,194	84,636
Net financial liabilities	42,608	42,608
Deferred tax liabilities	6,017	7,638
Other net assets	57,537	59,487
<b>Net assets acquired</b>	<b>97,078</b>	<b>101,073</b>
Elimination of investments in associates before goodwill		-23,821
Total goodwill		24,358
Reevaluation of interests previously held		-3,157
Purchase price of 77%	98,453	98,453
Acquired cash and cash equivalents	9,136	
Net cash outflow for the acquisition of the 77%	89,317	

### 3.2 Italian reorganization

Because of the establishment of shared services centers, the three Italian companies Bonduelle Fresco Italia, Bonduelle Food Service Italia and Bonduelle Italia merged on 1 July 2007 into the new Italian company Bonduelle Italia.

The merger in Italy had no impact on the consolidated financial statements.

## Note 4 : Segment reporting

Sales by segment are calculated based on the location of the assets, which is the same as the location of the markets.

Any transfers between segments are immaterial and are carried out at arm's length.

#### 1) Information by geographic area

in thousands of euros

	European Union	Rest of world	Eliminations	Total at December 31, 2007
<b>INCOME STATEMENT</b>				
Sales	592,558	192,353	(28,812)	756,098
Inter-segment sales	(28,810)	(2)	28,812	0
<b>TOTAL</b>	<b>563,747</b>	<b>192,351</b>	<b>0</b>	<b>756,098</b>
Depreciation, amortization and impairment	(30,120)	(5,562)		(35,682)
Operating income from continuing operations	19,152	29,392		48,544
Operating income	19,998	27,422		47,420
<b>BALANCE SHEET</b>				
Non-current assets	391,791	138,466		530,257
<i>of which, property, plant and equipment</i>	261,718	103,939		365,657
<i>of which, net investments in intangible assets and PP&amp;E</i>	28,994	4,484		33,478
Current assets	778,771	198,458		977,230
<b>TOTAL CONSOLIDATED ASSETS</b>	<b>1,170,562</b>	<b>336,924</b>		<b>1,507,486</b>
Shareholders' equity				388,202
Non-current liabilities	335,595	82,686		418,281
<i>of which, financial liabilities</i>				374,041
<b>TOTAL CONSOLIDATED LIABILITIES</b>	<b>1,170,562</b>	<b>336,924</b>		<b>1,507,486</b>

in thousands of euros

	European Union	Rest of world	Eliminations	Total at December 31, 2006
<b>INCOME STATEMENT</b>				
Sales	574,778	63,863	(35,250)	603,391
Inter-segment sales	(35,250)	0	35,250	0
<b>TOTAL</b>	<b>539,528</b>	<b>63,863</b>	<b>0</b>	<b>603,391</b>
Depreciation, amortization and impairment	(29,217)	(1,661)		(30,878)
Operating income from continuing operations	18,380	13,220		31,600
Operating income	18,111	13,220		31,331
<b>BALANCE SHEET</b>				
Non-current assets	388,172	44,266		432,438
<i>of which, property, plant and equipment</i>	259,509	19,071		278,580
<i>of which, net investments in intangible assets and PP&amp;E</i>	35,524	1,245		36,770
Current assets	705,625	78,522		784,148
<b>TOTAL CONSOLIDATED ASSETS</b>	<b>1,093,798</b>	<b>122,788</b>		<b>1,216,586</b>
Shareholders' equity				345,224
Non-current liabilities	292,595	1,211		293,806
<i>of which, financial liabilities</i>				268,409
<b>TOTAL CONSOLIDATED LIABILITIES</b>	<b>1,093,798</b>	<b>122,788</b>		<b>1,216,586</b>

## 2) Information by business line

in thousands of euros

	Canned	Frozen	Chilled	Other	Non affected (*)	Total at December 31,2007
<b>INCOME STATEMENT</b>						
Sales (net of intercompany sales)	359,472	216,074	180,552			756,098
<b>TOTAL</b>	<b>359,472</b>	<b>216,074</b>	<b>180,552</b>			<b>756,098</b>
<b>BALANCE SHEET</b>						
Goodwill	1,699	239	72,511	863	28,254	103,566
Brands and trademarks	20,215	10,225				30,440
Net investments in intangible assets and PP&E	17,838	6,382	7,429	1,828		33,478

