CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
As of June 30, 2012

1 - Condensed consolidated income statement for Bongrain SA

In thousands of euro	Notes	Six months ended June 30 2012	2011
NET SALES	**2**	**1,979,729**	**1,880,894**
Purchases adjusted for changes in inventory		-1,262,657	-1,215,607
Personnel costs		-383,547	-359,357
Depreciation and amortization		-54,754	-54,138
Other current operating expenses		-199,548	-191,286
CURRENT OPERATING PROFIT	**2**	**79,223**	**60,506**
Other operating expenses	3	-9,675	-5,399
Other operating income	3	954	5,299
OPERATING PROFIT		**70,502**	**60,406**
Financial expense	4	-22,060	-20,240
Financial income	4	9,605	10,275
Group share of results of associates		4,571	2,515
PROFIT BEFORE TAX		**62,618**	**52,956**
Income tax expense	5	-22,268	-11,883
Net income from continuing operations		**40,350**	**41,073**
Net loss for discontinued operations	1.2	-22	173
Net income		**40,328**	**41,246**
Group share of net income		36,141	39,030
Non-controlling interests		4,187	2,216
Earnings per share (€)			
Attributable to group shareholders:			
- basic		2.55	2.71
- diluted		2.48	2.65
For continuing operations:			
- basic		2.55	2.70
- diluted		2.48	2.64

The notes on pages 7 to 14 are an integral part of the summary consolidated interim financial statements.

Condensed statement of comprehensive income

In thousands of euro	Notes	Six months ended June 30	
		2012	2011
NET INCOME		**40,328**	**41,246**
Other comprehensive income:			
Translation differences		4,736	-10,376
Change in fair value of available-for-sale financial assets		-148	-30
Change in fair value of cash flow hedges*		23	-196
Other changes		-1,616	
Other comprehensive income	**9**	**2,995**	**-10,602**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**43,323**	**30,644**
Group share		39,848	28,842
Non-controlling interests		3,475	1,802

*Mainly hedging of interest rate risk.

2 - Consolidated balance sheet

In thousands of euro	Notes		
ASSETS		**06/30/2012**	**12/31/2011**
Intangible assets	7	423,460	417,986
Property, plant and equipment	7	739,261	744,552
Other financial assets		44,857	43,981
Investments in associates		137,227	136,287
Non-current derivative financial instruments		8,617	7,403
Deferred tax assets		76,227	77,750
TOTAL NON-CURRENT ASSETS		**1,429,649**	**1,427,959**
Inventories and work in progress	8	403,543	357,939
Trade and other receivables		665,987	733,085
Tax credits		15,017	15,792
Derivative financial instruments		4,125	5,125
Other current financial assets	13	46,539	51,626
Cash and cash equivalents	14	454,778	448,345
TOTAL CURRENT ASSETS		**1,589,989**	**1,611,912**
Assets held for sale	1.2	1,296	1,744
TOTAL ASSETS		**3,020,934**	**3,041,615**

In thousands of euro	Notes		
EQUITY AND LIABILITIES		**06/30/2012**	**12/31/2011**
Paid-in capital		39,613	38,953
Other reserves	10	15,132	10,617,
Retained earnings		1,085,044	1,066,817
GROUP SHARE OF EQUITY		**1,139,789**	**1,116,387**
Non-controlling interests		64,596	64,722
TOTAL EQUITY		**1,204,385**	**1,181,109**
Provisions	11	54,547	51,660
Non-current bank borrowings	12	441,313	558,427
Other non-current liabilities		21	26
Non-current derivative financial instruments		744	1,144
Deferred tax liabilities		110,890	110,436
TOTAL NON-CURRENT LIABILITIES		**607,515**	**721,693**
Trade and other payables		742,669	805,759
Income tax payable		11,955	9,900
Derivative financial instruments		4,053	8,076
Bank borrowings	12	449,764	314,762
TOTAL CURRENT LIABILITIES		**1,208,441**	**1,138,497,**
Liabilities held for sale	1.2	593	316
TOTAL LIABILITIES		**1,816,549**	**1,860,506**
TOTAL EQUITY AND LIABILITIES		**3,020,934**	**3,041,615**

The notes on pages 7 to 14 are an integral part of the summary consolidated interim financial statements.

