



ANNUAL REPORT

2008

**FLORIDIENNE**  
GROUP

# SUMMARY

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# PROFILE

Floridienne is a Belgian industrial participation holding company. It belongs to the European or global leaders in a number of market niches and niche markets. Its activities are centered on four sectors: chemicals, minor metals, upmarket foods and biotechnology including venture capital investments.

Floridienne focuses on majority or 50/50 holdings in partner companies that have similar values with regard to entrepreneurial spirit, respect of the individual, honouring commitments, global perspective and innovation as the key to sustainable development.

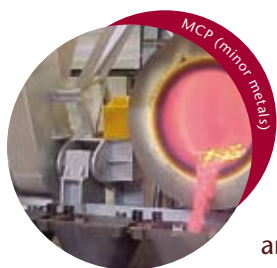
The group is quoted on the Brussels Stock Exchange, giving it the international visibility and access to capital markets necessary for its development.

## CHEMICAL DIVISION



The Chemical Division consists of a range of companies involved in the chemistry and metallurgy of non-ferrous metals (zinc, lead, nickel and cadmium salts). It is also involved in the recycling sector, treating metallic waste such as galvanizing residues and Ni/Cd and Li-ion batteries.

## MCP DIVISION



The MCP Division was established in September 2007 following the merger of the two companies Sidech S.A., in which Floridienne had a 46.7% holding, and MCP Aramayo. The new Division brings together a range of companies active in minor metals (bismuth, indium, gallium, tellurium and selenium). It is a global leader in the chemistry and metallurgy of special metals, in particular bismuth and tellurium.

## FOOD DIVISION



The Food Division consists of production and marketing companies for party and gourmet food products, such as snails, scallops, stuffed shellfish, smoked salmon, seafood salads, aperitif snacks, truffles, green pepper, ethnic dishes, etc. The Division also operates in the field of special-needs foods, for example for people with deglutition problems.

## LIFE SCIENCES DIVISION



The Life Sciences Division involves investments in companies whose technologies or markets can contribute to the existing activities or to the development of new niches within the Group. These are venture capital and private equity projects in such areas as the biological pollination using bumble-bees, essential oils, plant-based enzymes, the identification of new receptors as pharmacological targets or the chemistry of taste and olfaction.

# MESSAGE FROM THE MANAGEMENT COMMITTEE

Dear shareholders, partners, colleagues and friends,

Our strategy of remaining a purely industrial holding, investing in diversified niche segments and genuinely managing our investments thanks to participations not below 50%, has proved to be a particular asset in these times of global crisis.

Compared to our record 2007 results, 2008 results are satisfactory and in line with the average achieved in previous years: consolidated turnover up 11% to EUR 224.6 million, operational result at EUR 12.4 million, down 17% on 2007, and Floridienne's share of the net consolidated result at EUR 6.4 million, down 31%.

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2008 was a year characterised by a strong first quarter, followed by a steady but marked fall in raw material prices and ending up with collapsing volumes in our segments connected with the building industry. 2009 started very badly, but our diversification is clearly an advantage in the current economic situation, with the cyclical business in Chemicals and Minor Metals (MCP) being somewhat compensated by our Food and Life Sciences activities.

After its consolidation of equity capital in 2007, Floridienne found itself in a position to make the best of major growth opportunities in 2008.

A new division dedicated to added-value minor metals was established following an increase in the MCP Group holding (50/50 joint control with its management). The MCP Division opens the door to a number of most promising perspectives in the area of solar energy (raw materials for photovoltaic panels), in conjunction with Floridienne's Chemical Division, which supplies this segment with cadmium.

In the Chemical Division, we have stocked up our holding in Kimflor (from 50% to 75%) and integrated Catena (51%), a company operating in organic PVC stabilisers. We have also strengthened our leading position in galvanisation salts with the acquisition of Atlantis Resources Engineering and Vera Chimie Développements.

In the Food Division, we have increased our holding in Salm Invest, a specialist company in the high-end smoked salmon market (from 50% to 100%) and taken over the company Simon Dutriaux, a specialist company in rollmops and smoked herring.

Finally, in the Life Sciences Division, Floridienne and Bois Sauvage, acting as a 50/50 partnership, together set up Biofirst, an eco-holding focusing on agriculture and the well-being of mankind. It is similar to the companies Chemcom (chemical communications, olfactory biology), Biobest (pollination and fighting predator insects by biological means), Sopral Madagascar (snails, pepper, vanilla, etc.) and Sotecna (essential oils).

Thanks to our new participations and our wide-based choice of investments, Floridienne has firmly positioned itself in the area of sustainable development and environmental protection, keeping to niche markets in which the group can achieve a leading position on a European or even world scale. We believe that the affirmation of this new positioning will present us with extremely interesting growth opportunities in the years to come.

Though it is very difficult to give an outlook for 2009, especially for the Chemicals and MCP Divisions, both of which experienced a bad first quarter, we are counting on being among the first companies to profit from economic recovery and are

looking to improved results from the Food and Life Sciences Divisions this year.

For several months now, sizeable budget resources have been dedicated to human resources. We are building up our teams in readiness for a number of retirements and the resultant necessity for a knowledge transfer period. Human resources represent our most crucial investment in the success of our strategy which is based for the most part on the skills and entrepreneurial spirit of our managers.

Last but not least, we would like to raise our hats to the day-to-day work carried out by everyone in

the group, as well as welcoming our new colleagues from the companies which have joined the group in the last few months. We would also like to warmly thank our shareholders for their continuing support and confidence and in particular the SRIW which raised its holding in Floridienne's capital with an aim to completing our ambitious investment programmes.

Philippe Bodson,  
Executive Chairman

Gaëtan Waucquez,  
Managing Director



In 2008, Floridienne has been able to devote its energy to developing in the direction of a sustainable economy and environmental protection. This is taking place in a number of different ways:

by major investments in our factories to reduce our environmental impact; by the acquisition of companies whose products are a boon to the environment, as illustrated by Catena, a company in possession of patents for organically stabilising PVC (without the use of heavy metals); by our recycling activities (batteries, galvanising baths and metals), or by the development of ecological operations, such as fighting insects by biological means (Biobest) or supplying raw materials for solar panels (MCP).

**Philippe Bodson**



When the crisis was still in its infancy, Floridienne decided to reinforce its cautious policy of long-term loans. At the end of 2008, more than 80% of our debts were covered by long-term, fixed-rate loans. This has turned

out to be a major asset in the current economic situation. This policy has also enabled us to launch a new phase of expansion in all our divisions, keeping to niche markets and niches in markets in which we are or want to become a lead player. This philosophy requires us to be innovatory, opportunistic and to have an international vision not often found in companies of our size. Though we remain proud of our Belgian origins, we are increasingly expanding outside Belgium, bringing together true entrepreneurs who give Floridienne its special entrepreneurial flavour.

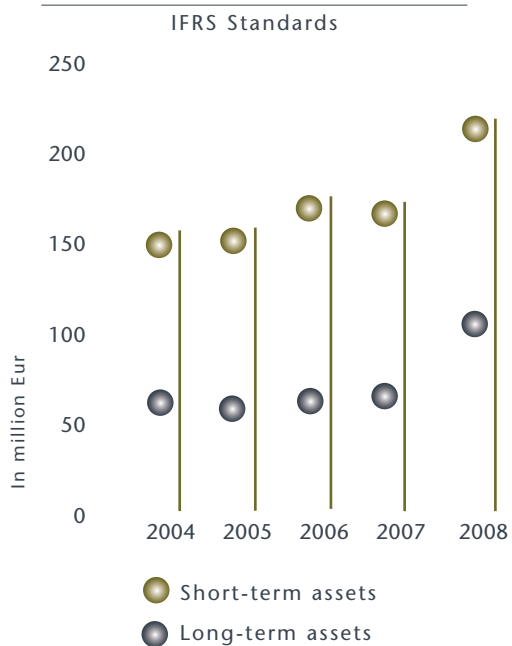
**Gaëtan Waucquez**

## KEY FIGURES

Consolidated Balance Sheet - In million EUR	IFRS standards					Belgian equity	
	2008	2007	2006	2005	2004	2004	2003
Long-term assets	111.7	71.1	66.9	64	66.5	55.2	53.8
Short-term assets	106.4	100.3	107.4	93.3	89.6	91.2	85
Long-term liabilities	145.1	97.0	88.2	81.9	76.5	64.6	62.3
Equity capital, Floridienne	65.3	58.4	47.6	42.8	38.2	36.7	34.5
Third party interest	8.3	1.2	1.3	1.2	1.2	1.4	6.2
Long-term loans and provisions	71.6	37.4	39.3	37.9	37.2	26.5	21.6
Short-term liabilities	73.0	74.4	86.1	75.4	79.5	81.8	76.5
<b>Balance sheet total</b>	<b>218.1</b>	<b>171.4</b>	<b>174.3</b>	<b>157.3</b>	<b>156.1</b>	<b>146.4</b>	<b>138.8</b>
<b>Consolidated Income statement - In million EUR</b>							
Revenues	224.6	202.0	160.7	161.6	152.7	156.2	145.4
EBIT	9.0	11	5.7	5.2	5.6	7.0	4.5
Operating profit*	12.4	15.1	7.5	5.9	6.9	7.0	4.5
Net consolidated result	6.9	9.7	7.4	5.8	4.6	3.2	2.4
Net consolidated result, share Floridienne	6.4	9.3	6.8	5.7	4.4	3.1	1.7
Net cash flow	14.6	15.5	13.3	10.6	11.1	9.9	8.7
<b>Financial Ratios - In %</b>							
Financial profitability (Net consolidated result, share Floridienne/Equity capital)	10.9	19.5	15.9	14.9	12.0	9.0	5.2
Degree of solvency (Equity capital/Balance sheet total)	33.7	34.7	28.1	28.0	25.2	26.0	29.3
Pay-out ratio (Gross dividend/Net consolidated result, share Floridienne)	39.9	26.0	29.1	31.9	33.5	47.7	71.9
<b>Data per Share - IN EUR</b>							
Number of shares	907 572	864 094	823 396	823 396	823 396	823 396	823 396
Average	107.9	106.34	76.42	64.20	47.81	47.81	47.34
Highest	132	135	79.4	76.05	57.45	57.45	56.20
Lowest	72	78.05	70	55.00	42.80	42.80	38.10
At 31/12	90	130	78.05	70.70	57.00	57.00	50.00
Net dividend per share	2.1	2.1	1.8	1.65	1.35	1.35	1.14
<b>Stock market capitalization (in million EUR at 31/12)</b>	<b>81.68</b>	<b>112.33</b>	<b>64.27</b>	<b>58.21</b>	<b>46.93</b>	<b>46.93</b>	<b>41.17</b>

