Alfesca Group
Q4 2008/09

Press Release
8 September 2009

Meeting the challenges of a volatile market

Financial year 2008/09
Net sales €623.7 million
EBITDA €54.6 million

Highlights

- Net sales €623.7 million for 2008/09 financial year, down 3.7% and €131.0 million for the fourth quarter, down 0.8%[1]
- EBITDA €54.6 million for the twelve month period, down 12.7% and €7.0 million for the fourth quarter, down 17.5%. EBITDA margin of 8.8% for the full year and 5.4% for the fourth quarter
- Net income €19.1 million for the twelve month period, down 33.4% and €2.0 million for the fourth quarter, down 44.8%
- Group trading impacted by economic crisis, challenging consumer environment, adverse movements in currencies and high salmon prices
- Net cash flow from operating activities €53.0 million over the twelve month period
- Continuing strong financial position with ongoing committed facilities in place; net debt of €141.6 million and debt/equity ratio of 42.0% at end of the fourth quarter

Xavier Govare, CEO:

"The 2008/09 financial year has been a challenging year for Alfesca during which we have experienced a substantially more difficult trading, economic and credit environment.

"During the 2008/09 financial year we have seen the economic conditions in Europe deteriorate dramatically with our key markets in UK, France and Spain entering into recession; experiencing rapidly rising unemployment, pushing consumer confidence to its lowest levels and prompting retailers to introduce promotions and discounts to entice consumers to shop.

"The first and second halves of the 2008/09 financial year showed marked differences in the economic environment and also the trading patterns of Alfesca.

"The first half of the year was dominated by a strong drop of the markets in which Alfesca operates due to the collapse of consumer confidence. In the second half of the year we saw rapid changes in consumer behaviour favouring more value products impacting our sales and margins, as well as a sharp increase in salmon raw material prices, which is the single largest raw material component of the Group's input costs.

"In these very challenging economic circumstances, Alfesca's net sales for 2008/09 financial year was €623.7 million, down 3.7%, and EBITDA was €54.6 million, down 12.6%.[2]

"The fall in the Group's EBITDA was as a result of a number of key factors which included the development of an adverse sales mix as consumers "traded down" by favouring private labels over national brands thereby accelerating the trend towards less expensive and lower margin value products.

[1] Alfesca's financial year runs from 1 July to 30 June.
[2] The relative performance indicated is against actual results reported for the same accounting period the previous year.

"In addition, our results were also adversely impacted by sharp increases during the year in raw material prices for salmon, which saw prices rising close to the historically high levels last seen in 2006. The price increases were primarily due to shortage of salmon supply experienced as result of the Chilean salmon industry being hit by the infectious salmon anaemia (ISA) virus which significantly reduced production levels in Chile (estimated to be over 50% for 2009) and placed exceptional demand on Norwegian salmon supplies, from which Alfesca sources the majority of its salmon.

"The Group's results were also negatively impacted by adverse currency fluctuations, such as due to the falling value of the pound. This devaluation not only raised the cost of prawn raw materials that needed to be imported, such as into the UK where the market prices are set in dollars but it also had a negative influence when the results of our UK operations were translated into euros. The adverse euro:pound exchange rate volatility negatively impacted our Group EBITDA by over €3.0 million if constant year on year exchange rates are assumed.

"During 2008/09 we took decisive action to manage the business through the recession and to compensate for rising salmon prices. To manage our margins, we partly obtained necessary price increases but this was difficult to do fully in the poor economic environment. Instead, we invested in price to support our customers and consumers; a situation that we expect to continue into 2009/10.

"As the economy worsened and our results deteriorated, we also took a series of action to reduce our costs in 2008/09 and to help support profitability going forward. We did this by completing a key stage of our rationalisation programme involving the merger of certain central functions, implementing a common IT platform and putting in place a more optimal organisational structure in France. In addition, we completed the integration of the production facilities of Blini and LTG, as well as closing one of our duck slaughtering factories and consolidating the operations into one site in south west France. In addition, we continued with our focus to increase our industrial efficiency.

"The economic conditions and outlook for 2009/10 remain uncertain and we expect that high salmon prices will continue to have an impact on the Group's results going forward. Although demand for our food products should remain broadly stable, the trend for "trading down" looks set to continue and our ability to meet the demands of the changing market conditions will be critical."

