



# LERØY SEAFOOD GROUP

## Quarterly report Third quarter 2010

November 4th 2010

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# Agenda

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Key financial figures Q3 2010

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# Highlights as of Q3 2010

- All-time high profitwise
  - EBIT/kg all inclusive NOK 13.7
- Seasonally high salmon spot prices on the back of a decline in global supply and strong demand
  - However, high proportion of contracts (above 50%)
- Biology satisfactory
  - But still significant regional differences
- Another extremely good quarter for Sales and Distribution
- Strong cash-flow
- Acquired 50.71% of Sjøtroll Havbruk AS
  - NOK540m, of which NOK408.5m cash settlement. Rest through a private placement of 1.0 million shares
  - 25 licenses in Hordaland
  - Significant synergies on both sales and operations
  - Closing date mid-November

# Sjøtroll Havbruk AS

- 25 licenses in Hordaland, Norway (west)
- 4 hatcheries
- 1 brood-stock station (roe)
- 2009: 15.4' GWT salmon and 9.1' GWT salmon trout, totally 24.5' GWT
- Number of employees farming: 120



Tveitnesvik, Hardanger



# Brandasund Fiskeforedling AS and Rex Star Seafood AS (subsidiaries of Sjøtroll Havbruk AS)

- Brandasund Fiskeforedling AS
  - Annual slaughter capacity: 28' tons (45' tons 2 shifts)
  - Annual processing capacity: 8-9' tons raw material (pre-rigor fillets)
  - Number of employees: 102
- Rex Star Seafood AS
  - Annual processing capacity: 3' tons raw material
  - 2' tons finished goods
  - Number of employees: 31



# Internal considerations Q3 2010

All figures in NOK mill

|                            | <b>Q3 - 10</b> | Q3 - 09 | Change | <b>YTD Q3 2010</b> | YTD Q3 2009 | Change | 2009  |
|----------------------------|----------------|---------|--------|--------------------|-------------|--------|-------|
| <b>Turnover</b>            | <b>2 264</b>   | 1 946   | 16 %   | <b>6 314</b>       | 5 290       | 19 %   | 7 474 |
| <b>EBITDA</b>              | <b>477</b>     | 326     | 46 %   | <b>1 204</b>       | 788         | 53 %   | 1 154 |
| <b>EBIT bef adj biom</b>   | <b>424</b>     | 275     | 54 %   | <b>1 047</b>       | 639         | 64 %   | 950   |
| <b>PTP bef adj biom *)</b> | <b>431</b>     | 272     | 58 %   | <b>1 080</b>       | 616         | 75 %   | 927   |

\*) PTP = Pre-Tax Profit



# Internal considerations Q3 2010

## Production

- In total, volumes in line with 2010E and seasonality
- Overall, operations satisfactory
  - However, region Hordaland suffers from biological issues - particularly on salmon trout
- In general, lower production costs going forward
  - Biological performance
  - Economies of scale

## Sales and Distribution

- Capitalising on
  - Economies of scale
  - Systems
  - Global network
  - Organisation/human capital



# Internal considerations

## Q3 2010 cont'd

### Affiliated companies

- Satisfactory biological performance
- Significant increase in profit as a result of higher prices and volumes (Norskott/Scottish Sea Farms)

### Financially solid

- Cash generation of approx. NOK1.2bn year on year
  - Net interest bearing debt NOK1,032m Q3 10 vs NOK1,813m Q3 09
  - Dividend NOK/share 7.0 in June 2010, i.e. NOK375m
- High profit and satisfactory cash performance
- Well positioned for future organic and strategic growth





# External considerations Q3 2010

## Demand and supply

- Seasonally high spot prices in Q3 10 on the back of a strong demand and global decline in supply
  - 19.9% in Q3 10 vs Q3 09
  - 17.9% in YTD Q3 10 vs YTD Q3 09
- However, LSG high proportion of contracts
  - Above 50% in Q3 10, and 40-50% 2010 FY
  - Stable contract prices in Q3 10 compared with Q2 10
- Modest supply growth from Norway in Q3
  - 8.4% in Q3 10 vs Q3 09
  - 12.4% YTD Q3 10 vs YTD Q3 09
- Uncertainty related to Chile
- Strong market
  - Growth for Atlantic salmon in all markets
  - In general, enduring demand for seafood
  - Despite economic down-cycle, good demand also expected in the time ahead



# Agenda

- 1 Considerations
- 2 Key financial figures Q3 2010**
- 3 Lerøy at a glance
- 4 Market glance

# Income Statement Q3 2010

All figures in NOK 000

|  | <u>Q3 2010</u>   | <u>Q3 2009</u> | <u>YTD 2010</u>  | <u>YTD 2009</u> | <u>2 009</u> |
|--|------------------|----------------|------------------|-----------------|--------------|
| <b>Salgsinntekter / Operating revenues</b>   | <b>2 264 465</b> | 1 945 596      | <b>6 313 809</b> | 5 289 897       | 7 473 807    |
| Vareforbruk / Cost of goods sold   | <b>1 436 365</b> | 1 297 571      | <b>4 130 206</b> | 3 599 567       | 5 042 424    |
| Lønnskostnader / Salaries and wages  | <b>194 856</b>   | 180 057        | <b>529 731</b>   | 486 384         | 690 477      |
| Andre driftskostnader / Other operating costs  | <b>156 215</b>   | 142 399        | <b>450 079</b>   | 416 096         | 586 743      |
| <b>EBITDA</b>  | <b>477 028</b>   | 325 569        | <b>1 203 793</b> | 787 850         | 1 154 163    |
| Ordinære avskrivninger / Ordinary depreciation   | <b>52 869</b>    | 50 274         | <b>156 733</b>   | 149 138         | 204 007      |
| <b>EBIT før verdijustering biomasse / EBIT before fair value adjustment biomass</b>      | <b>424 159</b>   | 275 295        | <b>1 047 060</b> | 638 712         | 950 156      |
| Verdijustering biomasse / Fair value adjustment biomass                                  | <b>-30 096</b>   | -143 248       | <b>171 831</b>   | -4 379          | 60 483       |
| <b>Driftsresultat / operating profit</b>   | <b>394 063</b>   | 132 047        | <b>1 218 891</b> | 634 333         | 1 010 639    |
| Inntekt fra tilknyttede selskaper / Income from affiliated companies                     | <b>13 137</b>    | 7 994          | <b>83 136</b>    | 49 993          | 62 744       |
| Netto finansposter / Net financial items   | <b>-16 495</b>   | -16 956        | <b>-46 082</b>   | -64 928         | -86 105      |
| <b>Resultat før skattekostnad og før just biomasse / Profit before tax bef adj biom.</b> | <b>431 081</b>   | 272 374        | <b>1 079 958</b> | 615 523         | 926 615      |
| <b>Resultat før skattekostnad / Profit before tax</b>                                    | <b>390 704</b>   | 123 085        | <b>1 255 945</b> | 619 398         | 987 278      |
| Beregnete skatter / Estimated taxation   | <b>-107 570</b>  | -30 322        | <b>-335 265</b>  | -159 532        | -257 137     |
| <b>Periodens resultat / Profit for the period</b>  | <b>283 135</b>   | 92 763         | <b>920 680</b>   | 459 866         | 730 141      |



# Key Figures Production Q3 2010

| Figures NOKm         | *)<br>Lerøy Midnor | Lerøy<br>Hydrotech | *)<br>Lerøy Aurora | **)<br>Lerøy Vest | Others /<br>elimination | Total<br>Q3 10 | Total<br>Q3 09 |
|----------------------|--------------------|--------------------|--------------------|-------------------|-------------------------|----------------|----------------|
| Revenues             | 311,3              | 237,6              | 256,0              | 299,5             | 151,4                   | 1 255,8        | 984,5          |
| EBIT before biom adj | 123,2              | 81,1               | 90,1               | 78,5              | 5,7                     | 378,6          | 228,6          |
| RoS before biom adj  | 40 %               | 34 %               | 35 %               | 26 %              | 4 %                     | 30 %           | 23 %           |
| Volumes (GWTK)       | 8,4                | 6,7                | 6,9                | 9,0               |                         | 31,0           | 28,0           |
| EBIT/kg              | 14,7               | 12,1               | 13,1               | 8,7               |                         | 12,0           | 8,0            |

