



## PRESS RELEASE

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### Solid performance in a volatile year; operating result (EBITA) up 14.7% to EUR 182 million

- Revenue up 22.9% to EUR 4.9 billion with strong results in premix and feed specialities
- Spread of activities and strategic direction provides stability in challenging times
- Doubling of 2006 EBITA to EUR 230 million under current circumstances expected to be met in 2010-2012
- Profit after tax from continuing operations decreases by 6.6% due to higher financing costs and tax rate
- Sound balance sheet and healthy capital structure
- Dividend proposal of EUR 1.43 per share; pay-out ratio 45%

#### Key figures

(EUR x million)

	2008	2007	Change
Revenue from continuing operations	4,943.1	4,021.1	22.9%
Operating result before exceptional items and amortisation (EBITA)	182.1	158.8	14.7%
Operating result from continuing operations (EBIT)	172.1	149.0	15.5%
Profit after tax from continuing operations	105.8	113.3	-6.6%
Basic earnings per share for continuing operations (EUR)	3.02	3.24	-6.8%
Final dividend per ordinary share (EUR)	1.03	1.29	
Interim dividend per ordinary share (EUR)	0.40	0.35	
Dividend per ordinary share (EUR)	1.43	1.64	-12.8%

#### **A solid financial performance in 2008**

Wout Dekker, Nutreco CEO: "Nutraeco put in a solid performance and we increased our revenue to almost EUR 5 billion. This increase is mainly driven by high raw material prices, as well as the contribution from acquisitions in 2007 and 2008. This development is supported by our solid business model based on our strategic choices in recent years. Our premix and feed specialities business had a record performance in 2008 due to a successful integration of the acquired BASF premix businesses, excellent raw material positions and organic growth in feed specialities. Our fish feed business is temporarily impacted by a lower demand for fish feed in Chile. Our customers, the Chilean fish farming companies had to downscale their operations, as a consequence of the ISA virus. This impact is expected to continue in 2009. The Spanish meat business reported disappointing results due to high raw material prices which could not be fully passed on to our customers and a shift to cheaper products by consumers due to the economic crisis in Spain."

### **From global food crisis to global recession fears**

“2008 was a turbulent year for more than one reason. We began the year with shortages of raw materials. The raw materials prices were high and rose due to the demand from emerging markets as well as from the increased demand from the bio-fuel industry. Mid 2008 we faced unprecedented volatility and down turn in commodity prices.”

### **EBITA of EUR 230 million remains the primary medium term financial target**

“Nutreco stays fully committed to strengthen its animal nutrition and fish feed business by organic growth and acquisitions. Nutreco will especially focus on growth in feed additives. Due to our strong balance sheet and market positions we are well placed for today’s challenging times. Doubling 2006 EBITA to EUR 230 million remains the primary medium term financial target. Due to the uncertainties in the global economy we are prudent in the usage of our financial room. This could temporarily slow down our speed in acquiring new companies. There are also more uncertainties related to organic growth. Given the current circumstances we have extended the timeframe for reaching the EBITA target of EUR 230 million to 2010-2012.”

### **Knowledge and technology are crucial for sustainable food security**

“Innovation, backed by science and technology is the key for future food security. Due to the increasing feed-to-food demand and the increasingly complex and volatile raw material market, nutritional know-how, alternative ingredients and sustainable feed products have become crucial. Feed additives such as enzymes, anti-oxidants and organic acids can support the use of co-products from the food and bio-fuel industry in animal nutrition even further, providing greater feed efficiencies, better animal health and less impact on the environment. This dynamic environment requires high level expertise in raw materials, feed formulation and feed-to-food safety. With our experience, knowledge and innovative capabilities we are well positioned to capitalise on this.”

## **NOTES ON FINANCIAL RESULTS**

### **Revenue**

Revenue from Nutreco’s continuing operations amounted to EUR 4,943.1 million, an increase of EUR 922.0 million or 22.9% compared with 2007. Organic growth contributed 12.2% to the increase in revenues of which 15.1% was related to higher sales prices mainly due to passing on higher raw material prices, and -2.9% to lower sales volumes. Recent acquisitions contributed 12.7% to the increase in revenue. The foreign exchange translation effect of -2.0% mainly relates to the Canadian dollar and Norwegian kroner.

