

# Alfesca



## Market presentation

## 2 September 2008

Q4 07/08

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



## 1. Alfesca at a glance

### 2. Operational review by pillar

- Salmon and other fish
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- Blinis and spreadables
- Prawns and other shellfish

### 3. Financial review

### 4. Future prospects



## ▪ The Q4 trading environment has been more than challenging:

✓ High agricultural commodity prices (e.g. Cereals and dairy)

✓ Economic slowdown and inflation rise:

<i>Eurostats data (official EU stats)</i>	France	UK	Spain
GDP growth (April/June 08 vs Jan/March 08)	-0.3%	0.2%	0.1%
June inflation rate (52 weeks)	4.0%	3.8%	5.1%

✓ Oil at historical peak, affecting strongly our cooking, chilling and delivery costs

	March 31,08	July 1, 08	Var
WTI Spot Price in \$/barrel	101.5	141.1	38.9%

(West Texas Intermediate index)

- **The Q4 trading environment has been more than challenging:**

- ✓ Turbulent currency market:

	April-June 2007	July-Dec 2008	Jan-March 2008	April-June 2008
1£ in €	1.477	1.440	1.306	1.233

→ Alfesca Ebitda impact in Q4 07/08 vs LY : (€985k)

- ✓ Just a reminder: In addition to these factors, Q4 in 2007 benefitted from Easter sales whereas this year Q4 results are not affected by Easter

## Alfesca Q4 07/08 at a glance:

### In this adverse environment, Q4 results were strong

- Despite sales being stable, Alfesca posted improved financial results:

	Q4 published	Q4 proforma (1)
<b>Net sales in €m</b>	<b>132.0</b>	<b>141.1</b>
% vs LY	-5.4%	-0.4%

(1) : constant £/€ rate and perimeter

	Q4 published	Q4 proforma (1)
<b>Ebitda in €m</b>	<b>8.5</b>	<b>9.8</b>
% vs LY	+ 43.3%	+ 20.9%

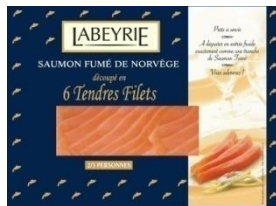
(1) : constant £/€ rate and perimeter, 07 equity plan restated, one off costs excluded

⇒ Sales in Q4 were stable versus LY (\*), good results of our new products

Total group Proforma Q4: - 0.4% vs LY(\*)

Total group Proforma Q4 YTD: +4.0% vs LY (\*)

## Smoked salmon & other fish



▪ Q1	+5.3%
▪ Q2	+3.8%
▪ Q3	+2.9%
▪ Q4	-7.3%
▪ YTD	+1.6%

## Foie gras & other duck products



▪ Q1	- 0.6%
▪ Q2	+4.8%
▪ Q3	- 5.3%
▪ Q4	+2.2%
▪ YTD	+2.4%

## Blinis & spreadables



▪ Q1	+7.0%
▪ Q2	+3.4%
▪ Q3	- 6.2%
▪ Q4	-11.6%
▪ YTD	-1.2%

## Prawns



▪ Q1	+4.4%
▪ Q2	+15.4%
▪ Q4	+12.2%
▪ Q4	+7.9%
▪ YTD	+9.9%

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

⇒ *Solid overall 07/08 growth, lead by UK and France.*

**Total group Proforma Q4 : - 0.4% vs LY(\*)**

**Total group Proforma Q4 YTD : +4.0% vs LY (\*)**

France	UK	South (Italy+Spain)	Total Alfesca
■ Q1 +3.0%	■ Q1 +7.4%	■ Q1 -19.1%	■ Q1 +3.2%
■ Q2 +6.3%	■ Q2 +12.5%	■ Q2 -16.8%	■ Q2 +6.8%
■ Q3 +0.5%	■ Q3 +15.2%	■ Q3 -10.3%	■ Q3 +4.3%
■ Q4 -1.5%	■ Q4 +1.4%	■ Q4 -0.4%	■ Q4 -0.4%
■ YTD +3.1%	■ YTD +8.6%	■ YTD -13.0%	■ YTD +4.0%

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



# Alfesca Q4 07/08 at a glance:

## Alfesca closes its fiscal year with a strong performance

	NET SALES	EBITDA	EBITDA MARGIN	NET INCOME
FY 08 Published in €m	<b>647.4</b>	<b>62.5</b>	<b>9.7%</b>	<b>28.6</b>
Var vs LY	<b>+9%</b>	<b>+21.9%</b>	<b>+ 110 bps</b>	<b>+27.6%</b>

	NET SALES	EBITDA	EBITDA MARGIN	NET INCOME
FY 08 proforma (1) in €m	<b>665.4</b>	<b>66.6</b>	<b>10.0%</b>	<b>31.4</b>
Var vs LY	<b>+4.0%</b>	<b>+19.5%</b>	<b>+ 130 bps</b>	<b>+28%</b>

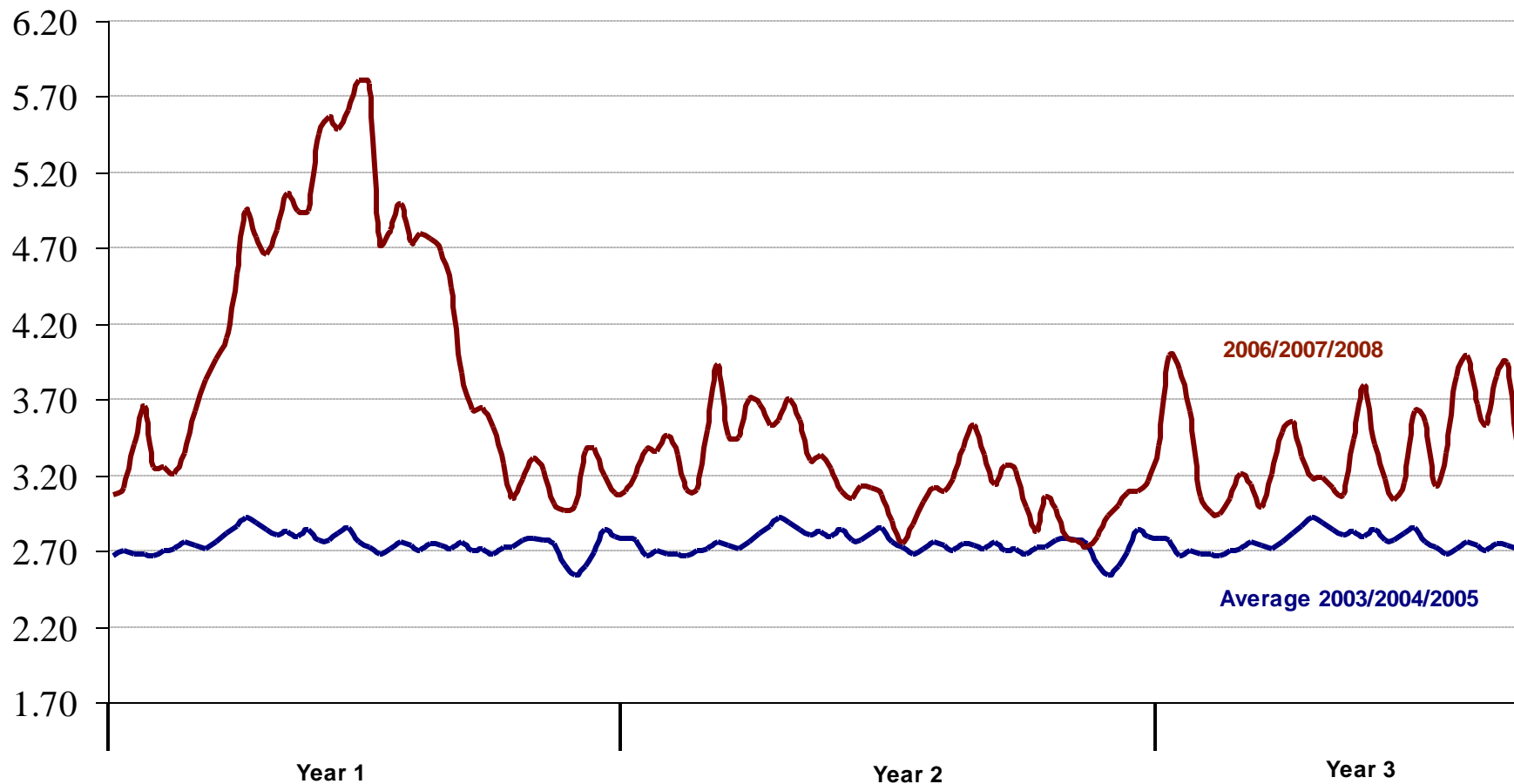
(1) : constant £/€ rate and perimeter, one off costs excluded

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# Salmon raw mat: Norway price 2006 to 2008 (up to Aug 08)

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



# Salmon raw mat: Norwegian July 08 vs July 07 \*

Generation	Harvest period	Volume WFE 30/07/08	Harvest period	Volume WFE 30/07/07	Var in %
06/S0	Apr 08 to Aug 08	19,000	Apr 07 to Aug 07	20,600	-8%
07/S1	Sep 08 to Mar 09	273,100	Sep 07 to Mar 08	257,500	6%
07/S0	Apr 09 to Aug 09	86,900	Apr 08 to Aug 08	82,500	5%
<b>TOTAL</b>		<b>379,000</b>		<b>360,600</b>	<b>5%</b>

- April-June 2008: slightly higher than expected due to a lower offer than was forecasted (impacted by the possibility of diseases)
- Outlook: biomass in excess of 5% (+14% in number of fish) will lead to firm prices in the summer and high prices for the traditional December peak. Alfesca has almost entirely hedged the crucial September to December purchases



\* Kontali July 08

# Salmon raw mat: Scottish July 08 vs July 07 \*

Generation	Harvest period	Volume WFE 30/07/08	Harvest period	Volume WFE 30/07/07	Var in %
06/S0	Apr 08 to Aug 08	4,600	Apr 07 to Aug 07	3,000	53%
07/S1	Sep 08 to Mar 09	55,900	Sep 07 to Mar 08	54,100	3%
07/S0	Apr 09 to Aug 09	12,100	Apr 08 to Aug 08	15,100	-20%
	<b>TOTAL</b>	<b>72,600</b>		<b>72,200</b>	<b>1%</b>