EBIT/kg all inclusive NOK 13.7 (Q3 2009 NOK/kg 9.8)

| Q3 09 comparable figures: |       |       |       |       |       |       |  |
|---------------------------|-------|-------|-------|-------|-------|-------|--|
| Revenues                  | 258,8 | 195,4 | 116,7 | 277,5 | 136,1 | 984,5 |  |
| EBIT before biom adj      | 75,8  | 56,6  | 26,3  | 64,2  | 5,7   | 228,6 |  |
| RoS before biom adj       | 29 %  | 29 %  | 23 %  | 23 %  | 4 %   | 23 %  |  |
| Volumes (GWTK)            | 8,4   | 6,4   | 3,6   | 9,6   |       | 28,0  |  |
| EBIT/kg                   | 9,0   | 8,8   | 7,4   | 6,7   |       | 8,0   |  |

\*) Including VAP (post / pre-rigor, fillets, portions etc)

\*\*\*) Cold winter and previous biological issues in Lerøy Vest causing high prod cost / RFS, in particular for salmontrout. Improved biological performance for salmon



# Key Figures Production YTD Q3 2010

| Figures NOKm         | *)<br>Lerøy Midnor | Lerøy<br>Hydrotech | *)<br>Lerøy Aurora | **)<br>Lerøy Vest | Others /<br>elimination | Total<br>YTD Q3 10 | Total<br>YTD Q3 09 |
|----------------------|--------------------|--------------------|--------------------|-------------------|-------------------------|--------------------|--------------------|
| Revenues             | 853,7              | 610,7              | 499,3              | 834,3             | 438,1                   | 3 236,1            | 2 572,3            |
| EBIT before biom adj | 326,2              | 210,3              | 168,9              | 200,6             | 16,0                    | 922,0              | 522,8              |
| RoS before biom adj  | 38 %               | 34 %               | 34 %               | 24 %              | 4 %                     | 28 %               | 20 %               |
| Volumes (GWTK)       | 23,7               | 17,5               | 14,0               | 25,8              |                         | 81,0               | 73,4               |
| EBIT/kg              | 13,7               | 12,0               | 12,1               | 7,8               |                         | 11,2               | 7,0                |

EBIT/kg all inclusive NOK 12.9 (YTD Q3 2009 NOK/kg 8.7)

| YTD Q3 09 comparable figures: |       |       |       |       |       |         |
|-------------------------------|-------|-------|-------|-------|-------|---------|
| Revenues                      | 734,2 | 410,5 | 367,3 | 712,6 | 347,7 | 2 572,3 |
| EBIT before biom adj          | 202,7 | 85,3  | 82,0  | 140,5 | 12,2  | 522,7   |
| RoS before biom adj           | 28 %  | 21 %  | 22 %  | 20 %  | 4 %   | 20 %    |
| Volumes (GWTK)                | 23,6  | 13,0  | 11,9  | 24,9  |       | 73,4    |
| EBIT/kg                       | 8,6   | 6,6   | 6,9   | 5,6   |       | 7,0     |

\*) Including VAP (post / pre-rigor, fillets, portions etc)

\*\*) Cold winter and previous biological issues in Lerøy Vest causing high prod cost / RFS, in particular for salmontrout. Improved biological performance for salmon



# Key Figures Sales & Distribution Q3 2010

| Figures NOKm | Sales & Distribution | Elimination | Total Q3 10 | Total Q3 09 |
|--------------|----------------------|-------------|-------------|-------------|
| Revenues     | 2 445,5              | -240,5      | 2 205,0     | 1 920,3     |
| EBIT         | 59,1                 | 0,1         | 59,3        | 51,5        |
| RoS          | 2,4 %                |             | 2,7 %       | 2,7 %       |

- An extremely good quarter

# Key Figures Sales & Distribution YTD Q3 2010

| Figures NOKm | Sales & Distribution | Elimination | Total YTD Q3 10 | Total YTD Q3 09 |
|--------------|----------------------|-------------|-----------------|-----------------|
| Revenues     | 6 794,1              | -572,5      | 6 221,6         | 5 196,0         |
| EBIT         | 162,6                | 0,5         | 163,1           | 133,8           |
| RoS          | 2,4 %                |             | 2,6 %           | 2,6 %           |

- And an extremely good YTD

# Norskott Havbruk

LSG's share = 50%

| <b>NOKm</b>                  | <b>Q3 2010</b> | Q3 2009 | <b>YTD 2010</b>   | YTD 2009   | 2009       |
|------------------------------|----------------|---------|-------------------|------------|------------|
| Revenues                     | <b>239</b>     | 240     | <b>772</b>        | 627        | 922        |
| EBITDA                       | <b>75</b>      | 50      | <b>249</b>        | 147        | 212        |
| EBIT bef adj biom            | <b>63</b>      | 39      | <b>215</b>        | 113        | 166        |
| EBIT                         | <b>34</b>      | 22      | <b>227</b>        | 136        | 166        |
| Pre tax                      | <b>33</b>      | 19      | <b>222</b>        | 127        | 155        |
| Volumes (gwt)                | <b>6,2</b>     | 6,7     | <b>20,8</b>       | 18,0       | 26,5       |
| EBIT/kg                      | <b>10,2</b>    | 5,8     | <b>10,3</b>       | 6,3        | 6,2        |
| <b>Balance sheet</b>         |                |         | <b>30.09.2010</b> | 30.09.2009 | 31.12.2009 |
| Licences, goodwill           |                |         | <b>360</b>        | 363        | 360        |
| Tangible fixed assets        |                |         | <b>190</b>        | 198        | 202        |
| Inventories                  |                |         | <b>449</b>        | 533        | 476        |
| Other current assets         |                |         | <b>124</b>        | 103        | 121        |
| <b>Total assets</b>          |                |         | <b>1 123</b>      | 1 197      | 1 159      |
| Equity                       |                |         | <b>543</b>        | 516        | 491        |
| Debt                         |                |         | <b>580</b>        | 681        | 668        |
| <b>Total equity and debt</b> |                |         | <b>1 123</b>      | 1 197      | 1 159      |
| Net interest bearing debt    |                |         | <b>263</b>        | 388        | 401        |





# Balance Sheet Q3 2010

| <b>All figures in NOK 000</b>                                  | <b><u>30.09.10</u></b> | <b><u>30.09.09</u></b> | <b><u>31.12.09</u></b> |
|--|------------------------|------------------------|------------------------|
| Immaterielle eiendeler / Intangible assets                     | <b>2 963 317</b>       | 2 962 309              | 2 964 072              |
| Varige driftsmidler / Tangible fixed assets                    | <b>1 263 065</b>       | 1 264 193              | 1 225 399              |
| Finansielle anleggsmidler / Financial fixed assets             | <b>334 346</b>         | 318 843                | 308 013                |
| <b>Sum anleggsmidler / Total fixed assets</b>                  | <b>4 560 728</b>       | 4 545 345              | 4 497 484              |
| Biologiske eiendeler / Biological assets                       | <b>2 075 631</b>       | 1 808 732              | 1 858 562              |
| Varer / Inventories  | <b>253 545</b>         | 232 374                | 236 311                |
| Fordringer / Receivables                                       | <b>1 026 303</b>       | 920 998                | 1 006 861              |
| Betalingsmidler / Cash and equivalents                         | <b>750 290</b>         | 498 610                | 707 989                |
| <b>Sum omløpsmidler / Total current assets</b>                 | <b>4 105 769</b>       | 3 460 714              | 3 809 723              |
| <b>Sum eiendeler / Total assets</b>                            | <b>8 666 497</b>       | 8 006 059              | 8 307 207              |
| Innskutt egenkapital / Equity contributions                    | <b>2 642 612</b>       | 2 642 612              | 2 642 612              |
| Opptjent egenkapital / Earned equity                           | <b>2 178 402</b>       | 1 378 152              | 1 639 076              |
| Minoritetsinteresser / Minority interests                      | <b>15 651</b>          | 20 172                 | 18 568                 |
| <b>Sum egenkapital / Total equity</b>                          | <b>4 836 665</b>       | 4 040 936              | 4 300 256              |
| Avsetning for forpliktelser / Accrued liabilities              | <b>999 605</b>         | 833 192                | 849 867                |
| Langsiktig gjeld / Long-term liabilities                       | <b>1 414 349</b>       | 1 557 061              | 1 505 533              |
| Kortsiktige kreditter / Short-term loans                       | <b>369 071</b>         | 755 935                | 646 105                |
| Annen kortsiktig gjeld / Other short-term liabilities          | <b>1 046 807</b>       | 818 935                | 1 005 446              |
| <b>Sum gjeld / Total liabilities</b>                           | <b>3 829 832</b>       | 3 965 123              | 4 006 951              |
| <b>Sum egenkapital og gjeld / Total equity and liabilities</b> | <b>8 666 497</b>       | 8 006 059              | 8 307 207              |

