Alfesca hf.

Interim Financial Statements

July - September 2007

Alfesca hf.
Kringlunni 7
103 Reykjavik
Id-no. 580293-2989

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Contents

Statement by the Board of Directors and CEO

It is the opinion of the Board of Directors and CEO that these interim consolidated financial statements of Alfesca hf. present the information necessary to evaluate the financial position of Alfesca hf. at 30 September 2007, the operational result for the period 1 July 2007 to 30 September 2007 and the financial development during the period.

The Board of Directors and CEO of Alfesca hf. hereby confirm the interim consolidated financial statements for the three months period ended at 30 September 2007 with their signatures.

Reykjavik, 26 November 2007

Board of Directors

Olafur Olafsson, chairman

Bill Ronald

Arni Tomasson

Hartmut M. Krämer

Gudmundur Asgeirsson

CEO

Xavier Govare

Income Statement 1/7 - 30/09/2007

	Note	2007 1/7 - 30/09	2006 1/7 - 30/09
Continuing operations			
Net sales	4,5	133 985	111 841
Cost of goods sold		(115 770)	(100 209)
Gross profit		18 215	11 632
Other gains and losses		0	0
Other operating expenses		(15 668)	(12 529)
Operating profit (loss)		2 547	(897)
Net financial expenses	6	(1 917)	(3 250)
Earnings from associates			0
Net profit (loss) before taxes		630	(4 147)
Income tax	7	199	2 164
Profit (loss) from continuing operations		829	(1 983)
Discontinued operations			
Profit (loss) from discontinued operations			229
Minority interest		(1)	1
Profit (loss) for the period		828	(1 753)
Attributable to			
Equity holders of the parent		829	(1 754)
Minority interest		(1)	1
		828	(1 753)
Earnings per share *(in Euro cents)*	8		
Continuing operations:			
Basic earnings per share		0,014	(0,035)
Diluted basic earning per share		0,013	(0,034)
Continuing and discontinued operations:			
Basic earnings per share		0,014	(0,031)
Diluted basic earning per share		0,013	(0,030)
Other information			
Depreciation		4 743	4 400
EBITDA	27	7 290	3 503

All amounts in thousands of euro 3

Balance Sheet

Assets		30.09.2007	30.06.2007
Fixed assets			
Goodwill	9	209 874	209 975
Other intangible assets	10	134 959	135 283
Property, plant and equipment	11	103 940	107 323
Investments in associated companies		513	513
Held-to-maturity securites	13	10 322	9 776
Total fixed assets		459 608	462 870
Current assets			
Inventories	14	127 552	109 695
Trade receivables		53 317	45 365
Other receivables		24 646	24 002
Bank deposits and cash		32 374	28 459
Total current assets		237 889	207 521
Total assets		697 497	670 391

All amounts in thousands of euro 4

Equity and Liabilities

	Note	30.09.2007	30.06.2007
Shareholders' equity			
Share capital	15	66 544	66 544
Share premium	16	198 713	198 713
Capital reserves	17	1 035	1 035
Equity-settled employee benefits reserve	18	3 218	2 580
Translation and hedging reserves	19	(573)	1 531
Retained earnings	20	26 991	26 163
Equity attributable to shareholders of the parent		295 928	296 566
Minority interest		14	12
Total equity		295 942	296 578

Liabilities

	Note	30.09.2007	30.06.2007
Non-current liabilities			
Long-term liabilities	21	184 657	184 895
Obligation under finance leases	22	4 141	4 268
Deferred tax liabilities	24	44 156	44 717
Pension obligations		6 689	6 844
Other obligations		1 623	1 611
		241 266	242 335
Current liabilities			
Bank loans		38 382	21 820
Current maturities of long-term debt	23	8 236	9 212
Other current liabilities		32 064	38 925
Trade payables		81 607	61 521
		160 289	131 478
Total liabilities		401 555	373 813
Total equity and liabilities		697 497	670 391