KEY FIGURES

Income statement € million	08/09 Q4	08/09 Q3	08/09 Q2	08/09 Q1	07/08 Q4
Net sales	131.0	118.3	249.2	125.2	132.0
Cost of goods sold	(113.5)	(101.1)	(195.7)	(106.0)	(114.5)
Gross profit	17.5	17.2	53.5	19.2	17.5
Gross margin %	13.4%	14.5%	21.5%	15.3%	13.2%
Operating expenses	(21.1)	(17.6)	(23.2)	(17.9)	(14.8)
EBIT	-3.7	-0.4	30.3	1.4	2.6
EBIT %	-2.8%	-0.3%	12.1%	1.1%	2.0%
Net financial expenses	(1.2)	(3.1)	(4.2)	(2.3)	(2.6)
Income tax	6.9	3.1	(8.3)	0.6	3.5
Net profit for the period	2.0	-0.3	17.8	-0.3	3.5
EBITDA	7.0	6.1	35.1	6.4	8.5
EBITDA %	5.4%	5.2%	14.1%	5.1%	6.4%

Balance sheet - Assets

€ million	30/06/2009		30/06/2008		Var
Intangible assets	340.5	51%	346.9	51%	-2%
Operational assets	102.0	15%	106.1	16%	-4%
Long-term investments	10.2	2%	12.3	2%	-17%
Non current Assets	**452.6**	**68%**	**465.3**	**69%**	**-3%**
Inventories	93.0	14%	107.5	16%	-13%
Receivables	61.0	9%	60.6	9%	1%
Bank deposits and cash	58.1	9%	42.2	6%	37%
Current assets	**212.1**	**32%**	**210.4**	**31%**	**1%**
Total assets	664.7	100%	675.7	100%	-2%

Balance sheet - Shareholders equity and liabilities

€ million	30/06/2009		30/06/2008		
Shareholders equity	**338.5**	**51%**	**321.7**	**48%**	**5%**
Long-term liabilities	168.7	25%	182.8	27%	-8%
Deferred tax liabilities	36.3	5%	44.6	7%	-19%
Obligations	7.8	1%	7.6	1%	2%
Long-term liabilities and obligations	**212.8**	**32%**	**235.1**	**35%**	**-9%**
Bank loans	15.9	2%	14.9	2%	7%
Current maturities of long-term debt	15.2	2%	10.5	2%	45%
Other current liabilities	36.2	5%	34.9	5%	4%
Trade payables	46.1	7%	58.7	9%	-21%
Current liabilities	**113.4**	**17%**	**118.9**	**18%**	**-5%**
Shareholders equity and liabilities	664.7	100%	675.7	100%	-2%

Cash Flow € million	FY 08/09	FY 07/08	Var %
Cash Flow from operating activities	**54.1**	**60.2**	**-10%**
Working Capital provided by operating activities	3.7	0.9	314%
Tax paid / received	-4.8	-1.0	388%
Net Cash flow from operating activities	**53.0**	**60.1**	**-12%**
Capital expenditures	-18.6	-22.6	-18%
Increase (Decrease) in loans and advance made	1.0	-0.9	ns
Proceeds from asset sales and other	0.2	0.3	-34%
Proceeds and acquisition of subsidiaries		-1.0	-100%
Net Cash flow from investing activities	**-17.4**	**-24.1**	**-28%**
FREE CASH FLOW	***35.6***	***36.0***	-1%
Net Cash flow from financing activities	**-19.2**	**-19.5**	**-2%**
Change in cash for the period	**16.5**	**16.5**	**0%**

OPERATING REVIEW[3]

Net Sales (pro forma)	Q4			
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Salmon and other Fish	43%	58,776	54,288	8.3%
Foie Gras and other Duck products	9%	12,622	14,596	-13.5%
Blini and Spreadables	6%	8,643	7,367	17.3%
Prawns and other shellfish	41%	55,702	56,114	-0.7%
Total (like for like)	**100%**	**135,743**	**132,365**	**2.6%**

Net Sales (pro forma)	Q4 YTD			
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Salmon and other Fish	46%	296,629	294,237	0.8%
Foie Gras and other Duck products	18%	118,324	122,458	-3.4%
Blini and Spreadables	6%	36,988	36,696	0.8%
Prawns and other shellfish	30%	198,111	198,247	-0.1%
Total (like for like)	**100%**	**650,052**	**651,636**	**-0.2%**

Our fourth quarter sales performance of €131.0 million was stable against last year, even if they were negatively impacted by the challenging economic conditions and weak consumer confidence.

