

FLORIDIENNE

GROUP



Chemicals and
special metals



Gourmet
foods



Life Sciences

2012 Annual Report

The Floridienne Group
conducts a wide range of
activities in niche markets
and market niches, in
which it holds leading
positions

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Profile

Floridienne is a Belgian industrial group holding leading positions either in Europe or globally in a number of market niches and niche markets. Its activities centre on three sectors: chemicals, gourmet foods and life sciences.

The Group consists of some thirty companies in which it has a majority holding. These companies are all led by dynamic entrepreneurs adhering to common values with regard to entrepreneurial spirit, respect of the individual, honouring commitments, a global perspective and innovation as the key to sustainable development.

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



Chemicals and special metals

The Chemical Division consists of a range of companies involved in the chemistry (in particular «green» additives for stabilising PVC and fireproofing plastics) and the metallurgy of non-ferrous metals (zinc, lead, nickel and cadmium salts).

It is also involved in the recycling sector, processing metal-based waste such as galvanizing residues and Ni/Cd, NiMH and Li-ion batteries.



Gourmet foods

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 and ethnic dishes.

The Division also operates in the field of special-needs foods, for example for people with deglutition problems or suffering from Alzheimer.



Life Sciences

The Life Sciences Division is active in the production and marketing of technologies and organic products aimed at providing green and sustainable alternatives in agriculture, pharmaceuticals, healthcare, etc.

Already the world leader in vegetable proteases and No. 2 worldwide in the biological pest control, this Division continues to invest in innovative solutions, especially in the field of chemical communication via receptors associated with the chemistry of human taste and olfaction.

In dialogue with the management committee



Philippe Bodson,
Executive Chairman

Gaëtan Waucquez,
Managing Director

What do you think of the 2012 results?

The results of the Floridienne Group were impacted by financial losses incurred on our holding in the Canadian 5N Plus company, with the write-down on our 5 million shares representing half of the loss attributable to the Group.

With regard to the Group's operating results, we need to make a distinction between the results of our individual activities, as these vary greatly.

Looking at our Divisions,

- the Chemical Division was impacted by the economic crisis in Europe. Apart from the crisis in the European construction sector which is hitting us quite severely, the Division saw the photovoltaic panel market melt away and had to cope with continuing low prices for cadmium and nickel. By contrast, our subsidiaries IKA and KIMFLOR, active in Eastern Europe and Turkey, stood up very well to the crisis. Moreover we expect them to further boost their performance in the years to come.

- The Food Division stabilised its result on account of the good quality/price ratio of its products and its multi-channel and multi-brand marketing approach. With results made possible by restructuring efforts and investments in modernising the production sites over the last few years.
- the Life Sciences Division made very satisfactory progress, with sales up well for beneficial insects and enzymes of plant origin, markets in which we are among the world leaders.

Finally, the operating result shows a €3.2 million loss, compared with last year when it was in balance. However, thanks to the Food and Life Sciences Divisions, we expect the situation to improve in 2013.

Against the background of these difficulties, has the Group's diversification played a positive or negative role?

The diversification strategy we are following is certainly a positive aspect, enabling us to resist the ups and downs of the

economy and other exceptional circumstances. If for example we had only had the Chemical Division in 2012, we would now be in great difficulties. At the same time, without the good results of the Chemical Division over the past few years, we would never have been able to finance the development of the Life Sciences Division with its very promising outlook. Our diversification has thus been a great help.

- It is coherent in that our activities are positioned exclusively in niche markets and market niches, and driven by the wish to develop quality products and solutions benefiting sustainable development.
- It is well-thought-out on account of the synergies developed wherever they make sense within and between the divisions.
- It also makes geographical sense in that we are becoming increasingly international, targeting world or regional leadership in all our activities.
- And we have a specific form of management: a lean corporate team basically consisting of

the heads of the divisions is responsible for the overall strategy and coordinating the various business units. It serves as a link between passionate entrepreneurs, in many cases the founders of their business, to whom responsibilities are decentralised. Extremely dynamic and pro-active, this model enables us to navigate astutely without losing sight of our profitability target.

How have you reacted to support the Chemical Division and the difficult situation it is in?

To ensure its future and to reduce our exposure to the European economic situation, the Division needs to become a player in markets not so much impacted by the European economic environment. This will be the case for example with our calcium-zinc-based PVC stabiliser business, and we also expect it to be the case for our flame-retardant additives now under development.

We are leveraging the technological change imposed by the European Union's stricter

environmental regulations to our advantage. This regulatory approach is having a snowball effect on emerging countries, presenting us the opportunity of showcasing our expertise and increasing market shares. This does however involve a period of difficult adaptation and heavy investment in R&D, production facilities and human resources in Europe, even though the economy here is in the doldrums at the moment. But we always need to take a long-term perspective and not ignore the positive signs. We are for example in the course of concluding major contracts for recycling the batteries of hybrid and electric vehicles - a future business for which we need to invest today.

A propos, have the planned investments been implemented despite the crisis?

The Group has wanted to pursue a strategy of specific and prudent investments in its various divisions.

2012 has seen us investing in our production sites for enzymes in Belgium and Indonesia with

a view to soon gaining GMP certification, which will allow us to supply the pharmaceutical industry.

We have also invested in SNAM with a view to enabling the processing of the hybrid vehicle batteries of the main car manufacturers, as well as in several food-processing plants to gain Red Label certification.

We have also acquired Merydis, a company specialised in the production of hot and sweet sauces, as well as taking up a holding in Polyam, an Israeli company active in insect production.

The legal proceedings initiated by 5N Plus at the end of 2012 with the aim of delaying the payment of its outstanding debts vis-à-vis Floridienne (€8.8 million excluding interest in April 2013) is currently greatly limiting the Group's capacity to maintain the investment level planned for 2013, especially because it has meant that our bankers have adopted a more cautious attitude to supporting these investments. The planned investments have therefore been rigorously cut back, and contacts have been established with other

potential financial partners with a view to at least being able to finance the most important investment projects.

Is all this having an impact on shareholders?

Indeed. We very much regret having to announce that - to a great extent on account of the attitude of 5N Plus - we will not be able to pay a dividend this year. Rest assured that we are

doing everything to resolve this situation.

What is the outlook for 2013?

2013 is set to be a year of transition, and our target is to get results back into balance. To do this, we know that we can count on the support of our shareholders, our entrepreneurs and our employees, all committed to our success. We are united in our wish to continue

writing the history of Floridienne together and to work towards developing activities beneficial to the world of today and tomorrow.

Gaëtan Waucquez,
Managing Director

Philippe Bodson,
Executive Chairman



Key figures

Balance sheet – in EUR millions

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Long-term assets	137.2	164.8	97.0	121.6	111.7	71.3	66.9	64	66.5
Short-term assets	148.0	134.3	160.3	101.3	106.4	100.4	107.4	93.3	89.6
Long-term liabilities	189.9	205.1	169.4	147.2	145.1	97.3	88.2	81.9	76.5
Floridienne equity	108.2	118.2	84.0	71.5	65.3	58.4	47.6	42.8	38.2
Third-party interests	6.2	6.7	7.7	7.8	8.3	1.2	1.3	1.2	1.2
Long-term loans and provisions	75.5	80.2	77.7	67.8	71.6	37.7	39.3	37.9	37.2
Short-term liabilities	95.3	94.0	87.8	75.8	73.0	74.4	86.1	75.4	79.5
Total balance sheet	285.2	299.1	257.3	222.9	218.1	171.7	174.3	157.3	156.1

Consolidated results - in EUR millions

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Turnover	280.1	247.4	245.3	200.8	224.6	202.8	160.7	161.6	152.7
Operating result	-3.2	0.0	8.7	9.9	9.0	11	5.7	5.2	5.6
Adjusted operating result*	-3.2	-0.5	17.7	14.0	12.4	15.1	7.5	5.9	6.9
Consolidated net result	-19.9	37.3	14.4	8.0	6.9	9.7	7.4	5.8	4.6
Consolidated net result attributable to Floridienne	-16.4	38.4	14.4	7.8	6.4	9.3	6.8	5.7	4.4
Net cash-flow	2.6	42.3	19.7	13.6	14.6	15.5	13.3	10.6	11.1

* Operating result + net result of associates attributable to Floridienne

Financial ratios in %

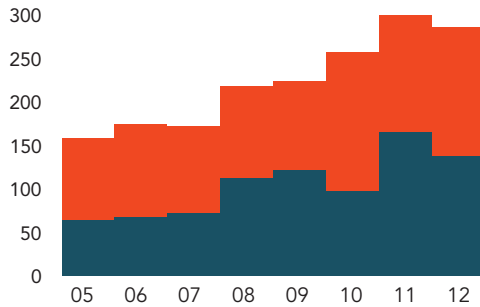
	2012	2011	2010	2009	2008	2007	2006	2005	2004
Financial profitability (net result/equity on 1 January)	-13.9	45.7	20.2	11.9	10.9	19.5	15.9	14.9	12.0
Degree of solvency (equity/total balance sheet)	40.1	41.7	35.7	35.6	33.7	34.7	28.1	28.0	25.2
Pay-out ratio (gross dividend/group share in the result)	0.0	7.6	20.1	32.6	39.9	26.0	29.1	31.9	33.5

Share data - in EUR

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of shares	996,857	907,572	907,572	907,572	907,572	864,094	823,396	823,396	823,396
Average price	109.81	140.36	113.84	93.63	107.9	106.34	76.42	64.20	47.81
High	137.00	151.8	135	105	132	135	79.4	76.05	57.45
Low	92.00	130	96	64.8	72	78.05	70	55.00	42.80
On 31/12	94	130	135	100	90	130	78.05	70.70	57.00
Net dividend per share	0.0	2.4	2.4	2.1	2.1	2.1	1.8	1.65	1.35
Market capitalisation (in million EUR)	93.70	117.98	122.52	90.76	81.68	112.33	64.27	58.21	46.93

Assets

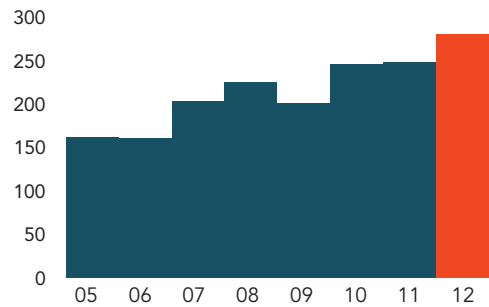
In EUR millions



■ Long-term assets
■ Short-term assets

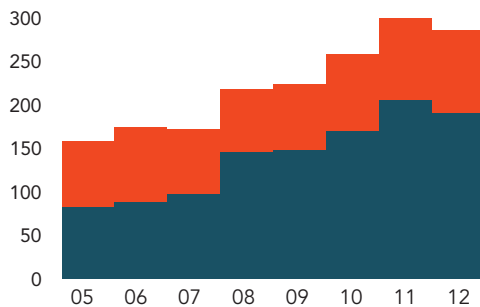
Turnover

In EUR millions



Liabilities

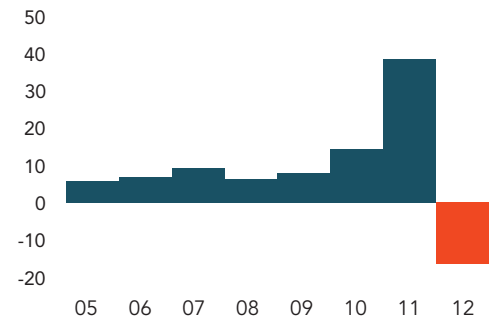
In EUR millions



■ Long-term liabilities
■ Short-term liabilities

Consolidated net result attributable to Floridienne

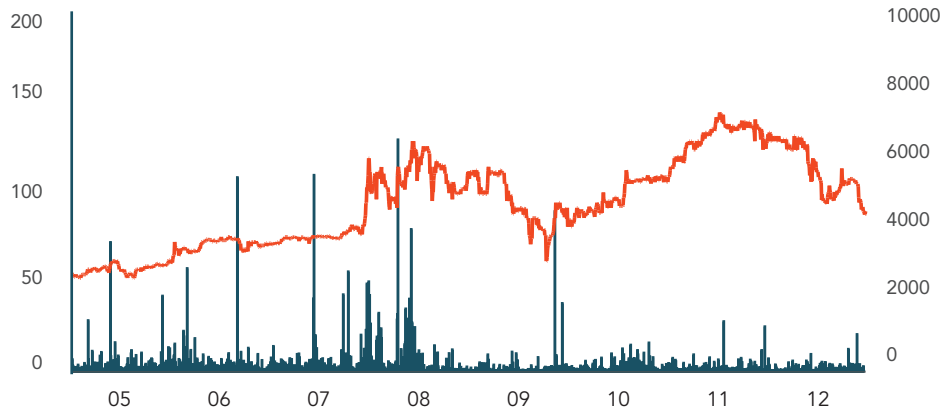
In EUR millions



Share price

EUR

Volume of shares traded



Highlights



CHEMICAL AND SPECIAL METALS DIVISION

- The difficult situation experienced in the second half of 2011 continued, or even got worse, throughout 2012. Activities were impacted by the crisis in the European construction sector, the collapse of the photovoltaic panel market, the continuing low metal prices (cadmium and nickel) and the sharp drop in demand and prices for lead-based stabilisers.
- As in 2011, our activities in Germany (IKA), Turkey (KIMFLOR) and France (VCD) faced up better to the crisis than our lines of business directly linked to metal prices (Floridienne Chimie and SNAM).
- Successful start of our two new plants at Ath: a new state-of-the-art plant for "green" PVC stabilisers (without toxic heavy metals) and new production facilities for high-purity metal salts.
- The promising progress of the production test phase for SAFIRE® flame retardants in

our pilot plant. These specialty additives, for which we possess an exclusive licence, are used in the processing of various plastics to increase their fire resistance.

