



# Alfesca

**Market presentation**

**February 2008**

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



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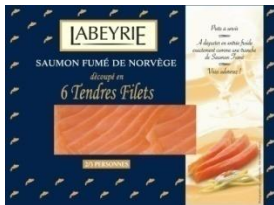
# Alfesca at a glance: Q2 07/08 highlights

- **Strong sales growth well balanced by pillar**
  - ✓ Sales €262.1 m up 11.5% (up 5.2% proforma) versus last year
  
- **Good profit increase**
  - ✓ Ebitda €38.1 m up 9.7% (+€3.4 m) versus last year
  - ✓ Net income €22.5 m up 15.7% versus last year
  
- **Key achievements**
  - ✓ Strong market share gains in growing markets
  - ✓ Satisfactory launch of new product categories across businesses, especially with the Christmas ranges
  
- **Salmon and prawn prices in line with expectations**
  
- **Concerns of the period**
  - ✓ Duck prices linked to commodity prices
  - ✓ Adverse Sterling effect
  
- **Integration of LTG and Adrimex delivering positive results**
  - ✓ Sales up by 1.4% versus last year for LTG
  - ✓ Sales up by 13.8% versus last year for Adrimex
  - ✓ Synergies starting to deliver

**Net sales by pillar vs LY : €262.1 m + 11.5 % vs LY**

**(\*) Total group pro forma Q2 : + 5.2 % vs LY**

## Smoked salmon & other fish



▪ Q1	+5.3%
▪ Q2	+2.9%
▪ YTD	+3.7%

## Foie gras & other duck products



▪ Q1	-0.6%
▪ Q2	+4.8%
▪ YTD	+3.9%

## Blinis & spreadables



▪ Q1	+7.0%
▪ Q2	+3.4%
▪ YTD	+4.6%







## Prawns



▪ Q1	+4.4%
▪ Q2	+11.9%
▪ YTD	+8.2%

## Net sales by company vs LY

(\*) Total Group Proforma Q2 : + 5.2% vs LY

LYONS SEAFOODS						
Q1 +4.6%	Q1 +12.1%	Q1 -19.1%	Q1 +2.7%	Q1 +7.1%	Q1 -0.3%	Q1 +4.9%
Q2 +11.1%	Q2 +3.1%	Q2 -16.8%	Q2 +13.8%	Q2 +4.1%	Q2 -4.9%	Q2 +8.8%
YTD +7.9%	YTD +6.8%	YTD -17.6%	YTD +8.6%	YTD +5.1%	YTD -3.0%	YTD +8.0%

⚠ Skandia and Delpierre sales impacted by our decision to discontinue the low price/low margin products

## Alfesca at a glance: all indicators strongly improving vs last year

Figures in € million	07/08 Q2	06/07 Q2	Var in %	07/08 H1	06/07 H1	Var in %
<b>NET SALES</b>	<b>262.1</b>	<b>235.0</b>	<b>11.5%</b>	<b>396.1</b>	<b>346.9</b>	<b>14.2%</b>
<b>EBIT</b>	<b>33.3</b>	<b>30.4</b>	<b>9.4%</b>	<b>35.8</b>	<b>29.5</b>	<b>21.3%</b>
<b>EBITDA</b>	<b>38.1</b>	<b>34.7</b>	<b>9.7%</b>	<b>45.4</b>	<b>38.3</b>	<b>18.7%</b>
<b>NET INCOME</b>	<b>22.5</b>	<b>19.4</b>	<b>15.7%</b>	<b>23.3</b>	<b>17.7</b>	<b>31.9%</b>

EBITDA excluding equity plan for Q2 07/08 was €39.1 up 12.7% versus last year and for H1 07/08 was up by 23%

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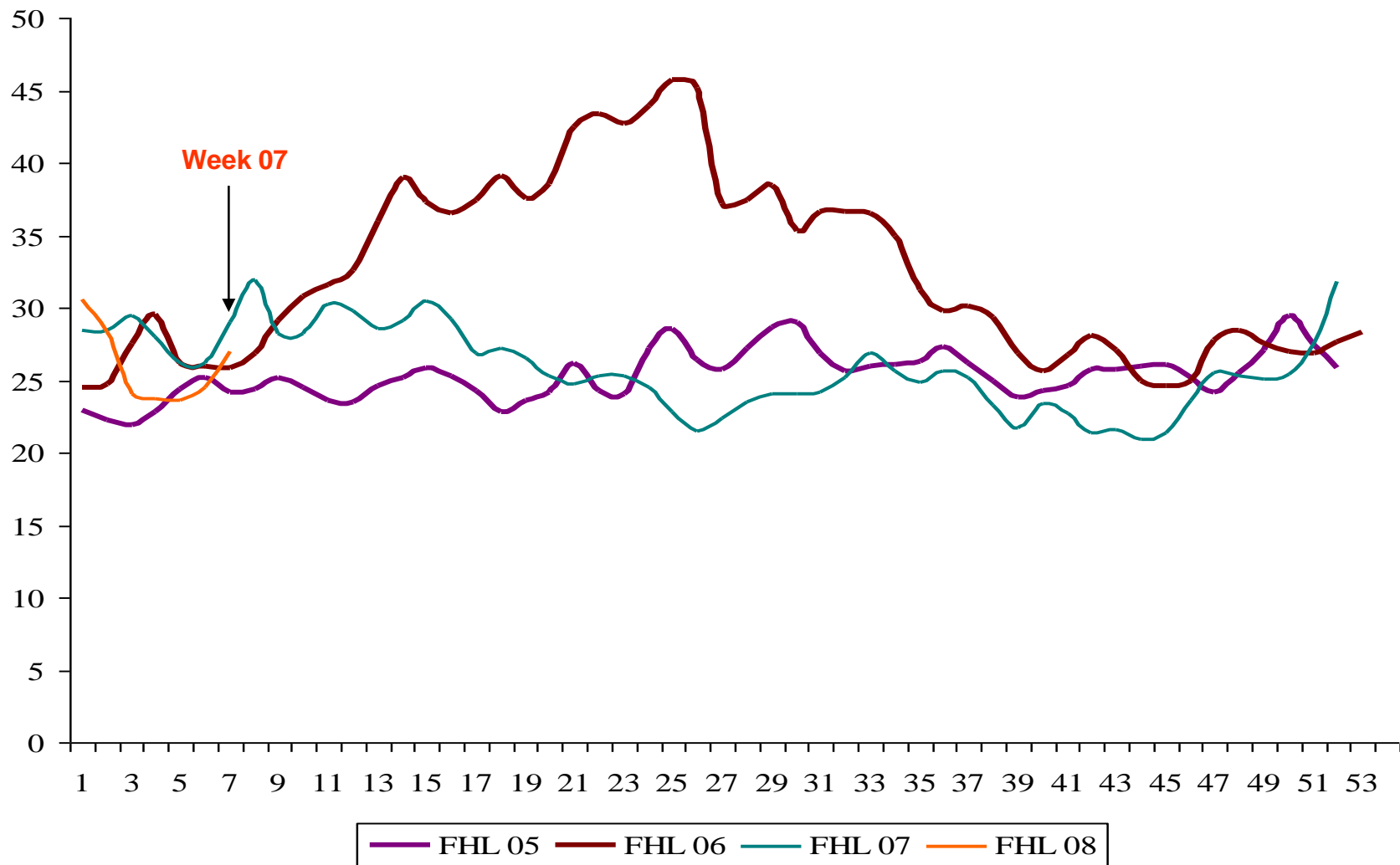




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# Salmon raw mat: Norway FHL price 2005 to 2008 (3/4kg in Nok/kg)



## Salmon raw mat: Norwegian Dec 07 vs Dec 06 \*

Generation	Harvest period	Volume WFE 31/12/07	Harvest period	Volume WFE 31/12/06	Var in %
06/S1	Sep 07 to March 08	93 600	Sep 06 to Mar 07	116 400	-20%
06/S0	Apr 08 to Aug 08	204 900	Apr 07 to Aug 07	151 200	36%
07/S1	Sep 08 to Mar 09	143 100	Sep 07 to Mar 08	137 400	4%
07/S0	Apr 09 to Aug 09	24 000	Apr 08 to Aug 08	19 700	22%

Good availability of Norwegian salmon for the coming year does not require a high level of hedging to take advantage of possible lower salmon prices



## Salmon raw mat: Scottish Dec 07 vs Dec 06 \*

Generation	Harvest period	Volume WFE 31/12/07	Harvest period	Volume WFE 31/12/06	Var in %
06/S1	Sep 07 to March 08	11 900	Sep 06 to Mar 07	7 900	51%
06/S0	Apr 08 to Aug 08	24 600	Apr 07 to Aug 07	27 000	-9%
07/S1	Sep 08 to Mar 09	42 800	Sep 07 to Mar 08	40 300	6%
07/S0	Apr 09 to Aug 09	2 600	Apr 08 to Aug 08	3 100	-16%

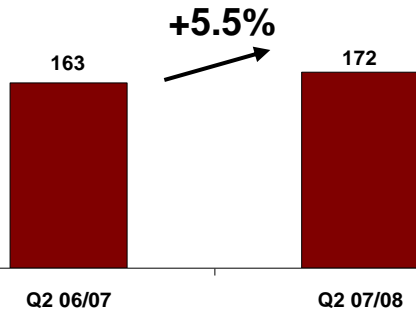
The expected volatility of Scottish salmon prices lead us to contract fixed quantities at fixed prices for the major part of our supply