As commented earlier, the second half of the year was marked by extreme volatility in terms of consumer spending and Alfesca's results in the fourth quarter continued to be held back by high input costs, particularly salmon, lower consumer spending coupled with continued trend of consumer's trading down to less expensive products. Furthermore, Alfesca's performance was also negatively impacted by promotional activity and adverse mix as the consumer downturn accelerated across Europe. However, the positioning of Easter in April of this year was beneficial to our fourth quarter results.

We were pleased with the overall like for like sales for the fourth quarter of the Smoked Salmon and Fish pillar, up 8.3% and the Blini and Spreadables pillar up an impressive 17.3%. Whilst the like for like sales for the fourth quarter of the Prawns and Shellfish pillar relatively stable down only 0.7%, the Foie Gras and Duck pillar was down 13.5% during the period. In the context of the exceptionally difficult market conditions, we regard Alfesca's performance as being satisfactory even if in response to these results we will continue to take all necessary actions and modify our plans to ensure that Alfesca is given every opportunity to deliver improved results.

Alfesca's UK operation returned to a positive position following the negative trend that had established in the first half of the year with like for like sales up 0.3% in the fourth quarter compared to same period last year.

Overall, Alfesca's French sales on a like for like basis were up 4.7% reversing the negative trend of the third quarter and reflecting the fragile but improving consumer conditions. We are acutely aware that the French consumer remains cautious with its household expenditure, buying fewer branded and more own label and hard discount products and were very pleased to note the particularly strong performance of our Blini business with like for like sales up significantly by 17.3% during the fourth quarter following a negative performance over the first half of the year.

Alfesca's sales in Southern Europe, comprising Spain and Italy, were stable being up 0.4%. However, this global figure hides the heavily contrasted like for like sales of Italy, which similar to the previous third quarter continues to develop strongly against the negative like of like sales trend in Spain, which is heavily impacted by a very weak consumer environment, industrial over capacity and highly competitive market conditions lead by a strong private label segment.

[3] For comparative purposes, certain financial figures are restated on a "like for like" or "pro forma" basis. Such figures restate the financial information on a constant GBP/EUR exchange rate and on a corporate perimeter excluding acquisitions or disposals.

Smoked salmon and fish

Net Sales (pro forma)		Q4		
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Smoked Salmon & Other fish	43%	58,776	54,288	8.3%

Net Sales (pro forma)		Q4 YTD		
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Smoked Salmon & Other fish	46%	296,629	294,237	0.8%

Over the fourth quarter, net sales in this pillar rose by 8.3% on a like for like basis compared to the same period last year. The results of the fourth quarter reverse the negative performance during the start of the second half of the year and were helped by the positioning of Easter in the reported period.

There are many different factors affecting the performance of this pillar, with each of the Group companies with their different market positioning impacted to varying degrees.