# Cash Flow Statement Q3 2010

All figures in NOK 000

|  | <u>Q3 2010</u>  | <u>Q3 2009</u> | <u>YTD 2010</u> | <u>YTD 2009</u> |
|--|-----------------|----------------|-----------------|-----------------|
| <b>Kontantstrøm fra drift / Cash flow from operating activities</b>                              |                 |                |                 |                 |
| Resultat før skatt / Profit before tax   | 390 705         | 123 085        | 1 255 946       | 619 398         |
| Ordinære avskrivninger / Ordinary depreciation   | 52 869          | 50 274         | 156 733         | 149 138         |
| Endring kundefordringer / Change in accounts receivable  | 14 712          | -11 147        | -14 864         | 10 107          |
| Endring leverandører / Change in accounts payable  | 73 011          | 39 591         | 57 518          | 68 270          |
| Endring verdjustering biomasse / Change in value adjustment biomass                              | 30 096          | 143 248        | -171 831        | 4 379           |
| Endring varelager / Change in inventories  | -151 348        | -207 865       | -62 472         | -146 162        |
| Resultat tilknyttede selskaper / Profit impact affiliated companies                              | -13 137         | -7 994         | -83 136         | -49 993         |
| Andre tidsavgrensninger og betalt skatt / Other accruals and taxes paid                          | -31 728         | 27 515         | -194 637        | -79 065         |
| <b>Netto kontantstrøm fra drift / Net cash flows from operating activities</b>                   | <b>365 180</b>  | <b>156 707</b> | <b>943 257</b>  | <b>576 072</b>  |
| <b>Kontantstrøm fra investeringsaktiviteter / Cash flow from investing activities</b>            |                 |                |                 |                 |
| Netto investering i varige driftsmidler etc. / Net investment in fixed assets etc.               | -82 050         | -44 215        | -188 840        | -126 330        |
| Netto investering i immaterielle eiendeler / Net investment in intangible fixed assets           | 463             | -740           | -1 782          | -1 226          |
| Netto utbetaling ved kjøp av aksjer etc. / Net payments for acquisitions of shares etc.          | -17 325         | -231           | -17 157         | -1 745          |
| Innbetaling av utbytte fra tilknyttede selskaper / Dividend from affiliates                      | 23 190          | 0              | 47 540          | 26 425          |
| Netto utbetaling ved kjøp av konsernselskaper / Net acquisitions of group companies              | 0               | 0              | 0               | -3 625          |
| Endring langsiktige fordringer etc. / Change in long-term receivables etc.                       | 1 438           | -630           | 2 485           | -3 311          |
| <b>Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities</b>  | <b>-74 284</b>  | <b>-45 816</b> | <b>-157 754</b> | <b>-109 812</b> |
| <b>Kontantstrøm fra finansieringsaktiviteter / Cash flow from financing activities</b>           |                 |                |                 |                 |
| Netto endring i kortsiktige kreditter / Net change in bank overdraft                             | -157 424        | -19 254        | -288 250        | -114 746        |
| Netto endring langsiktig gjeld / Net change in long-term debt                                    | -17 690         | -37 983        | -79 968         | -91 090         |
| Netto innbetaling av egenkapital / Net equity contributions                                      | 0               | 1 600          | 0               | 1 600           |
| Utbetaling av utbytte / Dividend payments  | -1 550          | -1 505         | -374 984        | -151 900        |
| <b>Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financing activities</b> | <b>-176 664</b> | <b>-57 142</b> | <b>-743 202</b> | <b>-356 136</b> |
| <b>Netto kontantstrøm for perioden / Net cash flows for the period</b>                           | <b>114 232</b>  | <b>53 749</b>  | <b>42 301</b>   | <b>110 124</b>  |
| Betalingsmidler ved periodens begynnelse / Cash and equivalents at beginning of period           | 636 058         | 444 861        | 707 989         | 388 486         |
| <b>Betalingsmidler ved periodens slutt / Cash and equivalents at end of period</b>               | <b>750 290</b>  | <b>498 610</b> | <b>750 290</b>  | <b>498 610</b>  |



# Key figures - Lerøy Seafood Group Q3 2010

|  | <b>Q3 2010</b>   | <b>Q3 2009</b> | <b>YTD 2010</b>  | <b>YTD 2009</b> | <b>2009</b> |
|--|------------------|----------------|------------------|-----------------|-------------|
| Resultatmargin før just.biomasse / Profit margin before adj. Biomass         | <b>19,0 %</b>    | 14,0 %         | <b>17,1 %</b>    | 11,6 %          | 12,4 %      |
| Resultatmargin / Profit margin <sup>1)</sup>                                 | <b>17,3 %</b>    | 6,3 %          | <b>19,9 %</b>    | 11,7 %          | 13,2 %      |
| Driftsmargin før just.biomasse / Operating margin before adj.biomass         | <b>18,7 %</b>    | 14,1 %         | <b>16,6 %</b>    | 12,1 %          | 12,7 %      |
| Driftsmargin / Operating margin <sup>2)</sup>                                | <b>17,4 %</b>    | 6,8 %          | <b>19,3 %</b>    | 12,0 %          | 13,5 %      |
| Resultat per aksje før just.biomasse / Earnings per share before adj.biomass | <b>5,86</b>      | 3,75           | <b>14,76</b>     | 8,47            | 12,80       |
| Resultat per aksje / Earnings per share <sup>3)</sup>                        | <b>5,26</b>      | 1,71           | <b>17,15</b>     | 8,56            | 13,62       |
| Utvannet resultat per aksje / Diluted earnings per share                     | <b>5,26</b>      | 1,71           | <b>17,15</b>     | 8,56            | 13,62       |
| ROCE før just.biomasse (annualisert) / ROCE before adj.biomass (annualised)  | <b>32,5 %</b>    | 20,6 %         | <b>27,2 %</b>    | 16,0 %          | 18,1 %      |
| ROCE (annualisert) / ROCE (annualised) <sup>4)</sup>                         | <b>27,7 %</b>    | 9,5 %          | <b>29,9 %</b>    | 15,5 %          | 18,5 %      |
| Egenkapitalandel / Equity ratio  | <b>55,8 %</b>    | 50,5 %         | <b>55,8 %</b>    | 50,5 %          | 51,8 %      |
| Netto rentebærende gjeld / Net interest bearing debt                         | <b>1 032 423</b> | 1 813 498      | <b>1 032 423</b> | 1 813 498       | 1 442 823   |
| Kontantstrøm per aksje / Cash-flow per share <sup>5)</sup>                   | <b>6,82</b>      | 2,92           | <b>17,61</b>     | 11,25           | 17,63       |
| Utvannet kontantstrøm per aksje / Diluted cash-flow per share                | <b>6,82</b>      | 2,92           | <b>17,61</b>     | 11,25           | 17,63       |

1) Resultatmargin = Resultat før skatt / Salgsinntekter

Profit margin = Profit before tax / Revenues

2) Driftsmargin = Driftsresultat / Salgsinntekter

Operating margin = Operating profit / Revenues

3) Resultat per aksje = Majoritetens andel resultat / Gjennomsnittlig antall aksjer