### **Operating result**

The EBITA before exceptional items from continuing operations (EBITA) increased 14.7% to EUR 182.1 million (2007: EUR 158.8 million), mainly due to a strong contribution of our animal nutrition business. The effect of higher charges related to provisions on trade receivables in some segments (EUR 16.3 million) was partly offset by a release in provisions due to the settlement of various claims (EUR 14.7 million).

The Premix and feed specialities business had a record performance in 2008 due to the successful integration of the BASF acquisitions, excellent raw material positions and organic growth in feed specialities. The EBITA increased with 117.3% to EUR 84.1 million (2007: EUR 38,7 million). Changing market dynamics have resulted in significantly higher pricing in the vitamin markets. Thanks to the Nutreco Sourcing and Procurement initiative, Nutreco was able to benefit from this specific market situation in 2008.

The EBITA on the Compound feed activities in Europe amounted to EUR 29.4 million, a 22.4% decrease compared with EUR 37.9 million in 2007. This decline was due to tough market conditions in Spain and due to an unexpected and strong decline in raw material prices in the second half of the year. The latter resulted in a negative impact on contract positions of grain and soya of approximately EUR 5 million, which neutralised the positive impact in the first half year. The EBITA from Animal Nutrition Canada, which was acquired in July 2007 was EUR 20.9 million (2007: EUR 9.2 million) which is in line with our expectations at the time of the acquisition. The total EBITA from the Animal Nutrition activities was up 56.6% to EUR 134.4 million (2007: EUR 85.8 million).

The EBITA from Fish feed was 4.6% lower at EUR 67.7 million compared with EUR 71.0 million in 2007. The results are impacted by a lower demand for fish feed in Chile; the volumes of farmed fish of our customers declined as a result of the health challenges. Fish feed for other farmed fish species performed well and the results were in line with the previous year.

The EBITA from Meat and Other activities was a loss of EUR 0.4 million compared with a profit of EUR 22.3 million in 2007. The main reasons for this decline are the high raw material prices which could not be fully passed on to our customers and a shift in consumer spending to cheaper products due to the economic crisis in Spain. The poultry hatchery and pharma egg business in Canada contributed an operating profit above our expectations.

### **Net financing costs**

Net financing costs from continuing operations amounted to EUR 31.2 million (2007: EUR 10.1 million). The increase relates to the higher average debt position in 2008 compared with 2007 as a result of acquisitions, a higher net working capital, the capital remittance in August 2007 (EUR 171.2 million) and share buy back in the first half year of 2008 (EUR 33.1 million).

Financial income decreased to EUR 6.3 million (2007: EUR 12.2 million), mainly due to lower cash deposits. Financial expenses increased to EUR 38.1 million (2007: EUR 21.9 million), mainly as a consequence of increased interest-bearing debt. Financial expenses include the dividend of EUR 4.0 million (2007: EUR 4.5 million) on the cumulative preference shares.

The foreign exchange result amounts to EUR 0.6 million (2007: EUR -0.4 million).

### **Income tax expense**

Income tax expense on continuing operations increased from EUR 26.4 million to EUR 37.2 million. The effective tax rate in 2008 was 26.0% for continuing operations (2007: 18.9%). The increase is due to the geographical spread of profit and the low comparison base in 2007 because of divestments.

### **Result for the period**

The result after tax from continuing operations decreased from EUR 113.3 million to EUR 105.8 million. Basic earnings per share for continuing operations were 6.8% lower at EUR 3.02 (2007: EUR 3.24). The result for the period attributable to equity holders of Nutreco was EUR 114.8 million (2007: EUR 118.6 million). The basic earnings per ordinary share were EUR 3.34 (2007: EUR 3.46).

### **Result after tax from discontinued operations**

The result after tax from discontinued operations was EUR 11.1 million (2007: EUR 7.4 million), and relates to discontinued operations in previous years.

### **Cash position and capital structure**

The net debt position on 31 December 2008 was EUR 367.1 million (31 December 2007: EUR 289.9 million). The total equity of Nutreco on 31 December 2008 was EUR 665.5 million (31 December 2007: EUR 651.2 million). Regarding its capital structure Nutreco maintains a prudent financial policy and uses internal criteria that are well within the criteria related to financing.

