

“ Business excellence and leadership  
in niche markets and market niches ”.



**2010**

[ ANNUAL REPORT ]

**FLORIDIENNE**  
GROUP

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# PROFILE

Floridienne is a Belgian industrial group. 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 (sold in 2011) 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, 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 bumblebees, essential oils, plant-based enzymes, the identification of new receptors as pharmacological targets or the chemistry of taste and olfaction.

# DIALOGUE WITH THE MANAGEMENT COMMITTEE



**Philippe Bodson,**  
Executive Chairman



**Gaëtan Waucquez,**  
Managing Director

## **Are you satisfied with the Group's results?**

The overall results are good and even constitute a record net profit for our Group. The performance of MCP, our minor metals division, was very good, though we had hoped for better figures from the other divisions. Unfortunately, the sharp rise in the cost of raw materials and our major investments in production facilities clearly weighed on their results.

## **With the Minor Metals Division (your holding in MCP) having made such a good contribution to 2010 results, what are the reasons behind your February 2011 decision to sell it to the Canadian 5N Plus group?**

There are two good reasons for this.

First of all, to stay in line with our strategy of being an industrial group with majority holdings in its constituent companies and responsible for their operational and strategic management. This was not the case with MCP. Given our 42% holding, we were only in a position to influence the company's strategy. The day-to-day running of the company was in the hands of other shareholders, who didn't want complete integration into Floridienne – our ultimate objective.

The second reason is that 5N Plus paid a very attractive price for being able to profit from the major synergies with MCP, whether in terms of know-how, geographic scope or production competences. This merger actually gives birth to a global leader in the field of minor metals

used in particular in photovoltaic panels. This is a great development opportunity for the merged company with which we hope to develop a lot of business in the future.

## **Will this mean your exit from the solar energy sector?**

Not at all. Solar energy will definitely remain a major focus – the reason why we are holding on to an 8% stake in 5N Plus. Moreover, we hope to develop synergies with 5N Plus in the field of raw material supplies for our Chemical Division and in the marketing of certain products necessary for the manufacture of solar panels (cadmium powder, cadmium chloride and sulphide, etc.).

## **This sale comes just at the right time for supporting ongoing investment projects in the other divisions ...**

That's right. The sale of MCP generates €70 million in cash and increases our equity capital by €45 million. At the same time we remain in possession of 5 million 5N Plus shares. The proceeds from this sale will allow us to reduce our debt and to successfully complete major investment projects in all our divisions, especially in the Chemical Division.

At our Belgian plant at Ath, a 3-year, €35-million investment project is underway to modernise production facilities and start up new activities. These investments will help guarantee the long-term future

of this company and even give it a new dimension with the help of patented products recognized for their environmental benefit. A further €14 million will be invested at IKA (Germany) for increasing production capacity there, and at Kimflor (Turkey).

Through these investment projects, Floridienne intends to consolidate its position as European leader in environmental friendly plastics additives (without heavy metals) used in the production of PVC.

Furthermore, we will also be investing €10 million in our recycling plants in order to enhance our leading position in battery recycling, with a particular focus on the recycling of hybrid vehicle batteries – an area which will be seeing major growth from 2012 onwards.

In our Food Division, we are looking at various cases allowing us – in the wake of the major industrial restructuring carried out over the last few years – to substantially increase our commercial presence and visibility in our various domestic markets, and to increasingly boost our profile as an integrated group.

In the Life Sciences Division, we will continue to invest in R&D, whether in enzymes or insects.

**This operation will nevertheless have a major impact on your next results (excluding extraordinary items).**

That's true. But we have set ourselves the challenge of achieving operating results in 2013 similar to those of 2010.

Though not easy, it is quite feasible given the fact that growth through projected acquisitions will be

accompanied by organic growth coming from the investment projects currently underway.

Whether through new additives in the chemical field, the start-up of a new production plant for high-purity metals for the solar energy sector, the acquisition of a Belgian producer of sauces for use in the pre-cooked meals produced by our Food Division, or the construction of a factory in Indonesia for increasing our production of vegetable enzymes in the Life Sciences Division – all these examples are sufficient proof that Floridienne remains an industrial group managed by entrepreneurs and always willing to invest in innovatory projects.

**Floridienne's experience in market niches and niche markets seems to be becoming increasingly attractive to major corporations.**

That's right. Our strategy of gaining leadership in specific markets, too small to be of interest to multinationals, but nevertheless of crucial importance for them, is paying off. Such well-known corporations as BASF, Toyota, Sanyo, Tessenderlo or Givaudan are looking for solid long-term partners – such as Floridienne – who can offer innovative and responsible solutions for tomorrow's world.

**What about 2011?**

We remain optimistic and ready to seize new opportunities. We also remain confident with regard to the further development of our business activities given the competence and commitment of our whole staff. We would like to sincerely thank all of them, as well as our partners and shareholders, knowing that we can count on them.

# KEY FIGURES

CONSOLIDATED BALANCE SHEET - IN MILLION EUR	2010	2009	2008	2007	2006	2005	2004
Long-term assets	96.5	121.6	111.7	71.3	66.9	64	66.5
Short-term assets	160.8	101.3	106.4	100.4	107.4	93.3	89.6
Long-term liabilities	169.4	147.2	145.1	97.3	88.2	81.9	76.5
Equity capital, Floridienne	84.0	71.5	65.3	58.4	47.6	42.8	38.2
Third party interest	7.7	7.8	8.3	1.2	1.3	1.2	1.2
Long-term loans and provisions	77.7	67.8	71.6	37.7	39.3	37.9	37.2
Short-term liabilities	87.8	75.8	73.0	74.4	86.1	75.4	79.5
<b>Balance sheet total</b>	<b>257.3</b>	<b>222.9</b>	<b>218.1</b>	<b>171.7</b>	<b>174.3</b>	<b>157.3</b>	<b>156.1</b>

CONSOLIDATED INCOME STATEMENT - IN MILLION EUR	2010	2009	2008	2007	2006	2005	2004
Turnover	245.3	200.8	224.6	202.8	160.7	161.6	152.7
EBIT	8.7	9.9	9.0	11	5.7	5.2	5.6
Operating profit*	17.7	14.0	12.4	15.1	7.5	5.9	6.9
Net consolidated result	14.4	8.0	6.9	9.7	7.4	5.8	4.6
Net consolidated result, share Floridienne	14.4	7.8	6.4	9.3	6.8	5.7	4.4
Net cash flow	19.7	13.6	14.6	15.5	13.3	10.6	11.1

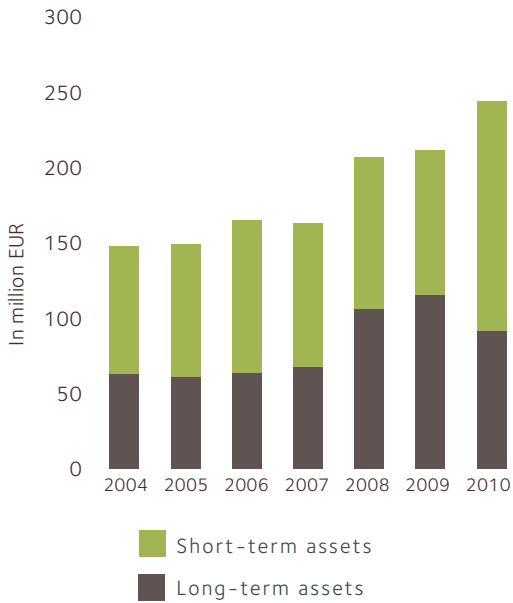
FINANCIAL RATIOS - IN %	2010	2009	2008	2007	2006	2005	2004
Return on equity (net result/equity capital at 1 <sup>st</sup> January)	20.2	11.9	10.9	19.5	15.9	14.9	12.0
Solvency ratio (Equity capital/Balance sheet total)	35.6	35.6	33.7	34.7	28.1	28.0	25.2
Pay-out ratio (Gross dividend/Net consolidated result, share Floridienne)	20.1	32.6	39.9	26.0	29.1	31.9	33.5

DATA PER SHARE - IN EUR	2010	2009	2008	2007	2006	2005	2004
Number of shares	907,572	907,572	907,572	864,094	823,396	823,396	823,396
Average	113.84	93.63	107.9	106.34	76.42	64.20	47.81
Highest	135	105	132	135	79.4	76.05	57.45
Lowest	96	64.8	72	78.05	70	55.00	42.80
At 31/12	135	100	90	130	78.05	70.70	57.00
Net dividend per share	2.4	2.1	2.1	2.1	1.8	1.65	1.35

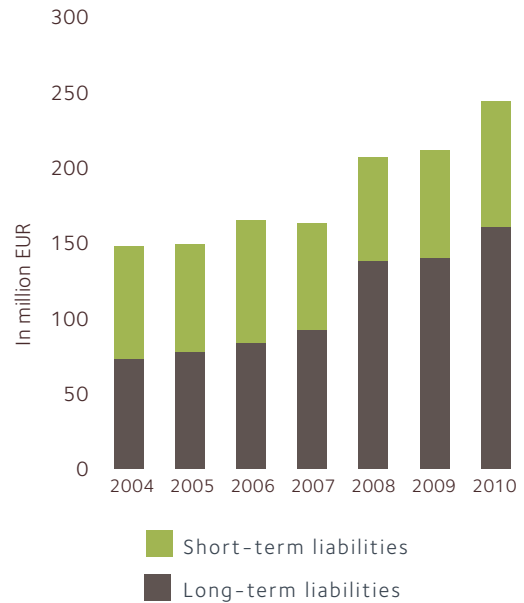
<b>Stock market capitalization (in million EUR at 31/12)</b>	<b>122.52</b>	<b>90.76</b>	<b>81.68</b>	<b>112.33</b>	<b>64.27</b>	<b>58.21</b>	<b>46.93</b>
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\* EBIT + Company's results valued in accordance with the equity method

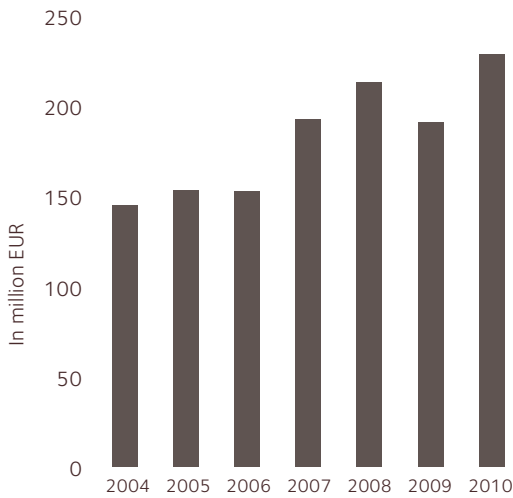
ASSETS



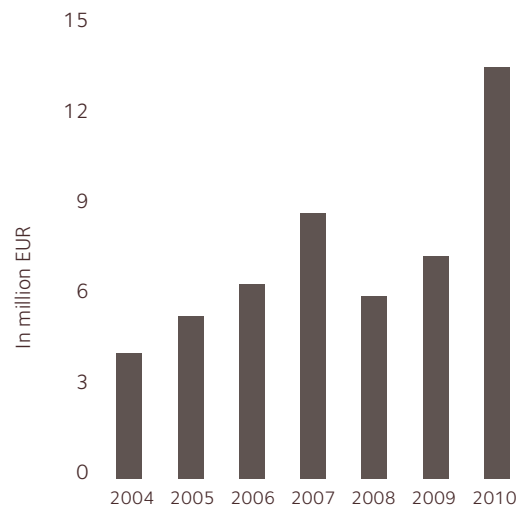
LIABILITIES



TURNOVER



NET CONSOLIDATED RESULT, SHARE FLORIDIENNE



EVOLUTION OF THE MARKET PRICE





# HIGHLIGHTS

## CHEMICAL DIVISION



- Gradual, though still fragile, recovery of Division sales.
- Launch of a new line of business: flame retardants. These specialty additives are used in the processing of various plastics to increase their fire resistance.

### PVC stabilisers

- Start of construction work at Ath on a new production facility for calcium-zinc and organic (no heavy metals) stabilisers. Production is due to start in June 2011.
- Continuing development of organic stabilisation applications (Greenstab®) with our partners Catena and IKA.
- Stand at the K2010 plastics exhibition in Düsseldorf.

### Zinc salts

- Strong expansion of zinc chloride business. Floridienne Chimie's leading position was strengthened by the March 2010 acquisition of the zinc chloride business of the French company Produits Chimiques de Loos, a subsidiary of the Tessenderlo Group, providing direct access to a strategic raw material needed for the production of calcium-zinc PVC stabilisers. Synergies arising from this acquisition are expected in 2011.

### Cadmium salts

- Continued cooperation in the field of thin-film photovoltaic solar panels (CdTe and CIGS) with MCP. In early 2010, MCP assumed responsibility for the supply of cadmium to Floridienne Chimie.
- Development of new products for thin-film PV applications (cadmium chloride and sulphide).
- Start of work on the construction of a new production facility for high-purity cadmium and zinc salts (start in May 2011)

### Recycling

- The development of recycling operations for primary batteries at EURO BAT TRI (SNAM subsidiary) continues, with further growth expected in the years to come. This means that SNAM now offers a full

range of battery recycling services, previously limited to rechargeable batteries.