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

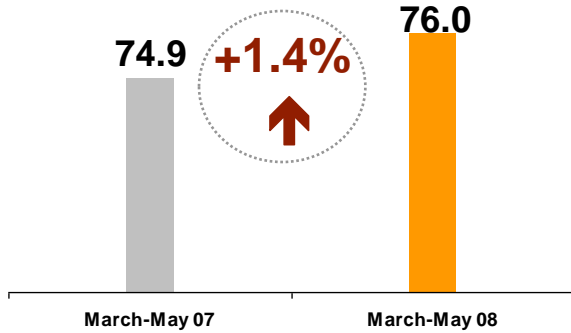


\* Kontali July 08

## Available market data includes Easter and not the weak month of June

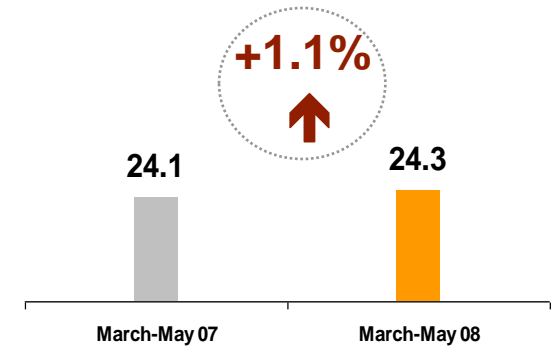
### French market

(Iri, March/April/May)

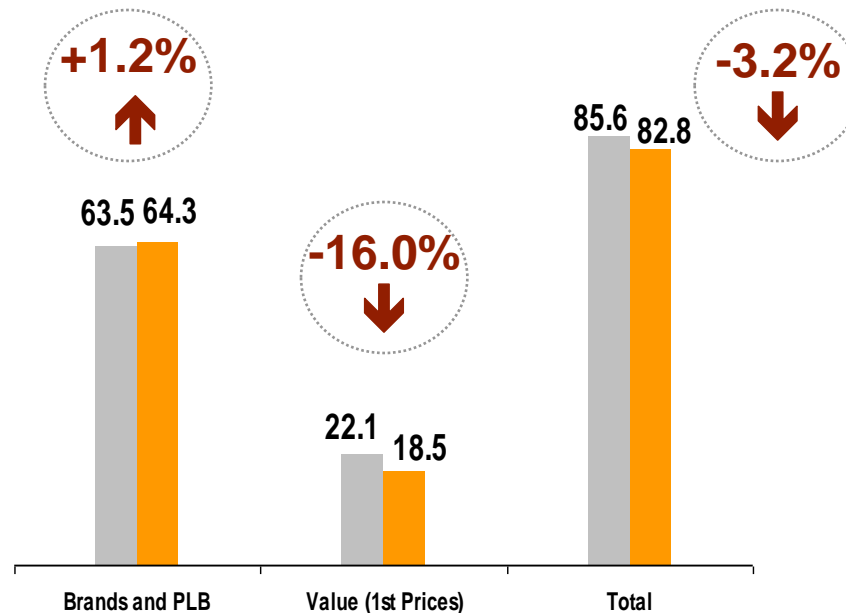


### UK market

(TNS Worldpanel March-May)

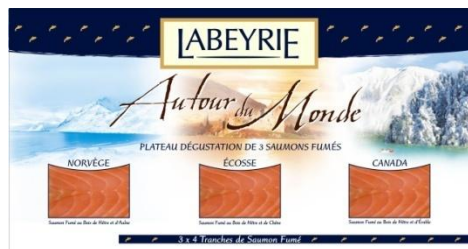
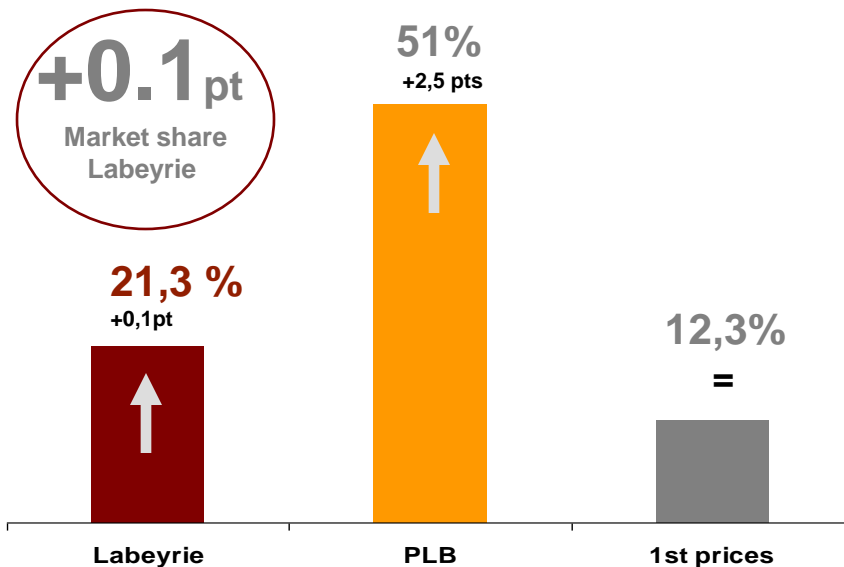


## Alfesca H2 salmon sales (1)

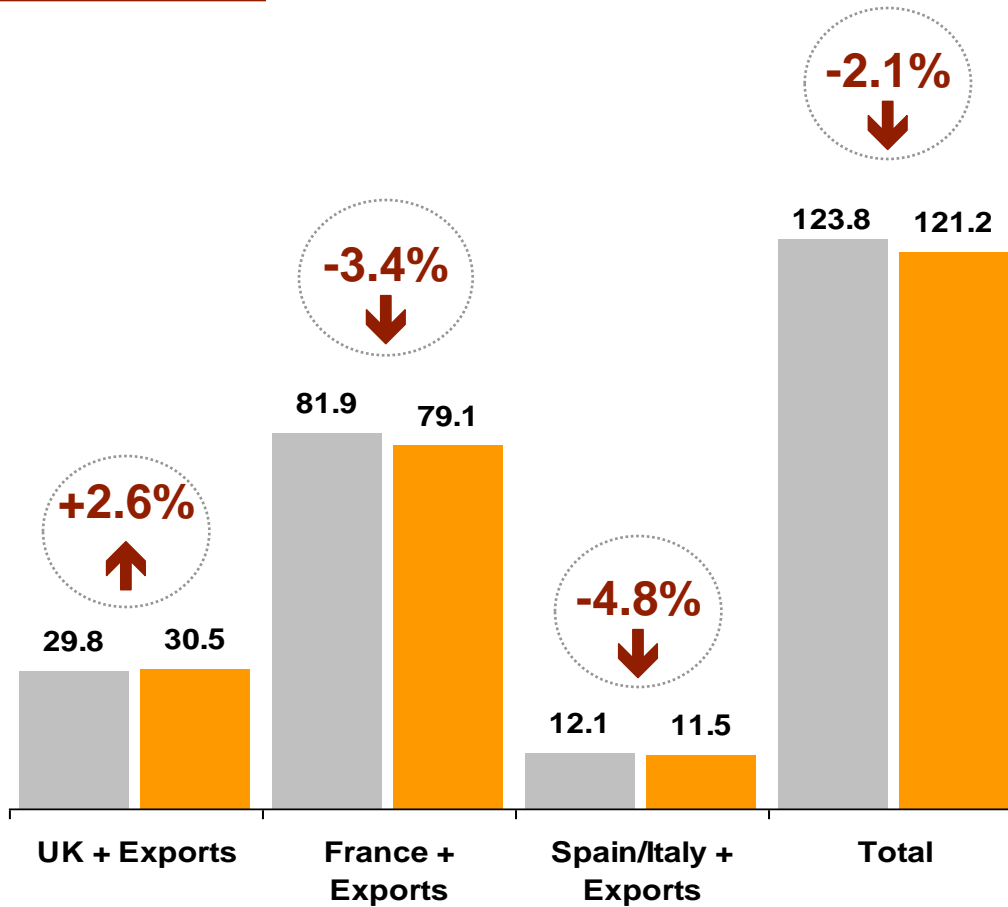


# Q4 Salmon market: satisfactory market share for the Labeyrie brand

Market share value  
Iri March/April/May



# Salmon and other fish: H2 net sales in € million

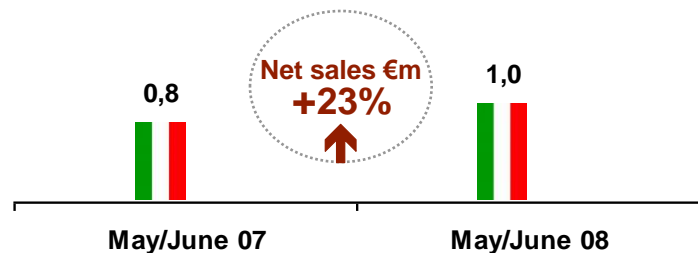




# Salmon and other fish: Q4 operational highlights

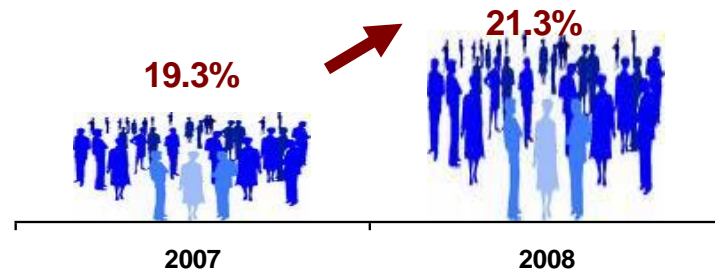
- Integration of the Italian company D&F to strengthen our presence on a major European market for smoked salmon:

- ✓ net sales up by 23% versus last year for the first two months (May/June)



- Strong gain of Labeyrie households French purchasers in 07/08 :