### **Dividend**

A dividend of EUR 1.43 (2007: EUR 1.64) is proposed, representing a pay-out ratio of 45% of the total profit for the year, excluding impairment and book gains and losses on disposals, which is in line with Nutreco's policy of a maximum pay-out ratio of 45%. In 2008, Nutreco already distributed an interim dividend of EUR 0.40. The final dividend of EUR 1.03 will be payable in cash or shares at the shareholder's option. The value of the stock dividend will be virtually identical to the cash dividend. The ex-dividend date will be 23 April 2009. The conversion ratio will be determined on 8 May 2009 after close of trading, based on the weighted average share price on the last three days of the period allowed for shareholders to notify the company of their preference, namely 6, 7 and 8 May 2009. Both the cash and stock dividends will be placed at the shareholders' disposal on 14 May 2009.

## **Strategic agenda 2009**

Nutreco will continue to focus on growth in animal nutrition and fish feed. In particular in 2009 Nutreco will:

- Strengthen market positions in feed specialities and additives through organic growth and acquisitions
- Strengthen R&D and the new products pipeline through more focus on innovation
- Sharpen working capital management and reduce costs
- Maintain a healthy capital structure to support future growth

Nutreco will start providing quarterly trading updates in 2009. Financial calendar:

21 April: Annual General Meeting of Shareholders

29 April: Trading update first quarter

30 July: Publication of half-year results

29 October: Trading update third quarter

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### **Nutreco**

Nutreco is an international animal nutrition and fish feed company that seeks to create added value in major markets through its knowledge of the food production chains, in which it has a selective downstream presence. Nutreco's business groups, each comprising several business units, have over 100 production and processing plants in more than 30 countries and about 9,300 employees.

Nutreco generated revenue of EUR 4,943.1 million in 2008. Nutreco is quoted on the Official Market of Euronext Amsterdam and is included in the Amsterdam Midkap Index and the Euronext 150 Index.

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### **Cautionary note regarding forward-looking statements**

This announcement contains forward-looking statements. Forward-looking statements are statements that are not based on historical fact, including statements about our beliefs and expectations. Any statement in this announcement that expresses or implies our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. Such statements are based on plans, estimates and projections as currently available to the management of Nutreco. Forward-looking statements therefore speak only as of the date they are made and we assume no obligation to publicly update any of them in the light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. A number of significant factors could therefore cause actual future results to differ materially from those expressed or implied in any forward-looking statement. Such factors include but are not limited to conditions on the markets in Europe, the United States and elsewhere from which we derive a substantial portion of our revenue, potential defaults on the part of borrowers or trading counterparties, the implementation of our restructuring programme including the envisaged reduction in headcount and the reliability of our risk management policies, procedures and methods. For more information on these and other factors, please refer to our annual report. The forward-looking statements contained in this announcement are made as of the date hereof and the companies assume no obligation to update any forward-looking statement contained in this announcement.

## SEGMENT INFORMATION

### Animal Nutrition

The animal nutrition segment subdivides into:

1. **Premix and feed specialities** are the activities of Trouw Nutrition International which holds a strong position in the world market for premix and innovative speciality feed products such as feed additives, young animal feeds and animal health products
2. **Compound feed Europe** comprises the compound feed businesses from the Hendrix companies in The Netherlands, Belgium and Germany and from Nanta and Agrovic in Spain and Portugal
3. **Animal Nutrition Canada** is the animal nutrition business in Canada and USA, formerly owned by Maple Leaf Foods.

The 2008 operating results for these reporting lines are analysed below:

### Premix and feed specialities

Key figures

(EUR x million)

	2008	2007	Change
Revenue (third parties)	1,069.4	749.2	42.7%
EBITDA*	92.9	47.2	96.8%
EBITA*	84.1	38.7	117.3%
Operating margin (EBITA*/revenue)	7.9%	5.2%	
Operating result (EBIT*)	81.2	37.2	118.3%

\* Before exceptional items

The Premix and feed specialities business reported a 42.7% increase in revenue compared with 2007. Acquisitions accounted for 22.1% of this increase, higher prices contributed 19.6% and volume growth added 3.5%, with a -2.5% foreign exchange effect. The acquisition of the BASF-premix businesses, acquired in 2007, was the most important contributor to the growth in revenues from acquisitions.