Earnings per share = Majority interests / Average number of shares

4) ROCE = [Resultat før skatt + netto finansposter] / Gjennomsnitt [netto rentebærende gjeld + sum egenkapital]

ROCE = [Pre tax profit + Net financial items] / Average [Net interest bearing debt + Total equity]

5) Kontantstrøm fra drift

Cash-flow from operations

# Funding

- Sound debt repayment profile
  - Bank loans and no material “balloons”

| <b>NOK million</b> | <b>2010</b> | 2011 | 2012 | 2013 | 2014 |
|--------------------|-------------|------|------|------|------|
| <b>Instalments</b> | <b>273</b>  | 260  | 247  | 247  | 241  |

- Covenants NIBD/EBITDA < 5 and Equity ratio<sup>\*)</sup> > 30%
  - Q3 2010: 0.7 and 63.7 % respectively
- Satisfactory committed unused credit lines
- Acquisition of 50.71% of Sjøtroll Havbruk fully financed in Q4
  - NOK131.5m contribution in kind (1.0 mill shares)
  - NOK408.5m bank loan, repayment profile 10 years (no balloon), current covenants

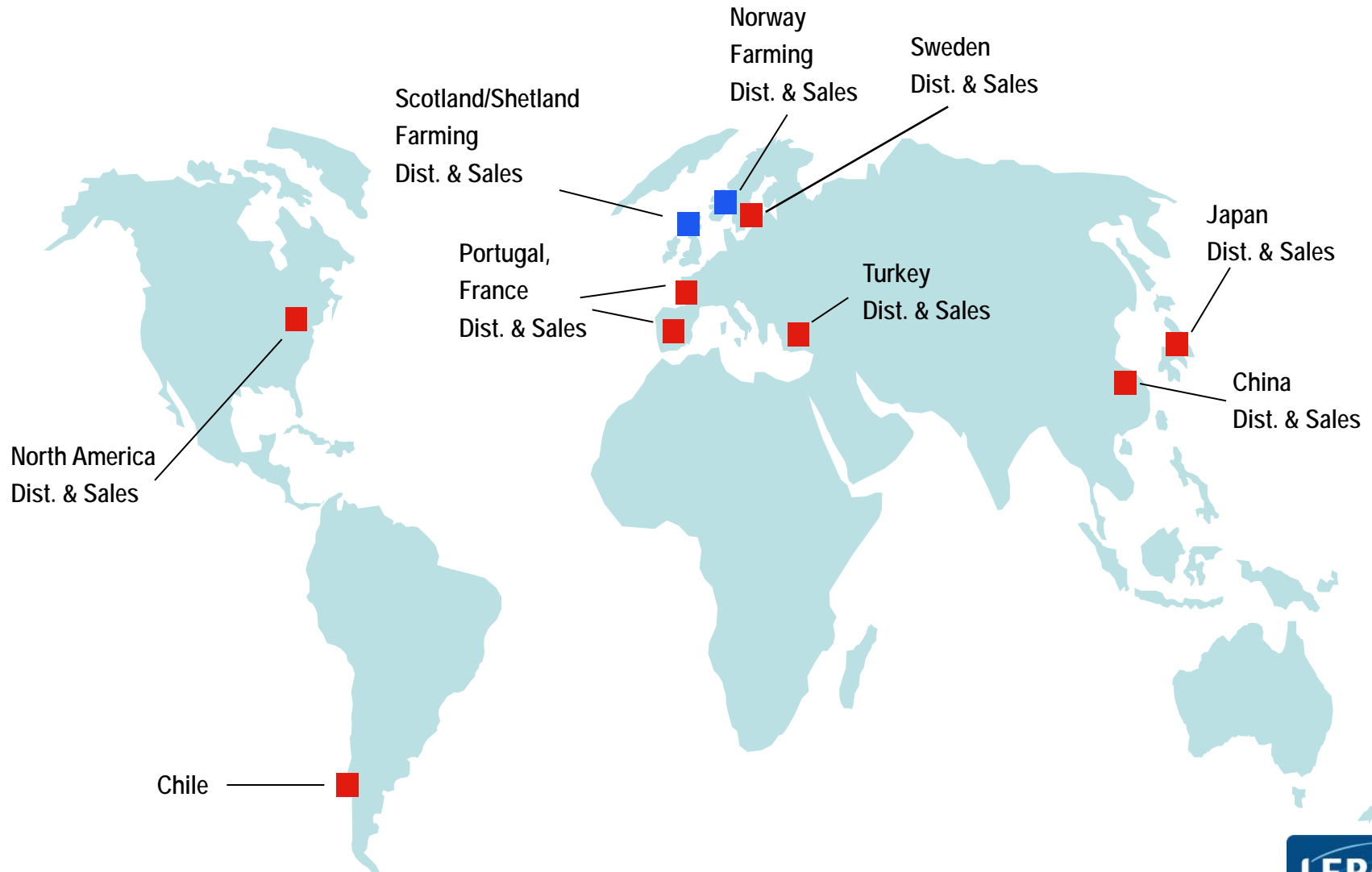
\*) Adjusted for bank deposits and deferred tax associated with licenses



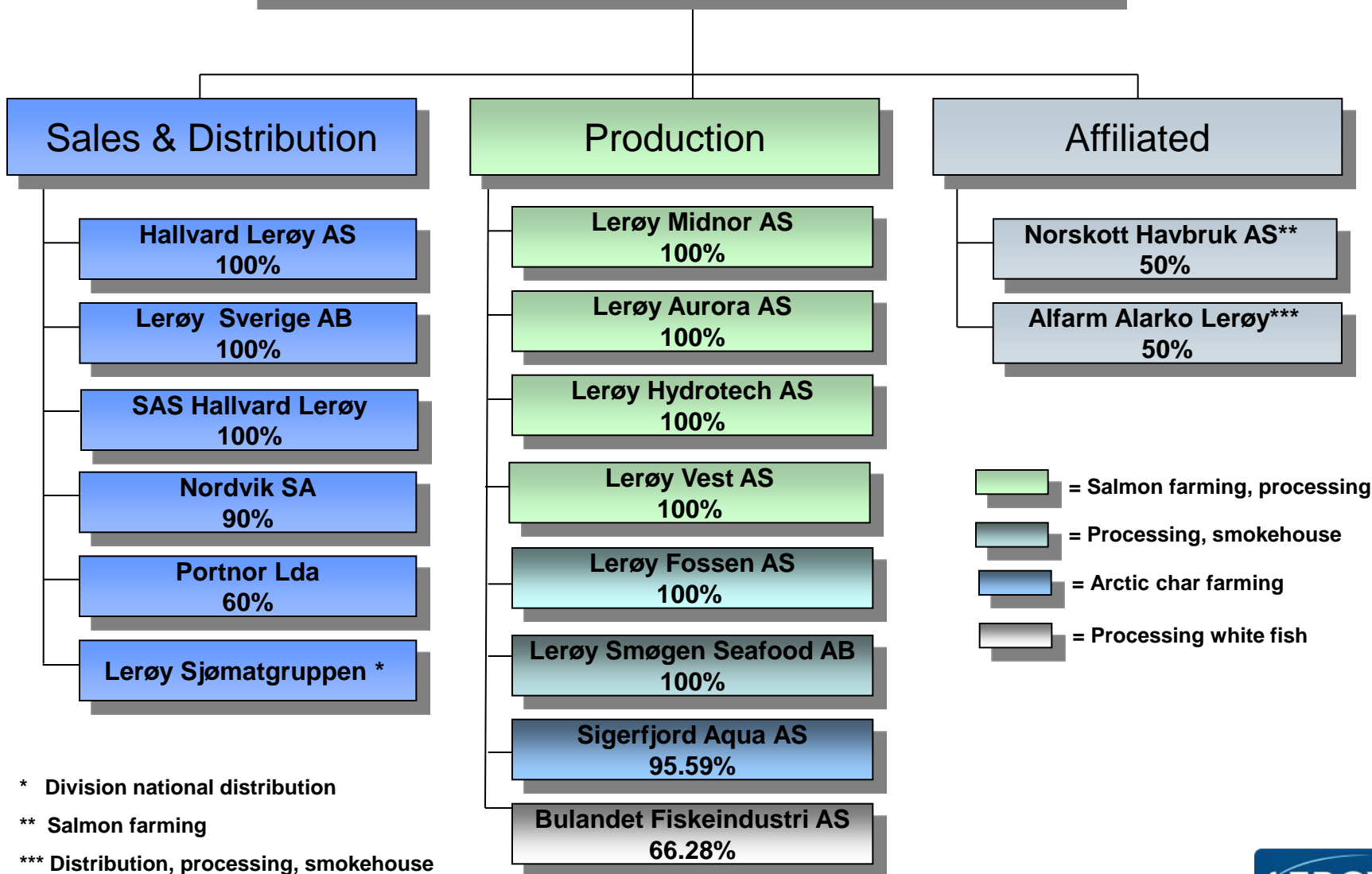
# Agenda

- 1 Considerations
- 2 Key financial figures Q3 2010
- 3 Lerøy at a glance**
- 4 Market glance

