



Press release

Paris – March 26, 2010

Fromageries Bel 2009 Annual Results

- **Operating income rebuilt by momentum in Group's international markets**
- **Sales remain steady**
- **Debt reduction continues**

Meeting March 24, 2010, the Board of Directors approved the consolidated financial statements for the year ended December 31, 2009. The Board was informed that the statutory auditors had completed their audit of the consolidated financial statements and that the issuance of their report was forthcoming.

Key figures

<i>(in millions of Euros)</i>	2009	2008	% change
Sales	2,221	2,217	0.2%
Operating income	149	95	58%
Consolidated net profit – Group share	85	49	73%

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

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.

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.

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.

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Bel Group

The Bel Group is a world leader in branded cheeses.

Its portfolio of differentiated and internationally recognized brands, including such products as The Laughing Cow, Kiri, Mini Babybel, Leerdammer, and Boursin, as well as some 20 local brands, enabled the group to generate sales of €2.2 billion in 2009. Nearly 11,500 employees in 30 subsidiaries around the world contribute to the Group's success. Its products are prepared at 27 production sites and distributed in over 120 countries.

<http://www.groupe-bel.com>