(\*) goodwill non affected at Decembe31, 2007 of Bonduelle Canada

in thousands of euros

	Canned	Frozen	Chilled	Other	Non affected	Total at December 31,2006
<b>INCOME STATEMENT</b>						
Sales (net of intercompany sales)	295,319	133,473	174,599			603,391
<b>TOTAL</b>	<b>295,319</b>	<b>133,473</b>	<b>174,599</b>			<b>603,391</b>
<b>BALANCE SHEET</b>						
Goodwill	1,699	239	72,511	863		75,312
Brands and trademarks	20,215	8,000				28,215
Net investments in intangible assets and PP&E	11,787	15,074	6,920	2,989		36,770

## Note 5 : Non-recurring items

in thousands of euros

	At December 31, 2006	At December 31,2007
Badwills		1,505
Impact of change in the valuation of inventories of Bonduelle Canada at fair value at acquisition date		(1,970)
Reorganization and restructuring costs	(270)	(660)
<b>TOTAL NON-RECURRING ITEMS</b>	<b>(270)</b>	<b>(1,124)</b>

## Note 6 : Net financial expenses

in thousands of euros

	At December 31, 2006	At December 31,2007
Financial income	6,604	9,670
Financial expenses	(17,659)	(25,338)
<b>NET FINANCIAL COST</b>	<b>(11,055)</b>	<b>(15,668)</b>
Net foreign exchange gain	2,019	(1,736)
Other income and expenses		(29)
<b>TOTAL NET FINANCIAL EXPENSE</b>	<b>(9,036)</b>	<b>(17,433)</b>
Including the impact of IAS 32-39 excluding the acquisition of Bonduelle Canada	4,149	(900)
Including the acquisition of Bonduelle Canada	(600)	(4,800)

The total net financial expenses amounted to 17.4 million euros, compared with 9.1 million euros on 31 December 2006.

This increase in expenses is primarily attributable to:

- A material rise in financing that results from the Group development and the acquisition of Bonduelle Canada ; increasing financial expenses by 4.2 million euros
- A decrease in the average rate of debt thanks to the improvement of the average financing margin due to the issue of 150 million euro OBSAAR and rate hedging operations set in place by the Group. These one enable to absorb the rise in interest rates observed. These two elements result in a reduction of financial expense of 1.1 million euro
- - 1.9 million euro impact on fair value on the change in value on instruments used to hedge the variable interest rate debt that are not eligible for hedge accounting within the meaning of IAS 39 and a - 3.1 million euro variation on the change in value on instruments used to hedge the foreign exchange exposure that are not eligible for hedge accounting within the meaning of IAS 39

## Note 7 : Earnings per share

in thousands of euros

	At December 31, 2006	At December 31, 2007
Net income - Group Share	17,650	19,773
Number of shares - Net income	7,840,009	7,863,508
<b>EARNING PER SHARE (in euros)</b>		
. Basic EPS	2,25	2,51
. Diluted EPS	2,24	2,51

The dividend paid on 4 January is 1.35 euro per share.

On 31 December 2007, the share capital of BSCA consisted of 8 million shares with a par value of 7 euros per share.

