

To OMX Nordic Exchange Copenhagen A/S and the press

Stock exchange release no. 5/2008

29 May 2008

Quarterly statement 1 January - 31 March 2008 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 - 31 March 2008.

Highlights

- As expected, FirstFarms has for the first time achieved a positive EBIT result in the first quarter of 2008. In the period, FirstFarms has achieved a turnover of DKK 14.6 million, an EBIT result of DKK 0.7 million and a pre-tax result of DKK 2.0 million.
- FirstFarms maintains its expectations for 2008 with a turnover of DKK 85-90 million, an EBIT result of 6-8 million and a pre-tax result of 10-12 million.
- In the accounting period, FirstFarms A/S has bought up 1,024 hectares land in Romania. In 2008, the company has bought up 1,315 hectares and has ownership of totally 5,891 hectares of agricultural land in Romania.
- Construction of cattle stalls in Slovakia is at present running a little behind the defined timetable. It is expected to make up for the delay.

Billund, 29 May 2008

FirstFarms A/S

Henrik Hougaard
Board Chairman

Kim Stokholm
Managing Director

For further information:

Please visit our website www.firstfarms.com or
contact Managing Director Kim Stokholm on telephone +45 75 86 87 87.

FIRSTFARMS A/S

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CVR nr.: 28312504

Main and key ratios

DKK 1,000	The Group Q1 2008	The Group Q1 2007	The Group 2007
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Main figures

Turnover	14,624	10,233	58,751
Gross profit/loss	4,393	112	13,955
Profit/loss from primary operations	681	-2,458	-3,838
Net financial items	1,304	2,431	10,154
Pre-tax profit/loss	1,985	-27	6,316
Profit/loss for the period	1,325	-114	4,678

Fixed assets	255,819	106,422	228,415
Short-term assets	255,935	377,338	267,645
Total assets	511,754	483,760	496,060
Share capital	471,224	471,224	471,224
Shareholders' equity	426,867	425,067	425,099
Long-term liabilities	20,568	11,106	20,173
Short-term liabilities	64,319	47,587	50,788

Cash flow from operations	-12,095	5,420	-3,895
Cash flow for investment, net	-27,015	-3,602	-129,461
Cash flow from financing	0	-16,101	-12,291
Total cash flow	-39,110	-14,283	-145,647

Key figures

Gross margin	30	1.1	24
Operating margin	4.7	-24.0	-6.5
Assets/shareholders' equity	1.2	1.1	1.2
Result per share, DKK	0.28	0.0	0.99
Diluted result per share, DKK	0.28	0.0	0.99
Return on shareholders' equity	1.3	0.0	1.1

Average number of employees	209	195	208
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Management report for the period 1 January - 31 March 2008

In the period, FirstFarms A/S has realized a turnover of DKK 14.6 million, an EBIT result of DKK 0.7 million and a pre-tax result of DKK 2.0 million. The turnover is composed of a sale of milk of DKK 11.2 million and a sale of goods from the field division of DKK 2.1 million. The remaining part comes from sale of cattle to slaughtering etc.

Public grants from hectare subsidy and EU-subsidy for careful and environmental cultivation for a minor part of the area and also grants to milk production have been included in the accounts. Furthermore, grants for investments have been included, which are booked as income in line with depreciation of the asset.

In the first quarter, the milk production has been lower than expected, which has caused a little lower turnover. In the accounting period, the price has corresponded to the expectations. Part of the rape is in in accounting period sold at a higher price than expected.

The share capital has increased with DKK 1.8 million and is composed of a result of DKK 1.3 million and an exchange rate adjustment of DKK 0.4 million. The exchange rate adjustment is mainly due to an increase in the Slovak koruna (SKK), whereas there has been a minor decrease in the Romanian lei (RON).

Construction of cattle stalls

The construction of the modern cattle stalls in Slovakia, which will be housing 2,700 dairy cows when it is finished in 2009, runs a little behind. It is however expected to make up for the delay. Foundations for two of the new cattle stalls and the milk stall have been concreted.