- In June 2010, Toyota France and SNAM signed an agreement on recycling Toyota and Lexus car batteries on French territory.

### Environment - Safety

- REACH registration completed at Floridienne Chimie and within the Division.
- The whole Floridienne Chimie workforce has been trained in the 5S method to improve orderliness and safety.
- Introduction of BAPP®, the participatory safety method, at SNAM.

## MCP DIVISION (MINOR METALS)



- Very good results, with sustained activity in emerging markets.
- Start of production at a tellurium refinery in Laos to supply the Asian production plants of its client, First Solar, a manufacturer of thin film solar panels (CdTe and CIGS) and supplier of complete photovoltaic systems.
- Announcement of the sale of the Division to the Canadian company 5N Plus.



## FOOD DIVISION



- The Division maintained its results at a similar level to those of 2009 despite very difficult market conditions. Raw materials prices soared, with scallops up 40% and herring up 80% (partly due to reductions in fishing quotas), salmon (in troubled waters for the past year and a half due to an epidemic in Chile provoking a collapse of the market), and with butter prices rising.
- Business nevertheless saw sustained growth, with turnover up 14%.

### Gourmet Specialties

- This business area went through a particularly difficult year, facing supply problems with regard to both prices and volumes.
- It successfully launched a new «Premium» organic snails range, as well as new party foods.
- In 2010, all its sites gained IFS certification and the 3-year investment programme is now drawing to a close with the refurbishment and modernisation of its production sites.

### Smoked Fish and Deli Seafood Products

- This business area had a very good year, with turnover up 20% (despite the unfavourable circumstances caused by salmon and herring purchase prices). New sales outlets and production synergies between sister companies have contributed a lot to the better performance, with exchanges of know-how also helping.
- Pre-cooked diet and ethnic dishes are continuing to make progress in specific market niches.
- Acquisition in June of Delka S.A., a Belgian producer of cold sauces. Its business activities match in very well with our existing operations, both as a supplier for our products and as a new market experiencing rapid growth.
- Sale of the Division's 50% holding in Domaine d'Argens. The Division has decided to make a complete break with the truffle market, a market out of line with the rest of its business activities.
- The gaining of several MSC (Marine Stewardship Council) certifications, providing consumers with a guarantee that the raw materials come from responsible fishery.

## LIFE SCIENCES DIVISION



- Sale (in line with group strategy) of FuturaGene, the company in which Floridienne held a minority share, to the Brazilian group, Suzano Papel e Celulose, a producer of cellulose and paper. FuturaGene will continue with its R&D work on improving the agronomic characteristics of plants, with a particular focus on accelerating the growth of plants, first to obtain biomass faster and cheaper for the production of biofuels and secondly to reduce the environmental impact of forestry.
- Biobest:
  - Very good start to production at the new bumblebee plant in Mexico, a country exporting large amounts of tomatoes pollinated in greenhouses.
  - Establishment of a partnership (signed in 2011) with the Argentinean company, Brometan, a leading supplier of agricultural pest control products, thereby gaining a foothold in the Latin American market.
  - Introduction of a local species of bumblebee to England.
- Sopral: signing of a long-term contract with Givaudan, a global leader in aromas, for the supply of vanilla from Madagascar.
- Sotecna: bad year due to adverse weather conditions.
- ChemCom: with research seeming to be on the right track, the Division is promoting the company in its research into the chemical communication of plants and insects. Partnership with INRA, the French National Agricultural Research Institute, on a major agricultural pest, with a view to finding an alternative to current chemical solutions for fighting this pest in such crops as rice or maize.
- Enzybel:
  - Negative impact of raw material price rises.
  - Construction and production start of a factory in Indonesia for producing bromelain from pineapple roots, a plant enzyme for which world demand is growing. It is used a lot in pet food.

# BEARING UP WELL DESPITE THE FRAGILITY OF THE RECOVERY

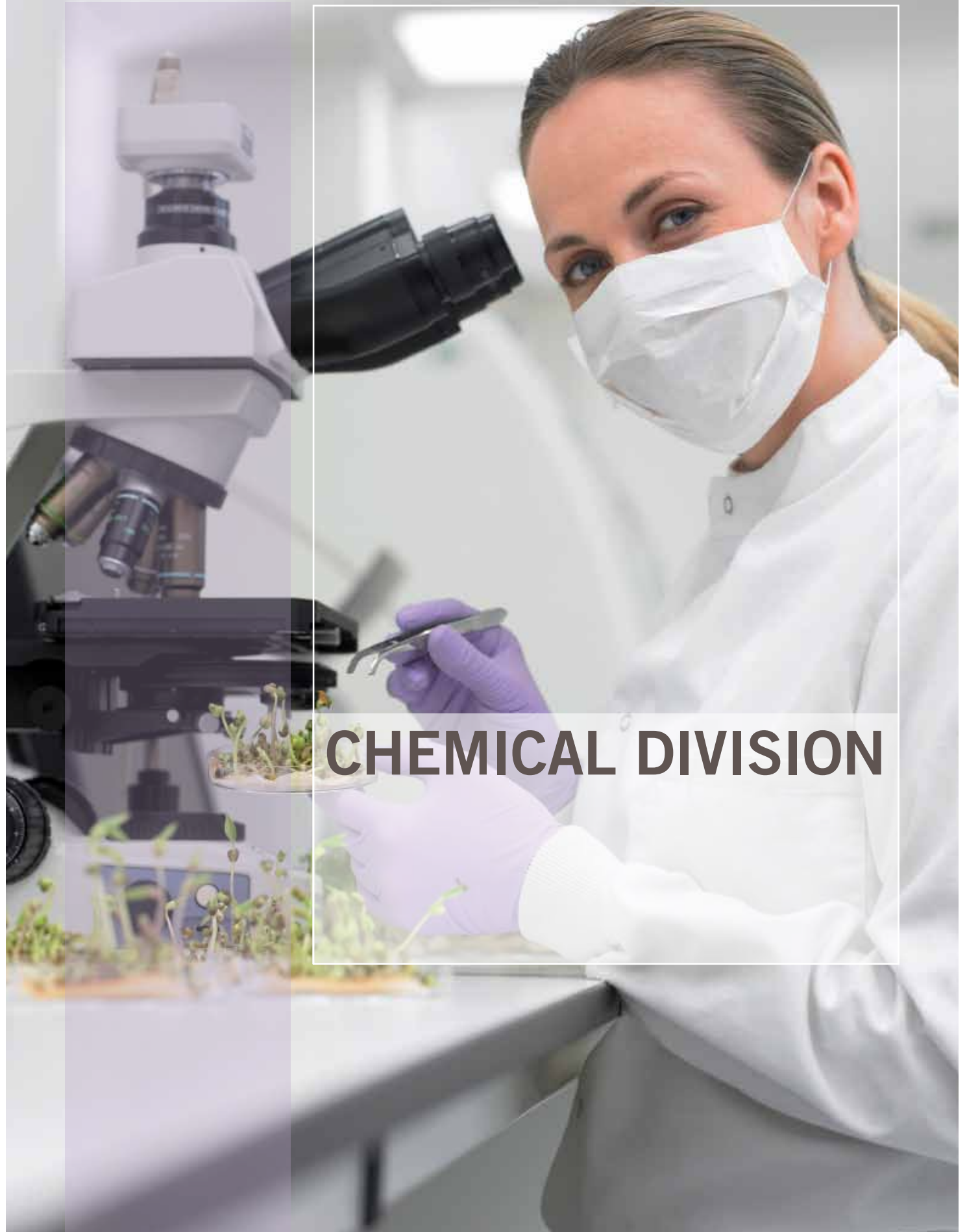
## 2/3

**Two out of every three aircrafts worldwide use cadmium oxide produced by Floridienne Chimie in their rechargeable batteries.**

The Chemical Division consists of Floridienne Chimie, based at Ath (Belgium) and 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 European or world leaders in their niche markets, operating mainly in the following four sectors:

- PVC stabilisation – using lead, zinc, aluminium and magnesium salts and organic stabilisers (GreenStab®),
- Batteries – involving zinc, cadmium and lead salts,
- Surface coating – involving zinc and nickel salts,
- Thin-film photovoltaic solar panels – involving cadmium salts.



**CHEMICAL DIVISION**

## [ CHEMICAL DIVISION ]



“IN 2010, THE DIVISION UNDERLINED ITS GREAT POTENTIAL DESPITE THE FRAGILITY OF THE RECOVERY. WE ARE NOW CONCENTRATING ON A PROGRAMME OF STRATEGIC INVESTMENTS. IN ADDITION, WE HAVE NOW REGISTERED NEARLY ALL OUR PRODUCTS IN ACCORDANCE WITH THE EUROPEAN REACH DIRECTIVE.”

*SIMON VLAJČIĆ, Managing Director of the Chemical Division*

In 2010, despite a still fragile economic climate (the crisis has not yet come to an end in the European construction industry, the main outlet for PVC additives) and great volatility in raw material prices, the Chemical Division bore up very well, thanks to

- the very international positioning of its business activities; the Division has customers throughout the world and is developing major production synergies with its partners,
- the great responsiveness of its teams at all production plants. The Division consists of a set of lightweight, SME companies, led by talented entrepreneurs with valuable expertise. Its managerial policy is based on decentralised management, enabling it to respond better and faster to local market needs.

In tune with the Division's strategy of organic development, major investment projects are currently underway at Floridienne Chimie's plant in Ath (Belgium) and at SNAM in France. A further investment project will soon be starting at IKA in Germany. The aim is to raise production capacity for innovative and pioneering «green» products, in anticipation of strong demand for such products in the future.

Keeping track of the progress of these investment projects and taking care that production starts on time are taking up all of management's attention.

Apart from organic growth, the Division remains on the lookout for any growth opportunity through acquisition, allowing it to enhance its strategic position outside Europe where it would like to strengthen its production capacities. The focus here is mainly on Asia and the USA.

The Division similarly intends to develop strategic partnerships with well-known corporations, as is already the case with BASF (supplies of zinc chloride) or Toyota France (battery recycling).

### NEW - GENERATION STABILISERS

Aware of the environmental challenges on the horizon, the Division's companies involved in PVC stabilisers - Floridienne Chimie, IKA, Catena and Kimflor - are taking part in a voluntary initiative of the European PVC industry to substitute lead-based stabilisers by a new generation of stabilisers by 2015.

With regard to this challenge, the Division has the competitive advantage of having two alternatives to lead already on the market:



*In June 2010, Toyota France and SNAM signed an agreement on the recycling of batteries from Toyota and Lexus hybrid vehicles on French territory.*

- calcium/zinc-based stabilisers applicable in all fields;
- organic stabilisation (without the use of heavy metals), for which Catena holds a patent. Currently in use for PVC pipes and fittings and for soft PVC, developments are in progress to expand the range of applications involving GreenStab®.

Strongly committed to this path, the Chemical Division is preparing to invest heavily in the coming years in the Ath plant, mainly in new facilities dedicated to the production of calcium-zinc and organic stabilisers. The Division's know-how in this field should be a major asset in the medium-term when other regions at present using the stabilisers under criticism start aligning their production to the formulations developed in Europe.

The zinc chloride line of business is also contributing to this trend towards environmentally friendly stabilisers, helped by the acquisition at the beginning of 2010 of the zinc chloride business of the French company Produits Chimiques de Loos, a subsidiary of the

Tessengerlo Group. This move means that Floridienne Chimie has now direct access to a strategic raw material needed for the production of calcium/zinc PVC stabilisers.

## A NEW LINE OF BUSINESS

To meet strong demand from the plastics industry - and more broadly from the electronics, construction, automotive and aeronautics sectors - a new and very promising line of business saw the light of day in 2010, starting with a pilot production programme. It involves the production of new-generation non-halogenated flame retardants. These specialty additives are used in the processing of various plastics to increase their fire resistance.

Since the end of 2010, Floridienne Chimie holds an exclusive licence for producing Safire®, a flame retardant for which a patent application has been filed by Catena,

## [ CHEMICAL DIVISION ]

its sister company. This new product complies with the strictest environmental standards, both with regard to its manufacture and in its applications (non-halogenated).

A production facility at Ath is currently being studied, with construction due to start in 2011. This new production facility is part of Floridienne Chimie's sustainable development programme.

### COLLABORATION IN SOLAR ENERGY

Floridienne Chimie continued its partnership with MCP in the solar energy sector in 2010. The thin-film photovoltaic applications, on which MCP is focused, use minor metals from MCP and cadmium from Floridienne Chimie. In this area, MCP has taken over responsibility for marketing Floridienne Chimie's cadmium salts for photovoltaic applications. Similarly, in a move to optimise the resources available within the Group,

Floridienne Chimie now relies on MCP and its global network to provide part of its supply of cadmium.

### BAPP®: NOW AT SNAM

The good results obtained in 2009 at the Ath plant following the introduction of the participatory safety method BAPP® (Behavioural Accident Prevention Process) set the standard for SNAM, which followed suit by introducing BAPP® at its French plants in Viviez and Saint-Quentin-Fallavier.

The Ath plant came through 2009 without a single work-related accident, setting a new record of 430 accident-free days at the beginning of 2010.