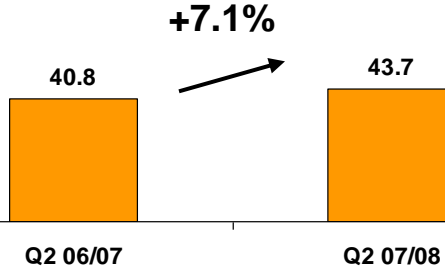
# Salmon market: value trends in € million

## Strong consumption growth

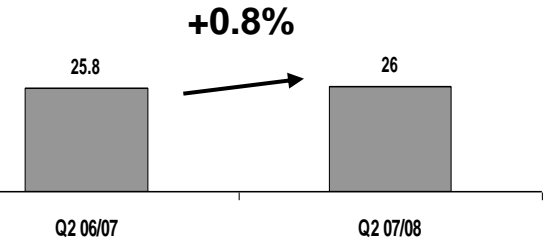
### Quarter



French market  
*(Iri source for Oct-Dec)*

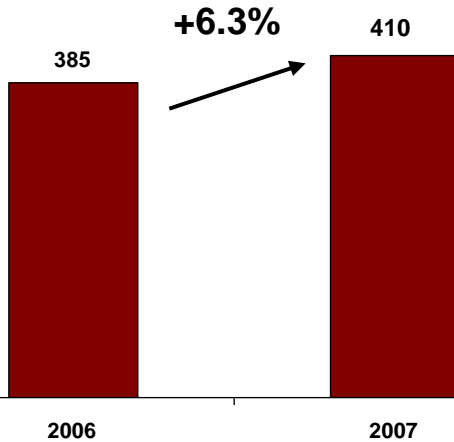


UK market  
*(TNS Worldpanel Oct-Dec)*

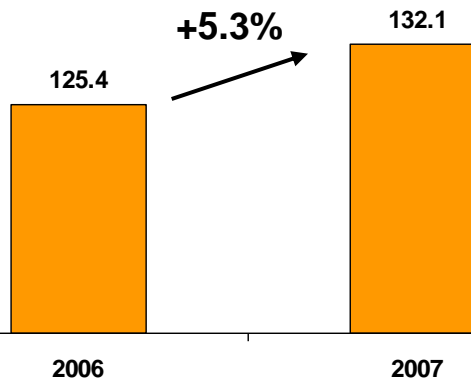


Spanish market  
*(Nielsen Oct-Dec)*

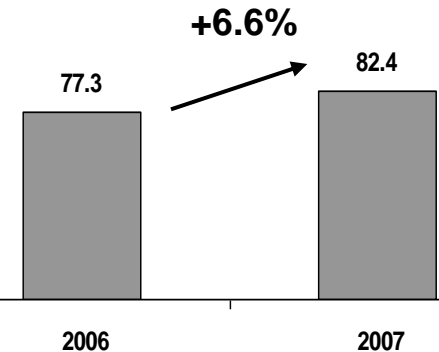
### Calendar year



French market  
*(Iri source for full year)*



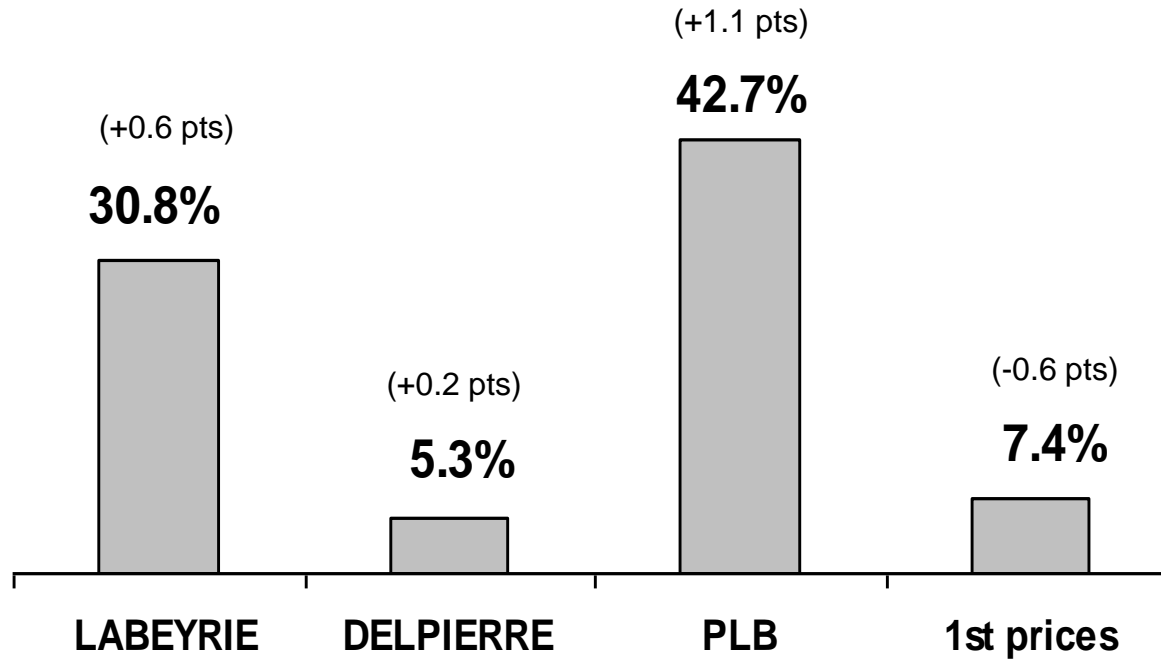
UK market  
*(TNS Worldpanel for full year)*



Spanish market  
*(Nielsen for full year)*

# Salmon market: Labeyrie brand good results

## Q2 Value market share (IRI Oct 16th 07 to Jan 6th, 08)



# Salmon market: Labeyrie brand good results

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## Labeyrie brand awareness on smoked salmon buyers (Sofres 2008)

Jan 04	Jan 05	Jan 06	Jan 07	Jan 08
83%	84%	81%	87%	89%

**New**  
**"Labeyrism"**  
**TV campaign**







# Salmon and other fish Q2 operational highlights

High contribution of innovations

## Festive range



+40%  
vs LY

New Vodka Lemon smoked salmon  
France

## Classical range



+20%  
vs LY

Festive dinners  
France

## New trends



10 MT

Smoked salmon towers  
France

# Salmon and other fish Q2 operational highlights

High contribution of innovations

## Festive range



+ 6 %  
Skandia brand  
at Carrefour

Smoked salmon fans (Albanico)  
Spain

## Classical range



+ 40 %  
on total  
salmon vs LY

Grande Selezioni  
Italy

## New trends



+ 16,2 %  
sales at Tesco

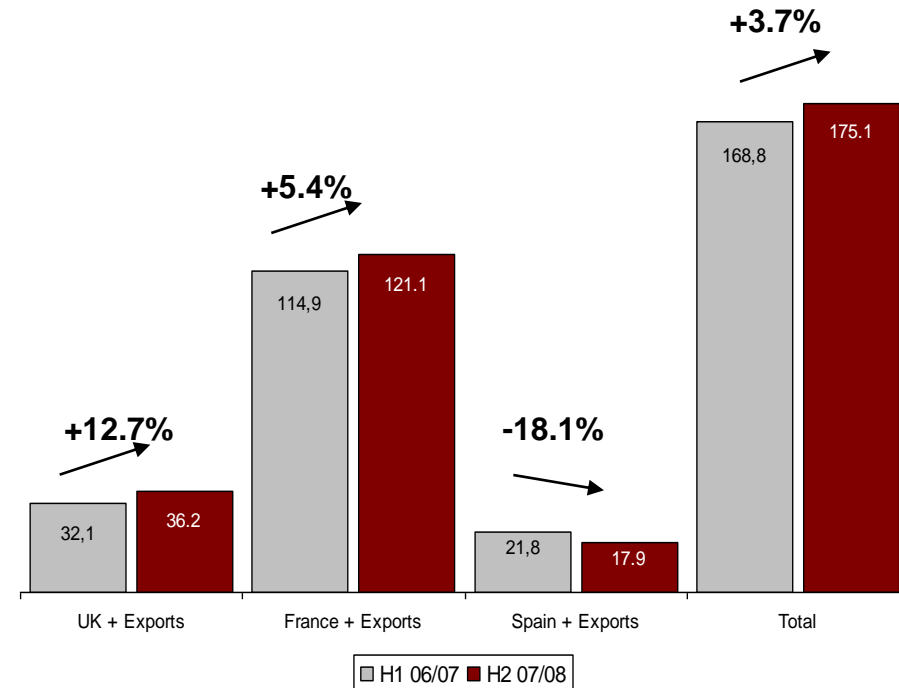
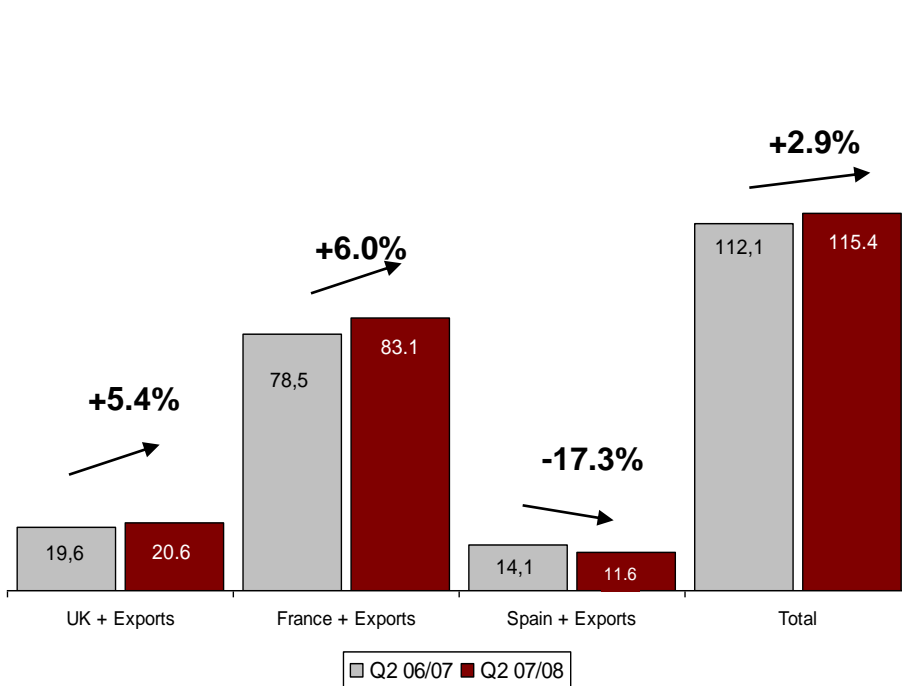
Seafood and asparagus towers  
UK