3 - Consolidated statement of cash flows

In thousands of euro	Notes	Six months ended June 30 2012	2011
Net loss for discontinued operations		**-22**	**173**
Net income from continuing operations		**40,350**	**41,073**
Income tax expense		22,268	11,883
Depreciation and amortization		54,754	54,138
Net proceeds from disposal of activities		-461	-26
Share of results of associates		-4,571	-2,515
Net financial expense		12,576	9,639
Other non-cash items		1,164	-6,382
Gross operating margin		**126,080**	**107,810**
Interest paid		-17,194	-15,024
Interest received		5,517	5,374
Income tax paid		-16,670	-8,369
Change in working capital		-36,887	-88,337
Net cash flow from operating activities for continuing operations		**60,846**	**1,454**
Net cash flow from operating activities for discontinued operations		**-22**	**-85**
NET CASH FROM OPERATING ACTIVITIES		**60,824**	**1,369**
Acquisition of subsidiaries and minority interests		-3,321	-12,123
Disposal of businesses net of the cash transferred			-21
Acquisition of tangible and intangible non-current assets		-58,424	-44,770
Proceeds of disposal		3,365	414
Acquisition of financial assets and changes in other current financial assets		4,588	67,405
Dividends received from associates		1,245	747
Net cash flow for investing activities for continuing operations		**-52,547**	**11,652**
Net cash flow for investing activities for discontinued operations			
NET CASH FOR INVESTING ACTIVITIES		**-52,547**	**11,652**
Net cash flow from financing activities			
Purchase of treasury shares		193	-8,643
Share capital increase subscribed by minority interests			71
Proceeds of borrowings		104,687	42,020
Repayment of borrowings		-129,503	-103,057
Dividends paid to the parent company's stockholders		-17,006	-22,667
Dividends paid to minority interests in consolidated companies		-2,384	-2,760
Net cash flow for financing activities for continuing operations		**-44,013**	**-95,036**
Net cash flow for financing activities for discontinued operations			
NET CASH FOR FINANCING ACTIVITIES		**-44,013**	**-95,036**
Impact of foreign exchange differences		4,308	-1,272
Net change in cash and cash equivalents		-31,428	-83,287
Reclassification of cash and cash equivalents for discontinued operations		**5**	**-15**
Opening cash and cash equivalents	**14**	**359,279**	**331,438**
CLOSING CASH AND CASH EQUIVALENTS	**14**	**327,856**	**248,136**

4 - Consolidated statement of changes in equity

In thousands of euro	ATTRIBUTABLE TO STOCKHOLDERS OF THE PARENT COMPANY				
	Paid-in capital	Other reserves (note 10)	Retained earnings	Minority interests	TOTAL CONSOLI-DATED EQUITY
EQUITY AS OF 01/01/2011	**47,019**	**15,794**	**1,045,563**	**54,238**	**1,162,614**
Dividends distributed			**-22,667**	**-2,772**	**-25,439**
Total comprehensive income as of 06/30/2011		**-10,188**	**39,030**	**1,802**	**30,644**
Stock purchase option plans:					
• Value of services provided	346				346
• Amounts received net of tax					
Purchase of treasury shares	-8,644				-8,644
Common stock increase				71	71
Equity component of convertible loans					
Impact of changes in consolidation scope:					
• Purchase of non-controlling interests			-1,796	4,243	2,447
. Put options granted to non-controlling interests				-56	-56
• Impact of business combinations					
EQUITY AS OF 06/30/2011	**38,721**	**5,606**	**1,060,130**	**57,526**	**1,161,983**
EQUITY AS OF 12/31/2011	**38,953**	**10,617**	**1,066,817**	**64,722**	**1,181,109**
Dividends distributed (1)			**-17,006**	**-3,134**	**-20,140**
Total comprehensive income as of 06/30/2012		**4,515**	**35,333**	**3,475**	**43,323**
Stock purchase option plans:					
• Value of services provided	467				467
• Amounts received net of tax	200				200
Purchase of treasury shares	-7				-7
Common stock increase					
Other adjustments	-				
Equity component of convertible loans					
Impact of changes in consolidation scope:					
• Purchase of non-controlling interests					
. Put options granted to non-controlling interests			-624	57	-567
• Impact of business combinations			524	-524	
EQUITY AS OF 06/30/2012	**39,613**	**15,132**	**1,085,044**	**64,596**	**1,204,385**

