

24 November 2010**Quarterly statement for 1 January – 30 September 2010 for FirstFarms A/S**

Summary

The Board of Directors and Management of FirstFarms A/S have today reviewed and adopted the un-audited quarterly accounts for the period 1 January – 30 September 2010.

Highlights

- FirstFarms has in the accounting period realised a turnover of DKK 58.1 million, an EBIT result of DKK 3.6 million and a pre-tax result of DKK -0.9 million. The results correspond to the expectations. The EBIT result is improved with DKK 35.2 million compared to the same period in 2009.
- In the beginning of the year, the milk price was lower than assumed but has in the last half year increased and is at the moment a little above the expectations. For the year, an average price of DKK 2.15 per kg is expected compared to an assumed average price of DKK 2.24 per kg.
- The milk production has in the first three quarters been lower than assumed as the planned extension of the cattle herd has happened later than assumed. The yield per cow has not met the expectations. In the period, the total milk production is however more than 20 percent higher than in the same period in 2009.
- The sales prices on grain have been higher than assumed.
- The harvest in Romania has been good with higher yields than expected. The harvest in Slovakia has been negatively influenced by flooding as mentioned in the company announcement in August. Lower yields are expected in maize and alfalfa silage than assumed at the half year report, as the flooding have had a larger negative influence than estimated in August. The total negative influence of the flooding, originally estimated at DKK 7.5 million, is now calculated to approx. DKK 10 million.
- In the light of the above, FirstFarms maintains the expectations for 2010 as earlier announced with an EBIT result of DKK 0-5 million and a pre-tax result of DKK -5-0 million. The expectations for the turnover are decreased with DKK 10 million to a turnover of DKK 80-85 million.

Billund, 24 November 2010

FirstFarms A/SFor further information:

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Main and key ratios

	The Group Q1-Q3 2010	The Group Q1-Q3 2009	The Group Q3 2010	The Group Q3 2009	The Group 2009
DKK 1,000					

Main figures

Turnover	58,130	48,837	33,175	18,483	75,605
Gross profit/loss	16,419	-13,134	8,967	-10,086	-29,954
Profit/loss of primary operations	3,571	-31,592	5,982	-15,288	-36,207
Net financial items	-4,487	-4,832	-2,846	-2,218	-5,971
Pre-tax result of continued operations	-916	-36,424	3,136	-17,506	-42,178
Net profit of continued operations	-1,073	-27,768	2,512	-12,985	-37,070
Result of discontinued operations	0	0	0	0	0
Net profit	-1,073	-27,768	2,512	-12,985	-37,070

Non-current assets	406,722	426,202	406,722	426,202	388,116
Current assets	108,739	115,358	108,739	115,358	127,007
Total assets	515,461	541,560	515,461	541,560	515,123
Share capital	47,122	47,122	47,122	47,122	47,122
Equity	351,537	350,970	351,537	350,970	352,091
Non-current liabilities	64,625	51,421	64,625	51,421	71,157
Current liabilities	99,299	139,169	99,299	139,169	91,875

Cash flow from operations	5,533	-6,163	15,502	-17,023	-26,183
Cash flow for investment, net Of which for investment in tangible assets	-22,740	-44,525	-6,550	-11,880	9,178
Cash flow from financing	-9,252	20,785	-1,279	4,990	24,329
Total cash flow	-26,459	-29,903	7,673	-23,913	7,324

Key figures

Gross margin	28.2	-26.9	27.0	-54.6	-0.4
Operating margin	6.1	-64.7	18.0	-82.7	-47.9
Assets/equity	1.5	1.5	1.5	1.5	1.5
Earnings per share, DKK	-0.23	-5.89	0.53	-2.75	-7.87
Diluted earnings per share, DKK	-0.23	-5.89	0.53	-2.75	-7.87
Return on shareholders' equity	-0.4	-9.9	2.9	-14.5	-9.9

Average number of employees	201	215	200	215	211
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Management report for the period 1 January – 30 September 2010

FirstFarms has in the accounting period realised a turnover of DKK 58.1 million, an EBIT result of DKK 0.3 million and a pre-tax result of DKK -4.2 million. The results correspond to the expectations. The EBIT result is improved with DKK 35.2 million compared to the same period in 2009.

In the period, the equity is reduced with DKK 0.6 million, which is composed by a result after tax of DKK -1.1 million and an positive exchange rate adjustment of DKK 0.5 million.

In the beginning of the year, the milk price was lower than assumed but has in the last half year been increasing and is at the moment a little above the expectations. For the year, an average price of DKK 2.15 per kg is expected compared to an assumed average price of DKK 2.24 per kg.