# Salmon and other fish net sales in € million

Continuous and significant development of this pillar

## Q2

## H1 (July-Dec)



# Salmon and other fish outlook

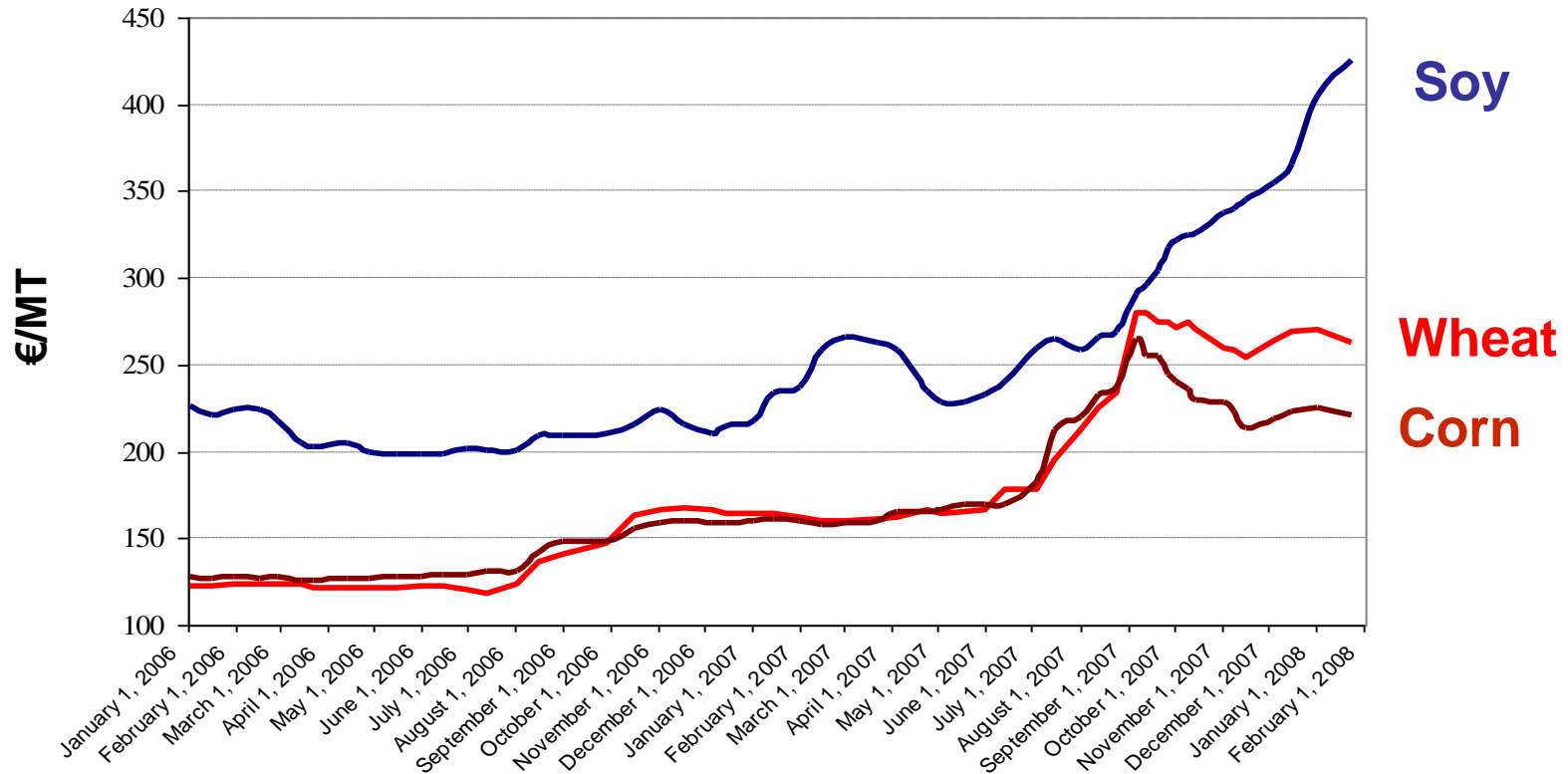
- Consumption of salmon will continue to grow in line with the demand for convenient, festive and healthy food
- Alfesca will keep on innovating strongly on the smoked salmon market but also on the other product categories such as “natural fish cuts”, with the “just cook” concept
- Alfesca supports sustainable development efforts:
  - ✓ with new MSC labelled products
  - ✓ Vensy will be the first in Spain to be certified on the wet fish counter
- Raw material will either remain stable (Norway) or be properly contracted (Scotland)
- Festive range of salmon will see another peak at Easter



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# Cereals and soy purchase price €/MT

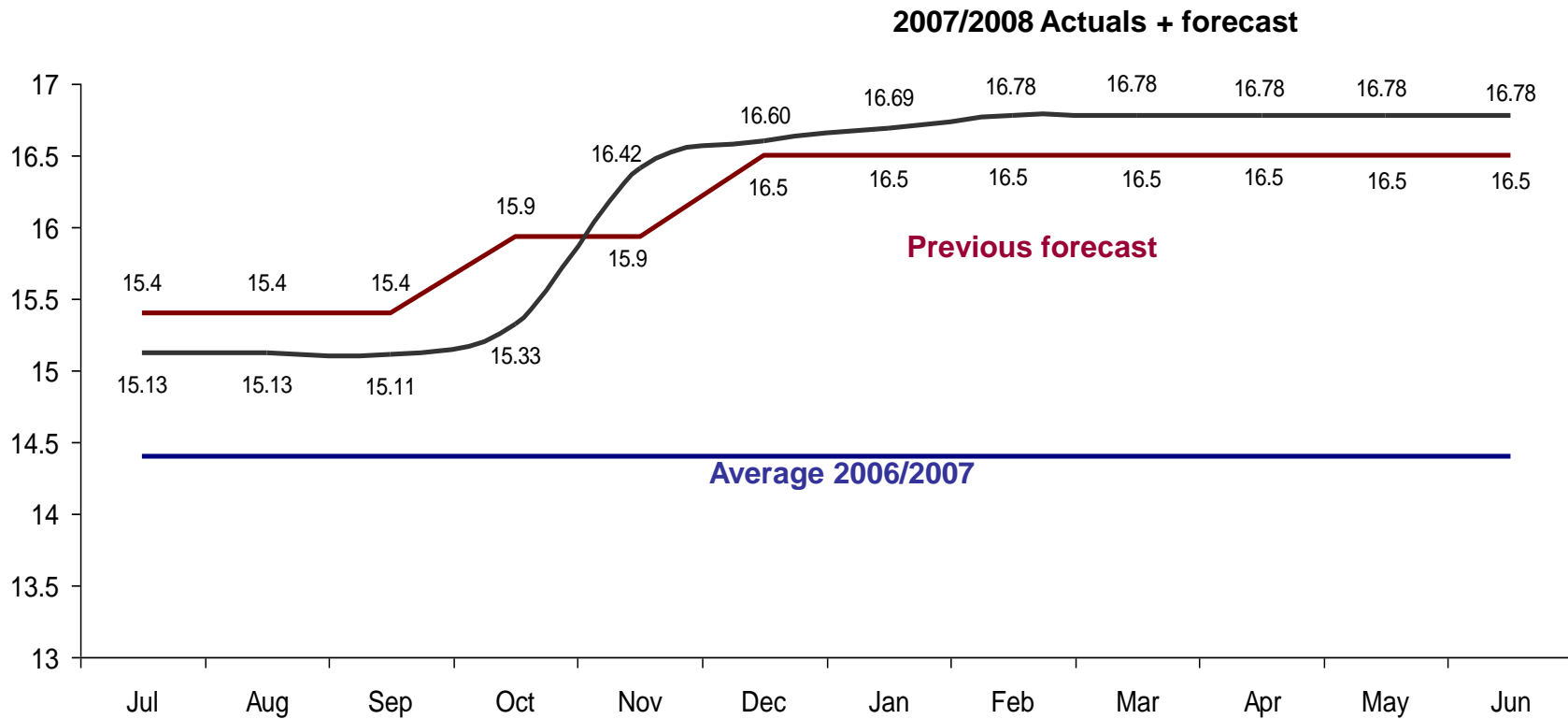


## Current high cereals prices (corn, wheat, soy) :

- Increasing population with higher standards of living (China, India)
- Increasing need for ethanol particularly in the USA
- Increasing financial speculations (stock exchange and real estate drop)
- Stabilization of corn and wheat prices (more production is forecasted)