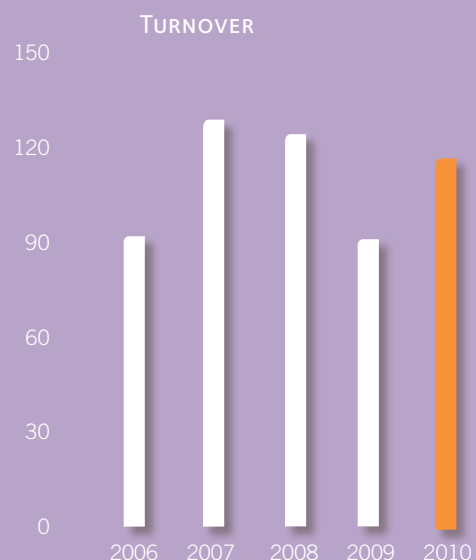
However, Floridienne Chimie's 2010 safety results were not quite as good as those of 2009, with the maximum number of accident-free days in one stretch only reaching 124. Measures were taken at the start of 2011 to improve these results.

see further p 14



## KEY FIGURES

CONSOLIDATED DATA	2010	2009
<i>in million EUR</i>		
Turnover	116.4	90.4
EBIT	4.4	3.7
Operating result	4.4	3.7
Net result	2.2	2.1
Net result attributable to Floridienne	2.2	1.9
Net cash-flow	4.9	4.3







## [ MAJOR INVESTMENTS ]

To ensure the sustainable development of the Chemical Division, Floridienne is now in the middle of a major investment programme scheduled to last until 2012. The programme has two focuses:

→ Firstly to decrease the environmental footprint of its production facilities and to improve their productivity. This translates into the plant expansion projects at Ath and SNAM, increases in production capacity (IKA), projects helping the Division to achieve ISO 14001 compliance and certification, or the construction at Ath of a new production facility for high-purity metals (cadmium and zinc salts).

At the end of the programme, the Division will have at its disposal refurbished and efficient production facilities.

→ Secondly to offer environmental-friendly products and recycling solutions:

- calcium-zinc stabilisers,
- organic stabilisers without heavy metals,
- new products, currently under development (cadmium chloride and sulphide), for use in the photovoltaic industry,
- new products, currently under development, in the area of recycling metals,
- to be able to process the batteries from hybrid and electric vehicles, for which volumes will soon be increasing,
- etc.

The programme also has a social aspect. At Ath in particular, the group's investments are also aimed at protecting local jobs and generating new ones through the development of new products.



# [ CHEMICAL DIVISION ]

## THE DIVISION'S COMPANIES

### FLORIDIENNE CHIMIE S.A.

#### Zinc salts [Zn]

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

##### • 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 metal 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 is also a base component in the production of new calcium/zinc PVC stabilisers meeting up to the new European environmental standards.

##### • Zinc sulphate and zinc carbonate

Zinc sulphate is widely appreciated in the agricultural sector where it is used in the production of fungicides and as a trace element in animal feed. It also accelerates chlorophyll development in plants. Galvanoplastic sheet electrolysis (treatment of surfaces) also requires the properties offered by zinc sulphate. Furthermore, its extreme purity opens the way for interesting developments in electronics.

As for zinc carbonate, it is used as a vulcanisation agent in the production of flexible and transparent rubber. Oil

companies use it to absorb sulphur dioxide escaping from drilling sludge.

#### PVC stabilisers

Floridienne Chimie is one of the leading European companies in the production of PVC stabilisers. Stabilisers are used to help PVC retain its properties over time.

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 amount of secondary stabilisers of an organic and/or inorganic nature. The range includes formulations for both flexible applications (cable sheathing, insulation, etc.) and rigid applications (window frames, cladding, etc.).
- The GreenStab® range of stabilisers, devoid of all heavy metals. Major investment projects at Ath involve the construction of production facilities for these new calcium-zinc and organic stabilisers (due to start in 2011).
- Floridienne Chimie also produces lead chloride, used as a component in batteries activated by seawater. Such batteries are used among other things in submarine detection devices.

#### Flame retardants

This is a new line of business for the Division, enlarging its product range of additives for plastics, and opening



up major opportunities in a booming market. A large number of industries (automotive, aeronautics, construction, electronics) are making increasing use of flame retardants as additives in the plastics they use as a way of improving their fire resistance and in line with developments in international safety legislation.

#### 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 expand 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 formulations used in producing high-temperature-resistant red and yellow pigments.
- The thin-film photovoltaic solar panel industry is a further user of cadmium salts. MCP markets cadmium salts from Floridienne Chimie for photovoltaic applications, with MCP guaranteeing Floridienne Chimie's supply of cadmium in return.
- New products (cadmium chloride and sulphide) used in the photovoltaic industry are in the course of being developed. The construction of a production facility

for high-purity cadmium and zinc salts is under construction (with production due to start in May 2011).

#### Recycling

Floridienne Chimie is an approved operator of a toxic and dangerous waste recovery plant. It co-operates with its customers 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, returning them to the production cycle.

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

#### 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 salts,

## [ CHEMICAL DIVISION ]

used in the manufacture of rechargeable batteries.

SNAM has a 100% subsidiary, EURO BAT TRI SARL, which handles the batteries and accumulators from the European collection centres. EURO BAT TRI has developed a unique process for battery sorting and handling. In addition, EURO BAT TRI has now set up a new recycling activity involving primary batteries, rounding off well the range of services offered by SNAM.

In June 2010, Toyota France and SNAM signed an agreement on recycling Toyota and Lexus car batteries on French territory.

SNAM has launched a major investment programme enabling it to meet the strictest HSE standards in the context of recycling metals and giving it a leading position in this line of business. Further investments in developing new products are also planned.

SNAM also refines the high-purity cadmium used by CdTe producers, a key element in the production of thin-film photovoltaic panels.

SNAM is also the owner of VERA CHIMIE DEVELOPPEMENTS S.A.R.L.

Avenue Jean Jaurès 4, F 12110 Viviez  
Tel.: +33.5.65.43.77.30  
Fax : +33.5.65.43.03.95  
www.snam.com

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

This SNAM subsidiary based near Lyon in France formulates and markets additives for the galvanising sector, thereby complementing 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 return, Floridienne Chimie distributes Vera Chimie Développements' additives via its worldwide network. The synergies between the two companies and their product ranges continued to grow in 2010.

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 on-site 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 at Wolfen near Leipzig. It operates in the field of PVC stabilisers. This production unit complements that 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 formulation and production of a new generation of calcium/zinc-based and organic (not using heavy metals) stabilisers. IKA is investigating the possibility of doubling its production capacity of these «green» stabilisers.

IKA has a majority holding in Catena Additives, a German



company holding patents in the field of organic stabilisers and flame retardants.

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](http://www.ika-wolfen.de)

#### CATENA ADDITIVES S.A.

Located near Frankfurt, this company holds several patents in PVC stabilisation, in particular for organically stabilising flexible and rigid PVC. These patents give us access to PVC stabilisation technologies avoiding the use of heavy metals, in line with our sustainable development policy. Catena is also licensed user of the patent for Safire®, a very promising flame retardant for which a production plant will be built in 2011 by Floridienne Chimie.

Neue Bergstrasse 13,  
D 64665 Alsbach-Hähnlein  
Tel.: +49 6257.5079.164  
Fax: +49.6257.5079.165  
[www.catena-additives.com](http://www.catena-additives.com)

#### KIMFLOR A.S.

KIMFLOR, a joint venture between Floridienne Chimie (the majority shareholder) and a Turkish partner, has the goal of opening up and developing new markets in Central Europe and Asia, mainly in the field of PVC stabilisers. KIMFLOR slots in well, both from a geographical and production perspective, with Floridienne Chimie. Some of the raw materials used by KIMFLOR are supplied by Floridienne Chimie. KIMFLOR has invested in new facilities for the production of the new generation of calcium/zinc-based stabilisers.

Izmir Aydin Karayolu 35 KM.29 Ekim Mah. No:23 35875  
Torbalı Izmir  
Tel.: +90.232.853.90.66  
Fax: +90.232.853.90.65  
[www.kimflor.com](http://www.kimflor.com)

# VERY GOOD RESULTS

# No. 1

## **in bismuth and tellurium**

The Division consists of the MCP group, in which Floridienne holds a 43% stake. Floridienne exercises joint control together with MCP management. MCP has a leading position in the production of minor metals: it is No. 1 worldwide in bismuth and tellurium, and belongs to the top 5 worldwide in indium, selenium and gallium. These value-added metals are used in various sectors such as pharmaceuticals, cosmetics, electronics, glass, special types of steel and solar energy.



**MCP DIVISION  
MINOR METALS**

## [ MCP DIVISION - MINOR METALS ]



"WE ARE DELIGHTED TO BECOME PART OF 5N PLUS, A COMPANY SHARING THE SAME VALUES AND GOALS AS MCP. WE FIRMLY BELIEVE THAT THE MERGER OF THE TWO COMPANIES WILL GENERATE SIGNIFICANT SYNERGIES AND LEAD TO MANY OPPORTUNITIES."

LAURENT RASKIN, *Managing Director of the MCP Division*

Minor Metal Division's sales were strong thanks to its position in emerging markets.

The work carried out in 2009 during the crisis has born fruit, with this period having been utilised to develop MCP's international structure, strengthening its footprint in Asia and improving productivity at its production sites.

### INCREASED PRESENCE IN EMERGING MARKETS

In 2010, the Division started production at a new plant in Laos, putting it in closer touch with the production facilities of First Solar, the leading global manufacturer of thin-film photovoltaic solar panels. The latter has a production plant in Malaysia and is building a new production plant in Vietnam to meet global demand.

#### KEY FIGURES

CONSOLIDATED DATA	2010	2009
<i>in million EUR</i>		
Turnover	0.0	0.0
EBIT	0.0	0.0
Operating result	9.1	4.2
Net result	9.1	4.2
Net result attributable to Floridienne	9.1	4.2
Net cash-flow	9.1	4.2

NON CONSOLIDATED DATA	2010	2009
<i>in million EUR</i>		
Turnover	343.2	185.7
EBIT	31.9	12.0
Operating result	33.2	12.5
Net result	21.2	7.6





*1m<sup>2</sup> of photovoltaic panels stops 100 kg of CO<sub>2</sub> from being emitted into the atmosphere*

## [ TARGETING **SOLAR ENERGY** ]

We are seeing high growth rates in thin-film photovoltaic panels (cadmium/tellurium, “Cd/Te” and copper/indium/ gallium/selenium, “CIGS”). This is a very promising market for 4 of MCP’s minor metals.

→ MCP’s subsidiary dedicated to solar energy and with production facilities based in Sunnyvale (California), has become a true «one-stop-shop» in its field of business. It offers the whole range of MCP/Floridienne products (tellurium, selenium, indium, gallium and cadmium) and works together with Floridienne Chimie in distributing Floridienne’s cadmium-related products to the solar industry.

To provide its solar panel customers with the greatest added value possible, MCP supplies them with high purity metals (produced in UK clean rooms) in the form of alloys or in a directly usable form. These precious metals are then finely projected (thin-film) onto the support (mainly glass or metal).

The Division is also involved in the recycling of production waste and the recycling of photovoltaic panels at the end of their product life. A study of the treatment of the waste generated by these solar customers at different stages of production is currently underway.

## [ MCP DIVISION - MINOR METALS ]



**Bismuth** is used in electronics, pharmaceuticals (ulcer treatment), cosmetics (lipstick), in the manufacture of yellow pigments and the production of steel for

cars. Being non-toxic, it is seeing good growth in new applications related to the replacement of lead, for example in solders and lead-free shotgun cartridges.



**Tellurium** is used in industrial applications as an additive to steel, copper or rubber. Its use is now growing in solar panels.



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



**Selenium** helps to make glass transparent by neutralising excess iron. It is also found in special types of steel and in such niche markets as additives, food supplements, cattle feed or solar panels.



**Gallium** is mainly supplied to the electronics industry (GSM diodes). Its use in solar panels is growing. MCP also processes other metals such as lead, tin, cobalt or molybdenum.



## TRUE ADDED VALUE

In addition to the industrial side, MCP also provides its customers with a range of services: its knowledge of the market in minor metals and its perfect command of the production chain enable the company to offer both security of supply and high-quality products. The highly volatile market in minor metals requires excellent knowledge of the field in order to control the supply of these metals which are only available in small quantities. MCP collects them from base metal producers throughout the world, on five different continents, before refining them in its refineries, turning them into simple (powders) or complex (e.g. salts for pharmaceuticals) products. The MCP approach is to exploit the full potential of these metals, diversifying their applications and progressing as far as possible along the value chain.

## SALE OF THE DIVISION

In February 2011, the MCP Group's majority shareholders decided to sell their holding to the Canadian company 5N PLUS INC. The merger of 5N PLUS and MCP will create a major global player in high-purity minor metals used in high-potential applications in the solar and electronics sector.

The two companies have the advantage of complementing each other to a great extent and sharing a similar company culture.

MCP, which employs some 350 people at its 9 production plants and 15 sales offices in Europe, Asia and the USA, is a leading producer and distributor of minor metals and their derivatives. Its acquisition

will allow 5N Plus to considerably expand its range of products and to develop a global production and distribution platform. The group's objective is to become a world leader in the production of minor metals targeting the market for clean technologies and in particular those relating to solar energy.

MCP's know-how in gallium, indium, selenium and tellurium will strengthen 5N Plus' supply chain of rare materials used in the production of thin-film CdTe- and CIGS-based photovoltaic solar panels.