PVC stabilisers

- Due to the crisis in the European construction sector, a slower than expected production start-up at the new Ath plant for calcium-zinc stabilisers and organic stabilisers (without heavy metals). Against the background of a contracting market, Floridienne Chimie has nevertheless succeeded in gaining market shares thanks to the quality of its products. Operations in Germany (IKA) and in Turkey (KIMFLOR) withstood the crisis better thanks to their strong presence in emerging markets (Eastern Europe, Russia and Turkey) and their lower exposure to metal prices.
- Commercial development of organic stabilisers

(GreenStab®), with large markets seen in particular in Brazil, India and China; producers of high-quality PVC are expecting new environmental restrictions to be imposed in these countries.

Zinc salts

- Zinc salts have stood up well to the crisis.
- Preparation for GMP certification of the production facilities for high-purity zinc salts at Ath. Expected in the first quarter of 2013, certification will allow us to supply the cosmetics, pharmaceutical and food sectors.

Cadmium salts

- The major crisis the photovoltaic sector has been going through since the last quarter of 2011 has prompted Floridienne to reduce its operations in this area to a minimum. PV panel producers need to adapt in order to move from being a subsidised

industry to an independent and profitable industry. In this sense, 2013 is expected to be a year of transition.

Recycling

- Ongoing development of recycling operations for primary batteries at EURO BAT TRI (a SNAM subsidiary), meaning that SNAM now offers a full range of battery recycling services, previously limited to rechargeable batteries.

- SNAM has begun its investment project enabling it to refine its nickel residues and thereby position itself as a producer of high-purity nickel salts with a higher added value.
- Conclusion of long-term strategic partnerships with Toyota, Lexus and PSA (the latter only applicable to France) for the exclusive recycling of NiMH and Li-ion batteries.
- Continuing production tests

for recycling the batteries of hybrid and electric vehicles of several other European and Asian car manufacturers.

Environment

- In 2012, some 2000 m² of thin film photovoltaic solar panels were installed at our Ath plant.



FOOD DIVISION/FLORIFOOD

- Business levels maintained in the Gourmet Specialties and Seafood segments, despite the economic environment with its negative impact on purchasing power and stagnating consumption levels. Turnover is up by 6%.

Gourmet specialties

- The snail processing plants in Lithuania and France (Bourgogne) have gained Red Label certification, a guarantee of high-quality products.
- Launch of stuffed clams, new casseroles and Saint Jacques

crackers, as well as new mixed products and salad spreads.

Smoked Fish and Seafood

- Acquisition of Merydis S.A., a Belgian company based in Liege and specialised in the production of hot

sauces, preserves, jams and toppings. Its product range complements Delka's range of cold sauces. Alterations made at Delka's Petit Rechain (Belgium) production plant will enable it to accommodate Merydis operations, beginning in March 2013. Delka/ Merydis is to become «the» specialist for topping sauces - from entrées to desserts -, offering sauces for meats, fish, foie gras, cheese, game and desserts.

- Sale of our 34% holding in

White Toque USA, an importer and distributor of frozen French and European gourmet products.

- Simon-Dutriaux has taken up the production of seafood salad spreads at its plant in Vendin-le-Vieil (France).
- Creation of a new company, Simon Selection S.A.S., based at Vendin-le-Vieil (France), with 50% held by Salm Invest and 50% by Simon-Dutriaux. The company is specialised in marketing smoked salmon to the French market.

Quality

- 2012 saw all of our plants gaining IFS Version 6 certification, certifying compliance with all quality and safety requirements for food processing and products.
- The Bourgogne snail-processing plants and Gel Manche are now certified as organic producers.



LIFE SCIENCES / BIOFIRST

The consolidation of the Division that took place at the end of 2011 (the acquisition of the shares held by Compagnie du Bois Sauvage in the Biofirst holding and of the shares held by Sogepa in Biochem-Europe, the owner of Enzybel International) has worked out well. The integration of all the Division's

lines of business under the name Biofirst and creation of synergies between the holdings have led to a satisfactory operating result.

Biobest

- **Belgium:** Presented at the beginning of 2013, the innovative «Flying Doctors®» concept uses bumblebees

to bring additional pollen or natural microbial «medicines» to plants, thus avoiding or at least reducing the need to spray chemical pesticides. The bumblebees thus have a twin purpose.

- **United States:** Set up in 2012, our very dynamic Californian subsidiary has already become

one of the country's leaders in the natural pollination of orchards and strawberry and raspberry fields.

- **Argentina:** The R&D centre there has succeeded in breeding a local bumblebee. This will enable the country to avoid having to import exotic species. Three years of research were invested in this project, and the bumblebee can be introduced throughout Latin America.
- **Israel:** Creation of a joint venture with a local partner (Pollination Services Yad Mordechal), allowing us to gain access to this protected market which prohibits the import of all living animals.
- **China:** An agreement has been signed between the Chinese and Belgian authorities with regard to exporting bumblebees to China. This first contract is a door-opener, giving us access to a very large market.

Enzybel International

- **Indonesia:** Confirmation of the production of a high-quality and stable enzyme and an improvement of production output in the second half of 2012 at our bromelain factory inaugurated in 2011 on the island of Sumatra.

- **Belgium:** Our Villers-le-Bouillet production unit, responsible for producing papain, ficain and actinidain, has gained Class D GMP certification.

Sopral

- Sopral, a Madagascan company producing natural products is the country's only company with IFS (International Food Standard) certification for the production of pepper. Sopral has also Fair Trade certification for litchis.
- As regards vanilla, despite a terrible 2012 season in terms of quality for the country, Sopral still managed to produce top-quality vanilla. Market prices have increased greatly and Madagascar now has an 80% share of the world vanilla market.
- Good results for voatsiperifery, a wild pepper greatly prized by connoisseurs for its spiciness and floral properties. Its commercial production and marketing began in 2011.
- Continuing work on setting up operations, in partnership with Madagascan stakeholders, for the exploitation and marketing of guano, a 100% natural organic fertiliser renowned for its agronomic properties. This product will be exported to Europe.

Sotecna

- An average year, marked by supply problems and by the restructuring of this line of business producing essential oils for aromas and perfumes.

Dunmanus Seafoods

- The capital of Dunmanus Seafoods was increased in 2103 to give added momentum to this Irish company, the European leader in aquaculture sea urchins, and to increase its capacity.

ChemCom/ TecnoScent

- The ChemCom and Givaudan shareholders have taken the decision to liquidate their joint subsidiary, TecnoScent. ChemCom has revitalised its human olfactory line of business, which complements the insect line of business in the field of chemical communication.

The Chemical Division is involved in the chemistry and metallurgy of non-ferrous metals (zinc, lead, nickel and cadmium salts) as well as in the recycling of metal-based waste such as galvanizing residues and Ni/Cd and Li-ion batteries.



PVC stabilisers



Recycling of hybrid vehicle batteries



Cadmium and nickel salts for the batteries (Ni/Cd) of portable devices



Zinc chloride for "green" mercury-free batteries



Recycling of rechargeable batteries



Electronic equipment for aircraft



Cadmium oxide for red pigments



Zinc sulphate / trace elements for animal feed



High-purity zinc salts for the pharmaceutical, cosmetics and food sectors



Cadmium salts for PV panels



Zinc chloride for treating mains water in treatment plants



Cadmium oxide for yellow pigments



Lead oxide for the batteries of submarine detection equipment



Zinc sulphate and zinc carbonate for electronic devices



Zinc chloride for manufacturing nylon

Chemical and Special Metals Division

"2012 proved to be an exceedingly difficult year for the Chemical and Special Metals Division, with the majority of our activities being severely hit by the crisis. Despite the very negative results, we have weathered the crisis better than the majority of our competitors in terms of volumes and have gained market share in several lines of business. Several factors were instrumental in this: **the major investments made over the last few years in innovative production tools helping to raise productivity, our extremely international positioning, our reactivity and the involvement of our teams.**

In reaction to the deep crisis hitting Europe, the Division's management took a number of strategic measures in 2012, both in terms of developing new markets and introducing new products with a high added value. These are expected to have a positive impact on 2013 results."

Simon Vlajcic, Managing Director Chemical Division.





The Chemical Division is made up 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 five 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 salts;
- Water treatment, fungicides and PVC stabilisers - involving zinc chloride;
- Thin-film photovoltaic solar panels - involving cadmium salts.

The Division's high degree of diversification, both geographically and in terms of markets, has enabled it to reduce its exposure to the crisis.

Contrary to the slight improvement we expected for the second half of 2012, all activities were affected throughout the year by one or more of the following negative factors: the crisis in the European construction sector, the collapse of the photovoltaic panel market, continuing low metal prices (e.g. for cadmium and nickel) and the sharp drop in demand and prices for lead-based stabilisers.

In the face of this critical situation, the Division reacted very quickly, implementing several strategic decisions:

1. Focusing on major export markets for PVC additives

With the European construction sector, our main market for PVC

additives, remaining depressed (a situation likely to continue until 2014), we turned our sights on opportunities in other regions. Via its subsidiaries, IKA in Germany and Kimflor in Turkey, both of which have already built up a strong presence in emerging markets (Eastern Europe, Russia and Turkey), Floridienne Chimie has accelerated its export push. The GreenStab® range of "green" stabilisers (without heavy metals) for PVC pipes and fittings meets the needs of Brazilian, Indian and Chinese manufacturers of high quality PVC. This applies both to their respective domestic markets, where the introduction of new environmental restrictions is looming on the horizon (China aims to ban lead at the end of 2015) and to their exports to countries requiring clean stabilisers, such as Australia.

2. Opening up new markets with high-purity metal salts

The collapse of the photo voltaic panel market led to the decision to reduce high-purity cadmium salt operations to a minimum and to refocus operations at our Ath production plant for high-purity metals inaugurated in 2011. Production facilities have been converted to produce high-purity zinc salts for the cosmetics, pharmaceutical and food sectors. Everything has been done to gain the GMP certification necessary for supplying these sectors: the audit is planned for April 2013 and first sales are hoped for in the second half of 2013.

Floridienne Chimie is already the leading producer worldwide of zinc salts for industrial use. The high-purity salts open new

perspectives on worldwide markets. High-purity zinc chloride for example is used as a catalyst in the production of beer.

This example also illustrates the great flexibility of our new production facilities in Ath, specifically designed to react to the rapid changes in the markets in which the Group operates.

