

Alfesca



Market presentation

18 Nov 2008

Q1 08/09

Results

1. Alfesca at a glance
2. Operational review by pillar
 - **Salmon and other fish**
 - **Foie gras and duck products**
 - **Blinis and spreadables**
 - **Prawns and other shellfish**
3. Financial review
4. Future prospects



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- The worldwide crisis has deteriorated Alfesca's business environment:

Facts

- ✓ Recession hit our main geographical markets:

GDP growth 2008, vs previous quarter (1)

	Jan/March	April/June	July/Sept (*)
France	+ 0.4%	-0.3%	-0.1%
UK	+0.3%	+0.0%	-0.5%
Spain	+0.3%	+0.1%	-0.1%

(1) Source : Insee(French national statistics), Eurostat (official EU database), National online statistics for the UK

(*): forecast for France and Spain, official figure for the UK

- ✓ Buying power has decreased: commodities favourable trend (in July/Sept versus the first half of 2008) has been offset by:

- high tensions on the labour market
- overall pessimism of consumers directly or indirectly affected by the financial crisis
- priority given to finance Hollydays expenses to the expense of food

- **The worldwide crisis has deteriorated Alfesca's business environment:**

Facts

- ✓ Currency changes affected Alfesca's profit compared to last year:
 - Low Sterling to Euro rate ($£1=€1.26$ this year, $1£=1.47€$ last year) affecting our UK results in Euros
 - Strengthening dollar rate (also compared to our Q4 07/08) penalizing partly our prawn purchases

- The worldwide crisis has deteriorated Alfesca's business environment:

Psychological impact



- **The worldwide crisis has deteriorated Alfesca's business environment:**

Facts and psychological impact consequences

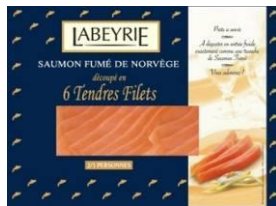
- ✓ Extremely high clients pressure to cancel any tariff increase, they ask for more promotion and increase overrides

- ✓ Stability or drop of our key markets within our pillars :
 - Smoked salmon: France +0.3% (Iri 3 months ending Oct 12, volumes)
 - Foie Gras: France -4.0% (Iri 3 months ending Sept 14, volumes)
 - Prawns: UK -4.2% (TNS 12 weeks ending Sept 7, volumes)

⇒ *Stable Q1 sales versus LY (proforma) in particular thanks to good FG and prawns sales*

Total group Proforma Q1 : +1.7% vs LY(*)

Smoked salmon & other fish



- Q1 -3.1%
- Jul +0.9%
- Aug -13.4%
- Sep +2.9%

Foie gras & other duck products



- Q1 +8.0%
- Jul +18.3%
- Aug +2.0%
- Sept +6.2%

Blinis & spreadables

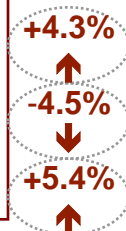


- Q1 -6.4%
- Jul -2.7%
- Aug -11.5%
- Sep -5.1%

Prawns



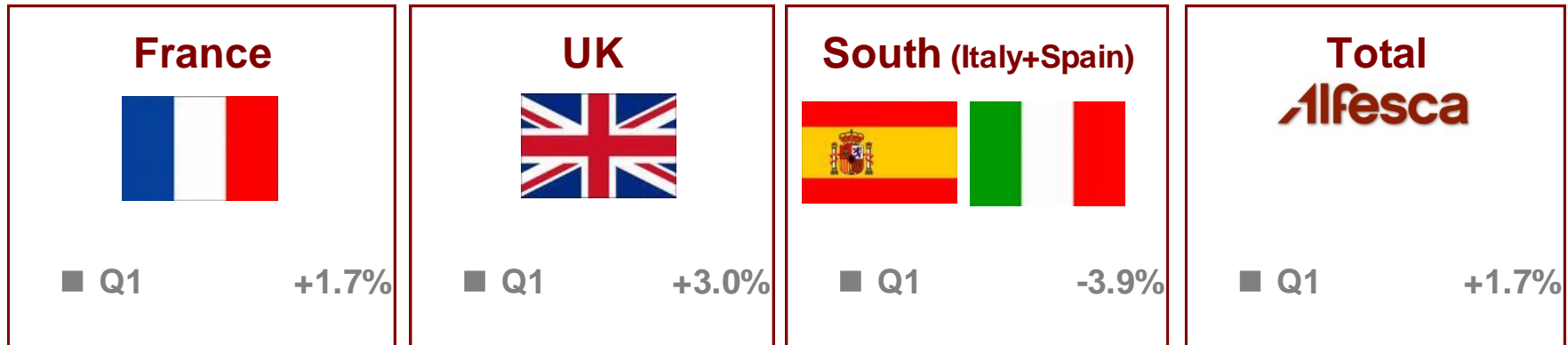
- Q1 +7.4%
- Jul +5.9%
- Aug +6.0%
- Sep +11.1%



(*) :D&F proforma for LY, constant £/€ rate

⇒ *Small growth lead by the UK*

Total group Proforma Q1 : +1.7% vs LY(*)



(*) : Adrimex,LTG, D&F proforma for LY, constant £/€ rate

Alfesca Q1 08/09 at a glance

In this adverse environment, our Q1 published results were affected. However, in like for like comparison, Alfesca was still able to deliver sustainable growth

	Q1 published	Q1 proforma (1)
Net sales in €m	125.2	132.0
% vs LY	-2.5%	1.7%

(1) : constant £/€ rate and perimeter

	Q1 published	Q1 proforma (1)
Ebitda in €m	6.4	8.2
% vs LY	-11.8%	12.5%

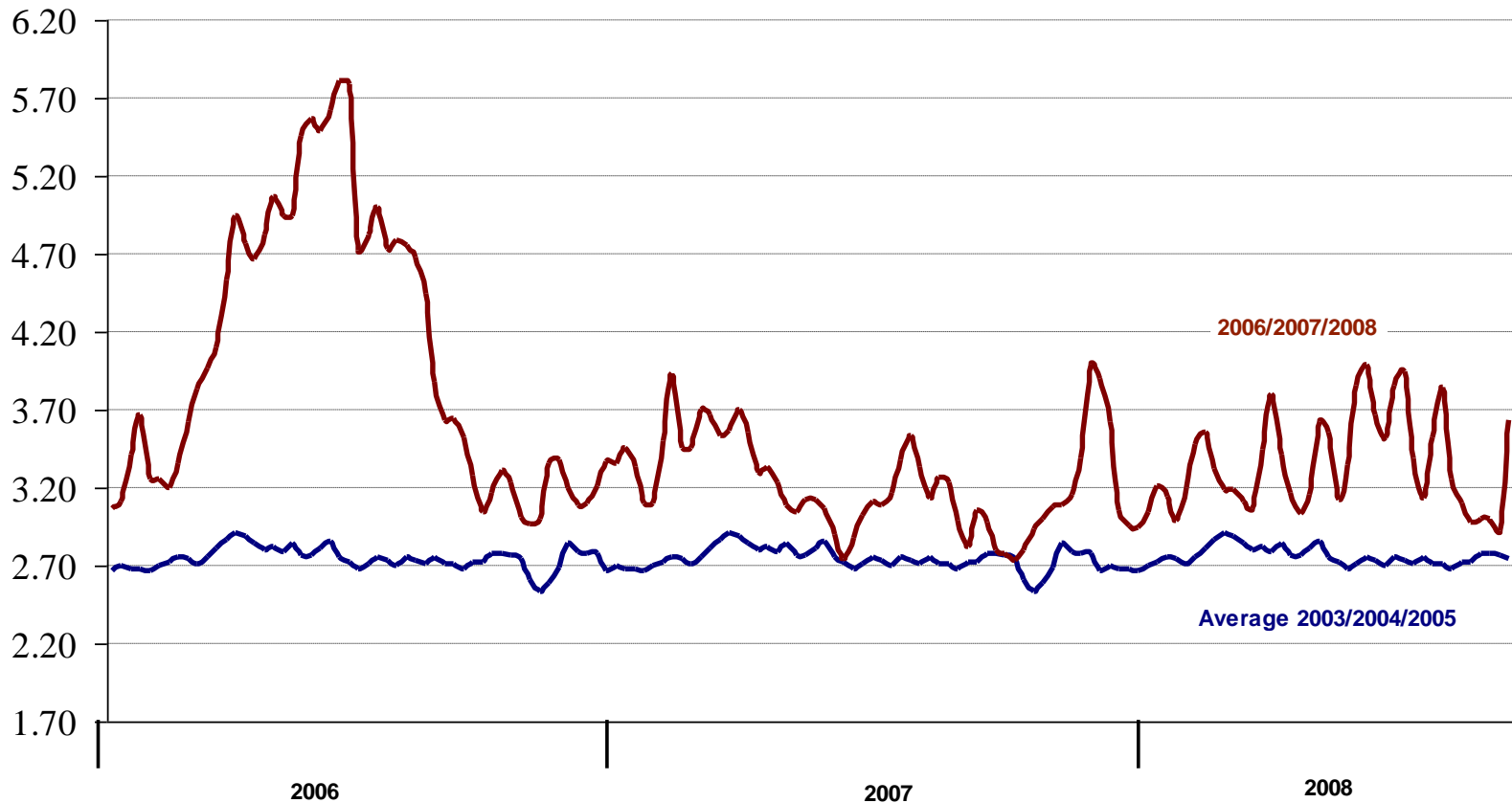
(1) : constant £/€ rate and perimeter, one off costs excluded