\* EBIT + Company's results valued in accordance with the equity method

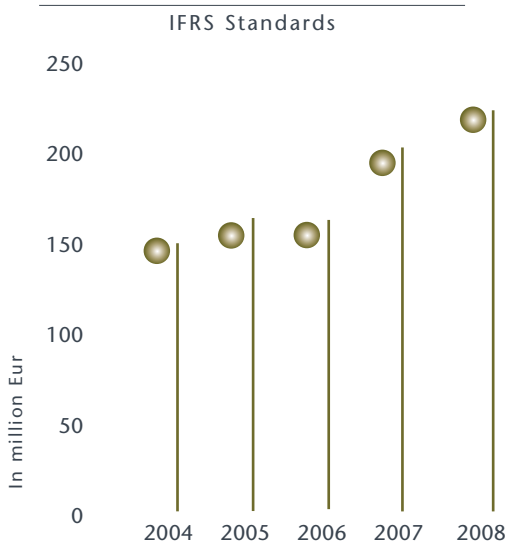
**ASSETS**



**LIABILITIES**



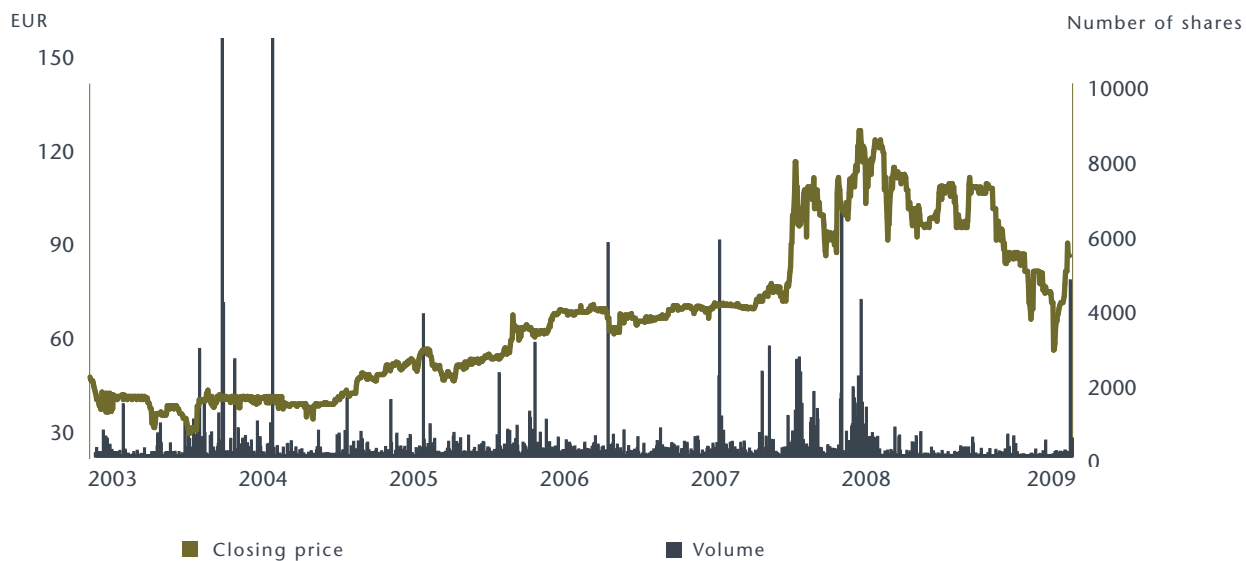
**REVENUES**



**NET CONSOLIDATED RESULT, SHARE FLORIDIENNE**



**EVOLUTION OF THE MARKET PRICE**



# HIGHLIGHTS



- Fall in metal prices
- Pre-registration of substances coming under the EU REACH Directive accomplished in the specified timeframe.

#### Stabilisation

- Continuing customer transition to unleaded formulations – either calcium/zinc-based or organic (without heavy metals).

#### Zinc salts

- Acquisition of two companies, Atlantis Resources Engineering and Vera Chimie Développements, strengthening Floridienne's leading position in the area of galvanisation salts.

#### Cadmium salts

- Decline in sales in the rechargeable battery sector. Floridienne nevertheless continues to play a leading role here.
- Increased sales for thin film photovoltaic panels, using tellurium from MCP.

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- Operational restructuring of production sites leading an improved allocation of production resources.
- Introduction of a new sales structure organised by metals and a central purchasing department; opening of an additional office in China (in Shenzhen, near Hong Kong).
- A successive simplification of the shareholder structure, with 99% of shares now being held by the original Sidech shareholders.





- Acquisition of 100% of Simon Dutriaux SAS, based at Vendin le Vieil (Lens), a specialist producer of smoked herring and rollmops. With its 14.5 million EUR turnover, Simon Dutriaux joins Gel Manche and Salm Invest in the fresh food division.
- Official inauguration in May 2008 of the 1500 m<sup>2</sup> new logistics platform at GMG in Carentan and the new GARTAL factory in September 2008.
- Sale of 40% of Floragro's holding in LLC SEC (White Toque's warehouse).
- Merger of the two entities BCA/Billot and FDG as part of the process of cutting back the number of legal entities, with the new entity now being called "Groupe Francaise de Gastronomie".



- The creation of the Biofirst holding as a 50/50 partnership between Floridienne and Bois Sauvage with the aim of developing projects and synergies between the four companies: Chemcom (36%), Biobest (100%), Sopral Madagascar (100%) and Sotecna (78%). This environmentally oriented holding will be developing products and natural tools targeting agriculture and mankind's well-being.
- Chemcom purchases a building on the ULB's Faculty of Medicine's Campus (Erasmus Campus).
- Chemcom diversifies its activities into insect receptors for future environmentally friendly insecticides based on chemical communication.
- Sotecna starts up pilot production in Romania of 100% pure and natural essential oils for use in the food and cosmetics industry.

# MANAGEMENT REPORT

MANAGEMENT REPORT OF THE BOARD OF  
DIRECTORS TO THE ANNUAL GENERAL MEETING  
OF 2<sup>ND</sup> JUNE 2009

Ladies and gentlemen,

We have the honour of presenting to you the report of our Group's operations, and hereby submit the annual and consolidated accounts for the year ending 31 December 2008 for your approval.

Given the size of our investment in the MCP Group and to provide greater clarity, we took the decision to create a fourth division at Floridienne, the MCP Division, encompassing all minor metals operations (bismuth, indium, tellurium, selenium, gallium, etc.). Floridienne has a 42.9% holding, and the whole division has been consolidated, using the equity method, in Floridienne's consolidated annual accounts

With the setting up of the new division, Floridienne is now characterised by its investments in four sectors: the chemistry of non-ferrous metals, minor metals, food and biotechnology (life sciences). The company is based on the principle of sharing risks between investments in profitable enterprises, enterprises with emerging profitability and those with profit potential.

## CONSOLIDATED RESULTS

2008 turnover reached EUR 224.6 million, up 11% on 2007. This increase was basically due to changes in the scope of consolidation following the increase of our holding in Salm Invest and Kimflor and the acquisition of Simon Dutriaux and VCD. Taking the previous year's scope as a base, turnover would have been EUR 192.7 million, down 5% on 2007. This decrease is directly attributable to the downturn in the Chemical Division's market.

Floridienne's share of the results of the companies, consolidated using the equity method, is EUR 3.4 million on 31 December 2008, compared with EUR 4.1 million on 31 December 2007. This decrease is basically attributable to the weak results of MCP in the second half of 2008 and the consolidation of Kimflor as of 1 July 2008.

The operational result\* reached EUR 12.4 million on 31 December 2008, compared with EUR 15.0 million on 31 December 2007 (down 17%). Taking the previous year's scope as a base, it would have been EUR 11.4 million. The operational result of our new acquisitions has only been partially consolidated this year and is set to grow sharply next year.

Floridienne is closing its books on 31 December 2008 with a **net consolidated result for the Floridienne share** of EUR 6.4 million, down on last year's record results. At constant scope, the net result would have been EUR 6.8 million, as the new acquisitions have not yet brought their full potential to bear.

## CHEMICAL DIVISION

**Change of scope:** IKA UK and Catena entered the scope on 01.01.2008, followed by VCD and Kimflor on 01.07.2008.

Chemical division turnover is down by EUR 4.6 million. At constant scope, it would be down by EUR 12.4 million. The decrease is attributable to the drop in metal prices and the economic downturn at the end of the year.

The Division's EBIT reached EUR 4.9 million on 31 December 2008, compared with EUR 8.4 million on 31 December 2007. At constant scope, EBIT on 31 December 2008 is EUR 4.3 million on account of the initial consolidation of Kimflor. This figure is mainly linked with the drop in SNAM's results following the rapid fall in the nickel price in the course of 2008 and the closing down of steelworks on 1 November 2008.

The Chemical Division's net result is down EUR 2.3 million, dropping from a net result of EUR 6.4 million on 31 December 2007 to EUR 4.1 million on 31 December 2008. At constant scope, the drop would have been EUR 2.5 million.

Given the difficult situation in the first half of 2009, we prefer to refrain from giving any forecast in this area.

## MCP DIVISION

As of the 2008 financial year and given the size of our investment in MCP, we are considering MCP as a whole division. Our holding is taken into account using the equity method and we are only consolidating our share of the result.

**Change of scope :** The merger of Sidech and MCP was completed on 30 September 2007. In 2007, Sidech (47%) was consolidated for 9 months and the MCP Group (22.5%) for 3 months. Between December 2007 and March 2008, we raised our holding from 22.5% to 42.9%. In 2008, we have therefore consolidated 26.21% of MCP from 1 January to 31 March 2008 and 42.94% from 1 April 2008 to 31 December 2008.

Floridienne's share of the result (using the equity method) is EUR 2.2 million on 31 December 2008, against EUR 3.4 million on 31 December 2007. At constant scope, our share would have been EUR 2.0 million. In spite of the increase in our holding, this represents only a minor increase in the result, linked with the downturn in operations in the course of the second half.

The MCP Division forecasts a higher result for the Floridienne share in 2009.

# MANAGEMENT REPORT

## FOOD DIVISION

**Change of scope** : inclusion of Salm Invest as of 01.01.2008 and Simon Dutriaux as of 01.07.2008.

The Division's turnover reached EUR 100.0 million on 31 December 2008, compared with EUR 72.2 million on 31 December 2007. At constant scope, turnover would have been EUR 75.8 million. This rise is the result of an upturn in Frozen and Fresh Foods.

The Division's 2008 EBIT reached EUR 4.0 million on 31 December 2008, against EUR 3.9 million on 31 December 2007. At constant scope, it would have been EUR 3.6 million, with the decrease being basically attributable to litigation costs. The result from current operations remained stable compared with 2007.

The Food Division's result was EUR 1.1 million on 31 December 2008, compared with EUR 1.0 million on 31 December 2007. At constant scope, it remained at EUR 1.1 million.

The Food Division is expecting a good 2009, showing its capacity to consistently generate significant results.

## LIFE SCIENCES DIVISION

**Change of scope** : inclusion of Sopral and Sotecna in Biofirst and use of the equity method for Biofirst (including Biobest, Chemcom, Sopral and Sotecna) as of 1 July 2008.

The net result of the Division was EUR 0.1 million on 31 December 2008, against EUR -0.2 million on 31 December 2007. At constant scope, it was EUR 0.0 million. Though the result achieved by this Division is higher than that of 2007, it is below that hoped for by us.

This area has the potential to generate consistent higher results starting in 2010.

## CORPORATE AND RISK CAPITAL

Floridienne provides support services in the areas of management, financing and consultancy.

The net result of Corporate and the Risk Capital Division was EUR -0.7 million on 31 December 2008, against EUR -0.9 million on 31 December 2007. This slight improvement is explained mainly by the sale of a property which generated a net profit of EUR 0.7 million. In 2008, we completed the sale of our share portfolio at a non-recurring loss of EUR 0.5 million (in the previous year we generated a positive net result). We are very pleased with the timing of our exit.

## STATUTORY ACCOUNTS AND DISTRIBUTION OF PROFITS

A profit of EUR 2.56 million is reported for the 2008 financial year, compared with EUR 21.9 million in 2007. Including EUR 27.41 million carried forward, the profit available for distribution amounts to EUR 29.96 million. We propose the following breakdown:

- EUR 2.54 million to be paid as dividends;
- EUR 0.09 million to be paid as bonuses;
- EUR 27.31 million to be carried forward.

If you approve the annual accounts and the proposed distribution, the dividend payable will be EUR 2.10, net of withholding tax. The dividend will be payable against coupon no. 109 as of 17 July 2009 at the Degroof Bank, Rue de l'Industrie 44, 1040 Brussels.

## TRANSACTIONS IN COMPANY SHARES

In the course of 2008, 3,322 shares (issued out of a total of 907,572) were sold. The number of shares held on 31 December 2008 was 7,464, representing a value of EUR 671,760.00 on the basis of a share price of EUR 90.00 on 31 December 2008. The acquisition value is EUR 844,048.66.

## INCREASE OF SHARE CAPITAL

On 12 December 2008, Floridienne's Board of Directors took the decision to go ahead with an increase in the company's share capital without preferential subscription rights within the limits of the authorisation conferred on the Board of Directors by the Annual General Meeting of shareholders.

The company capital has thus been raised by the amount of EUR 211,741.19, bringing it up from EUR 4,208,204.00 (864,094 shares) to EUR 4,419,945.19 via the issuing of 43,478 new shares at a unit issue price of EUR 115.00. This price consists of a capital base of EUR 4.87008 and an issue premium of EUR 110.12992 per new share. This unit issue price is above the course of the last 30 trading days on the stock market and the last 30 quoted days.

This capital increase is completely reserved, with preferential subscription rights being withheld, for the S.R.I.W., which has contributed a total of EUR 4,999,970.00. This means that the S.R.I.W. henceforth has a 9.27% holding in Floridienne.

## RISKS

Our management of financial risk involves a number of our subsidiaries needing to enter into forward exchange contracts in dollars or long-term sales contracts for certain metals in order to protect our profit margins against price fluctuations. Group policy with regard to financial tools is limited to protective measures and excludes all speculation.