All amounts in thousands of euro

Statement of Cash Flow 1/7 - 30/09/ 2007

	Notes	2006/2007 1/7 - 30/09	2005/2006 1/7 - 30/09
Cash flow from operating activities			
Net profit for the period		828	(1 753)
Elimination of income from associates		0	(74)
Income tax expense recognised in profit or loss	7	(199)	(2 164)
Finance costs recognised in profit or loss		2 029	2 245
Depreciation	10,11	4 743	4 400
Other calculated items		(180)	(840)
(Gain)/ loss on sale of assets		80	29
Discontinued operations			(229)
Working capital provided by operating activities		7 301	1 614
Change in current assets and liabilities		(15 608)	(18 881)
Cash (used in) / generated from operations		(8 307)	(17 267)
Tax (paid) received		1 717	1 304
Net Cash (used in)/generated by operating activities		(6 590)	(15 963)
Cash flow from investing activities			
Purchase price of fixed assets		(1 903)	(4 092)
Purchase price of financial assets		(556)	0
Proceeds from disposal of fixed assets		268	28
Proceeds from disposal of financial assets		10	0
Increase and proceeds in loans (financial assets)		47	(223)
Proceeds from sales of subsidiaries			13 434
Net Cash (used in)/generated by investing activities		(2 134)	9 147
Cash flow from financing activities			
Proceeds from borrowings		1 820	211
Repayment from borrowings		(3 326)	(11 235)
Net financial interest paid		(1 463)	(4 022)
Dividends paid to group shareholders		(1)	0
Operational loans, changes		15 876	15 835
Net Cash generated by /(used in) in financing activities		12 906	789
Net increase (decrease) in cash and cash equivalents		4 182	(6 027)
Effects of discontinued operation			0
Effects of foreign exchange adjustments		(267)	21
Cash and cash equivalents at the beginning of the financial year		28 459	14 479
Cash and cash equivalents at the end of the financial year		32 374	8 473

All amounts in thousands of euro

Consolidated Statement of Changes in Equity for the period ended 30 September 2007

	Share capital	Share premium	Capital reserves	Equity - settled employee benefits reserve	Translation/ hedging reserves	Retained earnings	Total equity
Balance 30 June 2005	66 890	199 855	1 035	0	930	(6 969)	261 741
Exchange differences arising on...................... translation of subsidiaries................................					(947)		(947)
Loss on cash flow hedges..................................					(748)		(748)
Deferred tax liability in Delpierre corrected..						(1 266)	(1 266)
Net gains not recognised in the income statement..................................	0	0	0	0	(1 695)	(1 266)	(2 961)
Purchases of own shares	(346)	(1 142)					(1 488)
Transferred to income due to sale of subsidiaries					(103)		(103)
Net profit for the period						11 966	11 966
Balance 30 June 2006	66 544	198 713	1 035	0	(868)	3 731	269 155
Exchange differences arising on translation of subsidiaries................................					952		952
Gain / Loss on cash flow hedges....................					1 447		1 447
Net income (expense) recognised directly in equity	0	0	0	0	2 399	0	2 399
Net profit for the period						22 432	22 432
Recognition of share based payment..............				2 580			2 580
Balance 30 June 2007	66 544	198 713	1 035	2 580	1 531	26 163	296 566
Exchange differences arising on translation of subsidiaries................................					(1 664)		(1 664)
Gain / Loss on cash flow hedges....................					(440)		(440)
Net income (expense) recognised directly in equity	0	0	0	0	(2 104)	0	(2 104)
Net profit for the period						828	828
Recognition of share based payment..............				638			638
Balance 30 September 2007	66 544	198 713	1 035	3 218	(573)	26 991	295 928

All amounts in thousands of euro 7

Notes to the Financial Statements

1. General information

Alfesca hf. is a limited liability company domiciled in Iceland. Alfesca hf. is the holding company of a group, dedicated to process upmarket gourmet and festive foods.