# Lerøy Seafood Group - Global organization



# Lerøy Seafood Group ASA



\* Division national distribution

\*\* Salmon farming

\*\*\* Distribution, processing, smokehouse



# Lerøy Seafood Group

## Global distribution network

- Head Office in Bergen
- National distribution and processing in Norway, Sweden, France, Portugal, and Turkey
- Branch offices in key markets (France, Japan, China and USA)
- 12.4% share of Norwegian seafood export value
- 17.9% of Norwegian salmon export
- 20.8% of Norwegian value added salmon export
- #2 global salmon farmer

## Total of 1,585 employees

- Sales and distribution 446
- Production and farming 1,139
- Affiliates 366 (not consolidated)



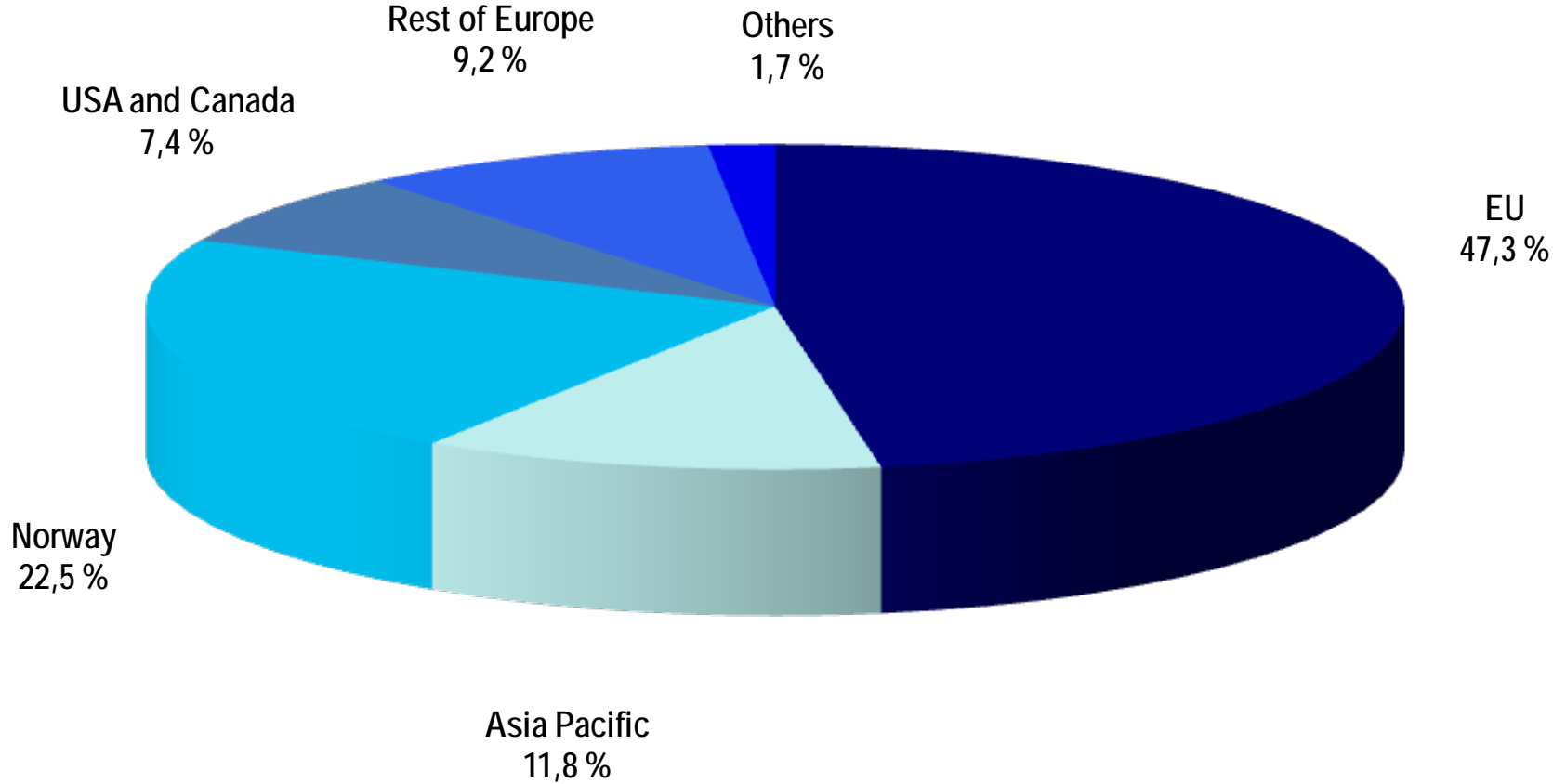




# Lerøy Seafood Group

- Fully integrated
  - From roe to the plate
- Competent employees
- Decentralized farming units
  - Autonomous units in three regions
  - In addition, the affiliated company Scottish Sea Farms in Scotland
- Processing plants
  - Smokehouses
  - Fillets, portions etc
  - Post / pre-rigor
- Global sales network
- Group structure gives rise to economies of scale and avoidance of scale disadvantages

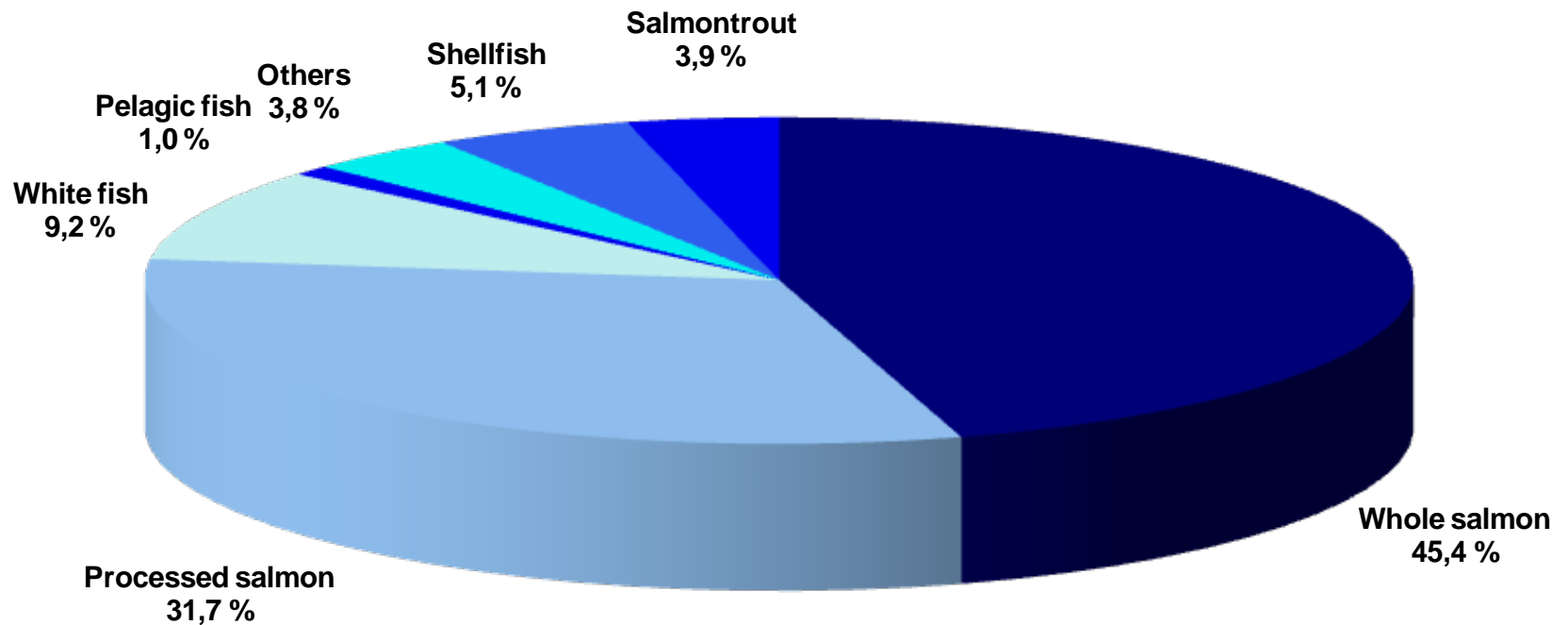
# Lerøy Seafood Group - Sales per market Q3 10