Using patented technologies, 5N PLUS for its part produces metals consisting of tellurium, cadmium, germanium, indium, antimony, selenium and related compounds, including cadmium telluride, cadmium sulphide and indium antimonide. Apart from their use in electronics, and in particular in the market for photovoltaic (PV) modules, 5N PLUS products are also used in radiation and infrared detectors.

Floridienne will retain a minority stake in 5N PLUS and hopes to develop synergies with this group, in particular via Floridienne Chimie, a producer of chloride and cadmium sulphide, also used in photovoltaic modules.

Rue de la Station, 7 - B 1495 Tilly

Belgique

Tel. : +32 71 87 88 21 - Fax : +32 71 87 82 94

info@mcp-group.com

## THE DIVISION HELD UP WELL DESPITE DIFFICULT MARKET CONDITIONS!

# 425,000 t

**of snails are consumed each year worldwide.  
Floridienne is one of the world's leading  
companies in their preparation.**

The Food Division concentrates all of Floridienne's food activities under FLORAGRO S.A.

The Division is aiming to diversify operations in its two segments - Gourmet Specialties and Seafood Deli Products, as well as in the production technologies it uses (fresh foods, frozen foods and canned foods). It operates both in niche markets (snails, scallops) and in quite large market niches (salmon, sauces, ready-to-go salads).

But it also retains the entrepreneurial ambition of an SME and the taste for work well done. Innovative and with an ear for what customers are saying, the companies within the Division are both flexible and responsive. They draw their momentum from a strong team spirit, the sharing of internal skills, and common values: independence, entrepreneurialism and performance.



# FOOD DIVISION



## [ FOOD DIVISION ]



«THE WORK CARRIED OUT OVER THESE LAST THREE YEARS (PLANT REFURBISHMENT, QUALITY CERTIFICATION, INTERNAL RESTRUCTURING, THE ACQUISITION AND INTEGRATION OF NEW LINES OF BUSINESS) HAS ENABLED US TO CONTINUE OUR GROWTH IN OUR BUSINESS AREAS AND TO ESTABLISH LINKS BETWEEN THE DIVISION'S VARIOUS COMPANIES. THIS ALL PUTS US IN GOOD STEAD IN AN INCREASINGLY DEMANDING AND CHANGING WORLD – A WORLD THAT PASSIONATES US.»

PHILIPPE BOONEN,  
*Managing Director of the Food Division*

Throughout 2010, the Division saw itself faced with massive rises in the prices of such raw materials as scallops, herring, salmon and butter. In addition, the crisis of purchasing power and the fierce competition between the brands of large retailers have made it more difficult to put up sales prices. We have only been able to partially pass on these price increases to customers, leading to great pressure on our gross margins in several activities. Despite this handicap, the Division managed to achieve results similar to those of 2009 through a rise in turnover (attributable to an increase in Smoked Fish and Deli Seafood Products volumes). This is a performance in comparison to the situation of most medium-sized food companies.

This is where the work carried out over recent years is bearing fruit – diversification, the effective integration of smaller companies we have acquired, the setting up of great teams, and our investments in high-performance production plants.

The Food Division revolves mainly around two segments:

- Gourmet specialties
- Smoked fish and Deli seafood

### DIVERSIFICATION AND STRUCTURE

The Food Division has 11 production sites and is structured around three principles:

1. Organisation by production technology: fresh, frozen, canned.
2. Organisation by specialisation.
3. Organisation in autonomous business units.

The Food Division markets its products using either its own brands or those of retailers and covering all kinds of sales outlets: supermarket chains, specialist outlets, eating out (local, wholesalers, the catering trade) and export. Most production sites are either IFS or ISO certified, with a view to harmonising product traceability and quality within the group.

Business development focuses on the following segments:

- Gourmet starters,
- 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.
- Regional and traditional dishes: typical French specialties.



425,000 tonnes of snails are consumed each year worldwide. Floridienne is one of the world's leading companies in their preparation.

## GOURMET SPECIALTIES

The Gourmet Specialties segment (former frozen segment) mainly focuses on the production and marketing of frozen specialties, such as snails, coquilles Saint-Jacques, stuffed mussels and scallops, puff pastries, appetisers and offal dishes.

Integrated within the company Groupe Française de Gastronomie, the segment operates in niche party food markets, with a strong seasonal end year focus.

Though its homemarket is France, the Gourmet Specialties segment also has an international orientation, on the one hand in its role as an ambassador of French gastronomy, on the other via its snail supply channels, with subsidiaries in Romania, Lithuania and Turkey.

World leader in snails and No. 1 in France in pre-cooked offal dishes, the segment is fully oriented towards excellence and innovation.

2010 turned out to be a particularly difficult year for the Gourmet Specialties segment, with severe problems getting the required volumes of supplies at acceptable prices.

The business consolidation started in 2008 has now been completed, with the segment now lined up to concentrate on its growth. All its production sites have been IFS certified. The 3-year investment plan is now finishing with the refurbishment and modernisation of production sites.

The work done in 2010 focused on revamping product lines, focusing on innovation, originality and taste. A «premium» range of organic-grown snails, as well as new party foods, have been successfully launched.

## SMOKED FISH AND DELI SEAFOOD

The Smoked Fish and Deli Seafood segment (former fresh segment) mainly covers the production and marketing of salmon and other smoked fish (tuna, mackerel, herrings), rollmops, spreads, fish terrines, seafood salads, anchovies, appetisers in glasses, and other deli products (sauces, ethnic and nutrition products).

The segment consists of 4 independent companies: GEL MANCHE (F), SIMON DUTRIAUX (F), SALMINVEST



## [ FOOD DIVISION ]

(B) and DELKA (B). These companies work together, enjoying major production and marketing synergies and wanting to extend their range of products and boost their presence in their respective markets.

The segment is the top rollmops supplier in France and market leader in Belgium in the niche market of up-market salmon.

2010 turned out to be a very good year for the Smoked Fish and Deli Seafood segment, with turnover up by 20%. New sales outlets greatly helped in the development of the business, despite the salmon price problems. Production synergies between sister companies have contributed a lot to the better performance, with exchanges of know-how also helping. Pre-cooked diet and ethnic dishes are continuing to make progress in specific market niches.

### A NEW AND RAPIDLY EXPANDING MARKET

In 2010, the Division acquired Delka, a company based near Liege and producing cold sauces for the retail sector and catering – a booming market. The opening of this new market for the Division fits in well with existing activities, many sister companies using sauces in their preparations. This company will be targeting both the private-label market, in which it is already well positioned, and other promising niche markets.

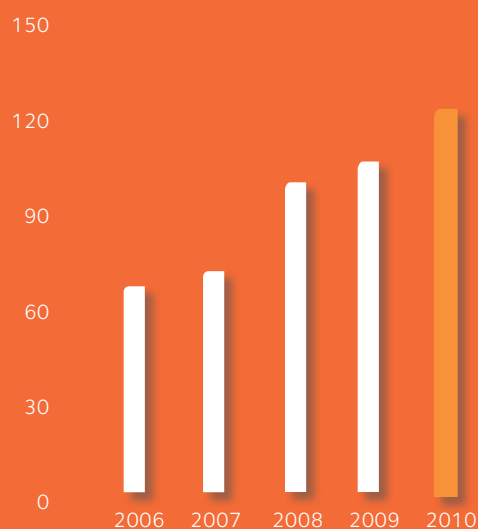
Via this acquisition, the Division has strengthened its presence in Belgium. Investments have been realized in order to provide the company with a new production facility meeting the strictest clients criterias. Production has therefore been moved into a new plant located at Petit Rechain.

A large number of growth drivers have been identified and will be implemented from 2011 onwards.

#### KEY FIGURES

CONSOLIDATED DATA	2010	2009
<i>in million EUR</i>		
Turnover	122.9	107.9
Frozen Division	54.2	53.0
Fresh Division	68.6	54.8
Canned Division	0.0	0.0
Other	0.1	0.1
EBIT	4.6	5.4
Operating result	4.7	5.5
Net result	2.3	2.5
Net result attributable to Floridienne	2.3	2.5
Net cash-flow	4.5	5.1

#### TURNOVER





*The acquisition of DELKA, a manufacturer of cold sauces, opens up a new market for the Division.*

## [ THE TASTE **OF QUALITY PRODUCTS** ]

The values shared by all in the Division - independence, entrepreneurialism and performance - are at the heart of its business culture. Although growing from year to year, the SME spirit is kept alive within the Division, with flexibility, a spirit of conquest and the sharing of experiences driving growth.

In 2010, the Division continued working on sustainable development within its various business units.

→ In the context of its CSR approach, handicapped people have been recruited, and the Division also puts a focus on the employment of older workers.

Turning to the environment, several MSC (Marine Stewardship Council) certifications have been gained, providing consumers with a guarantee that the raw materials come from responsible fishery. Moreover, a range of organically-bred snails was successfully launched.

A waste management programme has been introduced with the aim of reducing waste by 10% over 5 years; waste is now sorted and educational measures have been taken with regard to water and energy consumption.

# [ FOOD DIVISION ]

## OUTLOOK FOR 2011

After a difficult year, the Division's management remains confident about growth opportunities: «We should see times of crisis as a challenge, driving us to find new opportunities while remaining innovative, efficient and uncompromising with regard to the quality of our products, upon which our reputation in the market is built.»

Pressure on raw material prices can be expected to continue, as we have already seen in the first quarter of 2011. Once again, it would seem that we have a difficult year in front of us. However the Division hopes to profit both from higher consumption and the complementarity of its sales channels to maintain strong growth.

## THE DIVISION'S COMPANIES

### FRANCE



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

##### Administrative headquarters:

2, Allée d'Helsinki, CS 80072 Schiltigheim -  
F-67013 Strasbourg

Tel.: +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 sites

Le Clos Saint-Anne – F – 43100 Vieille Brioude

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

Grand Rue, 118 – F – 89400 Bassou

Tel : +33.3.86.73.37.00-Fax : +33.3.86.73.37.01

#### 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.

Once the pro-Floridienne court decisions over the ownership of the company's shares and the merger have been applied, measures will be taken to promote the company's future development and to leverage the production and marketing synergies arising through cooperation with the Division's other business activities.

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)

#### 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, ensure constant raw material quality and control the traceability of 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 coquilles Saint-Jacques 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. AND ETABLISSEMENTS DOUSSOT S.A.

These two Brittany-based companies specialise in coquilles Saint-Jacques and seafood pastries. Their main brands are Mareval and La Palourdière.

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. The company markets two brands: Gel Manche Gastronomie and Gel Manche Nutrition. It is also the 100% owner of Gourmet des îles, a producer of pre-cooked West Indian meals.

ZI du Blactot - F - 50500 Carentan  
Tel.: +33.2.33.71.72.72 – Fax : +33.2.33.71.72.73  
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

### SIMON DUTRIAUX S.A.S.



Founded in 1886, 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

BELGIUM

### DELKA S.A.



Delka is a Belgian company specialised in the manufacture and marketing of cold sauces for the retail and catering sectors. It also supplies other group companies with sauces for their products.

Rue de Battice 22B - B-4800 Petit Rechain  
Tel : +32 87 76 63 38 - Fax : +32 87 76 57 48  
www.delka.be



### SALM INVEST S.A., KARRAS S.A., VENDSYSEL S.A.

This company is involved in the traditional smoking of salmon and other fishes (tuna, marlin, trout, etc). It also specialises in ethnic dishes based on Mediterranean recipes (tarama, hummus). It offers 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

## SUPPLIERS

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 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 Romania and neighbouring countries. In early 2008, Pomarom invested in the industrial breeding of «petit gris» snails.

Str. Liverzii 41 - 510170 Alba Iulia - Romania  
Tel.: +40.25.88.11.200 – Fax : +40.25.88.19.370

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

This company collects and processes "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

### MENETREL - TURKEY

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

Bilecik - Turkey  
Tel.: +90.22.82.16.02.09  
Fax : +90.22.82.16.02.08

# FLAT RESULTS

## AND INVESTMENTS FOR THE FUTURE

# 44

### **species of bumblebees and other useful insects are marketed by Biobest**

The Life Sciences Division acts as an incubator for new Group activities, while at the same time underlining its wish to move into production. Its highly innovative and promising projects are clearly focused on sustainable development and wellness. They are to be found in niche markets and involve a number of key issues:

- In agriculture, improving productivity without harming the environment. Here, close-to-nature solutions are being sought, using living organisms or adapting the chemical communication mechanisms used by plants and insects with a view to providing alternatives to existing phytosanitary products (Chemcom and Biobest);
- In biodiversity conservation, replacing extremely rare and expensive molecules making up natural odours by other molecules (Chemcom).
- In wellness, producing high-quality natural products used in such sectors as food, cosmetics, drugstore products: vanilla, green pepper (Sopral), essential oils (Sotecna), vegetable enzymes (Enzybel International).



**LIFE SCIENCES  
DIVISION**

## [ LIFE SCIENCES **DIVISION** ]



“WE ARE LIVING IN A GREAT TIME IN HISTORY - LET’S DO EVERYTHING TO KEEP IT THAT WAY.”

CHRISTIAN VAN OSSELAER,  
*Managing Director of the Life Sciences Division*

“More and more major corporations and renowned research institutes are becoming interested in our work and want to work together with us. In the months to come, we hope to develop several partnerships allowing us to make faster progress in several research areas.”