# Duck raw mat: purchase price in €/duck

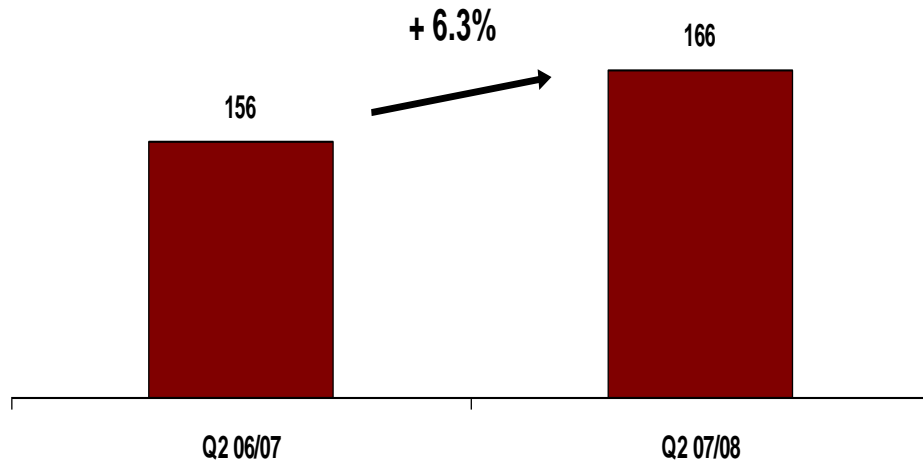
## We have revised our assumptions upwards



# Foie gras market: value trends in €million

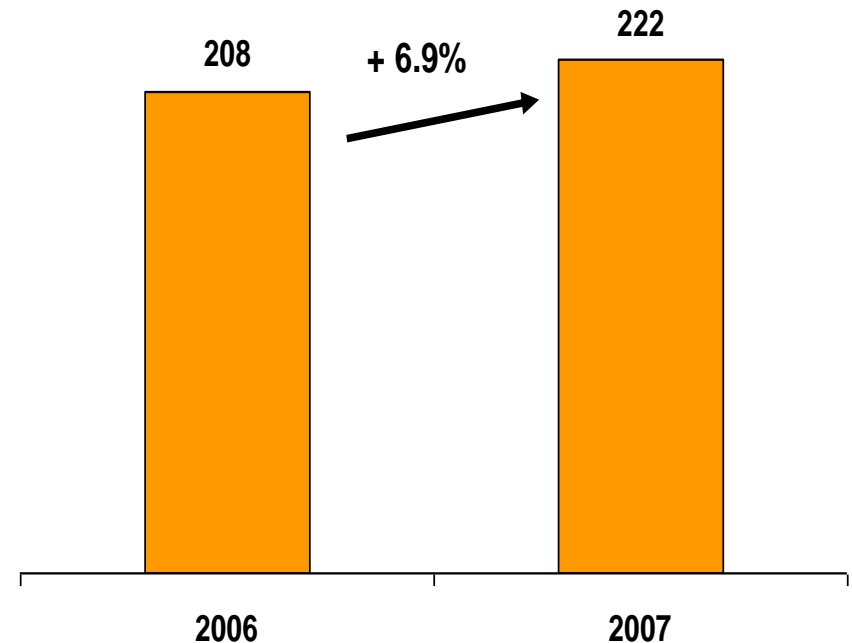
## Consumption increasing year after year

### Quarter



French market  
*(Iri source for Oct-Dec)*

### Calendar year

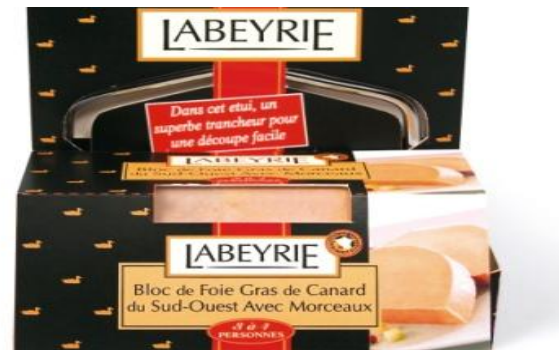
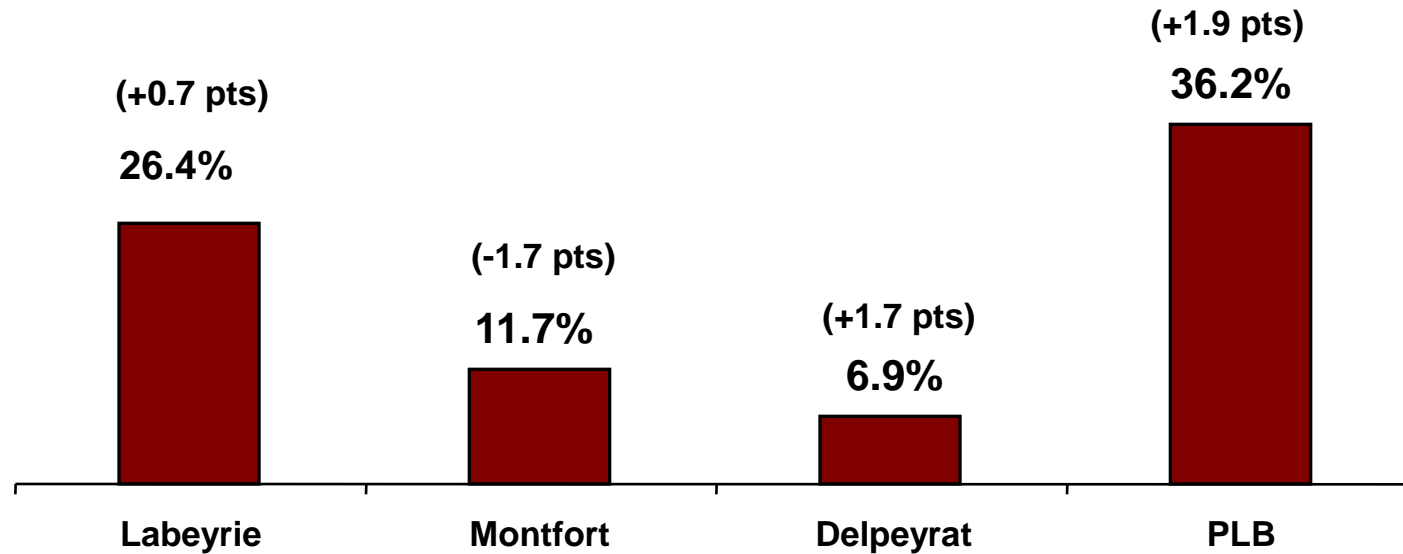


French market  
*(Iri source for full year)*



# Foie gras market: good Labeyrie brand results

Q2 Value market share (IRI Oct 16th 07 to Jan 6th, 08)



# Foie gras market: the Labeyrie brand reference

## Labeyrie brand awareness on foie gras buyers (Sofres 2008)

Jan 04	Jan 05	Jan 06	Jan 07	Jan 08
86%	85%	82%	90%	95%

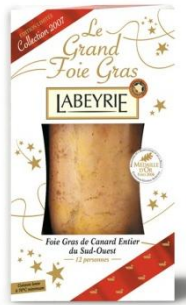
**New**  
**"Labeyrism"**  
**TV campaign**