The milk production has in the first three quarters been lower than assumed as the planned extension of the cattle herd has happened later than assumed. The yield per cow has not met the expectations. In the period, the total milk production is however more than 20 percent higher than in the same period in 2009.

The sales prices on grain have been higher than assumed.

The harvest in Romania has been good with higher yields than expected. The harvest in Slovakia has been negative influenced by flooding as mentioned in the company announcement in August. Lower yields are expected in maize and alfalfa silage than assumed at the half year report, as the flooding have had a larger negative influence than estimated in August. The total negative influence of the flooding, originally estimated at DKK 7.5 million, is now calculated to approx. DKK 10 million.

The construction of cattle stables in Slovakia is almost completed, as installation of equipment etc. in the 2 last stable sections is the only outstanding issue.

Risk assessment

FirstFarms has in the annual report for 2009 described the most essential risks for the company, and it is the management's opinion that this description is still adequate. The annual report and the risk assessment can be found on the company's website www.firstfarms.com.

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Expectations for 2010

Assumptions

FirstFarms maintains the expectations for 2010 as earlier announced with an EBIT result of DKK 0-5 million and a pre-tax result of DKK -5-0 million. The expectations for the turnover are decreased with DKK 10 million to a turnover of DKK 80-85 million.

An average settlement price for the year on milk is assumed to be 2.15 per kg.

Financial calendar for 2011

29 March 2011	Annual report 2010
28 April 2011	Annual general meeting
26 May 2011	Quarterly report – Q1 2011
24 August 2011	Half year report 2011
23 November 2011	Quarterly report – Q3 2011

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Management statement

The Management and Board of Directors of FirstFarms have today discussed and approved the quarterly account of FirstFarms A/S for the period 1 January – 30 September 2010.

The account, which has not been audited or reviewed by the independent auditors of the Company, has been prepared in accordance with IAS 34 – “Interim Financial Reporting” as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion the quarterly account gives a true and fair view of the Group’s assets, liabilities and financial position at 30 September 2010 and of the results of the Group’s operations and cash flows for the period 1 January – 30 September 2010.

Further, in our opinion the Management’s review gives a true and fair overview of the development in the Group’s operations and financial matters, the results of the Group’s operations and the Group’s financial position as a whole.

Billund, 24 November 2010

Management

Per Villumsen
Managing Director

Board of Directors

Henrik Hougaard
Chairman

Kjeld Iversen

Jens Møller

Lars Thomassen

Per Villumsen

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Income statement

	The Group	The Group	The Group	The Group	The Group
	Q1-Q3	Q1-Q3	Q3	Q3	2009
DKK 1,000	2010	2009	2010	2009	2009
Turnover	58,130	48,837	33,175	18,483	75,605
Value adjustment of biological assets	2,279	-8,450	-332	-6,841	-17,818
Production costs	-66,984	-72,405	-30,762	-29,045	-116,151
Grants	22,994	18,884	6,886	7,317	28,410
Gross profit/loss	16,419	-13,134	8,967	-10,086	-29,954
Other operating income	1,230	1,437	704	215	16,639
Administration costs	-14,064	-18,563	-3,689	-5,236	-22,429
Other operating costs	-14	-1,332	0	-181	-463
EBIT-result	3,571	-31,592	5,982	-15,288	-36,207
Financial income	351	73	-764	19	1,748
Financial costs	-4,838	-4,905	-2,082	-2,237	-7,719
Pre-tax result of continued operations	-916	-36,424	3,136	-17,506	-42,178
Tax on net profit of continued operations	-157	8,656	-624	4,521	5,108
Net profit of continued operations	-1,073	-27,768	2,512	-12,985	-37,070
Result of discontinued operations	0	0	0	0	0
Net profit	-1,073	-27,768	2,512	-12,985	-37,070

Total income statement

	The Group	The Group	The Group	The Group	The Group
	Q1-Q3	Q1-Q3	Q3	Q3	2009
DKK 1,000	2010	2009	2010	2009	2009
Net profit	-1,073	-27,768	2,512	-12,985	-37,070
Other total income					
- Exchange rate adjustments by conversion of foreign units	519	-16,047	2,573	-3,155	-5,841
- Tax of other total income	0	0	0	0	0
Other total income after tax	519	-16,047	2,573	-3,155	-5,841
Total income	-554	-43,815	5,085	-16,140	-42,911

