

Strong performance continues

Sales €134.0 million up 20%

EBITDA €7.3 million up 108%

Highlights

- Net Sales €134.0 million up 20%
- Sales growth on organic basis up 5%
- EBITDA €7.3 million up 108%
- Profit after tax €0.8 million compared to loss of €1.8 million previous year
- Cash generated from operations € 7.0 million
- Results impacted by commodity price increases
- Integration of Adrimex and Le Traiteur Grec on track and in line with expectations
- Acquisitions under active review

Xavier Govare, CEO:

“Our new financial year 2007/08 has started very well even though we are facing exceptional commodity price increases, along with other food producers. Despite the difficult market environment, our results for the quarter are satisfactory with our Group sales increasing by 20% to €134.0 million for the first quarter compared to the same period last year, underpinned by organic growth of 5%.

It is encouraging to see that this good sales performance has been achieved with a balanced contribution from each of our four pillars with sales, on a pro-forma basis, increasing in Smoked Salmon and Fish by 5%, Blinis and Spreadables by 7% and Prawns and Shellfish by 4%, with Foie Gras and Duck broadly contributing the same level of sales as last year over a summer period which is traditionally a very quiet period for this pillar.

The Group's EBITDA for the period was €7.3 million, an impressive increase of 108% compared to the same period last year. On a like-for-like basis, the EBITDA growth was strong having increased 83%.¹

These good results have been obtained despite two significant adverse factors that impacted Alfesca's performance during the first quarter. First, the poor summer in Europe negatively impacted the sales of our summer range of products, such as our prawn and duck based barbecue lines as well as our spreadables range of products. Second, the unprecedented increases in commodity prices, which started to rise during spring 2007, significantly impacted the variable costs of our duck related products, as well as our blini and spreadables line of products.

Given the fundamental nature of the market changes, we expect that the challenging market conditions and higher raw material prices will continue for the rest of the current financial year and beyond. In response, we have already reacted to the raw material price increases by working with our clients to obtain the necessary price increases in order to recover these additional costs.

¹ Excludes €0.6 million of expense incurred in connection with Alfesca's Performance Share Award Plan.

Alfesca's strategy is delivering results and is proving to be both effective and relevant. We are encouraged with the progress being made with the integration of the newly acquired companies, which are starting to deliver the first level of synergies expected from them.

Alfesca's prospects are good given the positive market trends and strong market positioning of its businesses. It will continue to realise its potential by taking advantage of favourable consumer trends and by focusing on innovation and industrial efficiency."

KEY FIGURES

Profit & Loss € million	2007/08		2006/07		
	Q1	Q4	Q3	Q2	Q1
Net Sales	133,985	144,314	125,718	235,013	111,841
Cost of goods sold	-115,770	-123,812	-108,499	-186,196	-100,209
Gross profit	18,215	20,502	17,219	48,817	11,632
Gross margin %	13.6%	14.2%	13.7%	20.8%	10.4%
Administrative expenses	-15,668	-19,504	-14,493	-18,391	-12,529
EBIT	2,547	998	2,726	30,426	-897
EBIT %	0	0		0	
Net financial items	-1,917	-2,374	-3,323	-2,885	-3,250
Net income before taxes	630	-1,376	-597	27,541	-4,147
Income tax	199	4,835	1,905	-8,124	2,164
Discontinued operations	-1	0	0	0	229
Net income for the period	828	3,459	1,308	19,417	-1,754
EBITDA	7,290	8,434	7,208	34,748	3,503
EBITDA %	5.4%	5.8%	5.7%	14.8%	3.1%

Balance sheet - Assets

€ million	2007/08		2006/07	
	Q1		Q4	
Intangible assets	344.8	49%	345.3	52%
Operational assets	103.9	15%	107.3	16%
Long-term investments	10.8	2%	10.3	2%
Non current Assets	459.6	66%	462.9	69%
Inventories	127.6	18%	109.7	16%
Receivables	78.0	11%	69.4	10%
Bank deposits and cash	32.4	5%	28.5	4%
Current assets	237.9	34%	207.5	31%
Total assets	697.5	100%	670.4	100%