The increase in EBITA was 117.3% to EUR 84.1 million due to a successful integration of the business acquired from BASF, excellent raw material positions, organic growth in feed specialities and restructuring of some activities. Changing dynamics related to environmental and quality reasons, especially in China, have resulted in significantly higher pricing in the vitamin markets. Thanks to the Nutreco Sourcing and Procurement initiative Nutreco was able to benefit from this market situation. The increased demand for safe products and quality assurance, especially in the United States, also contributed to the result.

### Compound feed Europe

Key figures

(EUR x million)

	2008	2007	Change
Revenue (third parties)	1,219.7	1,031.8	18.2%
EBITDA*	39.9	47.2	-15.5%
EBITA*	29.4	37.9	-22.4%
Operating margin (EBITA*/revenue)	2.4%	3.7%	
Operating result (EBIT*)	27.8	37.0	-24.9%

\* Before exceptional items

Compound feed revenue was EUR 187.9 million higher than 2007 (18.2%), of which increased selling prices accounted for 19.5%, mainly due to passing on raw material costs and acquisitions contributed 3.9%. The volumes decreased by 5.2% due to a lower live stock population in Spain. In The Netherlands Hendrix improved its market position with slightly higher volumes.

The EBITA declined by 22.4% to EUR 29.4 million compared with EUR 37.9 million in 2007. This decrease was due to the market conditions in Spain and due to a strong decline in raw material prices in the second half year. Nutreco benefited in the second half of 2007 and the first half of 2008 from favourable raw material positions in a market with increasing prices. In the second half of 2008 there was an unexpected and strong decline in raw material prices which resulted in a reverse impact versus the first half year of 2008 of approximately EUR 5 million.

### **Animal Nutrition Canada**

Key figures  
(EUR x million)

	2008	2007	Change
Revenue (third parties)	398.0	167.5	137.6%
EBITDA*	25.8	11.5	124.3%
EBITA*	20.9	9.2	127.2%
Operating margin (EBITA*/revenue)	5.3%	5.5%	
Operating result (EBIT*)	16.1	6.5	147.7%

\* Before exceptional items

The financial figures of Nutreco Canada are consolidated from 20 July 2007, the date of the acquisition. Part of the activities, the poultry grow-out operations, hatcheries and pharma egg business are reported under 'Meat and Other'.

The revenue in 2008 of Animal Nutrition Canada was EUR 398.0 million compared with EUR 167.5 million in 2007 (+137.6%). Higher prices contributed 23.9% to the increase in revenue. The volumes were 11.3% lower and the foreign exchange effect -6.1%.

The EBITA of Animal Nutrition Canada increased by 127.2% to EUR 20.9 million (2007: EUR 9.2 million). The poultry and dairy feed business reported good results in 2008, which compensated the lower results in swine and cattle feed. In the first half of 2008 the swine and beef sector was under pressure due to the strengthening of the Canadian dollar, high production costs and low meat prices. In the second half year the market fundamentals in these sectors improved. The integration with the Nutreco organisation is completed. There is an extensive exchange of knowledge with other Nutreco companies and a strong focus on cost savings and collaboration in the field of procurement.

### **Animal Nutrition (total)**

Key figures  
(EUR x million)

	2008	2007	Change
Revenue (third parties)	2,687.1	1,948.5	37.9%
EBITDA*	158.6	105.9	49.8%
EBITA*	134.4	85.8	56.6%
Operating margin (EBITA*/revenue)	5.0%	4.4%	
Operating result (EBIT*)	125.1	80.7	55.0%

\* Before exceptional items

The total revenues in Animal Nutrition were up EUR 738.6 million (37.9%) compared with 2007. Organic growth contributed 17.6% to the increase in revenues of which 19.9% was related to higher sales prices mainly related to passing on higher raw material prices and – 2.3% to lower sales volumes. The recent acquisitions in animal nutrition contributed 21.8% to the increase in revenues. The foreign currency effect was -1.5%.

## **Fish feed**

Key figures  
(EUR x million)

	2008	2007	Change
Revenue (third parties)	1,169.9	1,192.9	-1.9%
EBITDA*	83.7	85.3	-2.0%
EBITA*	67.7	71.0	-4.6%
Operating margin (EBITA*/revenue)	5.8%	6.0%	-4.7%
Operating result (EBIT*)	66.9	70.2	-4.7%

\* Before exceptional items

The revenue in Fish feed decreased by 1.9% to EUR 1,169.9 million compared with 2007. This was due to -9.6% lower volume and a -4.1% foreign exchange effect partly compensated by higher prices (9.7%), mainly due to passing on high raw material costs and the contribution from acquisitions (2.1%).