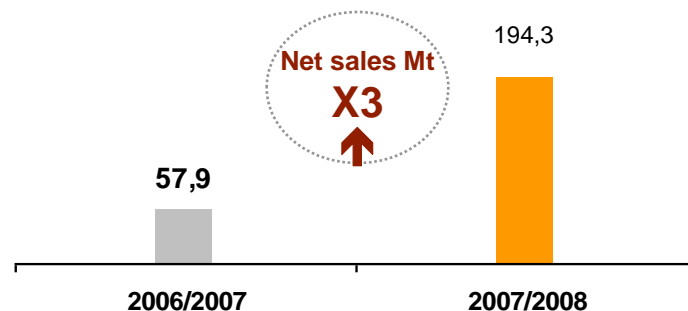
- ✓ Labeyrie penetration: 21.3%, + 2points vs LY (source : Sofres : 52 weeks ending May 08)



- Farne now supplying 100% of Tesco's "bigger bag better value fillets"



- Delpierre wet wish Counter net sales X 3 vs last year



# Salmon and other fish: outlook

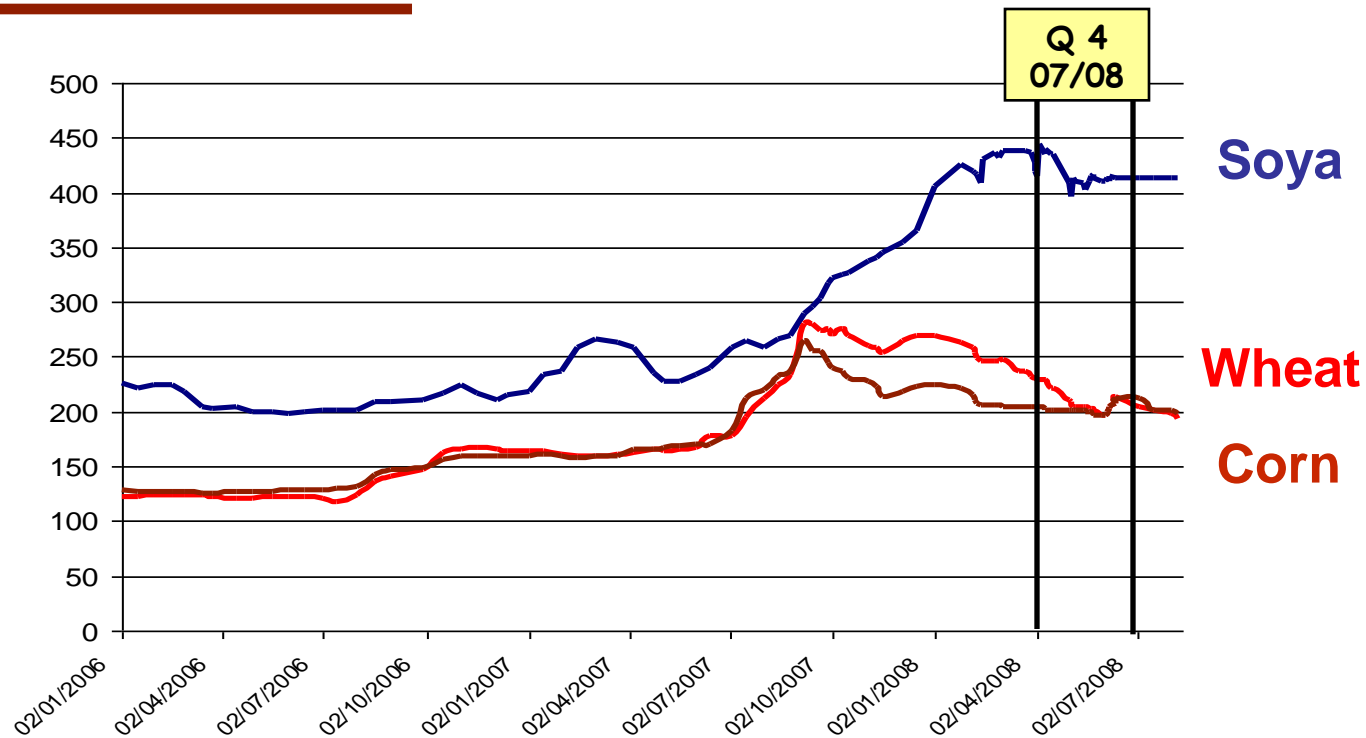
- The main focus is now on preparing for the next Christmas season
- Our innovative festive products have been widely listed, we are now waiting for the customers reactions
- Delpierre will offer special products for the Christmas period on the wet fish counter
- Raw mat: hedging protects us from expected volatility for the July to December period



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## Cereals and soya: purchase price in €/MT



### ▪ April-June 2008:

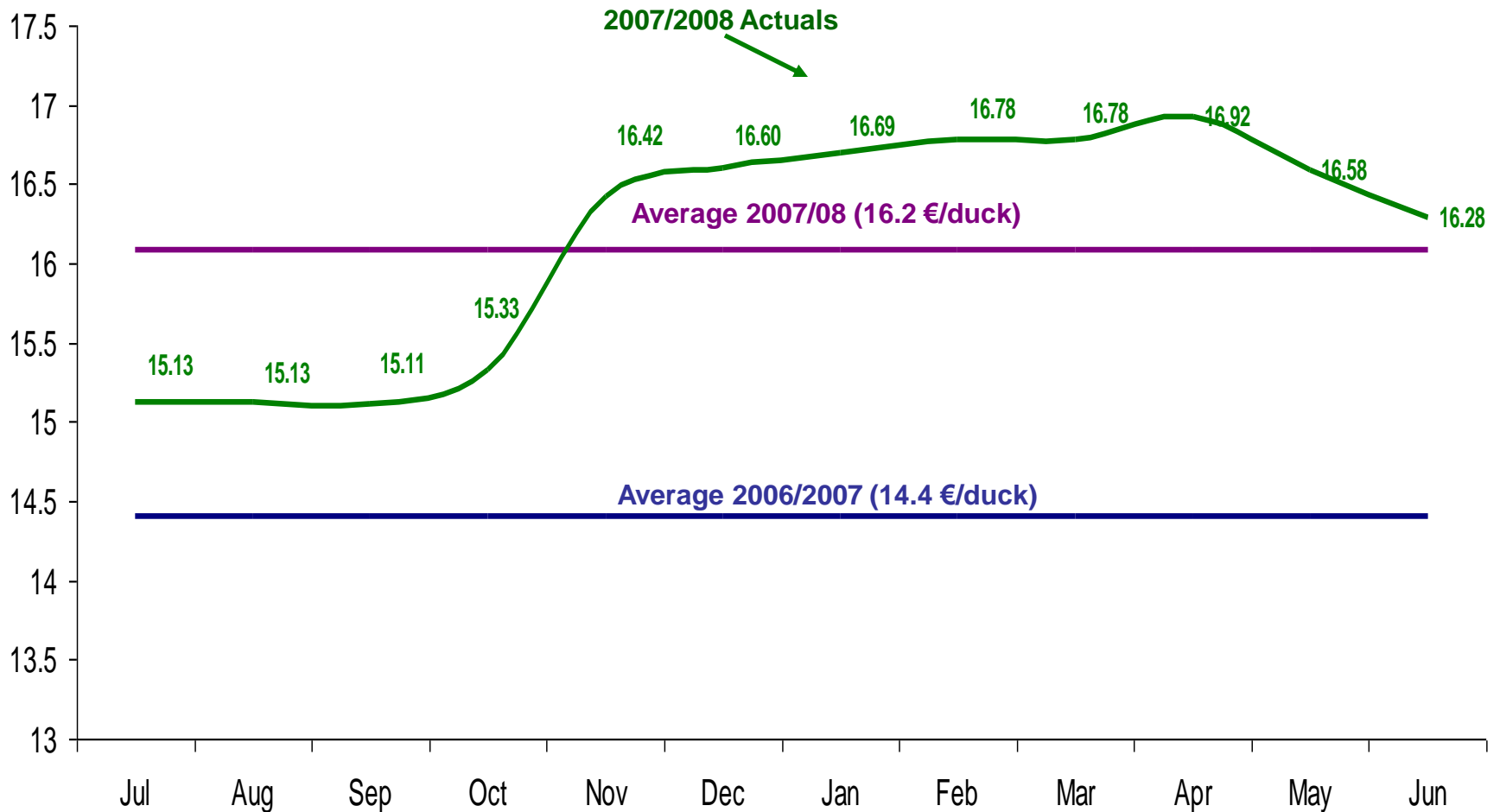
✓ wheat and soya prices slightly decreased and then stabilized at a very high level; no change in corn prices

### ▪ Outlook:

✓ the actual summer harvest results are needed to evaluate if the downward trend will be confirmed, but we don't expect the prices to go down significantly compared to previous years

# Duck raw mat: purchase price in €/duck

## Prices decreasing but still remaining at a high level



# Foie gras market: value trends in €m

## Strong market growth in France when Easter is included

Market value €m IRI  
Jan – April 08

26.0

+5.5%  
↑

27.5

Jan-April 07

Jan-April 08



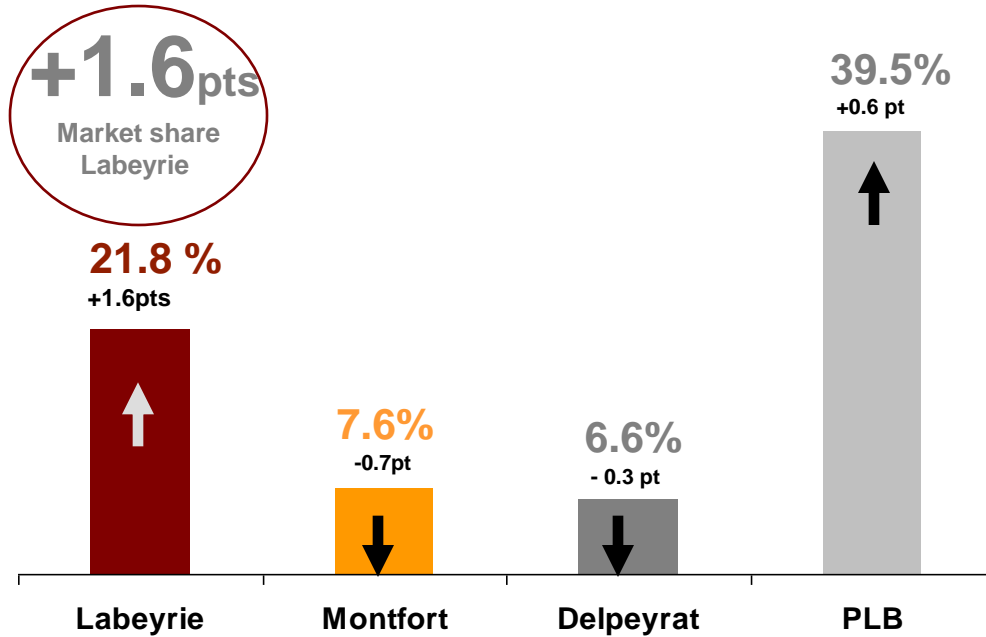
\* Labeyrie branded. Excludes our share of private label brand