Balance sheet - Shareholders equity and Liabilities

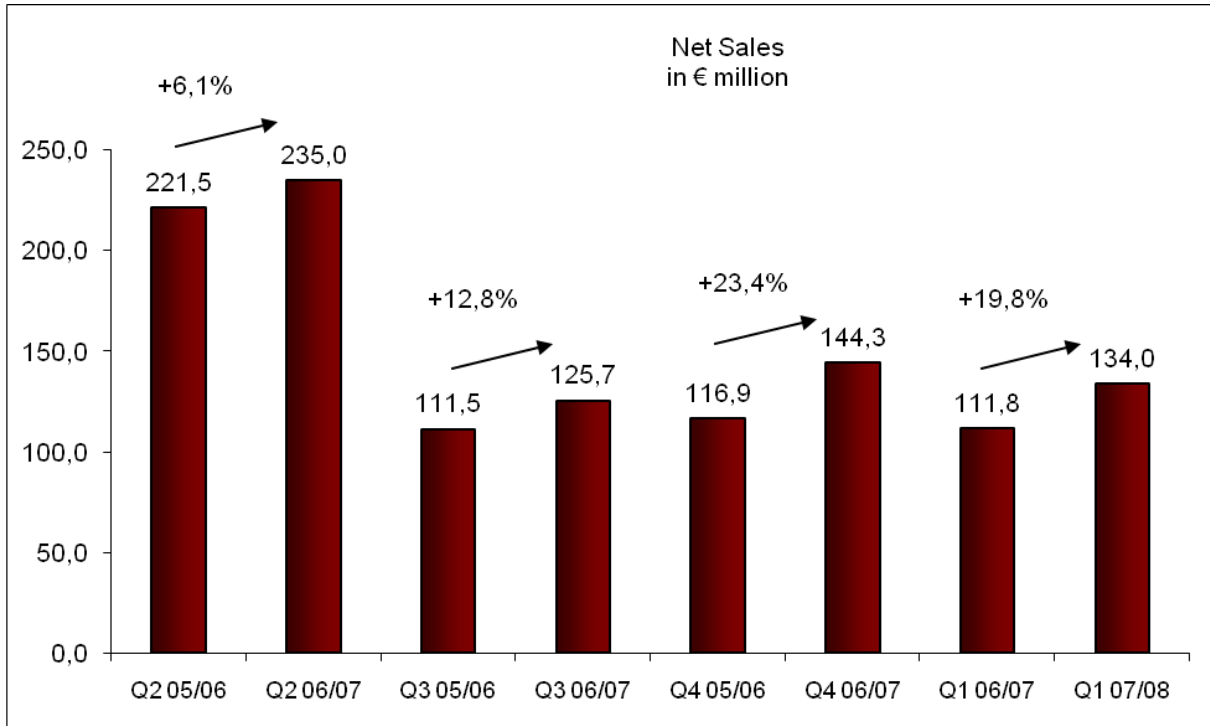
€ million	2007/08		2006/07	
	Q1		Q4	
Shareholders equity	295.9	42%	296.6	44%
Long-term liabilities	188.8	27%	189.2	28%
Deferred tax liabilities	44.2	6%	44.7	7%
Obligations	8.3	1%	8.5	1%
Long-term liabilities and obligations	241.3	35%	242.3	36%
Bank loans	38.4	6%	21.8	3%
Current maturities of long-term debt	8.2	1%	9.2	1%
Other current liabilities	32.1	5%	38.9	6%
Trade payables	81.6	12%	61.5	9%
Current liabilities	160.3	23%	131.5	20%
Shareholders equity and liabilities	697.5	100%	670.4	100%
Current ratio	1.48		1.58	
Equity ratio	42.4%		44.2%	

Cash Flow € million	2007/08 Q1	2006/07 Q4
Cash Flow from operating activities	7.0	19.0
Working Capital provided by operating activities	(15.6)	6.8
Tax paid / received	1.7	1.3
Net Cash flow from operating activities	(6.9)	(15.9)
Capital expenditures	(1.9)	(4.1)
Proceeds from sales of subsidiaries		13.4
Proceeds from asset sales and other	(0.2)	(0.2)
Net Cash flow from investing activities	(2.1)	9.1
Net Cash flow from financing activities	12.9	0.8
Change in cash for the period for continuing operations	3.9	(6.0)

FINANCIAL RESULTS

Alfesca's sales in the first quarter totalled €134.0 million with strong growth of 20% as compared to the same period last year.²

The results for the quarter continued the trend of Alfesca delivering improved performance and results quarter after quarter.