Alfesca hf. operates production sites in France, Spain and the United Kingdom. Its headquarters are located in Iceland. Alfesca hf. products include white fish, shellfish, smoked salmon, smoked herring, foie gras, blini and taramasalat. These products are sold under private label and its own brand names including Labeyrie, Skandia, Delpierre, Blini, and Lyons. Alfesca hf. brands have a leading position in France, Spain and the United Kingdom, which together form the Company's core markets.

These Financial Statements are presented in thousands of euros since that is the functional currency in which the majority of the Group's transactions are denominated.

2. Summary of Significant Accounting Policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

New and revised Standards

At the date of authorisation of these financial statements, the following Standards were in issue but not effective:

	Effective date:
- IFRS 7, Financial Instruments: Disclosures	1. january 2007
- IFRS 8, Operating Segments	1. january 2009
- IAS 23, Borrowing cost, revised standard	1. january 2009

At the date of authorisation of these financial statements, the following Interpretations were in issue but not effective:

	Effective Date: Annual periods beginning:
- IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies	On or after 1. march 2006
- IFRIC 8, Scope of IFRS 2	On or after 1. may 2006
- IFRIC 9, Reassessment of Embedded Derivatives	On or after 1. june 2006
- IFRIC 10, Interim Financial Reporting and Impairment	On or after 1. november 2006
- IFRIC 11, IFRS 2: Group and Treasury Share Transactions	On or after 1. march 2007
- IFRIC 12, Service Concession Arrangements	On or after 1. january 2008

These future IFRS changes are not expected to materially affect the annual report. Other probable effects would be the additional disclosure requirements that follow from the implementation of IFRS 7 and IFRS 8.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The consolidated financial statements have been prepared using the purchase method of consolidation accounting. When ownership in subsidiaries is less than 100%, the minority interest in the subsidiaries' income or loss and stockholders equity is accounted for in the calculation of the consolidated income or loss and the consolidated stockholders' equity.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

One of the purposes of consolidated financial statements is to show only the net external sales, expenses, assets and liabilities of the consolidated entities as a whole. Hence, intercompany transactions have been eliminated within the consolidated businesses in the presentation of the consolidated financial statements. Unrealised gain in inventories resulting from intercompany transactions has been eliminated and calculated income tax in the consolidated financial statements adjusted accordingly.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Consolidation´s interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the group cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently when there is an indication that the unit may be impaired. Any impairment is recognised immediately in the profit or loss and is not subsequently reversed.

Goodwill arising on acquisition of an associated company is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary or an associate the attributable amount of unamortized goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Revenue from product sales are recognized when earned as required by generally accepted accounting principles. Product sales are recognised when goods are delivered and title has passed and are shown in the income statement net of value added tax, discount and internal sales.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at their cost value at the date of acquisition. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance leases.

Foreign currencies

Transactions in currencies other than euro are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the period.

For consolidation purposes, the assets and liabilities of the consolidation's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates in the year. Translation differences from foreign companies are posted to translation reserves within equity. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred, except if they fall under IFRS 39 application.

Retirement benefit costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses which exceed 10 per cent of the greater of the present value of the Group's pension obligations and the fair value of plan assets are amortized over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Discontinued Operations

A discontinued operation is a component of an entity that either has been sold or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single plan to dispose of a separate major line of business or geographical area of operations,
- is a subsidiary acquired exclusively with a view to resell.

Components of an entity are any operations and cash flows that can be clearly distinguished operationally and for financial reporting purposes. An operation is considered to be discontinued at the date when the entity has either (a) actually disposed of the operation, or (b) when the operation satisfies the criteria to be classified as held for sale.

In the income statement a single amount comprising the sum of the post-tax profit or loss of the discontinued operation is presented separately and the amount recognised on the measurement to fair value less the costs of disposal.