(1) Of which €750 thousand accrued.

5 - Notes to the condensed interim consolidated financial statements

BONGRAIN SA is a *Société Anonyme à Conseil d'Administration* (French limited liability company with a Board of Directors) domiciled and registered in France and whose registered office is located at 42 rue Rieussec in Viroflay (78220). Its shares are traded in on the Paris Stock Exchange.

Declaration of compliance

The condensed interim consolidated financial statements, expressed in thousands of euro unless otherwise stated, have been prepared in accordance with IAS 34, "Interim Financial Reporting". They comprise the company and its subsidiaries (hereafter the "Group") and the Group's share of associates. They do not include all the information required for a complete set of annual financial statements and must be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2011 which are available on request from the company's registered office or by consulting www.bongrain.com. They were released for publication by the Board of Directors on August 29, 2012.

Principal accounting policies

The accounting policies applied by the Group in its condensed interim consolidated financial statements are identical to those used in its consolidated financial statements for the year ended December 31, 2011 except for amendments becoming necessary because of the evolution of International Financial Reporting Standards (IFRS).

The amendments to standards and interpretations applicable with effect from January 1, 2012 have not had any significant impact on the Group's financial statements.

The preparation of condensed interim consolidated financial statements requires, as for the preparation of annual financial statements, the exercise of judgment and the estimation of certain amounts. The estimated amounts are identical to those described in the Group's consolidated financial statements for the year ended December 31, 2011.

During the six months ended June 30, 2012 the Group has in particular revised its estimates relating to impairment of property, plant and equipment (see note 3) and to deferred tax assets in respect of tax losses carried forward previously not brought onto the balance sheet (see note 5).

Management of financial risk

The objectives and policies pursued by the Group in managing its exposure to financial risks are unchanged compared to the information furnished in its consolidated financial statements for the year ended December 31, 2011.

Note 1. Changes in consolidation scope

1.1 Changes in scope

There were no changes in consolidation scope during the 1st half of 2012.

The main change in consolidation scope during the 1st half of 2011 was the acquisition of a 98.34% interest in Milkaut (Argentina) on January 28, 2011. Segment reporting for the entity is within the other dairy products segment.

During the 2nd half of 2011, the Group acquired an 80% interest Sinodis Limited (China), a food product distribution company, on September 29, 2011. Segment reporting for the entity is also within the other dairy products segment.

1.2 Operations discontinued or in process of sale

Operations discontinued or in process of sale contributed the following amounts to the consolidated income statements presented herein:

In thousands of euro	Income statements from January 1 to June 30	
	2012	**2011**
Net sales	**0**	**0**
Current operating loss	**-9**	**-15**
Operating profit/(loss)	**-10**	**318**
Profit/(loss) before tax	**-22**	**308**
Income tax		**-135**
Net profit/(loss) for discontinued operations	**-22**	**173**

The operations in process of sale contributed the following amounts to the consolidated balance sheet as of June 30, 2012:

In thousands of euro	June 30, 2012	December 31, 2011
Current assets	1,123	1,493
Non-current assets	174	251
Total assets in process of sale (1)	**1,296**	**1,744**
Current liabilities		
Non-current liabilities	593	**316**
Total liabilities (2)	**593**	**316**

(1) Essentially tangible fixed assets in process of sale, operating receivables and receivables for divested assets.
(2) Essentially operating liabilities in process of sale.