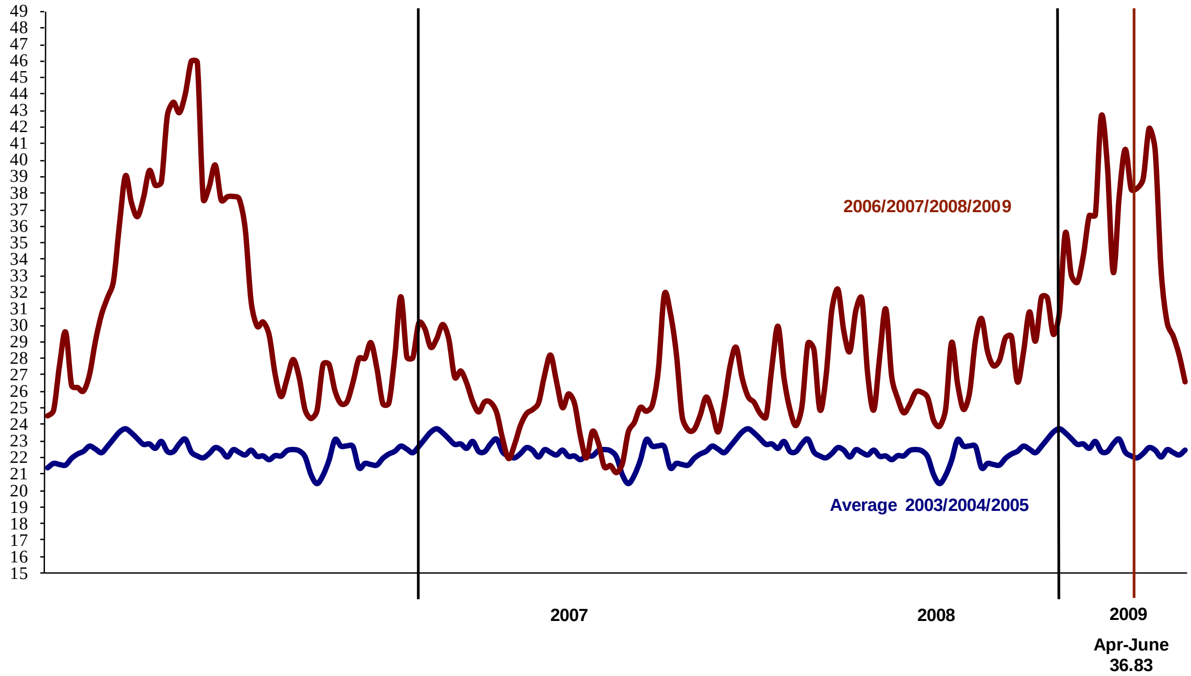
In general, the performance of this pillar fluctuated significantly month on month but overall experienced the same overall trend for the Group with consumers buying less premium products and opting instead to trade down to less costly products or switching to private label. This trend, which started in the first half of the year, had a positive impact in terms of volumes sold but a very negative impact on the sales mix and profit for this pillar.

In both UK and France, in volume and value terms salmon sales for the fourth quarter were positive. The overall sales for other fish products in France, such as cod (dried and salted) and herring, was relatively stable over the period.

Norwegian salmon's raw material prices rose to exceptionally high levels over the period as compared to last year at an average price of NOK 36.8 per kilogram. However, the impact of the high salmon prices on the profitability of this pillar was mitigated during the fourth quarter due to the lower input costs incurred during the previous third quarter on the purchase of the salmon raw material and the production of finished goods. The full impact of the higher salmon raw material prices, which will be strong, will be felt in the new 2009/10 financial year.

Current indicators point to salmon prices continuing to remain over the medium term at a high but stable level due to low harvest resulting from the heavy drop in production in Chile and flat production in Scotland; even if in the short term a fall in prices is currently being experienced.

FHL/NOS Prices 4/5 kg gutted salmon in Nok/kg



In view of the weak economic environment and expectation that salmon prices will in the medium terms remain at very high levels, our main concern relates to how to pass the needed price increases to offset the higher raw material costs without losing market share. Our expectation is that retailers will continue to focus on private label products to protect their margins and invest in promotions. In response, we will continue to work closely with our customers to reinforce their promotional efforts on core products and are focussing on and preparing for the peak consumption period in the run up to Christmas by launching new products that will deliver the taste, convenience and value to our consumers.

Prawns and shellfish

Net Sales (pro forma)		Q4		
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Prawns and shellfish	41%	55,702	56,114	-0.7%

Net Sales (pro forma)		Q4 YTD		
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Prawns and shellfish	30%	198,111	198,247	-0.1%

Compared to the declining sales trend observed in the previous two quarters, Alfesca's prawn sales relatively stable down by 0.7% on a like for like basis over the fourth quarter to €51.9 million.

The fall in results for this pillar was again most pronounced in the UK, were in addition to the negative factors of falling consumer spending, adverse sales mix and switching from relatively more expensive warm water prawns to less expensive cold water prawn products, the results were further impacted due to the significant fall in the value of the pound sterling. Once again, this only raised the cost of prawn raw material that needed to be imported into the UK, which are priced in US dollars. The sales in France were stable.