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Salmon raw mat: Norway price 2006 to 2008 (up to week 44)

FHL/NOS Prices 4/5 kg gutted salmon in €/kg



Salmon raw mat: Norwegian Sept 08 vs Sept 07 *

Generation	Harvest period	Volume WFE 30/09/08	Harvest period	Volume WFE 30/09/07	Var in %
06/S0	Apr 08 to Aug 08	400	Apr 07 to Aug 07	0	ns
07/S1	Sep 08 to Mar 09	258,600	Sep 07 to Mar 08	240,000	8%
07/S0	Apr 09 to Aug 09	149,700	Apr 08 to Aug 08	145,000	3%
	TOTAL	408,700		385,000	6%

- July-Sept 2008: firm prices, slightly higher than expected due to a lower offer than forecasted (pancreas diseases, small sizes because of water temperature)
- Outlook: despite good biomass figures, prices will remain firm at the beginning of our Q2 (October to December 08) possibly because of supply regulation by farmers. Anyway, we are fully hedged at favourable levels for this critical quarter



Salmon raw mat: Scottish Sept 08 vs Sept 07 *

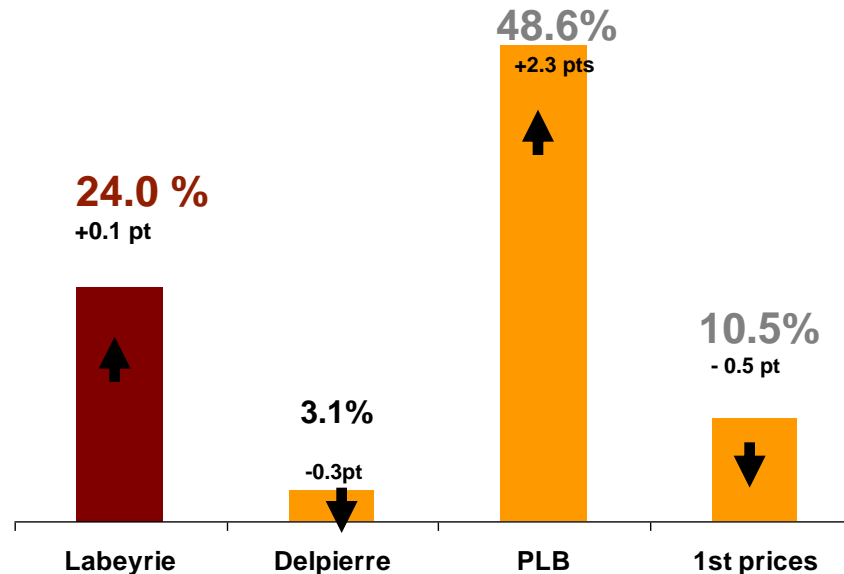
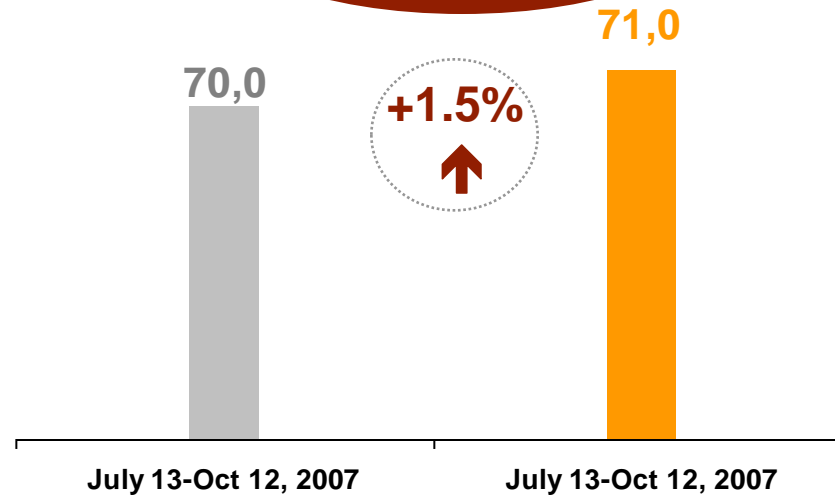
Generation	Harvest period	Volume WFE 30/09/08	Harvest period	Volume WFE 30/09/07	Var in %
06/S0	Apr 08 to Aug 08	100	Apr 07 to Aug 07	100	0%
07/S1	Sep 08 to Mar 09	48,300	Sep 07 to Mar 08	43,600	11%
07/S0	Apr 09 to Aug 09	18,300	Apr 08 to Aug 08	23,800	-23%
	TOTAL	66,700		67,500	-1%

- July-Sept 2008: firm prices because of low availability
- Outlook: availability will remain low. Alfesca has already contracted the major part of the October to December purchases to avoid any spot price volatility