An analysis of the above mentioned amount is presented in the notes. This analysis includes the amount of revenue, expenses and pre-tax profit or loss attributable to the discontinuing operation and the related income taxes. This amount is distinguished from other operations and comparative amounts are restated accordingly.

Government grants

Government grants related to assets are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised as income over the life of the depreciable asset by way of a reduced depreciation charge.

Taxation

The income tax currently payable or receivable is based on taxable profit for the period. Taxable profit differs from net profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The consolidated company's current tax liability is calculated using the tax rates for each country.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

In the preparation of the consolidated financial statements, accumulated gains in inventories from intercompany transactions are eliminated. This has an effect on the income tax expenses of the consolidated companies and an adjustment is included in the deferred tax asset. Income tax is calculated in accordance with tax rates in the countries where the inventories originate.

Other intangible assets

Other intangible assets are recognised in an acquisition of subsidiaries only if an asset can be identified, it is probable that the asset will generate future economic benefits and the cost of the asset can be measured reliably.

Other intangible assets primarily consist of the cost of obtaining trademarks. These assets are carried at original cost less previous years' amortization and impairment losses. Other intangible assets are reviewed at least annualy to determine whether there is any indication that those assets have suffered impairment losses.

Property, plant and equipment

Property, plant and equipment are recognised as an asset when it is probable that future economic benefits associated with the asset will flow to the consolidation and the cost of the asset can be measured in a reliable manner.

Property, plant and equipment which qualifies for recognition as an asset is initially measured at cost.

The cost of a property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

Property, plant and equipment, (cont.)

The depreciable amount of the asset is allocated on a straight-line basis over its useful life. The depreciation charge for each year is recognised as an expense, on the following basis:

Buildings	2-4%
Fixtures and furniture	10%
Automobiles	10-20%
Machinery and equipment	6-15%

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost or net realisable value, after taking obsolete and defective goods into consideration. Cost comprises direct materials and, where applicable, direct labor costs and those overhead expenses that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the standard costing method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Investments

Investments in securities are recognised on a trade-date basis and are initially measured at cost, including transaction costs.

At subsequent reporting dates, debt securities that the Group has the expressed intention and ability to hold to maturity (held-to-maturity debt securities) are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts. The annual amortization of any discount or premium on the acquisition of a held-to-maturity security is aggregated with other investment income receivable over the term of the instrument so that the revenue recognised in each period represents a constant yield on the investment.

Investments other than held-to-maturity debt securities are classified as either held-for-trading or available-for-sale and are measured at subsequent reporting dates at fair value. Where securities are held for trading purposes, unrealised gains and losses are included in net profit or loss for the period. For available-for-sale investments, unrealised gains and losses are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade receivables

Trade receivables are valued at nominal value less an allowance for doubtful accounts. The allowance is deducted from accounts receivable in the balance sheet and does not represent a final write-off. Trade receivables in other currencies than euro, have been entered at the exchange rates prevailing on the balance sheet date.

Long-term liabilities

Long-term liabilities are valued at nominal value less payments made and the remaining nominal balance is adjusted by exchange rate or index, if applicable. Long-term liabilities in other currencies than euro, are recorded at the exchange rates prevailing on the balance sheet date. Interest expense is accrued on a periodical basis, based on the principal outstanding and at the interest rate applicable.

Trade payables

Trade payables are valued at nominal value and trade payables in other currencies than euro have been booked at the exchange rates prevailing on the balance sheet date. Trade payables are not interest bearing.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

Provision is recognised when an enterprise has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions for restructuring costs are recognised when the company has a detailed formal plan for the restructuring which has been notified to affected parties.

Derivative financial instruments and hedge accounting

The Group´s activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rates.

The Group uses derivative financial instruments (primarily foreign currency forward contracts) to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The significant interest rate risk arises from bank loans. The Group´s policy is to convert a proportion of its floating rate debt to fixed rates.