3. Developing the market for batteries in emerging countries

Batteries based on cadmium salts are proven, being used in aircraft,

TGVs, underground trains, etc. One development focus is on supplying emerging markets, especially India and China.

These developments are expected to have a positive impact on Floridienne Chimie and SNAM.

4. Reducing exposure to price volatility

Measures have been taken to reduce the exposure of Floridienne Chimie and SNAM to metal price volatility. The fall in the prices of cadmium and nickel had a negative impact

on 2012 margins, especially as regards the value of inventories. These measures involve both production management (just in time) and the structure of contracts to ensure better risk coverage.

5. Developing flame retardant additives

The objective of the semi-industrial pilot production plant for new-generation flame retardant additives (non-halogenated) at Ath is to meet strong demand from the plastics industry and, looking further afield, from the electrical,

Floridienne Chimie's new production facilities at Ath (Belgium).



"GREEN" 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 being able to already market the two alternatives to lead currently existing on the market:

- 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 has invested heavily in 2011 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 development towards environmentally friendly stabilisers, as zinc chloride is a strategic raw material necessary for producing calcium-zinc PVC stabilisers.

electronics, automotive and passenger transport (trains, aircraft and buses) sectors - a new and very promising activity according to the tests successfully carried out at renowned research institutes and customers in Europe and Asia. Tests will continue in 2013, with first products for sales being produced in our pilot plant with its existing capacity. The construction of a new production

plant with greater capacity is being studied at Ath, with construction set to begin when market conditions improve.

These specialty additives are used in the processing of various plastics to increase their fire resistance.

Floridienne Chimie holds an exclusive licence for producing Safire®, a flame retardant for

which a patent application has been filed by Catena, its sister company. This new product complies with the strictest environmental standards, both with regard to its manufacture and in its applications (non-halogenated).

Listed below are a few examples of its potential uses:

- A flat screen TV contains plastic representing the

equivalent in heat load of several litres of fuel. In the case of a fire resulting from a short circuit, it is important that the plastic is fire-resistant.

- Looking at the European transport sector, it is estimated that one bus in a hundred catches fire each year. The fumes given off by its plastic components in the first minutes are extremely dangerous for passengers. New European standards are soon to come into force boosting passenger safety.
- Turning to the electronics sector, smartphones are also a potential market.

Outlook

The Division intends to continue developing long-term strategic partnerships with well-known corporations, as is already the case with BASF (supplies of zinc chloride), Solvay (PVC additives), Toyota Europe and PSA Peugeot Citroën (recycling the batteries of hybrid vehicles) and Panasonic (cadmium oxide for rechargeable batteries).

The Division also 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 footprint. Here, it is focusing mainly on Asia and the American continent.

The results of the efforts undertaken in 2012 will not be visible until 2013-2014. They were indispensable for ensuring the Division's long-term prospects. Though certain workforce adjustments were unavoidable, the Division hopes that its refocusing and the development of new products will ultimately benefit local jobs when the economic climate picks up again.

A flat screen TV contains plastic representing the equivalent in heat load of several litres of fuel. In the case of a fire resulting from a short circuit, it is important that the plastic is fire-resistant.

Our German company, IKA, is a specialist for additives for window profiles.



Return on major investments

To ensure the sustainable development of the Chemical and Special Metals 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, once the economic climate picks up), projects helping the Division to achieve ISO 14001 compliance and certification, the construction at Ath of a new production facility for high-purity metals (cadmium and zinc salts) where one eagerly awaits GMP certification.

At the end of the programme, the Division will have at its disposal state-of-the-art and highly efficient production facilities.

- Secondly to offer environmentally friendly products and recycling solutions:
 - calcium-zinc stabilisers,
 - organic stabilisers without heavy metals,
 - new products, currently under development, in the area of metal recycling,
 - the ability to process batteries from hybrid and electric vehicles, for which volumes are set to increase,
 - etc.

Developing rapidly, the Indian underground railway system uses cadmium oxide in its batteries. Floridienne Chimie sales in this field are rising 20% a year.



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 without mercury. 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 EuroStabs® 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.) 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 (production started 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 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/screwdrivers, etc.). The company is focusing on expanding 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.
- Production at the new facility for high-purity cadmium and zinc salts started in July 2011.

Recycling

Floridienne Chimie is an approved operator for toxic and dangerous waste recovery. It co-operates with its customers in recycling products that have reached the end of their useful life. It recycles production residues in the field of

galvanisation and 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.

Quai des Usines 12 - B 7800 Ath

Tel.: +32.68.28.19.12

Fax : +32.68.28.68.11

www.floridiennechimie.com

SNAM S.A.S.

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, 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 2011, Toyota France and SNAM signed an agreement on recycling Toyota and Lexus car batteries throughout Europe. Similarly, PSA Peugeot Citroën France is also a SNAM partner for hybrid vehicles.

SNAM has launched a major investment programme enabling it to meet the strictest HSE standards in the context of

recycling metals. This will give the company a leading position in this area. 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.

An agreement signed between Toyota Europe and SNAM covers the recycling of Toyota and Lexus hybrid vehicle batteries throughout Europe. More than 5 million Toyota and Lexus hybrids have already been sold worldwide.

Floridienne Chimie is targeting India and China for the use of its «green» (without heavy metals) PVC stabilisers in the production of pipes and fittings - a big advantage in regions considering alignment with European environmental restrictions.



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

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.S.

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 Développement's 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 Développement's additives via its worldwide network. The synergies between the two companies and their product ranges continue to grow.

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-developpements.com

[com](http://www.vera-chimie-developpements.com)

ATLANTIS RESOURCES S.P.R.L.

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.

Quai des Usines 12 - B 7800 Ath

Tel.: +32.68.28.19.12

Fax : +32.68.28.68.11

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 production 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 "green" stabilisers».

Floridienne has a 90% holding in IKA, with the other 10% being held by its managing director, Dr. Beck.

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

CATENA ADDITIVES GmbH

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 has also filed a patent for Safire®, a very promising flame retardant for which a production plant will soon be built by

Floridienne Chimie.
 Neue Bergstrasse 13,
 D 64665 Alsbach-Hähnlein
 Tel.: +49 6257.5079.164
 Fax: +49.6257.5079.165
www.catena-additives.com

KIMFLOR A.S.

KIMFLOR, a joint venture between Floridienne Chimie (the majority shareholder) and a Turkish partner (M. Demirel, 25%), 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.

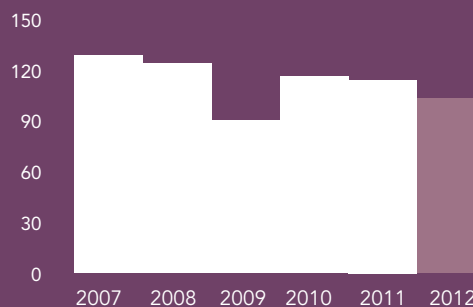
Izmir Aydin Karayolu 35 KM.29 Ekim Mah. No:23 35875 Torbali Izmir - Turquie
 Tel.: +90.232.853.90.66
 Fax: +90.232.853.90.65
www.kimflor.com

Key figures

Consolidated data
 In EUR millions

	2012	2011
Turnover	103.3	114.2
Operating result	-6.0	-1.9
Net result	-13.1	-1.7
Net result attributable to Floridienne	-9.6	-0.8
Net cash flow	-3.4	0.4

Turnover



Florifood concentrates all of Floridienne's food activities via FLORAGRO S.A. The Division is aiming to diversify operations in its two segments - Gourmet Specialties and Smoked Fish and Seafood, 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).



Coquille Saint-Jacques



Oven-ready snails



Smoked fish



Rollmops



Smoked mackerel



Shrimps



Salad spreads



Appetisers



Hummus



Fish terrine



Mussels



Pre-cooked
modified-texture meals



Cold sauces

Food Division/ Florifood

2012 saw Florifood continuing to work on optimising its cost structure and developing synergies between its various activities. Thanks to these efforts, we have been able to weather the adverse economic climate quite well. Rising sales of certain products, the 2011 price rises compensating for higher raw material prices, the development of new activities and **the right level of product and technological diversification** saw us regaining an acceptable level of profitability, taking us towards achieving our net profit target of €2.5 million.

Philippe Boonen, Managing Director Food Division





The Division saw business holding up well in the **Gourmet Specialties and Smoked Fish and Seafood** segments, despite an economic environment negatively influencing purchasing power, stagnating consumption levels, gloomy weather and an unexciting end-of-year period, with consumers tightening their belts with regard to festive eating. The work done on our cost structure, on consolidating our market shares and developing new activities has allowed us to keep course in 2012, increasing our sales by 6% (€134 million against €126.8 million in 2011).

Over the last few years, the diversity of our activities has played an important role in compensating for the high price volatility of a number of our raw materials. After two years characterised by spectacular price hikes for several raw materials, 2012 saw a certain levelling off of prices - still rising somewhat for certain raw

Business development focuses on the following segments:

- Gourmet starters.
- Ethnic cuisine and "flavours of the world": Mediterranean specialities, halal and West Indian food.
- Balanced diet and nutrition: organic recipes and pre-cooked modified-texture meals.
- Regional and traditional dishes: typically French specialities.

materials in the first half but stabilising in the second half. Nevertheless, prices remain high, meaning that we are still subject to pressure on our operating margins despite the selling price rises negotiated in 2011.

Successful diversification

1. Given the nature of its business, FLORIFOOD offers a wide range of products. This diversity is however channelled by developing synergies between the different activities and guided by a strategy of only being present in niche markets and market niches.

This positioning is reflected by the Division's two segments: "Gourmet Specialties" and "Smoked Fish and Seafood".

2. The Division's production strategy concentrates on manufacturing Gourmet and gourmet products.

Each of the Division's 11 production plants, although specialised, is based on the production of at least 2 - 3 product families. The main raw materials are snails, scallops, salmon, butter and other seafood (clams, salmon, herring, mussels and crayfish).

Production sites are organised around three principles:

- Organisation by production technology: fresh, frozen and canned.
- By know-how (specialisation)
- By autonomous business unit.

3. Given the special character and diversity of its products, FLORIFOOD is present in all distribution channels: in the retail sector (hypermarkets, supermarkets and grocery stores), in specialised networks (home service, freezer centres), in the catering industry (including institutions, wholesalers and commercial catering), and in the export market. Products are sold

both under the Division's own brands and as distributors' own-brand products.

4. Although mainly targeting the French market, the Division's scope is becoming increasingly international. On the one hand, it now has production plants in Romania, Lithuania and Turkey. On the other hand sales abroad are growing, with the share of non-French sales rising to 35% in 2012 (31% to Benelux, 4% to the rest of Europe, Asia and the US).

Gourmet specialties

The Gourmet Specialties segment mainly focuses on the production and marketing of frozen specialties, such as

snails, pre-cooked coquilles Saint-Jacques, stuffed mussels and scallops, potpourris, puff pastries, appetisers and offal dishes.

Concentrated in the Groupe Française de Gastronomie company, Gourmet Specialties operates in niche markets focused on party foods, with a strong accent on end-of-the-year sales.

Though its market of choice 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.

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

Smoked Fish and Seafood

The Smoked Fish and Seafood segment mainly covers the production and marketing of salmon and other smoked fish (tuna, mackerel, herrings), roll mops, spreads, fish terrines, seafood salads, anchovies, appetisers in glasses, and other deli products (sauces, nutrition products, Greek and West Indian specialties).

The segment consists of 5 independent companies: GEL

Coquille Saint-Jacques à la Bretonne

Pre-cooked Bourgogne snails



*Chamaelea gallinaria, origine Argentine (A), Chamaelea opercularis, origine Royaume-Uni (B) ou Îles Féroé (C), Argopecten purpuratus, origine Chili (D) ou Pérou (E), Argopecten

MANCHE (France), SIMON DUTRIAUX (France), SALM INVEST (Belgium), DELKA (Belgium) and MERYDIS (Belgium). These companies together are developing major production and marketing synergies, with a view to extending their range of products and boosting their presence in their respective markets.

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

Acquired in 2012, Merydis is a Belgian company (based in the Liege region) specialised in the manufacture of up-market jams, traditional preserves and sauces for foie gras, pâté, game,

poultry, etc. and of course the famous Sauce Liégeoise. Merydis markets its products either as own-brand products or as Jean-Baptiste Lambert products, a brand that has been in existence since 1768.