More than 60 countries



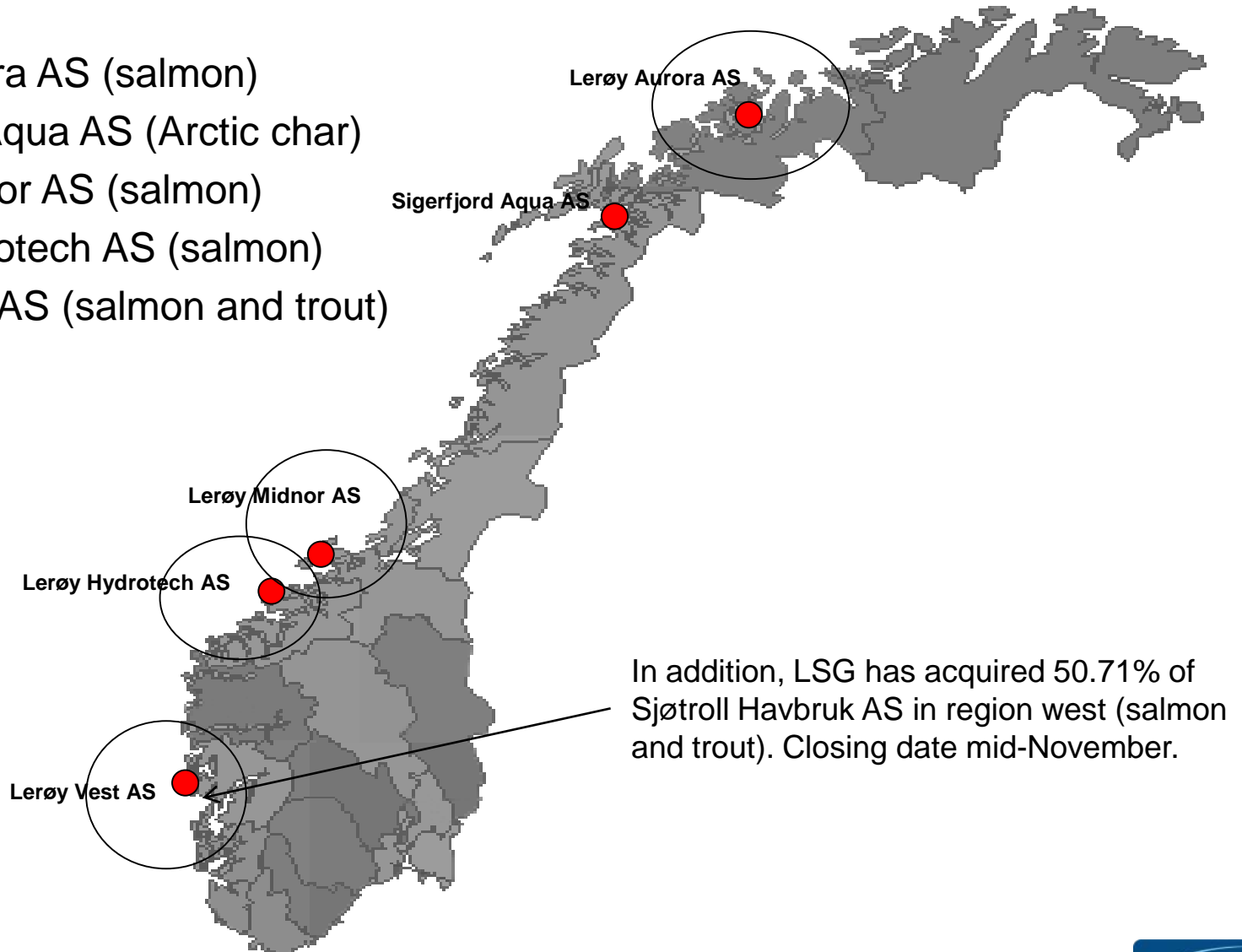
# Lerøy Seafood Group - Sales per product Q3 10



More than 200,000 tons

# Farming Norway

- Lerøy Aurora AS (salmon)
- Sigerfjord Aqua AS (Arctic char)
- Lerøy Midnor AS (salmon)
- Lerøy Hydrotech AS (salmon)
- Lerøy Vest AS (salmon and trout)



# Integrated value chain



# Lerøy Seafood Group – Salmon/trout farming

| Company                                | Ownership share | Licences No | Mill. smolt individuals | 2009 GWT | 2010E GWT | 2011E GWT |
|--|-----------------|-------------|-------------------------|----------|-----------|-----------|
| Lerøy Midnor AS                        | 100 %           | 30          | 9,5                     | 35 000   | 36 500    | 36 500    |
| Lerøy Aurora AS                        | 100 %           | 17          | 5,0                     | 19 300   | 20 500    | 20 500    |
| Lerøy Hydrotech AS                     | 100 %           | 24          | 7,0                     | 21 500   | 24 000    | 24 000    |
| Lerøy Vest AS                          | 100 %           | 34          | 14,2                    | 32 700   | 35 000    | 37 000    |
| Total Norway                           |                 | 105         | 35,7                    | 108 500  | 116 000   | 118 000   |
| Norskott Havbruk AS (UK) <sup>*)</sup> | 50 %            |             | 6,0                     | 13 200   | 12 000    | 10 500    |
| Total                                  |                 |             | 41,7                    | 121 700  | 128 000   | 128 500   |

 Consolidated, farming

 Affiliated, farming

<sup>\*)</sup> LSG's share

In addition, LSG has acquired 50.71% of Sjøtroll Havbruk AS with 2011E of GWT 26,000 (closing date mid-November).