French Market and MS

IRI, 52 weeks ending
12/10/08



Q1 Salmon and other fish sales: variances versus last year

Total Variance vs LY -3.1%

-2.6%

Salmon



PLB increase

0%

Herrings



Traditional affordable

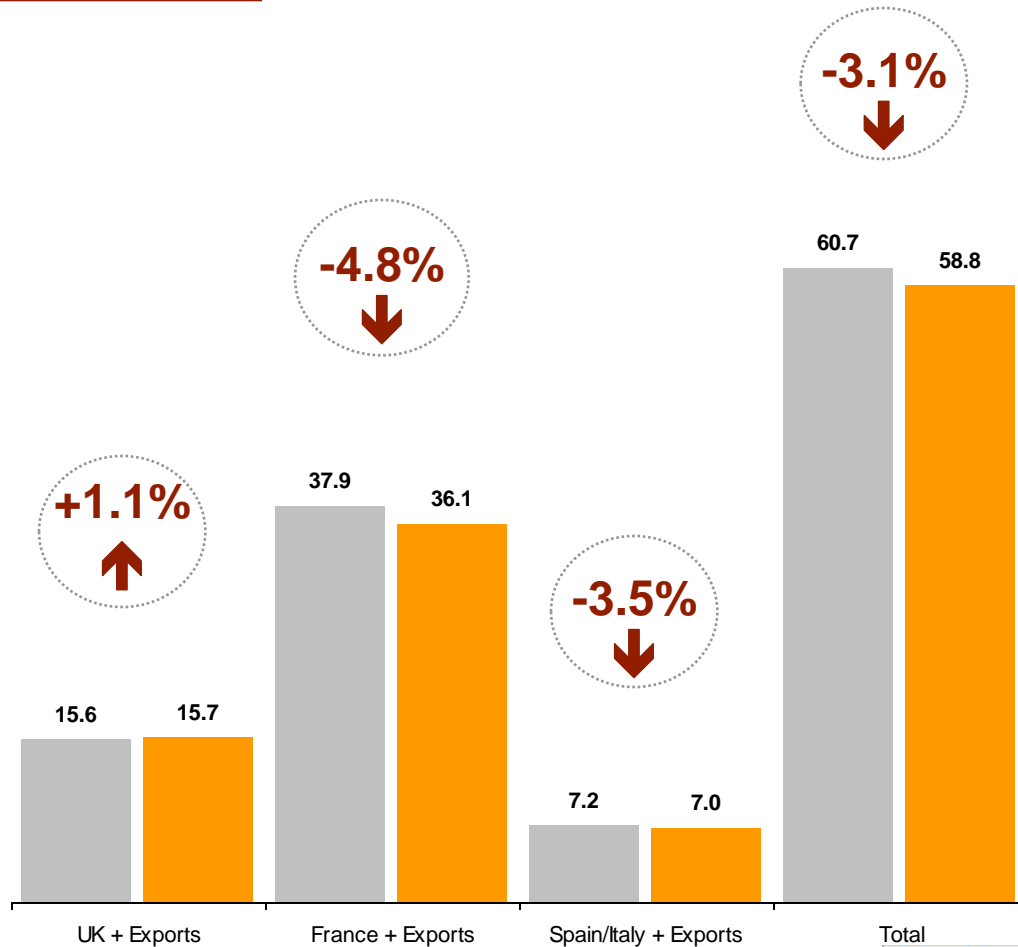
-8.7%

Cod



Expensive Fish

Salmon and other fish: Q1 net sales in € million



■ Q1 07/08 ■ Q1 08/09



Q1 08/09: Summer successes



“Good for me” Labeyrie range range: success with more than 100 t since launch and gain of penetration, **Q1 sales +55% vs LY**



Very good sell out of Labeyrie “Fines & Légères”, **Q1 sales +11% vs LY**



Delpierre Barbecue summer range: +50% versus expectations, **16 Mt sold (new product)**

Salmon and other fish: outlook

- The main focus is now being successful for Christmas:
 - ✓ Listings are satisfactory
 - ✓ Innovation will contribute to success
 - ✓ Consumers and customers' confidence has to be restored



Salmon and other fish: outlook

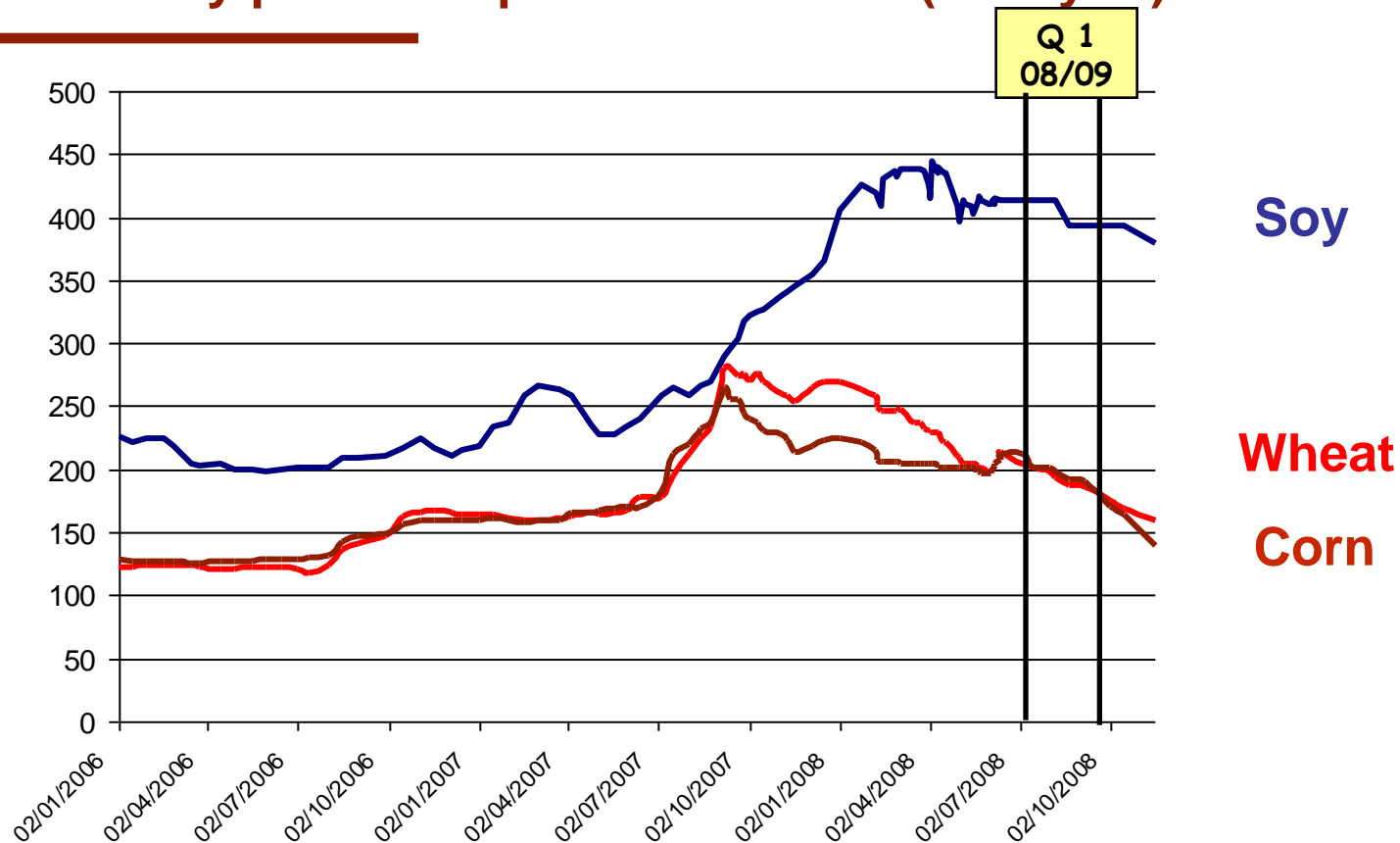
- We will make sure that our industrial results (Yields/Productivity/Overheads) contribute positively to our Ebitda results
- We will cut all unnecessary expenses to reach our budgeted Ebitda
- We will monitor carefully our sales to decrease as much as possible the level of our inventory
- Raw mat: we will take advantage of any window of opportunity to hedge or contract our H2 purchases



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Cereals and Soy purchase price for Alfesca (Labeyrie)