## ENVIRONNEMENT

Our Chemical Division subsidiaries are well aware of the risks involved in their operations. The Group is taking the necessary measures to conform to all legal requirements concerning the environment and making the necessary investments.

# MANAGEMENT REPORT

## RESEARCH AND DEVELOPMENT

Our efforts target the improvement of our product quality, safety, the anticipation of increasingly strict environmental standards and the development of new products allowing business diversification.

## OUTLOOK

Floridienne reiterates its strategy of being an industrial player investing in niche markets in which it can assume market leadership in the long term.

In the light of the current crisis and its major effects on the construction industry, and thereby indirectly on our PVC stabilizer operations, it is impossible to provide any detailed forecasts for 2009. Nonetheless, we expect results to be equivalent to those of 2008.

## AUDIT COMMITTEE

In compliance with the 17 December 2008 Law which came into effect on 9 January 2009, the Board of Directors established an Audit Committee at its 27 March 2009 meeting. It consists of the following members:

- Bernard de Gerlache de Gomery
- Beluflo S.A., with its permanent representative Loïc Waucquez
- Sparaxis S.A. with its permanent representative Yves Meurice

As an independent director (in accordance with Art. 524.4.2 of the former Companies Code), Bernard de Gerlache will be the chairman. Given his experience and the numerous mandates exercised, he has the requisite competences in accounting and auditing.

The permanent representative of Beluflo S.A., Loïc Waucquez, will have a seat in his capacity as a non-executive director and as the shareholder representative. Sparaxis S.A., with its permanent representative Yves Meurice, will also have a seat in its capacity as a non-executive director and similarly responding to the independence criteria as set by the new law.

The Audit Committee is responsible for:

1. Monitoring the process of drawing up the financial information;
2. Monitoring the effectiveness of internal control systems and of the company's risk management;
3. Should any internal audit take place, monitoring of such and of its effectiveness;
4. Monitoring the statutory control of the annual accounts and the consolidated accounts;
5. Examination and monitoring of the independence of the statutory auditor and, as the case may be, of the company auditor commissioned to control the consolidated accounts, with a particular focus on the provision of additional services to the company.

The Committee will meet at least twice a year, before the half-year and the annual accounts are closed.

## DIRECTIVE ON TAKEOVER BIDS

As part of the information required in connection with Article 34 of the 14 November 2007 Royal Decree, we are publishing just the information below. All other information is of no effect for Floridienne

### 1. Capital structure and any agreements between shareholders

Including the transparency statements updated on 8 January 2009 by Beluflo S.A. and on 16 December 2008 by SRIW S.A, shares are held as follows:

Beluflo S.A.	416,836	45.93%
Private individuals	42,503	4.68%
Finatco S.A.	25,734	2.84%
Fijeti S.A.	13,161	1.45%
Philippe de Spoelberch	135,000	14.87%
Floridienne S.A.	7,464	0.82%
SRIW	84,176	9.27%
Free Float	182,699	20.13%
Number of shares issued	907,572	100%

Floridienne was informed by Beluflo S.A. on 29 January 2008 of an important shareholder pact involving Beluflo S.A. (34.96%), Finatco S.A. (2.16%) and private individuals (7.68%). Within this framework, the different signatories have exchanged pre-emptive and follow-on rights.

### 2. Powers of the Board of Directors

At the 5 June 2007 Annual General Meeting the following powers were conferred to the Board of Directors:

- Renewal of the authorised capital of EUR 4,010,000.00 for a period of five years.
- Within the limits of the authorised capital, the Board of Directors is authorised to proceed with capital increases by incorporating reserves; to proceed with issues of convertible bonds or bonds with subscription rights, as well as with subscription rights or warrants attached or not attached to other securities; and to limit or terminate the preferential rights of shareholders, including those in favour of one or several specified persons even if such are not members of the company's or a subsidiary's staff.

- Within the limits of the authorised capital, the Board of Directors is authorised for a period of three years to make use of the authorised capital (with the power of limiting or terminating the preferential rights of shareholders) in any case of a public takeover offer relating to any shares issued by the company.
- The Board of Directors is authorised to acquire or dispose of shares in the company with a view to averting any serious and imminent damage. This authorisation also applies to the company's subsidiaries.
- The Board of Directors is authorised to acquire on the Stock Exchange or otherwise a maximum of 82,339 shares in the company within a maximum 18-months period at a unit price that shall not be under a price more than 20% below the lowest closing price of the last 20 quoted days before the transaction, nor higher than a price more than 20% above the highest closing price of the last 20 quoted days before the transaction.

### 3. Article 74 of the law on public takeover bids.

On 23 September 2007, Floridienne was informed by Beluflo that the latter held 296,997 Floridienne shares representing 34.37% of the company's capital. In its annual communication of 1 September 2008 relating to Article 74, Beluflo confirmed that there had been no change to the situation since the September 2007 notification and that it held 673,449 shares. Beluflo has since disposed of 256,613 shares.

### INFORMATION REQUIRED IN ACCORDANCE WITH ARTICLE 523 OF BELGIAN COMPANY CODE

**At the 18 March 2008 Board meeting a conflict of interest statement was made during the discussion on the item concerning our investment in Biobest.** There follows the excerpt from the minutes:

Mr Jean-Marie Delwart, finding himself in a position of conflict of interest, left the meeting before discussions

## MANAGEMENT REPORT

started on item 7. The proposal had been put to the Board to acquire 30% of Biobest from Mr. Jean-Marie Delwart or companies belonging to him based on a price of EUR 14,250,000 for 100%. This acquisition would enable Floridienne to increase its holding in Biobest to 50%. It should be noted that Bois Sauvage would purchase the remaining 10%, thereby also reaching 50%.

This purchase was approved unanimously.

**At the 20 June 2008 Board meeting, a conflict of interest statement was made during the discussion on the item relating to the status of current legal proceedings.**

The minutes on this item are reproduced in full below:

1 Following the 12 June 2008 ruling of the Nivelles Tribunal de Commerce (Reg. no. A/200701551), the transfer of 92,411 shares to Beluflo S.A. is to be recorded in the shareholders register.

1.1 Before the discussion on the decision in question started, Mr. Philippe de Spoelberch, Mr. Gaëtan Waucquez and Mr. Loïc Waucquez (in his function as permanent representative of Beluflo S.A.) reminded the other members of what they had pointed out at the Board meetings on 27 September and 2 October 2007. Although there was no conflict of interest in the sense of Article 523 of the Company Code (there being no personal asset interest opposed to company interests), they thought it better not to take part in the discussion. They stated that they would

adopt the same reserved attitude in the further course of the discussion and would abstain from taking part in the deliberation on item 2 of the agenda. The discussion consequently started between the remaining directors.

1.2 The Board took note of the decision of the Nivelles Tribunal de Commerce in favour of Beluflo S.A., stating that the latter had legitimately acquired all 92,411 registered shares and 202,353 bearer shares offered for sale by Aurea S.A.

1.3 With regard to the exercise of the prospective associated voting rights at the 23 June 2008 Annual General Meeting.

The Board looked into the question of the exercise of the rights associated with the shares, underlining that, from the company's point of view, there could only be one owner and that only one person could be authorized to exercise the associated rights (in particular the voting rights). The Chairman reminded the directors that the company's legal advisors had drawn their attention to the fact that:

- a. Art. 461 of the Company Code foresees that, should there be more than one owner of a share the company may suppress the exercise of the rights attached to such shares until a single person has been designated as being the owner;
- b. This provision was included in the law for the benefit of companies for cases where "a share

1 R.P.D.B., refer to Sociétés anonymes, no. 506 ; J. Van Ryn, J. Heenen, Principes de droit commercial (Principles of commercial law), 1954, t.I, p. 345.

2 A. Benoît-Moury, L'organisation des droits de vote des actionnaires (the organization of shareholder voting rights), in Droits et devoirs des actionnaires, Vanham and Vanham seminar, 11 December. 1987, p. 25.

3 RPDB, refer to Sociétés anonymes, no. 506 and the references quoted there.



would, irrespective of the circumstances, pass into the hands of several owners, with uncertainty as to their identity or where the scope of rights would not be properly defined<sup>1</sup>”, the goal pursued by the legislator being “to avoid all uncertainty or dispute with regard to the exercise of voting rights”<sup>2</sup>;

- c. Unless there is an explicit statutory dispensation, this provision only applies to registered shares<sup>3</sup>.

The Board pointed out that both companies, Aurea and Beluflo, laid claim to owning the same shares. The court ruling – though not definitive at the time of the Board meeting – did however raise serious doubts with respect to the ownership of the bearer shares and registered shares in question. In accordance with Art. 461 of Company Code, the Board had therefore decided to suspend the voting rights attached to the 92,411 registered shares with regard to the Annual General Meeting of 23 June 2008, where the agenda was as follows:

- (1) Management Report of the Board of Directors and the report of the Statutory Auditor;
- (2) Approval of the annual accounts to 31 December 2007;
- (3) Discharge of the directors and the statutory auditor;
- (4) Proposal to revoke the mandate of the director from Belgocodex S.A.;
- (5) Proposal to revoke the mandate of the director from Servim S.A.;
- (6) Proposal to appoint as director Sparaxis S.A. (with Mr. Yves Meurice from the SRIW as its permanent representative);
- (7) Proposal to appoint as directors Aurea S.A. (with Mr Joël Picard as its permanent representative) and Mr. Gérard Dumonteil;
- (8) Proposal to revoke the mandate of Mr. Philippe Bodson as director.

1.4 With regard to the registration of the transfer of 92,411 registered shares in the respective share register.

The board pointed out:

- a. that the tribunal had issued a ruling on the ownership of the shares, attributing them to Beluflo S.A. and condemning Aurea S.A. to hand over the bearer shares in its possession, under pain of a fine;
- b. that the tribunal had authorised and, if necessary, ordered the Company to record the transfer of 92,411 registered shares in the share register;
- c. that up to that day neither of the parties had called on the company to go ahead with the transcription;
- d. that, at the time of the Board’s deliberation, the ruling was not yet final;
- e. That the company’s legal advisors had received an official letter from Aurea’s legal advisor on 19 June 2008, stating (see attached copy):
  - i. that Aurea had not yet taken up a position with regard to the ruling;
  - ii. that the transcription by Floridienne of the transfer of the registered shares would take place “under the sole responsibility of Floridienne”, thereby giving a clear indication that Aurea S.A. was adopting a wait-and-see attitude with regard to the company’s responsibility.

Following this discussion, the Board decided – temporarily and without prejudice – not to go ahead with the transcription of the transfer of the registered shares, preferring to wait for the official and final positions of the parties involved.

## MANAGEMENT REPORT

1.5 The Board moreover postponed its decision on the exercise of all other rights attached to the bearer and registered shares, making it dependent on legal developments in the case.

**At the 12 December 2008 Board meeting a conflict of interest statement was made during the discussion on the item concerning treasury shares.**

There follows the full excerpt from the minutes:

In accordance with Article 523 governing conflicts of interest, Marc Blanpain and Philippe Spoelberch abstained from participating in the Board discussions and from voting on this item. Floridienne holds 12,608 treasury shares. Philippe Bodson and Gaëtan Waucquez recommended to the Board to sell these shares to generate cash and increase the group's equity. Philippe de Spoelberch would be willing to buy 5,000 shares for an amount of €575,000 and Marc Blanpain to buy 435 shares for an amount of €50,000.

The Board unanimously decided to sell these shares at a price of €115 per share, in accordance with the authorization to do so set forth in Article 5 of the articles of association.

### STATUS OF CURRENT LEGAL PROCEEDINGS

Looking first at the cases closed, it should be stated that the company has reached a global agreement to end all legal proceedings with the companies belonging to Mr. Jean-Marie Delwart's Group.

The legal proceedings currently in progress are the following:

#### **1. Proceedings, initiated by Aurea S.A., to have the decisions of the 5 June 2008 Annual General Meetings annulled**

Shareholders should be reminded that Aurea S.A. has commenced proceedings against the company to have the ordinary and extraordinary Annual General Meetings held on 5 June 2007 annulled.

These proceedings lead to a ruling by the Nivelles Tribunal de Commerce on 19 June 2008 which declared the action inadmissible, as Aurea had not proved that it was the owner of the Floridienne shares either prior to the 5 June 2007 Annual General Meetings or prior to commencing proceedings, i.e. the summons of 2 August 2007. The tribunal further condemned Aurea to court fees of €10,000, stating that it considered the request for annulment unreasonable with regard to the regulations on the repeatability of lawyer's costs and fees. Aurea has appealed against this ruling and the proceedings are now pending before the Brussels Court of Appeal. 5 October 2009 has been fixed as the date for hearing the pleas.