Though research and innovation are synonymous with risk and cost, the Division already has income-generating activities with strong growth. With turnover up in 2010 and results on a par with last year’s, the Division continued its efforts to develop future activities closely related to sustainable development. It continued to invest in R&D and in its production facilities, with this obviously putting pressure on results. The rise in raw material costs in its enzyme line of business also slowed down its growth.

The Division operates via Floridienne and Biofirst, a 50/50 partnership between Bois Sauvage and Floridienne set up in 2008. Biofirst consists of four companies, all of which develop organic products and solutions for agriculture and wellness: Biobest (100%), Chemcom (36%), Sopral Madagascar (100%) and Sotecna (78%).

### **NICHE MARKETS, BUT AN INTERNATIONAL SCOPE**

Though being highly specific, the niche markets targeted by the Division are none the less international.

Taking Biobest as an example, the Belgian company specialising in biological pollination by bumblebees and biological pest management using beneficial insects and mites, we find that it is one of the two worldwide leader companies.

With subsidiaries in Canada, Spain, France, Morocco, Mexico and Turkey, Biobest is present in more than 50 countries thanks to its wide-reaching distribution network.

To consolidate this leading position, the company continued its R&D work and strengthened its business activities in Mexico and Latin America. Inaugurated in 2009, its ultra-modern factory in Mexico for producing bumblebees (a joint venture with its local distributor, Distribuciones Imex), got off to a very good and successful start. Mexican farmers have





*Bumblebees clinging to the tomato flower and collecting its pollen. A colony can pollinate 1000-3000 m<sup>2</sup> of crops for 8 - 12 weeks.*

adopted the technique of insect pollination in their greenhouses, especially for tomatoes, one of their main export crops.

For its part, the Canadian subsidiary (which previously supplied the Mexican market), enjoyed great success in exporting its insects to the US, where they are used in horticulture (for instant in growing gerberas).

To achieve better coverage of the Latin American market, Biobest signed an agreement in 2011 with Brometan, an Argentinean supplier of pest control products.

Always attentive to local needs, Biobest has also added an English bumblebee species to its range. This is being offered to UK farmers, helping them to preserve local biodiversity and to remain competitive within Europe.

Last but not least, as a way of developing new «green» solutions, Biobest is working together with a number of renowned research institutes.

The Division's philosophy in this respect is to offer alternatives or new solutions to traditional chemical-based approaches. Complementing or replacing these, integrated crop protection is a way of reducing the environmental impact of pesticides and helping plants to become increasingly resistant in a shorter space of time.



# [ LIFE SCIENCES DIVISION ]

## EXPLOITING THE RESOURCES OF MADAGASCAR

Other examples of international niche activities involve those of Sopral, the company operating in Madagascar. With its wealth of knowledge on this island, unique in its biodiversity, Sopral produces and markets vanilla, green pepper and high-quality essential oils, mainly for the aroma industry. In 2010, it signed a long-term contract with Givaudan, the world's leading aroma company, on the supply of vanilla. Sopral is also heavily engaged on the social side, working with local pickers as a sign of its commitment to corporate social responsibility. It is currently looking into diversifying its operations, exploiting other Madagascan resources and hoping to develop new partnerships.

## BIOFIRST COMPANIES



### CHEMCOM S.A.

ChemCom, founded in 2000, has the potential to become a leading international company in the world of chemical communication by helping food, cosmetics, agriculture and pharmaceutical companies to discover, select and refine interesting products in the fields of taste, olfaction and pheromones.

ChemCom, via its subsidiary Tecnoscent (a 50/50 joint venture with Givaudan, a world leader in aromas and perfumes), is today a world leader in human olfactory biology. The company has developed an artificial human nose cloning and expressing all olfactory receptors (GPCR). The deorphanisation of all olfactory receptors not only allows the understanding of odour recognition and discrimination but also represents a powerful, robust and industrial tool.



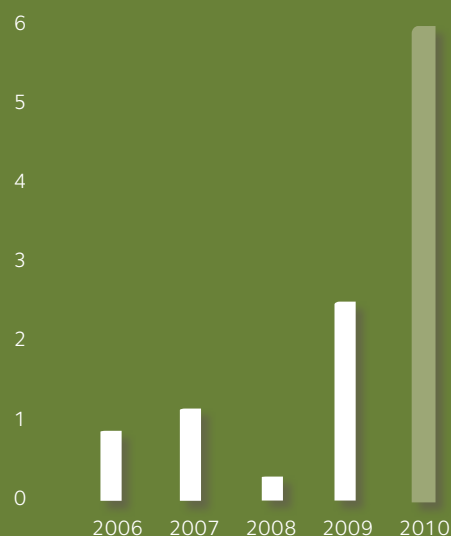
See further p 38

## KEY FIGURES

CONSOLIDATED DATA	2010	2009
<i>in million EUR</i>		
Turnover	6.0	2.5
EBIT	0.4	0.9
Operating result	0.3	0.7
Net result	0.0	0.6
Net result attributable to Floridienne	0.0	0.6
Net cash-flow	0.5	1.1

NON-CONSOLIDATED DATA	2010	2009
<i>in million EUR</i>		
Turnover	27.8	26.1
EBIT	0.9	1.2
Operating result	0.5	0.9
Net result	0.2	0.3

## TURNOVER





*The new Enzybel International factory in Indonesia is situated in a pineapple plantation. The roots of pineapple plants are collected and processed, with bromelain being extracted and purified. Bromelain is a much-sought active vegetable enzyme.*

## [ AN ALLIANCE **WITH NATURE** ]

The Division is interested in all aspects of nature, including roots....

→ Enzybel International has just started up a subsidiary in Indonesia, a joint venture with one of the world's leading companies in canned pineapples, Great Giant Pineapple, a company also very attentive to sustainable development. Built in the middle of a pineapple plantation at Terbanggi Besar on Sumatra, the factory processes pineapple plant roots to extract and purify bromelain. This is done in accordance with strictest quality standards, with the factory having GMP API (Good Manufacturing Process for Active Pharmaceutical Ingredients) certification.

Bromelain is a completely natural vegetable enzyme used in several sectors:

- pharmacy (digestion aid, burns, treatment, anti-inflammatory and anti-tumour treatment),
- cosmetics (skin cream, toothpaste),
- bakery products (gluten hydrolysing),
- animal feed (hydrolysed soya bean protein, for example, giving a bitter taste liked by animals).

The factory is set to reach full capacity in 2012, enabling it to meet the growing worldwide demand and underpinning the growth of Enzybel International over the coming years.

## [ LIFE SCIENCES **DIVISION** ]

This new bio-molecular approach for the aroma and perfume industries will enable the discovery of new products and the optimisation, improvement or replacement of certain existing products, making them more effective, better adapted and protected by patents.

In the field of agriculture, ChemCom is studying the chemical communication found in plants and insects. Manipulating this communication could influence insect behaviour, for example to keep them away from protected zones by putting out signals repulsing them, to attract them to a place where they can be exterminated (attract and kill), or to block their chemoreceptors with specific antagonists. The potential is for green products, non-toxic to humans, with very specific action and usable in very low concentrations, to thus emerge.

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

### **BIOBEST S.A.**

Biobest is the No. 2 worldwide in the area of integrated crop management. A Belgian company, it specialises in biological pollination by bumblebees and in pest control via beneficial insects and mites. It exports 6 species of bumblebees and 39 species of beneficial insects to more than 55 countries.

Biobest has its own "Green Lab" for testing the secondary effects of chemical products on its biological solutions (such as insects and mites). These chemical products can be either already on the market or under development at chemical companies. This testing enables a better profiling of environmentally-friendly agricultural products.



Ilse Velden 18 – B 2260 Westerlo  
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 involved in green pepper (one of the world's best), essential oils and vanilla.

With regard to vanilla, an industrial process has been developed to produce a vanilla with a much higher vanillin content intended for extraction.

Strategic alliances should help Sopral to become a major player in the processing and marketing of the island's principal plants.

PK4, route de Fénériver – 501 Tamatave (Analamalotra) – Madagascar  
Tel.: + 261.2053.316.30  
Fax : +261.2053.316.50  
[www.sopral-madagascar.com](http://www.sopral-madagascar.com)

### **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, horseradish, mustard, angelica, lovage, etc.), supplying the major aroma and perfume companies.

Sotecna diversified its activities in 2009, building a factory 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)



*Sopral produces excellent quality vanilla in Madagascar. With a major focus put on corporate social responsibility, the company draws its supplies from small-scale local producers.*

## THE DIVISION'S OTHER INVESTMENTS

### ENZYBEL INTERNATIONAL S.A.



Biochem Europe is a world leader in the extraction and refining of vegetable proteolytical enzymes. These natural enzymes are used 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 figs.

These vegetable proteolytical enzymes 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).

116 rue de Waremmes - 4530 Villers-Le-Bouillet - Belgique

Tel : +32.4.259.93.30 - Fax : +32.4.259.93.39

E-mail: [info@enzybel.be](mailto:info@enzybel.be)

[www.biochem-europe.com](http://www.biochem-europe.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>

# MANAGEMENT REPORT

MANAGEMENT REPORT OF THE BOARD OF  
DIRECTORS TO THE ANNUAL GENERAL MEETING  
ON 7 JUNE 2011

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 2010 for your approval.

Floridienne is a company characterised by its investments in niche markets 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

2010 turnover was EUR 245 million, up EUR 44 million (22%) over 2009. The increase was seen in our three divisions and more particularly in the Chemical Division (up EUR 26 million).

The operational result (including the share of equity-accounted companies) is EUR 17.7 million at 31 December 2010, against EUR 14.0 million at 31 December 2009, up 26%. Had the consolidation scope remained constant, it would have been EUR 17.8 million at 31 December 2010.

Floridienne closed its accounts at 31 December 2010 with a consolidated net result of EUR 14.4 million for the share attributable to Floridienne, up 85% against the previous year's results. Had the consolidation scope remained constant, the increase would have been the same.

## CHEMICAL DIVISION

**Change of scope:** there has been no change of scope against that of 31 December 2009.

Chemical Division turnover is up EUR 26.0 million, from EUR 90.4 million at 31 December 2009 to EUR 116.4 million at 31 December 2010. This increase is attributable to a recovery in volumes.

EBIT at 31 December 2010 was EUR 4.45 million, against EUR 3.7 million at 31 December 2009. The rise in profits observed in the various group companies was adversely affected by the drop in the price of cadmium accounted for in year-end inventories and by the non-recurring building costs related to the investment project at Ath. Moreover, though turnover recovered in 2010, this was not the case with margins.

The Chemical Division's net result is up EUR 0.1 million, from EUR 2.1 million at 31 December 2009 to EUR 2.2 million at 31 December 2010.

## MCP DIVISION

**Change of scope:** There has been no change of scope against that of 31 December 2009.

As this is an equity-accounted holding, we only consolidate our share (42.94%) of the result. This result is contained in the net result of equity-accounted holdings.

Our equity-accounted share of the result is EUR 9.1 million at 31 December 2010, against EUR 4.2 million at 31 December 2009.

On 28 February, we took the decision to sell our holding in MCP Group S.A., with the deal being closed on 8 April 2011. From a balance sheet point of view, we therefore transferred, as of 31 December 2010, this holding into the category «Assets held for sale» (IFRS 5) at its equity-accounted value. This sale will generate a capital gain of EUR 45 million in 2011. The full press release is available on our website.

## FOOD DIVISION

**Change of scope:** acquisition of Delka S.A. on 30



June 2010 and sale of the Division's 50% holding in Domaine d'Argens on 30 June 2010.

The Division's turnover reached EUR 122.9 million at 31 December 2010, against EUR 108.0 million at 31 December 2009. The rise is mainly attributable to an increase in volumes in Smoked Fish and Deli Seafood Products. Had the consolidation scope remained constant, turnover would have been EUR 119.5 million.

EBIT reached EUR 4.6 million, against EUR 5.4 million at 31 December 2009, representing a drop of 15%. Had the consolidation scope remained constant, it would still have been EUR 4.6 million. EBIT would have been much higher, had the Division not had to face up to a spectacular rise in the price of three of its raw materials (scallops, salmon and butter) throughout 2010.

The Food Division's net result was EUR 2.3 million at 31 December 2010, against EUR 2.5 million at 31 December 2009, a drop of EUR 0.2 million or 7.5%. Had the consolidation scope remained constant, the net result would have been the same.

The decline in the **Gourmet Specialties** result in 2010 was mainly due to the fall in gross margins in the production of coquilles Saint-Jacques (scallops).

The **Smoked Fish and Deli Seafood Products** result was also adversely affected by a rise in the price of salmon, leading to a deterioration of gross margins in smoked fish. This deterioration was for the most part compensated by the good performance of the seafood deli business.

Larzul: In spite of the court decisions in favour of Floridienne on the ownership of the outstanding shares, the group has not yet been able to take control of the company's business and to leverage the expected production and commercial synergies. Due to the lack of control and visibility the group

has over this holding, the Board has decided to transfer it from the heading equity-accounted holdings to the heading long-term financial assets, at a value taking into account the takeover agreed between the parties on the acquisition of the first 50%. Once the takeover is finalised (on the acquisition of the remaining 50% at a price defined by a formula), the Group expects to be able to achieve major synergies. The calculation of the holding at fair value was therefore done taking these planned synergies into account.