Purchase of land

In the first quarter, FirstFarms has bought up 1,024 hectares of land in Romania, and so totally 5,600 hectares were bought up at the end of the accounting period.

In Slovakia, FirstFarms has in the first quarter bought up 23 hectares of land, and at the end of the accounting period a total of 269 hectares have been bought up. FirstFarms has started action regarding utilization of options to buy 225 hectares of land in Slovakia. This action is expected to be prolonged.

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Warrants

In the first quarter, FirstFarms has issued warrants to three employees abroad, as described in stock exchange release no. 1 of 1 February 2008. Warrants have been issued as a share based arrangement, where the employees have a possibility to use $\frac{1}{3}$ of the warrants after 3 years, $\frac{1}{3}$ after 4 years and the remaining $\frac{1}{3}$ after 5 years. The calculation of cost for the company is shown in note 1 of this report. The purpose of issuing warrants is to keep key employees in the company.

Strategic deliberations

FirstFarms has decided to sell the flour mill, which the company took over in the autumn 2007, in connection with the purchase of the Slovak company, Mlyn Zahorie A/S. In the accounting period, the mill has entailed a loss of DKK 0.2 million.

In the annual report 2007, FirstFarms has described the essential risks for the company, and it is the management's opinion that this description is continuous adequate.

Events following the end of the accounting period

In Romania, FirstFarms continues its buying up land. After the end of the accounting period, further 291 hectares have been bought, so that land area now makes a total of 5,891 hectares. All the land is situated in the black soil belt, where the land is of high quality. The land areas are distributed in two areas in Romania, of which one area is situated approx. 50 km from Bucharest and the other approx. 800 km north west of the capital. Both areas are in the neighbourhood of larger cities, in which there is a relatively good infrastructure.

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Expectations for 2008

FirstFarms maintains its expectations and therefore expects a turnover in the Group of DKK 85-90 million, an EBIT result of DKK 6-8 million and a pre-tax profit of DKK 10-12 million.

Besides the result expectations, FirstFarms has laid down the following objectives for 2008:

- Investment in cattle stalls in Slovakia and acquisition of further cows in connection with the increase of the cattle herd.
- Productivity improvements in the field in Slovakia with operation of totally 8,300 hectares of land.
- Farming of 1,500 hectares of land in Romania and cultivation of further 1,500 hectares to an area of at least 3,000 hectares to be ready for farming in the 2008/2009 season.
- Continuation of land purchase in Slovakia and Romania in 2008 and running investment in machinery.

Financial calendar for 2008

- 28 August 2008: Half year report 2008
- 25 November 2008: Quarterly report – Q3 2008

Management statement

The Management and Board of Directors of FirstFarms have today discussed and approved the interim report of FirstFarms A/S for the period 1 January - 31 March 2008.

The interim report, which has not been audited 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 interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2008 and of the results of the Group's operations and cash flows for the period 1 January - 31 March 2008.

Further, in our opinion the Management's review gives a true and fair review 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, 29 May 2008

Management

Kim Stokholm
Managing Director

Board of directors

Henrik Hougaard
Chairman

Kjeld Iversen

Jens Møller

Lars Thomassen

Stig Andersson

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Income statement

	The Group Q1 2008	The Group Q1 2007	The Group 2007
DKK 1,000			
Turnover	14,624	10,233	58,751
Value adjustments of biological assets	983	126	10,458
Production costs	-16,854	-13,534	-67,746
Grants	5,640	3,287	12,492
Gross profit/loss	4,393	112	13,955
Other operating incomes	58	556	611
Administrative costs	-3,770	-3,001	-17,884
Other operating costs	0	-125	-520
Operating profit/loss	681	-2,458	-3,838
Financial incomes	1,790	3,149	12,094
Financial expenses	-486	-718	-1,940
Profit/loss before tax	1,985	-27	6,316
Tax on profit/loss of the year	-445	-87	-1,638
Profit/loss of the period for continuing activities	1,540	-114	4,678
Result of activities for sale	-215	0	0
Profit/loss of the period	1,325	-114	4,678