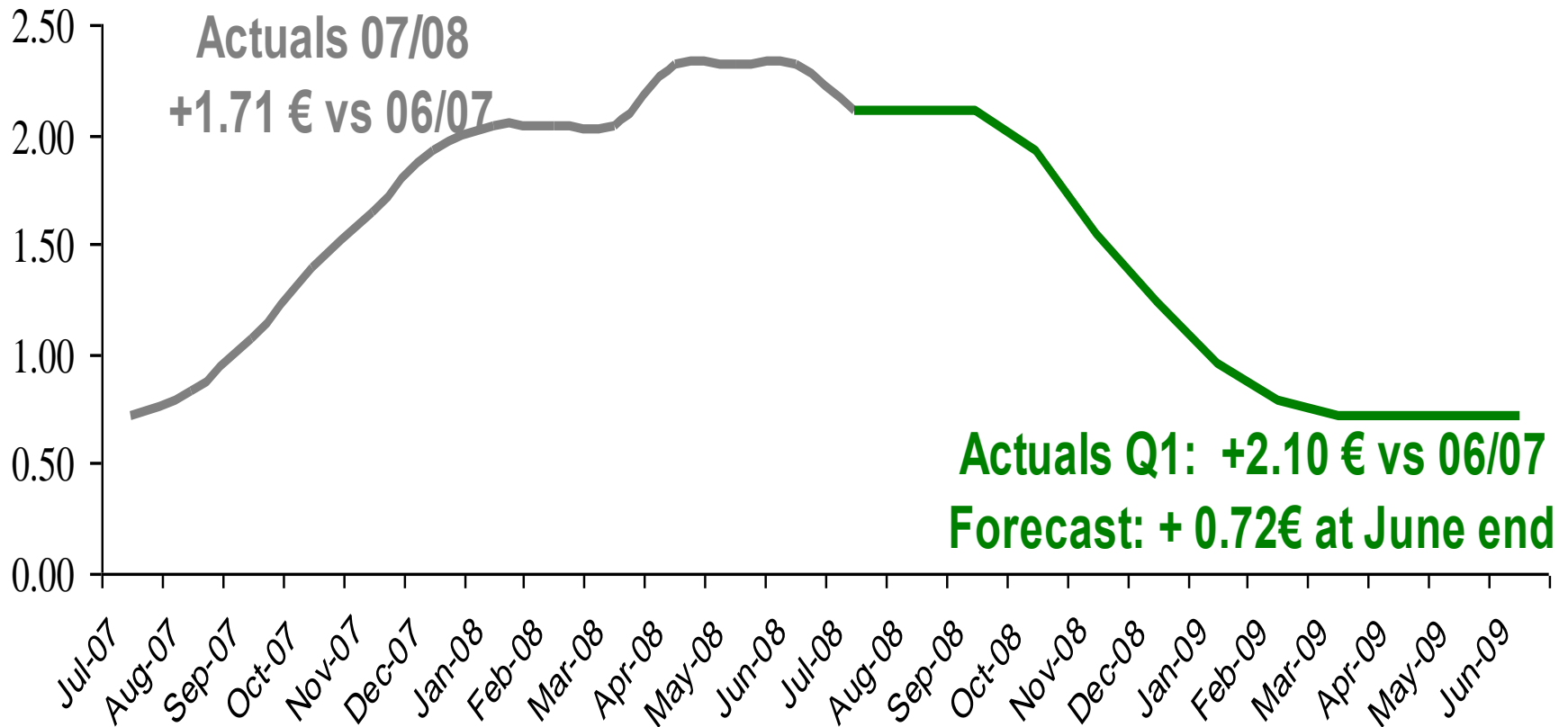


Continuing decrease in corn and wheat. Soy prices remain high :

- Cereals are less of a speculative market compared to 6 months ago
- Wheat harvest has been very good
- However :
 - ✓ no visible sign of a demand slowdown
 - ✓ strengthening of the USD favouring european exports

→ we think that we are close to floor prices except in soy (end of a forward contract, we expect the GMO free price to reach 340 €/MT in a near future)

Duck raw mat : feed price index outlook

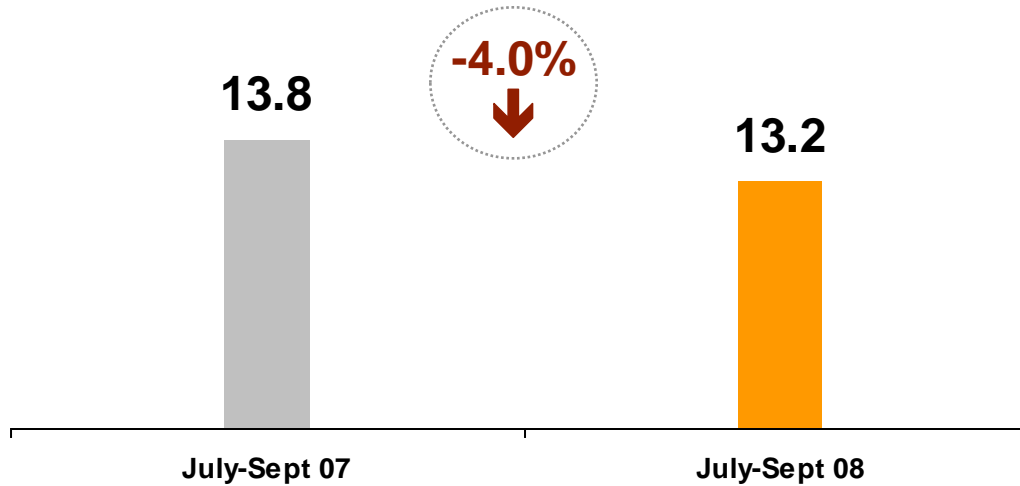


- The cereal price decrease will translate into purchase prices gains which will impact partially Q2 (+€94k of Ebitda) and H2 (+€400k) but mainly only 09/10 due to the stock effect

Foie gras market: value trends in €m

Market decline in this small quarter

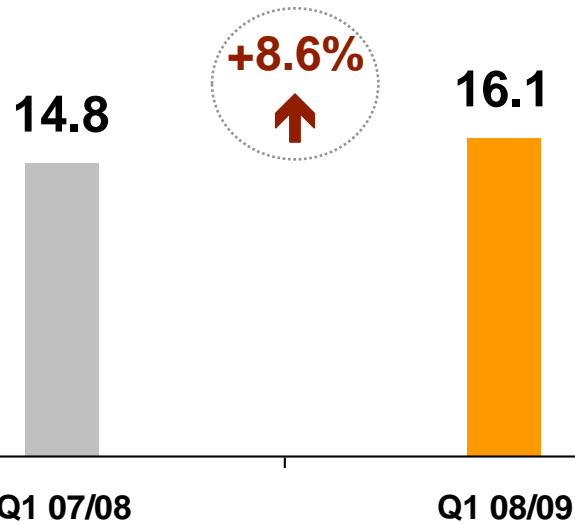
Market value €m IRI
July – Sept 08



* Labeyrie branded. Excludes our share of private label brand

Foie gras and duck products: net sales in € million

- Very satisfactory sales of new summer duck products outperforming the Foie Gras market decrease



Foie gras and duck products: Q1 operational highlights



"Special Toast" Foie Gras

- Labeyrie awarded:

- Success of the duck barbecue summer range 24 Mt of new products (total elaborated meat +60% vs LY)



- Good demand in raw meat driving prices upwards



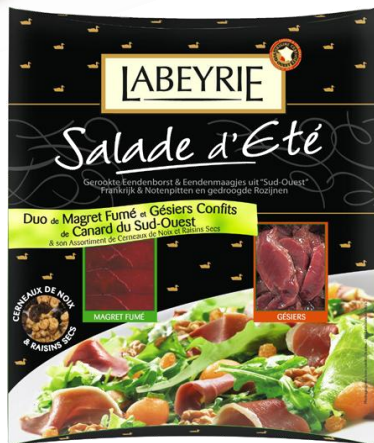
Foie gras and duck products: outlook

- The main focus is now being successful on Foie Gras for Christmas:
 - ✓ November and December sales account for 70% of the annual Foie Gras sales
 - ✓ Listings are satisfactory
 - ✓ Innovation will contribute to success
 - ✓ Consumers and customers' confidence has to be restored



Foie gras and duck products: outlook

- We will make sure that our industrial results (Yields/Productivity/Overheads) contribute positively to our Ebitda results
- We will cut all unnecessary expenses to reach our budgeted Ebitda
- Raw mat: we will carefully monitor the decreasing cereal prices that will impact mainly our 09/10 financial year (stock effect)



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Blinis and spreadables: raw material increase

We have experienced a huge increase in the price of our raw material

- Impact on our main purchases:

- ✓ Rapeseed oil
- ✓ Flour
- ✓ Guacamole
- ✓ Fromage Frais

Q1 08 price versus Q1 07

+57%

+61%

+22%

+7%

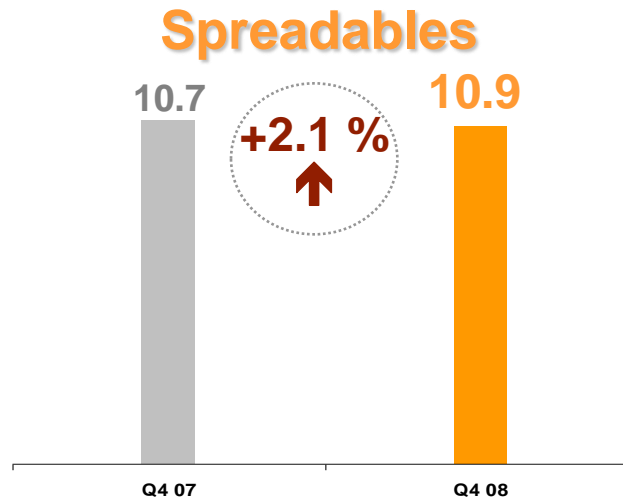
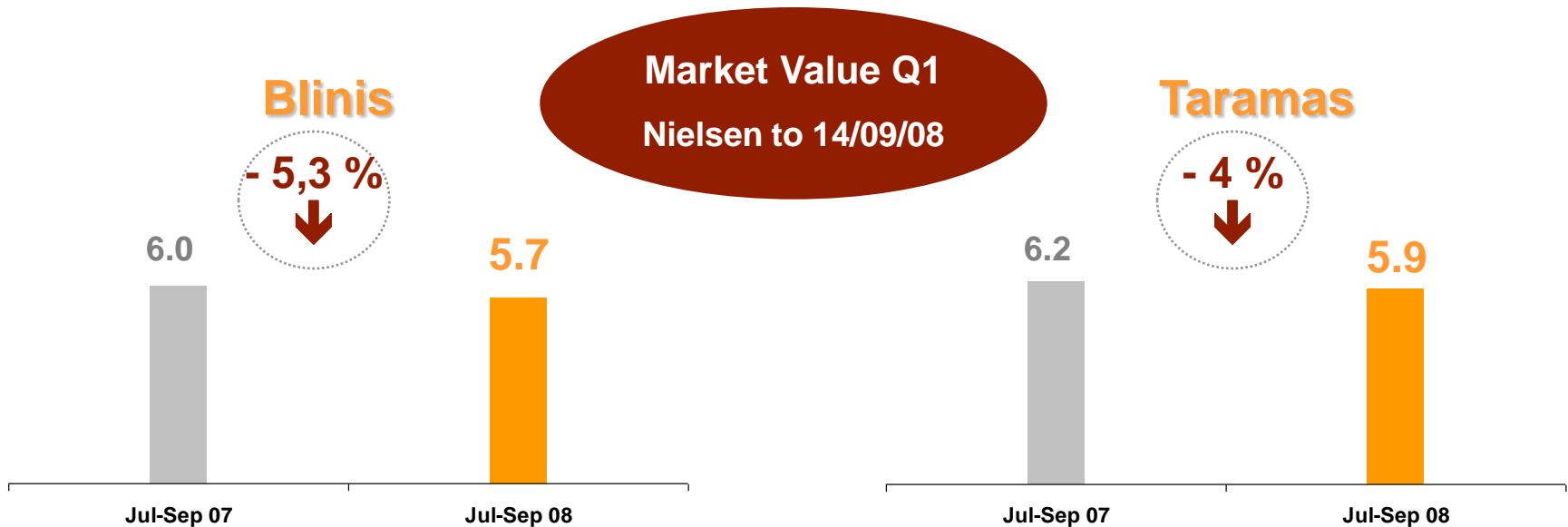
- We have contracted out some of our main purchases this fiscal year in order to counter balance the volatility of prices

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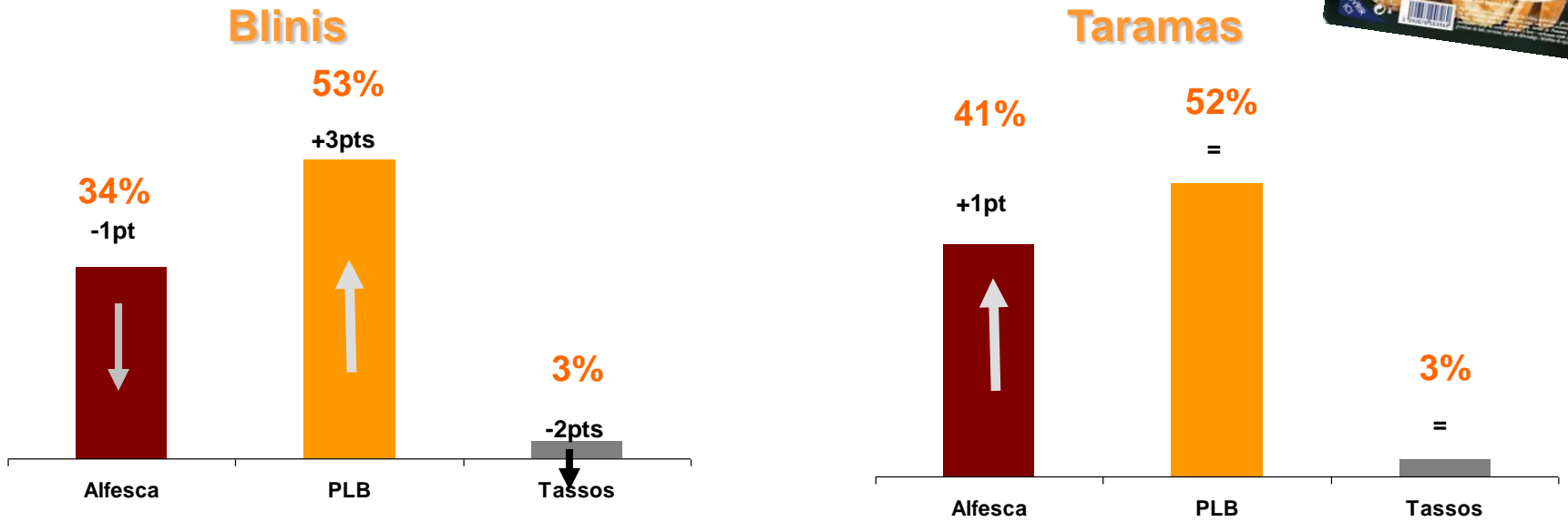
Blinis and spreadables: Q1 value market trend in € million

Reducing markets apart from the Spreadables

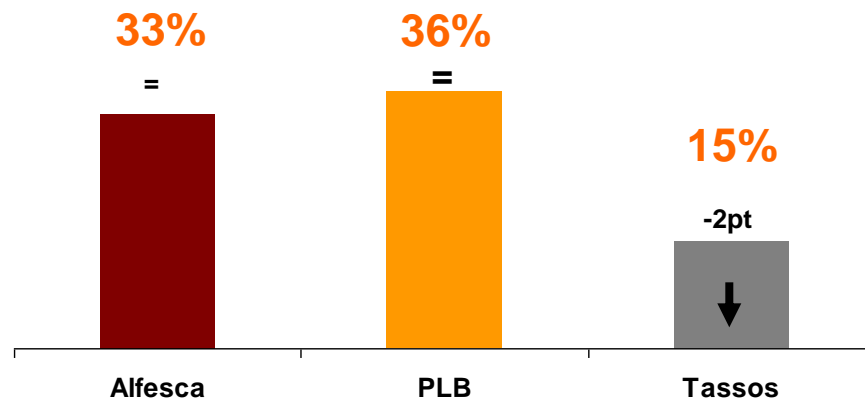


Blinis and spreadables: Q1 market share

Market share gains in Tarama



Spreadables



Blinis and spreadables: Q1 net sales in € million

*Tough competition on the PLB side,
branded sales consistent with reduced markets*



