

Alfesca



Market presentation

11 February 2009

Q2 08/09

Results

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



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Alfesca at a glance: Q2 2008-2009 Highlights

The crisis began in Q1 and the economic situation deteriorated sharply in Q2:

Q2 General economic indicators

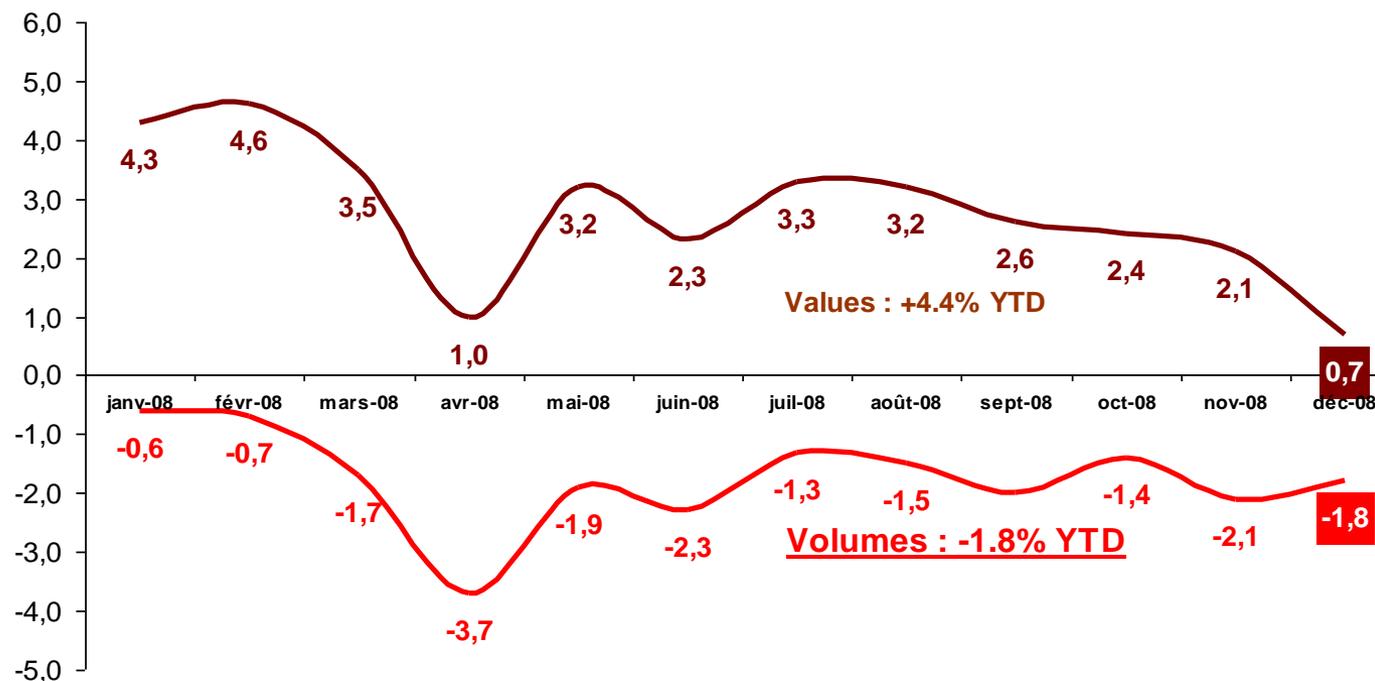
	France	Spain	UK	Sources
GDP Dec end vs Sept end	-0.80%	-1.10%	-1.50%	F : Insee forecast; Spain: Bank of Spain; Uk: Nso
Unemployed people var last 3 months	+156,700 (+8,0%)	+609,000 (+23.44%)	+131,000 (+7.3%)	UK : <u>Sept/Nov</u> Insee/Nso; F & Spain: <u>Oct/Dec</u> Insee/ Ines.
% of unemployed workers	7.2%	13.9%	6.1%	

- ✓ UK has been hit by a violent recession (worst quarter since 1980). 2 million people are expected to be unemployed by end of Dec . The sterling lags close to 1 euro
- ✓ Spain has also been hit by recession (awaiting official final Dec figures). Unemployment has soared to incredible and unprecedented levels
- ✓ France will be hit by recession in the first quarter of 2009

Alfesca at a glance: Q2 2008-2009 Highlights

French consumers have bought less in hyper and supermarkets, which is a first in the last 30 years

Food, hygiene, cleaning products : monthly 08 variances vs 07 in H&S channels. (Iri).



Alfesca at a glance: Q2 2008-2009 Highlights

- Turbulent markets:

- ✓ globally very disappointing October and November months
- ✓ good recovery at Christmas

→ Alfesca has followed this trend in activity

- Change of consumer behaviour:

- ✓ move from branded products to PLBs and to value products
- ✓ strong pressure put by retailers on invoicing prices

→ this sales mix and this pressure on selling prices is unfavourable for Alfesca margins

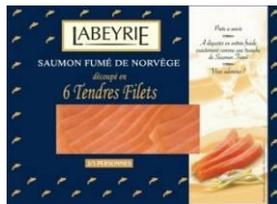
ALFESCA at a glance: Q2 08/09 activity Highlights

- *Historical Alfesca December sales*
- *Overall Q2 setback, due to bad October/November*

Total group Proforma Q2 : -0.9% vs LY(*)

Total group Proforma Q2 YTD : in line with LY(*)

Smoked salmon & other fish



▪ Q1	-3.1%
▪ Q2	+1.5%
▪ Dec	+3.5%
▪ YTD	-0.2%

Foie gras & other duck products



▪ Q1	+8.0%
▪ Q2	-2.2%
▪ Dec	+4.3%
▪ YTD	-0.5%

Blinis & spreadables



▪ Q1	-6.4%
▪ Q2	-4.7%
▪ Dec	+0.8%
▪ YTD	-5.3%

Prawns



▪ Q1	+7.4%
▪ Q2	-3.0%
▪ Dec	+5.7%
▪ YTD	+1.8%

(*) :D&F proforma for LY, constant £/€ rate

ALFESCA at a glance: Q2 08/09 activity Highlights

- Q1 growth was lead by the UK
- In Q2 and at Christmas, France resisted better than the UK and Southern Europe (whose Q2 decrease was curbed by Italy increase), following economic trends and brand power

Total group Proforma Q2 : -0.9% vs LY(*)

Total group Proforma H1: in line with LY (*)

France	UK	South (Italy+Spain)	Total Alfesca
			
■ Q1 +1.7%	■ Q1 +3.0%	■ Q1 -3.9%	■ Q1 +1.7%
■ Q2 +0.4%	■ Q2 -5.0%	■ Q2 -1.6%	■ Q2 -0.9%
■ Dec +5.5%	■ Dec -1.3%	■ Dec 2.7%	■ Dec +3.9%
■ YTD +0.5%	■ YTD -1.1%	■ YTD -2.0%	■ YTD 0.0%

(*) : Adrimex,LTG, D&F proforma for LY, constant £/€ rate

Alfesca at a glance: Q2 2008-2009 Highlights

- Unfavourable raw material environment:
 - ✓ Strengthening of \$ has made prawn purchases more expensive
 - ✓ strong demand for European farmed salmon has lead to firm prices
 - ✓ drop of cereals prices will have their main impact on Alfesca's duck prices for Christmas sales 2009