# Lerøy Seafood Group – Salmon/trout farming

| Company                    | Ownership share | Volume 2010E | Volume YTD Q3 | Share % | Rest 2010E | Share % |
|----------------------------|-----------------|--------------|---------------|---------|------------|---------|
| Lerøy Midnor AS            | 100 %           | 36 500       | 23 700        | 65 %    | 12 800     | 35 %    |
| Lerøy Aurora AS            | 100 %           | 20 500       | 14 000        | 68 %    | 6 500      | 32 %    |
| Lerøy Hydrotech AS         | 100 %           | 24 000       | 17 500        | 73 %    | 6 500      | 27 %    |
| Lerøy Vest AS              | 100 %           | 35 000       | 25 800        | 74 %    | 9 200      | 26 %    |
| Total Norway               |                 | 116 000      | 81 000        | 70 %    | 35 000     | 30 %    |
| Norskott Havbruk AS (UK)*) | 50 %            | 12 000       | 10 400        | 87 %    | 1 600      | 13 %    |
| Total                      |                 | 128 000      | 91 400        | 71 %    | 36 600     | 29 %    |

 Consolidated, farming

 Affiliated, farming

\*) LSG's share



# Agenda

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Market glance



# Market development for Atlantic Salmon from Norway.

## Jan-Sep 2009 vs Jan-Sep 2010

|                 | <b>Volume 2009</b> | <b>Volume 2010</b> | <b>Change</b> | <b>Value 2009</b> | <b>Value 2010</b> | <b>Change</b> |
|-----------------|--------------------|--------------------|---------------|-------------------|-------------------|---------------|
| EU              | 412 470            | 434 761            | 5,4 %         | 11 880 352        | 14 321 941        | 20,6 %        |
| Others          | 67 293             | 91 227             | 35,6 %        | 2 008 423         | 3 101 318         | 54,4 %        |
| Japan           | 20 444             | 19 399             | -5,1 %        | 685 220           | 717 410           | 4,7 %         |
| Russia          | 47 386             | 64 352             | 35,8 %        | 1 242 880         | 1 991 662         | 60,2 %        |
| USA             | 26 835             | 41 237             | 53,7 %        | 946 481           | 1 719 293         | 81,7 %        |
| <b>In total</b> | <b>574 428</b>     | <b>650 976</b>     | <b>13,3 %</b> | <b>16 763 356</b> | <b>21 851 624</b> | <b>30,4 %</b> |

**(Volume in tons WFE, value in thousand NOK)**

”Others” is specified on the following slide

# Market development for Atlantic Salmon from Norway.

## Jan-Sept 2009 vs Jan-Sept 2010

| "Others"              | Volume 2009   | Volume 2010   | Change        | Value 2009       | Value 2010       | Change        |
|-----------------------|---------------|---------------|---------------|------------------|------------------|---------------|
| Hongkong              | 11 419        | 14 828        | 29,9 %        | 369 461          | 566 785          | 53,4 %        |
| Ukraine               | 8 349         | 12 096        | 44,9 %        | 162 092          | 242 617          | 49,7 %        |
| China                 | 6 927         | 9 734         | 40,5 %        | 216 925          | 346 454          | 59,7 %        |
| Taiwan                | 3 968         | 6 289         | 58,5 %        | 121 924          | 224 311          | 84,0 %        |
| Israel                | 4 008         | 5 627         | 40,4 %        | 124 430          | 207 012          | 66,4 %        |
| South Korea           | 4 625         | 5 260         | 13,7 %        | 148 239          | 196 689          | 32,7 %        |
| Thailand              | 4 525         | 6 266         | 38,5 %        | 132 030          | 207 791          | 57,4 %        |
| Vietnam               | 3 010         | 4 361         | 44,9 %        | 69 757           | 125 442          | 79,8 %        |
| Turkey                | 2 281         | 2 962         | 29,9 %        | 66 755           | 106 078          | 58,9 %        |
| Singapore             | 3 089         | 3 529         | 14,2 %        | 97 211           | 135 370          | 39,3 %        |
| Switzerland           | 2 655         | 2 765         | 4,1 %         | 92 912           | 106 981          | 15,1 %        |
| Belarussia            | 1 472         | 2 260         | 53,5 %        | 34 950           | 57 841           | 65,5 %        |
| Kazakhstan            | 840           | 1 532         | 82,4 %        | 24 572           | 50 788           | 106,7 %       |
| Australia             | 904           | 1 396         | 54,4 %        | 42 738           | 70 152           | 64,1 %        |
| South Africa          | 1 021         | 1 260         | 23,4 %        | 32 183           | 46 894           | 45,7 %        |
| Other countries       | 8 200         | 11 062        | 34,9 %        | 272 244          | 410 113          | 50,6 %        |
|                       |               |               |               |                  |                  |               |
| <b>Total "Others"</b> | <b>67 293</b> | <b>91 227</b> | <b>35,6 %</b> | <b>2 008 423</b> | <b>3 101 318</b> | <b>54,4 %</b> |