# Q4 Foie Gras market: good results for the Labeyrie brand

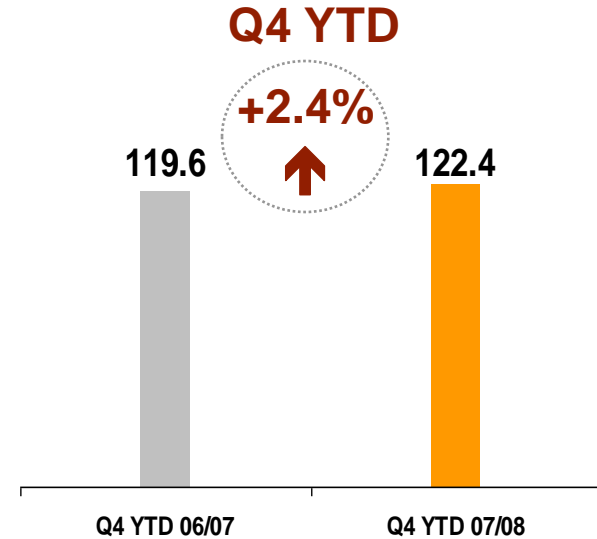
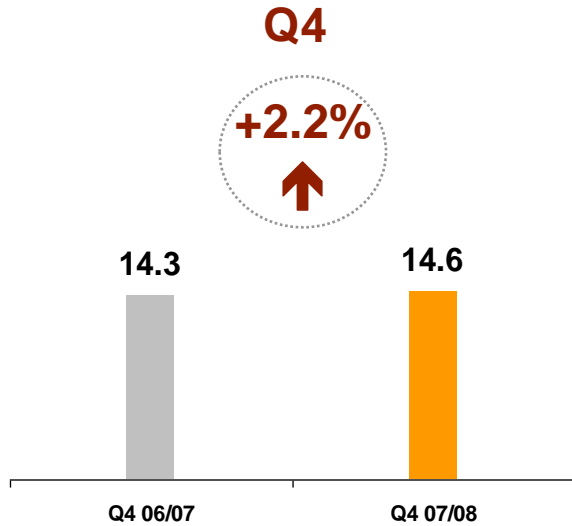


Market share value  
Jan to April 08 vs 07



# Foie gras and duck products: net sales in € million

- Summer range duck meat sales were off to a slow start because of bad weather in France, but new products have been delivering promising results





# Foie gras and duck products: Q4 operational highlights

▪ **Industrial:** all our factories have successfully renewed the BRC (grade A), IFS (high level) and ISO 9001 certification in June

▪ **Certiconfiance:** Labeyrie is the first company developing a certification based on:

- ✓ Bio security (for the general public)
- ✓ Animal welfare
- ✓ Respect of the environment
- ✓ Security, health and social actions for all employees and growers
- ✓ Communication and ethics

This global approach promoted by Labeyrie in association with the raw material suppliers, has been successfully presented to major customers (Migros, Picard, Manor).



▪ **Innovation :**

✓ despite difficult weather conditions, the new barbecue range registered a very good start



✓ to decrease the seasonality of Foie gras a new convenient Foie Gras for every festive occasion was developed and well received



# Foie gras and duck products: outlook

- Our main focus is now the next Christmas season preparation with good listings of innovative festive products, not only in foie gras but for all duck product categories. We are now waiting for the customers reactions
- Raw mat : we are ready to quickly take advantage of any possible drop of the feed costs



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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:

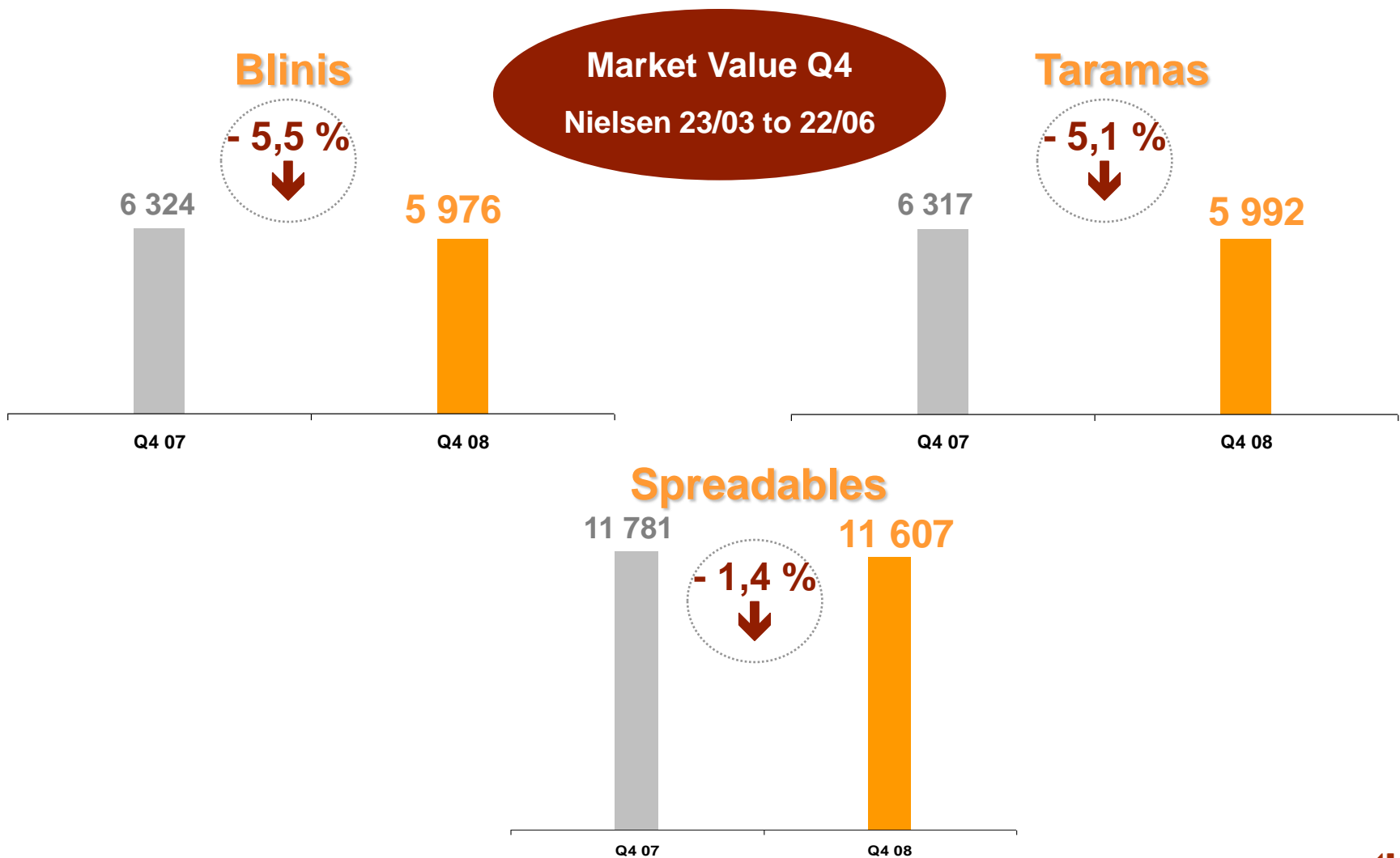
	Q4 08 price versus Q4 07
✓ Rapeseed oil	+52%
✓ Flour	+47%
✓ Guacamole	+30%
✓ Fromage Frais	+23%

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

# Blinis and spreadables: value market trend in €k

## Reducing markets accross all segments

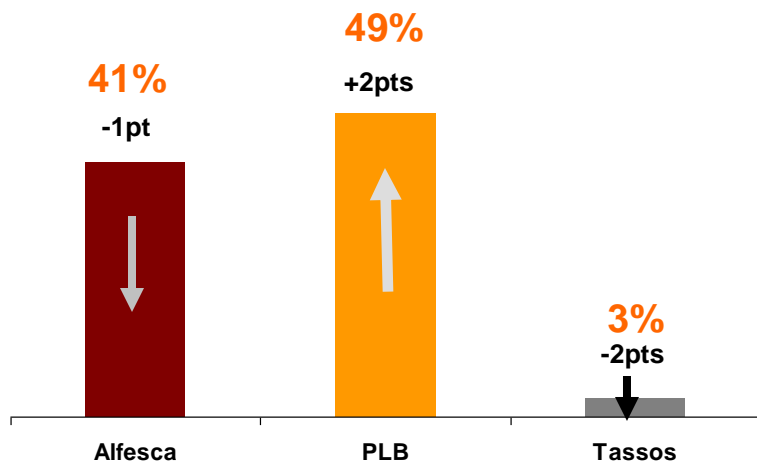
*June was a bad month for the market, amplifying the downward trend since the beginning of the year*



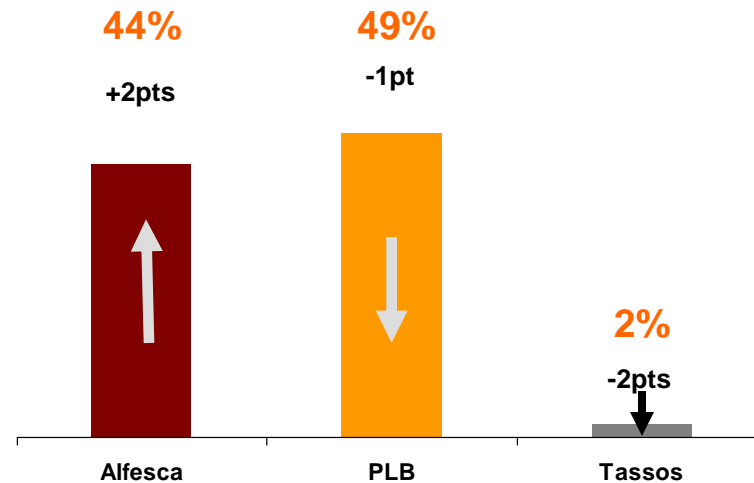
# Blinis and spreadables: Q4 market share