Derivative financial instruments are initially measured at fair value on the contract date, and are remeasurable to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At the time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period.

Earnings per share

Earnings per share is the ratio between profit and weighted average number of shares for the period and reveals net profit per share. The nominal value of each share amounts to one ISK. Calculation of diluted earnings per share takes into consideration stock options made with the Group's employees and the prospective deliverance of shares related to those options.

3. Quarterly statements

	2007	2007	2007	2006	2006
	1/7 - 30/9	1/4 - 30/6	1/1 - 31/3	1/10 - 31/12	1/7 - 30/9
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
Commission and other income	0	(94)	(109)	(343)	0
Other operating expenses	(15 669)	(19 410)	(14 384)	(18 048)	(12 529)
Operating profit (loss)	2 546	998	2 726	30 426	(897)
Net financial expenses	(1 917)	(2 427)	(3 323)	(2 867)	(3 250)
Earnings from associates		53	0	(18)	0
Net profit (loss) before taxes	629	(1 376)	(597)	27 541	(4 147)
Income tax	199	4 835	1 905	(8 124)	2 164
Profit (loss) from continuing operations	828	3 459	1 308	19 417	(1 983)
Profit (loss) from discontinued operations		0	0	0	229
Profit (loss) for the period	828	3 459	1 308	19 417	(1 754)
EBITDA	7 290	8 434	7 208	34 748	3 503

All amounts in thousands of euro

4. Segment reporting

For management purposes, the Group is organized into three geographical divisions, France, UK and other parts of Europe. These divisions are the basis on which the Group reports its primary segment information.

Information about these segments, based on the location of assets, is presented below.

1.7.2007-30.9.2007	France	UK	Other	Eliminations	Consolidated
Revenue:					
External revenue	76 207	45 638	12 140		133 985
Inter-segment revenue	7 553	1 843	98 544	(107 940)	0
Total revenue	83 760	47 481	110 684	(107 940)	133 985

	France	UK	Other	Eliminations	Consolidated
Operating profit :					
Segment result	(633)	4 113	(933)		2 547
Other information:					
Capital additions	1 074	363	466	0	1 903
Depreciation and amortization	3 514	966	263	0	4 743
Balance sheet:					
Segment assets	834 013	246 941	365 888	(749 345)	697 497
Segment liabilities	557 683	114 130	57 412	(327 670)	401 555

5. Business segments

Current business segments for Consolidation are fish, shellfish, duck products and other products (blini, spreadables and other products). It is not possible to disclose assets according to business segments due to shared usage of assets.

Net sales are specified as follows according to product lines:

	1/7/2007 - 30/9/2007
Fish	59 733
Shellfish	45 680
Duck products	15 088
Other products	13 484
	133 985

All amounts in thousands of euro

6. Financial income / (expenses)

Interest income and (expenses) are specified as follows in thousands of euro :

	2007/2008 1/7 - 30/9	2006/2007 1/7 - 30/9
Income from investments:		
Interest on bank deposits	1 093	84
Other interest income	0	55
	1 093	139
Finance costs:		
Interest on bank loans	(3 079)	(2 315)
Interest on finance leases	(70)	(69)
Other interest expenses	(164)	(583)
	(3 313)	(2 967)
Exchange rate differences	303	(422)
	(1 917)	(3 250)

7. Income tax expense

Income tax expenses are specified as follows:

	2007/2008 1/7 - 30/9
Current tax income	2
Deferred tax income	197
	199

Reconciliation of effective tax rate:

	1/7/2007 - 30/9/2007	
	Amount	%
Profit before tax	630	
Tax at the domestic income tax (18%)	(113)	-18%
Effect of different tax rates of other jurisdictions	(235)	-37%
Utilization of tax losses	946	150%
Tax losses not activated	(827)	-131%
Other changes	428	68%
	199	32%

8. Earnings per share

Basic earnings per share
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2007/2008 1/7 - 30/9	2006/2007 1/7 - 30/9
Net profit (loss) from continuing and discontinued operations	828	(1 982)
Net profit (loss) from discontinued operations	0	229
Net profit (loss) from continuing operations	828	(1 753)

	2007/2008 1/7 - 30/9	2006/2007 1/7 - 30/9
Weighted average number of ordinary shares for the purposes of basic earnings per share	5 793 551	5 741 221

Diluted earnings per share
The earnings used in the calculation of all diluted earnings per share measures are the same as those for the equivalent basic earnings per share measures, as outlined above.