In the UK, the performance of the Prawns and Shellfish pillar was more negative than France, reflecting overall market trends.

In line with guidance previously given, prawn raw material prices continue to be relatively high due to a combination of factors, which include high local demand in domestic markets and adverse currency movement against a weakening pound sterling as well as a weaker euro against the US dollar, which adversely impacted the input cost of prawns. As before, recovery of this cost inflation is a key item on our commercial agenda.

As previously commented, in the face of the economic downturn, from which the Prawns and Shellfish pillar is not immune, the main risk for this pillar is the move by retailers to focus on basic products in order to reduce selling prices and help save money. To counter these developments and stimulate demand, we continue to invest in a strong promotional and product development programme. In addition, we are continuing to pursue commercial opportunities that have been identified and seeking appropriate price increases to offset inflationary cost increases.

Whilst overall the performance of this pillar was overall subdued it was encouraging as the rate of decline is slowing and is being to show some signs of improvement.

Foie gras and duck

Net Sales (pro forma)	Q4			
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Foie Gras & Other Duck Products	9%	12,622	14,596	-13.5%

Net Sales (pro forma)	Q4 YTD			
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Foie Gras & Other Duck Products	18%	118,324	122,458	-3.4%

Over the fourth quarter the poor performance of this pillar continued with sales down by 13.5% over the period. The fall in sales was due to low consumption both of the foie gras and duck meat products. Our key priority for this pillar remains the same, which is to continue with our innovation programme.

Whilst commodity prices have fallen following good harvests of wheat and corn, the market is subject to weak pricing due to build up of inventory and weak consumer demand due to the poor economic environment in 2009.

As previously commented, the benefit of falling commodity prices is not expected to be seen until later in the year as the lower raw material prices will be included in the value of current inventory produced and the benefit crystallised at a later date when the products are sold.

Our key concern is, however, the over production of foie gras products by certain suppliers with significant farming interests and the impact that this will eventually have on final consumer prices when these excess volumes are released on to the market.
In addition, we expect that overall the poor consumer environment will continue, although moderate, and retailers will continue to focus on developing the sales of private label products in order to protect their margin.

Our strategy is therefore to continue to focus on working closely with our clients to promote strongly the core foie gras and duck products and be ready with innovative products for the main and critical Christmas period. On the agenda for the coming months is the preparation of the Christmas sales. Our innovation efforts have been strong and the listings obtained with our clients are satisfactory.

Blinis and spreadables

Net Sales (pro forma)		Q4		
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Blini & Spreadables	6%	8,643	7,367	17.3%

Net Sales (pro forma)		Q4 YTD		
€ thousands	% of total	Apr.-June 09	Apr.-June 08	Var.%
Blini & Spreadables	6%	36,988	36,696	0.8%

Building on the momentum generated over the previous third quarter, we were very pleased to see that the sales of this pillar continued strongly in the fourth quarter increasing by 17.3% on like for like basis. A large part of the explanation for this good result was due to Tassos, one of Alfesca's main competitors in the market, who ceased trading and became insolvent. Alfesca was able to cease the opportunity to gain the sales of the failed business and to increase market share.

Maintaining our focus, we continue with our efforts in delivering a strong programme of promotion and innovation and have entered into new product categories orientated towards daily consumption such as pancakes and snack products.

We are also pleased to have completed initial stage of our plans that will increase efficiency and savings by concentrating our manufacturing facility into a single site, which helps to integrate the operations of our Blini and LTG businesses. This step was completed on time and on the budgeted costs of €500,000. We are currently reviewing the sale of the former LTG site.

FINANCIAL REVIEW

Income statement		Q4			Q4 YTD	
€ million	08/09	07/08	Var %	08/09	07/08	Var %
Net sales	131.0	132.0	-0.8%	623.7	647.4	-3.7%
Cost of goods sold	(113.5)	(114.5)	-0.9%	(516.4)	(534.7)	-3.4%
Gross profit	17.5	17.5	0.0%	107.3	112.7	-4.7%
Gross margin %	13.4%	13.3%		17.2%	17.4%	
Operating expenses	(21.1)	(14.8)	42.9%	(79.8)	(70.4)	13.4%
EBIT	-3.7	2.7	ns	27.5	42.2	-34.9%
EBIT %	-2.8%	2.0%		4.4%	6.5%	
Net financial expenses	(1.2)	(2.6)	-53.3%	(10.7)	(9.8)	9.0%
Net profit before taxes	-4.9	0.1	ns	16.8	32.4	-48.2%
Income tax	6.9	3.5	95.8%	2.3	(3.7)	ns
Net profit for the period	2.0	3.6	-44.8%	19.1	28.6	-33.4%
EBITDA	7.0	8.5	-17.5%	54.6	62.5	-12.7%
EBITDA %	5.4%	6.4%		8.8%	9.7%	