Note 2. Segment reporting

The Group' segment reporting is based on the internal reporting to its Managing Director, the main operating decision-maker, which is prepared in accordance with the Group's accounting framework. There are two operating segments:

Cheese products: this segment comprises the production of branded cheeses and other cheese specialties for most of the world's markets;

Other dairy products: this business groups together fresh cream and butter for mass consumption, commercial catering products such as fresh and UHT cream, preparations for desserts, pastry-making butters, long-life cream and basic preparations for the international luxury hotel industry. It also comprises technical butters and highly specialized dairy proteins for use in food manufacturing and in the nutrition and health industries.

The condensed income statement by segment may be summarized and reconciled with the Group's income statement as follows:

In thousands of euro	Cheese products		Other dairy products		Other items		Total	
	June 2012	June 2011	June 2012	June 2011	June 2012	June 2011	June 2012	June 2011
Segment revenue	1,258,425	1,220,918	762,139	696,327	23,235	32,116	2,043,799	1,949,361
Inter-segment revenue	-31,937	-28,427	-16,057	-14,801,	-16,076	-25,239	-64,070	-68,467
Third party revenue	1,226,488	1,192,491	746,082	681,526	7,159	6,877	1,979,729	1,880,894
Depreciation and amortization	-40,087	-39,779	-11,343	-11,884	-3,324	-2,475	-54,754	-54,138
Current operating profit	58,573	51,708	26,795	14,106	-6,145	-5,308	79,223	60,506
Restructuring costs	-810	-773	-2,378	-104			-3,188	-877
Impairment of assets	-4,642	99		-644			-4,642	-545
Segment profit / (loss)	**53,121**	**51,034**	**24,417**	**13,358**	**-6,145**	**-5,308**	**71,393**	**59,084**

Operating segment balance sheet items may be summarized and reconciled with the Group's balance sheet as follows:

In thousands of euro	June 2012	December 2011	June 2012	December 2011	June 2012	December 2011	June 2012	December 2011
Total assets Of which:	1,917,665	1,961,654	886,695	866,767	216,574	213,194	**3,020,934**	**3,041,615**
Investments in associates	64,217	64,021	69,817	69,285	3,193	2,981	**137,227**	**136,287**

Statement of cash flow items may be summarized and reconciled with the Group's statement of cash flows as follows:

In thousands of euro	June 2012	June 2011	June 2012	June 2011	June 2012	June 2011	June 2012	June 2011
Investment in tangible and intangible non-current assets	34,313	32,732	19,580	10,015	4,531	2,023	**58,424**	**44,770**

Reconciliation from segment income to net income of the period:

	2012	2011
Segment income	**71,393**	**59,084**
Other operating expenses	-1,570	-3,197
Other operating income	679	4,519
Operating profit	**70,502**	**60,406**
Financial expense	-22,060	-20,240
Financial income	9,605	10,275
Share of results of associates	4,571	2,515
Profit before tax	**62,618**	**52,956**
Income tax	-22,268	-11,883
Net loss for discontinued operations	-22	173
Net income for the period	**40,328**	**41,246**

Net sales and capital investment by geographical zone

In thousands of euro	France	Rest of Europe	Rest of the world
Net sales			
1st half 2012	614,713	777,380	587,636
1st half 2011	617,382	787,219	476,293
Capital investment			
1st half 2012	33,649	18,418	6,357
1st half 2011	27,348	11,628	5,794
Total assets			
1st half 2012	2,459,299	349,526	212,109
1st half 2011	2,354,764	381,925	149,206

Note 3. Other operating income and expense

The 2012 interim financial statements include €3.2 million of net restructuring costs, €4.6 million of impairment of assets and €0.9m of net charges for litigation.

The impairment loss recognized followed impairment testing of those cash-generating units (CGUs) for which indications of impairment had been noted.

The methodology applied for impairment testing, and the main assumptions applied in determining value in use, were as described in the notes to the consolidated financial statements as of December 31, 2011. The applicable long-range plans and discount rates were updated as of June 30, 2012.