Operating profit was €2.5 million in the first quarter compared to a loss of €1.8 million in the same quarter last year.

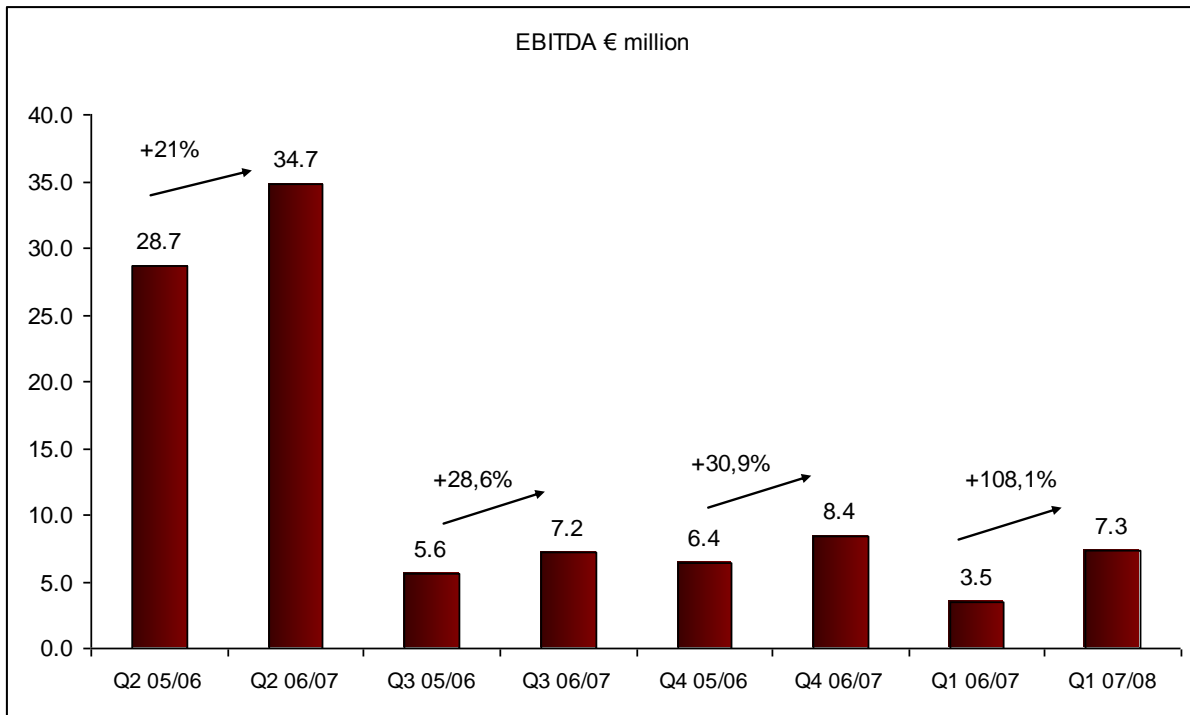
Overall EBITDA amounted to €7.3 million for the first quarter, representing an impressive increase of 108% compared to the same quarter last year and delivering an EBITDA margin of 5.4%.

The improved EBITDA for the period compares favourably against the EBITDA margin of 3.1% for the same quarter last year.

Administrative expenses were €15.7 million compared to €12.5 million for the same period last year: The increase in administrative expenses takes into account the inclusion of Adrimex and LTG, as well as the cost of the newly adopted equity plan.³ On a like for like basis, operating expenses are under tight control.

² Alfesca's financial year runs from 1 July to 30 June.

³ Alfesca Performance Share Award Plan was adopted by the Company in May 2007.



Finance costs for the period were €1.9 million compared to €3.3 million the previous year. We have benefited from a positive shift versus last year in exchange rate differences and additional interest income on financial assets.

Unfortunately, interest rates have continued to rise in Europe but interest-rate hedging agreements and better terms on our facilities have limited this negative impact to a certain extent.