Quarter net sales

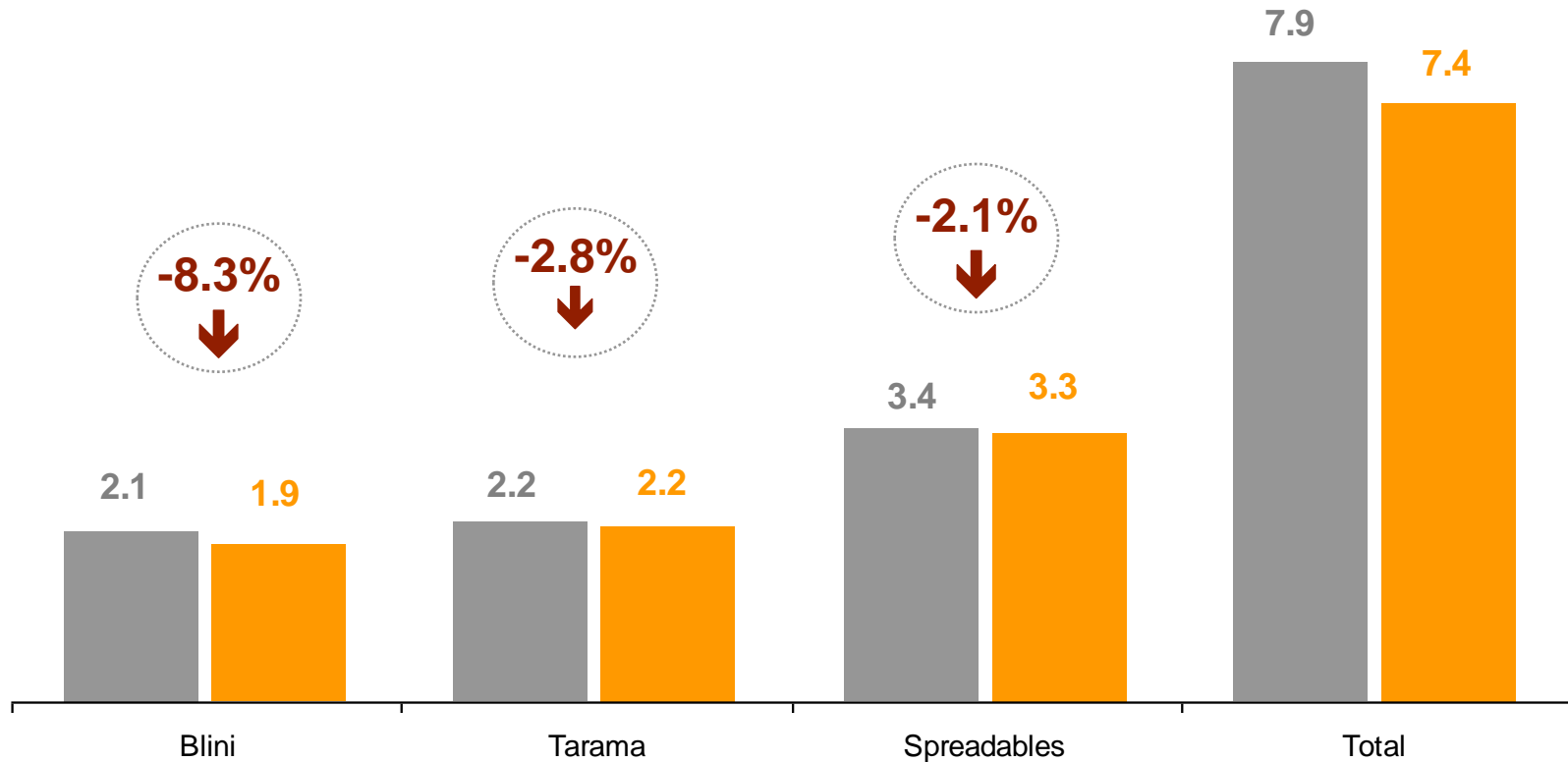
Jul-Sep

-6.4%
↓

-8.3%
↓

-2.8%
↓

-2.1%
↓



Blinis and spreadables: Q1 operational highlights

- **NPD**

- ✓ Launch of the 'Blini à l'ancienne' new range of blinis



- **Summer success: good performance versus last year**

- ✓ Light blinis: +17.4% (9 Tons)
- ✓ Light tarama: +30% (11 Tons)
- ✓ Tzaziki: +20% (68 Tons)
- ✓ Houmous: +60% (24 Tons)
- ✓ Guacamole: +15% (18 Tons)



- **Listings/contract gains**

- ✓ Gain of new clients and new contracts for both branded and PLB products

Blinis and spreadables: Outlook

- High expectations for the Christmas season, weighted by a factor of two, due to the seasonality of the business



Apertive plates



Taramas small size



Blinis Apéro



Taramas large size

Blinis and spreadables: Outlook

- **Industrial excellence:**

- ✓ Consolidate our improved industrial results over the coming quarters

- **Raw Material purchases:**

- ✓ Renegotiate our raw material purchases to benefit from lowering prices

- **NPDs range**

- ✓ Prepare for 2009 new products launch



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Prawns raw material prices



- Rising prices in warm and cold water prawns
- \$/€ and \$/£ exchange rate moving unfavourably in Q1
- A part of our volumes and prices have been secured for the coming semester

Prawns market: value market trend in € millions



Reducing markets versus last year in the UK

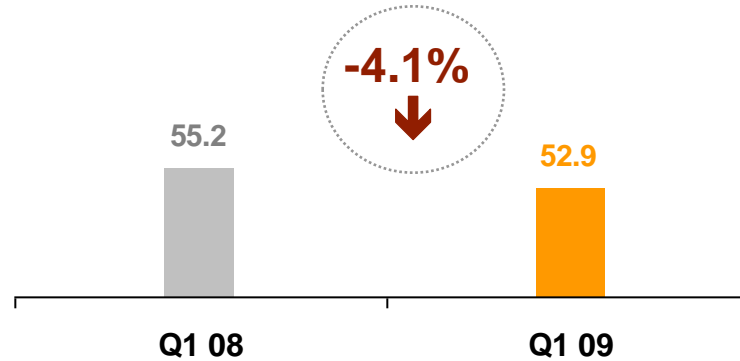
UK market

(TNS data 12 weeks to 7th September 08, corrected @65%MSP)

Warm &
Cold water
prawns

at constant exchange rate

Quarter

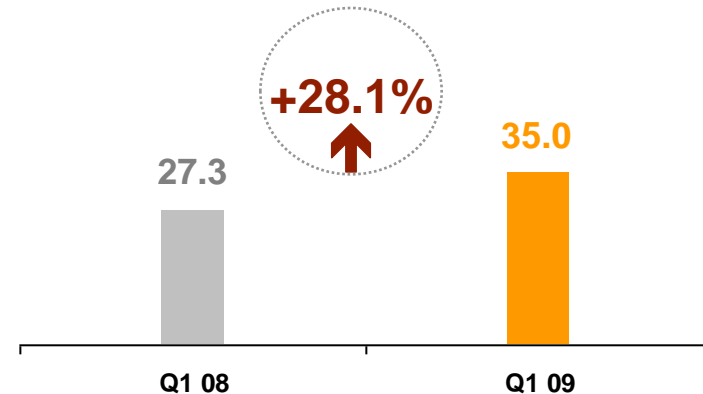
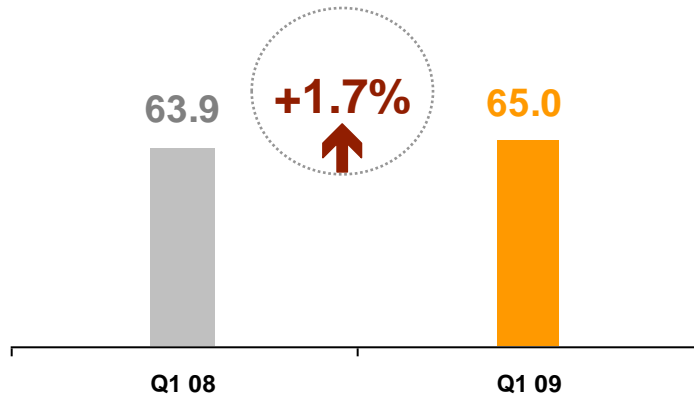


French market

(TNS* source to sep 08, Iri** source to Aug 08)