# Foie gras and duck Q2 operational highlights

High contribution of innovations

## Festive range



X 2 vs LY

Le Grand Foie gras New Torchon

## Classical range

+32% vs LY



1



2

Total preserved  
+45% vs LY

1) Easy to open  
2) Best seller preserves department

## New trends

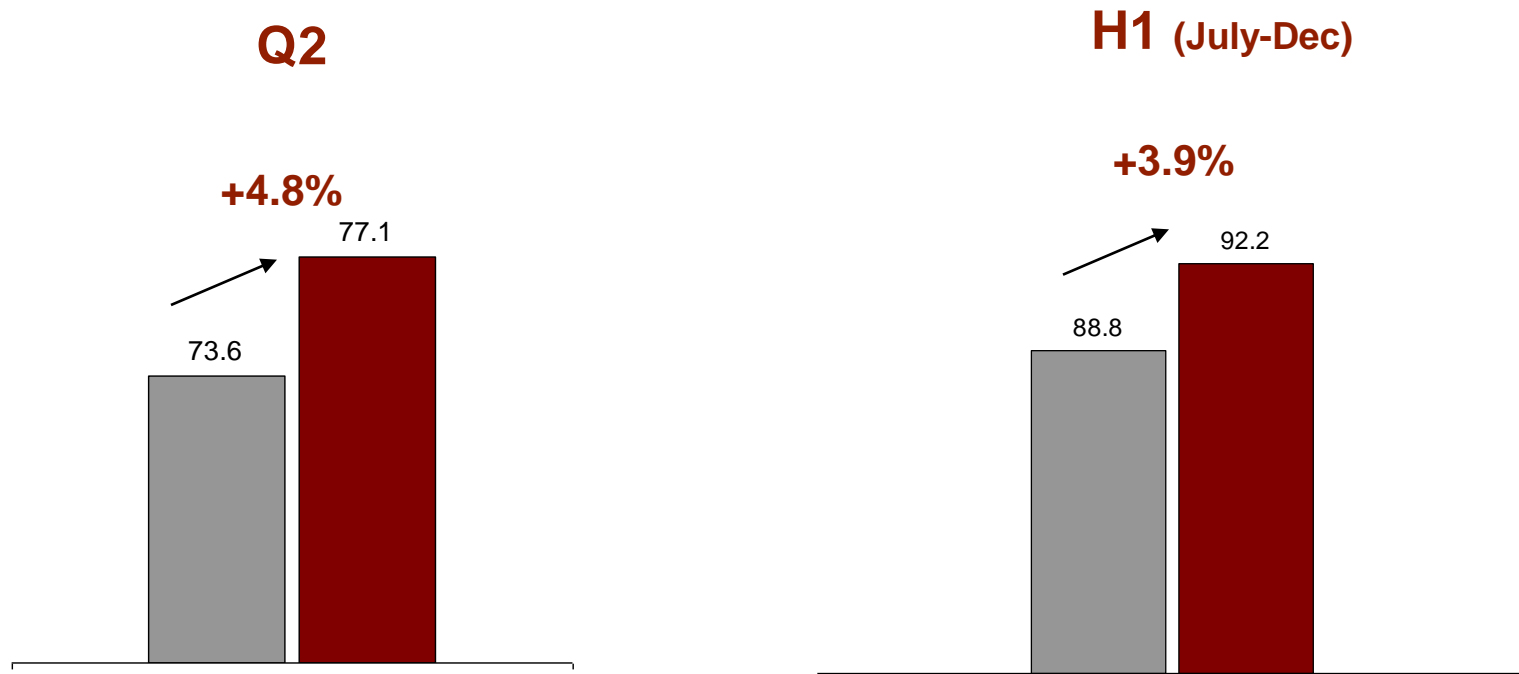


21 MT  
X 3 vs LY

Chutneys for Foie gras

## Foie gras and duck products net sales in € million (1)

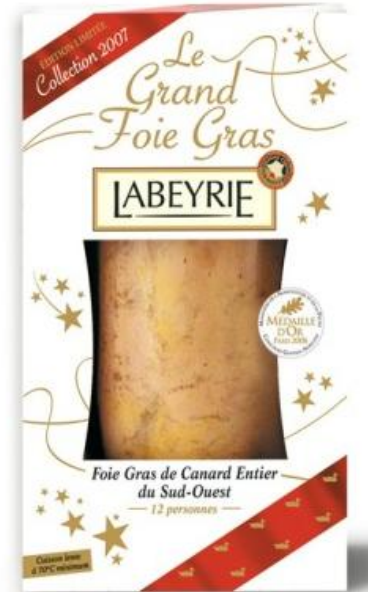
Strong growth driven by very satisfactory Christmas sales



**(1) : Labeyrie brand and second brands**

# Foie gras and duck products outlook

- Commodity prices will still impact our raw material costs. We are negotiating our prices with our customers to offset the deviation.
- The next peak in foie gras sales will be Easter
- We are preparing for the summer duck meat consumption peak
- We are close to starting our new Christmas 08 range negotiation with our customers



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## Prawns raw material prices



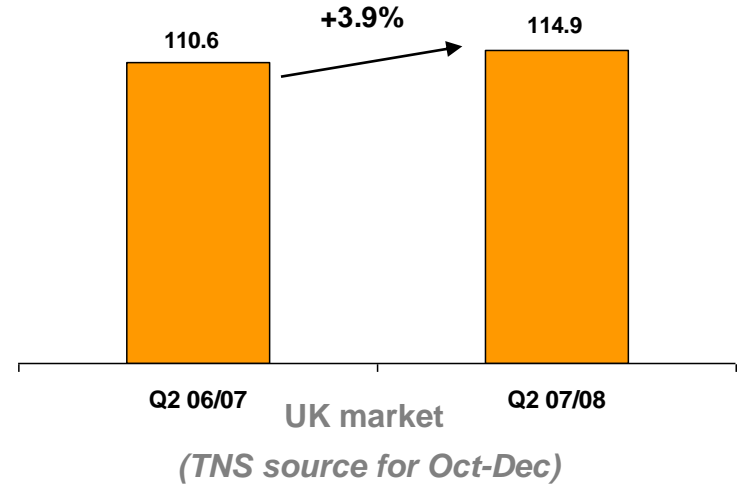
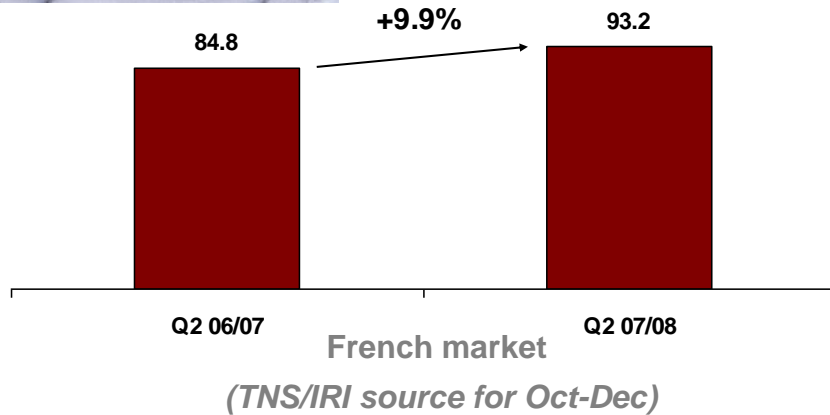
- **Good availability**
- **Stable prices**

# Prawns market: value trend in € million

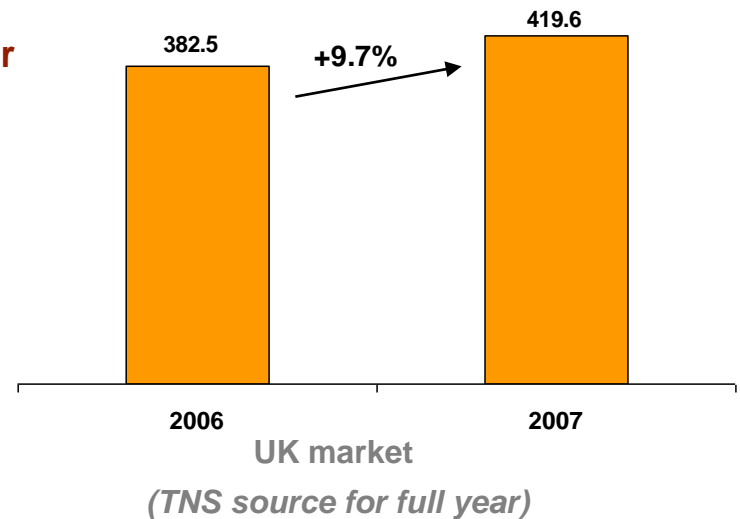
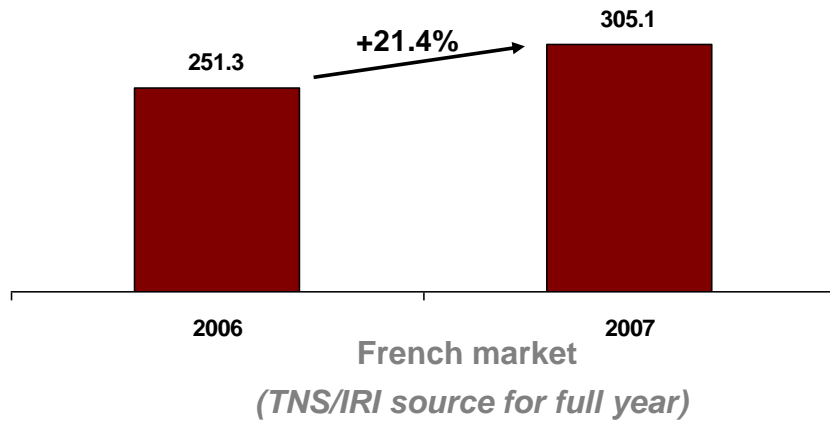


## Dynamic market both in France and in the UK

### Quarter



### Calendar year





# Prawns and other shellfish Q2 operational highlights



- Strong sales from the christmas range

✓ *Prawn ring big hit*

- Successful innovation policy drives sales and increases our market share in growing markets



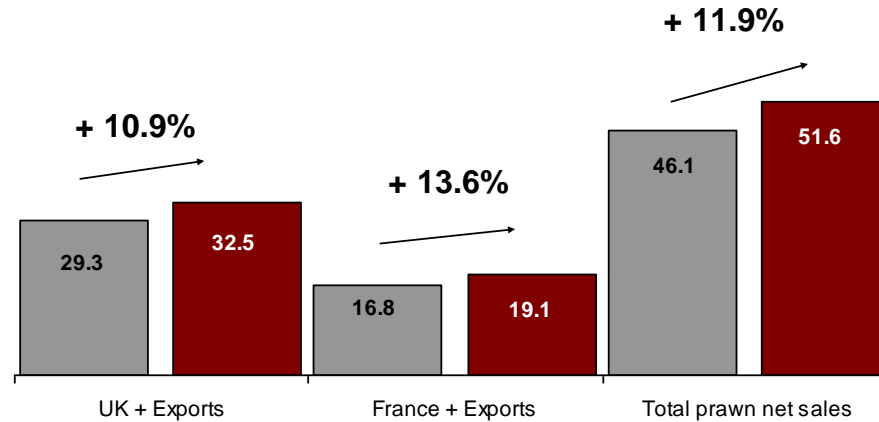
# Prawns and other shellfish net sales in € million