## 2. Proceedings against Floridienne S.A. by Belgocodex and Aurea to wind up the administratiekantoor

These proceedings were initiated by the company Belgocodex. Aurea took up the case on its own accord, supporting the Belgocodex position. In a ruling of 16 September 2008, the Nivelles Tribunal de Commerce declared the decision of the Board of Directors of 16 July 2007 on the establishment under Dutch law of the Floridienne AK foundation and on the transfer thereto of SNAM shares held by Floridienne S.A. to be null and void.

The company decided to appeal against this ruling, being of the opinion that it was neither in line with the Belgian legislation implementing the European Directive on public takeover bids nor with that of specific doctrine in such matters. The case is currently pending before the Brussels Court of Appeal, with 7 December 2009 set as the date for pleas to be heard. Following the withdrawal of Belgocodex, there is now only Aurea S.A. opposing Floridienne.

It should also be remembered that the company had in any event taken the decision to recuperate full ownership of the shares representing SNAM's capital, with the retrocession having taken place during October 2008. Following the stabilisation of Floridienne's shareholders structure, the opinion, also held by the directors of the Floridienne AK foundation, was that there was no longer any need to register the SNAM shares with the foundation. This was based on the assumption that Aurea would not appeal against the 12 June 2008 ruling of the Nivelles Tribunal de Commerce sanctioning the transfer of Floridienne shares acquired by Aurea S.A. in August 2007 to Beluflo S.A.

The pending case, which aims at gaining insight into the decision taken in the context of that period, has

no financial impact on the accounts, apart from the legal costs.

## 3. Proceedings, initiated by Aurea, aimed at annulling the 25 October 2007 decision of the Board of Directors on an increase in the company's capital, specifically reserved for SRIW.

Aurea S.A. has commenced proceedings against the company to have the 25 October 2007 decision of the Board of Directors declared null and void. The contested decision involves the company having proceeded with an increase in its capital, within the scope of the authorised capital, amounting to EUR 198,204, raising the capital from EUR 4,010,000 to EUR 4,208,204 via the issue of 40,698 new shares. Shareholders are reminded that the new capital was completely subscribed by the S.R.I.W., following the Board's decision to suppress the right of preferential subscription in applying Art. 598 of the Company Code.

Floridienne has defended the legality of the capital increase in question, from a perspective both of defending corporate interests and of the necessity to strengthen equity capital to back up the development of the company's operations in the Walloon Region by joining forces with a top-level business player and long-time strategic partner of Floridienne Chimie S.A.

The case was heard on 24 February 2009 before the Nivelles Tribunal de Commerce. The ruling is to be announced on 24 April 2009.

The Board of Directors

# CORPORATE GOVERNANCE

As required by the Belgian Corporate Governance Code, the Floridienne Board of Directors adopted a corporate governance charter in 2006, available (in French) in its complete version on our website [www.floridienne.be](http://www.floridienne.be).

In accordance with the Belgian Code, this chapter describes the key events concerning the governance of the enterprise in the past financial year and contains at a minimum the elements cited in Appendix F. Any decision not to apply certain principles of the Code is also explained.

## 1. NON-APPLICATION OF CODE PRINCIPLES

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### Separation of powers (Principle 1.5.)

Philippe Bodson at present exercises the dual positions of President of the Board of Directors and CEO. This duality is temporary, prior to the installation of the Group's lasting organisation.

### Independence (Principle 2.3)

The criteria governing independence are those contained in the Law of 17 December 2008 concerning the Audit Committee.

### Three independent directors (Principle 2.2.)

Given the new criteria set down by the Law of 17 December 2008, Marc-Yves Blanpain has lost his status as an independent director as he is completing his third mandate as a non-executive director. We nevertheless consider him to be independent given the complete independence demonstrated in the course of the previous years in Board decision-making.

### Appointment of Board members (Principle 4.1.)

There is no such written procedure but Board

members are always appointed by the Annual General Meeting on the basis of their known competencies.

### Non-executive Board members and management (Principle 4.12.)

During 2008, the non-executive Board members had no meeting without the CEO being formally present. These non-executive Board members see each other on a regular basis as part of their other business relations.

### Audit Committee (Principle 5.2.)

In accordance with the Law of 17 December 2008 and effective from 8 January 2009, the Board of Directors has set up an Audit Committee at its 27 March 2009 meeting.

### The Appointment Committee and Remuneration Committee (Principle 5.3 and 5.4.)

Due to our small size, the Board of Directors has not established these committees. All recommendations in the Code pertaining to a Remuneration Committee and an Appointment Committee are carried out by the Board of Directors. Any further recommendations within the responsibility of these committees will be adhered to by the Board of Directors.

### Executive management rules (Principle 6.1.)

We are not publishing any internal executive management rules. At present it is the Management Committee's responsibility to set out and monitor the guidelines for executives in the various divisions.

### Contractual terms (Principle 7.18.)

We are not publishing the contractual terms of hiring and termination arrangements for executive managers as there are no terms existing other than those set down by the Labour Law. For employees

with contracts governed by labour legislation, severance pay shall not exceed 12 months.

## 2. COMPOSITION OF THE BOARD OF DIRECTORS

On 1 January 2009 the Board of Directors consisted of the following members:

### **Baron Philippe Bodson, Chairman**

Appointed until 2010  
Executive chairman  
Chairman of Exmar

### **Beluflo S.A. (Loïc Waucquez)**

Appointed until 2010  
Shareholder representative

### **Chevalier Marc-Yves Blanpain**

Appointed until 2009  
Non-executive and Independent  
Director of Befimmo

### **Baron Bernard de Gerlache de Gomery**

Appointed until 2010  
Independent  
Director of Sipef  
Director of Leasinvest Real Estate  
Director of Texaf

### **Sparaxis S.A. (Monsieur Yves Meurice)**

Independent  
Appointed until 2011

### **Vicomte Philippe de Spoelberch**

Appointed until 2010  
Non-executive and Shareholder representative

### **W. Invest S.A. (Gaëtan Waucquez)**

Executive  
Appointed until 2010  
Director of FuturaGene Plc

### **Statutory Auditor**

#### **SCPRL Goossens, Gossart, Joos**

Réviseur d'entreprise S.C.C.  
Represented by Daniel Goossens  
Appointed until 2009

Sparaxis S.A. was appointed by majority vote of the Annual General Meeting of 23 June 2008. Its mandate terminates at the 2011 Annual General Meeting.

Philippe Bodson and Gaëtan Waucquez have executive roles as members of the Management Committee and are not considered as being independent.

Beluflo S.A. (represented by Mr. Loïc Waucquez) and Philippe de Spoelberch represent the shareholders and are therefore not considered independent. Furthermore, as Philippe de Spoelberch now holds more than 10% of our company's shares, he can no longer be considered independent.

Bernard de Gerlache and Sparaxis S.A. (represented by Yves Meurice) fulfil all criteria defined in the Law of 17 December 2008 governing the independence criteria to be met to gain a seat on the Audit Committee. They are likewise considered as independent members of the Board of Directors.

## CORPORATE GOVERNANCE

The mandate of Marc Yves Blanpain expires at the Annual General Meeting on 2 June 2009. On the basis of his experience acquired in the course of the last ten years, a proposal will be submitted to the Meeting for his mandate to be renewed for a further three years, expiring at the 2012 Annual General Meeting.

At the 24 September 2008 meeting of the Board of Directors, it was decided to coopt W. Invest S.A. (with Mr. Gaëtan Waucquez as its permanent representative) as a replacement for Mr. Gaëtan Waucquez who has resigned. A proposal will be put to the Annual General Meeting to accept the nomination of W. Invest S.A. (with Mr. Gaëtan Waucquez as its permanent representative) as a director until the 2010 Annual General Meeting.

The mandate of the statutory auditor, SCPRL Goossens, Gossart, Joos, represented by Daniel Goossens, expires at the Annual General Meeting on 2 June 2009. On the basis of recommendations from the Audit Committee, a proposal will be submitted to the Meeting for his mandate to be renewed for a further three years, expiring at the 2012 Annual General Meeting.

### OPERATIONS OF THE BOARD OF DIRECTORS

The Board of Directors met 5 times in 2008, as seen in the attendance table below:

	28 Mar	07 May	20 Jun	24 Sept	12 Dec
Bodson Philippe	P	P	P	P	P
Belgocodex (Jean-Marie Delwart)	P	A	A	NA	NA
Beluflo (Loïc Waucquez)	P	P	P	P	P
Servim (Bernard Delwart)	R	A	A	NA	NA
Bernard de Gerlache	P	P	P	P	R
Philippe de Spoelberch	P	R	P	P	P
Sparaxis (Yves Meurice)	NA	NA	NA	A	P
Marc-Yves Blanpain	P	P	P	P	P
Gaëtan Waucquez	P	P	P	P	P

P = Present R= Represented A = Absent NA = non-applicable

Discussions concerned:

- corporate results and consolidated results
- budget for the coming year
- investment projects
- the termination of non-strategic holdings
- Corporate Governance policy and practices
- questions relating to Group financing and company organisation
- the simplification of our structure
- the remuneration of Board members and senior executives
- the shareholding situation
- the definition of Floridienne's corporate interest
- proceedings against Floridienne
- diverse items

### 3. SPECIALISED COMMITTEES

#### Management Board

The Management Board is made up of Philippe Bodson and Gaëtan Waucquez. This Committee met 39 times during 2008. The Management Board is responsible for the day-to-day management of the company, assisted by the managing directors of the Food, Chemical, and Life Sciences Divisions in any questions concerning them.

The Management Board is responsible for implementing Group strategy as defined by the Board of Directors. Within this framework it manages the Group's financial resources, allocating them to investments and developments of either the whole Group or individual divisions.

The Management Board makes sure that the Board of Directors is able to carry out its responsibilities, maintaining a permanent interaction, dialogue and climate of respect, confidence and openness. It submits proposals to the Board of Directors on subjects which can only be decided upon by the Board of Directors.

The Management Board is responsible for the composition of each Division's Management Committee. It is also responsible for applying any decision taken by the Board of Directors concerning the Group or any of its Divisions.

The Management Board is also Floridienne's main communication channel towards the outside world.

#### Audit Committee

In application of the Law of 17 December 2008, a proposal has been submitted to the 27 March 2009 meeting of the Board of Directors that an Audit Committee consisting of non-executive directors, at least one of whom must be independent, be set up.

The committee has the following members:

- Beluflo S.A., with Loïc Waucquez as its permanent representative
- Bernard de Gerlache de Gomery

Bernard de Gerlache de Gomery is considered to be independent as he fulfils the criteria set down in Article 524.4.2 of the former Company Code. He can therefore continue to occupy a seat in this status.

#### Remuneration Committee and Appointments Committee

Due to Floridienne's size, these functions are fulfilled by the Board of Directors. During 2008, discussions on the remuneration of executive Board members and senior management took place when necessary.

### 4. REMUNERATION OF BOARD MEMBERS

Total payments in 2008 amounted to EUR 91,250.00.

They were distributed as follows:

Bernard de Gerlache de Gomery	EUR 15,000.00
Philippe de Spoelberch	EUR 15,000.00
Marc-Yves Blanpain	EUR 15,000.00
Philippe Bodson*	EUR 15,000.00
Cie Bois Sauvage	EUR 7,500.00
Beluflo	EUR 15,000.00
Gaëtan Waucquez	EUR 8,750.00

\* Details of the remuneration received for his executive role are given further on.

## CORPORATE GOVERNANCE

### 5. REMUNERATION OF FLORIDIENNE'S SENIOR MANAGEMENT

Floridienne's management consists of those persons stated above in the current annual report (refer to the chapter on Organisation).

Remuneration policy for Floridienne's management is within the responsibility of the Management Committee. Remuneration of Management Committee members is within the exclusive responsibility of the Board of Directors.