Merydis and Delka, a company acquired in 2010 and which manufactures cold sauces for the major supermarket and catering chains, now share production facilities at the Petit Rechain plant. Together, they are becoming "the" specialist for sauces and toppings.

Opening up this new market for the segment also involves integrating existing activities, with the sauces also available for use in the dishes of sister companies.

Certified quality products

The FLORIFOOD Food Division offers its customers and consumers quality products based on the principle of sustainability. With product traceability and quality very much in the news in recent months, here is a list of the various certifications the group has gained.



- Our production plants are all IFS-certified (the International Food Standard, certifying

Simon cold salads



A pre-cooked modified-texture meal



Delicatessen salad



compliance with all quality and safety requirements for food processes and products), a gauge of food quality and safety when selling as own-brand products, and/or ISO 9001-certified (a certification regarding quality management systems).



- Red Label certification, a guarantee of higher quality, for snails processed in France (Bourgogne) and in Lithuania.



- MSC (Marine Stewardship Council) certification for sustainable fisheries (mackerel, wild salmon, herring and scallops).



- Ecocert certification for salads and "petit gris" snails.
- Halal certification for a range of cold sauces.



- The showcasing of the collective regional brand "Saveurs en Or" from the Nord Pas-de-Calais region (Simon Dutriaux).



- The showcasing of the collective regional brand "Made in Brittany" (Gartal and La Paloudière).



- The showcasing of the collective regional brand "Buy Normandie" (Gel Manche Gastronomie).

and environmentally-friendly production

- All plants are now equipped with independent treatment facilities for recycling waste water.
- Decentralised inventory management also helps to reduce the transportation footprint.
- A 5-year programme for reducing waste by 10% has been introduced, and waste-sorting is now practiced.

Continuing focus on strategic activities and activities in which we have a majority holding

At the end of 2012, the Group concluded the divestment of our 34% stake in White Toque, a US company specialised in marketing European foods in the USA. The proceeds were used to acquire 100% of MERYDIS.

Larzul

We still only own 50% of Larzul SAS shares, though without being able to actively intervene in the company's management. A dispute relating to the merger remains unresolved, with legal proceedings continuing between FDG and VECTORA.

Outlook for 2013

Forecasts are positive for 2013 in our various business units, whether with regard to gaining new markets, keeping raw material costs in check or developing further synergies between sister companies.

The Division's companies

FRANCE

Groupe Française de Gastronomie S.A.S.

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

Production site

Le Clos Saint-Anne
F - 43100 Vieille Brioude
Tél.: +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.

Based in Brittany, Larzul is specialised in canned products made of beef and poultry, and in seafood dishes. It is France's leading producer of beef tongue and canned offal. The legal dispute between Floridienne and the Larzul family on the

ownership of Larzul shares has still not been concluded. Floridienne is hoping that the court will rule in its favour, allowing the company to be integrated in the Group's activities and development. Measures will be taken to implement production and marketing synergies with other Division operations.
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

CAMARGO S.A.S.

Camargo is a company specialised in supplying snails.
2, Allée d'Helsinki,
CS 80072 Schiltigheim

Stuffed mussels flavoured with champagne



Puff pastries with snails and crayfish



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.S. and
 ETABLISSEMENTS
 DOUSSOT S.A.S.**

These two Brittany-based companies specialise in coquilles

Saint-Jacques and seafood pastries. Their main brands are Mareval and La Palourdière.

Gartal S.A.S.

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.S.**

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

Snails in white wine



Cold sauces



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. It benefits from being a well-known name in the retail sector in Northern France.

The Simon Dutriaux production plant is the home of Simon Selection SAS, a company belonging 50% to Salm Invest and 50% to Simon Dutriaux. The company is specialised in marketing smoked salmon to the French market.

*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*

MERYDIS S.A.

Merydis S.A., a Belgian company established in 1989 in the Liege region, is specialised in the production of hot sauces, preserves, jams and toppings. With its range of products complementing the cold sauces produced by Delka, the company moved its production to the latter's plant in early 2013.

*Rue de Battice 22B
B-4800 Petit Rechain
Tel : +32 87 76 63 38
Fax : +32 87 76 57 48
<http://www.merydis.be>*

SALM INVEST S.A., KARRAS S.A., VENDSYSSEL S.A.

Involved in the traditional smoking of salmon and other fish (tuna, marlin, trout, etc), these companies also produce ethnic dishes based on Mediterranean recipes (tarama, hummus, etc.).

They offer a complete range of products developed for the seafood shelf (dried, smoked, marinated and as spreads)

*Avenue de Lambussart 11
B - 6220 Fleurus
Tel.: +32 71 816.180
Fax : +32 71 810.376
www.salminvestgroup.be*

SUPPLY COMPANIES

For better control over its supply of raw materials, the Group has production plants 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 in Eastern Europe are regularly envisaged, complementing the existing ones and helping to guarantee the homogeneity and quality of the raw materials used in pre-cooked 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 - Roumanie
Tel.: +40.25.88.11.200
Fax : +40.25.88.19.370

UAB CAMARGO, LITHUANIA

This company collects and processes "Hélix Pomatia" snails.

Vilniaus r. sav. - Pakalnes g. 7
Bezdonys, Bezdoniu sen.,
15201 Lituanie
Tel.: +370.52.69.64.46
Fax : +370.52.69.64.93

MENETREL, TURKEY

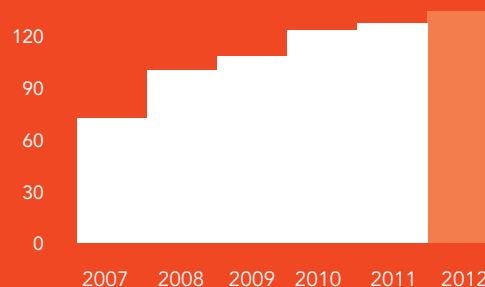
This company is involved in collecting "Hélix Lucorum" snail meat and putting it into shells for the production of cooked dishes. MENETREL has also diversified into the production of marinated anchovies.

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

Key figures

Consolidated data In EUR millions	2012	2011
Turnover	134,1	126,8
Frozen foods	54,5	54,2
Fresh foods	79,5	68,6
Miscellaneous	0,0	0,1
Operating result	2,7	2,1
Net result	1,2	0,1
Net result attributable to Floridienne	1,2	0,1
Net cash flow	4,3	2,7

Turnover



As Floridienne's youngest division, The Life Sciences Division is now confirming its evolution as a full-fledged industrial division. 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 crucial issues:



Production of essential oil from horseradish



Pollination by bumblebees



Production of actinidain, an enzyme extracted from kiwifruit



An enzyme used in bakeries



Production of enzymes extracted from papaya



"Blocking" molecules for deodorants



A bug useful for protecting tomatoes



Biological plant protection using beneficial insects and mites



Litchi Fair Trade



Green pepper



Sea urchin aquaculture



Natural enzymes used in cosmetics



Vanilla from Madagascar



Essential oils for aromas and perfumes



Production of bromelain from pineapple roots

Life Sciences Division / Biofirst

"2012 saw the Life Sciences Division (BIOFIRST) continuing with its strategy of increasing its industrial footprint and consolidating its activities. The strengthening of Biobest's leadership in pollination and integrated pest management, the restructuring of ChemCom and TecnoScent in the field of the chemistry of taste and olfaction, the start-up of Enzybel's Indonesian plant for producing bromelain, the quality certifications gained by Sopral, the integration of all lines of business within BIOFIRST and the creation of synergies between the subsidiaries - all these events and activities will bear fruit in the coming years."



Christian Van Osselaer, Managing Director Life Sciences



THE LIFE SCIENCES DIVISION IS DEVELOPING EXTREMELY INNOVATIVE ACTIVITIES IN THE FIELD OF:

- Agriculture (ChemCom and Biobest):
 - increasing the productivity of certain crops by bumblebee pollination;
 - the use of insects, mites and microbes beneficial in reducing or replacing certain pesticides, or solving problems of plant resistance to current solutions,
 - developing natural or near-to-nature solutions on the level of the chemical communications used as language in plants and insects.
- In biodiversity conservation, replacing extremely rare and expensive molecules making up natural odours by other molecules (ChemCom).
- Wellness and health:
 - producing high-quality natural products used in such sectors as food, cosmetics, drugstore products : vanilla, green pepper (Sopral), essential oils (Sotecna), enzymes of plant origin (Enzybel International),
- The development of new technologies aimed at effectively controlling specific odours. These molecules, known as "blockers," target manufacturers of deodorants, laundry and homecare products (ChemCom).

The Group's youngest division is now taking its first steps as a true production division. Having focused its activities on the environment and wellness, it is now beginning to reap the fruits of its investments.

The 2012 consolidation of the Life Sciences Division helped accelerate and played a major contribution towards the Division making an operating profit in 2012 and towards its encouraging outlook. However it remains greatly impacted by the substantial research effort of ChemCom, which should open the door to industrial partnerships in 2013. As a reminder, Floridienne acquired all shares of the Biofirst holding

company which now owns Biobest (99%), ChemCom (45%), Sopral Madagascar (100%) and Sotecna (78%), 4 companies all of which supply organic products and solutions for agriculture and wellness. It also owns all shares of Biochem-Europe (100%), which in turn owns the enzymes business of Enzybel International.

The Life Sciences Division now has the autonomy needed to fully focus its resources on its

long-term business development. Though diversified, these are consistent with the Group strategy aimed at gaining leadership in market niches and niche markets. A number of synergies between the subsidiaries have been created and are set to be intensified.

Financial progress has been made, especially with regard to the two activities featured below.

Biobest continues its growth and innovations

The Belgian company Biobest has further built up its leading position and improved its results. Specialised in biological pollination by bumblebees and biological pest management using beneficial insects and mites, it is one of the two leading companies worldwide in integrated pest management.

With production plants in Argentina, Canada, the United States, Israel, Morocco and

Turkey, Biobest markets more than 40 different species and exports to almost 60 countries via its distribution network.

In Europe in 2012, frost and bad weather prevented pollinating insects from flying during the key pollination periods. Fortunately, Biobest bumblebees were able to fly to the assistance of farmers confronted with a disastrous situation for their crops. In contrast to ordinary bees, bumblebees are able to cope with wind and cold. Moreover they fly earlier in the season and work more and quicker. They are

bred in a protected environment and not exposed to pesticides (as is the case with bees). Their breeding and availability can thus be guaranteed.

With a view to using bumblebees on field crops and not just in greenhouses, Biobest has developed special nest boxes resistant to bad weather and sheltering up to three colonies of bumblebees.

The quality of Biobest solutions enables the company to stand out from its competitors. To maintain its position, Biobest is

Developed in 2012, the innovative Flying Doctors® concept uses the bumblebees pollinating crops of strawberries and tomatoes as transporters of microbial «medicines», thus avoiding the spraying of pesticides.



continuing to invest in solutions for the future.

The Division's philosophy with regard to beneficial insects is to offer alternatives or new solutions replacing the traditional chemical approaches. Complementing or replacing these, integrated pest management is a way of reducing the environmental impact of pesticides and helping plants to become increasingly resistant in a shorter space of time.

As a way of offering new "green" solutions, Biobest is working together with a number of renowned research institutes.

This saw Biobest researchers developing a new biological pest management system in 2012, which avoids or at least reduces pesticide spraying. Presented at the beginning of 2013, the innovative "Flying Doctors®" concept uses the bumblebees pollinating crops of strawberries

and tomatoes to transport microbial «medicines» against grey mould and other diseases which cause major crop losses.

"Flying Doctors®" is an ingenious and patented distribution system, integrated in the new standard bumblebee hive. When the bumblebees leave their hive, they pass by a tray containing a specially formulated preparation of microbial fungicide or insecticide, which adheres to

The angelica essential oil produced by Sotecna (Lessine, Belgium) is used for its benefits to the digestive system (bloating, spasms, etc.), in fine perfumes and in liquors (especially gin).



their legs and silks. They then leave the product on each flower they visit.