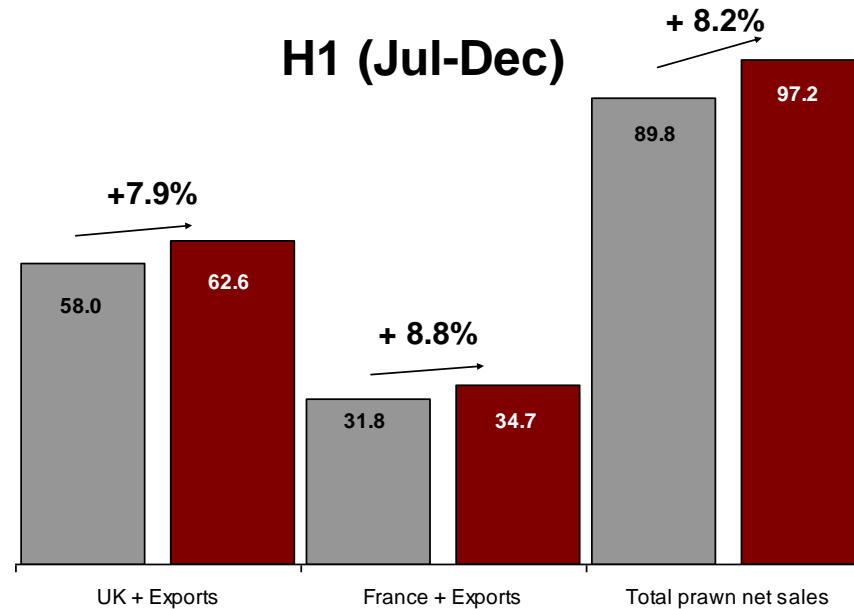
**We are moving faster than the market**



## Q2



## H1 (Jul-Dec)



# Prawns and other shellfish outlook



Chinese sauce



Valentine's



Summer barbecue

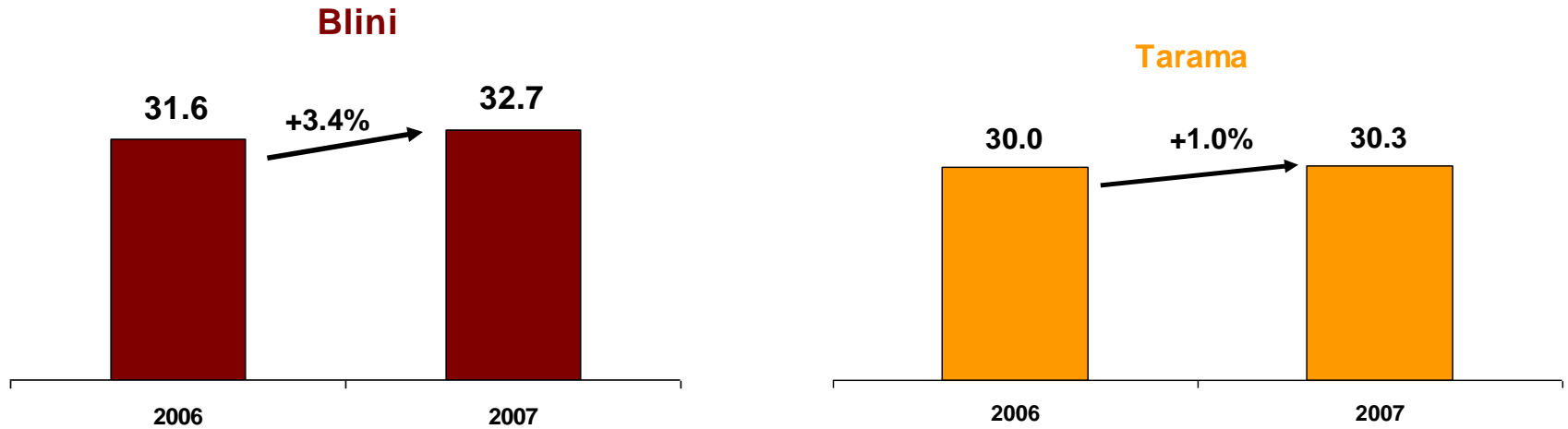
- Market will continue to grow at a high pace as prawns are viewed as healthy, convenient, and trendy
- Warm water prawns are becoming more and more attractive and gaining market shares over cold water prawns
- Good availability of raw material means stable prices
- Continuous NPD:
  - ✓ Chinese New Year special product
  - ✓ Valentine's product "to share"
  - ✓ Summer barbecue range

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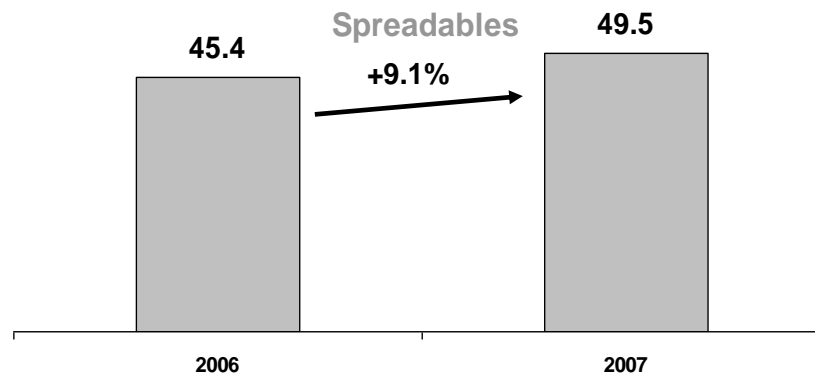


# Blinis and spreadables calendar year value market trend in € million

## Good demand for these fusion food products

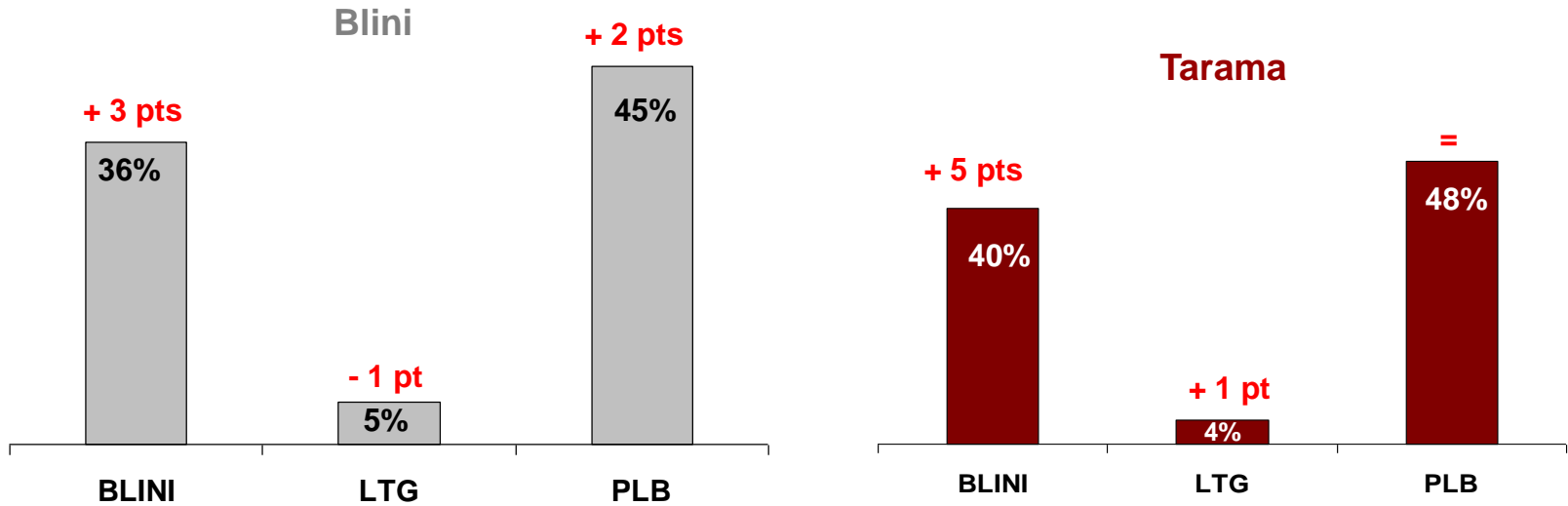


*(Nielsen source for full year)*

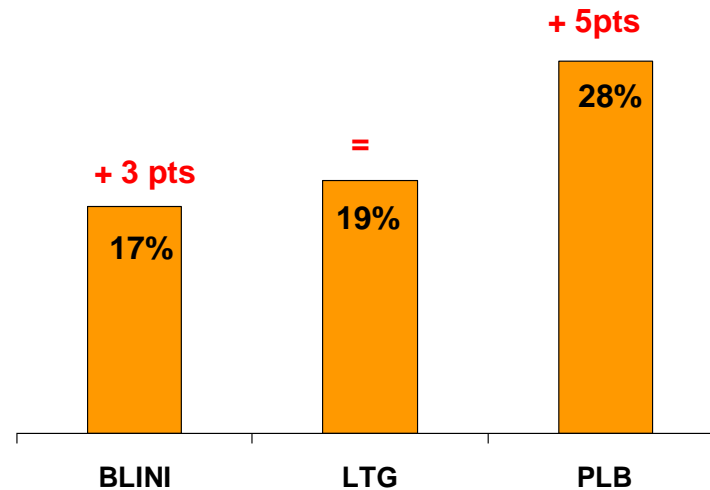


# Blinis and spreadables Q2 market share

## Successful performance for the Blini brand



### Spreadables



# Blinis and Spreadables Q2 operational highlights

- Good success of the apéro blinis now reaching important volumes
- Very efficient Christmas promotions on the salmon tarama, sales doubled versus LY
- Big performance from the spreadables: all winners!