In recognition of new changes in the markets and our competitors, €4.6 million of additional impairment was charged against our Southern Europe CGU, thereby producing a cumulative total of €22.6 million of impairment.

An increase of 0.5% in the discount rates applied would have a similar impact to that communicated as of December 31, 2011.

Note 4. Net financial expense

In thousands of euro	06/30/2012	06/30/2011
Interest expense (1)	-14,661	-12,764
Bank commissions	-2,830	-2,709
Other financial expense	-3,828	-2,766
Interest rate hedging expense (3)	-741	
Foreign currency losses		-2,001
FINANCIAL EXPENSE	**-22,060**	**-20,240**
Interest income (2)	6,930	5,600
Other financial income*		4,650
Interest rate hedging income (3)		25
Foreign currency gains	2,675	
FINANCIAL INCOME	**9,605**	**10,275**
Net financial expense	**-12,455**	**-9,965**
Of which: net interest expense (1)+(2)+(3)	*-8,472*	*-7,139*

**Including a €4.6 million reversal of impairment of loans.*

Note 5. Income tax

Income tax may be broken down as follows:

In thousands of euro	06/30/2012	06/30/2011
Current tax	-19,564	-10,856
Deferred tax	-1,592	-1,417
Share of income tax of associates	-1,112	390
	-22,268	**-11,883**

For the six months ended June 30, 2012 the consolidated effective tax rate amounts to 35.56% (for the year ended December 31, 2011: 40.59% and for the six months ended June 30, 2011: 22.40%). The difference between the theoretical tax charge of €20 million and the actual tax charge of €22.3 million is attributable to the following elements:

In thousands of euro	06/30/2012	06/30/2011
Profit before tax	**62,618**	**52,956**
Theoretical tax based on national tax rates	**20,047**	**17,243**
Tax impact of:		
- Non-taxable profits and non-deductible expenses	-786	-4,936
- CVAE tax analyzed as a tax on income	2,693	2,654
- Tax credits	-631	-1,449
- Use of tax losses not previously recognized and impairment of net deferred tax assets (1)	1,389	-1,348
- Deferred tax on losses of operations (consolidated for tax purposes) sold or in process of sale	-7	-29
- Changes in the rates applicable to deferred tax assets and liabilities	87	98
- Other factors (2)	-524	-350
Income tax charge	**22,268**	**11,883**
Weighted average tax rate	35.56%	22.4%

(1) The balance as of June 30, 2012 includes a €3.2 million charge for impairment of deferred tax assets and a €1.8 million credit for use of tax losses not previously recognized. Deferred tax assets are recognized in respect of tax losses carried forward to the extent that their recovery appears probable. As of June 30, 2012 the Group's forecast taxable profits for the three coming years have required adjustment to certain companies' deferred tax assets, whereas as of June 30, 2011 no significant change was required to the amounts previously recognized.

(2) Including unrecognized deferred tax assets for tax losses of associates.

Note 6. Dividend per share

In thousands of euro	06/30/2012	06/30/2011
Dividends paid by the Group	17,006	22,667
Dividend per share (euro per share)	1.20	1.60

Note 7. Intangible assets and property, plant and equipment

In thousands of euro	Intangible assets	Property, plant and equipment	Total
Carrying amount as of 01/01/2012	**417,986**	**744,552**	**1,162,538**
Capital expenditure net of government grants	9,096	49,916	59,012
Disposals	-21	-2,956	-2,977
Depreciation and amortization	-4,384	-49,785	-54,169
Impairment		-4,639	-4,639
Translation differences	783	1,805	2,588
Impact of discontinued operations		368	368
Carrying amount as of 06/30/2012 (*)	**423,460**	**739,261**	**1,162,721**
(*) of which: net assets under finance lease as of 06/30/2012		22,362	22,362

During the six months ended June 30, 2012 the Group's investment in intangible assets amounted to €9,096 thousand (compared with €1,480 thousand for the six months ended June 30, 2011) and its investment in property, plant and equipment amounted to €49,916 thousand (compared to €42,583 thousand for the six months ended June 30, 2011).