## Note 8 : Goodwill

in thousands of euros

	At June 30, 2007	Acquisition or charge (1)	Sale, disposal or recovery	Other (2)	At December 31, 2007
<b>GROSS VALUE</b>	75,312	28,550		(296)	103,566
Impairment	0				0
<b>CARRYING AMOUNT</b>	75,312	28,550	0	(296)	103,566

(1) The goodwill increase is the result of full control of Bonduelle Canada at the beginning of July 2007 (see note 3)

(2) Translation adjustments

## Note 9 : Investments in associates

in thousands of euros

	At June 30, 2007	Acquisition or charge (1)	Sale or recovery	Other (1)	At December 31, 2007
<b>GROSS VALUE</b>	27 621			(27 570)	51
Impairment	0				0
<b>CARRYING AMOUNT</b>	27 621	0	0	(27 570)	51

(1) 27.5 million euro decrease (including goodwill) corresponds to the change of consolidation method with Bonduelle Canada fully consolidated at December 31, 2007

## Note 10 : Financial liabilities

### 1) Analysis by type of net debt at December 31, 2007

in thousands of euros

	< 1 year	1 to 5 years	> 5 years	TOTAL
Bonds	31,180	81,073	233,939	346,192
Finance leases	955	6,477	2,586	10,018
Other bank borrowings	57,049	5,051	366	62,466
Other borrowings and financial liabilities	209	832	-	1,041
Accrued interest	4,441	-	-	4,441
Current bank lines	104,133	-	-	104,133
<b>Total gross debt before derivatives</b>	<b>197,967</b>	<b>93,433</b>	<b>236,890</b>	<b>528,290</b>
<b>Derivatives - Liabilities</b>	<b>12,411</b>	<b>40,230</b>	<b>3,487</b>	<b>56,128</b>
<b>Total gross debt after fair value of derivatives</b>	<b>210,378</b>	<b>133,663</b>	<b>240,378</b>	<b>584,419</b>
<b>Derivatives - Assets</b>	<b>13,445</b>	<b>717</b>		<b>14,162</b>
<b>Marketable securities</b>				
<b>Cash</b>	<b>55,210</b>			<b>55,210</b>
<b>Total cash and cash equiv.</b>	<b>68,655</b>	<b>717</b>	<b>-</b>	<b>69,372</b>
<b>Total net debt</b>	<b>141,723</b>	<b>132,946</b>	<b>240,378</b>	<b>515,046</b>

Analysis by type of net debt at June 30, 2007

				in thousands of euros
	< 1 year	1 to 5 years	> 5 years	TOTAL
Bonds	31,363	84,932	91,299	207,594
Finance leases	845	6,486	3,545	10,877
Other bank borrowings	24,589	1,503	382	26,474
Other borrowings and financial liabilities	143	859	-	1,002
Accrued interest	2,564	-	-	2,564
Current bank lines	59,481	-	-	59,481
<b>Total gross debt before derivatives</b>	<b>118,986</b>	<b>93,780</b>	<b>95,227</b>	<b>307,993</b>
<b>Derivatives – Liabilities</b>	<b>12,302</b>	<b>33,893</b>	<b>6,170</b>	<b>52,365</b>
<b>Total gross debt after fair value of derivatives</b>	<b>131,288</b>	<b>127,674</b>	<b>101,397</b>	<b>360,358</b>
<b>Derivatives - Assets</b>	<b>18,820</b>	<b>515</b>	<b>-</b>	<b>19,335</b>
<b>Marketable securities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash</b>	<b>63,111</b>	<b>-</b>	<b>-</b>	<b>63,111</b>
<b>Total cash and cash equiv.</b>	<b>81,931</b>	<b>515</b>	<b>-</b>	<b>82,446</b>
<b>Total net debt</b>	<b>49,357</b>	<b>127,159</b>	<b>101,397</b>	<b>277,912</b>

Gross debt (*)	in thousands of euros	
	At June 30, 2007	At December 31, 2007
Opening balance	336 090	360 358
New debt	30 389	179 625
Repayments, decreases	(3 325)	(2 480)
Changes in fair value	(3 397)	(1 067)
Share subscription OBSAAR 2013	-	(5 475)
Change of scope	-	53 313
Translation differences	602	145
<b>Closing balance</b>	<b>360 358</b>	<b>584 419</b>

(\*) including derivatives

2) Analysis of bond issues

in thousands of currency units	Maturity	Par value	Currency	Annual payments
Private placements	2012	150,000	USD	\$30 million starting 2008
	2016	25,000	EUR	€5 million starting 2012
	2017	75,000	EUR	€15 million starting 2013
Public issues	2013	150,000	EUR	€150 million starting 2013

These issues are subject to financial covenants, including in particular an early call clause in the event Bonduelle should default on any of its financial liabilities (cross default) and in the event that the Group's non-current liabilities should exceed 60% of its long-term capital.