Alfesca Q2 08/09 at a glance: Financial results

Good resistance of our indicators

	Q2 published	Q2 proforma (1)
Net sales in €m	249.2	257.6
% vs LY	-3.5%	-0.9%

	Q2 published	Q2 proforma (1)
Ebitda in €m	35.1	36.2
% vs LY	-8.0%	-6.6%

(1) : constant £/€ rate and perimeter

	Q2 published	Q2 proforma (1)
Ebitda margin	14.1%	14.1%
% vs LY	-70 bps	-86 bps

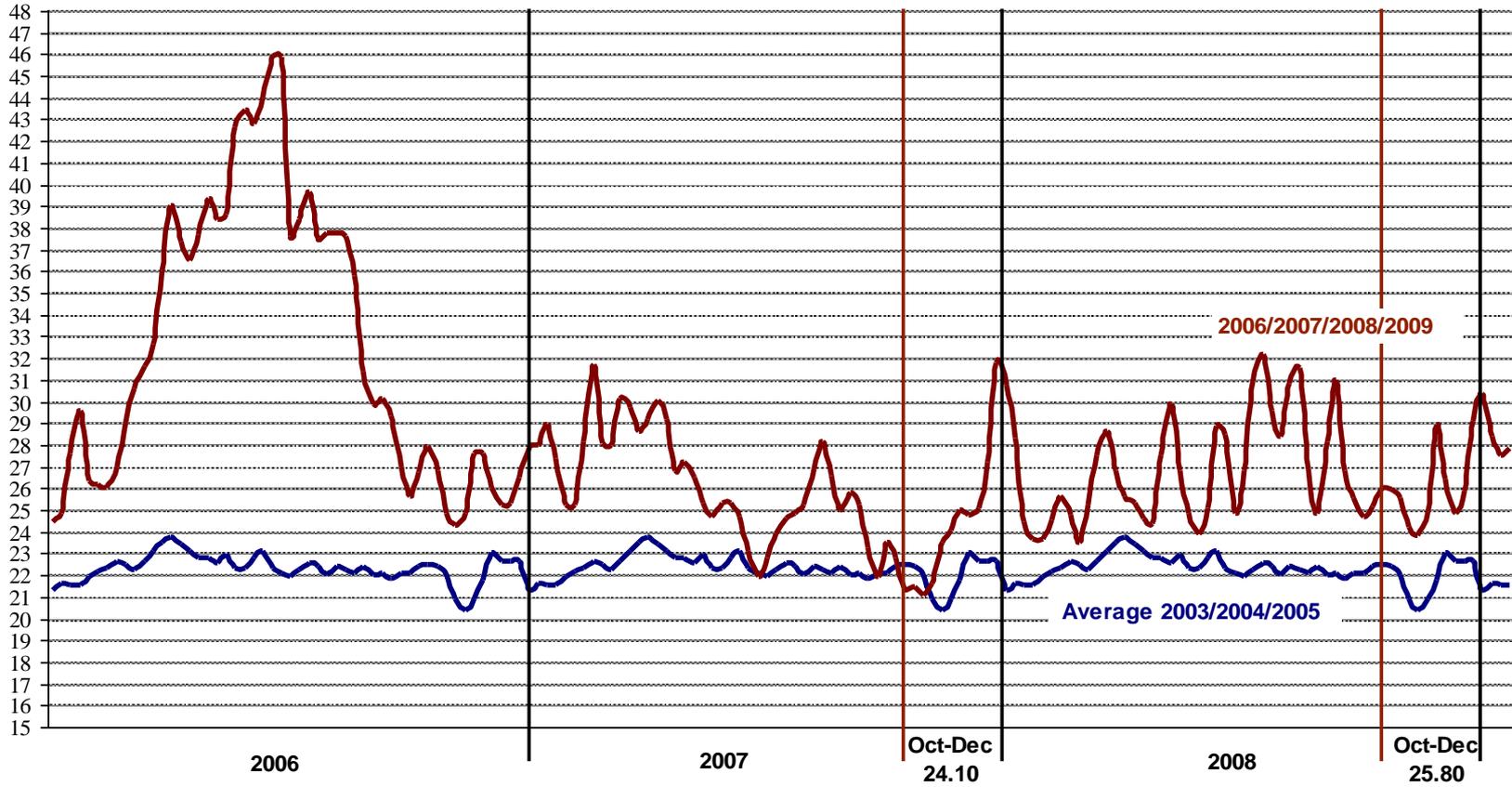
(1) : constant £/€ rate and perimeter

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Salmon raw mat: Norway price 2006 to 2009 (up to week 2)

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



Salmon raw mat: Norwegian Dec 08 vs Dec 07*

Generation	Harvest period	Volume WFE 31/12/08	Harvest period	Volume WFE 31/12/07	Var in %
07/S1	Sep 08 to Mar 09	106,800	Sep 07 to Mar 08	93,600	14%
07/S0	Apr 09 to Aug 09	220,600	Apr 08 to Aug 08	205,600	7%
08/S1	Sept 09 to March 10	159,800	Sep 08 to Mar 09	143,100	12%
TOTAL NORWAY		487,200		442,300	10%

▪ Oct-Dec 2008: firm prices, 25.80 Nok/kg FCA Oslo (4/5kg) versus 24.10 Nok/kg LY, +7%.

▪ Outlook: despite good biomass figures, prices will remain firm in our Q3 (January to March 09) :

- ✓ regulation organized by farmers
- ✓ packing stations are closing for maintenance in Feb/March
- ✓ sustained demand to compensate for the lack of Chilean supply:

Generation	Harvest period	Volume WFE 31/12/08	Harvest period	Volume WFE 31/12/07	Var in %
07/S0	April 09 to Aug 09	115,300	April 08 to Aug 08	149,000	-23%
08/S1	Sept 09 to March 10	46,200	Sept 08 to March 09	63,600	-27%
08/S0	April 10 to Aug 10	16,500	April 09 to Aug 09	27,700	-40%
TOTAL CHILE		178,000		240,300	-26%

* Kontali Dec 08

Salmon raw mat: Scottish Dec 08 vs Dec 07 *

Generation	Harvest period	Volume WFE 31/12/08	Harvest period	Volume WFE 31/12/07	Var in %
07/S1	Sep 08 to Mar 09	20,700	Sep 07 to Mar 08	14,500	43%
07/S0	Apr 09 to Aug 09	19,800	Apr 08 to Aug 08	25,600	-23%
08/S1	Sep 09 to Mar 10	44,700	Sep 08 to Mar 09	44,500	0%
	TOTAL	85,200		84,600	1%

- Oct-Dec 2008: firm prices, spot prices FCA Glasgow Oct/Dec 08: 2.85 £/kg versus 2.70 £/kg last year.
- Outlook: availability will be low, and some ISA (infectious salmon anemia) outbreaks in Shetlands have caused concerns. Spot prices are currently reaching 3.5 £/kg → a sales price tariff increase is needed



Salmon market: Volume trends in MT

Quarter

French market
(Iri source for Q2)

6,436

+2.3%



6,584

Oct-Dec 07

Oct-Dec 08



Calendar year

French market
(Iri source for full year)

16,042

+0.5%



16,123

2007

2008

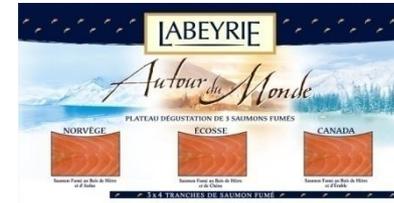
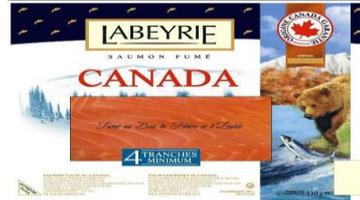
Q2 08/09: Christmas success

▪ Labeyrie:

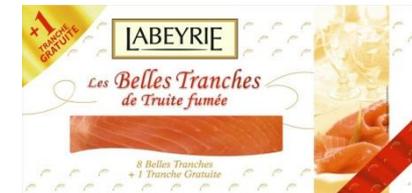
✓ White range



✓ New origins/mix



✓ Trout (market leader)



▪ Delpierre:

✓ New packaging design

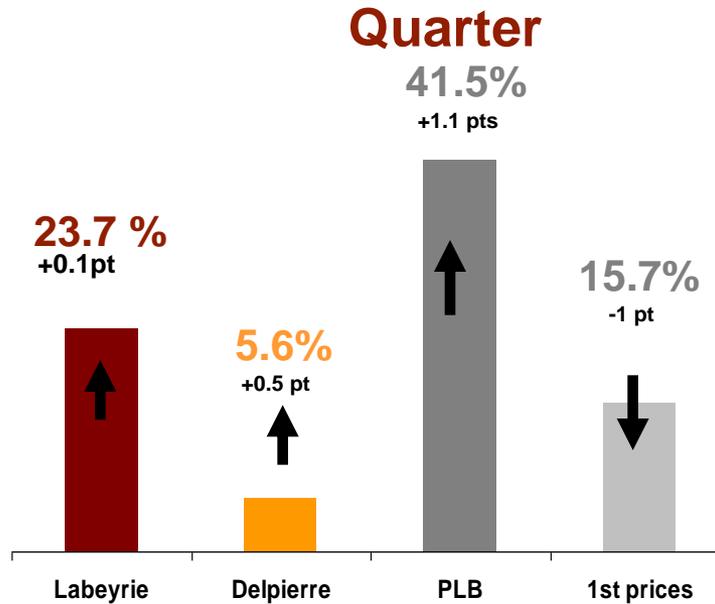


✓ Festive range



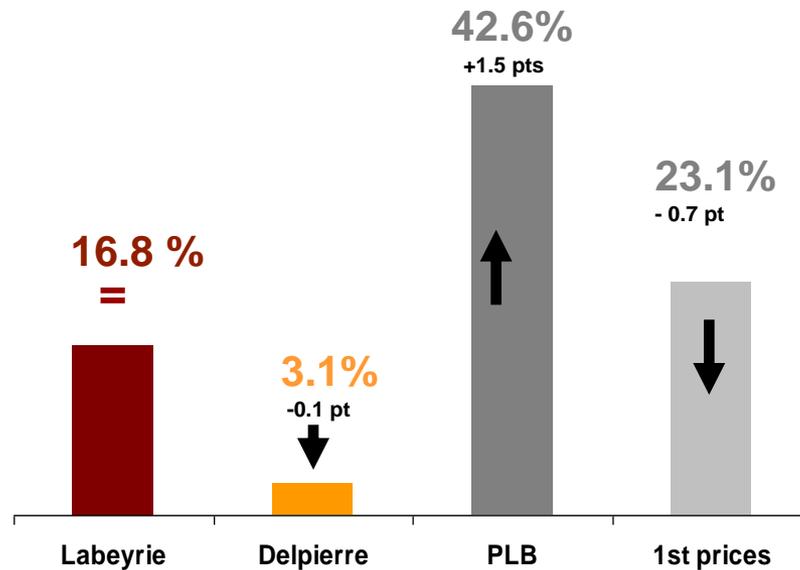
Salmon volume market shares

French market shares
(Iri source for Oct-Dec)

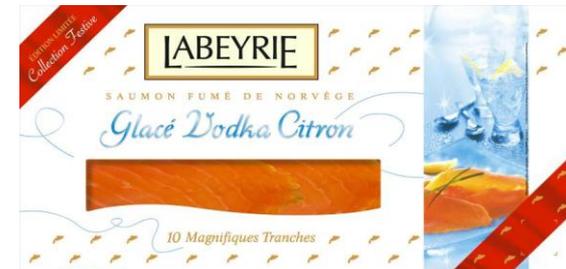
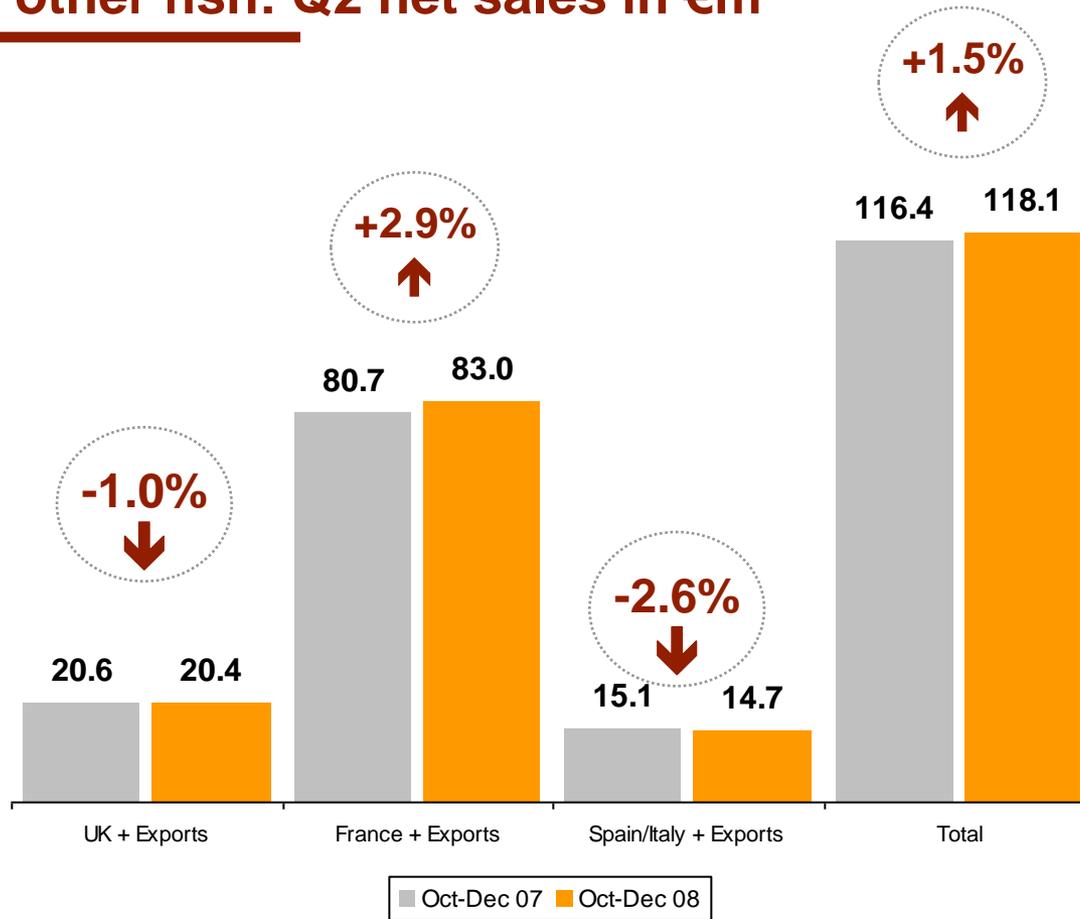


Calendar year

French market shares
(Iri source for full year)



Salmon and other fish: Q2 net sales in €m



■ Key issue

■ Main H2 concern is the market conditions:

- ✓ short term market decrease due to economical crisis
- ✓ retailers' focus on PLB to protect their margins and on hard selling promotions

■ Strategy

■ Reinforce the promotions on core smoked salmon business

■ Prepare for the coming peaks of consumption:

- ✓ Easter festive event
- ✓ Summer Barbecue range

■ Continue to innovate by entering new categories:



**Seafood Terrines,
ready to eat
(Labeyrie)**



**Sashimi
ready to eat
(Delpierre)**



**Sardinian plater, Cod Tsar Filet,
just cook
(Delpierre)**

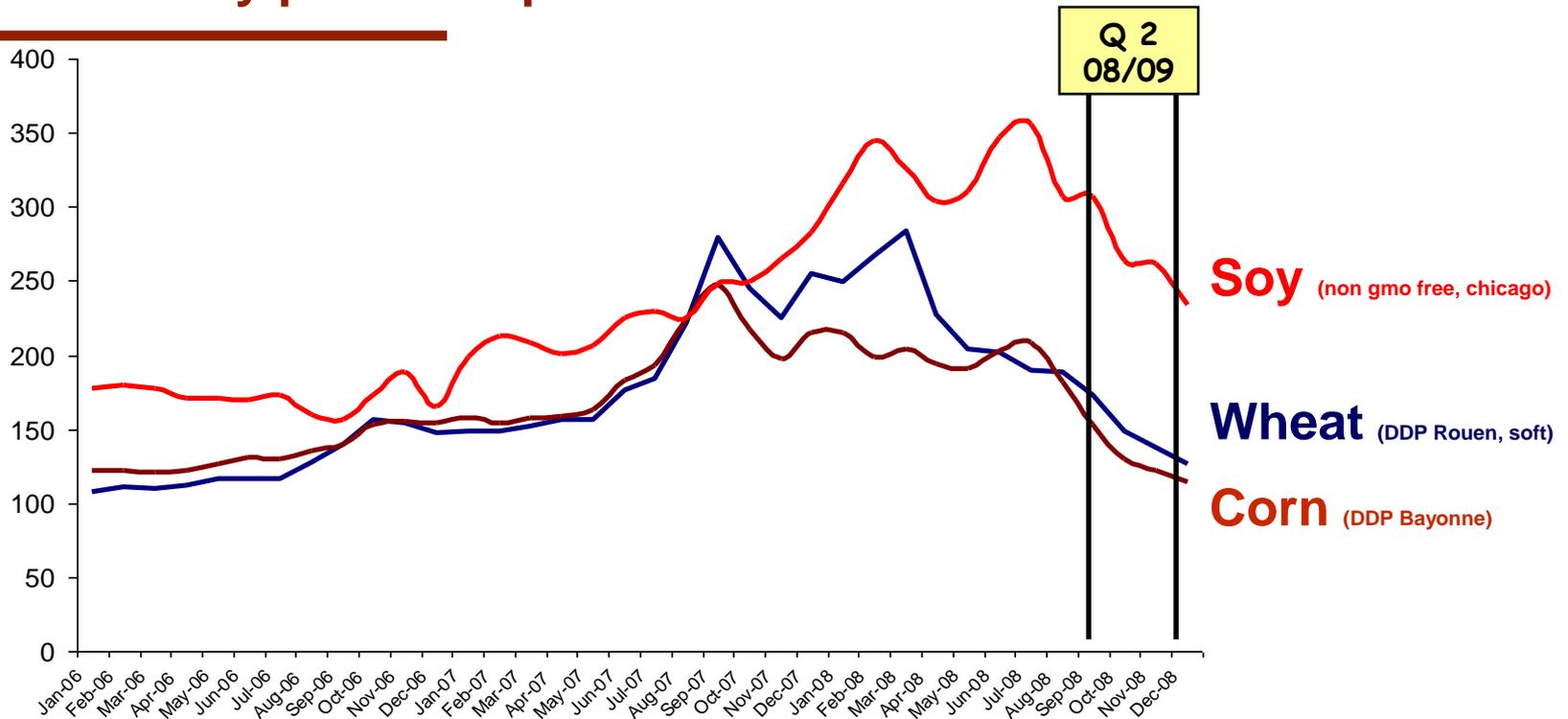


**Skandia Tuna
Teryaki,
ready to eat
(Skandia)**

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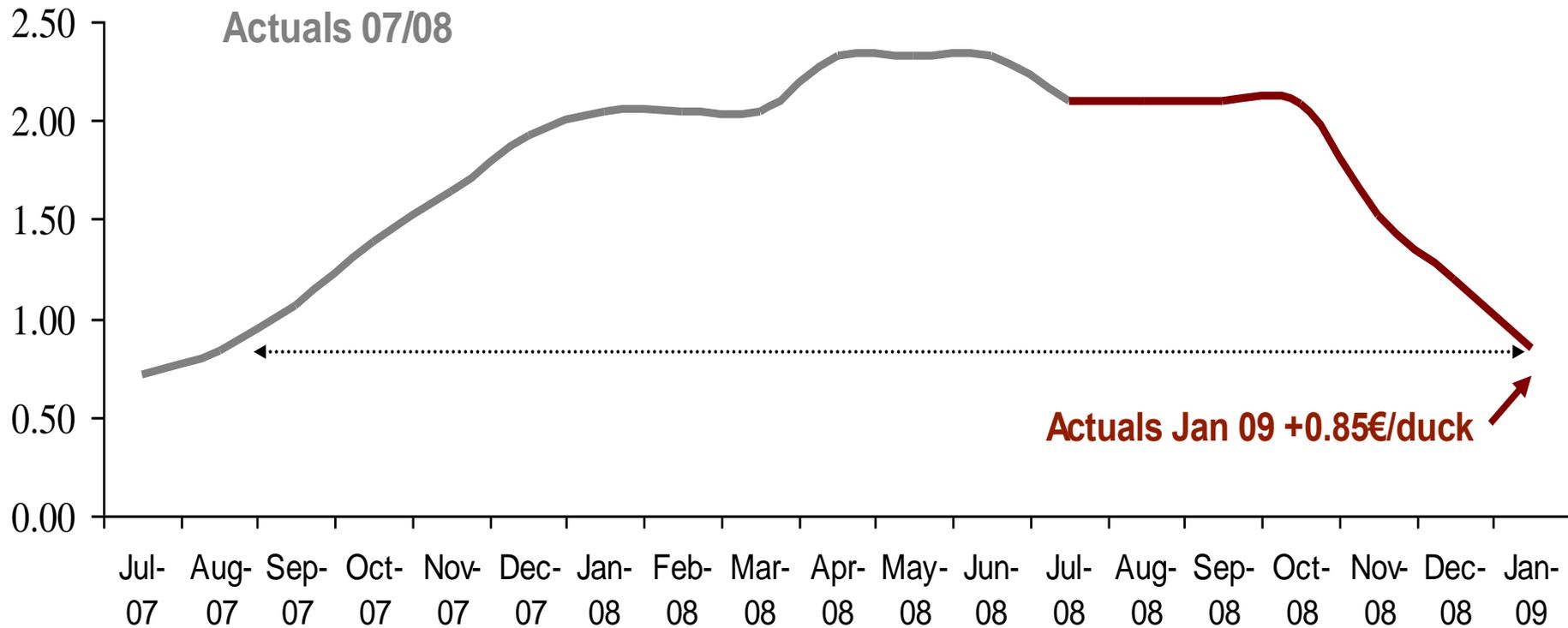
Cereals and Soy purchase price



Continuing decrease, Dec Corn and Wheat prices were back to their Jan 06 levels

- 2008 wheat and corn harvest have been good
 - Commodities' markets follow the trend of financial markets
 - However :
 - ✓ no slowdown in demand
 - ✓ toughest drought in Argentina for the last 100 years and a very cold winter in Europe
- Prices have been up in Jan 09 (+10€/Mt in Corn/Wheat), we are currently reviewing our expectations

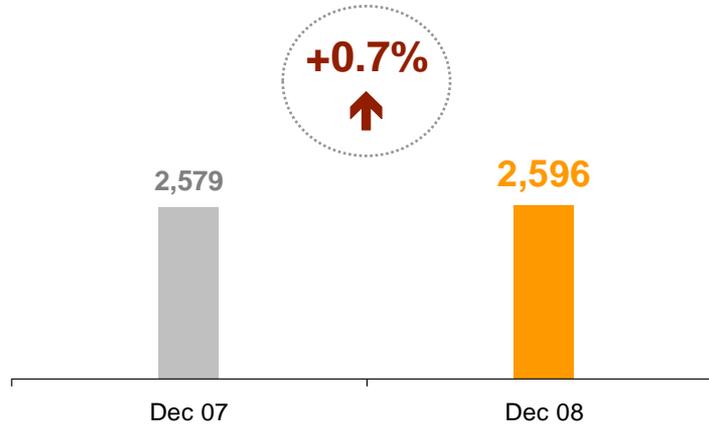
Duck raw mat: Feed index outlook



- Jan 09 Feed prices almost back to the pre-crisis levels

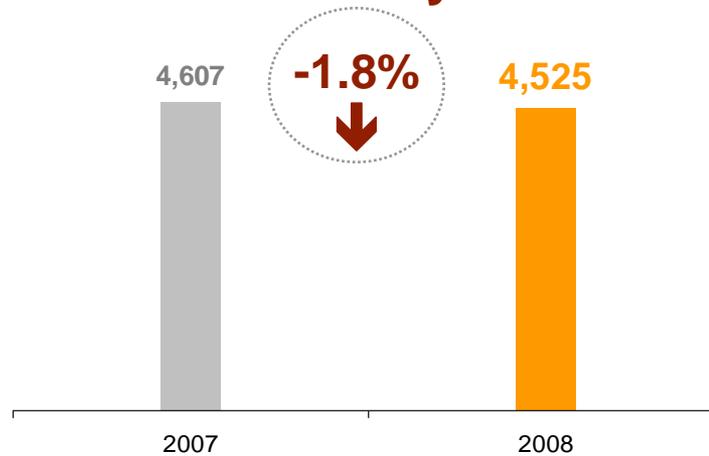
Foie gras market: Volume trends in MT

December



(Iri source for December)