In addition to the remuneration he receives as a Board member, Philippe Bodson further receives, via SIGECO S.A., the following remuneration (salary and bonus in gross equivalent) and other benefits for his advisory role in the Group's management as granted by Floridienne or any other of the Group's units:

- Base salary: EUR 39,561.49
- Bonus\*: EUR 349,737.04

Total remuneration (salary and bonus in gross equivalent) and other benefits granted to the other senior managers directly or indirectly by Floridienne or any other of the units belonging to the same group are as follows:

- Base salary: EUR 1,093,875.80
- Bonus\*: EUR 312,593.33
- Other benefits: EUR 88,051.70

### 6. AUDITOR'S REMUNERATION

During the 2008 financial year, the SCPRL Goossens, Gossart, Joos received audit fees amounting to EUR 62,292.00 for the whole Group (of which EUR 29,260,00 is attributable to Floridienne S.A.). Fees paid for other attestation services amounted to EUR 1,800.00. A further amount of EUR 17,020.00 was paid for external services in connection the auditing.

### 7. FLORIDIENNE SHARE DEALINGS

During the course of 2008, 165,130 Floridienne shares were purchased by persons linked with the Floridienne Group and 180,005 shares sold by persons linked with the Floridienne Group.

\* As bonuses are directly linked with the results for the financial year, they are only paid following approval of the annual accounts by the Annual General Meeting. They relate to the results of the preceding financial year.



# ORGANISATION

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## AS OF 01/01/2009

### MANAGEMENT BOARD

**Philippe Bodson \***  
**Gaëtan Waucquez \***

### FLORIDIENNE GROUP

Managing Director:  
**Gaëtan Waucquez \***

Manager of Accounting:  
**Joseph De Waele \***  
Company Secretary:  
**Benoit Leemans \***

Advisor of the Management Board for  
the Chemical Division:  
**Philippe Lecomte \***

### CHEMICAL DIVISION

Managing Director:  
**Simon Vlajcic \***

Management Committee:  
**Jeaninne Billiet**  
**Laurent Smits**  
**André-Louis Pete**  
**Jacques Maubert**  
**Ugo Nardo**



### MCP DIVISION

Managing Director:  
**Laurent Raskin**  
**Frank Fache**

Management Committee:  
**Marc Binet**  
**Serge Dallenogare**  
**Christophe Gauder**  
**Laurent Muguerza**  
**Greg Phipps**  
**Sebastian Voigt**



### FOOD DIVISION

Managing Director:  
**Philippe-Jean Boonen\***

Management Committee  
Frozen Foods  
**Bruno Delacroix\***  
**Jean-Marc Giraud**  
**Patrick Jagut**

Management Committee  
Fresh Foods:  
**Didier Hanin**  
**Jean-Philippe Lewandowski**  
**Laurent Simon**



### LIFE SCIENCES DIVISION

Managing Director:  
**Christian Van Osselaer \***



(\*) : Member of Floridienne's management

# CHEMICAL DIVISION

BATTERIES



## RESULTS DOWN AND FALL IN METAL PRICES

CONSOLIDATED DATA	2008	2007
In million EUR		
Net sales	124.0	128.7
EBIT	4.9	8.4
Operating profit	5.5	12.5
Net consolidated result	4.1	9.8
Net result, share Floridienne	3.6	9.4
Net cash flow	9.1	13.1

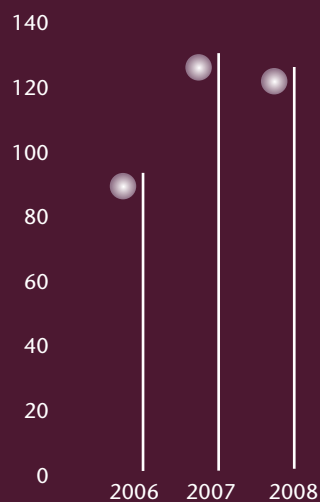
SURFACE COATING




PVC STABILISATION



Net sales





The Chemical Division consists of Floridienne Chimie in Ath (Belgium), the Group's original company founded in 1898, and a range of companies with which it is developing industrial synergies.

The companies within the Division are among the world leaders in their market niches, operating mainly in the following three sectors:

- PVC stabilisation - involving zinc, lead, aluminium and magnesium salts;
- Batteries – involving zinc, cadmium and lead salts;
- Surface coating – involving zinc and nickel salts.

## CHEMICAL DIVISION

### A STRATEGY...

For some twenty years, the Chemical Division has been developing strong industrial synergies with its partners. Its managerial policy is based on decentralisation, enabling a better response to local market needs and avoiding bureaucracy.

This has led to a down-to-the earth, fleet-footed group of companies led by talented entrepreneurs with valuable know-how and exerting international influence in all continents.

Other partners are expected to come on board in the coming years, strengthening the Division's strategic position and increasing its importance. Large SME's operating in niche markets linked to its own are being targeted. The portfolio of internal and external projects presented a number of good prospects which were realised in 2008: the two companies, Atlantis Resources and Vera Chimie Développements, were acquired, strengthening Floridienne's leading position in the area of galvanisation salts.

Other projects representing external growth opportunities are being looked into in 2009 – in spite of the more difficult economic climate.

### ... OF SUSTAINABLE DEVELOPMENT

Aware of future environmental challenges, the Chemical Division is working on various ways for achieving sustainable development. Environmental constraints are not seen as a brake but as a motor of innovation.

In Europe, Floridienne Chimie and its German subsidiary IKA are participating in the PVC industry's voluntary commitment to replace lead-based stabilisers by a new generation of stabilisers between now and 2015.

The company already has a major competitive advantage in the market, possessing two alternatives to lead-based stabilisers:

- calcium/zinc-based stabilisers that can be used for all applications;
- organic stabilisers (without metals), in use since 2007 for PVC pipes and fittings, resulting from a majority holding of IKA in Catena Additives, a company with a patent for this type of stabilisation.

Floridienne Chimie is involved in the recycling of galvanisation by-products. These are collected from European galvanising companies and reused for the production of zinc salts. These are either reused in galvanising or in the manufacture of zinc chloride batteries.

Via its SNAM subsidiary, the Chemical Division is involved in the recycling of spent Ni/Cd (nickel-cadmium), Li-ion and NiMH (nickel-metal hydride) rechargeable batteries.

At the Floridienne Chimie site at Ath, the Division's decision-making centre, three new management positions (Production, Quality & REACH Legislation and Security Managers) were created in 2007 and have been filled since 2008.

### BAPP® - THE GOLIAT PROJECT

In the area of safety management, a recognised participative method BAPP® (Behavioural Accident Prevention Process) was introduced in 2008 with the objective of improving safety results above statutory requirements. The initiative, the mainstay of the GOLIAT project, is set to run for several years.



FLORIDIENNE CHIMIE S.A.



### Zinc salts [Zn]

Floridienne Chimie is one of the leading European companies in this activity.

- **Zinc ammonium chloride and Florflux**

Floridienne Chimie is the leading European producer of fluxes for hot galvanising. Zinc ammonium chloride and more particularly Florflux are used to avoid oxidation after pickling and before immersion into molten zinc. This process significantly lengthens the life of buildings with metallic frameworks. It is also used for protecting agricultural equipment and transport containers.

- **Zinc chloride**

Zinc chloride is used in the manufacture of a wide range of "green" batteries with no mercury content. It is also used in the textile industry (nylon manufacture), in the paper industry (vulcanisation

of cellulose fibres), in the rubber industry, in the production of fungicides, for water treatment and in the pharmaceutical industry. Zinc chloride also constitutes a basic element for the production of new calcium/zinc PVC stabilisers in line with new European environmental standards.

- **Zinc sulphate and zinc carbonate**

The agricultural sector is very appreciative of zinc sulphate in fungicide production and as a trace element in animal feed. It also accelerates the growth of chlorophyll in plants. Galvanoplastic sheet electrolysis (treatment of surfaces) also requires the properties offered by zinc sulphate. Furthermore, given its extreme purity, it opens the way for interesting developments in electronics. As for zinc carbonate, it is a vulcanisation agent for the production of flexible and transparent rubber. Oil companies use it to absorb the sulphur dioxide escaping from drilling sludge.



**Simon Vljajcic**

Managing Director of the Chemical Division

At the end of 2007, following a career of 37 years spent building and developing the

Chemical Division, Philippe Lecomte handed over responsibility to Simon Vljajcic.

The new Managing Director of the Chemical Division is a chemical engineer by trade. He intends to carry on his predecessor's strategy and company development policy.

*"The success of the Division is based on past judicious decisions concerning products, sites and reliable partners. Continuity is a decisive factor in niche markets – you can't give up a product just because the wind turns against you. The markets are full of ups and downs and you have to invest in improving or redesigning it. Our employees with their in-depth understanding of our markets enable us to react quickly. I am very pleased to now be one of them."*

## CHEMICAL DIVISION

### PVC stabilisers

Floridienne Chimie is one of the leading European companies in the production of PVC stabilisers. PVC retains its properties over time due to the stabilisers used.

The Floridienne Group occupies a unique position in terms of integration, both in lead-based stabilisers and in the new stabiliser generations based on zinc salts.

Floridienne Chimie has developed:

- Florstab / V formulations, well-suited for the injection, calendaring and extrusion of tubes, cables or profiles.
- "Dust-free" stabilisers in spaghetti or pellet form, whose handling by production staff is facilitated by their being dust-free.
- Calcium-zinc Florstabs are complex products based on metallic soaps containing a large part of secondary stabilisers of an organic and/or inorganic nature. The calcium-zinc Florstab range includes formulations for both flexible applications (cable sheathing, insulation, etc.) and rigid applications (window frames, cladding, etc.).
- Greenstab: this range of stabilisers devoid of any heavy metals was successfully presented at "K2007", the industrial trade fair held in Düsseldorf in October.
- Floridienne Chimie also produces lead chloride, used as a component in batteries activated by seawater. Such batteries are used among other things in devices for the detection of submarines.

### Cadmium salts [ Cd ]

Floridienne Chimie is one of the main producers worldwide of cadmium oxide, nitrate and carbonate and cadmium powder.

- Cadmium salts, in combination with nickel, are most widely used in the field of rechargeable batteries. Ni/Cd batteries are used in industrial

applications where absolute reliability is needed – electronic telecommunications equipment, planes, trains, etc and in power tools such as cordless drills/drivers.

The company has undertaken to develop the production of powders and oxides in line with the latest research on the manufacture of high-performance batteries.

- In the ceramics and plastics industries, cadmium nitrate is part of the formulation of high-temperature-resistant red and yellow pigments.
- The thin film photovoltaics industry uses cadmium salts from our company as well as tellurium from MCP.

### Recycling

Floridienne Chimie is an approved operator of a toxic and dangerous waste recovery plant. It co-operates with its clientele in recycling products that have reached the end of their useful life. It regenerates production residues in the field of galvanisation and recycles the cadmium retrieved by SNAM, another of the Division's subsidiaries. Floridienne Chimie also recycles its spent products in connection with other minor metals, bringing them back into the production cycle.

#### SNAM S.A.

SNAM is a leading player in the process of recycling Ni/Cd (nickel/cadmium), NiMH (nickel metal hydride) and li-ion (lithium-ion) rechargeable batteries. SNAM is supplied with batteries by rechargeable battery manufacturers, national collection associations and independent collectors from Europe, the USA and Asia-Pacific. The batteries are disassembled and the nickel and cadmium resold. As the main user of cadmium worldwide, Floridienne Chimie recycles the cadmium extracted by SNAM in its production of cadmium salt, to be reused in the manufacture of rechargeable batteries. SNAM has a 99.99% subsidiary, EURO BAT TRI SARL,





which handles the batteries and accumulators from the European collection centres. Euro Bat Tri has developed a unique procedure for battery sorting and handling.

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www.snam.com

#### **VERA CHIMIE DEVELOPPEMENTS S.A.R.L.**

This company, previously part of Vera Chimie based near Lyon in France, was acquired by the Group in June 2008. Vera Chimie Développements formulates and markets additives for the galvanising sector and therefore complements Floridienne Chimie's range of products exceptionally well. On the marketing side, Floridienne Chimie profits from Vera Chimie Développements' know-how and its leading position on the French market, where it distributes Floridienne Chimie's range of galvanisation products. In addition, Floridienne Chimie distributes Vera Chimie Développements' additives via its worldwide network. The synergies between the two companies and their product ranges should start emerging from 2009 onwards.

Zone Industrielle du Broteau - Rue du Broteau, F 69540 Irigny  
Tel.: +33.4.78.90.52.52 - Fax : +33.4.78.90.33.20  
www.vera-chimie.fr

#### **ATLANTIS RESOURCES B.V.B.A.**

This is a Belgian company active in the in situ recycling of galvanising baths. It is the ideal complement for Floridienne Chimie's activities with its leading position in galvanisation salts.