Biobest is now working on introducing a new species of local bumblebee allowing producers in North America and Canada to benefit from the system, with their own local "Flying Doctors®".

Enzybel International expands its applications through certifications

For a number of years now, Floridienne has been investing to meet the growing worldwide demand for enzymes of plant origin. Apart from the investments in production facilities, the other investments involve gaining the strict certifications, synonymous with quality guarantees for these products (enzyme and hygiene business).

Enzybel International is the only producer in the world in possession of the facilities for extracting and purifying vegetable proteases meeting the quality standards required by the pharmaceutical sector. Its production plants in Indonesia

and Belgium adhere to the GMP rules (good manufacturing practices), and international certifications are expected this year. The Belgian production plant at Villers-le-Bouillet, which produces papain, ficain and actinidain, gained Class D GMP certification in 2012, while the Indonesian plant on Sumatra has been awarded the "good manufacturing practices for Active Pharmaceutical Ingredients" certification by the local authorities.

The Indonesian production plant for bromelain which started operations in 2012 in partnership with one of the leading producers worldwide of pineapples (Great Giant Pineapple) reached satisfactory yields in the second half of the year and is now operating profitably. It will be operating at full capacity in 2013.

Bromelain is a natural enzyme extracted from pineapple roots and used in markets with high added value:

- pharmacy products (digestion aid, burns, treatment, anti-inflammatory and anti-tumour treatment),
- cosmetics (skin cream, toothpaste),
- bakery products (gluten hydrolysing),

- human or animal food (hydrolysis of soy protein. structural modification in pet food).

Enzybel International has now begun investing in R&D into active formulations and new products responding to market needs. Its research laboratory is located in Brussels, close to the universities and research centres specialising in enzymes. Aware of the technical complexity of its products, it has developed a Customer Competence Centre to support customers in the development of their products in a wide range of application fields.

Moreover a business developer has joined the sales team to develop the markets for existing products and those under development. A particular focus is put on pharmaceutical and nutraceutical developments.

With a view to securing supplies of the required raw material, but also to developing new markets for its products, Enzybel International intends to invest in the Democratic Republic of the Congo to develop technologies for ensuring the long-term prospects of its papain business.

Outlook for 2013

In line with what we announced last year, the sustained efforts and investments made over the last few years are beginning to pay off, and we are now clearly on the road to becoming profitable. We hope to generate close to EUR 2 million in profits in 2013. The performance of the Indonesian bromelain production plant is expected to improve,

and we are also confident that the supply of raw materials to Enzybel International and Sopral will continue to improve; Biobest is expected to perform better as a result of its new markets, while the search for new partners for ChemCom (which has remerged the TecnoScent business) should help give this promising and unique business new momentum.

Biofirst companies

CHEMCOM S.A.

Established in 2000, ChemCom has become an international reference in the world of chemical communications. It helps the food, cosmetics, agricultural and pharmaceutical sectors to discover, select and tune interesting products in the

The 2012 issue of the Biobest manual on the side effects of pesticides on pollinators and useful insects is a valuable instrument in sustainable crop management. It is also available as a smartphone app.



fields of taste, olfaction and pheromones.

The company has developed an artificial human nose cloning and expressing all olfactory receptors. The deorphanisation of all olfactory receptors not only allows the understanding of odour perception, recognition and discrimination but also represents a powerful, robust and industrial tool. 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 such communication could influence the behaviour of insects, for example by using repellent signals to entice them away from protected areas and attract them to a place where they can be eliminated or by blocking their chemoreceptors with specific antagonists. The potential is for green products, non-toxic to humans, with very specific functions and usable in

In Madagascar, Sopral has gained IFS (International Food Standard) Version 6 certification for its pepper production.

Bromelain, an enzyme extracted from pineapple roots, is used in nutraceuticals, pharmaceuticals, protein hydrolysates and pet foods.



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*

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 some 40 species of beneficial insects to more than 55 countries.

Biobest has its own "Green Lab" for testing the side 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*

SOPRAL - Madagascar

Sopral, a company located in Madagascar, operates in the fields of green pepper (one of the best in the world) and other spices, essential oils (cinnamon, pepper, clove, paperback tree, ravintsara, calophyllum, processed fruits (pulp, syrup, jams, candied lychee, mango, pineapple, physalis, granadilla), 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 various natural resources, including guano.

*PK4, route de Fénériver
501 Tamatave (Analamalotra)
Madagascar
Tel.: + 261.2053.316.30
Fax : +261.2053.316.50
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.

*Zoning Ouest 1 - B 7860 Lessines
Tel : +32.68.33.35.45
Fax : +32.68.33.13.52
www.sotecna.com*

ENZYBEL INTERNATIONAL S.A.

Enzybel International is the world leader in the extraction and refining of vegetable proteases. 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 protease. In addition, Enzybel is actively developing further enzymes: bromelain and ficain, obtained respectively from pineapple and figs.

These vegetable proteases 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).

Enzybel International is also active in the field of waste water treatment, as well as in the production of a snail extract for the bio-pharmaceutical market.

116 rue de Waremmes
 B 4530 Villers-Le-Bouillet
 Tel : +32.4.259.93.30
 Fax : +32.4.259.93.39
 www.enzybel.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

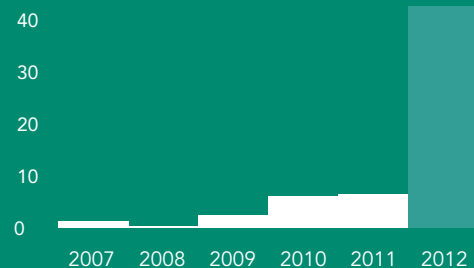
the Asian market with sea-urchin roe.

Durrus, Bantry, Co. Cork
 Tel.: +35.3.283.55.00
 http://farm.mywebweb.com

Key figures

Consolidated data In EUR millions	2012	2011
Turnover	42.7	6.5
Operating result	0.4	-0.8
Net result	-0.1	-0.8
Net result attributable to Floridienne	-0.1	-0.6
Net cash flow	1.9	-0.3

Turnover



(Free translation of the official French version of the Management report of the Board of Directors)

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS TO THE ANNUAL GENERAL MEETING OF 4 June 2013

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 2012 to your approval.

Floridienne is a company characterised by its investments in niche markets in three sectors: chemicals, food and 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

2012 turnover reached EUR 280 million, considerably up on that of 2011. This increase is for the most part explained by the first-time inclusion of Biofirst and its subsidiaries in 2012, to the amount of € 34.3 million. Disregarding this effect, turnover was stable, with the increase in turnover achieved by the Food Division compensating for the decrease recorded by the Chemical Division.

EBITDA remained basically stable at 31/12/2012, reaching

€ 7.3 million (31/12/2011: € 7.4 million). Had the consolidation scope remained constant, i.e. excluding Biofirst and its subsidiaries with their 2012 EBITDA of € 2.3 million, it would have dropped € 2.3 million to € 5.0 million. This decrease is attributable to the bad 2012 results of the Chemical Division.

The operating result dropped sharply to a loss of € 3.2 million at 31 December 2012, compared to € 0.0 million at 31 December 2011, mainly on account of the increased amortisation associated with the inclusion of Biofirst (€ 1.9 million) and the continuing investments of the Chemical Division (+€ 1.6 million) associated with its re-orientation towards new business fields.

Floridienne closed its accounts at 31 December 2012 with a consolidated net result of € -16.4 million for the share attributable to the Group, compared to € 38.4 million at 31 December

2011. Half of this result is due to the difficulties encountered in 2012 by Floridienne Chimie and the rest to the impairment of € 7.9 million recorded on our holding in 5N Plus, whose stock price declined sharply in 2012.

Chemical Division

Change of scope: there has been no change of scope against that of 31 December 2011.

Chemical Division turnover dropped by € 10.8 million, from € 114.2 million at 31 December 2011 to € 103.4 million at 31 December 2012. This drop reflects the business downturn in 2012 and the effect lower metal prices had on turnover.

The operating result at 31 December 2012 was € -5.9 million, against € -1.9 million at 31 December 2011. This sharp drop is explained by the continuing low price of several metals, by low volumes in

several of the Division's lines of business putting pressure on their margins, and by increased amortisation charges (€ 5.6 million in 2012 against € 3.9 million in 2011) generated by the continuing investments at Floridienne Chimie and SNAM, mainly in the field of vehicle battery recycling, lead-free additives and flame retardants.

The Chemical Division's net result is down € 11.4 million, from a net loss of € 1.7 million at 31 December 2011 to a net loss of EUR 13.1 million at 31 December 2012. The Group's share of this loss is € 9.6 million. This sharp decrease in the Chemical Division's results is to a great extent attributable to the non-recognition of deferred tax assets on the 2012 loss and a reduction in the overall value of deferred tax assets on the fiscal losses recognised before 2012. Based on assumptions that the crisis would end in the second half of 2012, we activated € 2.0 million of deferred taxes for Floridienne Chimie in 2011. In 2012, however, in the light of the general concerns regarding the possible medium-term end of the crisis in the eurozone, Floridienne management decided not only to not activate the deferred taxes of € 3.1 million generated in 2012 by Floridienne Chimie, but also to book as a loss the deferred taxes previously activated for this

company for an amount of € 3.5 million - i.e. a total of €6.6 million for the 2012 results.

Risks and uncertainties

With the gradual disappearance of its traditional lines of business (especially lead), and the growth of its new lines of business (new-generation plastic additives and high-purity zinc salts) slowed down by the economic crisis, the situation at Floridienne Chimie is difficult. Nevertheless, the Floridienne Board remains confident about the long-term prospects of Floridienne Chimie and its capability to successfully conclude its switch to these new lines of business, though this is dependent on the company ensuring its financing. In this respect, an agreement is currently being negotiated with several partners to ensure Floridienne Chimie's medium-term cash requirements and to enable it to complete its investment programme. Based on the long-term perspectives used in testing Floridienne Chimie assets for impairment, the Floridienne SA Board has not deemed it necessary to book any impairments on the assets of this company, other than the active deferred taxes.

Turning to SNAM, a company working in the field of recycling batteries, the situation was also difficult in 2012, hit by the

continuing low level of metal prices throughout the year. The outlook for this company remains positive, especially on account of the signing of several major long-term contracts with vehicle manufacturers regarding the recycling of batteries from their hybrid vehicles. Here again, financing is being negotiated, allowing the company to complete its investment programme and successfully conclude its transition period.

The Division's other activities, less related to the situation in Western Europe, by contrast stood up well to the crisis in 2012.

Food Division

Change of scope: Balance sheet consolidation of Merydis SA, a company acquired by Floridienne at the end of 2012. This company will be consolidated in the annual results from 2013 onwards.

The Division's turnover was € 134.1 million at 31 December 2012, against € 126.8 million at 31 December 2011. This increase is mainly explained by sustained growth in Fresh Foods.

2012 ended with an operating result of € 2.7 million, up € ≈0.7 from the € 2.0 million recorded at 31 December 2011. This improvement is attributable mainly to Frozen Foods, which

saw purchase prices for certain raw materials easing in the second half of 2012, and to the continuing integration of a number of the Division's subsidiaries.

The net result of the Food Division at 31 December 2012 was € 1.2 million, against € 0.1 million at 31 December 2011, reflecting the anti-cyclical character of the Division's business and its interest for the Group in terms of diversification. The Food Division's result at 31/12/2012 includes a capital gain of € 0.7 million achieved through the sale of White Toque, a company consolidated via the equity method.

At the end of 2012, Floridienne set up Simon Sélection, a new company under French law operating in the field of smoked salmon. Although a 100% subsidiary of Floridienne, this company has been booked as a financial holding in the Group's 2012 consolidated accounts on account of its low level of business and its negligible importance at 31/12/2012. It will be fully consolidated in 2013.

Risks and uncertainties

With regard to Larzul, the court case is ongoing, meaning that Floridienne is still not able to exercise control over the company. In the meantime,

not having been able to obtain Larzul's 2012 accounts despite several demands, and with Floridienne having no access to any information on the company, there is uncertainty regarding the fair value of the holding in Larzul. The Board of Directors has therefore decided to take as fair value of the holding the last known equity status of Larzul, that of 31 December 2011, keeping the value of its holding in Larzul unchanged. The management is of the opinion that this book value (listed under other financial assets) is at least equal to the recoverable value of the investment, given the assumptions on expected (production and commercial) synergies.