Calendar year



(Iri source)

Foie gras and duck: Christmas success

High contribution from innovations that covered all market segments well

Festive range



9 Mt

Goldbars

Classical range



6 Mt



16 Mt

1) Easy to spread
2) New fresh Foie Gras

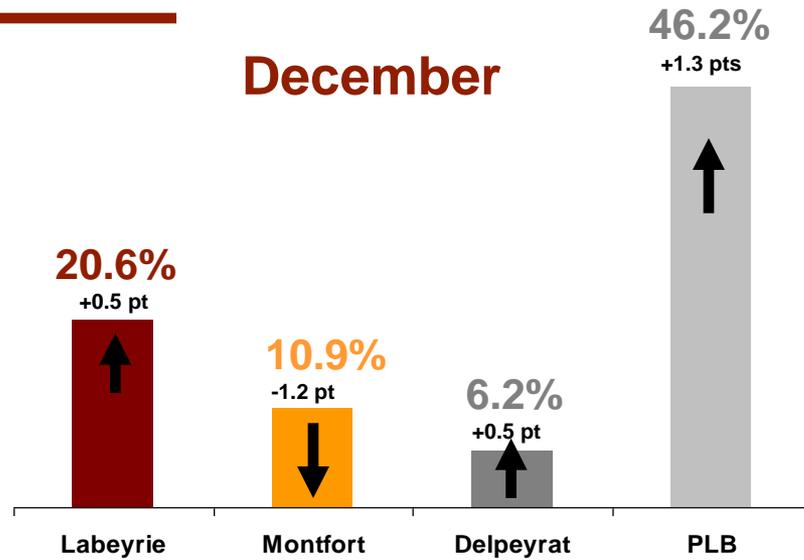
Traditional



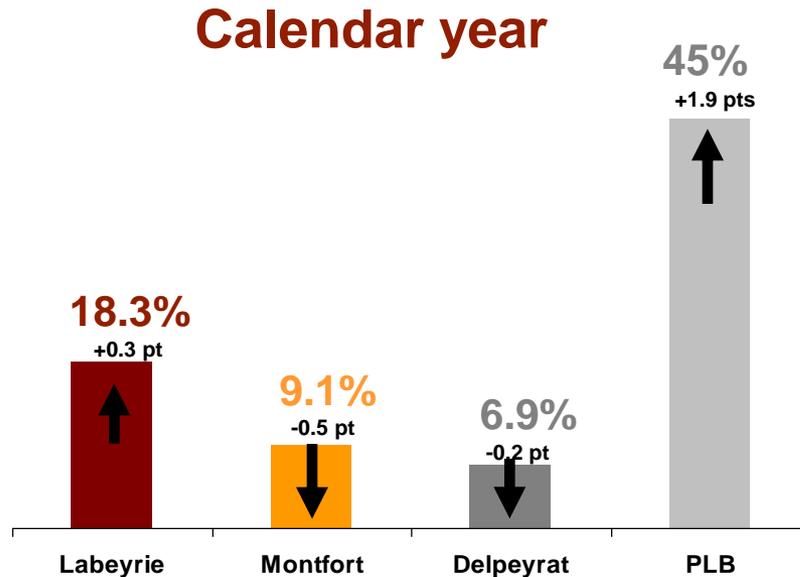
21Mt

Traditional « pur terroir »

Foie gras market shares volume



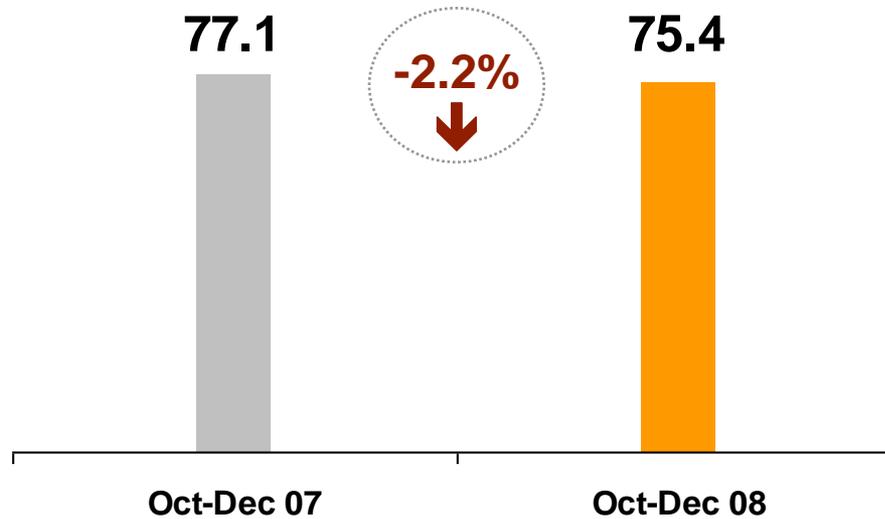
(Iri source for December)



(Iri source for full year)

Foie gras and duck products: Net sales in € million

- Strong Christmas sales partially offset October and November setback



■ Key issue

- Main concern in H2 is the market conditions:
 - ✓ short term market decrease due to economical crisis
 - ✓ retailers' focus on PLB to protect their margins
 - ✓ consumers focus on value products and PLBs

■ Strategy

- Reinforce the promotions on core duck products business
- Prepare for the coming peaks of consumptions:
 - ✓ Easter festive event
 - ✓ Summer Barbecue range



- Continue to innovate by entering new categories:



Duck Terrines

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Blinis and spreadables: Raw material

Raw material prices are back to normal levels after the peak experienced during the summer of '08

