



Amersfoort, 20 October 2011

## Nutraeco trading update Q3 2011

- Revenue Q3 2011 EUR 1,535 million; an increase of 14.6% from Q3 2010
- Revenue increase driven by volume growth of 3.5% and a price effect of 11.7%
- Higher operational results in Fish feed in Q3 due to 12.3% volume growth
- Operational results of the Animal Nutrition segments in line with Q3 2010
- Operational results of Meat and other higher than in Q3 2010
- Nutreco confirms outlook for the full year 2011 expecting full year EBITA before exceptional items of around EUR 230 million (2010: EUR 222.5 million)

**Wout Dekker, CEO Nutreco:** “Our portfolio showed strong results in Q3 2011, in line with our outlook. Volume growth of our Fish feed business was driven by both salmonid and non-salmonid species. Operating margins in Fish feed were solid. Results in Premix and feed specialties were in line with the same period last year. Strengthened by the successful integration of the acquired Cargill activities, the Spanish compound feed business showed resilience in difficult market circumstances. The Canadian business has performed well and results came in slightly above Q3 2010. The meat operations had strong results that were above the third quarter in 2010.

Based on the business developments in the third quarter we confirm our outlook of full year EBITA before exceptional items of around EUR 230 million. This performance demonstrates the robustness of our portfolio. With our strong balance sheet we are well positioned to continue growing our business. On 16 November, we will provide a strategy update.”

### Q3 revenues

(EUR x million)	Q3 2011	Q3 2010	Δ%	Q3YTD 2011	Q3YTD 2010	Δ%
<b>Revenues</b>						
Premix and feed specialties	278	266	4.6	806	768	4.9
Fish feed	515	432	19.0	1,122	965	16.3
Compound feed Europe	352	294	20.0	1,052	855	23.0
Animal Nutrition Canada	117	99	18.1	337	291	15.6
Meat & other	273	248	10.1	791	710	11.5
<b>Total revenues Nutreco</b>	<b>1,535</b>	<b>1,339</b>	<b>14.6</b>	<b>4,108</b>	<b>3,589</b>	<b>14.5</b>

N.B. Revenues of Q3 2010 have been reclassified. As a result the compound feed revenues included in Meat and other and in Premix and feed specialties are presented in Compound feed Europe and fish feed revenues included in Premix and feed specialties are presented in Fish feed.

### Operational developments

Revenue in the 3<sup>rd</sup> quarter amounted to EUR 1,535 million, an increase of 14.6% compared with Q3 2010. Of this increase, 11.7% was due to higher selling prices, related to higher raw materials prices which were passed through. Volume increase of 3.5% was driven by the growth in fish feed. The contribution from acquisitions was 0.5% and concerned the acquisition of fish feed activities in Vietnam in 2010. The exchange rate effect was -1.1%, mainly caused by a weaker US dollar and Canadian dollar.

#### Premix and feed specialties

Revenue in Premix and feed specialties was 4.6% higher than in Q3 2010. Prices were 9.2% higher on average due to higher raw materials prices. Volumes in Premix and feed specialties were down by -1.0%, mainly due to exiting a pet food toll milling contract. The exchange rate effect amounted to -3.5%. The operational results in Q3 were in line with Q3 2010.

#### Fish feed

Revenue in Fish feed increased 19.0% in Q3 2011 compared to Q3 2010, mainly due to a volume growth of 12.3%. The price effect was 5.3%. The salmon feed volumes increased due to strong performance in Norway and a recovery in Chile. With the Pargua plant back into production all three plants of Skretting Chile are now being utilized. The exchange effect was -0.2% and the acquisition effect of Skretting Vietnam was 1.7%.

#### Compound feed Europe

Revenue of Compound feed Europe was 20.0 % higher than in Q3 2010. The price effect on revenue was 22.4%, while volumes were -2.4% lower than in the same period in 2010. Due to challenging market circumstances, operational results were slightly below last year.

#### Animal Nutrition Canada

Revenue in the 3<sup>rd</sup> quarter of 2011 for Animal Nutrition Canada increased by 18.1% compared to Q3 2010. The price effect was 18.3% due to higher raw material prices that are passed through in feed prices. The volume effect was 4.0% and relates to feed for dairy cows. The decline of the market for swine feed has bottomed out. The exchange rate effect was -4.2%. The operational results for Q3 were slightly above last year.

#### Meat and other

Revenue for Meat and other operations increased by 10.1%, mainly due to a price effect of 10.4%. The operational results in Meat and other were higher than in the same period in 2010, supported by higher market prices for poultry in Spain.

## **Strategic agenda 2011**

With a strong balance sheet, Nutreco's strategy is to achieve further growth of its animal nutrition and fish feed businesses by:

- Capitalising on leading fish feed positions and diversifying by expanding in new regions and into feed for shrimp and other species. This includes Asia and Latin America;
- Pursuing significant positions in agri focus markets China, Brazil and Russia;
- Developing sustainable businesses in agri home markets Western Europe and North America;
- Further development of feed additives activities by innovation and acquisitions.

## **Outlook for 2011**

Based on performance to date and barring unforeseen circumstances, we confirm our outlook that we expect full year EBITA before exceptional items of around EUR 230 million (2010: EUR 222.5 million). In the second half year we expect excellent results in Fish feed and the total of our other activities to be in line with last year or slightly higher.

## **Agenda**

- Nutreco will provide a strategy update on 16 November 2011 and will publish its full year results 2011 on 9 February 2012.

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## **Nutreco**

Nutreco is a global leader in animal nutrition and fish feed. Our advanced feed solutions are at the origin of food for millions of consumers worldwide. Quality, innovation and sustainability are guiding principles, embedded in the Nutreco culture from research and raw material procurement to products and services for agriculture and aquaculture. Experience across 100 years brings Nutreco a rich heritage of knowledge and experience for building its future. Nutreco employs over 10,000 people in 30 countries, with sales in 80 countries. Nutreco is listed on the NYSE Euronext stock exchange in Amsterdam and with annual revenues of EUR 4.9 billion in 2010.

[www.nutreco.com](http://www.nutreco.com)

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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.