+40%



+44%

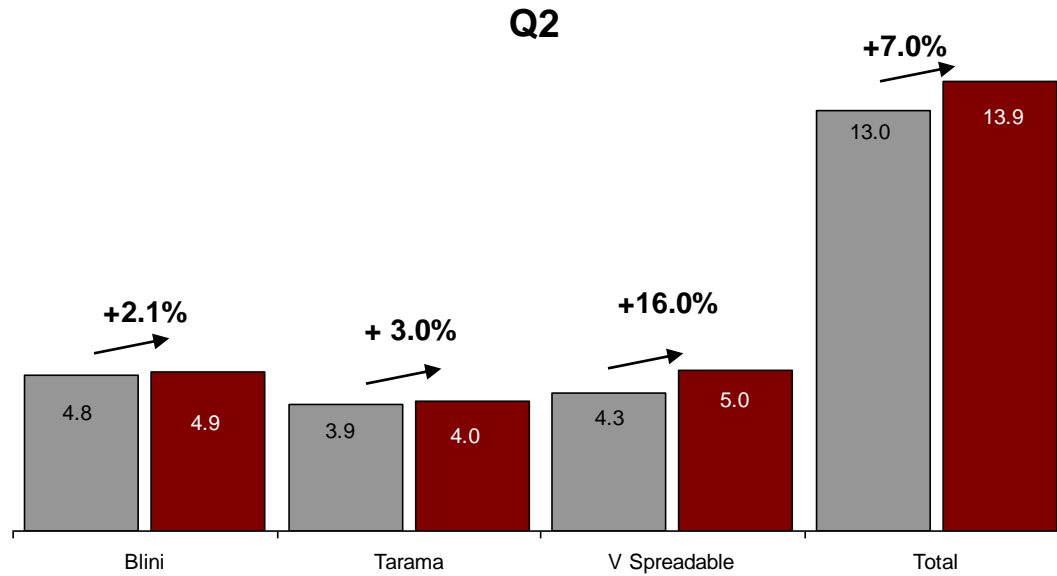


+28%

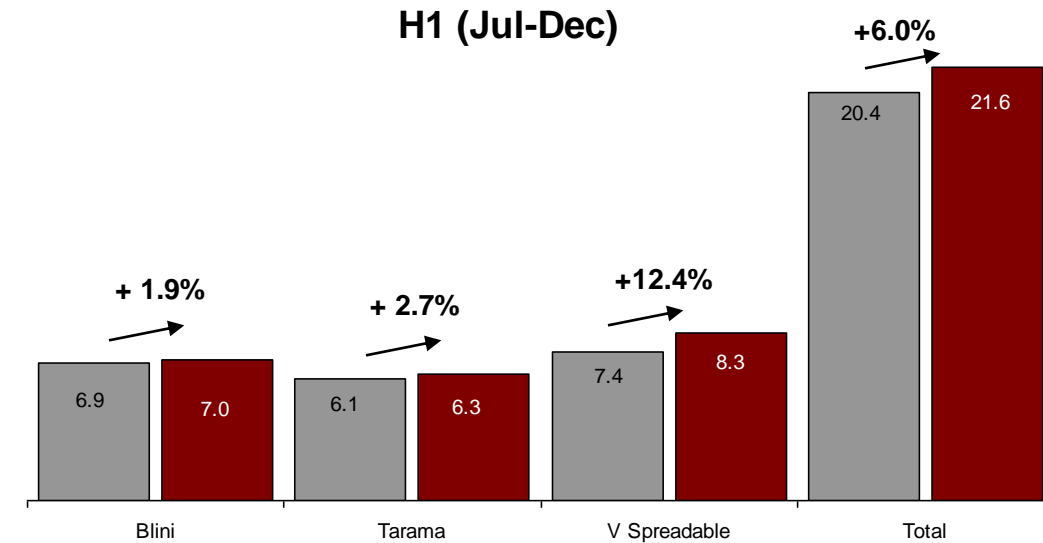


+43%

# Blinis and Spreadables net sales in € million



## Branded and PLB sales





# Blinis and Spreadables outlook



- Synergies between Blini and LTG already delivering and anticipated to grow in the near future
  - ✓ *Raw mat and packaging supply*
  - ✓ *Shipping organisation*
  - ✓ *Production planning and capacity*
- All raw material prices for the pillar, oil, flour, and dairy products, will remain high
- New prices are under negotiation with our customers
- We will launch a new summer range of dippings for vegetables



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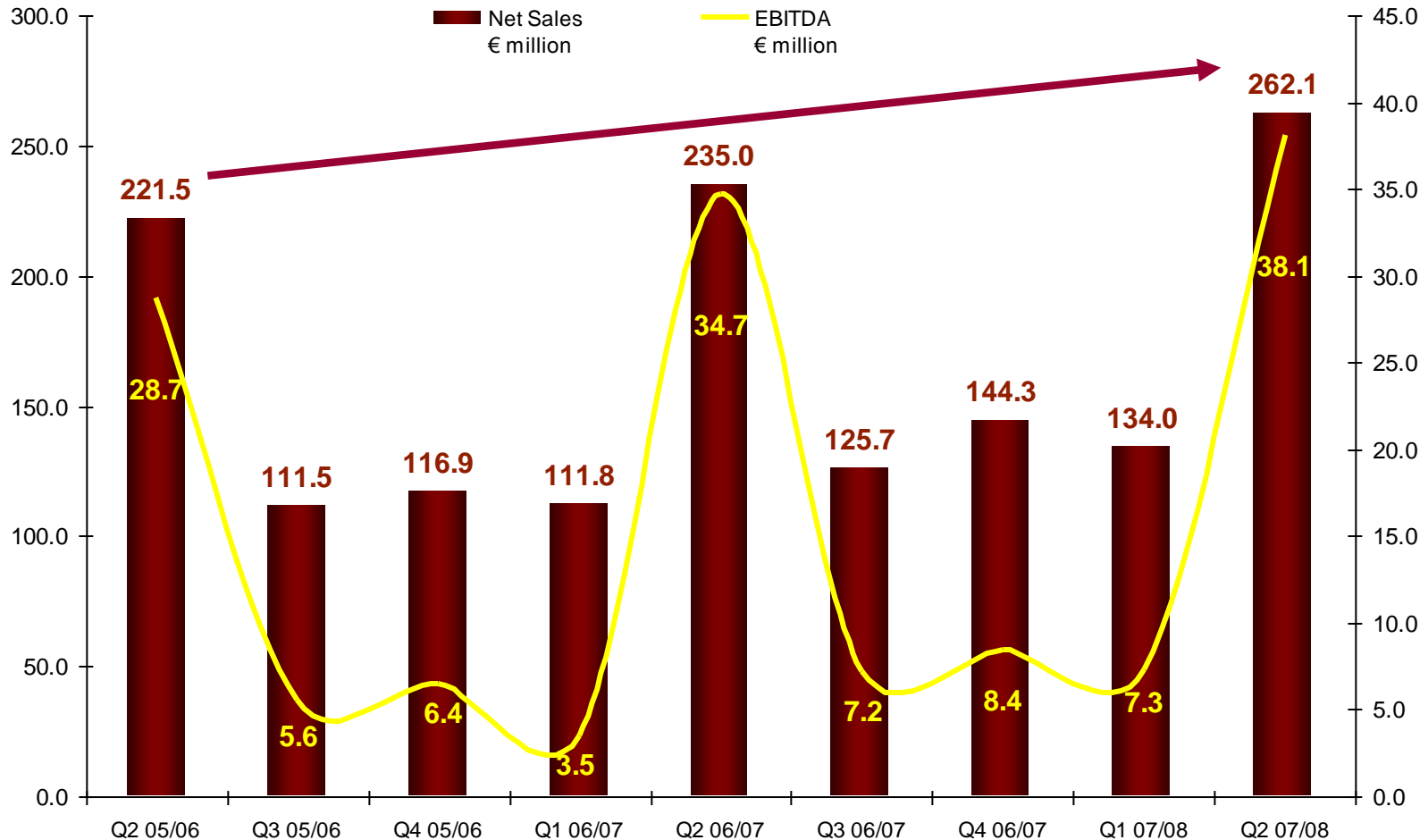
# Financial review: Income statement versus last year in € million

- Q2 Sales growth : 11.5%
- H1 EBITDA margin : 11.5%

Income statement in € million	Q2			H1		
	07/08	06/07	Var %	07/08	06/07	Var %
Net sales	262.1	235.0	11.5%	396.1	346.9	14.2%
Cost of goods sold	(203.6)	(186.2)	9.4%	(319.4)	(286.4)	11.5%
Gross profit	58.5	48.8	19.9%	76.7	60.4	26.9%
Gross margin %	22.3%	20.8%		19.4%	17.4%	
Operating expenses	(25.2)	(18.4)	37.2%	(40.9)	(30.9)	32.3%
EBIT	33.3	30.4	9.4%	35.8	29.5	21.3%
EBIT %	12.7%	12.9%		9.0%	8.5%	
Net financial expenses	(3.2)	(2.9)	10.2%	(5.1)	(6.1)	-16.9%
Net profit before taxes	30.1	27.5	9.3%	30.7	23.4	31.4%
Income tax	(7.6)	(8.1)	-6.0%	(7.4)	(6.0)	24.7%
Discontinued operations	0.0	0.0		0.0	0.2	
Net profit for the period	22.5	19.4	15.7%	23.3	17.7	31.9%
EBITDA	38.1	34.7	9.7%	45.4	38.3	18.7%
EBITDA %	14.5%	14.8%		11.5%	11.0%	