Our holding in Larzul is booked in the 2012 accounts at €2.7 million. The Group also has claims on Larzul for a (gross) amount of €1.9 million, the recovery of which is also suspended pending the resolution of this legal dispute.

Life Sciences Division

Modification du périmètre :

Change of scope: Acquisition of 49.4% of Biofirst in December 2011, raising our holding in this company to 98.8%. Biofirst as well as the subsidiaries under its control, i.e. the Biobest Group,

Sopral and Sotecna, were already balance sheet consolidated at 31 December 2011. 2012 saw the results of these business units also being fully consolidated.

The Life Sciences Division's turnover was EUR 42.7 million at 31 December 2012, against EUR 6.5 million at 31 December 2011. This major increase of € 34.3 million is attributable to Biofirst and its subsidiaries being included in the consolidated results. Not consolidated in 2011, Biobest turnover progressed well in 2012, while the turnover of the Division's other lines of business remained stable.

The operating result was € 0.4 million at 31 December 2012, compared with a € 0.1 million loss the previous year. This underlines the Life Sciences Division's transformation into a production company contributing to Floridienne's profitability.

The Division's net result at 31 December 2012 is still slightly negative at € -0.1 million, against EUR -0.8 million at 31 December 2011. This loss, although much less than that of the previous year, is attributable to the negative results generated by the R&D companies working in the fields of olfaction and consolidated via the equity method, and by the start-up period of bromelain operations

in the enzyme line of business, where the Indonesian business unit is also consolidated via the equity method.

Biobest NV took a 25% holding in an Israeli company, Polyam, at the end of 2012, via a € 0.2 million capital increase. It also holds a call option, exercisable from 2014 onwards, on an additional 26% of the company's capital. This would bring its holding up to 51%. Group rules would have preferred us to consolidate the company using the equity method. However, for reasons associated with the end-of-year timing of the acquisition, we have recorded this company as a financial participation at 31 December 2012.

Risks and uncertainties

There is an ongoing legal dispute in a Biobest NV subsidiary concerning the granting of subsidies between 2006 and 2008, involving a total of € 1 million. Legal proceedings are continuing regarding the possible reimbursement of part of this amount. Taking into consideration the quality of our case, the Floridienne Board does not deem it necessary to make any provision for this amount at this stage.

On account of differences between shareholders on the future financing of TecnoScent,

the decision has been taken to proceed with the liquidation of the company in accordance with contract binding them. With shareholders having between them reached agreement on how to divide up the assets, liquidation is now underway. It will not result in any impairment for the Group at consolidated level, given that the assets taken over by ChemCom will enable the latter to pursue its human olfaction research programme.

Corporate and risk capital

Floridienne provides its different divisions with certain management support, financing and advisory services. This activity generated a loss of € 0.2 million in 2012.

In addition, at 31 December 2012, the Group continued to hold 5 million shares in the Canadian 5N Plus corporation, resulting from the 28 February 2011 sale of our holding in the MCP Group to 5N Plus.

As a result of the major drop in the price of 5N Plus shares between 31 December 2011 (CAD 5.13) and 31 December 2012 (CAD 2.70), Floridienne has decided to book a € 7.9 million impairment for 2012.

The total net result of Corporate at 31 December 2011 is thus a loss

of € 8 million, compared to a profit of € 39.6 million at 31 December 2011, most of which derived from the capital gain generated by the sale of the MCP Group to 5N Plus.

Risks and uncertainties

Holding in 5N Plus

On 28 March 2013, 5N Plus announced a loss of USD 212 million at 31 December 2012, USD 204.8 million of which were caused by depreciations of goodwill and other non-current assets. The equity of the 5N Plus corporation thus amounted to USD 148.5 million at 31/12/2012, or € 1.34 a share.

On 12 April 2013, the 5N Plus share price was recorded at CAD 1.82 (€ 1.37), with an analyst forecasting CAD 3.00 a share, down from the previous CAD 3.50.

In light of the outlook provided by the 5N Plus Board in its Annual Report, the Floridienne Board took the decision to recognise the change in the fair value of its 5N Plus holding as of 31/12/2012 (measurement date) in its results as an impairment. A comment on the development of the fair value of 5N Plus shares after the closing data is to be found in Note 29 of the Annual Accounts (events after the date of closure)

Legal dispute over the price at which the MCP Group was sold to 5N Plus

On 21 December 2012, 5N Plus issued a press release announcing that it was initiating arbitration proceedings (and has now done so) against the previous shareholders of the MCP Group for having "breached the terms of the Acquisition Agreement, and certain other related agreements, including breaches with respect to representations and warranties made by the Vendors and breaches of closing conditions.". In the press release, it stated that it had "no intention of making any payments under the balance of the sums owed under the terms of the Acquisition Agreement and other related documents until the Arbitration and any other judicial proceedings are resolved".

Parallel to this release, 5N Plus initiated legal proceedings against the previous shareholders and directors of the MCP Group.

Florinvest SA, in its capacity as a former minority shareholder in the MCP Group, and Floridienne SA as a former director, are convinced that the 5N Plus claims are unfounded and will resolutely defend this point of view in the legal proceedings mentioned above.

The amounts due to be paid to Florinvest by 5N Plus consist of two promissory notes valued at € 8.8 million and € 6.7 million (excluding interest), due respectively on 9 April 2103 and 9 April 2014, as well as a holdback amount of € 6.3 million due on 9 April 2014. The first promissory note expiring on 9 April 2013 has not been paid by 5N Plus, as a result of which Florinvest SA has itself initiated legal proceedings for an injunction to have 5N Plus pay the outstanding amount.

Under these circumstances, the Boards of Floridienne and Florinvest have not considered it necessary to record any impairments with regard to these debts.

Moreover, Florinvest reserves the right to sue 5N Plus for damages.

Statutory accounts and distribution of profits

The financial year closed with a loss of €8.4 million, against a loss of €2.5 million in 2011, attributable to the €7.6 million impairment recorded on our holding in Floridienne Chimie.

Despite the losses incurred over the last two financial years, the Board is of the opinion that the company has the right financial structure and sufficient funding

to guarantee the continuing development of its operations.

Including € 63.4 million carried forward from the previous financial year and the € 8.4 million loss in 2012, the profit available for distribution amounts to € 55.1 million.

We propose the following breakdown :

- € 0.0 million to be paid in dividends;
- € 55.1 million again to be carried forward.

In the context of the difficulties encountered by a number of the Group's subsidiaries and management's wish to continue giving priority to investments in growth sectors, the Board proposes not paying any dividend for 2012.

Repurchase (buyback) of company shares

In the course of 2012 and in compliance with the Board's decision approved by the Annual General Meeting of 5 June 2012, Floridienne continued its programme of repurchasing company shares. 910 company shares (out of a total of 996.857) were thus purchased by our subsidiary FLORINVEST. The total number of treasury shares held by FLORINVEST at 31 December 2012 is 11,071, representing

a value of € 1.040.674 on the basis of a share price of € 94.00 at 31 December 2012. The average acquisition value of these treasury shares in 2012 was €103.80 per share.

Other 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. Additional information on our management of credit and liquidity risks is available in the notes of Appendix 27 of the FR-Annual Report.

The environment

Our Chemical Division subsidiaries are well aware of the risks inherent to their operations. The Group is taking the measures necessary to conform to all statutory 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.

It should be noted that the majority of our R&D operations are concentrated in the Life Sciences and Chemical Divisions.

Outlook

Floridienne's operating difficulties are basically restricted to two subsidiaries, Floridienne Chimie and SNAM, both of which are in the middle of major transformation periods. These are being slowed down by the economic crisis hitting their sectors.

The Floridienne Board firmly believes in the medium-term potential of these projects.

SNAM can underline its outlook through the 2012 signing of several important long-term contracts with vehicle manufacturers for recycling batteries from their hybrid vehicles, the volumes of which are expected to grow in the next few years. In addition, contacts are also at a well-developed stage with other vehicle

manufacturers with regard to the future recycling of their batteries. The unique expertise developed by SNAM in the recycling of this type of batteries and the importance of the contracts signed (representing more than 80% of the current market for hybrid and electric vehicle batteries, make this company a key player in Europe.

At Floridienne Chimie, the developments currently underway in new «green» applications of plastic additives are also very promising, and have recently made great steps forward. The pilot production plant for producing flame retardants allows the company to supply «industrial» quality products to its customers, and the tests conducted up to now by our customers are very positive in terms of the technical properties of our product.

What is now essential is to ensure secure funding for these two companies during this transitional period. Negotiations on financing the final investment projects and the cash-flow requirements of these two companies for the next few years are currently taking place with several partners.

The Food Division is expected to benefit from the further integration of its activities, with several nice contracts being signed in early 2013. The major

uncertainty of this Division is in the volatility of raw material prices, which are difficult to quickly pass on to customers.

Last but not least, the Life Sciences Division should see its various lines of business making progress in 2013 on account of the continuing professionalisation of its activities in high-growth sectors.

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:

Beluflo S.A.	395,635	39.69%
Philippe de Spoelberch	216,428	21.71%
Marnor S.A.	90,800	9.11%
S.R.I.W.	84,176	8.44%
Private individuals	25,435	2.55%
Finatco S.A.	25,013	2.51%
Gaëtan Waucquez	17,857	1.79%
Fijeti S.A.	13,161	1.32%
Florinvest S.A.	11,071	1.11%
Free Float	117,281	11.77%
Number of shares	996,857	100%

The 28 May 2010 Annual General Meeting of Shareholders authorised the Board of Directors to increase the company's capital up to an amount of €4,415,000 over a 5-year period, 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.

On 26 October 2012, several major Floridienne shareholders subscribed to a capital increase of up to € 10 million in Floridienne SA by way of authorised capital. This capital increase took the form of issuing 89,295 new shares at a price of € 112 per share (capital contribution of € 4.87 per share and a share premium of €107.13 per share). This price, above the 30-day average share price on the stock exchange, corresponded to the share price on the day of the capital increase. These new shares enjoy the same rights and advantages as the existing shares.

2. Agreements between shareholders

Floridienne was informed on 29 January 2008 of an important shareholder agreement involving Beluflo 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. This shareholder agreement terminated at the end of 2012, and a new shareholder agreement was signed at the beginning of 2013 by Beluflo, Gaëtan Waucquez and Philippe de Spoelberch. In it, pre-emptive and follow-on rights are again exchanged.

3. 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.

4. Powers of the Board of Directors

At the Annual General Meeting of 28 May 2010, the following powers were conferred on 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.

5. Article 74 of the law on public takeover bids

On 23 September 2007, Floridienne was informed by Beluflo that the latter held 296,997 Floridienne shares representing 34.37% of the

company's capital.

Beluflo confirmed that on 1st September 2012 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 prior to the 26 October 2012 capital increase

Information required in accordance with Article 523 of the Belgian Companies Code

On the occasion of the 26 October 2012 capital increase, Vicomte Philippe de Spoelberch and W. Invest SA represented by Gaëtan Waucquez, directors of Floridienne, declared a conflict of interest and consequently did not take part in either the decision or the vote on this transaction.

Philippe de Spoelberch and Gaëtan Waucquez both subscribed to the capital increase of up to €10 million, 89,285 shares at a price of € 112 per share.

The special report issued on 26 October by the management board in application of Articles 635 and 598 of the Belgian Companies Code provides the background for the decision and the financial consequences for the company. This report, as well as the report of the company auditor on the transaction, is

available on the company's website and is an integral part of the Management Report contained in this Annual Report.

DECLARATION DE GOUVERNEMENT D'ENTREPRISE

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.

2. Non-application of code provisions (under the «comply or explain» principle)

Separation of powers (Provision 1.5.)

Philippe Bodson at present exercises the dual functions of President of the Board of Directors and member of the Management Committee.

Three independent directors (Provision 2.3.)

Floridienne currently has three independent directors in

accordance with the law: Sparaxis (represented by Yves Meurice), Olivier Davignon and Paul Cornet de Ways Ruart.