The decline in volume is mainly related to health challenges in the Chilean fish farming market. As a consequence of the ISA virus the industry had to downscale the farming operations. This had an impact in 2008 and it will also have an impact on our fish feed supply in 2009, which can partly be compensated by growth in Norway and in other regions.

The EBITA decreased by 4.6% to EUR 67.7 million (2007: 71.0 million), mainly due to lower feed volumes and higher debtor provisions. In Chile Skretting temporarily closed one of its three fish feed plants in September and optimised the two other plants to maximise the effective utilisation of the production capacity.

Fish feed for farmed species other than salmon performed well. The acquisitions in Japan and the US in January 2008 contributed to the result. Furthermore, Nutreco benefited from the export of fish feed to Eastern Europe.

## **Meat & Other**

Key figures  
(EUR x million)

	2008	2007	Change
Revenue (third parties)	1,086.1	879.7	23.5%
EBITDA*	8.5	29.5	-71.2%
EBITA*	-0.4	22.3	-101.8%
Operating margin (EBITA*/revenue)	0.0%	2.5%	-108.3%
Operating result (EBIT*)	-1.8	21.8	-108.3%

\* Before exceptional items

From 20 July 2007 onwards the 'Meat and Other' segment include the poultry hatchery and pharma egg business in Canada, which was acquired from Maple Leaf Foods.

The revenue from the 'Meat and Other' businesses was 23.5% higher due to higher prices (11.9%) and a volume increase of 5.2%. The acquisition impact of the poultry hatchery and pharma egg business in Canada and the Copaga activities in Spain was 6.7%

The EBITA declined from EUR 22.3 million to EUR -0.4 million. The Spanish economy worsened further during the year which had an impact on consumer spending. Under these circumstances there was no full compensation possible for the more than 25% higher feed prices. Also the pig business was affected by lower sales prices for meat and higher feed prices.

The poultry sector in Canada performed well in 2008, with 1% market growth. Nutreco Canada reported favourable results which were above our expectations at the time of the acquisition.

## Consolidated income statement

(EUR x million)	2008	2007	Δ%
<b>Revenue</b>	<b>4,943.1</b>	<b>4,021.1</b>	<b>22.9%</b>
Raw materials and consumables used	-3,983.5	-3,174.1	
Change in fair value of biological assets	-0.5	1.3	
Changes in inventories of finished goods and work in progress	7.6	19.2	
<b>Gross Margin</b>	<b>966.7</b>	<b>867.5</b>	<b>11.4%</b>
Other operating income	29.9	16.3	83.4%
Personnel costs	-427.5	-368.3	16.1%
Depreciation and amortisation expenses	-61.4	-48.1	27.7%
Impairment of long-lived assets	-0.1	-1.2	
Other operating expenses	-335.5	-317.2	5.8%
<b>Operating result from continuing operations</b>	<b>172.1</b>	<b>149.0</b>	<b>15.5%</b>
Financial income	6.3	12.2	
Financial expenses	-38.1	-21.9	
Foreign exchange result	0.6	-0.4	
<b>Net financing costs</b>	<b>-31.2</b>	<b>-10.1</b>	<b>208.9%</b>
Share in results of associates	2.1	0.8	
<b>Result before tax from continuing operations</b>	<b>143.0</b>	<b>139.7</b>	<b>2.4%</b>
Income tax expense	-37.2	-26.4	
<b>Result after tax from continuing operations</b>	<b>105.8</b>	<b>113.3</b>	<b>-6.6%</b>
Result after tax from discontinued operations	11.1	3.8	
Gain on sale of discontinued operations, net of tax	-	3.6	
<b>Result after tax from discontinued operations</b>	<b>11.1</b>	<b>7.4</b>	<b>50.0%</b>
<b>Total result for the period</b>	<b>116.9</b>	<b>120.7</b>	<b>-3.1%</b>
<b>Attributable to:</b>			
Equity holders of Nutreco	114.8	118.6	
Minority interest	2.1	2.1	
<b>Total result for the period</b>	<b>116.9</b>	<b>120.7</b>	
<b>Key figures on operating result (EUR x million)</b>			
Earnings Before Interest, Tax and Amortization (EBITA)	182.9	155.2	
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	233.5	197.1	



