



*FEI Canada
Private Company
Reporting*



WILL ADOPT IFRS

- Present Lallemand briefly – Private Canadian company
- Why we will adopt IFRS, very soon after it is compulsory for public companies
- Food for thought for those still undecided

Who are we?

- Privately held Canadian company
- Develop, produce and market yeast, bacteria and other ingredients derived from micro-organisms for :
 - bakeries
 - wine, beer and alcohol producers (as well as fuel ethanol industry)
 - animal and human nutrition industries
 - pharmaceutical industry
 - other food and agricultural industries
- Over 2,000 employees in 30 countries on all continents



LALLEMAND

Lallemand around the world

Yeast plants

Montréal, Canada
Baltimore, USA
Memphis, USA
Grenaa; Fredericia, Denmark
Schwarzenbach; Passau, Germany
Vienna, Austria
Lublin; Josefow, Poland
Trencin, Slovakia
Tallinn, Estonia
Lahti, Finland
Le Cap; Johannesburg, South Africa
Maputo, Mozambique-jv50%

Bacteria plants

Montréal, Canada
Milwaukee, USA
Aurillac, France

Other plants

Cuautitlán, Mexico
Burton-upon-Trent, UK
Valleyfield, Canada-jv50%
Bruntal, Cz. Republic-jv50%
Espoo, Finland

Research labs

*Montréal, Canada (2),
Toulouse; Theix, France
Tallinn, Estonie*

Commercial offices and Distribution Centers

in countries of plants as well as in Argentina, Brazil, Chile, Australia, New-Zealand, China, Malaysia, Croatia, Belarus, Spain, Italy, Lithuania, Russia, Serbia, Sweden, Switzerland

LALLEMAND

Some other relevant information

- High level of governance
 - Active Board made up of majority of outside members
 - Audit committee made up of financial experts active since 1988
- Consolidating using Canadian GAAP in C\$
- Differential reporting used in only one area: equity accounting for our 50% JVs instead of proportionate consolidation

Reporting Challenges 2009

- Consolidate 68 companies
 - Canadian GAAP: 6
 - US GAAP: 7
 - IFRS: 11
 - Local GAAP for statutory purposes: 44 companies on local GAAP of 25 countries
 - Intermediate consolidations: ex Dutch holding company
 - Many conversions: ex Swiss company
- Reporting currencies: 19 , C\$ representing only 5% of sales, US\$ 40%, Euro 30%+

Move to IFRS

- Will simplify our life with the hope to have one set of standards eventually
 - Particularly as statutory accounting in various countries moves over to IFRS
- Facilitate standardization, having a uniform set of accounting policies, major challenge
- Facilitate financing: syndication made up of international banks and private placement with US insurance companies, but no intention to become public
- Attracting talents
- Have gained some experience already: ex South Africa and France

Our Plan

- Studying impact and will reporting to our audit committee by the end of the year
- Detailed plan for IFRS conversion by year-end
 - First P&L for Feb 2011 to Jan 2012
 - Comparative BS Jan 2011 and Jan 2012
 - Opening BS Jan 2010 (by early 2011)
- Investing heavily in standardization, common procedures / policies / definitions / controls, systems, and training
- Investing in upgrading the consolidation system