

PERFORMANCE REVIEW FROM DUCK-TO HOLDING



Mr. Gertjan Tomassen
CEO Duck-To Holding BV

The year 2007 has been an exciting one for Duck-To Holding BV (DTH). We were particularly pleased to become part of the Bangkok Ranch (BR) Group by merging the two companies in August of 2007, and it has been a pleasure to work with Group Management to start to realise the synergies that we identified during the acquisition process. As of the merger, DTH is operating under the name 'Tomassen Bangkok Ranch'.

DTH is an integrated producer of frozen whole table ducks for the total European market. The Company is based in Ermelo, a small town in the centre of the Netherlands, about 70 kilometers east of Amsterdam.

The business cycle is similar to BR's; the major differences are that the Company outsources most of its Parent Stock (PS) Laying (the Company grows PS itself only for the first 18 weeks), buys feed from third party suppliers and does not process any cooked duck or cut-up parts. These complementary product ranges, as well as the distribution system that DTH has developed in Continental Europe, made the fit with

BR a good one. The Company processed 4 million ducks in 2007. Although the year has been a challenging one because of the increased feed prices that have



DTH management team and its facilities, resources and products.



been highlighted elsewhere in this report, since merging with BR, DTH has shown strong performance and had its best fourth quarter ever, generating a 35% increase in sales and 12% increase in EBITDA over the prior year. In total, DTH contributed Baht 102 million in EBITDA and Baht 46.9 million in Net Profit to the Group consolidated accounts over the five months that the Companies have been merged. This performance has largely been driven by the cost reduction efforts that were undertaken prior to the merger, combined with industry-wide price increases at the end of the year and a strong market for ducks in Europe. In addition, we have worked closely with our colleagues in Thailand to change distribution arrangements in Continental Europe in anticipation of the expiry of BR's existing arrangements in December 2007. In addition to the new distributors that have been selected, DTH will also hold inventory and sell BR cooked duck products to its existing customers through its direct delivery capabilities in selected markets. This should result in better volumes and prices as well as improved market and customer information and, ultimately, ability for the Group to develop products for and services to its customers better.

DTH has also closely participated in the various technical projects underway at BR, and, conversely, has benefited from expertise provided by our colleagues in Thailand in several areas.

We look forward to continuing to contribute to the performance of the BR Group and in particular developing the business for cooked products in Europe.

Gertjan Tomassen
CEO Duck-To Holding BV

Duck-To Holding

-  *Became part of the BR Group in August 07*
-  *Has complementary distribution capabilities and products*
-  *Had its best ever fourth quarter*
-  *Will drive the overhaul of BR's distribution in Europe*