**Key figures per share from continuing operations**

Basic earnings per share for continuing operations (EUR)	3.02	3.24	-6.8%
Diluted earnings per share for continuing operations (EUR)	3.02	3.24	-6.8%
Basic earnings per share for continuing operations before impairment of goodwill (EUR)	3.02	3.24	-6.8%
Earnings per share for dividend calculation (EUR)	3.18	3.65	
Weighted average number of ordinary shares outstanding during the year (x 1,000)	34,358	34,317	
Weighted average number of ordinary shares for diluted earnings per share (x 1,000)	34,365	34,331	
Number of ordinary shares outstanding as at 31 December (x 1,000)	34,279	34,256	

**Key figures per share (EUR)**

Basic earnings per share	3.34	3.46	-3.5%
Diluted earnings per share	3.34	3.46	-3.5%
Basic earnings per share before impairment of goodwill	3.34	3.46	-3.5%

## Condensed segment reporting

(EUR x million)	2008	2007	Δ%
<b>Revenues by segment 'continuing operations'</b>			
<b>Revenues to third parties</b>			
Premix and speciality feed	1,069.4	749.2	42.7%
Compound feed Europe	1,219.7	1,031.8	18.2%
Animal Nutrition Canada	398.0	167.5	137.6%
<b>Animal Nutrition</b>	<b>2,687.1</b>	<b>1,948.5</b>	<b>37.9%</b>
Fish feed	1,169.9	1,192.9	-1.9%
Meat and other	1,086.1	879.7	23.5%
<b>Revenues 'continuing operations'</b>	<b>4,943.1</b>	<b>4,021.1</b>	<b>22.9%</b>
<b>Operating result before exceptional items and amortisation (EBITA) per segment 'continuing operations'</b>			
Premix and speciality feed	84.1	38.7	117.3%
Compound feed Europe	29.4	37.9	-22.4%
Animal Nutrition Canada	20.9	9.2	127.2%
<b>Animal Nutrition</b>	<b>134.4</b>	<b>85.8</b>	<b>56.6%</b>
Fish feed	67.7	71.0	-4.6%
Meat and other	-0.4	22.3	-101.8%
Corporate	-19.6	-20.3	-3.4%
<b>EBITA 'continuing operations' before exceptionals</b>	<b>182.1</b>	<b>158.8</b>	<b>14.7%</b>
Exceptional items	0.8	-3.6	-
<b>Total EBITA 'continuing operations'</b>	<b>182.9</b>	<b>155.2</b>	<b>17.8%</b>
<b>Operating result by segment from 'continuing operations' (EBIT)</b>			
Premix and speciality feed	81.2	37.2	118.3%
Compound feed Europe	27.8	37.0	-24.9%
Animal Nutrition Canada	16.1	6.5	147.7%
<b>Animal Nutrition</b>	<b>125.1</b>	<b>80.7</b>	<b>55.0%</b>
Fish feed	66.9	70.2	-4.7%
Meat and other	-1.8	21.8	-108.3%
Corporate	-18.9	-20.1	-6.0%
<b>Operating result before exceptional items</b>	<b>171.3</b>	<b>152.6</b>	<b>12.3%</b>
Restructuring	-9.4	-11.1	
Negative goodwill	10.2	5.6	
Other	-	1.9	
<b>Total exceptional items</b>	<b>0.8</b>	<b>-3.6</b>	
<b>Total operating result from 'continuing operations' (EBIT)</b>	<b>172.1</b>	<b>149.0</b>	<b>15.5%</b>