Drève Richelle 161 Bte 4 Bât.P, B 1410 Waterloo  
Tel.: +32 2.353.00.28 - Fax : +32 2.353.05.81

#### **IKA GMBH & CO.KG**

IKA (Innovative Kunststoffaufbereitung) is based in Wolfen near Leipzig. It is involved in the field of PVC stabilisers.

This production unit complements those of



Floridienne Chimie, both from a geographic and an industrial perspective. IKA focuses on East European markets, while Floridienne Chimie looks more to those in South and West Europe. In addition, a number of raw materials used by IKA are manufactured by Floridienne Chimie. IKA is now focusing on the new generation calcium/zinc-based stabilisers.

In 2007, IKA bought a majority holding in Catena Additives, a German company holding patents in the field of organic stabilisers.

Chemiepark Bitterfeld Wolfen, Filmstraße 4 D 06766 Wolfen  
Tel.: +49.34.94.69.61.0 - Fax : +49.34.94.69.61.10  
www.ika-wolfen.de

#### **CATENA ADDITIVES S.A.**

Situated near Frankfurt, this company holds several patents in PVC stabilisation, in particular for organically stabilising flexible and rigid PVC. These patents provide us with access to PVC stabilisation technologies avoiding the use of heavy metals, in line with our policy of sustainable development.

Neue Bergstrasse 13, D 64665 Alsbach-Hähnlein  
Tél.: +49 6257-5079 164 - Fax: +49 6257-5079 165  
www.catena-additives.com

#### **KIMFLOR A.S.**



The KIMFLOR AS company was created as a 50/50 joint-venture by Floridienne Chemistry and a Turkish partner for the purpose of opening and developing new markets in Central Europe and Asia, mainly in the field of lead-based and calcium/zinc-based PVC stabilisers. On 1 January 2008, Floridienne's holding was raised to 75%.

Aydin Karayolu, 35. Km N°23 -  
35875 Yazibasi - Torbali - Izmir - Turkey  
Tel.: +90.232.853.90.66 - Fax : +90.232.853.90.65  
www.kimflor.com

# MCP DIVISION



SPECIAL METALS



YELLOW PIGMENTS



SOLAR PANELS

## INTEGRATION OF THE MERGER AND GOOD RESULTS IN 2008

### CONSOLIDATED DATA\*

2008

In million EUR

Net sales	0.0
EBIT	0.0
Operating profit	2.2
Net profit	2.2
Floridienne share of net profit	2.2
Net cash flow	2.2

\* These consolidated data are provided for information only, as the MCP division is consolidated by means of the equity method. There is only the share attributable to the MCP division within the total Floridienne results.



The new division consists of the MCP Group, in which Floridienne holds 43% and exercises joint control together with MCP management. MCP was created as a result of the September 2007 merger between Sidech S.A. and MCP Aramayo Ltd, and now occupies a leading position in the production of minor metals: it is world leader in bismuth and tellurium, and belongs to the world's top five in indium, selenium and gallium. These added-value metals are used in a variety of sectors such as pharmaceuticals, cosmetics, electronics, glass, special steels and solar energy.



## MCP DIVISION

### INTERNATIONAL SCOPE AND LEADERSHIP

2008 was mainly devoted to integrating the merger, with a reshuffling of top management responsibilities, operational restructuring of production sites aimed at improved resource allocation, and the introduction of a marketing structure organised by metals and a unique central purchasing department.

With its staff of more than 300, MCP consists of 15 legal entities on 1 January 2009, with four major industrial plants in Belgium, Germany, Great Britain and China. Its commercial offices provide it with good coverage of the European and US markets and in Asia where MCP is intending to step up its operations. With this in mind, MCP opened an additional sales office in 2008 in Shenzhen (close to Hong Kong). With China a strategic country in terms of supplying raw materials (accounting for almost 50% of bismuth purchases), the two joint CEOs are based in Belgium and China respectively.

Though already occupying pole position in bismuth and tellurium, MCP's target is to keep hold of this position and to build up its position in its three other top metals with their high growth rates: indium, selenium and gallium. It is also striving to become a key supplier of the thin films used in new photovoltaic panel technologies. This segment is turning out to be an extremely promising market for four of MCP's range of minor metals, and is the reason behind the Group's starting work in the second quarter of 2008 on the creation of a division dedicated to solar energy (see below).

### KNOWLEDGE OF THE MARKET AND ADDED-VALUE PRODUCTS

Beyond supplying industrial products, MCP also supplies its customers with services: its knowledge of the market in minor metals and its know-how of the production chain puts it in a position to offer both security of supply and high-quality products. Due to its volatility, the market in minor metals requires excellent ground knowledge to successfully supply these metals which are only available in small quantities. MCP gets its supplies from base metal producers in China, Kazakhstan, etc, refines them in its own refineries before transforming them into simple (powders) or complex (for example, salts for use in pharmaceuticals) products.

The MCP approach involves exploiting the full potential of these metals, diversifying their use and progressing as far as possible along the added value chain.

**Bismuth** is used in electronics, in pharmaceuticals (ulcer treatment), in cosmetics (lipstick), in the manufacture of yellow pigments and the production of steel for the automotive sector. Being non-toxic, it is increasingly being used in new applications connected with substituting lead, such as for solders or unleaded hunting cartridges.

**Tellurium** is to be found in industrial applications, as an additive to steel, copper or rubber. It is now being increasingly used in solar panels.

**Indium** is mainly (approx. 85%) used in the manufacture of flat screens. Other uses include batteries and solar panels.

**Selenium** helps make glass transparent - by neutralising excesses of iron. It is also to be found used in special metals and niche markets: additives, food supplements, cattle feed and solar panels.



**Gallium** is used mainly in the electronics sector (GSM diodes). Its use is also growing in solar panels.

MCP also processes other metals, such as lead, tin, cobalt or molybdenum.

## TARGETING SOLAR ENERGY

Even though the solar segment only accounted for a small percentage of MCP's 2008 sales, this share is expected to rise significantly in the coming years. MCP is well-positioned, dealing in four of the six metals used in the new photovoltaic panel technologies – tellurium, indium, gallium and selenium (with Floridienne's Chemicals Division rounding off this offering with cadmium).

Alongside the classical crystalline silicon technology, the cadmium/tellurium (Cd/Te) and copper/indium/gallium/selenium (CIGS) technologies are growing fast. With an aim to providing solar panel manufacturers the greatest added value possible,

MCP is supplying them its metals in high purity grades (produced in the UK using clean room facilities), either in alloy form or in a form appropriate for direct use. In the production process, the metal or glass panels are coated with thin films of these precious metals.

## OUTLOOK

Other than working on setting up a division dedicated to solar energy, MCP is getting ready to open two commercial offices, one in Russia and one in Peru, to strengthen its supply chain.

At the same time, MCP is developing its operations in a sixth rare and precious metal – rhenium – with its annual worldwide production of just 50 tonnes. Demand for rhenium in the niche markets of special metals for the aeronautic industry and for catalysis is rising fast, pushing up the price to over \$10,000 per kg at the end of 2008.



**Laurent Raskin**  
Managing Director of the  
MCP Division

Laurent Raskin, with his degree in Commercial Engineering (ULB Solvay), started work in Price Waterhouse Coopers' audit department before joining the family-run company, Sidech. In pace with the company's development, he rose up the ladder and is now, at the age of 43, the MCP

Group's co-director, together with Frank Fache. *"After an exceptionally successful 2007, MCP's 2008 results remain very satisfactory despite the crisis. Our strength lies in the quality of our human resources, in particular our team of high-level sales managers. Senior management is shared, with me being responsible for Europe and America, as well as for sales and technical coordination, and Frank responsible for supplies and our operations in Asia, where he has been living for the past 20 years. Our relationship with Floridienne has turned out to be very positive: we enjoy great autonomy but can get advice when necessary. Our key challenge in 2009 is to take advantage of the global crisis to carry on strengthening our management team."*

# FOOD DIVISION

SNAILS-TRUFFLES



SEAFOOD SPECIALITIES



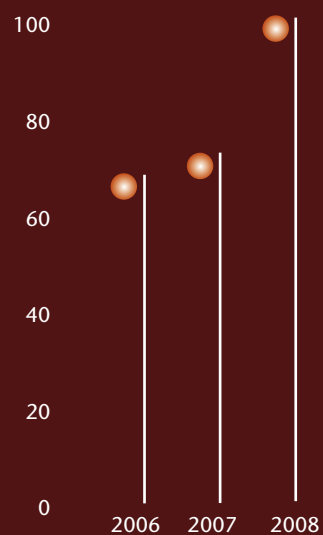
INTERNATIONAL ORIENTATION



SLIGHT IMPROVEMENT ON 2007 AND EXCELLENT PROSPECTS FOR 2009.

CONSOLIDATED DATA	2008	2007
In million EUR		
Net sales	100.0	72.2
Frozen foods	57.0	38.5
Fresh foods	42.7	32.4
Canned foods	0	0
Divers	0.3	1.3
EBIT	4.0	3.9
Operating profit	4.3	4.0
Net profit	1.1	1.0
Floridienne share of net profit	1.1	1.0
Net cash flow	3.1	1.7

Net sales



The Food Division concentrates all of Floridienne's food sector operations in its Floragro S.A. industrial holding company. Floragro plays a leading role in niche markets and niches in the food market. The company designs, produces and markets delicatessen products and party foods in 10 production locations. Floragro's niche policy means that it is present in all marketing networks: large-scale retail chains, wholesalers, restaurant chains and specialists, either using its own brands or those of retailers. Floragro is the world's leading supplier in the niche market for prepared snails and top supplier in the Benelux niche market for upmarket smoked salmon.



## FOOD DIVISION

### STRATEGY AND POSITIONING

Floragro is now organised in three operating fields (fresh foods, frozen foods and canned foods) grouped around a common hub ("the specialist alliance") with the following segments:

- **"Les entrées gourmandes"** : prepared snails, smoked salmon, stuffed mussels and scallops, pre-cooked scallops, delicatessen pastries and other seafood specialties.
- **"Ethnic cuisine and flavours of the world"**: Mediterranean specialties, kosher and West Indian food.
- **"Balanced diet and nutrition"**: organic recipes and pre-cooked modified-texture meals mainly for hospitals.
- **"Regional and traditional dishes"**: truffles, rollmops, pre-cooked offal and canned snails.

Though the markets of choice are France and Benelux, the holding also has an international orientation - on the one hand in its role as an ambassador of French gastronomy, on the other via its control of snail supply channels, with subsidiaries in Rumania, Lithuania and Turkey. It also runs an import company for the US market (White Toque).

### EXTENSIONS AND QUALITY

After modernising and expanding its production capacities in 2007 and 2008, Floragro now has at its disposal a range of flexible industrial tools enabling increased specialisation of production sites and helping to meet the new standards applying to the industry. In 2009, Floragro will continue to refurbish and expand two industrial sites in France at Quimperlé (La palourdière) and at Vendin le Vieil (Simon Dutriaux).

Under the current review programme, most production plants have successfully renewed their IFS certifications, thereby providing end customers with a guarantee of high quality standards.

### OPERATIONS

On a whole, the food business did well in 2008, with sustained volume growth in both frozen and fresh foods in spite of a renewed upsurge in the costs of such raw materials as snails.

#### Frozen food operations

In 2008 we continued the integration of our frozen food operations. After one year in operation, we remain convinced that our strategic choices and this integration are providing added value both internally and to the market. Internally, integration has helped us create synergies and achieve cross-functionality (R&D, marketing, logistics, billing, quality control) between the Group's different companies. Our customers have gained flexibility, brand recognition and less administration. Improved market presence and greater coverage of distribution channels have enabled us to realise some major new references.

#### Fresh food operations

The acquisition of Simon Dutriaux, a hundred-year-old company with an annual turnover of EUR 14.5 million, strengthened our fresh food line of business. Its products (herring, rollmops, salmon and mackerel) and its distribution network (supermarkets and hypermarkets/restaurants and catering) fit in well with our existing operations, and its expertise helps us confirm our legitimacy in smoked fish in supermarkets and hypermarkets in both Belgium and France, in close cooperation with Salm Invest (salmon and smoked fish).