- ✓ Flour
- ✓ Rapeseed oil
- ✓ Fromage frais



Blinis and spreadables: Market value in €m

Quarter

Blinis

-5.2 %



14.6

13.8

Oct-Dec 07

Oct-Dec 08

Taramas

-1.1 %



11.9

11.8

Oct-Dec 07

Oct-Dec 08

Spreadables

+6 %



14.9

15.8

Oct-Dec 07

Oct-Dec 08

Q2 Nielsen figures
to the 04/01/09

Calendar year

-3.5%



32.9

31.7

2007

2008

-2.6%



30.6

29.8

2007

2008

+2.8 %



45.0

46.2

2007

2008

Full year Nielsen figures
to the 04/01/09

Blinis and spreadables: Q2 net sales vs LY in €m

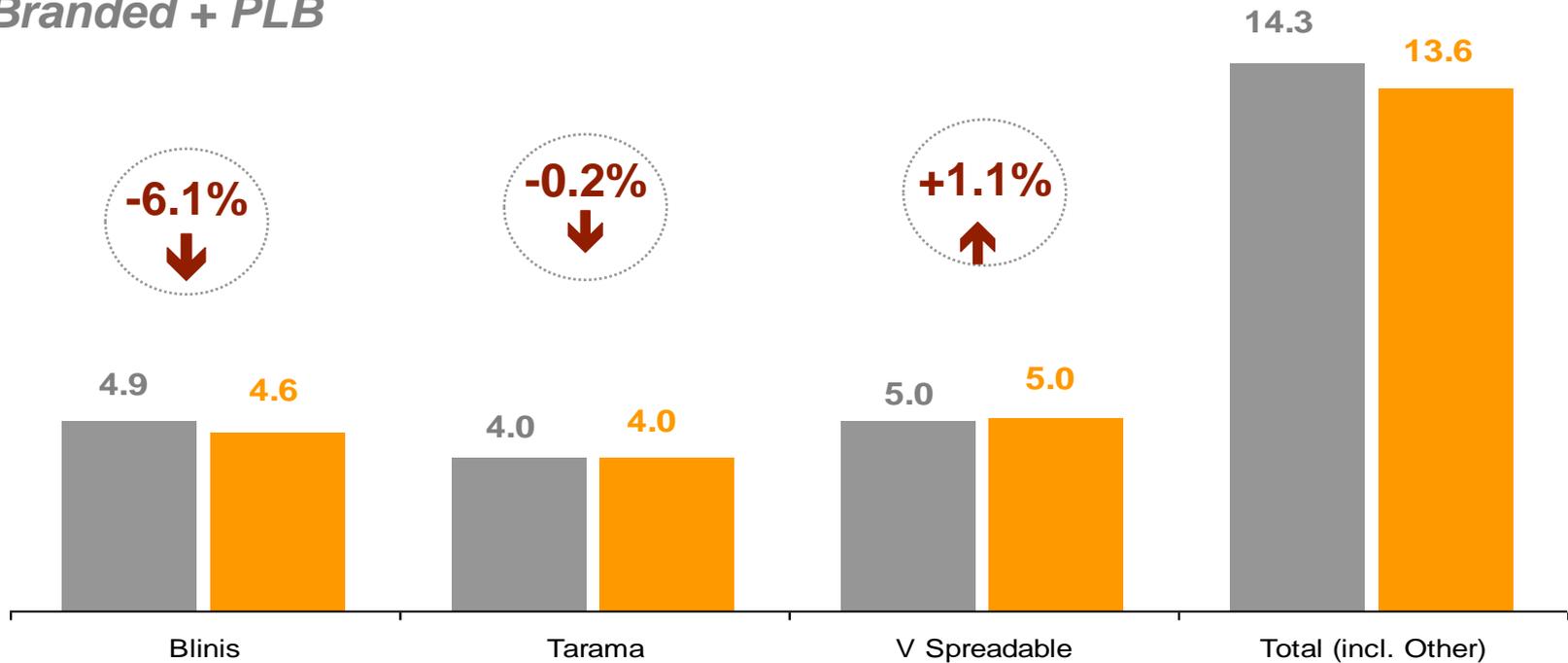
*Tough competition on the PLB side,
blinis performed badly in accordance with the market*

Quarter net sales

Oct-Dec

-4.7%
↓

Branded + PLB



Blinis and spreadables: Q2 operational highlights

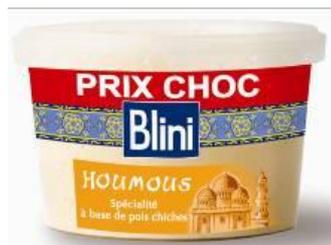
▪ NPD

✓ In contrast - success of NPDs despite the current economical context



• Product success:

good performance compared with last year for the light blinis and the taramas



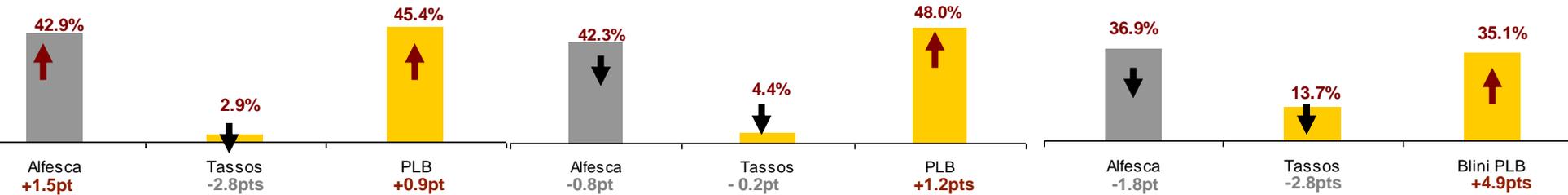
Blinis and spreadables: Value market shares

Quarter

Blinis

Taramas

Spreadables

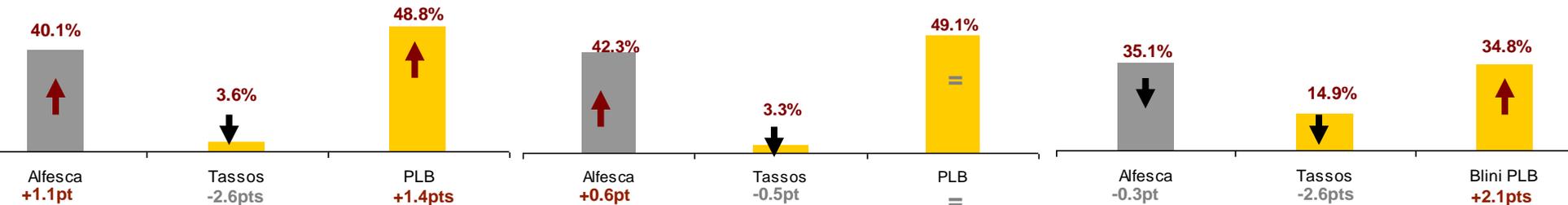


Calendar year

Blinis

Taramas

Spreadables



Blinis and spreadables: Outlook

■ Key issues:

- Main H2 concern is the market evolution:
 - ✓ expecting a short term market decrease
 - ✓ retailers' focus on PLB's and value products



■ Strategy

- Boost volume through innovation and promotion
- Strategic move to the traiteur frais shelf in the next quarter with three ranges:

- ✓ Tapas
- ✓ Pancakes
- ✓ light meals

- Get ready for Easter and the summer peak season



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Prawns raw material prices

- Cold Water Prawns:
- Strong price increase versus last year

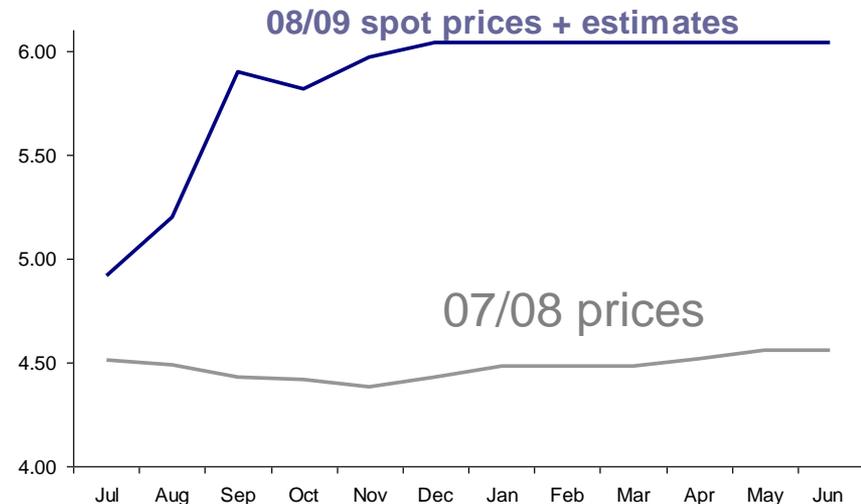


LSF Peeled Cold Water Prawns 250/350 £p/kg



- Warm water prawns:
- Strong price increase lead by:
 - ✓ Still high demand
 - ✓ USD effect

LSF Peeled Warm Water Prawns 41/50 £p/kg



Prawns market: Value market trend

- **No data available for the market.**
- **According to management assumptions, Q2 estimate:**
 - ✓ a small decrease in the UK
 - ✓ an increase of around 3% for the French market



Prawns and other shellfish: Q2 operational highlights in France

- Bulk market: difficult
- Premium products: well oriented over Christmas

✓ Christmas range met with real success!