Alfesca's sales in the fourth quarter totalled €131 million compared to €132 million for the same period last year.[4] For the year ending 30 June 2009, net sales totalled €623.7m showing a decrease of 3.7% versus the year before. Further analysis of the segmental sales trend has been provided in the Operating Review section.

Operating profit was a loss of €3.7 million in the fourth quarter compared to a profit of €2.7 million in the same quarter.last year. The results for the quarter having been affected by weaker GBP/EUR exchange rate, which impacted Alfesca's EBITDA by approximately €0.4 million. For the full fiscal year, operating profit was €27.5 million versus €42.2 million the year before.

EBITDA amounted to €7 million for the fourth quarter compared to €8.5 million for the same quarter last year, resulting in an EBITDA margin of 5.4%. The Group's gross profit margin improved slightly standing at 13.4% compared to 13.3% for the same period last year.

[4] Alfesca's financial year runs from 1 July to 30 June.

Operating expenses were €21.1 million compared to €14.8 million for the same period last year. This increase in operating expenses was due to higher a accounting charge for the equity plan, under rule 2 of the International Financial Reporting Standards, the impairment cost of €5.4 million in respect of intangible assets and other one off expenses in relation with two restructuring projects in France. Without non-recurring costs, the Group's operating expenses were lower by 12% compared to same period last year.

On a constant currency and corporate perimeter basis, the Group's EBITDA for the quarter was €7.5 million, compared to €8.4 million for the same period last year. On the same pro forma basis, the EBITDA margin for the quarter was 5.7%, which reflects a limited decrease of 70bps versus the EBITDA margin for the same period the previous year.

For the full year ending 30 June 2009, the Group's EBITDA totalled €54.6 million compared to €62.5 million the previous year. This result for the full year was negatively affected by the weaker sterling/euro exchange rate, which impacted the Group's EBITDA by approximately €3.0 million. The EBITDA margin for the full year was 8.8%, which was down versus the margin of 9.7% for the previous year.

Finance costs for the quarter were €1.2 million compared to €2.6 million the previous year. The reduction was mostly due to an overall better net cash position and a lower cost of funding over the period. For the fiscal year ending 30 June 2009, net finance costs were €10.7 million versus €9.8 million during the previous year.

Income tax for the period was a credit of €6.7 million compared to €3.5 million a year ago. This strong increase in quarterly income tax is mostly due to a tax credit that was obtained as a consequence of the Group restructuring projects commented above. The Group's income tax for the 12 month period ended 30 June 2009 was an income of €2.3 million compared to an expense of €3.7m the previous year, as explained above.

Net income for the period was a profit of €2.0 million compared to a profit of €3.6 million in the same period the previous year. For the full year ending 30 June 2009, net income was €19.1 million compared to €28.6 million the previous year.

Balance sheet

Balance sheet - Assets

€ million	30/06/2009		30/06/2008		Var
Intangible assets	340.5	51%	346.9	51%	-2%
Operational assets	102.0	15%	106.1	16%	-4%
Long-term investments	10.2	2%	12.3	2%	-17%
Non current Assets	**452.6**	**68%**	**465.3**	**69%**	**-3%**
Inventories	93.0	14%	107.5	16%	-13%
Receivables	61.0	9%	60.6	9%	1%
Bank deposits and cash	58.1	9%	42.2	6%	37%
Current assets	**212.1**	**32%**	**210.4**	**31%**	**1%**
Total assets	**664.7**	**100%**	**675.7**	**100%**	**-2%**