## Market share gains in Tarama and Spreadables

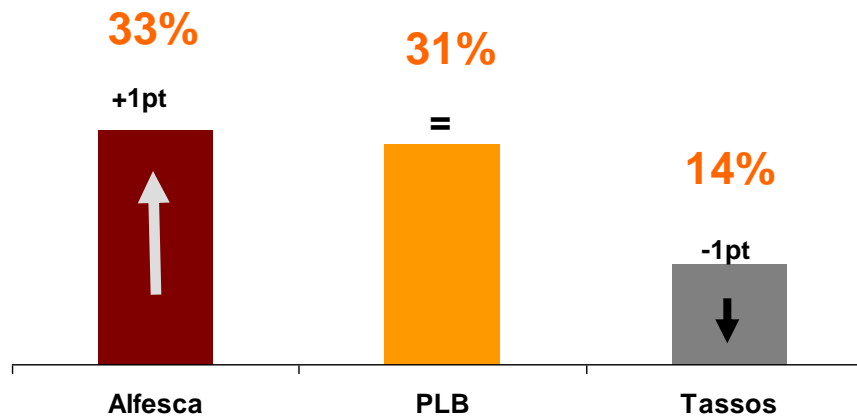
### Blinis



### Taramas



### Spreadables





# Blinis and spreadables: Q4 operational highlights

## ▪ Successful innovations with the branded NPDs:

✓ New value analysis recipe for the stuffed blinis apéro (launched in Feb 08) with an improved nutritional profile. More than 18 tons sold.



## Listings

- Casino
- Cora

✓ Good level of demand for the first month's listing of the dipping kit (launched in June 08)



## Listings

- Auchan
- Système U

## ▪ Gain of Metro call to tender on the spreadables



# Blinis and spreadables: outlook

- The first boulanger blini range will be launched on the 15th of November based on a traditional baker's recipe and traditional packaging



For consumption through the year

- New Labeyrie sauce presented in a tall glass for the festive season





# Blinis and spreadables: outlook

- New product range for Christmas



Aperitive plates



Taramas small size



Blinis Apéro



Taramas large size

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## Prawns raw material prices



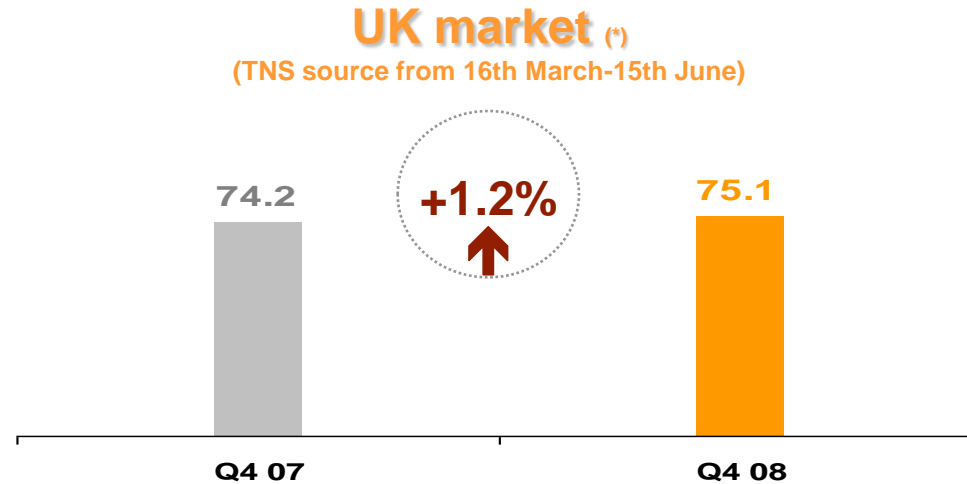
- Poor availability in warm and cold water prawns due to increased local consumption leads to higher export prices
- Still benefitting from favourable \$/€ exchange rate in Q4
- A part of our volumes and prices have been secured for the coming semester

# Prawns market: value market trend in €m

## Reducing markets dynamics (compared to YTD)

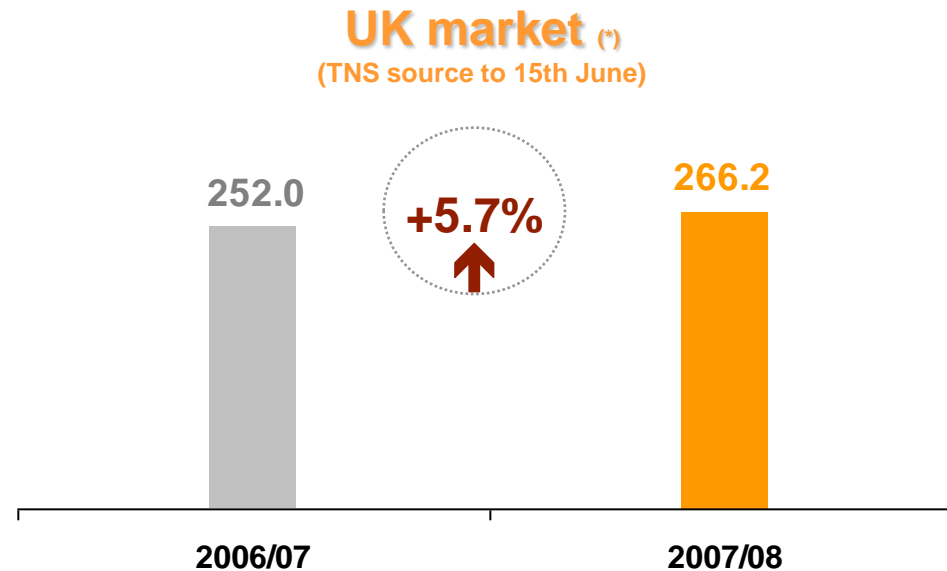
### Quarter

Warm &  
Cold water  
prawns



### Year To Date

Warm &  
Cold water  
prawns



# Prawns market: value market trend in €m

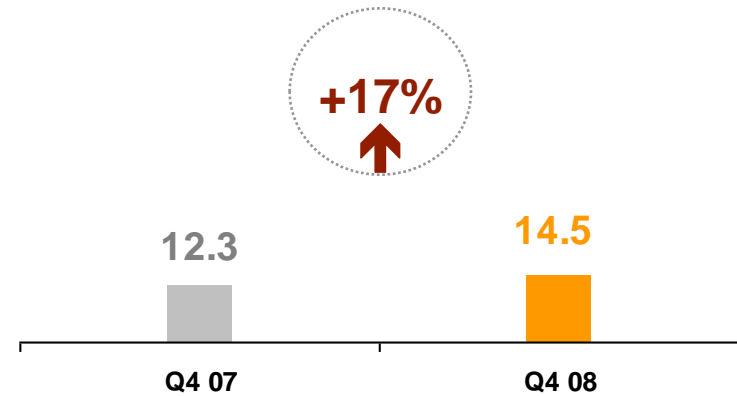
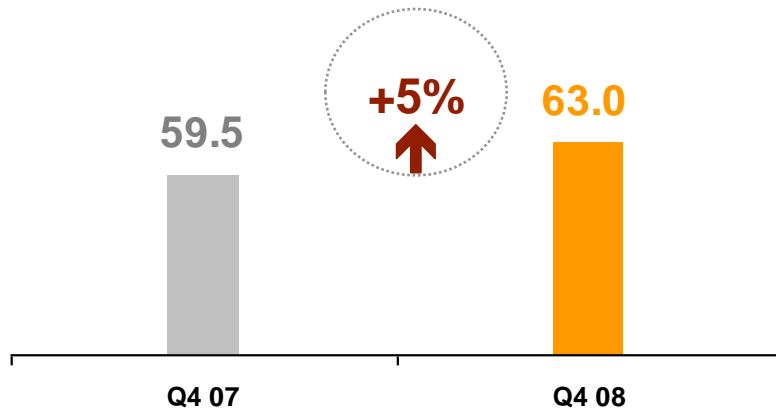
## French market

(TNS\* April-June/ IRI\*\* April-May)

Quarter

Bulk\*

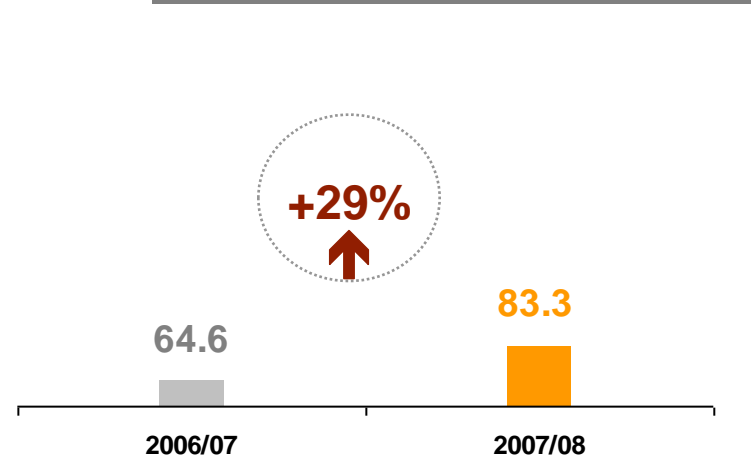
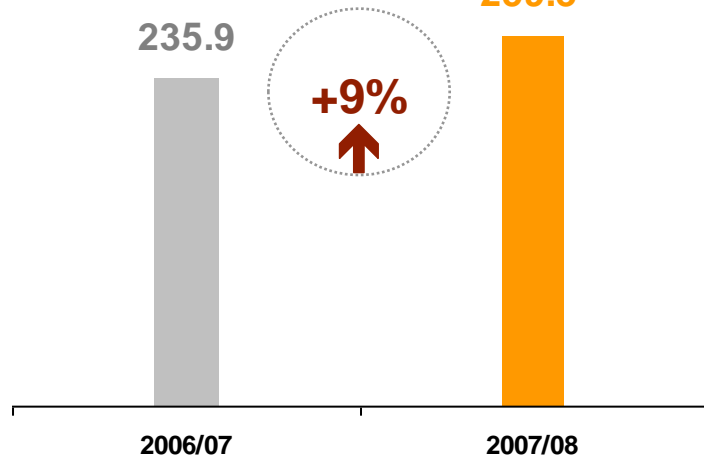
Self service departments\*\*



