



**Real Foods International Limited**  
**Summary of Accounts and Financial Statements**  
**Year Ending: December 31, 2008**

**Directors:** M. Butterworth, J. Griller, N. Appleton

**Secretary:** A. Wright

**Registered Office:**

Real Foods House  
 1 – 10 Harvest Bank  
 Bakerstown  
 BK 20016

**Auditors:**

Earnest Associates  
 387 Cornflower Street  
 Bakerstown  
 BK 20019

The directors present their annual accounts summary and statement for the year ending 30 June 2009. This report has been compiled to conform to the provisions stipulated by the 1983 Companies Act.

| In millions of Euros  | 2008     | 2007     |
|---|----------|----------|
| Sales   | 56 931   | 54 593   |
| Cost of goods sold  | (19 875) | (18 743) |
| Distribution expenses   | (2 013)  | (2 368)  |
| Marketing and administration expenses                               | (12 843) | (11 784) |
| Research and development costs                                      | (1 003)  | (1 465)  |
| EBIT Earnings Before Interest, Taxes, restructuring and impairments | 21 197   | 20 233   |
| Net other income/(expenses)   |          |          |
| Other income  | 1 211    | 1 012    |
| Other expenses  | ( 824)   | ( 568)   |
| Profit before interest and taxes                                    | 21 584   | 20 677   |
| Taxes   | (2 331)  | (2 156)  |
| Profit for the period   | 19 253   | 18 521   |
| As percentages of sales   |          |          |
| EBIT Earnings Before Interest, Taxes, restructuring and impairments | 31.8%    | 30.5%    |
| Earnings per share (in Euros)                                       |          |          |
| Basic earnings per share  | 6.84     | 6.72     |

## **Consolidated Income Statement:**

### **Profit and Loss Account**

Year Ended December 31, 2008:

|   |                 |
|---|-----------------|
| Profit based on ordinary activities before taxation | € 21,197,000.00 |
| Tax on profit on ordinary activities                | € 2,331,000.00  |
| Profit for the financial year after tax             | € 18,866,000.00 |

### **Balance Sheet**

|                                  |                 |
|----------------------------------|-----------------|
| Current Assets                   | € 63,475,434.00 |
| Capital and reserves             |                 |
| Called up share capital          | € 560,000.00    |
| Share premium account            | € 46,955,434.00 |
| Total equity shareholders' funds | € 46,955,994.00 |

These financials were approved by the board of directors on the 30 January 2009.

### **Directors' Report:**

#### **Principal activities and review of business:**

The principal activities conducted by Real Foods are the production and packaging of food products. In addition, the company sources raw materials and is affiliated with localised production centres through exclusive production contracts. Real Haul – a subsidiary of Real Foods Incorporated – is primarily engaged in the distribution of Real Foods products from our factories worldwide to authorised sales agents.

Peripheral interests include the production of "World Superstores" branded products for distribution exclusively through the World Superstores Ltd. Supermarket chain. The company is also contracted to supply products and ready-made meals to all 642 cafes within World Superstores' premises.

Over the past eleven years Real Foods has consolidated its research and development processes and begun to take them in-house. There has been a slight rise in profits during 2008 compared to 2007, despite a falling market. This is in part due to the more immediate off-setting of development costs by new product sales which the company's new streamlined innovation process enables.

The directors confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

#### **Statement of Directors' Responsibilities:**

Ensuring that European Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;

Preparing accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2004. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with Frilandia and European Generally Accepted Accounting Practice (applicable by law). The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent.

## Notes to Accounts:

The accounts have been prepared under the historical cost convention and in accordance with applicable European Accounting Standards.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.