Income tax for the period was €0.2 million positive. This is due to previous years' tax losses being carried forward and utilised in the quarter.

Net profit for the period amounts to €0.8 million compared to the loss of €1.8 million in the same period the previous year.

Balance sheet

Total assets were €697.5 million at the end of the first quarter compared with €619.4 million at the end of the first quarter of 2006/07 financial year.

Balance sheet - Assets				
€ million	2007/08		2006/07	
	Q1		Q1	
Intangible assets	344.8	49%	318.5	51%
Operational assets	103.9	15%	106.2	17%
Long-term investments	10.8	2%	10.4	2%
Non current Assets	459.6	66%	435.0	70%
Inventories	127.6	18%	109.2	18%
Receivables	78.0	11%	66.8	11%
Bank deposits and cash	32.4	5%	8.5	1%
Current assets	237.9	34%	184.4	30%
Total assets	697.5	100%	619.4	100%

Balance sheet - Shareholders equity and Liabilities				
	2007/08		2006/07	
€ million	Q1		Q1	
Shareholders equity	295.9	42%	268.2	43%
Long-term liabilities	188.8	27%	150.3	24%
Deferred tax liabilities	44.2	6%	43.7	7%
Obligations	8.3	1%	10.4	2%
Long-term liabilities and obligations	241.3	35%	204.5	33%
Bank loans	38.4	6%	39.4	6%
Current maturities of long-term debt	8.2	1%	11.6	2%
Other current liabilities	32.1	5%	37.9	6%
Trade payables	81.6	12%	57.9	9%
Current liabilities	160.3	23%	146.8	24%
Shareholders equity and liabilities	697.5	100%	619.4	100%
Current ratio	1.48		1.26	
Equity ratio	42.4%		43.3%	

During the quarter, special attention has been dedicated to the management of working capital. Compared to last year, working capital has increased by 15% against a sales growth of 20%.

Alfesca's balance sheet continues to be very strong with a strong equity ratio of 42%, which is the same ratio as last year despite a 13% growth in the balance sheet.

Cash flow

In the quarter, net cash used by operating activities showed an improvement of €9.4million compared to the same period last year. This reflects the improved profitability of Alfesca, as well as better management of the capital employed within the Group.

Cash Flow	2007/08	2006/07
€ million	Q1	Q1
Cash Flow from operating activities	7.3	1.6
Working Capital provided by operating activities	(15.6)	(18.9)
Tax paid / received	1.7	1.3
Net Cash flow from operating activities	(6.6)	(15.9)
Capital expenditures	(1.9)	(4.1)
Proceeds from sales of subsidiaries		13.4
Proceeds from asset sales and other	(0.2)	(0.2)
Net Cash flow from investing activities	(2.1)	9.1
Net Cash flow from financing activities	12.9	0.8
Change in cash for the period for continuing operations	4.2	(6.0)

OPERATING REVIEW

Net Sales Q1				
€ millions		2007/08	2006/07	
Category	% of total	Q1	Q1	Var.%
Smoked Salmon & Other fish	45%	59,733	56,719	5.3%
Prawns	34%	45,680	29,168	56.6%
Foie Gras & Other Duck Products	11%	15,088	15,182	-0.6%
Blini & Spreadables	6%	7,869	5,787	36.0%
Other	4%	5,614	4,985	12.6%
Total	100%	133,984	111,841	19.8%

Alfesca's strategy and business model based on four core pillars of (i) Smoked Salmon and Fish; (ii) Foie Gras and Duck; (iii) Blinis and Spreadables and (iv) Prawns and Shellfish continues to demonstrate its relevance and strength. At a time when certain pillars are facing challenging conditions or plateauing others are growing. It is because of this inherent balance between our core pillars and improved diversification, in a complementary manner, that Alfesca is able to continue to deliver better results even during significant adverse environment as is currently being experienced.

As noted, total net sales have increased by 20% to €134.0 million for the first quarter, which includes the contribution of both Adrimex and LTG acquired respectively in February 2007 and June 2007. Organic growth was 5% with the best performance from our Blinis and Spreadables pillar increasing its sales by 10% followed by the Prawns and Shellfish pillar increasing sales by 6% compared to the same period last year.