Year to date

Bulk\*

Self service departments\*\*



## French market

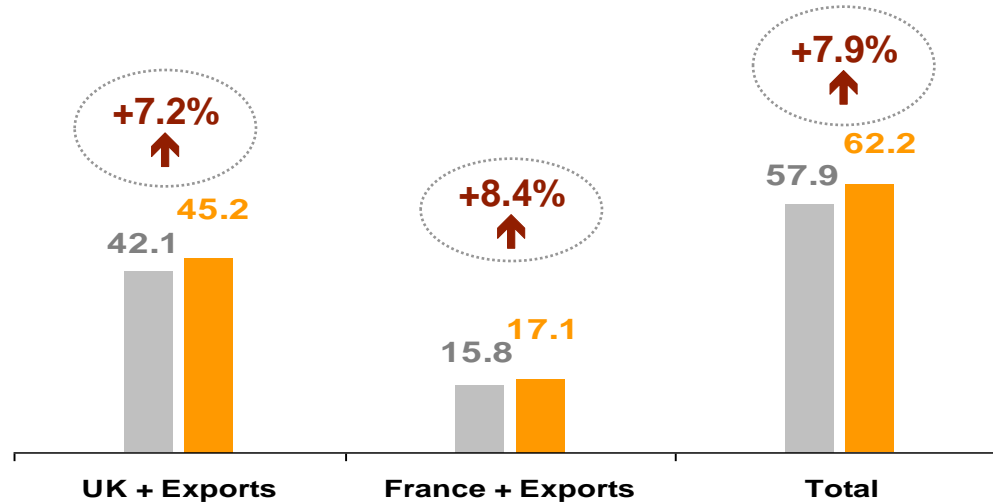
(TNS\* to June/ IRI\*\*to May)

# Prawns and other shellfish: net sales in €m

## Very successful performance in France and in the UK

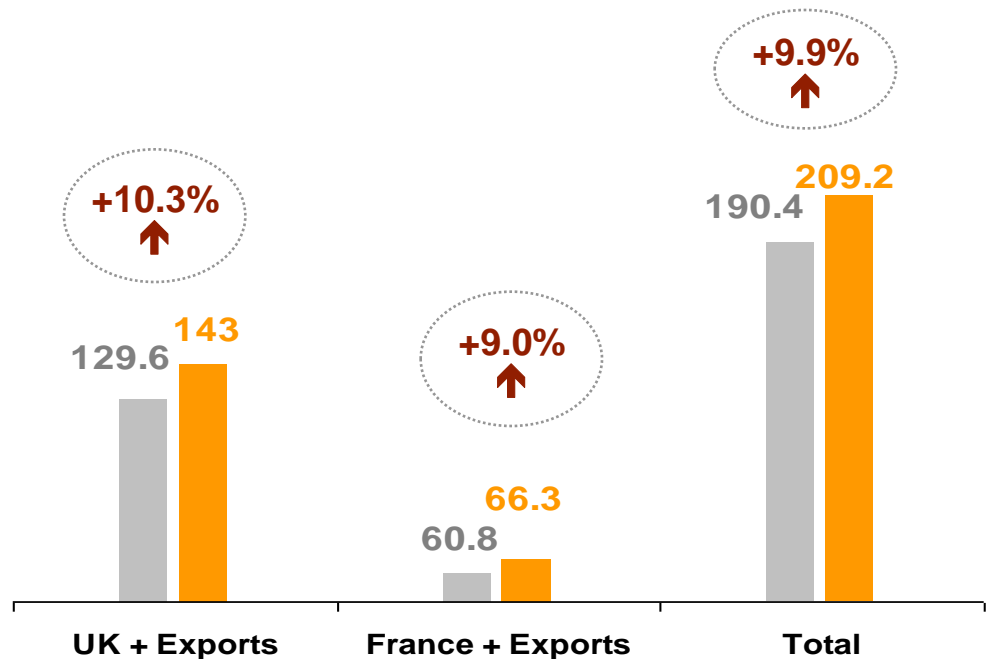
### Quarter net sales

Jan-March



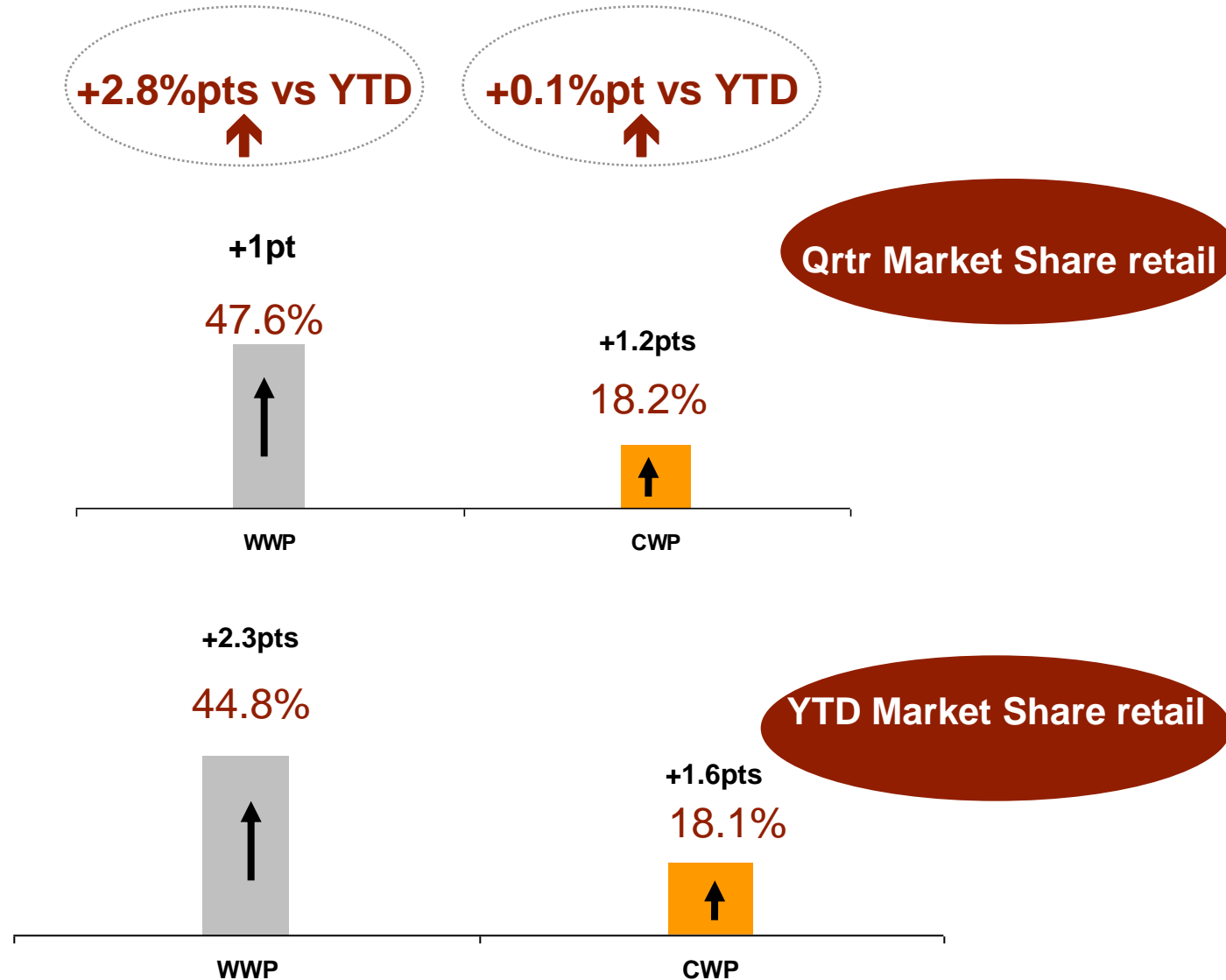
### YTD net sales

Jul-March



# Prawns Q4 and full year market share - Lyons

## Successful performance of LSF moving the right direction





# Prawns and other shellfish: Q4 operational highlights



➤ Lyons: New products developed - Added value and King Prawn cocktail

➤ IQF 500 put in place for industrial excellence



➤ Adrimex: New attractive summer range launched in May 2008





# Prawns and other shellfish: outlook

- Raw material is expected to remain at a high level
- Very innovative products with a Labeyrie range specifically designed for Christmas will enable entrance into new market segments

*First deliveries expected in November 2008*



# Prawns and other shellfish: outlook

- A new range of "just cook shell fish" for consumption throughout the year
- An appetizing meal for two with high quality ingredients and a premium recipe



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## Financial review: Income statement versus last year in €m