✓ Good start for the new Labeyrie range in the wet fish counter, despite only a few retailers (74 000 SU)

✓ Delhaize: first PLB organic shrimp in the Belgium market



Prawns and other shellfish: Q2 operational highlights in the UK

- **NPD: the healthy products!**

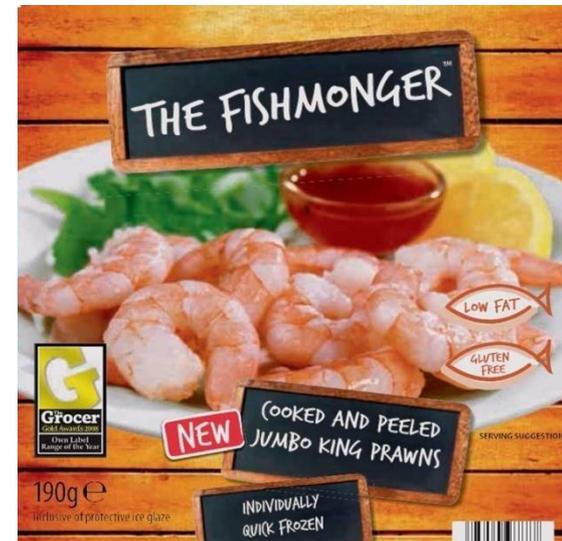
✓ JS Clean Recipe Prawn Cocktails. 84 Tons sold in 3 months. This one has no preservatives, flavourings and stabilisers free.



- **Very strong activity** in frozen jumbo king prawns over Christmas

- **New Business.** Won Aldi frozen KP business following successful trial. £1mill p.a.

- **Fresh Cook products** now being delivered.



Prawns and other shellfish: Net sales in € million

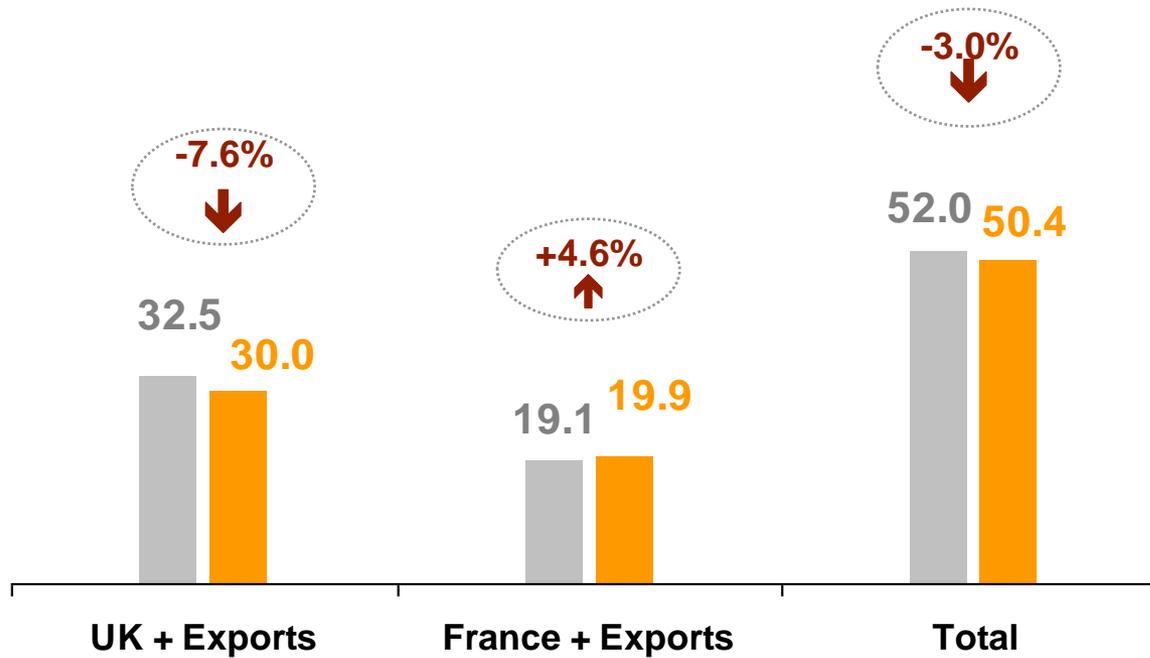


Difficult sales in the UK

Quarter net sales

Oct-Dec

at constant exchange rate



Prawns and other shellfish: Outlook



▪ Key issue:

- Main concern for H2 is the market evolution:
 - ✓ expecting a short term market decrease
 - ✓ retailers' and consumers focus on PLB's and value products

▪ Strategy:

- Strengthening our sales by implementing new promotional structures
- Continuing on innovating:

✓ ***In France: Just cook - new products ranging from spanish style squids to piperade mussels***



✓ ***In the UK:***

- ***Continuous focus on sustainability and a move to green rated prawns***
- ***Freshly cooked***

- Enter new pillar

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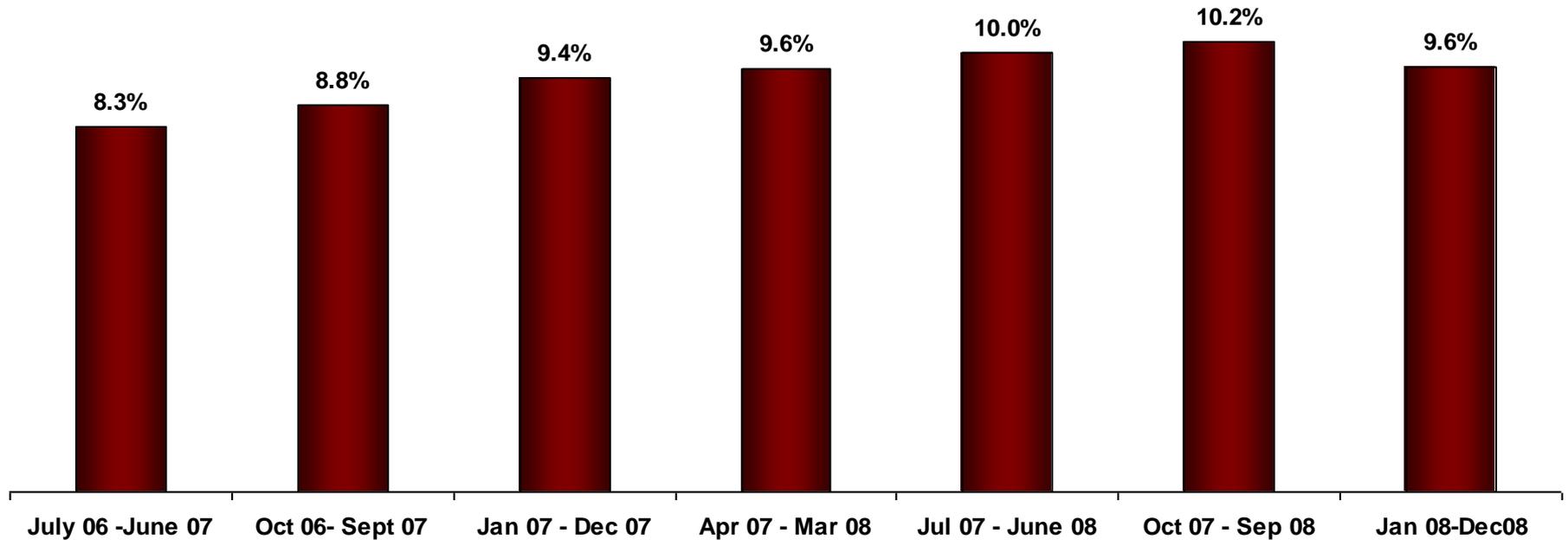


Financial review: Income statement versus last year in €m

Income statement in € million	Q2			H1		
	08/09	07/08	Var %	08/09	07/08	Var %
Net sales	249.2	258.2	-3.5%	374.4	386.6	-3.1%
Cost of goods sold	(195.7)	(200.2)	-2.2%	(301.7)	(310.9)	-3.0%
Gross profit	53.5	58.0	-7.9%	72.7	75.6	-3.9%
Gross margin %	21.5%	22.5%		19.4%	19.6%	
Operating expenses	(23.2)	(24.7)	-6.1%	(41.1)	(39.8)	3.2%
EBIT	30.3	33.3	-9.2%	31.6	35.8	-11.8%
Net financial expenses	(4.2)	(3.2)	30.8%	(6.5)	(5.1)	26.9%
Net profit before taxes	26.1	30.2	-13.4%	25.2	30.7	-18.2%
Income tax	(8.3)	(7.6)	8.8%	(7.7)	(7.4)	3.3%
Discontinued operations		-0.1				
Net profit for the period	17.8	22.5	-20.8%	17.5	23.3	-25.0%
EBITDA	35.1	38.2	-8.0%	41.5	45.4	-8.6%
EBITDA %	14.1%	14.8%		11.1%	11.7%	