Smoked salmon and smoked fish

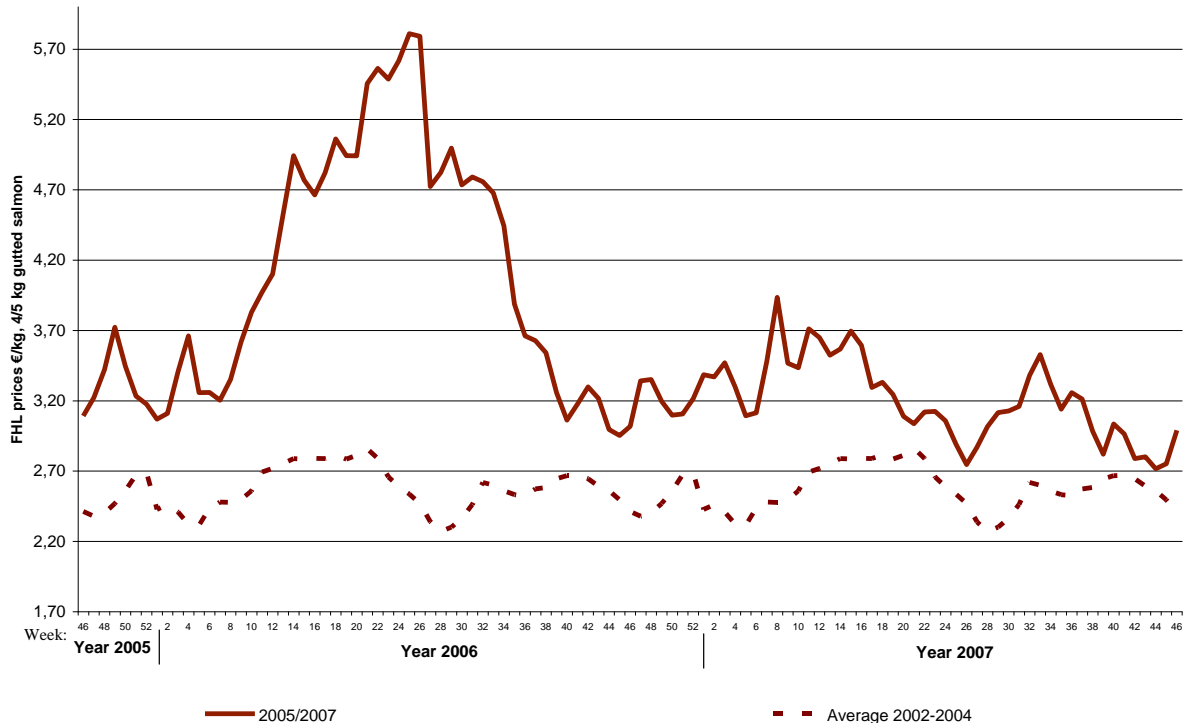
Net Sales Q1			
€ thousands	2007/08	2006/07	
Category	Q1	Q1	Var.%
Smoked Salmon & Other fish	59,733	56,719	5.3%

The performance of the Smoked Salmon and Fish pillar was satisfactory with sales growing by 5% over the first quarter compared to the same period last year delivering total net sales of €59.7 million. The main contributors to this organic growth are the UK, which increased its quarterly sales by 24% to €15.6 million due to introduction of new range of "ready to eat" and "ready to cook" products, and France, which saw the successful launch of a summer range of products and the successful re-launch of the smoked trout range of products. These new developments were particularly encouraging.

Salmon Raw Material

Salmon raw material price trend has been relatively stable for about a year now but at a higher price level compared to the average price level for the two year period of from 2002 to 2004.

As illustrated in the graph below, the price of Norwegian Salmon during the first quarter stabilised at an average price of around NOK 25 or around €3.1 per kilogram for the 4-5kg size. To manage the risk of price increases which are anticipated, due to the bio-mass outlook for the winter period being lower by 2% compared to the previous year and strong consumer demand in the run up to the Christmas period, 90% of our required volumes for Q4 2007 and Q1 2008 have been covered by hedging arrangements.