Appointment of Board members (Principle 4.1)

Though there is no actual procedure set forth 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 (Provision 4.12.)

During 2012, the non-executive Board members held no formal meeting without the Management Board being present. These non-executive Board members see each other on a regular basis as part of their other business relations.

The Appointments Committee and Remuneration Committee (Provisions 5.3 and 5.4)

Due to our small size, the Board of Directors has not established an Appointments Committee, as it considers itself to be in a position to perform this function. By contrast, a formal Remuneration Committee does exist.

Executive management rules (Provision 6.1.)

We are not publishing any internal executive management rules. At present, the Management Committee sets and monitors the guidelines covering the heads of the different divisions.

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 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 the internal controls appropriate and 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 of the Companies' Code, supports the

Board of Directors in supervising the management of the company and the whole Group, controlling the effectiveness of all of the company's internal control processes and in supervising the overall monitoring process. This committee has its own rules of procedure.

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, then presented and explained to the Board of Directors.

The responsibility of each body can be described as follows:

	Board of Directors	Audit Committee	Management Committee	Divisional management 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 financial statements 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
Divestments	Decisions to divest 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

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 watches over 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 legal 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 operations and verification 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 have been analysed and have led 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 risk areas. Validation of the effective functioning of internal controls («use tests») remains to be developed.

Control activities

The control activities currently in place are based on two focuses: 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, 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 sensibilising 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, allowing market players to be 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 results 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.

The result 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 before the accounts are published.

As regards internal communication within the Group, this takes place mainly via informal channels, given the relatively small size of

Floridienne. This informal communication is seen as positive by Floridienne inasmuch as it fosters contacts between those involved, thereby promoting 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 work still needs to be done on analysing best practices, training Group entities and

standardising processes wherever possible.

4. Board of Directors

On 1st January 2013, the Board of Directors had the following members:

Baron Philippe Bodson, Chairman
Appointed until 2013
Chairman
Chairman of Exmar
Chairman of Hamon

W. Invest S.A. (Gaëtan Waucquez)
Managing director
Appointed until 2013

Beluflo S.A. (Loïc Waucquez)
Appointed until 2013
Non-executive and shareholder representative

Chevalier Marc-Yves Blanpain
Appointed until 2015
Non-executive
Director of Befimmo

Comte Paul Cornet de Ways Ruart
Appointed until 2015
Director of Anheuser-Bush Inbev
Non-executive and independent

Vicomte Olivier Davignon
Appointed until 2014
Non-executive and independent

Baron Bernard de Gerlache de Gomery

Appointed until 2013
Non-executive
Director of Leasinvest Real Estate
Director of Texaf

Vicomte Philippe de Spoelberch

Appointed until 2013
Non-executive and shareholder representative

Sparaxis S.A. (Yves Meurice)

Non-executive and independent
Appointed until 2014

Auditor

Mazars Réviseurs d'entreprises S.C.R.L.
Represented by Philippe Gossart
Appointed until 2015

As Philippe Bodson and W Invest S.A. (represented by Gaëtan Waucquez) have an executive role via their participation in the Management Committee, they are not considered independent.

Beluflo S.A. (represented by Loïc Waucquez) and Philippe de Spoelberch represent the shareholders and are therefore not considered independent.

Bernard de Gerlache sits in a non-executive capacity, 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), Olivier Davignon and Paul Cornet de Ways Ruart all meet the independence criteria defined by law. They are thus considered as independent members of the Board of Directors.

At the Annual General Meeting of 4 June 2013, the mandates of Philippe Bodson, W. Invest SA (represented by Gaëtan Waucquez), Beluflo (represented by Loïc Waucquez), Philippe de Spoelberch, Bernard de Gerlache de Gomery expire. On the basis of their knowledge of the Group and of their valuable experience, a proposal will be submitted to the Meeting for their mandates

to be renewed for a further three years, expiring at the 2016 Annual General Meeting.

The Board of Directors met 5 times in 2012, as seen in the attendance table below:

	29 March	2 May	31 August	26 October	14 December
Philippe Bodson	P	P	P	P	P
W Invest (Gaëtan Waucquez)	P	P	P	P	P
Beluflo (Loïc Waucquez)	P	P	P	P	P
Marc-Yves Blanpain	P	P	A	P	P
Paul Cornet de Ways Ruart	NA	NA	R	R	P
Olivier Davignon	P	P	P	P	P
Bernard de Gerlache	P	P	P	P	P
Philippe de Spoelberch	A	P	P	P	P
Sparaxis (Yves Meurice)	P	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;
- legal proceedings against Floridienne;
- the risk situation within the

group;

- the sale of our holding in MCP and the redefinition of the Group's strategy;
- miscellaneous items.

5. Audit Committee

Pursuant to the Law of 17 December 2008, which came 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.
- Olivier Davignon.

Bernard de Gerlache sits in a non-executive capacity, having lost his independent status on

the renewal of his mandate at the Annual General Meeting of 28 May 2010.

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

Sparaxis S.A., its permanent representative, Yves Meurice, 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.

Olivier Davignon also possesses accounting skills and also sits as an independent and non-executive member.

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. monitoring the internal audit and its effectiveness;
4. monitoring the statutory control of the annual accounts and the consolidated accounts;
5. checking and monitoring the independence of the statutory auditor, in particular with regard to his supplying additional services to the company.

In the course of 2012, the Audit Committee met four times, discussing the following:

- examination of the situation regarding the internal and external audits within Floridienne and its subsidiaries;
- examination of Floridienne's consolidated debt ;
- review of the procedures for compiling the consolidated accounts;
- review of the accounts consolidated at 31 December 2011;
- review of the accounts consolidated at 30 June 2012;
- anticipation of valuation questions at 31 December 2012.

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;
- Olivier Davignon;
- Sparaxis S.A. with Yves Meurice as its permanent representative.

Bernard de Gerlache sits as 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., with Yves Meurice as its permanent representative, and Olivier Davignon are members in a non-executive capacity and fulfil the independence criteria stipulated by the new law. Sparaxis and Olivier Davignon also possess the necessary competences with regard to HR management.

7. Management Committee

The Management Committee is made up of Philippe Bodson and Gaëtan Waucquez. Meeting 38 times during 2012, 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 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 division.

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.

8. Remuneration report

The Remuneration Committee was responsible for compiling

this remuneration report. It contains detailed information on Floridienne's remuneration policy and the remuneration of directors and executive management. The latter is represented by the management committee (consisting of Philippe Bodson and Gaëtan Waucquez), the only body targeted by the regulation of 06 April 2010.

1. General policy and internal procedures

To achieve company targets in a highly competitive environment, we need to be able to rely on highly qualified and talented directors with a strong focus on performance. To fully maintain their commitment, it is of vital importance to have an overall policy of competitive remuneration. Floridienne's overall remuneration policy has the following objectives:

- to be fair and equitable, in compliance with market practices ;
- to recognise and reward top performances ;
- to link the level of directors' remuneration both to the achievement of their targets and to the overall success of the company, measured in terms of return on equity ;
- to act as a motivation for enhancing our commercial strategy and ensuring the

achievement of our company targets;

- to enable us to attract and retain the best talents worldwide.

Our overall remuneration policy reflects this commitment and this vision.

a. For non-executive directors

Article 26 of the company statutes stipulates that a maximum of 10% of the distributable result (after taxes and allocation to reserves or retained earnings) shall be paid to directors as a bonus. The latter are to divide this amount among themselves in accordance with internal rules of procedure. The remaining result is to be divided equally among all shareholders.

The Remuneration Committee has decided to submit a proposal to the Annual General Meeting to allocate a flat-rate remuneration instead of any bonus.

The Remuneration Committee takes care to maintain a level of remuneration for non-executive directors that is both motivating and sufficiently attractive to be of interest to worthwhile candidates. Remuneration policy is not expected to be radically changed over the next years.

b. For the Management Committee

The remuneration of the members of the Management Committee is set by the Board of Directors following a proposal of the Remuneration Committee, which may in turn, when so requested, rely on the recommendations of a specialist consultant.

The remuneration of the members of the Management Committee has two components: a fixed part and a variable part. The variable part is dependent on performance, based on the development of the group's share of consolidated net profit in relation to equity. This variable part has a EUR 500,000 ceiling for Philippe Bodson, and one year's remuneration for Gaëtan Waucquez.

In Article 15 of the Floridienne statutes, it is stipulated that the

variable remuneration may be entirely based on performance criteria covering a 1-year period.

No right of recovery of variable compensation awarded on the basis of erroneous financial information is provided for, as such remuneration is paid after approval of the accounts by the General Assembly.

There is no share allocation or option scheme, or any other scheme for gaining rights to acquire shares, available to the members of the Management Committee.

Moreover, no pension plans exist for the members of the Management Committee.

Both members of Floridienne's Management Committee carry out their functions via management companies.

Remuneration policy is not expected to be radically changed over the next two years.

2. Remuneration of non-executive directors

The amounts listed in the table below represent gross remuneration before tax (or invoiced fees when the mandate is exercised by a legal entity).

They are allocated for the calendar year prior to the Annual General Meeting and only payable after the Meeting has approved the accounts. Remuneration of the Board of Directors is in proportion to the duration of the exercised mandate.

No expenses or any other benefit is added, especially for the case of a mandate or function being withdrawn.

In EUR

	Board of Directors	Audit Committee and Remuneration Committee
Philippe Bodson	15,000	
W Invest SA (Gaëtan Waucquez)	15,000	
Belufflo S.A. (Loïc Waucquez)	15,000	3,000
Marc-Yves Blanpain	15,000	
Paul Cornet de Ways Ruart	7,500	
Olivier Davignon	15,000	3,000
Bernard de Gerlache de Gomery	15,000	7,000
Philippe de Spoelberch	15,000	
Sparaxis S.A (Yves Meurice)	15,000	3,000

3. Remuneration of Management Committee members

The remuneration of the managing directors for services rendered in the 2012 financial year consists of the amounts invoiced, given that they exercise their functions via management companies :

	Fixed remuneration	Variable remuneration
Philippe Bodson	58,683.4	-
Gaëtan Waucquez	297,912.9	-

The amounts listed above do not include bonuses received in their capacity as company directors. No other remuneration or fringe benefit comes on top.

4. Severance pay

No severance pay, whether based on conventional, statutory, regulative, legal or other provisions, is foreseen on the expiry of the mandates of the non-executive directors, whether their departure is voluntary, forced, anticipated or at the normal end of their mandate. As regards severance pay for Gaëtan Waucquez, an amount corresponding to one year's fixed remuneration is foreseen, should his contract be terminated.

Remuneration of the statutory auditor

During the 2012 financial year, Mazars SCRL received audit fees amounting to € 131,595.00 for the whole Group (of which € 39.600,00 was attributable to Floridienne S.A.). Fees paid for other attestation services amounted to EUR 23.000,00.

Floridienne share dealings

In the course of 2012, 4.721 Floridienne shares were purchased and 3,600 shares sold by persons linked with the Floridienne Group.

Events occurring after the closing of the financial year

We have no knowledge of any events necessitating adjustments to these financial statements.

For a description of events after the closing date, please refer to Note 29 of the Annual Report.

For the 2012 financial year, given the difficult situation certain Floridienne subsidiaries have been through and the uncertainty regarding the payment date

of the outstanding promissory note by 5N Plus, the Board of Directors will be proposing to the Annual General Meeting of Shareholders of 4 June 2013 not to pay a dividend.