Financial review : EBITDA margin history, rolling 12 months

- EBITDA margin in slight decrease
- But better than a year ago



Financial review: Balance sheet in €m

Balance sheet - Assets

€ million	31/12/2008		31/12/2007	
Intangible assets	346.0	47%	344.8	45%
Operational assets	101.2	14%	104.3	14%
Long-term investments	10.9	1%	12.7	2%
Non current Assets	458.1	62%	461.8	60%
Inventories	81.4	11%	80.4	11%
Receivables	180.8	24%	171.5	22%
Bank deposits and cash	21.4	3%	51.2	7%
Current assets	283.7	38%	303.1	40%
Total assets	741.8	100%	764.9	100%

Balance sheet - Shareholders equity and Liabilities

€ million	31/12/2008		31/12/2007	
Shareholders equity	329.6	44%	317.1	41%
Long-term liabilities	176.4	24%	187.4	24%
Deferred tax liabilities	44.2	6%	44.4	6%
Obligations	7.8	1%	7.8	1%
Long-term liabilities and obligations	228.4	31%	239.5	31%
Bank loans	54.9	7%	80.5	11%
Current maturities of long-term debt	13.5	2%	11.3	1%
Other current liabilities	44.8	6%	43.1	6%
Trade payables	70.5	10%	73.5	10%
Current liabilities	183.7	25%	208.4	27%
Shareholders equity and liabilities	741.8	100%	764.9	100%

Net debt 223.4 228.0

Debt/Equity ratio 0.68 0.72

Financial review: Working Capital in €m

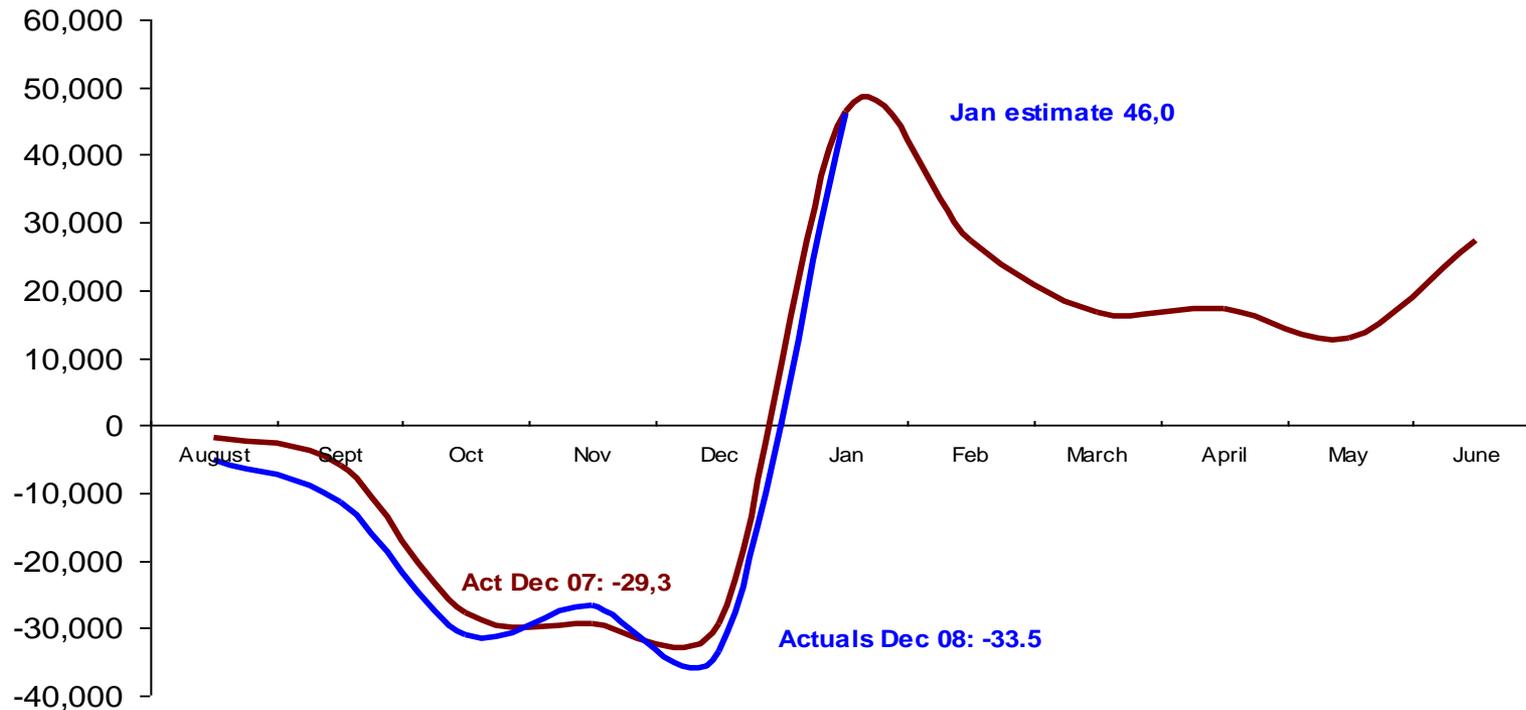
	Actuals	LY	Var value	Var %
Inventory	81.4	80.4	1.1	1.3%
Trade receivables	158.0	153.1	4.9	3.2%
<i>Days of sales</i>	<i>41.9</i>	<i>42.8</i>	<i>-0.9</i>	<i>-2.1%</i>
Trade Payables	70.5	73.5	-3.0	-4.1%
Trade working capital	168.9	160.0	9.0	5.6%
<i>Days of net sales</i>	<i>41.5</i>	<i>40.0</i>	<i>1.5</i>	<i>3.6%</i>

- **Currency impact**
- **Inventory level**
- **High receivables:** *December sales*

Financial review: Cash Flow in €m

Cash Flow in €m	FY 08/09 1/07 - 31/12	FY 07/08 1/07 - 31/12
Cash Flow from operating activities	41.8	44.6
Working Capital provided by operating activities	(80.8)	(66.0)
Tax paid / received	(3.3)	(0.0)
Net Cash flow from operating activities	(42.2)	(21.5)
Capital expenditures	(8.4)	(8.5)
Proceeds from sales of subsidiaries		
Proceeds from asset sales and other	0.3	(2.0)
Net Cash flow from investing activities	(8.0)	(10.6)
Sales of shares	0.1	1.5
Repayment of borrowings (net)	(1.5)	(1.9)
Net financial interest paid	(7.1)	(2.1)
Short term borrowings increase	37.2	58.6
Net Cash flow from financing activities	28.6	56.0
Change in cash for the period for continuing operations	(21.6)	24.0

End of the month actuals accounting cash positions including bank overdrafts in €m



Main ratios by December end

	CALENDAR YEAR	
	2008	2007
EBITDA ratio (1)	9.6%	9.4%
Current ratio	1.54	1.45
Equity ratio	44.4%	41.4%
Return on Equity (R.O.E.)	7.3%	9.8%
Earnings per share (Euro cents)	0.392	0.482

(1) : LY £/€exchange rate, constant perimeter (D&F included), acquisitions costs excluded

1. Alfesca at a glance

2. Operational review by pillar

- Salmon and other fish
- Foie gras and duck products
- Blinis and spreadables
- Prawns and other shellfish

3. Financial review

4. Future prospects



Future prospects

- Economy: « It's going to get worse before it gets better »
GDP recession and sharp increase in unemployment are forecasted in most of our core countries
- Festive products resisted well at Christmas, but Christmas happens only once a year
- Raw material will remain high in salmon, very high in prawns and is back to normal levels for duck
- However Alfesca will face these challenges with :
 - ✓ Strong innovation flow, both in existing and new categories
 - ✓ Constant flexibility regarding the new market conditions (low cost offer)
 - ✓ Strong emphasis on cash management



Thank you