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Balance

	The Group	The Group	The Group
	Q1 2008	Q1 2007	2007
DKK 1,000			
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	14,406	3,727	14,406
	14,406	3,727	14,406
Tangible assets			
Land and buildings	129,670	48,808	117,439
Plant and machinery	41,997	31,928	38,315
Fixtures and fittings, tools and equipment	1,683	370	1,621
Fixed assets under construction	29,755	0	19,589
	203,105	81,106	176,964
Biological assets			
Basic herd and milk quotas	37,608	19,830	36,345
	37,608	19,830	36,345
Other non-current assets			
Deferred tax asset	700	1,759	700
	700	1,759	700
Total non-current assets	255,819	106,422	228,415
Current assets			
Inventories	21,387	11,605	18,173
Biological assets – breeding and crops	41,592	20,112	31,877
Trade receivables	12,904	8,388	10,160
Other receivables	19,678	14,558	20,033
Prepayments	8,003	533	1,225
Cash at bank and in hand	152,371	322,142	186,177
Total current assets	255,935	377,338	267,645
TOTAL ASSETS	511,754	483,760	496,060

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	The Group	The Group	The Group
	Q1 2008	Q1 2007	2007
DKK 1,000			
EQUITY AND LIABILITIES			
Equity			
Share capital	471,224	471,224	471,224
Reserve for exchange rate adjustment	-1,152	3,370	-1,595
Transferred result	-43,205	-49,527	-44,530
Proposed dividends	0	0	0
Total equity	426,867	425,067	425,099
Liabilities			
Non-current liabilities			
Deferred tax	14,352	11,106	13,957
Credit institutions	6,216	0	6,216
	20,568	11,106	20,173
Current liabilities			
Credit institutions	16,142	14,682	10,295
Trade payables and other payables	28,317	20,073	23,996
Corporation tax	821	205	821
Prepayments	19,039	12,627	15,676
	64,319	47,587	50,788
Total liabilities	84,887	58,693	70,961
TOTAL EQUITY AND LIABILITIES	511,754	483,760	496,060

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Equity development

	The Group	The Group
DKK 1,000	Q1 2008	Q1 2007
EQUITY DEVELOPMENT		
Equity 1 January	425,099	424,632
Reserve for exchange rate adjustment	443	549
Result of the period	1,325	-114
Equity at closing	426,867	425,067

Cash flow statement

	The Group	The Group
DKK 1,000	Q1 2008	Q1 2007
Profit before tax	1,985	-27
Cash generated from operations (operating activities)	2,357	-370
before changes in working capital		
Cash flow from operating activities	-12,095	5,420
Cash flow from investing activities	-27,015	-3,602
Cash flow from financing activities	0	-16,101
Total cash flow	-39,110	-14,283
Available, at the beginning	175,882	322,168
Exchange rate adjust of available	-543	-425
Available at closing	136,229	307,460
Available at closing is recognised as follows:		
Available funds	152,371	322,142
Short-term bank debt	-16,142	-14,682
Available at closing	136,229	307,460

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Note 1 regarding warrants

The Board of Directors has decided to issue warrants to 3 employees abroad, cp. the Company's stock exchange release of 1 February 2008.

Totally 12,500 warrants have been allotted, which can be utilized with one third after 3, 4 and 5 years, respectively. (Type A, B and C)

The following conditions have been used:

	Type A	Type B	Type C
Utilization rate	153.99	161.69	169.78
Expected volatility	25 %	25 %	25 %
Expected currency	36 months	48 months	60 months
Expected profit per share	0	0	0
Risk-free interest	5 %	5 %	5 %

With these conditions, the following is a summary of the new warrant programme:

	Other employees	Average utilization	Fair value per warrant, DKK	Fair value in total, DKK 1,000
Type A	4,167	153.99	22.99	96
Type B	4,167	161.69	26.51	110
Type C	4,166	169.78	29.58	123
I alt	12,500	161.82	-	329

All types per 31 March 2008 are "out of money".

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