Prawns and shellfish

Net Sales Q1			
€ thousands	2007/08	2006/07	
Category	Q1	Q1	Var.%
Prawns & Shellfish	45,680	29,168	56.6%

The performance of the Prawns and Shellfish pillar over the quarter was strong. Sales grew by 57% compared to the same period last year with a noticeable contribution by Adrimex. On an organic basis, sales growth was of 6% within this pillar.

Due to the poor summer experienced in France, the sales of summer range of products by Adrimex were adversely affected but, in contrast, the sales of classic added value products delivered very strong growth with double digit increase over the quarter.

Prawn raw material

The price of prawn raw material remains relatively stable helped by favourable foreign exchange rates.

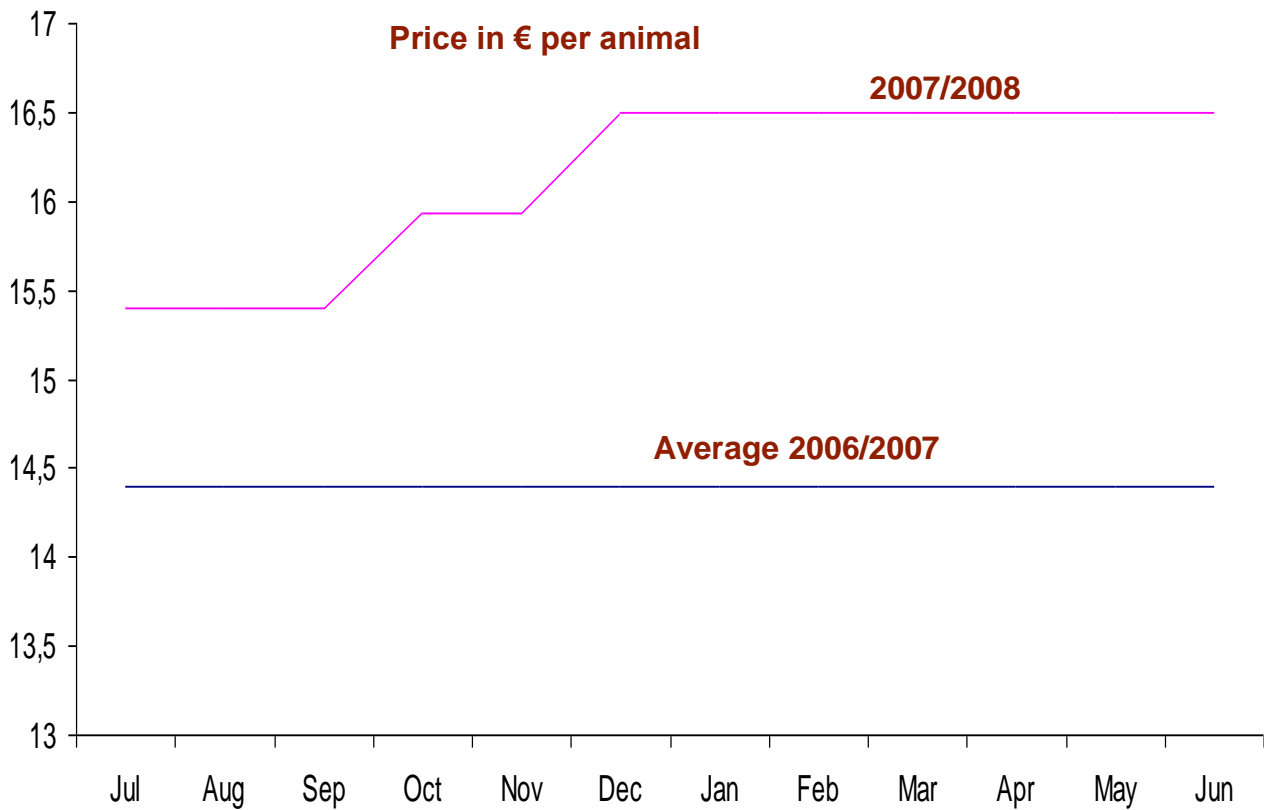
Foie gras and Duck

Net Sales Q1			
€ thousands	2007/08	2006/07	
Category	Q1	Q1	Var.%
Foie Gras & Other Duck Products	15,088	15,182	-0.6%

The performance of the Foie Gras and Duck pillar during the quarter was steady bearing in mind that traditionally, the sales of foie gras during the first quarter account for only 6% of the full year sales. More noticeable is the fact that sales of duck meat products, and more specifically the barbecue range of products, were negatively impacted by the poor summer conditions in France.