Generally speaking, the results of the Food Division have borne up well despite the major rise in raw materials prices.

#### LIFE SCIENCES DIVISION

**Change of scope:** there has been no change of scope against that of 31 December 2009. However, Enzybel International was consolidated for the full 12 months of 2010, in contrast to 2009 when it was only consolidated as of 30 June 2009.

The Division's net result at 31 December 2010 is EUR 0.0 million, against EUR 0.6 million at 31 December 2009. This decline is mainly associated with the raw material price rises seen in enzymes. It should also be remembered that we generated a capital gain of EUR 0.5 million in 2009 through the sale of a building.

#### CORPORATE AND RISK CAPITAL

Floridienne provides its different divisions with certain management support, financing and advisory services.

The corporate net result saw a profit of EUR 0.8 million at 31 December 2010, against last year's loss of EUR 1.4 million. This improvement is mainly related to a capital gain of EUR 2.9 million on the sale of our 3.6% holding in FUTURAGENE PLC (London AIM Market) as a result of the takeover bid by the Brazilian group, SUZANO. This disposal can be seen as part of our strategy of exiting from minority holdings.



# MANAGEMENT REPORT

## STATUTORY ACCOUNTS AND DISTRIBUTION OF PROFITS

A profit of EUR 48.2 million is reported for the 2010 financial year, compared with a loss of EUR 0.9 million in 2009. Including Eur 23.7 millions carried forward to profit available for distribution amount to Eur 71.9 million.

We propose the following distribution:

- EUR 2.9 million to be paid in dividends;
- EUR 0.1 million to be paid as bonuses;
- EUR 68.4 million again to be carried forward.

If you approve the annual accounts and the proposed distribution, the dividend payable will be EUR 2.40, net of withholding tax (EUR 3.20 gross). The dividend will be payable against coupon no. 111 from 19 July 2011 onwards at the Degroof Bank, Rue de l'Industrie 44, 1040 Brussels.

## REPURCHASE (BUYBACK) OF COMPANY SHARES

In the course of 2010, 96 company shares (out of a total of 907,572) were repurchased. The total number of treasury shares held at 31 December 2010 was 8,187, representing a value of EUR 1,105,245.00 on the basis of a share price of EUR 135.00 at 31 December 2010. The acquisition value is EUR 905,171.16

## 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 raw materials in order to protect our profit margins against price fluctuations. Group policy with regard to financial instruments is limited to hedging measures and excludes all speculation.

## ENVIRONMENT

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. Where deemed necessary, provisions are included in the accounts in compliance with accounting standards.

## 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

As a result of our agreement with the Canadian company 5N Plus, Floridienne will acquire an 8% holding (5 million shares) in a group specialised in minor metals. 50% of the 5N+ result is linked to the production of raw materials used in solar panels. We hope to see synergies developing between 5N Plus and Floridienne in the months to come.

The sale of MCP will mean a cash inflow of EUR 42 million for the Floridienne Group in April 2011, EUR 24 million of which will be used to reduce our debt. The remaining EUR 18 million will be invested in completing the investment programme of Floridienne's Chemical Division and SNAM, our French battery-recycling subsidiary, started in 2010.

This programme of strategic investments will enable us to position our subsidiaries as leading players in their lines of business. Moreover, we would like to put all our energy into new products, new processes and new recycling schemes. These will all be environmentally-friendly, with a number of them benefiting from patent protection.

Last but not least, we will be receiving an additional EUR 26 million (in instalments) from the sale of MCP. This will enable us to prudently grasp acquisition

opportunities in our current business areas. In this respect, Floridienne underlines its strategy of being an industrial player taking majority shareholdings in niche markets or market niches in which it can gain a leading position in the long term.

#### DIRECTIVE ON TAKEOVER BIDS

In the context 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

According to the latest transparency statements and information communicated, Floridienne has the following shareholders:

Beluffo S.A.	395,635	43.59%
Manor S.A.	58,000	6.39%
Private individuals	36,680	4.04%
Finatco S.A.	25,734	2.84%
Fijeti S.A. (JF Thiran)	13,161	1.45%
Philippe de Spoelberch	145,000	15.98%
SRIW	84,176	9.27%
Floridienne S.A.	8,187	0.9%
Free Float	140,999	15.54%
Total shares issued	907,572	100%

##### 2. AGREEMENTS BETWEEN SHAREHOLDERS

Floridienne was informed on 29 January 2008 of an important shareholder agreement involving Beluffo S.A. (43.59%), Finatco S.A. (2.84%), Fijeti S.A. (1.45%), Philippe de Spoelberch (15.98%) and private individuals (4.04%). Within this framework, the different signatories have exchanged pre-emptive and follow-on rights.

##### 3. LEGAL OR STATUTORY RESTRICTIONS ON TRANSFERRING SHARES

There is no legal or statutory restriction on transferring Floridienne S.A. shares.

##### 4. LEGAL OR STATUTORY RESTRICTIONS ON EXERCISING VOTING RIGHTS

Each share has one voting right. There is no legal or statutory restriction on exercising voting rights.

##### 5. POWERS OF THE BOARD OF DIRECTORS

At the Annual General Meeting of 28 May 2010, the following powers were conferred to the Board of Directors:

- Renewal of the authorised capital of EUR 4,415,000.00 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 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 180,000 shares in the company within a maximum 5-year 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.

# MANAGEMENT REPORT

## **6. ARTICLE 74 OF THE LAW ON PUBLIC TAKEOVER BIDS.**

On 23 September 2007, Floridienne was informed by Beluffo that the latter held 296,997 Floridienne shares representing 34.37% of the company's capital.

Beluffo confirmed that on 1 September 2010 there had been no change to its control structure since the September 2007 notification and that it held 395,635 shares or 43.59% of all shares.

## **INFORMATION REQUIRED IN ACCORDANCE WITH ARTICLE 523 OF THE BELGIAN COMPANIES CODE**

In the course of 2010 we have had no cause to declare any conflicts of interest in any of the various committees.

## **CORPORATE GOVERNANCE STATEMENT**

### **1. APPLICATION OF THE BELGIAN CORPORATE GOVERNANCE CODE**

With regard to corporate governance, the management report contains information required by the Belgian Companies' Code and by the Belgian Corporate Governance Code of 12 March 2009, which Floridienne has adopted as its reference framework. This is available on the Corporate Governance Commission's website.

Floridienne's Corporate Governance Charter is available on our website: [www.floridienne.be](http://www.floridienne.be).

### **2. NON-APPLICATION OF CODE PROVISIONS**

#### **Separation of powers (Principle 1.5)**

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

#### **Three independent directors (Principle 2.3)**

Though we do not have three independent directors as stipulated by the law, given our decision-making experience within the Board of Directors, we consider Mr. Bernard de Gerlache and Mr. Marc-Yves Blanpain to be directors holding independent and relevant opinions vis-à-vis the executive directors and vis-à-vis the directors representing the shareholders.

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

Though there is no actual procedure in writing, Board members are always appointed by the Annual General Meeting on the basis of their known competences.

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

During 2010, the non-executive Board members held 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.

#### **The Appointment Committee and Remuneration Committee (Principles 5.3 and 5.4)**

Due to our small size, the Board of Directors has not established these committees in the course of 2010. However, on 10 December 2010, the Board of Directors set up a Remuneration Committee pursuant to the Law of 6 April 2010.

#### **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 not governed by labour legislation, severance pay shall not exceed 12 months.

### Threshold for submitting proposals (Principle 8.8)

The participation threshold for submitting proposals to the Floridienne Annual General Meeting is 20%. A proposal will be submitted to the next AGM to lower this threshold to 5% pursuant to the Belgian Corporate Governance Code.

### 3. INTERNAL CONTROLLING AND RISK MANAGEMENT IN THE CONTEXT OF COMPILING THE FINANCIAL INFORMATION

The company has established an internal control and risk management structure covering the process of compiling the financial statements. This structure is appropriate to the company's size.

#### Control environment

The Board of Directors constitutes the company's management body, responsible for its entrepreneurial leadership within a framework of prudent control and

for identifying, assessing and managing risks. Within the Board of Directors, the company has a Management Committee consisting of an executive president and a general director. This Committee is supported, within each business division, by a divisional management committee. The Management Committee is responsible for setting up and maintaining appropriate internal controls tailored to the Group's size, thereby effectively ensuring that the objectives relating to the reliability of the financial statements and their conformity with statutory and legal regulations are achieved.

The Audit Committee, set up pursuant to Article 526 ter of the Companies' Code, supports the Board of Directors in supervising the management of the company and the whole Group, in controlling the effectiveness of all the company's internal control processes and in supervising the overall follow-up process. This committee has its own rules of procedure.

The following chart summarises the responsibility of each body:

	BOARD OF DIRECTORS	AUDIT COMMITTEE	MANAGEMENT COMMITTEE	DIVISIONAL MANAGE- MENT COMMITTEES
Financial statements and budget	Checking the accounts twice a year and approving the budget. Defining the Group's assessment rules	Discussing assessment problems	Consolidating the financial statements on a Group level and monitoring budgets	Collecting the financial information and compiling budgets
Strategy	Defining the Group's strategic directions		Determining policies and follow-up	Implementing the defined policies and reporting
Investments	Validating major developments, either internal or via external growth		Identifying opportunities	Identifying opportunities
Disinvestments	Decisions to disinvest activities		Identifying opportunities	Identifying opportunities
Financing	Consolidated financial structure and targets		Structuring the Group's financing	Structuring the working capital requirements
Risk management, internal control, internal audits	Validating proposed action plans	Making proposals to the Board of Directors in the case of any observed deficit.		
Human resources	The Remuneration Committee is responsible for the remuneration of Management Committee members		Responsible for the remuneration and assessment of the Divisional Management Committees.	Responsible for assessment and remuneration within their respective divisions

# MANAGEMENT REPORT

The company traditionally publishes its financial statements via annual and semi-annual financial reports.

In addition, it draws up an annual financial budget for each financial year, which is then discussed in and approved by the Board of Directors. Out-of-line situations with regard to the plan or to earlier forecasts are regularly updated and reviewed by the Management Committee, before being presented and explained to the Board of Directors.

## **Risk management process**

The overall risk management policy of Floridienne and its subsidiaries throughout the world underlines its commitment to ensure an effective risk management system throughout the Group, aimed at minimising its exposure to risks capable of preventing targets being achieved. The Audit Committee assists inter alia the Board of Directors in its role of assessing and managing financial risks. It regularly examines the areas in which risks are capable of having a significant impact on the Group's reputation and its financial situation. It monitors the company's whole risk management process.

At Floridienne, the risk management process has two focuses: managing risks associated with the financial reporting, and managing general risks to which the Group's subsidiaries find themselves exposed.

With regard to financial reporting risks, Floridienne's Secretary General has taken stock of the main risks, both in terms of statutory deadlines and the reliability of the financial statements and of the independence of the various parties involved in this process. It therefore serves as a reporting coordinator, following a strict procedure. The financial reports are compiled by the accounts department, reviewed by management and presented to the Board of Directors by the Management Committee after analysis by and on the recommendation of the Audit Committee. The accounts department is supported by an external consultant with appropriate knowledge of IAS/IFRS standards and by a consultant specialised in the consolidation process. The

various checks carried out at the different stages of compiling the financial statements relate to such various topics as the application of IFRS standards, significant operations during the reporting period, consolidation, etc. The instructions for closing the books are sent to the financial officers of the various subsidiaries. Ad hoc discussions regularly take place. All verification operations and processes are contained in a checklist for closing the books. Ad hoc documentation is also kept. With regard to the Group's financial activities, the Group adopts a cautious stance. It makes only limited use of hedging transactions and never for speculation. The main risks and uncertainties the company is exposed to are linked to developments in exchange rates and in the rates of interest charged on its short-term lines of credit.

Moreover, in the context of the risk management process, Floridienne's Audit Committee introduced in 2009 a process for identifying and managing risks on all levels of the Group, its consolidated subsidiaries, and the holdings in which it has a controlling stake. This process, which was set up by an external consultant, takes place in several stages: a stage identifying risks in each subsidiary, whether strategic, financial or operational, and classifying these in accordance with their importance; consolidation of these risks by business division and at consolidated group level; assessment of the identified risks from a risk / return perspective; and action plan proposals for each level on ways to either reduce or completely eliminate the risks. This analytical approach has been carried out with the full cooperation of the local teams and in a spirit of sensitizing them to the risks in their respective business units, underlining the philosophy existing within the Group.

Each stage of the risk management process has been validated by the Audit Committee, in compliance with the good governance rules associated therewith. The various findings and conclusions are (have been) analysed and lead to the appropriate (financial/ operational) measures being taken. The measures to be taken and the systems to be introduced vary from

one division/company to the next dependent on their specific circumstances, and require action on various levels: overall, within a division, and on an individual basis. The finalisation of the different stages of handling and controlling risks is still not complete. Whereas it is basically finished in the area of financial reporting, it still needs to be further developed in other areas.

### Control activities

The control activities currently in place focus on two areas: a close supervision of financial operations by management; and a corporate culture based on business ethics followed by all staff members and especially by those holding management positions within the Group.

As described above, the annual and half-yearly financial reports are compiled in accordance with a strict schedule and using a well-defined structure and verified at different stages by specialised internal and external bodies. Any accounting problems are identified by the corporate accounts department in charge of the consolidation, supported by an external IFRS specialist for technical aspects and by the Management Committee for issues relating to the overall assessment.