Wet fish counter*

Self service departments**

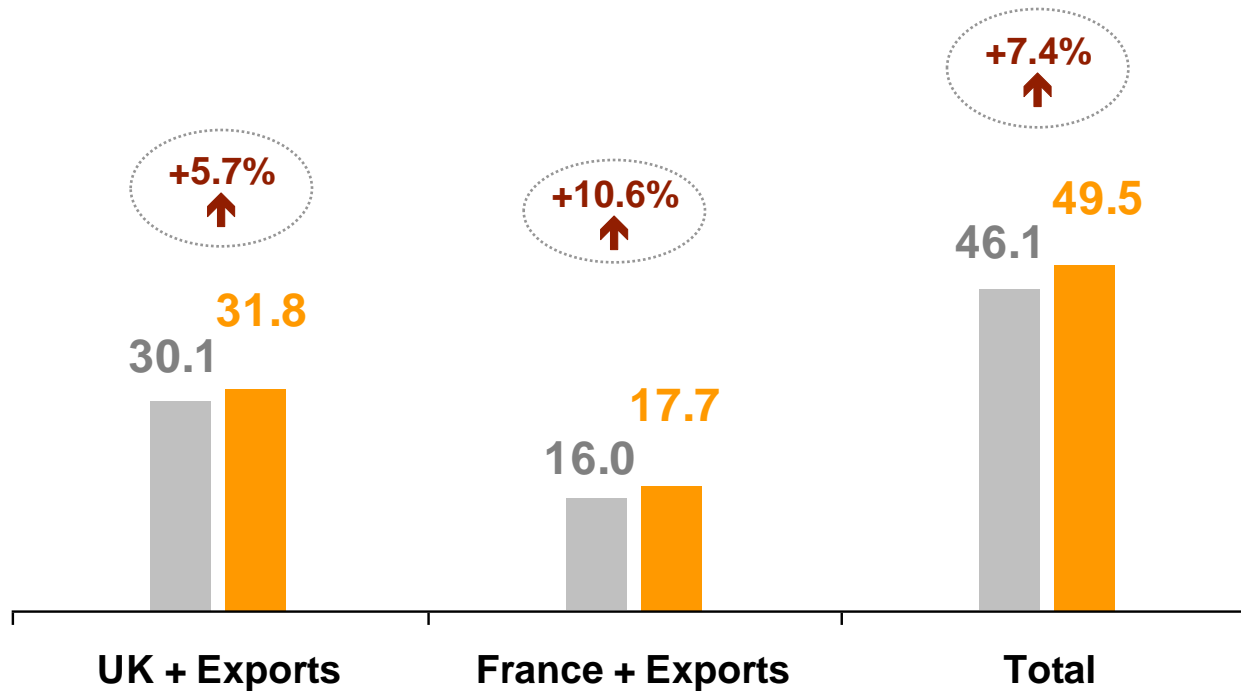


Prawns and other shellfish: net sales in € millions

Strong performance of our prawn pillar

Quarter net sales

Jul-Sep



at constant exchange rate



Prawns and other shellfish: Q1 operational highlights

▪ France

✓ *New limited edition for summer season only*



+6 Tons
vs LY



Barbecue
range: +25
Tons vs LY



+11 Tons vs
LY

✓ New value added and convenience products well received by the customers

✓ Development of organic prawns



✓ First step of Labeyrie on the seafood counter



Prawns and other shellfish: Q1 operational highlights

- UK
- ✓ Turnover growth of + 5.7% vs Last Year (good growth in Morrisons Chilled sales)
- ✓ 'Try Me Pack' King Prawns 80g – launched at the end of Q1, single-portion targeting consumers looking for smaller pack sizes and single-person households



Prawns and other shellfish: outlook



- Our focus will be on:

- France

- ✓ Successfully launch our special Christmas range and new Labeyrie range (December target 100 000SU).



- ✓ Sustaining Industrial performance

Prawns and other shellfish: outlook

▪ UK

- MSC Certified cold-water prawns in October
- ✓ LSF first company in the UK to launch this **MSC**
- ✓ significant step towards achieving a 100% sustainable shellfish business

▪ Freshly Cooked

- ✓ breakthrough technology available at Lyons Seafood
- ✓ benefit of Freshly Cooked (“freshly cooked for the best flavour”) on Sainsbury’s & Morrisons King Prawns in the near future.

Sustainable prawns arrive in Sainsbury’s

Lyons Seafoods has added a line of MSC-certified cold-water prawns to Sainsbury’s Taste the Difference range.

Lyons, one of Europe’s largest processors of prawns, said it had been working with suppliers for two years to achieve MSC status and to bring the prawns, sourced from the

north west Atlantic, to market. It is thought to be the first time the prawns have entered the UK market.

The company aimed to source all its prawns from certified sustainable sources long-term, said commercial director Paul Vita.

“Our vision is to move towards becoming a 100% sustainable shellfish business,” he added.

The prawns bolster Lyons’ responsibly sourced UK seafood offering, which already includes a line of MSC-certified Patagonian scallops.

The prawns went into Sainsbury’s stores this week, selling for £2.99 for a 220g pack.



The MSC-certified prawns join Taste the Difference



Alfesca

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Financial review: Income statement versus last year in €m

▪ Q1 like for like EBITDA up 12.5%

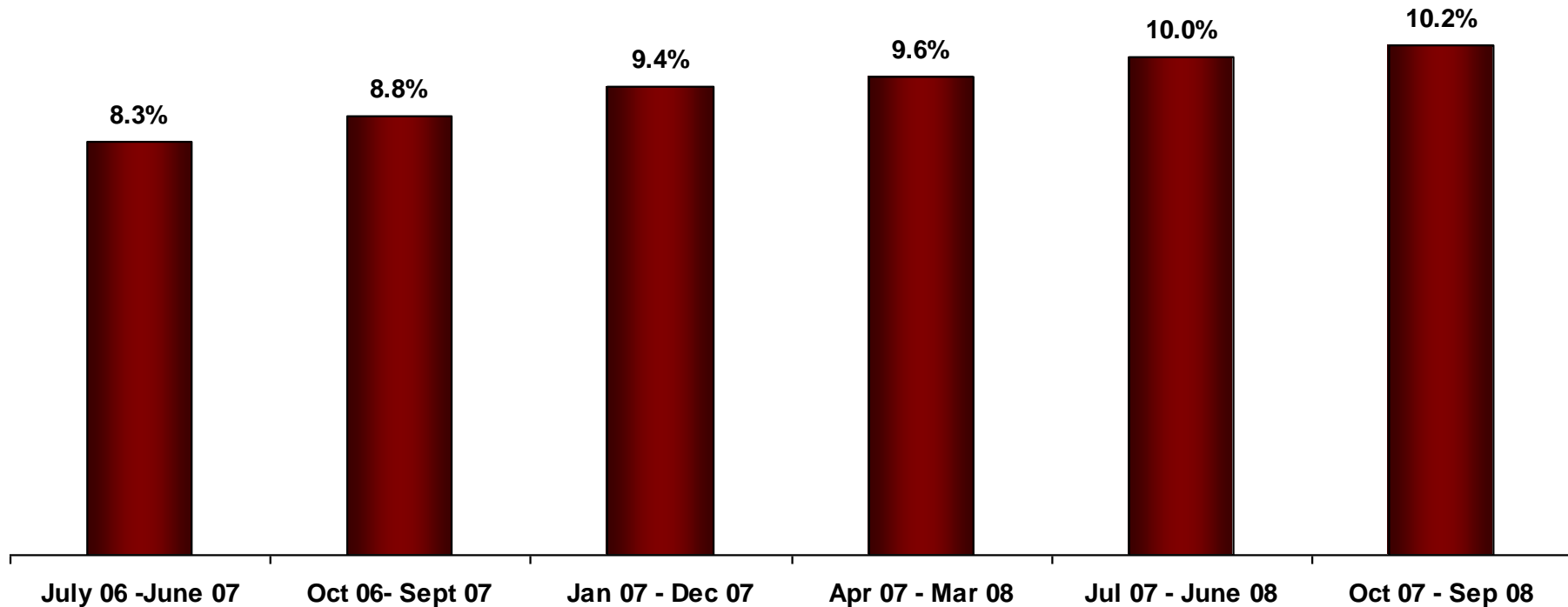
Income statement in € million	Q1		
	08/09	07/08	Var %
Net sales	125.2	128.4	-2.5%
Cost of goods sold	(106.0)	(110.7)	-4.3%
Gross profit	19.2	17.6	9.0%
Gross margin %	15.3%	13.7%	
Operating expenses	(17.9)	(15.1)	18.0%
EBIT	1.4	2.5	-45.8%
EBIT %	1.1%	1.9%	
Net financial expenses/earnings from assoc.	(2.3)	(1.9)	20.4%
Net profit before taxes	(1.0)	0.6	ns
Income tax	0.6	0.2	216.6%
Net profit for the period	(0.3)	0.8	ns
EBITDA	6.4	7.2	-11.8%
EBITDA %	5.1%	5.6%	

Net sales and EBITDA proforma (1) in € million	Q1		
	08/09	07/08	Var %
Net sales	132.0	129.8	1.7%
EBITDA	8.2	7.3	12.5%
EBITDA %	6.2%	5.6%	

(1) Actuals proforma: LY €/rates, one off costs excluded. LY D&F included.