In 2008 Gel Manche saw strong growth in its three segments (ethnic cuisine, delicatessen dishes and



nutrition). Gel Manche has grown immensely, in credibility. Its dynamism, its size and its responsiveness all contribute to making the company a preferred partner for major producers in the sector when subcontracting specific products. Although Salm Invest also saw sustained growth in its base activities in the Benelux countries, we have been confronted here with uncertainties in the production of new raw materials. We will in the future be concentrating on our core business (breeding and Greek dishes).

#### Canned food operations

Business remained stable in 2008.

## PLANS

Although the macroeconomic outlook for 2009 is not very promising, it still presents SME food businesses with a number of opportunities. Well-organised, flexible and dynamic, we will continue both to consolidate our present operations and to keep our eyes open for acquisition opportunities.

## THE DIVISION'S COMPANIES

FRANCE



### GROUPE FRANÇAISE DE GASTRONOMIE S.A.S.

The holding company bringing together all companies involved in the production and marketing of tinned snails and prepared snails (frozen and fresh), stuffed



**Philippe-Jean Boonen**  
Managing Director of  
the Food Division

Philippe-Jean Boonen has a degree in Economics and Marketing and a Management MA. He joined Floridienne in 2000, having previously worked for Xerox and Eternit (in Chile). He started as Food's export manager, before taking on responsibility for international operations. He is now the Managing Director of Floragro.

*" Within the Division, Floragro operates like an orchestra conductor. It's my role to influence developments in its three operating fields, to define the strategic focuses and to implement internal synergies and the exchange of know-how between the units.*

*The Division's three key values – innovation, quality and adaptability – give us the cutting edge vis-à-vis our competitors, and help us establish our position with our customers and improve our performance. I am greatly aware of the changing environment in our sector and the Food Division's international dimension and am very appreciative of all the teamwork involved.*

*Although growing year by year, we are maintaining the SME spirit with the division, with flexibility, the will to win, and the sharing of experience as our key factors for growth. I am convinced that the operations of the Food Division will play a major role in leveraging the future growth of the Floridienne Group.*

## FOOD DIVISION

shellfish, snail-based savouries, fresh and frozen snail-und mussel-based oven-ready meals, scallops and seasoned butter rolls.

Administrative headquarters

2, Allée d'Helsinki, CS 80072 Schiltigheim -

F-67013 Strasbourg

Tél.: +33.3.88.59.30.60 – Fax : +33.3.88.59.30.61

[www.francaise-de-gastronomie.fr](http://www.francaise-de-gastronomie.fr)

Production headquarters

Le Clos Saint-Anne - F - 43100 Vieille Brioude

Tel.: +33 .4.71.50.80.00 – Fax : +33 .4.71.50.42.41

### LARZUL S.A.S.



The Brittany-based company Larzul specialises in canned beef and poultry products and in seafood dishes. It is France's leading producer of beef tongue and canned offal.

Rue Henri Lautredou - F - 29720 Ploneour Lanvern

Tel : +33.2.98.82.68.68-Fax : +33.2.98.87.71.27

[www.groupe-larzul.com](http://www.groupe-larzul.com)

### DOMAINE D'ARGENS S.A.R.L.



This company specialises in the vacuum packing of sterilised black Périgord truffles (Tuber Melanosporum) and other mushroom-based gastronomic specialities.

Z.I. Saint-Hermentaire - F - 83300 Draguignan

Tel: +33.4.98.10.12.22 – Fax : +33.4.94.68.97.67

### CAMARGO S.A.S.

Camargo is responsible for stocking the raw materials to be delivered to the Group production plants.

Camargo's objectives are to guarantee supplies, to ensure constant raw material quality and to control the traceability of the products sold.

Camargo is working on a heliciculture (snail farming) project with various international partners to widen its range of supply sources and to underpin a certain share of its supplies through breeding.

2, Allée d'Helsinki, CS 80072 Schiltigheim -

F-67013 Strasbourg

Tel.: +33.3.88.59.30.60 – Fax : +33.3.88.59.30.61

### SURGEMER S.A.S.

Holding company specialised in seafood salads and terrines, ethnic dishes and pre-cooked meals based on scallops or shrimps.

Z.A. de Troyalach - F - 29170 St. Evarzec

Tel.: +33.2.98.94.61.25 – Fax : +33.2.98.94.67.46

### GARTAL S.A. et ETABLISSEMENTS DOUSSOT S.A.

These two Brittany-based companies specialise in scallops and seafood pastries. Their main brands are Mareval and la Palourdiere.

GARTAL S.A.



Z.A. de Troyalach - F - 29170 St. Evarzec

Tel.: +33.2.98.94.61.25 – Fax : +33.2.98.94.67.46

ETABLISSEMENTS DOUSSOT S.A.



Avenue du Coat Kaër 7 - F - 29300 Quimperlé

Tel.: +33.2.98.39.06.98 – Fax : +33.2.98.39.04.26

### GEL MANCHE S.A.



Based at Carentan in the Normandy, Gel Manche prepares and packs seafood terrines (fish and shellfish) and delicatessen salads. The factory also specialises in mixed and ground products for hospitals.

ZI du Blactot - F - 50500 Carentan

Tel.: +33.2.33.71.72.72 – Fax : +33.2.33.71.72.73

[www.gmgcarentan.com](http://www.gmgcarentan.com)

### GOURMET DES ILES S.A.R.L.



ZI du Blactot - F - 50500 Carentan

Tel.: +33.2.33.71.72.72 – Fax : +33.2.33.71.72.73

[www.gmgcarentan.com](http://www.gmgcarentan.com)





### **SIMON DUTRIAUX S.A.S.**



Founded in 1896, Simon Dutriaux is specialised in the manufacture of products based on smoked mackerel and smoked or marinated herring, as well as the production of fresh dishes. The company is one of three major players in the smoked herring (kipper) market and is market leader in rollmops in France.

Parc d'activité du Bois Rigault - Rue Gustave Eiffel – F - 34-62880 Vendin-le-Vieil (LENS)

Tel : +33.3.21.14.24.80 Fax :+33.3.21.14.24.81

[www.simon-dutriaux.com](http://www.simon-dutriaux.com)

### *BELGIUM*

### **SALM INVEST S.A.**



This company is involved in the traditional smoking of salmon and other fish (tuna, marlin, trout, etc). It also specialises in ethnic dishes based on Mediterranean recipes. It can offer a complete range of products developed for the seafood shelf (dried, smoked, marinated and as spreads).

Avenue de Lambussart 11 - B - 6220 Fleurus

Tel.: +32 71 816.180 - Fax : +32 71 810.376

[www.salminvestgroup.be](http://www.salminvestgroup.be)

### *U.S.A.*

### **WHITE TOQUE INC.**



White Toque is an import and distribution company for frozen French and European specialty products in the USA. White Toque Inc operates in the food service market, using a decentralised structure of warehouses on the East and West Coasts and representatives across the whole country. White Toque Retail, a White Toque Inc. subsidiary, is active in the retail market, operating freezer centres in New Jersey.

11 Enterprise Avenue North - Secaucus, NJ 07094

Tel.: +1.201.863.2885 - Fax: +1.201.863.2886

[www.whitetoque.com](http://www.whitetoque.com)

## **SUPPLY COMPANIES**

For increased control over its supply of raw materials, the Group has factories in the producer countries. These factories meet up to the strictest European health safety standards. They collect and prepare snail meat and other products such as anchovies. Various investments are regularly made in Eastern Europe to complement the existing ones and to further improve the uniformity and quality of the raw materials used in the prepared dishes.

### **POMAROM S.R.L. – ROMANIA**

Pomarom is mainly involved in the collection and processing of “Hélix Pomatia” snail meat. It is also the snail collection centre for the whole of Rumania and neighbouring countries. At the start of 2008, Pomarom invested in the industrial breeding of «petit gris» snails.

Str. Liverzii 41 - 510170 Alba Iulia - Rumania

Tel.: +40.25.88.11.200 – Fax : +40.25.88.19.370

### **UAB CAMARGO U.A.B.- LITHUANIA**

This company supplies “Hélix Pomatia” snails. Vilniaus r. sav. - Pakalnes g. 7 - Bezdonys, Bezdoniu sen., 15201 Lithuania

Tel.: +370.52.69.64.46 – Fax : +370.52.69.64.93

### **KOCAMAN CAMARGO - TURKEY**

This company is involved in collecting “Hélix Lucorum” snail meat and putting it into shells for the production of cooked dishes. Kocaman has diversified into the production of marinated anchovies.

Bilecik - Turkey

Tel.: +90.22.82.16.02.09 - Fax : +90.22.82.16.02.08

# LIFE SCIENCES DIVISION

OLFACTION



## 2008: A GREEN SURGE

### CONSOLIDATED DATA

2008

2007

in million EUR

Net sales	0.3	1.2
EBIT	-0.1	-0.7
Operating profit	0.2	-0.8
Net profit	0.1	-0.2
Floridienne share of net profit	0.1	-0.2
Net cash flow	0.1	1.6

40

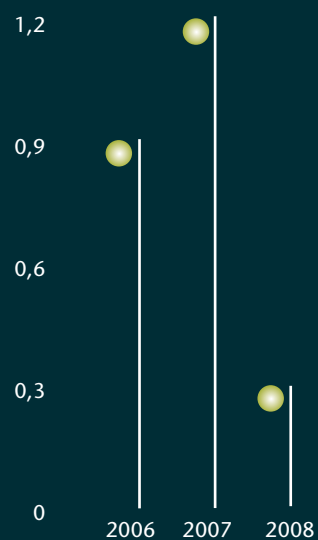
RESEARCH AND  
DEVELOPMENT



GREEN CHEMICALS



### Net sales





The Life Sciences Division, via Floridienne and Biofirst, acts as an incubator for new Group activities. It focuses on innovative and promising projects. Floridienne and Bois Sauvage set up the Biofirst holding as a 50/50 partnership in 2008 with the aim of developing projects and synergies between the four companies: Chemcom (36%), Biobest (100%), Sopral Madagascar (100%) and Sotecna (78%). This environmentally oriented holding will be developing products and natural tools targeting agriculture and mankind's well-being. For its part, Floridienne will continue to develop activities with links to the Group's other divisions.

Via these different platforms, Floridienne aims at playing a key role in the research and development of sustainable development solutions in fields such as wellness (olfaction, taste), food (vanilla, pepper, etc), and agriculture (pollination, green chemicals, biofuels).

## LIFE SCIENCES DIVISION

### A STRATEGY TO BE SEEN

In mid-2006, the Life Sciences Division started redrawing its strategy, focussing its portfolio on innovative projects with direct or indirect synergies with the Group. The objective is more than financial participation, but is starting up industrial operations bringing sustainable development solutions to niche markets.

### AN AMBITIOUS AND GREEN FUTURE

Floridienne is helping in the fight against a number of major challenges threatening the future of our planet. The main areas are:

- in agriculture, improving productivity without damaging the environment. Here, close-to-nature solutions are being sought, adapting the chemical communication mechanisms used by plants and insects with a view to providing alternatives to existing phytosanitary products (Chemcom and Biobest);
- biofuels (FuturaGene);
- biodiversity conservation, replacing extremely rare and expensive molecules found in natural odours by other molecules (Chemcom).

Research and innovation might be synonyms for risks, but the Division has a number of operations either already profitable or well-advanced. Two digits growth is expected in the area of pollination and pest control via insects (Biobest) and essential oils (Sotecna, Sopral Madagascar). In addition, the Division's pipeline contains a number of promising projects in different stages of development. The first Chemcom products are expected in about 4 years time from now.

### THE DIVISION'S INVESTMENTS

#### BIOCHEM EUROPE S.A.



The company BIOCHEM-EUROPE S.A. is a world leader in the extraction and refining of vegetable proteolytical enzymes.. These natural enzymes are bio-catalysts, helping to degrade proteins, reducing them to small-sized components more easily used or absorbable or providing new properties. Papain, obtained from papaya latex, is the most commonly marketed vegetable proteolytical enzyme, but Biochem is actively developing further enzymes: bromelain, actinidain and ficain, obtained respectively from pineapple, kiwi and ficus. These vegetable proteolytical enzyme are used in the food industry (for making meat tender, for the production of protein hydrolysates, as taste modifiers), in cosmetics (skin treatment and care) and in medicine (symptomatic treatment of cancer, digestion aids, anti-inflammation diets).