Looking at the general risks associated with the business of each company, on top of sensitizing local teams to risk management, the Group is currently installing an internal control process. However, given the Group's limited resources, this process will take some time before becoming fully operational.

### Information and communication

The Group pays particular attention to the financial statements and reports released to the markets, and especially to the comprehensiveness of such statements, ensuring that market players are kept fully informed of all Group developments. Deadlines for releases to the markets are also the subject of particular attention. The Group considers that the financial statements represent a vital communication instrument, and has therefore introduced rules and

controls for ensuring that the main financial statements are consistent and available.

These procedures are coordinated by the Secretary General, prior to the publication of the half-yearly and annual accounts. The outcomes of these procedures are examined by the Management Committee. Any potential problem identified is subjected to an appropriate follow-up, with an assessment being made on whether the financial statements or other publications need to be adjusted.

Before the accounts are published, the outcome of these procedures – as is the case with all other subjects related to internal control – is closely examined first by executive management and then by the Audit Committee.

As regards internal communication within the Group, this takes place mainly via informal channels due to the relatively small size of Floridienne. This informal communication is seen as positive by Floridienne inasmuch as it fosters contacts between those involved and promotes a strong internal business culture. This informal communication also helps speed up decision-making processes – one of Floridienne's strengths these days.

### Control

The Audit Committee is responsible for monitoring the effectiveness of internal control and risk management systems.

The Management Committee and the divisional management committees are responsible for monitoring and implementing internal controls and risk management. Following the first phase of the risk analysis carried out by the Audit Committee, these bodies were able to appreciate that internal control structures did exist within the Group. However they also found that these control measures were present to varying degrees and in distinctive forms, meaning that works need to be done on identifying best practices and standardising processes wherever possible.



# MANAGEMENT REPORT

## 4. BOARD OF DIRECTORS

On 1<sup>st</sup> January 2011 the Board of Directors consisted of the following members:

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

Appointed until 2013  
Executive chairman  
Chairman of Exmar

### **Beluflo S.A. (Loïc Waucquez)**

Appointed until 2013  
Non-executive and shareholder representative

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

Appointed until 2012  
Non-executive and counted as independent  
Director of Befimmo

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

Appointed until 2013  
Independent  
Director of Sipef  
Director of Leasinvest Real Estate  
Director of Texaf

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

Independent  
Appointed until 2011

### **Vicomte Philippe de Spoelberch**

Appointed until 2013  
Non-executive and shareholder representative

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

Executive  
Appointed until 2013

### **Statutory auditor**

#### **Mazars S.C.R.L.**

Company auditors B.C.V  
Represented by Philippe Gossart  
Appointed until 2012

Philippe Bodson and W Invest S.A. (represented by Gaëtan Waucquez) have executive roles as members of the Management Committee and are therefore 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 as independent.

Bernard de Gerlache is a non-executive member, having lost his independent status on the renewal of his mandate at the Annual General Meeting of 28 May 2010.

Sparaxis S.A. (represented by Yves Meurice) fulfils 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.

He is therefore counted as an independent member of the Board of Directors.

At the Annual General Meeting of 7 June 2011, a proposal will be submitted to appoint Olivier Davignon as a director with a 3-year term of office, expiring at the 2014 Annual General Meeting. Olivier Davignon has a degree in business engineering from ICHEC. After working for several years in banks in Belgium and abroad, Olivier Davignon joined the Socfinal Group, where for the last 10 years he has worked as financial director and a member of the Management Committee. His professional experience and his board membership of a number of unlisted companies will enable him to become a useful member of our Audit and Remuneration Committees. He meets up to all independence criteria defined by the law.

The mandate of Sparaxis (Yves Meurice) expires at the Annual General Meeting of 7 June 2011. On the basis of his knowledge of the group and of his valuable experience, a proposal will be submitted to the Meeting for his mandate to be renewed for a further three years, expiring at the 2014 Annual General Meeting.

The Board of Directors met 4 times in 2010, as seen in the attendance table below:

	30 MAR	21 JUNE	31 AUG	10 DEC
Philippe Bodson	P	P	P	P
Beluflo (Loïc Waucquez)	P	P	P	P
Bernard de Gerlache	P	P	A	P
Philippe de Spoelberch	P	P	P	P
Sparaxis (Yves Meurice)	P	P	P	P
Marc-Yves Blanpain	A	A	P	A
W Invest Gaëtan Waucquez	P	P	P	P

P=Present R=Represented A=Absent

discussions concerned:

- corporate and consolidated results;
- budget for the coming year;
- investment projects;
- the sale 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;
- proceedings against Floridienne;
- the risk situation within the group;
- the sale of our holding in MCP and the redefinition of the group's strategy;
- diverse items.

#### 5. AUDIT COMMITTEE

Pursuant to the law of 17 December 2008, which entered into force on 9 January 2009, the Board of Directors set up an Audit Committee at its 27 March 2009 meeting.

This Committee has the following members:

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

Bernard de Gerlache is a non-executive member, having lost his independent status on the renewal of his mandate

at the Annual General Meeting of 28 May 2010.

Beluflo S.A., with Loïc Waucquez as its permanent representative, is a member in a non-executive capacity and shareholder representative.

Sparaxis S.A., with Yves Meurice as its permanent representative, is a member in a non-executive capacity and fulfils the independence criteria stipulated by the new law. Due to his long experience as a financial analyst working in financial institutions, Yves Meurice, the permanent representative of Sparaxis, possesses to a great extent the required accounting skills.

The Audit Committee has the following duties:

1. monitoring the process of compiling the financial information;
2. monitoring the effectiveness of the internal controlling systems and the company's risk management systems;
3. should any internal audit take place, monitoring such and the effectiveness thereof;
4. monitoring the statutory control of the annual accounts and the consolidated accounts;
5. reviewing and monitoring 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.

In the course of 2010, the Audit Committee met three times. At these three meetings, the following items were discussed:

- analysis of the situation regarding internal and external audits at Floridienne and its subsidiaries;
- finalisation of the risk analysis of the Floridienne group;
- review of risks in the Chemical and Food Divisions;
- review of the procedures for compiling the consolidated accounts,
- review of the accounts consolidated at 31 December 2009;
- review of the accounts consolidated at 30 June 2010;
- review of the various mandates of the company auditors.

# MANAGEMENT REPORT

## 6. REMUNERATION COMMITTEE

Pursuant to the Law of 6 April 2010, which came into force on 23 April 2010, the Board of Directors set up a Remuneration Committee at its 10 December 2010 meeting. This Committee has the following members:

- Bernard de Gerlache de Gomery, chairman;
- Beluffo S.A., with Loïc Waucquez as its permanent representative;
- Sparaxis S.A. with Yves Meurice as its permanent representative.

Bernard de Gerlache is a non-executive member, having lost his independent status on the renewal of his mandate at the Annual General Meeting of 28 May 2010.

Beluffo S.A., with Loïc Waucquez, as its permanent representative, is a member in a non-executive capacity and shareholder representative.

Sparaxis S.A., with Yves Meurice as its permanent representative, is a member in a non-executive capacity and fulfils the independence criteria stipulated by the new law. Sparaxis has the necessary skills in the area of HR management.

In its current set-up, the composition of the Remuneration Committee does not comply with that foreseen by the law, which provides for a majority of members being independent. At the Annual General Meeting, a proposal will be made to appoint a new independent director, who will also become a member of the Remuneration Committee.

## 7. MANAGEMENT COMMITTEE

The Management Committee consists of Philippe Bodson and Gaëtan Waucquez. Meeting 42 times during 2010, the Committee is responsible for the day-to-day management of the company, assisted in certain situations by the various members of the management

committee of each individual division, when a decision requires information specific to that division.

The Management Committee has the sole responsibility for deciding on the composition of the management committee of each division and for the execution of decisions taken by the Board of Directors at corporate level and in individual divisions. The management committees of the individual divisions are responsible for the execution of decisions taken by the Management Committee in their respective divisions.

The Management Committee 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 Committee makes sure that the Board of Directors is able to carry out its responsibilities, maintaining a permanent interaction and dialogue in a 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 Committee is also the main Floridienne communication channel to the outside world.

## AUDITOR'S REMUNERATION

During the 2010 financial year, Mazars C.A.R.L received audit fees amounting to EUR 87,754.00 for the whole Group (of which EUR 36,696.00 was attributable to Floridienne S.A.). Fees paid for other attestation services amounted to EUR 11,400.00.

## REMUNERATION OF BOARD MEMBERS

Total payments to members of the Board of Directors were as follows:

	BOARD OF DIRECTORS	AUDIT COMMITTEE
Philippe Bodson <sup>1</sup>	15,000€	
Philippe de Spoelberch	15,000€	
Marc-Yves Blanpain	15,000€	
Bernard de Gerlarche de Gomery	15,000€	5,000€
Belufo S.A. (Loic Waucquez)	15,000€	2,500€
Sparaxis S.A.	15,000€	2,500€
W invest S.A. (Gaëtan Waucquez) <sup>1</sup>	15,000€	

<sup>1</sup>Details of remuneration received in their executive capacities are listed further down.

## REMUNERATION OF FLORIDIENNE'S EXECUTIVE MANAGEMENT

Floridienne's executive management is represented by the Management Committee, given that it alone is covered by the 6 April 2010 law.

As the Management Committee only consists of two members, we provide here details of the remuneration each member received in 2010.

As these two people exercised their duties via a management company, we are specifying here their remuneration on the basis of that invoiced (i.e. the total cost for Floridienne).

Their remuneration is based solely on a daily remuneration and a bonus based on quantitative criteria defined by the Board of Directors. They receive no other form of remuneration.

	REMUNERATION	BONUS
Philippe Bodson	53,765€	152,192€
Gaëtan Waucquez	278,453€	130,687€

## FLORIDIENNE SHARE DEALINGS

During the course of 2010, 101,778 Floridienne shares were purchased and 25,800 shares sold by persons linked with the Floridienne Group.

## EVENTS OCCURRING AFTER THE CLOSING OF THE FINANCIAL YEAR

FLORIDIENNE GROUP S.A. announced that, on 26 February 2011, the majority of shareholders (99.81%) of the MCP GROUP S.A. had decided to sell their shares to the Canadian corporation 5N PLUS INC., a company listed on the Toronto Stock Exchange (cf. press release in the Annex).

The transaction was closed on 8 April 2011.

Based on the stock market price of 5N PLUS shares on 26 February 2011 (8 Canadian dollars), this transaction gives MCP a value of EUR 236 million, to be paid partly in cash (EUR 168 million) and partly in 5N PLUS shares (EUR 68 million).

The cash part of the transaction will be paid in instalments. At the close of the transaction, shareholders will receive EUR 106 million. The rest will be paid in successive instalments (EUR 10 million on 15 April 2012, EUR 21 million on 15 April 2013, and EUR 31 million on 15 April 2014). These instalments will be subject to the IRS 3-year interest rate of 3%.

Furthermore, shareholders will receive 11.4 million 5N PLUS shares, giving them a 19.9% stake in the company. Having had a 42.05% holding in MCP, the proceeds of the sale give FLORIDIENNE a total of EUR 93.3 million. 43.6 million of this will be paid immediately in cash, 26.1 million in instalments, with the rest represented by 5 million 5N PLUS shares.

In the context of this transaction, FLORIDIENNE has valued 5N PLUS shares at 6.25 Canadian dollars each. This takes account of an illiquidity discount related to commitments not to sell its shares during a period of up to 18 months.

On 15 April 2011, this sale will generate a capital gain of approximately EUR 45 million for FLORIDIENNE, taking into account the illiquidity discount attached to the "lock-up" agreement.