- Q4 like for like EBITDA up 20.9%
- Q4 YTD net profit up by 27.6%

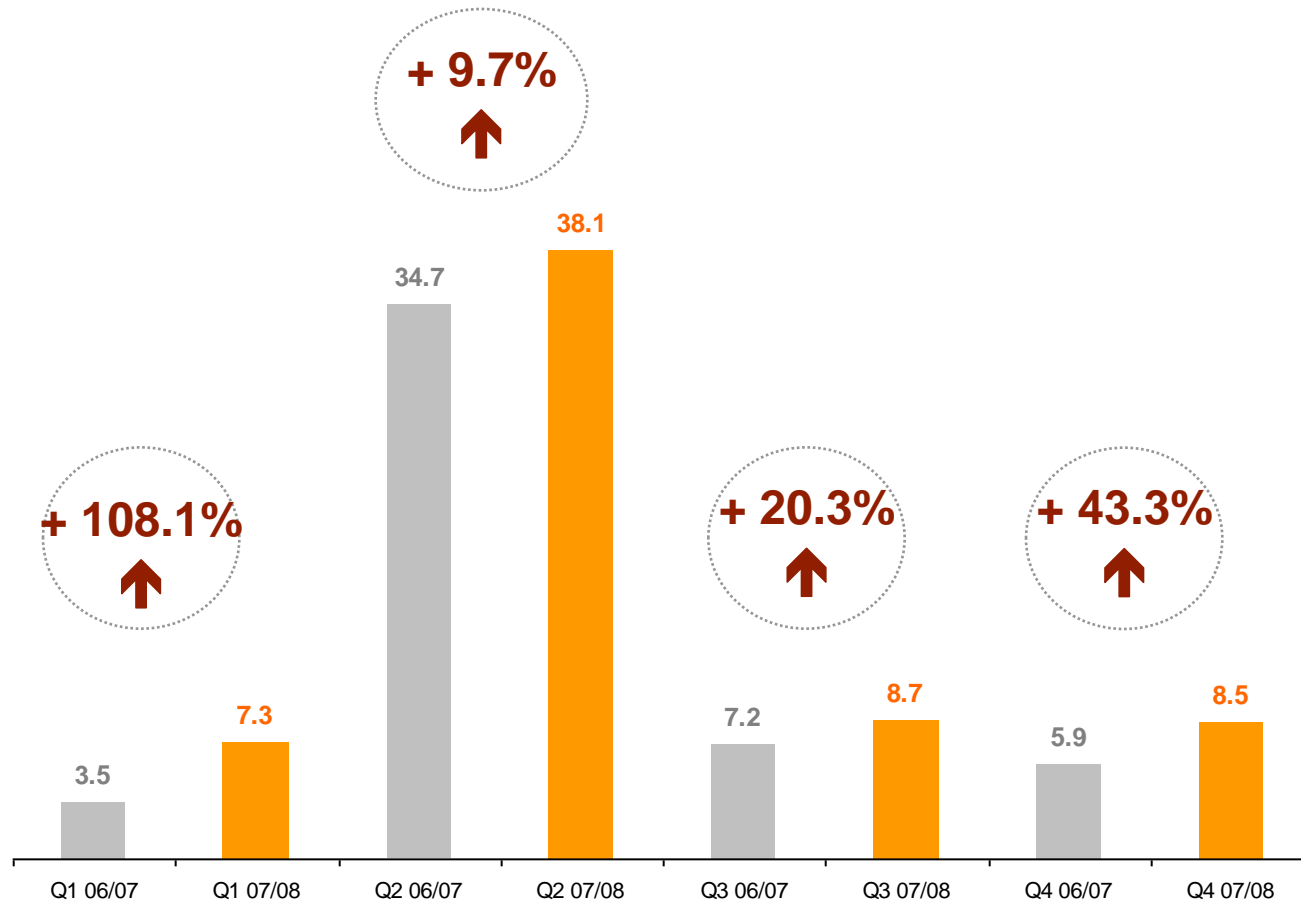
Income statement in € million	Q4			Q4 YTD		
	07/08	06/07	Var %	07/08	06/07	Var %
Net sales	132.0	139.6	-5.4%	647.4	594.0	9.0%
Cost of goods sold	(114.5)	(119.5)	-4.2%	(534.7)	(498.3)	7.3%
Gross profit	17.5	20.1	-12.9%	112.7	95.8	17.6%
Gross margin %	13.2%	14.4%		17.4%	16.1%	
Operating expenses	(14.8)	(19.0)	-21.9%	(70.4)	(62.5)	12.6%
EBIT	2.6	1.1	145.5%	42.2	33.3	27.0%
EBIT %	2.0%	0.8%		6.5%	5.6%	
Net financial expenses/earnings from assoc.	(2.6)	(2.4)	10.6%	(9.8)	(11.8)	-16.8%
Net profit before taxes	0.0	-1.3	ns	32.4	21.4	51.1%
Income tax	3.5	4.8	-28.2%	(3.7)	0.8	-580.0%
Discontinued operations	0.0	0.0	ns	(0.0)	0.2	ns
Net profit for the period	3.5	3.5	0.5%	28.6	22.4	27.6%
EBITDA	8.5	5.9	43.3%	62.5	51.3	21.9%
EBITDA %	6.4%	4.2%		9.7%	8.6%	

Net sales and EBITDA proforma (1) in € million	Q4			Q4 YTD		
	07/08	06/07	Var %	07/08	06/07	Var %
Net sales	141.1	141.7	-0.4%	665.4	639.7	4.0%
EBITDA	9.8	8.1	20.9%	66.6	55.7	19.5%
EBITDA %	6.9%	5.7%		10.0%	8.7%	

(1) : LY: LTG/D&F proforma, and Equity plan restated. Actual £/€ at last year's rate and excluding acquisition fees

# Financial review: EBITDA development in €m

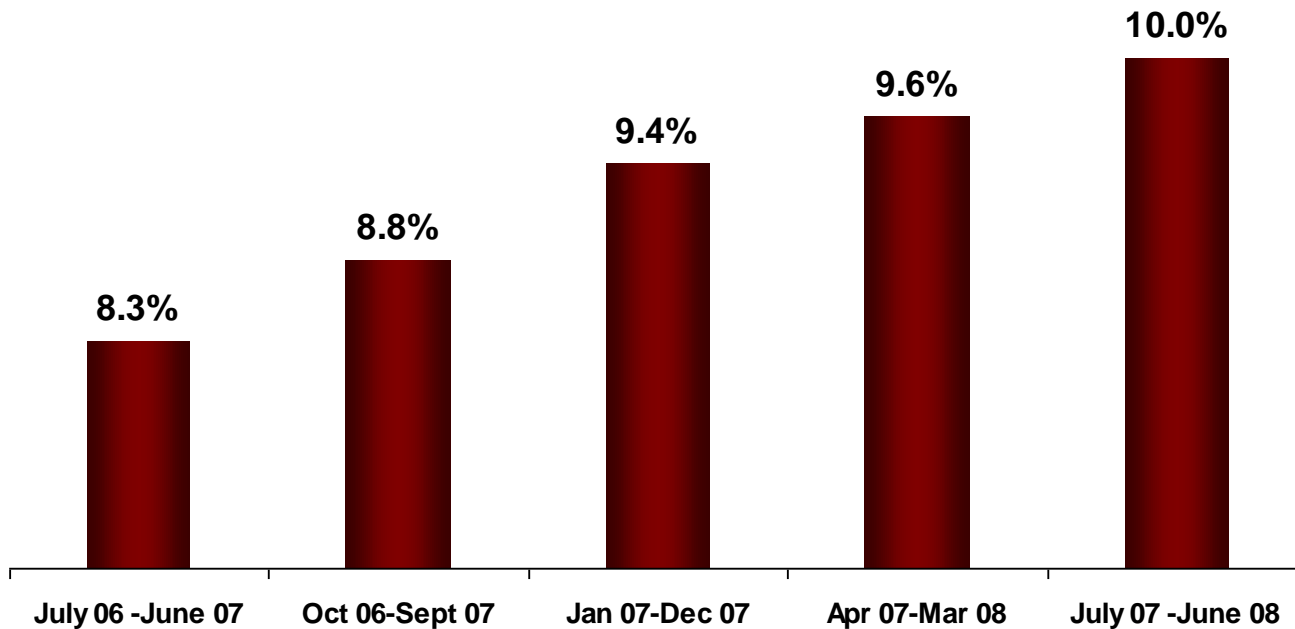
- Q4 YTD EBITDA up by 21.9% over last year



## EBITDA margin history: rolling 12 months <sup>(1)</sup>

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- Continuing EBITDA margin improvement



<sup>(1)</sup> : excluding acquisition costs



## Actuals versus market consensus

- Alfesca's profit above expectations

Q4 07/08	Consensus*	Actual	Var. vs. Consensus
Sales in €m	133.2	132.0	(1.2)
EBITDA in €m	8.3	8.5	0.2
Net income in €m	1.2	3.5	2.3
EBITDA %	6.2%	6.4%	

\* Estimates provided by Glitnir, Kaupthing and Landsbanki.

# Financial review: Balance sheet in €m

## Balance sheet - Assets

€ million	30/06/2008		30/06/2007	
Intangible assets	346.9	51%	345.3	52%
Operational assets	106.1	16%	107.3	16%
Long-term investments	12.3	2%	10.3	2%
<b>Non current Assets</b>	<b>465.3</b>	<b>69%</b>	<b>462.9</b>	<b>69%</b>
Inventories	107.5	16%	109.7	16%
Receivables	60.6	9%	69.4	10%
Bank deposits and cash	42.2	6%	28.5	4%
<b>Current assets</b>	<b>210.4</b>	<b>31%</b>	<b>207.5</b>	<b>31%</b>
<b>Total assets</b>	<b>675.7</b>	<b>100%</b>	<b>670.4</b>	<b>100%</b>

▪ Working capital requirements reduced from last year: 42 days vs 48 days (annual sales)