# Financial review: sales and EBITDA development in € million

- Q2 EBITDA up by 32.7% over 2 years
- Q2 EBITDA margin up by 1.6 pts over 2 years



## Actuals versus market consensus

- Alfesca's profit above expectations

<b>Q2 07/08</b>	<b>Average</b>	<b>Actual</b>	<b>Var vs. average</b>
<b>Sales in €m</b>	<b>264.3</b>	<b>262.1</b>	<b>(2.1)</b>
<b>EBITDA in €m</b>	<b>36.3</b>	<b>38.1</b>	<b>1.8</b>
<b>Net income in €m</b>	<b>21.2</b>	<b>22.5</b>	<b>1.2</b>
<b>EBITDA %</b>	<b>13.7%</b>	<b>14.5%</b>	

# Financial review: Balance sheet in € million

## Balance sheet - Assets

€ million	31/12/2007		31/12/2006	
Intangible assets	344.8	45%	319.2	46%
Operational assets	104.3	14%	101.2	15%
Long-term investments	12.7	2%	16.2	2%
<b>Non current Assets</b>	<b>461.8</b>	<b>60%</b>	<b>436.5</b>	<b>64%</b>
Inventories	80.4	11%	76.6	11%
Receivables	171.5	22%	157.6	23%
Bank deposits and cash	51.2	7%	15.8	2%
<b>Current assets</b>	<b>303.1</b>	<b>40%</b>	<b>249.9</b>	<b>36%</b>
<b>Total assets</b>	<b>764.9</b>	<b>100%</b>	<b>686.5</b>	<b>100%</b>

- Reduction in working capital requirements

## Balance sheet - Shareholders equity and Liabilities

€ million	31/12/2007		31/12/2006	
<b>Shareholders equity</b>	<b>317.1</b>	<b>41%</b>	<b>287.7</b>	<b>42%</b>
Long-term liabilities	187.4	24%	146.3	21%
Deferred tax liabilities	44.4	6%	49.1	7%
Obligations	7.8	1%	10.1	1%
<b>Long-term liabilities and obligations</b>	<b>239.5</b>	<b>31%</b>	<b>205.5</b>	<b>30%</b>
Bank loans	80.5	11%	71.4	10%
Current maturities of long-term debt	11.3	1%	13.3	2%
Other current liabilities	43.1	6%	35.3	5%
Trade payables	73.5	10%	73.4	11%
<b>Current liabilities</b>	<b>208.4</b>	<b>27%</b>	<b>193.3</b>	<b>28%</b>
<b>Shareholders equity and liabilities</b>	<b>764.9</b>	<b>100%</b>	<b>686.5</b>	<b>100%</b>

- Sound financial structure

<b>Current ratio</b>	<b>1.45</b>	<b>1.29</b>
<b>Equity ratio</b>	<b>41.4%</b>	<b>41.9%</b>

## Financial review: Cash flow in € million

- Cash flow from operating activities up 23.3%
- Net cash position €41 million as of January 31

Cash flow in € million	07/08 July-Dec	06/07 July-Dec
<b>Cash flow from operating activities</b>	<b>43.4</b>	<b>35.2</b>
Working capital provided by operating activities	(66.0)	(72.1)
Tax paid / received	(0.0)	2.9
<b>Net Cash flow from operating activities</b>	<b>(22.7)</b>	<b>(34.0)</b>
Capital expenditures	(8.5)	(8.3)
Proceeds from sales of subsidiaries		13.4
Proceeds (Purchases) of other assets	(2.0)	5.1
<b>Net Cash flow from investing activities</b>	<b>(10.6)</b>	<b>10.3</b>
<b>Net Cash flow from financing activities</b>	<b>56.0</b>	<b>25.0</b>
<b>Change in cash for the period</b>	<b>22.7</b>	<b>1.3</b>

# Financial review: Key ratios

- Improved performance in all key areas

## Main ratios by Dec end

	CALENDAR YEAR	
	2007	2006
EBITDA ratio	9.2%	8.7%
Current ratio	1.45	1.29
Equity ratio	41.4%	41.9%
Return on Equity	9.7%	6.5%
Earnings per share (Euro cents)	0.48	0.31



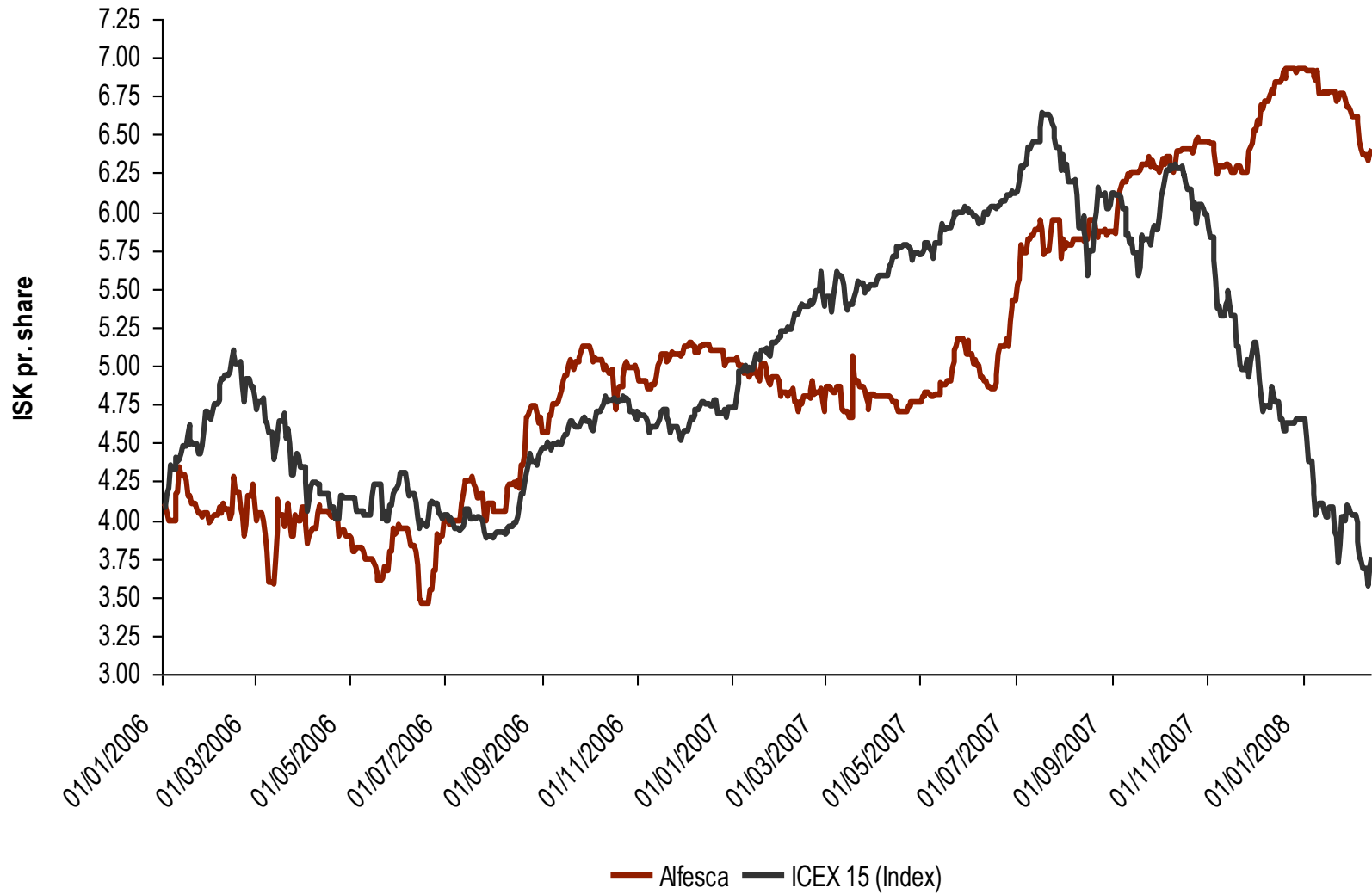
## Key highlights for 2007 versus last year

### CALENDAR YEAR 2007

<b>SALES UP</b>	<b>15.8%</b>
<b>EBITDA UP</b>	<b>21.5%</b>
<b>PAT UP</b>	<b>59.1%</b>
<b>MARKET CAP UP</b>	<b>37.5%</b>

***2 acquisitions in 2007***  
***Refinancing completed***

# Shareprice performance



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



# Future prospects

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- **2008 will be a challenging year:**
  - ✓ oil and commodities prices will remain very high
  - ✓ strong retailer's pressure on our sales prices all over Europe
  
- **However, Alfesca is well prepared to keep on growing thanks to a “cocktail” of good ingredients:**
  - ✓ growing markets with a strong demand for convenient, healthy and festive foods
  - ✓ excellent track record of innovative products quickly creating new areas of consumption
  - ✓ solid customer relationships (“good products, right price, excellent service rate”)
  - ✓ appropriate industrial investments to ensure higher sales at low production costs
  
- **Alfesca will continue to speed up its growth contemplating strategic acquisitions**



**Thank you**