## Consolidated balance sheet

	31 December 2008	31 December 2007
(EUR x million)		
<b>Assets</b>		
Property, plant and equipment	478.1	428.9
Intangible assets	286.2	318.5
Investments in associates	14.4	16.9
Other investments	35.8	43.1
Deferred tax assets	26.5	35.3
<b>Total non-current assets</b>	<b>841.0</b>	<b>842.7</b>
Inventories	281.7	266.7
Biological assets	102.6	75.0
Income tax receivables	12.4	15.4
Trade and other receivables	705.9	585.0
Cash and cash equivalents	228.3	207.7
<b>Total current assets</b>	<b>1,330.9</b>	<b>1,149.8</b>
<b>Total assets</b>	<b>2,171.9</b>	<b>1,992.5</b>
Issued and paid-up share capital	8.4	8.4
Share premium	159.5	159.5
Treasury shares	-28.0	-31.7
Hedging reserve	-14.1	-4.0
Retained earnings	444.1	388.5
Undistributed result	114.8	118.6
Translation reserve	-29.7	4.1
<b>Equity attributable to equity holders of Nutreco</b>	<b>655.0</b>	<b>643.4</b>
Minority interest	10.5	7.8
<b>Total equity</b>	<b>665.5</b>	<b>651.2</b>
<b>Liabilities</b>		
Interest-bearing loans and borrowings	467.0	410.3
Employee benefits	9.0	9.1
Provisions	4.7	15.7
Deferred tax liabilities	11.9	18.4
<b>Total non-current liabilities</b>	<b>492.6</b>	<b>453.5</b>
Interest bearing borrowings	128.4	87.3
Employee benefits	29.6	26.3
Provisions	7.5	18.8
Income tax liabilities	11.9	5.3
Trade and other payables	836.4	750.1
<b>Total current liabilities</b>	<b>1,013.8</b>	<b>887.8</b>
<b>Total liabilities</b>	<b>1,506.4</b>	<b>1,341.3</b>
<b>Total equity and liabilities</b>	<b>2,171.9</b>	<b>1,992.5</b>

## Consolidated cash flow statement

(EUR x million)

	2008	2007
<b>Total result for the period</b>	<b>116.9</b>	<b>120.7</b>
Net financing costs – continuing operations	31.2	10.1
Share in results of associates	-2.1	-0.6
Income tax expense – continuing operations	37.2	26.4
Income tax expense – discontinued operations	-0.2	0.9
Impairment charges on long-lived assets	0.1	1.2
Impairment charges other investments	2.2	-
Depreciation - continuing operations	50.6	41.9
Depreciation - discontinued operations	-	0.9
Amortisation - continuing operations	10.8	6.2
Amortisation - discontinued operations	-	0.1
Negative goodwill	-10.2	-5.6
Equity settled share-based payment expense	3.1	2.9
Changes in fair value of other investments	0.3	2.3
Changes in fair value of biological assets	0.5	-1.3
Changes in fair value foreign exchange contracts	-1.8	0.1
Changes in fair value of commodity contracts	-1.9	0.8
Gain on sale of property, plant and equipment	0.9	-0.9
Gain on sale of discontinued operations, net of tax	-	-3.6
<b>Cash flows from operating activities before changes in working capital and provisions</b>	<b>237.6</b>	<b>202.5</b>
Decrease in working capital	-51.7	-46.6
Increase/decrease in employee benefits	4.1	-11.1
Decrease/increase in provisions	-22.7	6.1
<b>Cash generated from operations</b>	<b>167.3</b>	<b>150.9</b>
Interest received	6.5	12.5
Interest paid	-39.3	-22.2
Income taxes paid	-38.0	-23.8
Dividends received	1.5	22.5
<b>Net cash from operating activities</b>	<b>98.0</b>	<b>139.9</b>
Acquisition of property, plant and equipment	-86.2	-77.0
Acquisition of intangible assets	-4.0	-3.2
Acquisition of group companies net of cash acquired	-66.0	-391.7
Acquisition of minority interest	-	-8.8
Acquisition of associates	-0.1	-1.7
Acquisition of other investments	-0.4	-1.0
Proceeds from sale property, plant and equipment	3.8	2.2
Proceeds from sale intangible assets	-	0.1
Disposal of associates (previous year held for sale)	-	3.7
Disposal of subsidiary net of cash disposed of	-	17.6
Proceeds from the sale of associates	2.0	0.2
Repayments on other investments	3.6	14.2
Payments of transaction costs	-0.9	-11.7
<b>Net cash used in investing activities</b>	<b>-148.2</b>	<b>-457.1</b>
Proceeds from issuance of share capital	1.4	4.3
Repayment of share capital	-	-171.2
Repurchase own shares	-33.1	-17.2
Dividends paid to equity holders of Nutreco	-32.0	-32.6
Dividends paid to minority shareholders	-0.5	-0.5
Repayment of borrowings	-158.9	-29.7
Proceeds from borrowings	291.6	205.8
<b>Net cash from/used in financing activities</b>	<b>68.5</b>	<b>-41.1</b>