## Balance sheet - Shareholders equity and Liabilities

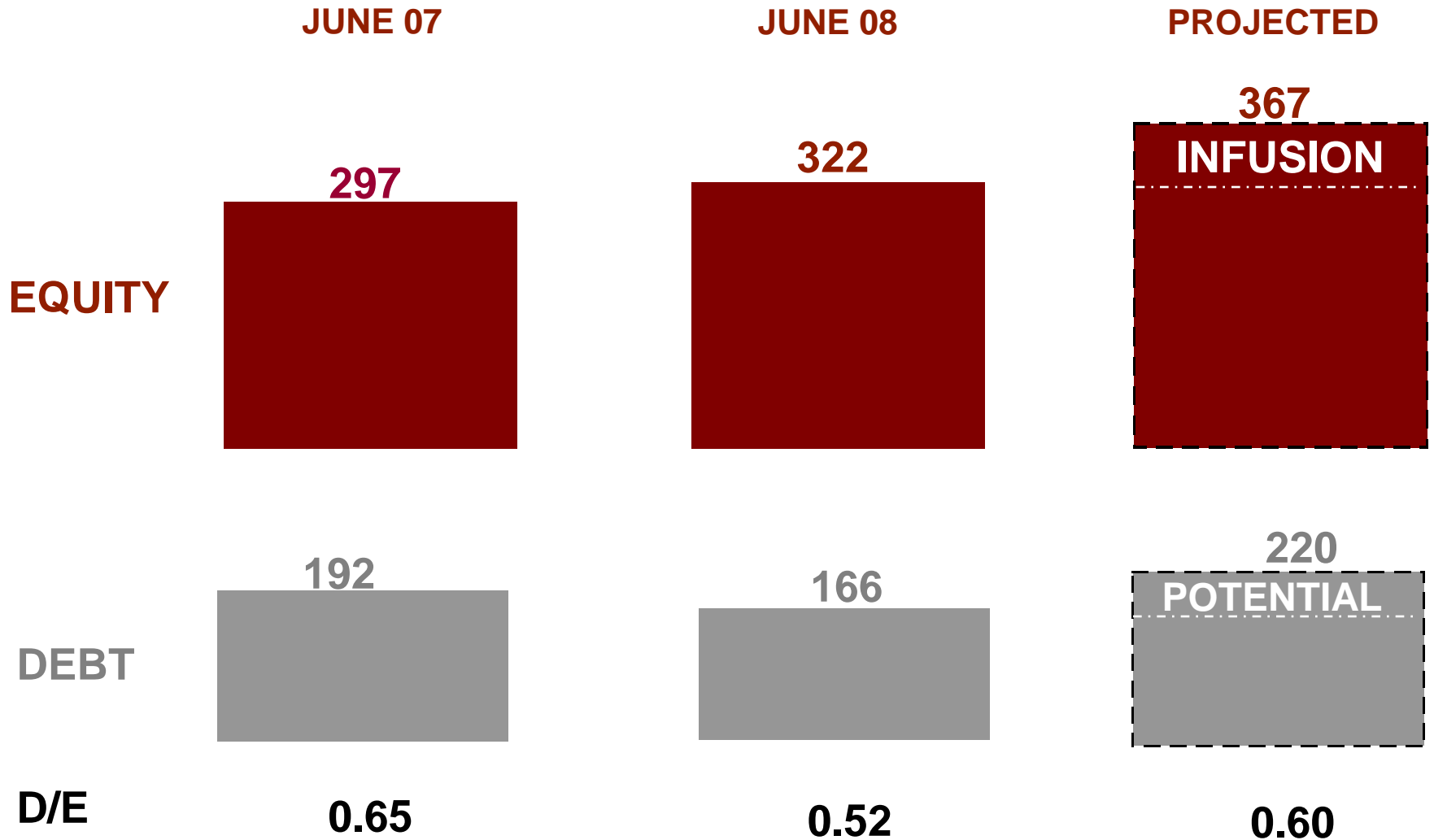
€ million	30/06/2008		30/06/2007	
<b>Shareholders equity</b>	<b>321.7</b>	<b>48%</b>	<b>296.6</b>	<b>44%</b>
Long-term liabilities	182.8	27%	189.2	28%
Deferred tax liabilities	44.6	7%	44.7	7%
Obligations	7.6	1%	8.5	1%
<b>Long-term liabilities and obligations</b>	<b>235.1</b>	<b>35%</b>	<b>242.3</b>	<b>36%</b>
Bank loans	14.9	2%	21.8	3%
Current maturities of long-term debt	10.5	2%	9.2	1%
Other current liabilities	34.9	5%	38.9	6%
Trade payables	58.7	9%	61.5	9%
<b>Current liabilities</b>	<b>118.9</b>	<b>18%</b>	<b>131.5</b>	<b>20%</b>
<b>Shareholders equity and liabilities</b>	<b>675.7</b>	<b>100%</b>	<b>670.4</b>	<b>100%</b>

Current ratio	1.77	1.58
Equity ratio	47.6%	44.2%



# Financial Structure

- Strong financial structure allows for further expansion



# Financial review: Cash Flow in €m

- Cash flow from operating activities up 27.8%
- Net cash position €27.4m as of 30th of June 08

Cash Flow in €m	FY 07/08 1/07 - 30/06	FY 06/07 1/07 - 30/06
<b>Cash Flow from operating activities</b>	<b>60.2</b>	<b>47.1</b>
Working Capital provided by operating activities	0.8	(4.4)
Tax paid / received	(1.0)	1.7
<b>Net Cash flow from operating activities</b>	<b>60.0</b>	<b>44.5</b>
Capital expenditures	(22.6)	(17.4)
Proceeds from sales of subsidiaries	0.0	13.4
Acquisition of subsidiary	(1)	(36.6)
Proceeds (Purchases) of other assets	(0.6)	6.6
<b>Net Cash flow from investing activities</b>	<b>(24.0)</b>	<b>(33.9)</b>
<b>Net Cash flow from financing activities</b>	<b>(22.2)</b>	<b>3.4</b>
<b>Change in cash for the period</b>	<b>13.8</b>	<b>14.0</b>
<b>Net cash position</b>	<b>27.4</b>	<b>6.6</b>

# Financial review: KPI's 3 year review

- Improved performance in all key areas

## Main ratios by June end

	FISCAL YEAR		
	2008	2007	2006
<b>EBITDA RATIO*</b>	<b>10.0%</b>	<b>8.6%</b>	<b>7.9%</b>
<b>EARNINGS PER SHARE (in euro cents)</b>	<b>0.49</b>	<b>0.39</b>	<b>0.21</b>
<b>RETURN ON EQUITY</b>	<b>9.6%</b>	<b>8.3%</b>	<b>4.6%</b>
<b>DEBT/EQUITY RATIO</b>	<b>0.52</b>	<b>0.65</b>	<b>0.68</b>

\*Excluding non operating items

## Key highlights for FY2008 versus last year

**FISCAL YEAR 2008**

**SALES GROWTH**

**+ 9%**

**EBITDA**

**+21.9%**

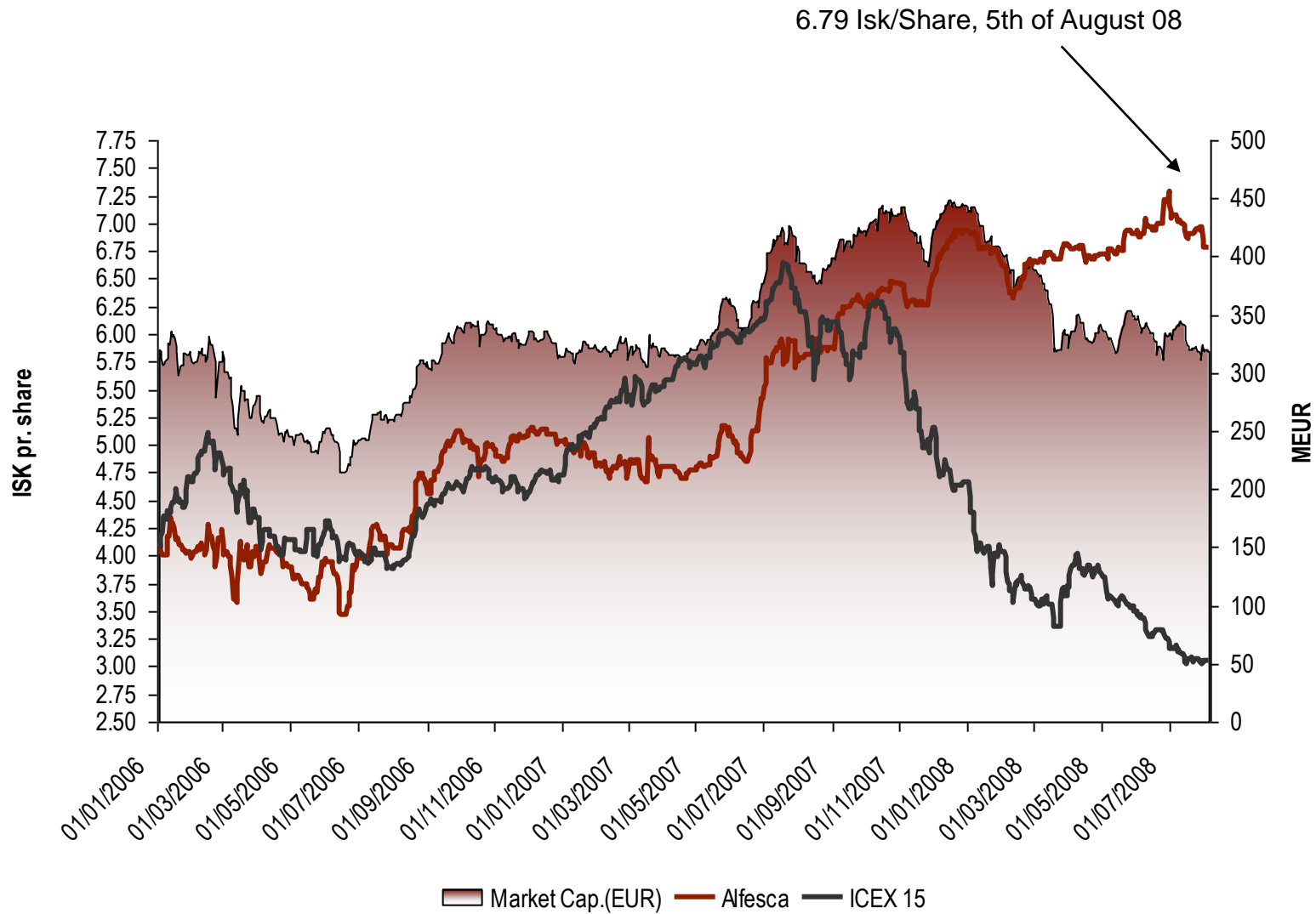
**PROFIT AFTER TAX**

**+27.6%**

**MARKET CAP**

**-8.0%**

# Shareprice performance



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





- **We don't anticipate sudden improvements in the general European economy**
  - ✓ Inflation will remain high leading to changes in buying behaviour
  - ✓ Consumers' confidence will remain low leading to less consumer demand
  
- **We remain confident in our ability to meet the challenges ahead:**
  - ✓ Alfesca has proven its excellence in operating management (innovation capacity, strong customer relationship, industrial efficiency and cost control) even in low growth periods (such as this quarter Q4 07/08)
  - ✓ Even when there is an depression in the economy, consumers show no tendency to reduce their consumption of festive food at home
  - ✓ We have confidence in our balanced strategy (country, pillars), and are prepared to take full advantage of the general economic recovery expected in 2009
  - ✓ We have confidence in our positioning on healthy, convenient and fine food: these trends remain solid no matter what temporary changes occur in the economy
  
- **All our energy is now focused on delivering a good H1 08/09 which includes the key Christmas period.**



**Thank you**