Rue Gérard Dubois 15 - B 7800 ATH

Tel.: +32.65.40.16.76 - Fax : +32.65.34.90.42

[www.biochem-europe.be](http://www.biochem-europe.be)

#### FUTURAGENE PIC.



FuturaGene is a company focusing on the research, development and commercialisation of technologies improving plants' agronomic traits. It owns more than 40 genes or gene candidates providing improved tolerance against salinity, drought, cold and heat. FuturaGene is also developing technologies to accelerate plant growth, to create biomass more quickly and better suited for biofuel production to reduce the environmental impact of the sylviculture.

1435 Win Hentschel Blvd , Suite 115,

West Lafayette, IN 47906 U.S.A.

Tel : +1.765.497.7299 Fax: +1.765.497.1101

[www.futuragene.com](http://www.futuragene.com)



### DUNMANUS SEAFOODS LTD

This Irish company is the European leader in sea-urchin aquaculture - in the light of the lack of natural resources, this very delicate strategic breeding is the answer to product demand. The funding provided by Floridienne is being used to increase production capacity. Dunmanus Seafoods supplies the European market with fresh sea-urchins and the Asian market with sea-urchin roe. Durrus, Bantry, Co. Cork - Tel.: +353 2835500 <http://farm.mywebweb.com>



### EUROSCREEN S.A.



This Brussels-based biotechnology company focuses on discovering and developing small molecules targeting medical cases with no known treatment as yet. Founded in 1994, Euoscreen started out developing products based on cell receptors (GPCR). Euoscreen is currently developing a series of potential medicines based on its proprietary receptors. These are in a pre-clinical phase.



**Christian Van Osselaer**  
Managing Director of the Life Sciences Division  
CEO of Biofirst, Chemcom and Biobest

Christian Van Osselaer is an agronomist and has a Ph.D in bio-engineering. He joined the Life Sciences Division some ten years ago, with the job of introducing greater coherence into the different activities.

*“We created the Biofirst green industrial holding in 2008 with the aim of gaining leadership in the production of green products or solutions. We are targeting not just agricultural markets, but also the food industry, health and cosmetics. We are now already offering a range of useful and efficient products that are better for the environment. In our target areas, we are also backing molecular and cellular biology to develop unique solutions capable of revolutionising the classical chemical industry. We are pleased to have the opportunity to conduct this development within an entrepreneurial industrial group like Floridienne, supported by our choice strategic partner, Bois Sauvage.»*

## LIFE SCIENCES DIVISION

The company is at the same time continuing its development of outsourcing services for screening molecules in the search for new medicines. Euroscreen has established strategic partnerships with such companies as Alchemia, AstraZeneca, Boehringer-Ingelheim, Cephalon, GNF, Grunenthal, HGS, ICOS (Lilly), Medarex, Monogram Biosciences, Novartis and Pfizer.

Route de Lennik 802 – 1070 Brussels  
Rue Adrienne Bolland 47 – 6041 Gosselies  
Tel.: +32 71 348 500 – Fax : +32 71 348 519  
[www.euroscreen.com](http://www.euroscreen.com) & [www.euroscreen-fast.com](http://www.euroscreen-fast.com)

### THE BIOFIRST'S COMPANIES

#### CHEMCOM S.A.

Chemcom, created in 2000 on the initiative of Euroscreen, Biotec and Florinvest, should become an international reference in the world of chemical communication by helping companies to discover, select and refine interesting products in the fields of taste, olfaction and pheromones. The company offers its products and services to the worlds of food, cosmetics, agriculture and pharmacy.

Via its subsidiary Tecnoscent, Chemcom is today a world leader in human olfactory biology. The company has developed an artificial human nose cloning and expressing all olfactory receptors (G Protein-Coupled Receptors: GPCR).

The deorphanisation of all the olfactory receptors not only allows the understanding of odour recognition and discrimination but their use represents a powerful, robust and industrial tool. Its research into olfaction receptors has led to the discovery of primary molecules inhibiting transpiration odours. This could be the start of a new generation of deodorants. The new bio-molecular approach for

the flavour and fragrance industries will lead to the discovery, optimisation, refining or replacement of existing products, to be more powerful, better adapted and patented.

Chemcom is conducting its human olfaction operations in a joint-venture established in 2007 with Givaudan, the world leader in flavours and fragrances.

In the field of agriculture, Chemcom is studying the chemical communication found in plants and insects. The use of their communication could influence insect behaviour, for example to repel them from protective zones, to attract them where they can be exterminated (attract and kill), or to block their chemoreceptors with specific antagonists.

Route de Lennik 802 - B 1070 Bruxelles  
Tél.: +32.2.353.00.28 – Fax : +32.2.353.05.81  
[www.chemcom.be](http://www.chemcom.be)

#### BIOBEST S.A.

Biobest is a Belgian company founded in 1987 by Dr. R. De Jonghe. It is No. 2 worldwide in the area of integrated crop management. It specialises in biological pollination by bumblebees and in pest control via beneficial insects and mites. It exports 5 species of bumblebees and 39 species of beneficial insects to more than 55 countries.

Ilse Velden 18 – B 2260 Westerloo  
Tel: +32.14.25.79.80 – Fax: +32.14.25.79.82  
[www.biobest.be](http://www.biobest.be)





### SOPRAL - Madagascar



Sopral, a company located in Madagascar, is mainly involved in snails (for Floridienne's Food Division), green pepper (one of the world's best), vanilla and essential oils.

An industrial process has been developed to produce a vanilla with a much richer vanillin content.

Strategic alliances should enable Sopral to become a major player in the transformation and commercialisation of the island's principal plants.

PK4, route de Fénérive – 501 Tamatave (Analamalotra) – Madagascar

Tél.: + 261.2053.316.30

Fax : +261.2053.316.50

### SOTECNA S.A.

Sotecna is a company specialised in the production of 100% pure and natural essential oils for the food and perfume industries. It is a pioneer in allium-based essential oils (leek, garlic, onion) and horseradish, angelica, lovage. It supplies the major flavour and fragrance companies in the world.

Sotecna is diversifying its activities and has set up a subsidiary in Romania to extend its product range.

Zoning Ouest 1 - B 7860 Lessines

Tel : +32.68.33.35.45 - Fax : +32.68.33.13.52

[www.sotecna.com](http://www.sotecna.com)



# ADMINISTRATIVE AND FINANCIAL DEPARTEMENT

SERVICES



CONSOLIDATED DATA	2008	2007
in million EUR		
Net sales	0,3	0,7
EBIT	0,2	-0,6
Operating profit	0,2	-0,6
Net profit	-0,7	-0,9
Floridienne share of net profit	-0,7	-0,9
Net cash flow	0,0	-0,9

MANAGEMENT ASSISTANCE

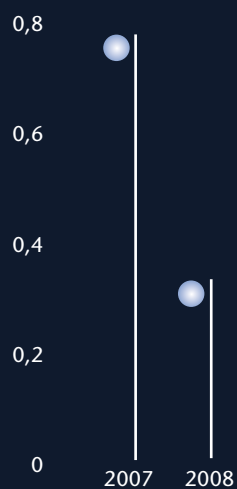


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CONSULTANCE



Net sales





## FLORIDIENNE S.A.

Floridienne S.A. is responsible for management assistance services and acts as a consultant in financial, technical, administrative and computing areas, generated a negative result of EUR 0.7 million, against 2007's negative result of EUR 0.9 million.

It should be noted that Floridienne company headquarters were relocated at the end of March 2008 and are now at :

Drève Richelle 161 bte 4, bât P - B 1410 Waterloo

Tel.: +32 .2.353.00.28 – Fax : +32 .2.353.05.81

Operating headquarters - Rue Gérard Dubois, 15 - B 7800 Ath

Tel.: +32 .68.28.19.12 – Fax : +32 .68.28.68.12

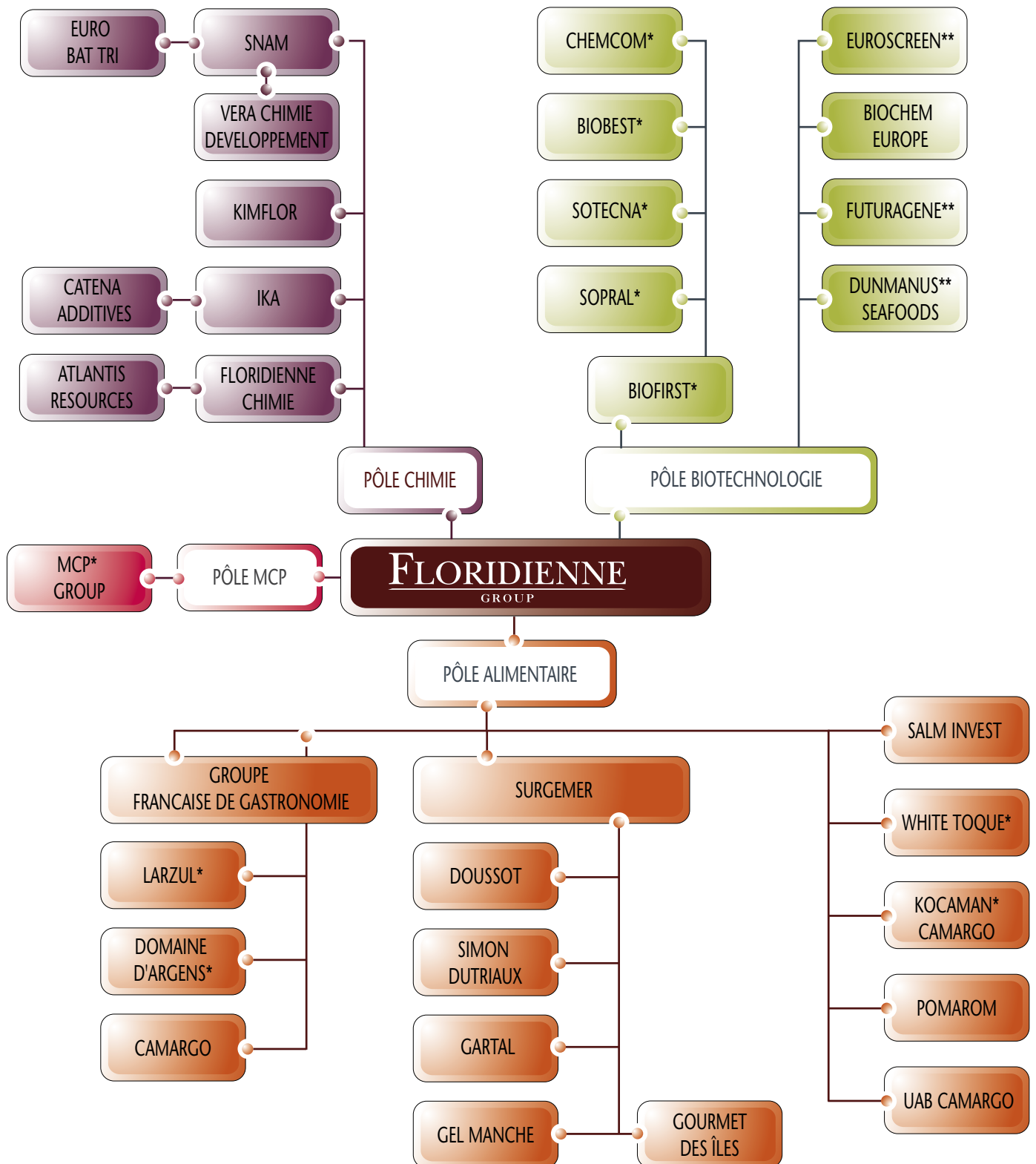
[www.floridienne.be](http://www.floridienne.be)

## SHAREHOLDER'S DIARY

First interim statement:	19 May 2009
Annual General Meeting:	2 June 2009
Payment of dividend:	17 July 2009
Half-year results:	end of August 2009
Second interim statement:	19 November 2009

# STRUCTURE

## AS AT 30/06/2009



\* Consolidated by the equity method  
 \*\* Non-consolidated companies

# CONTACTS



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Fax : +33.4.74.94.13.18  
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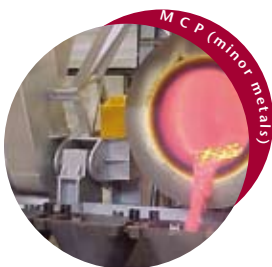
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**LARZUL S.A.S.**  
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**SIMON DUTRIAUX S.A.**  
Parc d'activité du Bois Rigault -  
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[www.floridienne.be](http://www.floridienne.be)



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[www.biofirst.be](http://www.biofirst.be)

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