Note 8. Inventories and work in progress

The increase in inventories compared to December 31, 2011 reflects a seasonal increase in volumes and changes in the price of raw materials and of world prices for industrial products.

Note 9. Breakdown of the other items of total comprehensive income

	Period from January 1, 2012 to June 30, 2012			Period from January 1, 2011 to June 30, 2011		
In thousands of euro	**Pre-tax amount**	**Tax impact**	**Net of tax amount**	**Pre-tax amount**	**Tax impact**	**Net of tax amount**
Translation differences	**4,736**		**4,736**	**-10,376**		**-10,376**
Change in fair value of available-for-sale financial assets	**-225**	**77**	**-148**	**-44**	**14**	**-30**
Change in fair value of cash flow hedges	**34,**	**-11**	**23**	**-296**	**100**	**-196**
Other items	**-1,616**		**-1,616**			
OTHER ITEMS OF TOTAL COMPREHENSIVE INCOME	**2,929**	**66**	**2,995**	**-10,716**	**114**	**-10,602**

Note 10. Breakdown of other reserves

In thousands of euro	**Hedging reserves**	**Fair value reserves for available-for-sale financial assets**	**Translation differences**	**TOTAL**
BALANCES AT 01/01/2011	**986**	**-1,596**	**16,404**	**15,794**
. Revaluation – gross		-44		-44
. Revaluation – tax		14		14
. Revaluation – investments in associates				
• Cash flow hedges				
• Fair value adjustments of the period	-296			-296
• Tax impact	100			100
Translation differences				
• Group			-10,246	-10,246
• Associates			284	284
BALANCES AT 06/30/2011	**790**	**-1,626**	**6,442**	**5,606**
BALANCES AT 12/31/2011	**-646**	**-2,036**	**13,299**	**10,617**
. Revaluation – gross		-225		-225
. Revaluation – tax		77		77
. Revaluation – investments in associates				
• Cash flow hedges				
• Fair value adjustments of the period	34			34
• Tax impact	-11			-11
Translation differences				
• Group			4,330	4,330
• Associates			310	310
• Other items				
BALANCES AT 06/30/2012	**-623**	**-2,184**	**17,939**	**15,132**

Note 11. Provisions

In thousands of euro	Retirement benefits, pensions and long-service benefits	Litigation and other risks	TOTAL
At January 1, 2012	**29,278**	**22,382**	**51,660**
Translation differences	22	-145	-123
Provisions recognized (a)	2,147	2,897	5,044
Provisions used (b)	0	-2,034	-2,034
Change in consolidation scope			
At June 30, 2012	**31,447**	**23,100**	**54,547**

a) The charges for provisions include:
- €0.4 million of provisions for restructuring;
- €2.1 million of provisions for litigation;
- €0.4 million of other provisions.

(b) Including €1.1 million of actual use and €1 million of reversal of provisions no longer required.

At June 30, 2012 the main provisions recognized include €3.2 million for restructuring (December 2011: €3.0 million), €1.1 million for commercial disputes (December 2011: €0.6 million), €3.2 million for employee litigation (December 2011: €3.1 million), €4.4 million for tax litigation (December 2011: €4 million) and €11.2 million for other exposures (December 2011: €11.7 million).

Note 12. Borrowings and other financial liabilities

In thousands of euro	06/30/2012	Non-current	Current	12/31/2011	Non-current	Current
Borrowings from financial and similar institutions	**508,896**	**193,209**	**315,687**	535,390	313,151	222,239
Deferred liabilities for profit-sharing payments	**14,906**	**11,392**	**3,514**	15,593	11,923	3,670
Bond issues	**180,530**	**179,428**	**1,102**	177,998	177,285	713
Finance lease borrowings	**11,962**	**8,030**	**3,931**	11,845	8,958	2,887
Current bank facilities	**123,382**		**123,382**	83,131		83,131
Sub-total	**839,676**	**392,060**	**447,616**	**823,957**	**511,317**	**312,640**
Liabilities in respect of put options granted to minority interests (1)	**51,401**	**49,253**	**2,148**	49,232	47,110	2,122
	891,077	**441,313**	**449,764**	**873,189**	**558,427**	**314,762**

(1) Mainly relates to liabilities in respect of put options granted to non-controlling interests of indeterminate maturity but exercisable at any time.