# STRUCTURE OF THE FLORIDIENNE GROUP

## MANAGEMENT BOARD

Philippe Bodson  
Gaëtan Waucquez

## ORGANIZATION

### Floridienne S.A.

Managing Director : Gaëtan Waucquez  
Accounting Departments Manager : Joseph De Waele  
Corporate Secretary : Benoit Leemans

### Chemical Division

Managing Director : Simon Vlajcic  
Kurt Devreest  
Laurent Smits  
Jacques Maubert  
Ugo Nardo  
André-Louis Pete

### MCP Division

Managing Directors : Laurent Raskin et Frank Fache  
Marc Binet  
Serge Dallenogare  
Christophe Gauder  
Laurent Muguerza  
Greg Phipps  
Sebastian Voigt

### Food Division

Managing Director : Philippe Boonen  
Patrick Jagut  
Didier Hanin  
Jean-Philippe Lewandowski  
Laurent Simon

### Life Sciences Division

Managing Director : Christian van Osselaer

# SHAREHOLDER'S DIARY

<b>First interim statement:</b>	19 May 2011
<b>Annual General Meeting:</b>	07 June 2011
<b>Payment of dividend:</b>	19 July 2011
<b>Half-year results:</b>	end of August 2011
<b>Second interim statement:</b>	19 November 2011



# SUMMARY

Consolidated balance sheet  
Consolidated Income statement  
Consolidated cash flow statement  
Consolidated Statement of changes in equity  
Report of the auditors

# CONSOLIDATED BALANCE SHEET

ASSETS IN THOUSANDS EUR	31/12/10	31/12/09
<b>1. NON-CURRENT FIXED ASSETS</b>	<b>96,481</b>	<b>121,569</b>
Intangible assets	5,504	3,456
Goodwill	29,278	29,021
Tangible assets	44,609	35,589
Companies consolidated by the equity method	10,070	49,864
Deferred tax assets	3,663	2,897
Other financial assets	3,357	742
<b>2. CURRENT FIXED ASSETS</b>	<b>160,794</b>	<b>101,348</b>
Assets held to be sold	47,355	1,033
Inventories	43,533	34,899
Trade receivables	52,876	47,687
Current tax assets	3,775	2,525
Other current financial assets	148	1,455
Cash and cash equivalents	9,087	11,537
Other assets	4,020	2,212
<b>TOTAL ASSETS</b>	<b>257,275</b>	<b>222,916</b>
<b>EQUITY AND LIABILITIES IN THOUSANDS EUR</b>	<b>31/12/10</b>	<b>31/12/09</b>
<b>1. TOTAL EQUITY</b>	<b>91,742</b>	<b>79,313</b>
Floridienne equity	84,025	71,542
Minority interests	7,717	7,771
<b>2. LIABILITIES</b>	<b>165,533</b>	<b>143,603</b>
Non-current liabilities	77,718	67,842
Interest-bearing liabilities	71,799	60,539
Deffered income	1,546	1,633
Provisions	2,788	4,215
Employee benefits	907	1,068
Deferred tax liabilities	678	387
Current liabilities	87,815	75,761
Interest-bearing liabilities	37,848	37,423
Deffered income	320	266
Provisions	909	1,017
Employee benefits	53	44
Trade payables	34,164	23,735
Current tax liabilities	2,164	1,465
Other liabilities	12,357	11,811
<b>TOTAL LIABILITIES</b>	<b>257,275</b>	<b>222,916</b>

The balance sheet total increases by €34.4 million due to the inclusion of the MCP result (to the value of Floridienne's holding), to the inclusion of DELKA SA in the consolidated accounts, and to an increase in current assets and liabilities associated with the upturn in business activity in the various divisions of the Floridienne group.

# CONSOLIDATED INCOME STATEMENT

IN THOUSANDS EUR	31/12/10	31/12/09
<b>OPERATING INCOME</b>	<b>255,151</b>	<b>205,649</b>
Turnover	245,279	200,828
Other business income	9,872	4,821
<b>OPERATING EXPENSES (-)</b>	<b>-246,500</b>	<b>-195,764</b>
Supplies of raw materials	-147,570	-112,272
Staff costs	-38,030	-34,329
Depreciation and amortisation	-7,041	-6,699
Other operating expenses	-53,859	-42,464
<b>OPERATING RESULT</b>	<b>8,651</b>	<b>9,885</b>
Result from discontinued operations	3,098	558
Borrowing expenses	-4,076	-3,958
Financial result	-673	-427
Share of net result from equity-accounted holdings	8,960	4,097
Result from discontinued operations	66	-22
<b>RESULT BEFORE TAXES</b>	<b>16,025</b>	<b>10,132</b>
Tax on profit	-1,631	-2,110
<b>NET PROFIT OF THE PERIOD</b>	<b>14,394</b>	<b>8,022</b>
Floridienne share of the net profit	14,387	7,794
Minority interests	7	228
Base net profit per share	<b>16.00</b>	<b>8.66</b>
Diluted net profit per share	<b>16.00</b>	<b>8.66</b>

Turnover in 2010 reached €245 million, up 22% against 2009. This increase was seen in all three divisions and especially in the Chemicals Division. Had the scope remained unchanged, 2010 turnover would have been €241.5 million.

This increase in turnover did not always translate into improved operating results in the consolidated companies, as the rise in raw material prices squeezed gross margins in a number of the group's companies, while other business activities suffered from negative inventory effects. This led to a decrease of €1.2 million.

The result before tax has nevertheless risen by €5.9 million, due to the good performance of the group's non-consolidated holdings (+ €9.0 million) and certain non-recurring results from the sale of assets (+ €3.0 million).

IN THOUSANDS EUR	31/12/10	31/12/09
<b>Net result of the financial year</b>	<b>14,394</b>	<b>8,022</b>
<b>Changes in equity (non-income statement)</b>		
Gain/loss (net) on available-for-sale financial assets	-1,364	1,364
Gain/loss (net) on cash-flow hedges	577	-173
Gain/loss (net) on operations abroad	1,489	-52
Gain/loss (net) on others	37	
<b>Total result for the period after taxes</b>	<b>15,133</b>	<b>9,161</b>
<b>Attributable to</b>		
Floridienne Group	15,035	8,947
Minority interests	98	214
<b>Total result for the period after taxes</b>	<b>15,133</b>	<b>9,161</b>

# CONSOLIDATED CASH FLOW STATEMENTS

IN THOUSANDS EUR	31/12/10	31/12/09
<b>Result of the financial year before taxes</b>	<b>16,025</b>	<b>10,132</b>
Amortisation and depreciation of assets	6,714	6,916
Result from equity-accounted companies	-8,960	-4,097
Provisions and deferred taxes	-1,200	-1,480
Gain/loss on the disposal of assets	-3,282	-990
Taxes for the financial year	-2,150	-1,606
Financial charges	4,528	4,463
Others	38	-421
<b>GROSS SELF-FINANCING MARGIN</b>	<b>11,713</b>	<b>12,917</b>
Changes in current assets / liabilities		
Inventories	-7,131	-888
Receivables and others	-6,686	4,961
Debts	9,025	-8,130
<b>CHANGES IN WORKING CAPITAL REQUIREMENTS</b>	<b>-4,792</b>	<b>-4,058</b>
<b>NET CASH FLOWS RELATING TO OPERATING ACTIVITIES</b>	<b>6,922</b>	<b>8,859</b>
Investment		
Acquisitions of intangible assets	-3,226	-415
Acquisitions of tangible assets	-14,369	-5,749
Acquisitions of financial assets	-500	-4,935
New loans	-58	45
Total investments	-18,153	-11,054
Disposals of intangible assets	33	5
Disposals of tangible assets	856	589
Disposals of financial assets	174	577
Income from holdings	1,547	619
Repayment of loans	33	-62
Total disinvestments	2,643	1,727
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-15,511</b>	<b>-9,327</b>
<b>Financing</b>		
Capital increase		
Acquisitions and disposals of financial assets	2,926	-849
Changes in debts and grants	10,268	4,949
Financial charges	-4,528	-4,463
Dividend paid by the mother company	-2,541	-2,541
Changes of treasury shares	-11	-51
Dividends paid to third parties	-176	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>5,938</b>	<b>-2,190</b>
<b>CHANGE IN CASH</b>	<b>-2,651</b>	<b>-2,658</b>
Cash at the beginning of the financial year	11,537	14,203
Net changes	-2,651	-2,658
Exchange gains/losses conversion differences	156	-8
Impairment / others	46	
Cash at the close of the financial year	9,087	11,537

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

IN THOUSANDS EUR	SHARE CAPITAL	SHARE PREMIUM	HEDGING RESERVES	AVAILABLE- FOR-SALE FINANCIAL ASSETS
<b>Balance as at 01/01/2009</b>	<b>4,420</b>	<b>21,005</b>	<b>(564)</b>	
Result for the year				
Other comprehensive income			(173)	1,364
<b>Total comprehensive income</b>			<b>(173)</b>	<b>1,364</b>
Company regrouping operations				
Dividends and bonuses				
Treasury shares				
Share-based payments				
Others				
<b>Balance as at 31/12/2009</b>	<b>4,420</b>	<b>21,005</b>	<b>(737)</b>	<b>1,364</b>
<b>Balance as at 01/01/2010</b>	<b>4,420</b>	<b>21,005</b>	<b>(737)</b>	<b>1,364</b>
Result for the year				-
Other comprehensive income			577	(1,364)
<b>Total comprehensive income</b>			<b>577</b>	<b>(1,364)</b>
Company regrouping operations				
Dividends and bonuses paid				
Treasury shares				
Share-based payments				
Others				
<b>Balance as at 31/12/2010</b>	<b>4,420</b>	<b>21,005</b>	<b>(160)</b>	<b>0</b>

In 2010 the company paid a dividend of EUR 2.5 million for the 2009 financial year.  
The dividend proposed for 2010 is EUR 2.9 million, subject to approval at the Annual General Meeting of Shareholders.

TREASURY SHARES	RESERVES	RESULTS	CONVERSION DIFFERENCES	TOTAL FLORIDIENNE CAPITAL	MINORITY INTEREST	SHAREHOLDERS EQUITY TOTAL
<b>(845)</b>	<b>37,254</b>	<b>6,392</b>	<b>(2,402)</b>	<b>65,260</b>	<b>8,273</b>	<b>73,534</b>
-	-	7,794	-	7,794	228	8,022
			(38)	1,153	(14)	1,139
<b>-</b>	<b>-</b>	<b>7,794</b>	<b>(38)</b>	<b>8,947</b>	<b>214</b>	<b>9,161</b>
				-	(530)	(530)
	(2,541)			(2,541)	(186)	(2,727)
(51)				(51)	-	(51)
				-		-
	6,319	(6,392)		(73)		(73)
<b>(896)</b>	<b>41,032</b>	<b>7,794</b>	<b>(2,440)</b>	<b>71,542</b>	<b>7,771</b>	<b>79,313</b>
<b>(896)</b>	<b>41,032</b>	<b>7,794</b>	<b>(2,440)</b>	<b>71,542</b>	<b>7,771</b>	<b>79,313</b>
		14,387		14,387	7	14,394
	37		1,398	648	91	739
	<b>37</b>	<b>14,387</b>	<b>1,398</b>	<b>15,035</b>	<b>98</b>	<b>15,133</b>
					24	24
	(2,541)			(2,541)	(176)	(2,717)
(11)				(11)		(11)
	7,794	(7,794)				
<b>(907)</b>	<b>46,322</b>	<b>14,387</b>	<b>(1,042)</b>	<b>84,025</b>	<b>7,717</b>	<b>91,742</b>

# REPORT OF THE AUDITORS

REPORT OF THE AUDITORS TO THE GENERAL SHAREHOLDERS' MEETING ON THE CONSOLIDATED FINANCIAL STATEMENTS OF FLORIDIENNE SA/NV AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2010

In accordance with the legal requirements, we report to you in the context of our appointment as statutory auditors. This report includes our opinion on the consolidated financial statements as well as the required additional statements and information.

## **Unqualified opinion on the consolidated financial statements, with emphasis of matter paragraph**

We have audited the consolidated financial statements of FLORIDIENNE SA/NV and its subsidiaries (the "Group") as of and for the year ended 31 December 2009, prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable to quoted companies in Belgium. These consolidated financial statements comprise the statement of financial position as of 31 December 2010, the statement of comprehensive income, the statement of cash flows and the changes in equity for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the statement of financial position amounts to EUR 257.275.(000) and a profit for the year of EUR 14.387.(000). The annual financial statements of certain subsidiaries included in the consolidation have been audited by other external auditors. We based our audit on their audit opinions and we have carried out specific additional audit procedures in the context of the consolidation.

The company's board of directors is responsible for the preparation of the consolidated financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements applicable in Belgium and with Belgian auditing standards, as issued by the «*Institut des Reviseurs d'Entreprises/ Instituut van de Bedrijfsrevisoren*». Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The selection of these procedures is a matter for our judgment, as is the assessment of the risk that the consolidated financial statements contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated financial statements, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the consolidated financial statements taken as a whole. Finally, we have obtained from the board of directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained and the work of the other auditors who have audited the financial statements of certain subsidiaries provides a reasonable basis for our opinion.

In our opinion, based on our audit and on the reports of other auditors, the consolidated financial statements give a true and fair view of the Group's net worth and financial position as of 31 December 2010 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union, and with the legal and regulatory requirements applicable to quoted companies in Belgium.



Without qualifying our opinion, we draw attention to the management report and the notes to the financial statements regarding the value of the French company LARZUL in the consolidated financial statements of FLORIDIENNE. Despite the successful outcome of the litigation, the FLORIDIENNE group was not yet able to gain control over the activities of the company LARZUL in order to make it possible to create the expected industrial and commercial synergies. As a consequence, the investment has been transferred to other financial assets and measured at its most recent equity value, which takes into account the expected acquisition of the control at the moment of the acquisition of the first 50 percent. Based on the positive outcome of the litigation regarding the property of the shares, the conditions of the acquisition of the rest (50%) of the participation in LARZUL foreseen based on a formula and synergies between the companies, the management of FLORIDIENNE has estimated that, despite the uncertainty on obtaining control of LARZUL, the carrying value of the participation classified in other financial assets is not less than the recoverable amount of the investment. Nevertheless, if the takeover of control would fail, the value of the participation should be reconsidered.

**Additional statements and information**

The company's board of directors is responsible for the preparation and content of the management report on the consolidated financial statements

Our responsibility is to include in our report the following additional comment, which does not have any effect on our opinion on the consolidated financial statements:

- The management report on the consolidated financial statements deals with the information required by the law and is consistent with the consolidated financial statements. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Brussels, April 21, 2010

**Mazars Réviseurs d'Entreprises**  
**Statutory Auditor**  
**represented by**

**Philippe GOSSART**



# FLORIDIENNE

GROUP

**FLORIDIENNE S.A.**

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