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2007/2008 1/7 - 30/9	2006/2007 1/7 - 30/9
Weighted average number of ordinary shares used in the calculation of basic earnings per share	5 793 551	5 741 221
Shares deemed to be issued for no consideration in respect of:		
Employee options	122 546	120 222
Employee performance shares	280 000	
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	6 196 097	5 861 443

9. Goodwill

	Total
At 1 July 2006	183 675
Exchange differences	57
Arising on an acquisition of a subsidiary	26 243
At 30 June 2007	209 975
Changes on provisional Purchase Prices Allocations (PPA)	(26)
Exchange differences	(75)
At 30 September 2007	209 874

All amounts in thousands of euro

10. Other intangible assets

	Total
Cost:	
At 1 July 2007	141 192
Additions	120
Reclassified	48
At 30 September 2007	141 360
Amortization:	
At 1 July 2007	5 909
Charge for the period	496
Reclassified	(4)
At 30 September 2007	6 401
Carrying amount:	
At 1 July 2007	135 283
At 30 September 2007	134 959

11. Property, plant and equipment

	Buildings and sites	Machinery & equipment	Fixtures & office equipment	Under construction & prepaid	Total
Cost:					
At 1 July 2007	103 333	106 695	18 137	1 624	229 789
Additions	217	768	132	666	1 783
Exchange differences	(598)	(1 164)	(195)		(1 957)
Disposals	(297)	(220)	(17)	(10)	(544)
Changes on provisional PPA	218				218
Reclassified	257	348	67	(724)	(52)
At 30 September 2007	103 130	106 427	18 124	1 556	229 237
Accumulated depreciation:					
At 1 July 2007	43 562	67 464	11 440	0	122 466
Depreciation charge	1489	2330	428	0	4 247
Exchange differences	(132)	(776)	(153)	0	(1 061)
Disposals	(118)	(220)	(17)	0	(355)
Changes on provisional PPA				0	0
At 30 September 2007	44 801	68 798	11 698	0	125 297
Carrying amount:					
At 1 July 2007	59 771	39 231	6 697	1 624	107 323
At 30 September 2007	58 329	37 629	6 426	1 556	103 940

Group policy is to review the fair value of buildings and equipment on a regular basis. The management estimates the fair value of other operating fixed assets at their book value.

All amounts in thousands of euro

12. The Consolidation

The Consolidated Financial Statements of Alfesca hf. pertain to the following subsidiaries:

Name of subsidiary	Place of registration and operation	Ownership %	Principal activity
SIF Norway	Norway	100%	Holding company
Siftor Holding AS	Norway	100%	Holding company
Njord AS	Norway	100%	Holding company
Christiansen Partner AS	Norway	98%	Sales
SIF Prime Foods Ltd	UK	100%	Holding company
Lyons Seafoods Ltd	UK	100%	Production and sales
Financiére de Kiel SAS	France	100%	Holding company
Labeyrie SAS	France	100%	Production and sales
Pierre Guéracague SAS	France	100%	Sales
Blini SAS	France	100%	Production and sales
Farne Salmon and Trout Ltd	Scotland	100%	Production and sales
Adrimex	France	100%	Production and sales
Le Traiteur Grec	France	100%	Production and sales
Delpierre SAS	France	100%	Production and sales
Zilia Holding NV	Dutch Antil.	100%	Holding company
Sedini NV	Netherlands	100%	Dormant
Vensy Espana SA	Spain	100%	Production and sales
Vensy Portugal LTDA	Portugal	100%	Sales
Labeyrie Norge AS	Norway	100%	Sales
Palmitou	France	49%	Sales