Net increase/decrease in cash and cash equivalents	18.3	-358.3
Cash and cash equivalents at 1 January	135.4	495.9
Effect of exchange rate fluctuations on cash held	-1.9	-2.2
<b>Cash and cash equivalents at 31 December</b>	<b>151.8</b>	<b>135.4</b>
Cash and cash equivalents at 31 December	228.3	207.7
Bank overdrafts at 31 December	-76.5	-72.3
<b>Cash and cash equivalents for the cash flow statements at 31 December</b>	<b>151.8</b>	<b>135.4</b>

## Statement of total equity

(EUR x million)	Issued and paid-up share capital	Share premium account	Treasury shares	Hedging reserve	Retained earnings	Undistributed result	Translation reserve	Total attributable to equity holders	Minority interest	Total equity
<b>As at 1 January 2007</b>	<b>8,4</b>	<b>330,7</b>	<b>-45,8</b>	<b>-3,3</b>	<b>-72,6</b>	<b>519,5</b>	<b>7,2</b>	<b>744,1</b>	<b>5,5</b>	<b>749,6</b>
Transactions with shareholders										
Undistributed result					519,5	-519,5				
Dividend on ordinary shares					-32,6			-32,6	-0,5	-33,1
Stock dividend			27,0		-27,0					
Capital repayment		-171,2						-171,2		-171,2
Repurchase own shares			-17,2					-17,2		-17,2
Usage of treasury shares			2,2					2,2		2,2
Share based payments					2,9			2,9		2,9
Options exercised			2,1					2,1		2,1
<b>Total transactions with shareholders</b>		<b>-171,2</b>	<b>14,1</b>		<b>462,8</b>	<b>-519,5</b>		<b>-213,8</b>	<b>-0,5</b>	<b>-214,3</b>
<b>Recognised income and expenses for the period</b>										
Total result for the period						118,5		118,5	2,1	120,6
Tax effects on items processed directly in equity					-1,7			-1,7		-1,7
(De)consolidations									0,8	0,8
Foreign exchange translation differences							-3,0	-3,0	-0,1	-3,1
Changes in hedges of foreign exchange transactions				-0,6				-0,6		-0,6
Changes in cash flow hedges				-0,1				-0,1		-0,1
<b>Total recognised income and expenses for the period</b>				<b>-0,7</b>	<b>-1,7</b>	<b>118,5</b>	<b>-3,0</b>	<b>113,1</b>	<b>2,8</b>	<b>115,9</b>
<b>As at 31 December 2007</b>	<b>8,4</b>	<b>159,5</b>	<b>-31,7</b>	<b>-4,0</b>	<b>388,5</b>	<b>118,5</b>	<b>4,2</b>	<b>643,4</b>	<b>7,8</b>	<b>651,2</b>
Transactions with shareholders										
Undistributed result					118,5	-118,5				
Dividend on ordinary shares					-32,0			-32,0	-0,5	-32,5
Stock dividend			28,2		-28,2					
Repurchase own shares			-33,1					-33,1		-33,1
Usage of treasury shares			8,4		-7,0			1,4		1,4
Share based payments					3,1			3,1		3,1
Options exercised			0,2		-0,1			0,1		0,1
<b>Total transactions with shareholders</b>			<b>3,7</b>		<b>54,3</b>	<b>-118,5</b>		<b>-60,5</b>	<b>-0,5</b>	<b>-61,0</b>
<b>Recognised income and expenses for the period</b>										
Total result for the period						114,8		114,8	2,1	116,9
(De)consolidations									1,5	1,5
Tax effects on items processed directly in equity					1,3			1,3		1,3
Foreign exchange translation differences							-33,9	-33,9	-0,4	-34,3
Changes in hedges of foreign exchange transactions				-1,4				-1,4		-1,4
Changes in cash flow hedges				-8,7				-8,7		-8,7
<b>Total recognised income and expenses for the period</b>				<b>-10,1</b>	<b>1,3</b>	<b>114,8</b>	<b>-33,9</b>	<b>72,1</b>	<b>3,2</b>	<b>75,3</b>
<b>As at 31 December 2008</b>	<b>8,4</b>	<b>159,5</b>	<b>-28,0</b>	<b>-14,1</b>	<b>444,1</b>	<b>114,8</b>	<b>-29,7</b>	<b>655,0</b>	<b>10,5</b>	<b>665,5</b>