Duck Raw Material

Overall duck prices have increased dramatically since June due to significantly higher cereal and soy prices. These increases are partly due to poor harvest this year following the adverse weather conditions and increased worldwide demand for both traditional usage and development of bio-fuels. This negative development in terms of raw material prices is being addressed and will be partly offset by securing further operational cost savings combined with tariff increase that is being negotiated with customers.



Blinis and spreadables

Net Sales Q1			
€ thousands	2007/08	2006/07	
Category	Q1	Q1	Var.%
Blinis & Spreadables	7,869	5,787	36.0%

The Blini and Spreadables pillar has grown by 36% over the last year. On an organic basis, net sales grew by 10% to €7.9 million. This growth was mainly driven by the good performance of the spreadables products with strong branded activity and further increase of market share to 37%.

Blini and Spreadables Raw Material

On the raw material side, the prices of flour, colza, and dairy product have been increasing. The impact from that raw material rise is being compensated by tariff increase renegotiated with our customers. We expect this market to continue to develop and grow by more than 5% over 2007/08 financial year.

OUTLOOK

Alfesca has entered the second quarter, which is the most important quarter of its financial year, with a good level of confidence.

We expect the market environment for certain raw material ingredients to remain difficult with very high prices being experienced for cereals due to unprecedented demand and low supply, which is set to continue for the short to medium term. This factor is expected to negatively impact Alfesca's foie gras and duck product ranges as well as the blini and spreadables product ranges.

Given the fundamental changes being experienced, Alfesca will continue to work closely with its customers to obtain the necessary tariff increases to offset the unprecedented raw materials price rises. By contrast, the price of salmon and prawn raw materials are expected to remain stable.

Going forward, Alfesca's prospects remain positive as its operations will continue to benefit from the good market trends that have been observed since early 2007 and will benefit from the strong range of new products that have been developed especially for the coming Christmas period. Separately, targeted synergies following the integration of Adrimex and Le Traiteur Grec will also start to be delivered.

Last, but not least, we intend to continue to strengthen and accelerate the development of Alfesca's business with both bolt on and strategic acquisitions, in relation to which several acquisitions of various sizes are currently under active review.

Approval of Results

The Board of Directors of Alfesca hf approved the quarterly results for the first three months of the financial year 2007/08 at a meeting on 26 November 2007.

Presentation of Results

A meeting for investors, analysts and the media will be hosted by Xavier Govare, Alfesca's Chief Executive Officer as follows:

Venue: Hilton Reykjavík Nordica, Sudurlandsbraut 2, Reykjavik, Iceland.

Date & Time: Tuesday 27 November at 17:00 GMT (18:00 CET).

A live webcast of the presentation can be accessed through Alfesca's website: www.alfesca.com at the start of the meeting. A copy of the presentation slides will be available on Alfesca's website following the meeting.

Financial Calendar: 2007/08

Q2/H1 results	19 February 2008
Q3 results	20 May 2008
Q4 & Annual results	2 September 2008
Annual General Meeting	18 September 2008

About Alfesca

Alfesca is a leading European producer in its selected categories, which are smoked salmon and other fish; foie gras and duck products; prawns and shellfish and blinis and spreadables. The Company's products are sold under its own brand names, including Labeyrie, Blini, Delpierre, Skandia, Lyons and Farne. The Company also has a substantial presence in the private label markets in the UK, France and Spain. Annual turnover is € 616 million and 3,500 employees work for the Group.

Alfesca is listed on OMX Nordic Exchange in Iceland (OMXI: A).

Information about Alfesca can be found on: <http://www.alfesca.com>

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Forward Looking Statements

This press release contains forward looking statements with respect to the financial condition, results of operations and businesses of Alfesca. By their nature, forward looking statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from that expressed or implied by these forward looking statements. These factors include, among other things, exchange rate fluctuations; the risk of new product development will not achieve commercial success; the impact of competition; price controls and price reductions; the risk of loss; difficulties of obtaining and maintaining regulatory approvals for products; the risk of substantial product liability claims and exposure to environmental liability.