13. Held-to-maturity securities

	Held-to-maturity securities
Balance at 1 July 2007	9 776
Additions during the year	578
Installments during the year	(32)
Fair value and exchange rate adjustments	0
Balance at 30 September 2007	10 322

14. Inventories

	30.9.2007	30.6.2007
Raw material	50 551	48 675
Work in progress	5 599	6 447
Finished goods and goods for resale	71 402	54 573
	127 552	109 695

All amounts in thousands of euro 19

15. Share capital

Share capital is as follows in millions of shares and thousand of euros:

	Shares	Ratio	Nominal value
Total share capital at 30 September 2007	5 793,6	98,6%	66 544
Treasury stock at 30 September 2007	82,3	1,4%	963
	5 875,9	100,0%	67 507

Shares issued and outstanding at year-end numbered a total of 5,875,883,192. The nominal value of each share is one Icelandic krona.

Changes in share capital are as follows:

	Share capital
Balance at 1 July 2006	66 544
Increase in share capital	0
Purchases of own shares	0
Balance at 30 June 2007	66 544
Increase in share capital	0
Purchases of own shares	0
Balance at 30 September 2007	66 544

16. Share premium

	Share premium
Balance at 1 July 2006	198 713
Increase in share capital	0
Purchases of own shares	0
Balance at 30 June 2007	198 713
Increase in share capital	0
Purchases of own shares	0
Balance at 30 September 2007	198 713

17. Capital reserves

	Capital reserves
Balance at 1 July 2006	1 035
Balance at 30 June 2007	1 035
Changes during the period	0
Balance at 30 September 2007	1 035

18. Equity - settled employee benefits reserve

	Equity settled employee benefit reserve
Balance at 1 July 2006	0
Balance at 30 June 2007	2 580
Changes during the period	638
Balance at 30 September 2007	3 218

19. Hedging and translation reserves

	Hedging reserve	Translation reserve	Total
Balance at 1 July 2006	(748)	(120)	(868)
Exchange differences arising on translation of subsidiaries	1 447	952	2 399
Decrease in fair value of cash flow hedging derivatives	0	0	0
Transferred to income due to sale of subsidiaries	0	0	0
Balance at 30 June 2007	699	832	1 531
Exchange differences arising on translation of subsidiaries	0	(1 664)	(1 664)
Variation in fair value of cash flow hedging derivatives	(440)	0	(440)
Transferred to income due to sale of subsidiaries	0	0	0
Balance at 30 September 2007	259	(832)	(573)

20. Retained earnings

	Retained earnings
Balance at 1 July 2006	3 731
Deferred tax liability in Delpierre corrected	0
Net profit for the period	22 432
Balance at 30 June 2007	26 163
Net result for the period	828
Balance at 30 September 2007	26 991

All amounts in thousands of euro

21. Long term liabilities

Remaining balance	30.9.2007	30.6.2007
Loans from credit institutions	177 185	179 685
Other long term liabilities	7 472	5 210
	184 657	184 895

Loans from credit institutions

Loans in EUR	183 882	183 780
Current maturities	(6 697)	(4 095)
Loans from credit institutions	177 185	179 685

Aggregated annual maturities are as follows:

Within 12 months	6 697	4 095
Over 1 year but within 5 years	67 315	76 685
Over 5 years	109 870	103 000
	183 882	183 780

22. Obligations under finance leases

Remaining balance	30.9.2007	30.9.2006
Finance leases in EUR	5 296	5 658
Current maturities	(1 155)	(1 390)
Obligations under finance lease	4 141	4 268

Aggregated annual maturities are as follows:

Within 12 months	1 155	1 390
Over 1 year but within 5 years	2 553	2 561
Over 5 years	1 588	1 707
	5 296	5 658

The management estimates that the fair value of the consolidated lease obligations approximates their carrying amount.
The obligations under finance leases are pledged by the lessor's charge over the leased assets.