Balance sheet - Shareholders equity and liabilities

€ million	30/06/2009		30/06/2008		
Shareholders equity	**338.5**	**51%**	**321.7**	**48%**	**5%**
Long-term liabilities	168.7	25%	182.8	27%	-8%
Deferred tax liabilities	36.3	5%	44.6	7%	-19%
Obligations	7.8	1%	7.6	1%	2%
Long-term liabilities and obligations	**212.8**	**32%**	**235.1**	**35%**	**-9%**
Bank loans	15.9	2%	14.9	2%	7%
Current maturities of long-term debt	15.2	2%	10.5	2%	45%
Other current liabilities	36.2	5%	34.9	5%	4%
Trade payables	46.1	7%	58.7	9%	-21%
Current liabilities	**113.4**	**17%**	**118.9**	**18%**	**-5%**
Shareholders equity and liabilities	**664.7**	**100%**	**675.7**	**100%**	**-2%**

The Group's balance sheet as at 30 June 2009 totalled €664.7 million for the 2008/09 financial year, having decreased from €675.7 million at the end of 2007/08 financial year. While the total balance sheet is very comparable to that of the previous year, it does reflect a significant improvement of the Group's financial position and more specifically:

- a strengthened financial structure with shareholders' equity increasing by €17.0 million while net financial debt decreased by €24.5 million over the period;

- a decrease in working capital requirement mostly due to lower inventories as a result of strong focus of management's action plan.

As of 30 June 2009, net short term cash was €42.2 million compared to €27.4 million a year ago and the Group's equity ratio stood at 50.9 % compared to 47.6% at the end of the same period last year.

Cash flow

Cash Flow € million	FY 08/09	FY 07/08	Var %
Cash Flow from operating activities	**54.1**	**60.2**	**-10%**
Working Capital provided by operating activities	3.7	0.9	314%
Tax paid / received	-4.8	-1.0	388%
Net Cash flow from operating activities	**53.0**	**60.1**	**-12%**
Capital expenditures	-18.6	-22.6	-18%
Increase (Decrease) in loans and advance made	1.0	-0.9	ns
Proceeds from asset sales and other	0.2	0.3	-34%
Proceeds and acquisition of subsidiaries		-1.0	-100%
Net Cash flow from investing activities	**-17.4**	**-24.1**	**-28%**
FREE CASH FLOW	***35.6***	***36.0***	**-1%**
Net Cash flow from financing activities	**-19.2**	**-19.5**	**-2%**
Change in cash for the period	**16.5**	**16.5**	**0%**

For the 2008/09 financial year, net cash as at 30 June 2009 provided by operating activities showed a decrease of approx €7.0 million compared to the same period last year, which mostly a reflection of the decrease in the Group's net profit. However, the reduction in working capital requirement explained in the balance sheet comments above provided a positive cash flow of €3.7m to the Group's cash balance.

Capital expenditure for the 2008/09 financial year was lower by €4.0 million compared to the previous year following action by management to tightly monitor cash disbursements throughout the year.

OUTLOOK

Alfesca has delivered a resilient performance in exceptionally challenging economic conditions over the year. We anticipate that next year will be equally challenging.

Our first concern relates to consumption as a result of changing consumer behaviour. We expect that demand for our food categories will remain stable, the trend for "trading down" looks set to continue and the ability to meet the demands of changing market conditions will be crucial to success.

Our second concern relates to the development raw material prices, particularly for salmon and also for prawns, as we anticipate very high price levels to be reached due to a general imbalance between low supply and high demand.

Our integration and cost cutting programme continues to progress well and we believe that our operational and financial strengths position us well to benefit when markets recover.

Approval of Results

The Board of Directors of Alfesca hf approved the results for the fourth quarter of the financial year 2008/09 at a meeting on 8 September 2009.

The consolidated financial statements of Alfesca hf have been prepared using account policies consistent with International Financial Reporting Standards and have been audited by the Company's auditors, Deloitte hf.

Next meetings

The annual general meeting of the Company will be held on Monday 16 November 2009. If appropriate, the financial calendar for 2009/10 will be published before that date.

No specific meeting will be held to present the fourth quarter results.

Enquiries:

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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 €624 million and 3,600 employees work for the Group.

Alfesca is currently listed on NASDAQ OMX, Nordic Exchange in Iceland (Symbol: A).

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

Forward Looking Statements

This earnings 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.