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Balance

	The Group	The Group	The Group
DKK 1,000	Q3 2010	Q3 2009	2009
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	16,028	16,048	16,028
Milk quota	8,794	10,769	10,279
Total intangible assets	24,822	26,817	26,307
Tangible assets			
Land and buildings	253,880	243,289	237,274
Plant and machinery	66,015	66,878	66,449
Fixtures and fittings, tools and equipment	2,364	1,851	2,774
Fixed assets under construction	23,242	66,286	26,912
Total tangible assets	345,501	378,304	333,409
Biological assets			
Basic herd	25,097	17,794	17,098
Total biological assets	25,097	17,794	17,098
Other non-current assets			
Deferred tax asset	11,302	3,287	11,302
Total other non-current assets	11,302	3,287	11,302
Total non-current assets	406,722	426,202	388,116
Current assets			
Inventories	22,709	37,736	23,810
Biological assets – breeding and crops	36,963	44,595	28,737
Receivables	11,307	5,593	8,222
Other receivables	32,616	22,415	35,490
Accruals and deferred expenses	1,183	1,002	2,179
Cash at bank and in hand	3,961	4,017	28,569
Total current assets	108,739	115,358	127,007
TOTAL ASSETS	515,461	541,560	515,123

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	The Group	The Group	The Group
	Q3 2010	Q3 2009	2009
DKK 1,000			
EQUITY AND LIABILITIES			
Equity			
Share capital	47,122	47,122	47,122
Reserve for decrease of share capital	424,102	424,102	424,102
Reserve for exchange rate adjustment	-13,132	-23,857	-13,651
Transferred result	-106,555	-96,397	-105,482
Proposed dividend	0	0	0
Total equity	351,537	350,970	352,091
Liabilities			
Non-current liabilities			
Deferred tax	17,995	8,573	15,275
Credit institutions	46,630	42,848	55,882
Total non-current liabilities	64,625	51,421	71,157
Current liabilities			
Credit institutions	27,449	39,554	25,243
Trade payables and other payables	50,088	79,171	37,094
Corporation tax	0	0	2,563
Accruals and deferred income	21,762	20,444	26,975
Total current liabilities	99,299	139,169	91,875
Total liabilities	163,924	190,590	163,032
TOTAL EQUITY AND LIABILITIES	515,461	541,560	515,123

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Equity development

DKK 1,000	The Group Q3 2010	The Group Q3 2009
EQUITY DEVELOPMENT		
Equity 1 January	352,091	394,785
Reserve for exchange rate adjustment	519	-16,047
Result of the period	-1,073	-27,768
Equity at closing	351,537	350,970

Cash flow statement

DKK 1,000	The Group Q3 2010	The Group Q3 2009
Pre-tax result	-916	-36,424
Cash generated from operations (operating activities) before changes in working capital	2,970	-10,072
Cash flow from operating activities	5,533	-6,163
Cash flow from investing activities	-22,740	-44,525
Cash flow from financing activities	-9,252	20,785
Total cash flow	-26,459	-29,903
Available, at the beginning	3,326	-5,481
Exchange rate adjustment of available	-355	-153
Available at closing	-23,488	-35,537
Available at closing is recognised as follows:		
Available funds	3,961	4,017
Current bank debt	-27,449	-39,554
Available at closing	-23,488	-35,537

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Segment information

Q1-Q3 2010

DKK 1,000	Romanian activities	Slovakian activities	Total report compulsory segments
Total segment turnover	11,210	46,920	58,130
Grants	3,742	19,252	22,994
Value adjustment of biological assets	0	2,279	2,279
Financial income	339	1	340
Depreciations	-1,414	-10,415	-11,829
Segment result before tax	-1,734	-4,560	-6,294
Segment assets	168,167	364,165	532,332
Plant investments *)	3,025	13,157	16,182
Segment liabilities	134,204	367,891	502,095

*) Plant investments are investments in machinery, land and buildings.

Q1-Q3 2009

DKK 1,000	Romanian activities	Slovakian activities	Total report compulsory segments
Total segment turnover	9,101	39,736	48,837
Grants	5,818	13,066	18,884
Value adjustment of biological assets	-2,188	6,262	-8,450
Financial income	0	35	73
Depreciations	-2,962	-11,443	-14,405
Segment result before tax	-16,283	-26,159	-42,442
Segment assets	236,166	381,501	617,667
Plant investments *)	-8,966	-37,735	-46,701
Segment liabilities	234,472	373,102	607,574

*) Plant investments are investments in machinery, land and buildings.

Reconciliation of report compulsory segments result

DKK 1,000	Q1-Q3 2010	Q1-Q3 2009
Segment result before tax for report compulsory segments	-6,294	-42,442
Non-allocated result, Group function	5,378	6,018
Result of continued operations before tax, cp. income statement	-916	-36,424

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