At December 31, 2007, the Group was in compliance with all of these covenants.

3) OBSAAR

On 25 July 2007, Bonduelle issued 150,000 OBSAAR (bonds with warrants and/or redeemable share purchase warrants) for a nominal amount of 1,000 Euros on Euronext maintaining the pre-emptive right.

**Main characteristics of OBSAAR:**

- Total issue amount: 150,000,000.00 Euros.
- OBSAAR issue price: at par, €1,000.
- Maturity of the loan: 6 years, 24/07/2013.
- Type of bonds: bearer.
- Status of bonds: not subordinate, not associated with sureties.
- Issuer rating: NA.
- Negative pledge: yes.
- Pari passu: yes.

- **Normal depreciation:** single instalment on 24/07/2013.
- **Early depreciation at the initiative of the company:** the company may initiate the early depreciation of all or some of the bonds remaining in circulation at par of 1,000 euros increased by the total amount of interest corresponding to the interest period ending on the depreciation date.
- **Early depreciation at the decision of the bond contributors in the event of a change in control of the company:** in the event of a change in general partner, all bond contributors may decide to request the early depreciation of the bonds in their possession.
- **Early enforceability of bonds in the event of default:** at the decision of the general meeting of bond contributors, bonds shall fall due in the presence of certain events such as defaults in payment, non-compliance with the obligations provided for in the contract, early enforceability of other loans in the event of a violation, appointment of a mediator, amicable agreement with the main creditors, judicial liquidation, total transfer of the firm.
- **Cost of bonds:** the bonds shall be admitted to negotiations on the Eurolist market of Euronext Paris S.A. under the code number ISIN FR0010490904. They shall be listed separately from the BSAAR.

**Main characteristics of BSAAR:**

Each OBSAAR consists of a bond associated with 5 BSAAR. The BSAAR are valued using 2 methods: the binomial method and the Black & Scholes method; the applicable price is 7.50 Euros.

- Total number of BSAAR: 750,000.
  - Strike price: €113.75<sup>1</sup>.
  - Strike parity: 1 new or existing share for 1 BSAAR.
  - Term: 7 years.
  - Form of BSAAR: nominative.
  - Non-transferability period: from 26/07/2007 to 25/07/2009.
  - Strike period: from 23/07/2010 to 24/07/2014.
  - Listing of BSAAR: on Euronext, Code ISIN FR 0010490912, from 27/07/2009.
- **Reimbursement of BSAAR at the initiative of the company:** the company may decide at any time from 25 July 2012 until the end of the BSAAR strike period concerned to initiate the early reimbursement of all or some of the BSAAR remaining in circulation at the unit price of 0.01 euros; however, this type of early reimbursement is only possible if the average product of the closing share price and the strike parity in force during the 10 trading sessions preceding the publication date of the early reimbursement notification (average weighted against Bonduelle share transaction volumes on the Eurolist market of Euronext Paris) exceeds 170.63 euros (or 150% of the subscription price of shares issued by the exercising of BSAAR).
  - **Redemption of BSAAR at the decision of the company:** the company reserves the right to initiate the gradual redemption at any time without any price limitation of BSAAR on or off the market or to issue BSAAR takeover bids or exchange offers.

---

<sup>1</sup> Or 25% premium on the basis of a price of 91.00 Euros, corresponding to the average weighted price of transaction volumes of Bonduelle shares over 30 working days between 14 May 2007 and 22 June 2007.