23. Long term liabilities - due within one year

Loans from credit institutions	6 697
Obligations under finance leases	1 155
Other long term liabilitites	384
	8 236

All amounts in thousands of euro

24. Deferred tax

The Group's deferred income tax liability at balance sheet date amounts to €44,156 thousand according to the balance sheet. Deferred income tax liability results mainly from recognised intangible assets on acquisition of the subsidiary Labeyrie Group (FDK) in December 2004.

	Deferred tax
At 1 July 2007	(44 717)
Calculated tax for the period	199
Income tax payable for the period	(12)
Arising on an acquisition of a subsidiary	(32)
Tax movements through equity	408
Reclassification	0
Exchange differences	(2)
At 30 September 2007	(44 156)

The following are the major deferred tax liabilities and assets recognised:

Intangible assets	(40 815)
Fixed tangible assets	(6 195)
Long term liabilities	198
Short term liabilites	995
Financial instruments	(39)
Loss carryforward	1 700
	(44 156)

25. Derivative financial instruments

	30.9.2007	
	Assets	Liabilities
Currency derivatives	1 728	(661)
Hedging raw material contracts	0	(1 127)
Interest rate swaps	130	0
	1 858	(1 788)
Analysed as:		
Non-current	0	0
Current	1 858	(1 788)
	1 858	(1 788)

The derivative in the analyses are included as a part of other receivable and other current liabilities in the balance sheet.

Currency derivatives

The Group utilises currency derivatives to hedge significant future transactions and cash flows. The Group is a counterpart to a variety of foreign currency forward contracts and options in the management of its exchange rate exposures.

At 30 September 2007, the fair value of the Group's currency derivatives is estimated to be approximately € 1 067 thousand. These amounts are based on quoted market prices for equivalent instruments at the balance sheet date, comprising € 1 728 thousand assets and € (661) thousand liabilities. The fair value of currency derivatives that are designated and effective as cash flow hedges amounting to € 38 thousand (after tax) has been deferred in equity.

All amounts in thousands of euro

Derivative financial instruments (cont.) :

Hedging raw material contracts

The Group uses raw material swaps to manage its exposure on raw material prices variances and is a counterpart on several hedging contracts signed with financial company dedicated on raw material market

At 30 September 2007, the fair value of those swaps is estimated € (1 127) thousand. These amounts are based on quoted market prices at the balance sheet date. The fair value of raw material swap amounting to € (539) thousand (after tax) has been deferred to equity.

Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its bank borrowings by swapping a proportion of those borrowings from floating rate to fixed rates.

The fair value of swaps entered into at 30 September 2007 is estimated € 130 thousand. These amounts are based on quoted market prices for equivalent instruments at the balance sheet date. The fair value of interest rate swaps that are designated and effective as cash flow hedges amounting to € 61 thousand (after tax) has been deferred to equity.

26. Related parties

Transaction between Alfesca hf. (parent company) and its subsidiaries, which are related parties of Alfesca hf., have been eliminated on consolidation.

27. EBITDA

EBITDA means earnings before interest, taxes, depreciation and amortisation calculated as follows:

	2007/2008 1/7 - 30/9	2006/2007 1/7 - 30/9
Profit from continuing operations	829	(1 983)
Add		
Income tax paid (received)	(199)	(2 164)
Less		
Earnings from associates	0	0
Add		
Net financial expenses	1 917	3 250
Operating profit	**2 547**	**(897)**
Add		
Depreciation and amortization	4 743	4 400
EBITDA	**7 290**	**3 503**

28. Approval of the interim financial statements

The Consolidated Interim Financial Statements were approved by the Board of Directors and authorized for issue on 26 November 2007.

All amounts in thousands of euro