Changes in borrowings and other financial liabilities comprise:

In thousands of euro	
Borrowings at 01/01/2012	**873,189**
Proceeds from borrowings	104,687
Repayment of borrowings	-129,503
Change in current bank facilities and financial current accounts	38,297
Change in finance lease borrowings	147
Impact of foreign exchange differences	2,785
Impact of consolidation scope	
Change in liabilities in respect of put options granted to non-controlling interests	1,480
Borrowings at 06/30/2012	**891,077**

Borrowings and other financial liabilities increased by €17.8 million compared to December 31, 2011. Taking account of cash and cash investments, net debt increased by €16.5 million and amounted to €389.7 million at June 30, 2012.

Certain facilities include clauses requiring the respect of financial ratios essentially taking the form of a minimum equity requirement or a maximum level of debt in comparison with current EBITDA and equity. EBITDA is defined as current operating profit before charges and reversals in respect of depreciation, amortization, impairment and provisions. All the financial ratios imposed continue to be met by the Group.

Net borrowings are determined as follows for the purpose of calculation of the applicable financial ratios:

In thousands of euro	**June 30, 2012**	**December 31, 2011**
Non-current bank borrowings	-441,313	-558,427
Current bank borrowings	-449,764	-314,762
Other current financial assets	46,539	51,626
Cash and cash equivalents	454,778	448,345
	-389,760	**-373,218**

Note 13. Other current financial assets

Other current financial assets include investments in mutual fund and other securities which have maturities of less than one year but do not meet all the criteria enabling them to qualify as cash equivalents (based on analysis of issue prospectuses and review of the historical changes in their realizable values).

Note 14. Cash and cash equivalents

Cash and cash equivalents as presented in the statement of cash flows may be reconciled as follows with the consolidated balance sheets:

In thousands of euro	**June 30, 2012**	**December 31, 2011**
Cash and cash equivalents	**454,778**	**448,345**
Net cash of subsidiaries in process of sale		**37**
Current bank facilities and financial current accounts	**-126,922**	**-89,103**
Cash and cash equivalents	**327,856**	**359,279**

Note 15. Transactions with related parties

The Group is controlled by Soparind SCA, a company registered in France which directly or indirectly controls 60.59% of Bongrain SA's share capital. The balance is held by a large number of stockholders and traded in on the Paris stock exchange. Certain subsidiaries are not wholly controlled by Bongrain SA. Their minority shareholders are generally milk production or collection cooperatives from which the Group purchases milk. Such transactions constitute the bulk of the Group's related party transactions. Bongrain SA recorded sales to related party cooperatives of €24.6 million during the first half of 2012 (€18.7 million during the first half of 2011) and made purchases of €200.2 million (€245.3 million during the first half of 2011).

The Group engages in treasury management on behalf of related parties, for which it received €0.3 million of remuneration during the first half of 2012 (€0.2 million during the first half of 2011).

La Compagnie des Fromages et Richesmonts is a joint venture with Sodiaal as the joint venturer. The Group is a dairy supplier to the joint venture entity, purchases certain industrial by-products, provides certain logistical, sales, IT and administrative services and distributes the entity's products in certain foreign countries. Consolidated other financial assets include a €2.6 million loan to La Compagnie des Fromages et Richesmonts and consolidated cash and cash equivalents include a financial current account with La Compagnie des Fromages et Richesmonts with a balance of €1.9 million.

The Group's sales to associates amounted to €2.4 million during the first half of 2012 (€2.5 million during the first half of 2011) and its purchases from associates amounted to €1 million during the first half of 2012 (€1 million equally during the first half of 2011). They mainly comprised transactions in dairy products.

Note 16. Events after the balance sheet date

There are no events after the balance sheet date to be reported.