STRUCTURE OF THE FLORIDIENNE GROUP

Management Committee

Philippe Bodson
Gaëtan Waucquez

Corporate

Managing Director: Gaëtan Waucquez
Corporate Secretary: Marie-Joëlle Delmoitié
Accounting: Joseph De Waele
Investments: Lionel de Hemptinne
Treasury: Nadia Leclercq

Chemical Division

Managing Director:
Simon Vljacic
Members of the Divisional Management Committee:
Yann Bourgeois
Kurt Devreest
Stéphane Larché
Jacques Maubert
Ugo Nardo
André-Louis Pete
Laurent Smits

Food Division - Florifood

Managing Director:
Philippe Boonen
Members of the Divisional Management Committee:
Didier Hanin
Patrick Jagut
Jean-Philippe Lewandowski
Christophe Simon
Laurent Simon

Life Sciences Division - Biofirst

Managing Director :
Christian Van Osselaer
Members of the Divisional Management Committee:
Lionel de Hemptinne
Patrick Deprez
Georges Geeraerts
Peter Van Cauwenberghe
Jean-Marc Vandoorne



Consolidated accounts 2012



Chemicals and
special metals



Gourmet
foods



Life
Sciences

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Consolidated balance sheet

ASSETS IN EUR THOUSANDS	Note	31/12/2012	31/12/11
NON-CURRENT ASSETS		137,150	164,848
Intangible assets	11	5,232	5,954
Goodwill	11	33,859	34,618
Tangible assets	12	71,950	69,381
Participations accounted for using the equity method	13	4,336	5,031
Deferred tax assets	14	4,755	6,557
Other assets	15	17,019	43,306
CURRENT ASSETS		148,027	134,301
Assets held for sale	16	739	605
Inventories	17	43,858	51,451
Biological inventories	17	954	923
Trade receivables	27	53,978	52,698
Current tax assets		3,696	4,336
Other financial assets	18	10,206	7
Cash and cash equivalents	19	18,922	15,590
Other assets	15	15,675	8,691
TOTAL ASSETS		285,177	299,149

EQUITY AND LIABILITIES IN EUR THOUSANDS	Note	31/12/2012	31/12/11
TOTAL EQUITY		114,383	124,925
Floridienne equity		108,198	118,250
Minority interests		6,185	6,674
LIABILITIES		170,794	174,224
Non-current liabilities		75,485	80,232
Interest-bearing debt	20	67,012	73,834
Subsidies received		2,475	1,995
Provisions	21	2,891	2,957
Staff benefits	22	673	626
Deferred tax liabilities	14	2,434	822
Current liabilities		95,309	93,992
Interest-bearing debt	20	49,166	43,949
Subsidies received		640	583
Provisions	21	853	789
Staff benefits	22	75	72
Trade payables	27	31,763	34,498
Current tax liabilities		1,648	2,338
Other liabilities	23	11,164	11,763
TOTAL LIABILITIES		285,177	299,149

The total balance sheet decreased by €14 million against 2011. This is mainly attributable to the loss for the financial year, compensated by the €10 million capital increase conducted by Floridienne SA on 26 October 2012.

The remainder of this decrease is attributable to the lower level of current assets and liabilities, mainly in the Chemical Division.

Consolidated income statement

	Note	31/12/12	31/12/11
OPERATING INCOME		287,750	253,996
Turnover		280,078	247,439
Other operating income	6	7,673	6,557
OPERATING EXPENSES (-)		-290,953	-253,967
Raw materials and consumables		-171,476	-154,177
Staff costs		-49,392	-39,302
Depreciation and amortisation	7	-10,485	-7,401
Other operating expenses	6	-59,600	-53,087
OPERATING RESULT		-3,203	28
Result from the disposal of non-current assets	8	720	44,187
Debt burden		-4,252	-3,825
Financial result	9	-8,074	-3,771
Share of the net result of equity-accounted companies		47	-541
Result on discontinued operations			
RESULT BEFORE TAX		-14,761	36,078
Tax on the result	10	-5,187	1,245
NET RESULT FOR THE FINANCIAL YEAR		-19,947	37,323
Net result attributable to Floridienne		-16,437	38,400
Minority interests		-3,510	-1,077
Net result attributable to Floridienne by base share	25	-18.00	42.70
Net result attributable to Floridienne by diluted share	25	-18.00	42.70

It should be noted that certain reclassifications were made in the presentation of the consolidated income statement in 2011, without affecting the consolidated income statement, to allow a better comparative analysis of 2012 and 2011. These adjustments focus on two items: the offsetting of € 5.8 million from the halted production at Floridienne Chimie with other operating expenses, and the breakdown of the capital gain realized on the sale of our holding in the MCP Group to 5N Plus, and the impairment on the 5N Plus shareholding at 31/12/2012 which were aggregated in 2011. This latter transaction referred to the items "Result from the disposal of non-current assets" and the "Financial result" (€5 million).

2012 turnover reached EUR 280 million, a great improvement on that of 2011. This increase is mainly explained by the inclusion in the 2012 consolidation of Biofirst and its subsidiaries, amounting to €34.3 million. Disregarding this, turnover remained stable, with the turnover increase of the Food Division compensating the decrease in the Chemical Division. EBITDA remained stable at €7.3 million (€7.4 million at 31/12/2011). Had the consolidation scope remained constant, i.e. excluding Biofirst and its subsidiaries where EBITDA amounted to €2.3 million in 2012, EBITDA would have dropped to €5.0 million. This drop is attributable to the bad 2012 results of the Chemical Division. The operating result was down to € -3.2 million at 31 December 2012 against € 0.0 million at 31 December 2011, mainly due to the sharp increase in amortisation related to the entry of Biofirst (€ 1.9 million) into the consolidation scope and the continued investment in the Chemical Division (€ +1.6 million). Floridienne closed its accounts at 31 December 2012 with a consolidated net result of EUR -16.4 million for the share attributable to the Group, compared to EUR 38.4 million at 31 December 2011.

Half of this result is due to the difficulties encountered in 2012 by Floridienne Chimie and the rest to the impairment of € 7.9 million recorded on our holding in 5N Plus, whose stock price declined sharply in 2012.

Consolidated statement of comprehensive income

	31/12/12	31/12/11
Net result for the financial year	-19.947	37.323
Changes in equity outside the profit and loss account		
Gain / loss (net) on financial assets available for sale		
Gain / loss (net) on cash flow hedges	-302	-437
Gain / loss (net) on foreign operations	369	-576
Transfer of reserves between minority interests and the Group	-571	-182
Total comprehensive income for the period after taxes	-20.451	36.128
Attributable to the		
Floridienne Group	-17.054	37.408
Minority interests	-3.397	-1.280
Total comprehensive income for the period after taxes	-20.451	36.128

Consolidated statement of cash flows

	31/12/12	31/12/11
Result for the financial year after taxes	-14,761	36,078
Depreciation and amortisation	18,479	12,685
Result of companies accounted for using the equity method	-48	541
Provisions and deferred taxes	-474	0
Capital gains / losses on the disposal of assets	-763	-44,423
Taxes for the financial year	-1,563	-1,511
Financial expenses	5,259	4,322
Others	379	345
SELF-FINANCING RATIO	6,508	8,037
Changes in current assets / liabilities		
Inventories	8,047	-5,038
Receivables and others	2,300	4,870
Debt	-3,810	-5,436
CHANGE IN THE WORKING CAPITAL REQUIREMENT	6,537	-5,604
NET CASH FLOW RELATING TO OPERATING ACTIVITIES	13,045	2,433
Investment transactions		
Acquisitions of intangible assets	-395	-987
Acquisitions of tangible assets	-11,893	-22,078
Acquisitions of financial intangibles	-1,685	-10,374
New loans	-299	-152
Total investments	-14,272	-33,591
Disposals of intangible assets	1	72
Disposals of tangible assets	537	487
Disposals of financial intangibles	0	41,261
Income from participations	634	0
Repayment of loans	5	11
Total divestments	1,177	41,831
CASH FROM INVESTMENTS	-13,095	8,240
Financing transactions		
Capital increases	10,000	
Acquisitions and disposals of financial assets	0	172
Changes in debts and subsidies	1,440	2,164
Financial expenses	-5,259	-4,322
Dividends paid to the mother company	-2,904	-2,904
Changes of equity	-94	-278
Dividends paid to third parties	-305	-380
CASH FROM FINANCING ACTIVITIES	2,878	-5,548
CHANGES IN CASH POSITION	2,828	5,125
Cash in hand at the start of the financial year	15,590	9,087
Net change	2,828	5,125
Currency translation	205	-596
Change of scope	298	1,974
Impairment / others	0	0
Cash in hand at the end of the financial year	18,921	15,590

Consolidated statement of changes in equity

	Share capital	Share premium at issue	Cash flow hedging	Available- for-sale financial assets
Opening balance at 01/01/2011	4,420	21,005	(160)	
Result for the financial year				
Other comprehensive income			(437)	-
Total comprehensive income	-	-	(437)	-
Capital increase				
Operations on Business Combinations				
Dividends and bonuses paid			-	
Treasury shares				
Share-based payments				
Others				
Closing balance at 31/12/2011	4,420	21,005	(597)	-
Opening balance at 01/01/2012	4,420	21,005	(597)	
Result for the financial year				
Other comprehensive income			(302)	-
Total comprehensive income	-	-	(302)	-
Capital increase	435	9,565		
Operations on Business Combinations				
Dividends and bonuses paid				
Treasury shares				
Share-based payments				
Others	-			
Closing balance at 31/12/2012	4,855	30,570	(899)	-

On 26 October 2012, two Floridienne shareholders carried out a €10 million capital increase by way of authorised capital in Floridienne.

On 20 December 2012, SRIW converted a €3 million loan into Floridienne Chimie equity. This conversion is added to the third-party share of consolidated equity.

In 2012, the company paid a gross dividend of €2.9 million for the 2011 financial year. Given the difficulties experienced by several of the Group's subsidiaries, a proposal will be made to the Annual General Meeting of Floridienne not to pay a dividend for 2012.

	Shares own	Reserves	Results	Losses conversion	Capital own Floridienne	Interest minority interests	Capital own total
	(907)	46,322	14,387	(1,042)	84,025	7,717	91,742
			38,400		38,400	(1,077)	37,323
		(182)		(373)	(992)	(203)	(1,195)
	-	(182)	38,400	(373)	37,408	(1,280)	36,128
		-			-	618	618
		(2,904)			(2,904)	(380)	(3,284)
	(279)				(279)		(279)
		14,387	(14,387)				
	(1,186)	57,623	38,400	(1,415)	118,250	6,675	124,925
	(1,186)	57,623	38,400	(1,415)	118,250	6,675	124,925
			(16,437)		(16,437)	(3,510)	(19,947)
		(571)		256	(617)	113	(504)
	-	(571)	(16,437)	256	(17,054)	(3,397)	(20,451)
					10,000	3,000	13,000
		-			-	212	212
		(2,904)			(2,904)	(305)	(3,209)
	(94)				(94)		(94)
		38,400	(38,400)				
	(1,280)	92,548	(16,437)	(1,159)	108,198	6,185	114,383

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Notes

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Financial calendar

1st interim statement:	17 May 2013
Annual General Meeting:	4 June 2013
Half-year results:	End of August 2013
2nd interim statement:	19 November 2013

DIVERSITY IS NOT THE SOURCE OF WEALTH: IT IS WEALTH.

In the world of finance, the diversity of investments is the first rule taught for generating wealth. It avoids placing all one's eggs in one basket.

Cultural diversity involves the recognition of the existence of different cultures; cultural wealth is characterised by the diversity of experience, ideas, traditions, languages and art.

Culinary wealth has us feeling the subtlety, variety and complexity of cooked food and the ways it is prepared.

Biodiversity is based on the wide diversity - thousands and thousands - of different chemical compositions based on carbon, oxygen and hydrogen.

Chromatic diversity comes from the diversity of colours.

The diversity of our genes is at the source of our adaptability to respond to evolutionary pressures.

On the level of ecosystems, productivity is based on the number of individuals but also on the diversity of organisms, especially in periods of instability. Nobody should forget that this diversity is at the origin of mankind and has allowed life to triumph despite periods where millions of people have died.

Why should the business world, made up of evolutionary units (companies) and human beings (developed social organisms) escape the basic rules of the living world? To face up to change - sometimes unforeseeable -, diversity is the only way of ensuring long-term existence.

Nature also teaches us to put the short term into perspective; the concept of the fittest is nothing but a concept linked to a place, a time and specific conditions.

Diversity is not the source of wealth, it is wealth

Christian Van Osselaer

FLORIDIENNE

GROUP

Floridienne S.A.
Drève Richelle 161, bte 4, bât P
B-1410 Waterloo

www.floridienne.be