### **Methods and hypotheses for the determination of the fair value of financial liabilities:**

The fair value of financial liabilities has been determined according to the actual interest rate method according to the following main hypotheses:

- Issue on 25/07/07.
- Nominal amount: 150,000,000.00 EUR.
- Issue cost excl. tax: 1,140,380.00 EUR.
- 1<sup>er</sup> fixing of 3 month Euribor: 4.2290%
- Nominal rate of 1st coupon (3 month Euribor – 0.335%): 3.89%.
- Market rate (3 month Euribor + 0.375%): 4.60%.
- Life span: 6 years.
- In fine reimbursement.

On this basis, the fair value of the debt component at the time of the issue amounts to 144,525,251 Euros, or an actual interest rate of 4.75%.

## Note 11 : Contingent liabilities

	in thousands of euros	
	At June 30, 2007	At December 31, 2007
<b>Commitments given</b>		
Guarantees given (net of uses)	1,984	803
<b>Commitments received</b>		
Guarantees received (net of uses)	1,878	2,177

**Greenhouse gases:** In the absence of a defined IFRS accounting policy, greenhouse gas quotas are not recognized in the consolidated financial statements. Bonduelle complies with the 268,524 TEQ CO<sub>2</sub> emissions quota assigned to it with effect from January 1, 2005. In 2007-08, total CO<sub>2</sub> emissions amounted to 40,133 TEQ CO<sub>2</sub>.

## Note 12 : Transactions with related parties

In respect of the period, the company Pierre and Benoît Bonduelle SAS, in its capacity as general partner of Bonduelle SCA, was paid 647,538 euros in compensation, and members of the Supervisory Board were paid 15,000 euros in directors' fees. The current account with Pierre and Benoît Bonduelle SAS had a 893 thousand euro credit balance. There are no other commitments to the latter.

## Note 13 : Events after the balance sheet date

No event after the balance sheet date is to notify.

# BONDUELLE

## Auditors' report on half-yearly financial information

Dear shareholders,

In our capacity as auditors and in accordance with article L. 232-7 of the Commercial Code, we have carried out the following:

- a limited examination of the consolidated half-yearly accounts of the company Bonduelle SCA relating to the period from 1 July to 31 December 2007 as appended to this report;
- the verification of the information provided in the half-yearly report.

These condensed consolidated half-yearly accounts were drawn up under the responsibility of the management. It is up to us, on the basis of our limited examination, to present our conclusion about these accounts.

We carried out our limited examination according to the professional standards applicable in France. A limited examination of the intermediate accounts consists of obtaining the necessary estimated information essentially from individuals in charge of accounting and financial aspects and implementing analytical procedures and any other appropriate procedure. This type of examination does not include all the verifications inherent in an audit conducted according to the professional standards applicable in France. It therefore does not provide a guarantee of having identified all the significant points which could have been identified in the context of an audit and, as a result, we have not expressed an audit opinion.

On the basis of our limited examination, we have not identified any significant anomalies which could call into question the consistency in all their significant aspects of the condensed consolidated half-yearly accounts with the IAS 34 standard – the IFRS reference standard as adopted in the European Union in relation to intermediate financial information.

In accordance with the professional standards applicable in France, we have also conducted a verification of the information provided in the half-yearly report commending on the condensed consolidated half-yearly accounts to which our limited examination referred.

We do not have any comments to make as to their sincerity and concordance with the condensed consolidated half-yearly accounts.

Lille, February 26, 2008

The Independent Auditors

**DELOITTE & ASSOCIES**

Jean-Yves Morisset

---

**MAZARS & GUERARD**

Cécile Fontaine

---

# **BONDUELLE**

## **Certification by half-yearly financial report managers**

We hereby certify that, to the best of our knowledge, the condensed accounts for the previous half year have been drawn up according to the applicable accounting standards and provide a faithful impression of the assets, financial situation and results of the company Bonduelle SCA and all the firms within its consolidation structure and that the half-yearly business report presents a faithful impression of the important events occurring during the first six months of the financial year, their effects on the accounts, the main transactions between associated parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

**Christophe BONDUELLE**  
Chairman of the Management Board of  
**Pierre et Benoît Bonduelle SAS**

**Pascal CESBRON LAVAU**  
Chief Financial Officer