EBITDA margin history: rolling 12 months ⁽¹⁾

- Continuing EBITDA margin improvement



⁽¹⁾ : excluding acquisition costs

Financial review: Balance sheet in €m

Balance sheet - Assets

€ million	30/09/2008		30/09/2007	
Intangible assets	346.6	50%	344.8	49%
Operational assets	103.9	15%	103.9	15%
Long-term investments	12.3	2%	10.8	2%
Non current Assets	462.8	66%	459.5	66%
Inventories	133.2	19%	127.6	18%
Receivables	71.9	10%	78.0	11%
Bank deposits and cash	29.8	4%	32.4	5%
Current assets	234.8	34%	238.0	34%
Total assets	697.6	100%	697.5	100%

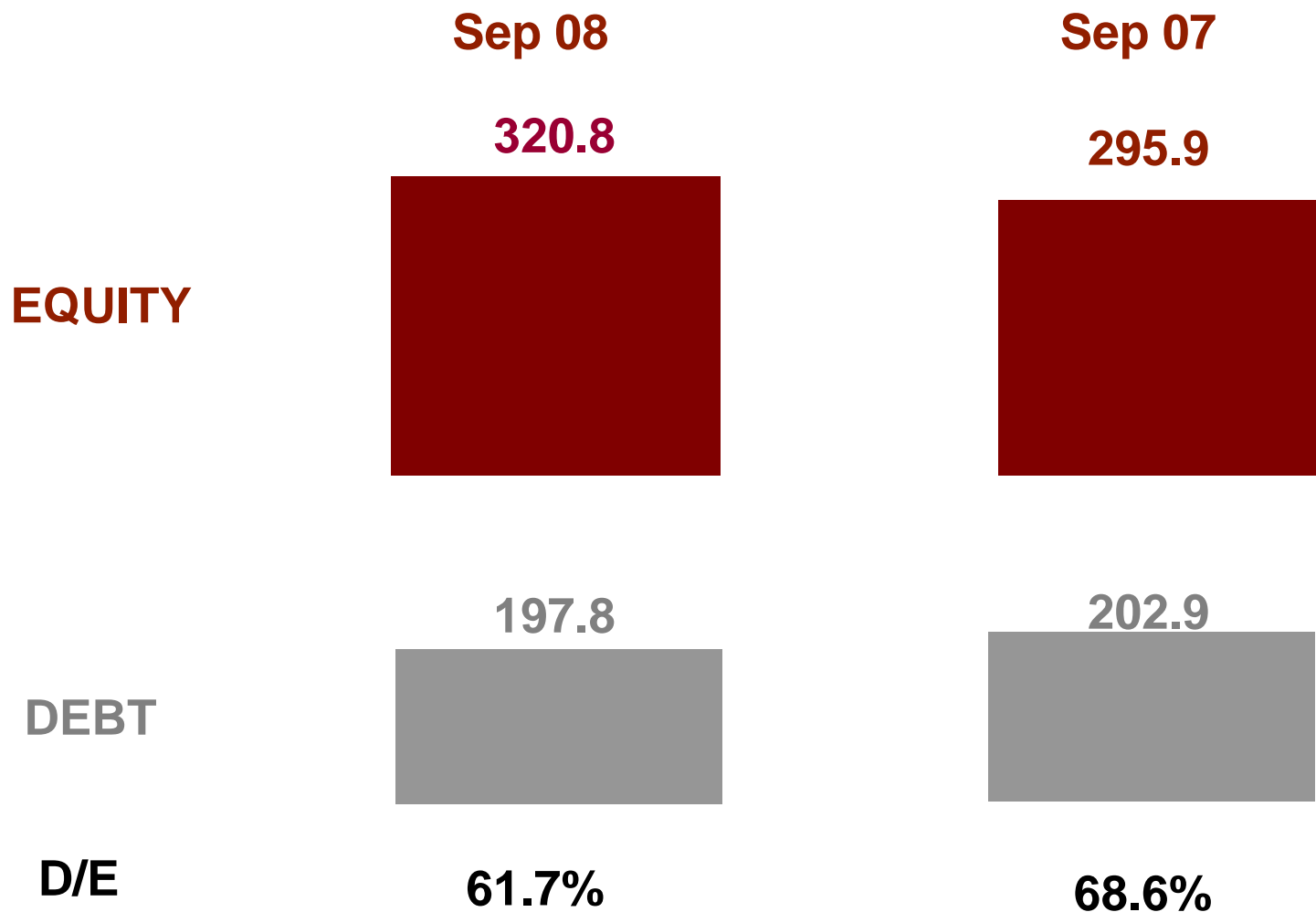
Balance sheet - Shareholders equity and Liabilities

€ million	30/09/2008		30/09/2007	
Shareholders equity	320.8	46%	295.9	42%
Long-term liabilities	175.5	25%	188.8	27%
Deferred tax liabilities	44.2	6%	44.2	6%
Obligations	7.6	1%	8.3	1%
Long-term liabilities and obligation	227.4	33%	241.3	35%
Bank loans	41.1	6%	38.4	6%
Current maturities of long-term debt	10.9	2%	8.2	1%
Other current liabilities	32.9	5%	32.1	5%
Trade payables	64.5	9%	81.6	12%
Current liabilities	149.5	21%	160.3	23%
Shareholders equity and liabilities	697.6	100%	697.5	100%

Lower payables
mostly due to
timing
differences

Future Financial Structure

- Strong Financial Structure allowing further expansion



Financial review: Cash Flow in €m

Cash Flow in €m	FY 08/09 1/07 - 30/09	FY 07/08 1/07 - 30/09
Cash Flow from operating activities	6.1	7.4
Working Capital provided by operating activities	(32.9)	(15.7)
Tax paid / received	(0.5)	1.7
Net Cash flow from operating activities	(27.2)	(6.6)
Capital expenditures	(2.4)	(1.9)
Proceeds from sales of subsidiaries		
Proceeds from asset sales and other	0.1	(0.2)
Net Cash flow from investing activities	(2.3)	(2.1)
Net Cash flow from financing activities	16.9	12.9
Change in cash for the period for continuing operations	(12.6)	4.2

Financial review: KPI's 3 year review

Main ratios by September end

	Q1	
	08/09	07/08
EBITDA RATIO*	6.2%	5.6%
DEBT/EQUITY RATIO	62%	69%
CURRENT RATIO	1.57	1.48
EQUITY RATIO	46%	42%

*Excluding non operating items, constant £/€ exchange rate

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Future prospects

- **Strong strategy to face the dramatically changed economic landscape**

- ✓ We are confident that our strategy is the right one to face challenges ahead
- ✓ We are confident in the strength of our business model

- **Alfesca has demonstrated over the last 2 years continuous improvements which will help facing this challenging environment:**

- ✓ Alfesca has implemented structural and operational changes, focused management expertise on key markets and know how to base business on four core pillars in key geographic markets
- ✓ Focus has been made on cost reduction, investment in customer service, product quality, innovations, development of our strong branded business
- ✓ We have achieved industrial efficiencies in order to remain competitive

- **We remain confident in our long term growth prospects**

- ✓ Driving our businesses in key geographical markets, notably in the UK, France and Spain
- ✓ Improve the quality, range and value of our offering by responding to the current climate and changing customers needs
- ✓ Focus on cost reduction and further innovation in order to secure market positioning and profitability

- **Approaching the very important Christmas season with challenges but also opportunities**



Thank you