**(Volume in tons WFE, value in thousand NOK)**

Figures as per 22.10.10

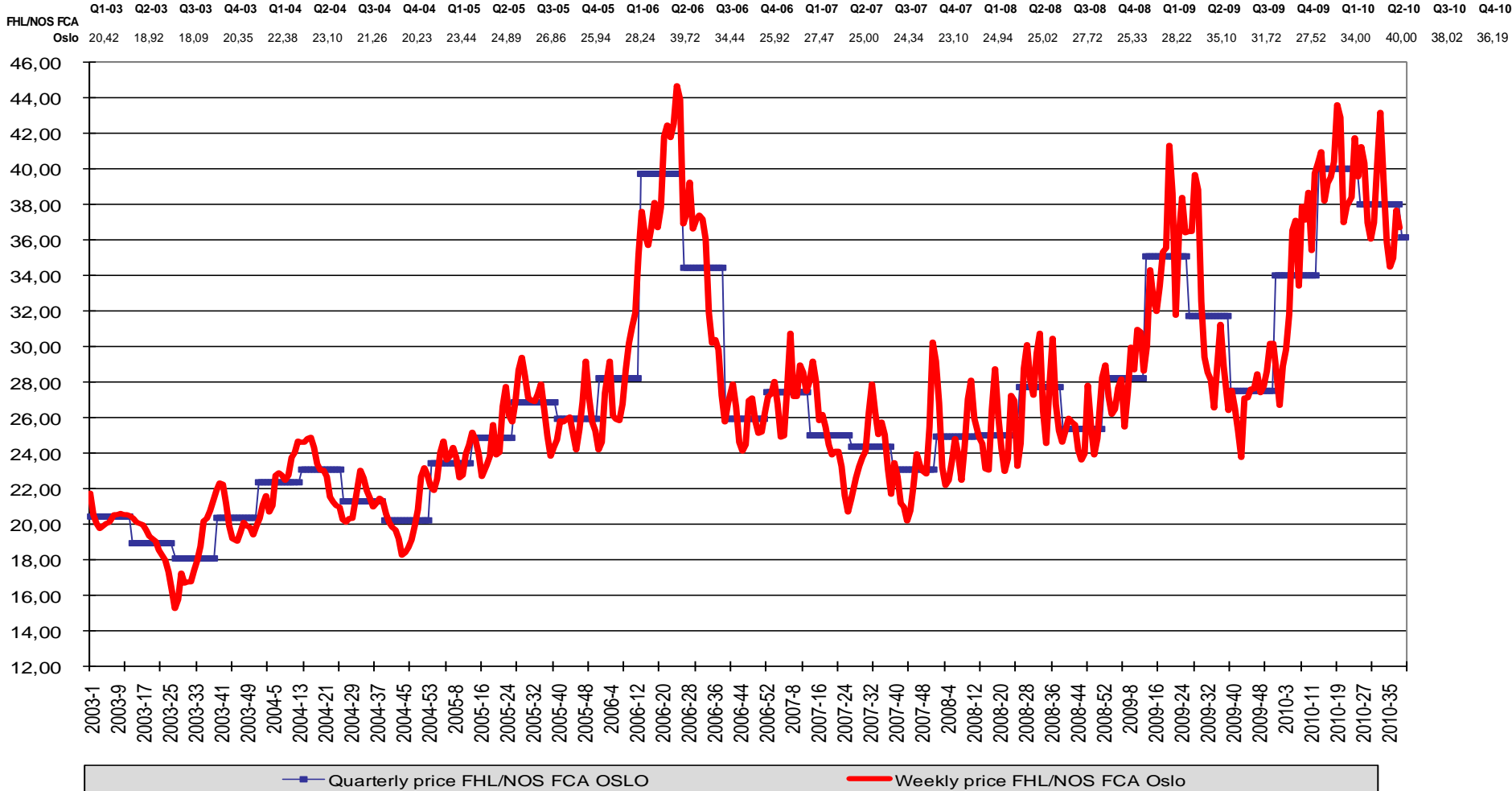
Source: NSEC



# SPOT prices, fresh Atlantic salmon, cross-section, FCA Oslo, as of week 41-2010 (Superior quality).

**Avrg Q3 10 NOK 38.02 vs avrg Q3 09 NOK 31.72 (+19.9%)**

**Avrg YTD Sept 2010 NOK 37.34 vs avrg YTD Sept 2009 NOK 31.68 (+17.9%)**

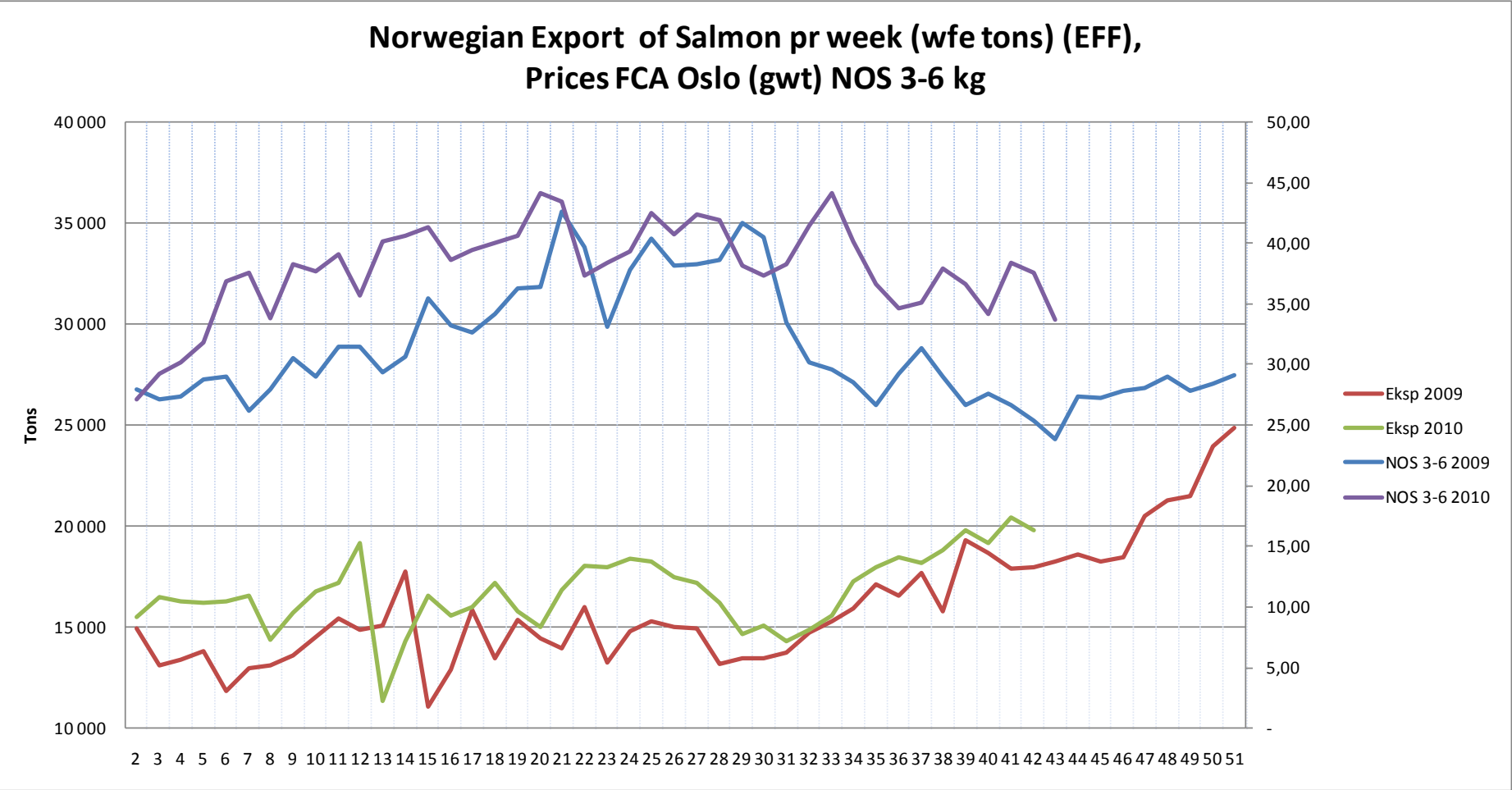


Figures as per 22.10.10

Source: NOS



# SPOT prices vs Export Volumes Norway 2010/2009



Source: EFF/NOS

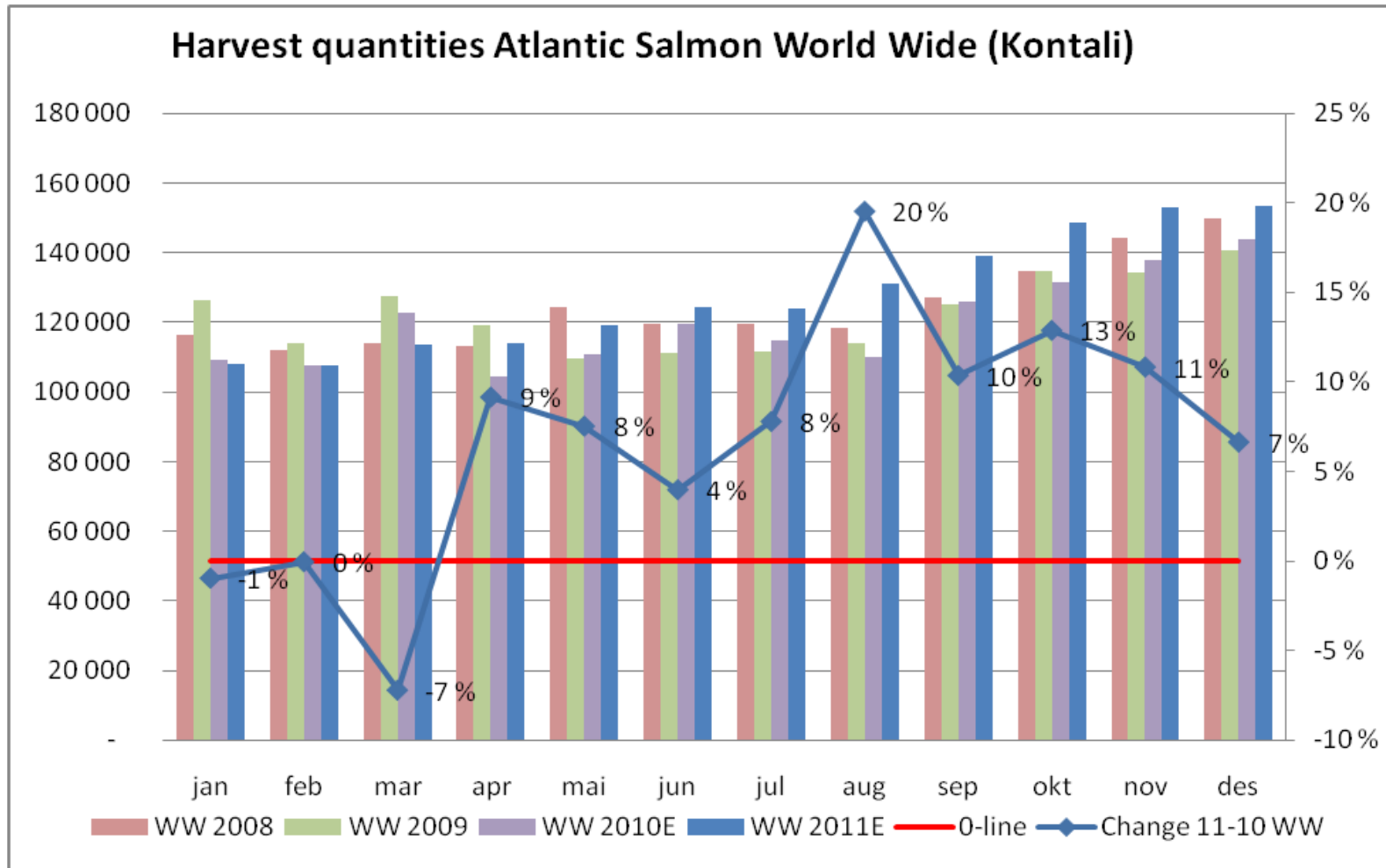


# Atlantic salmon – Supply in tons WFE

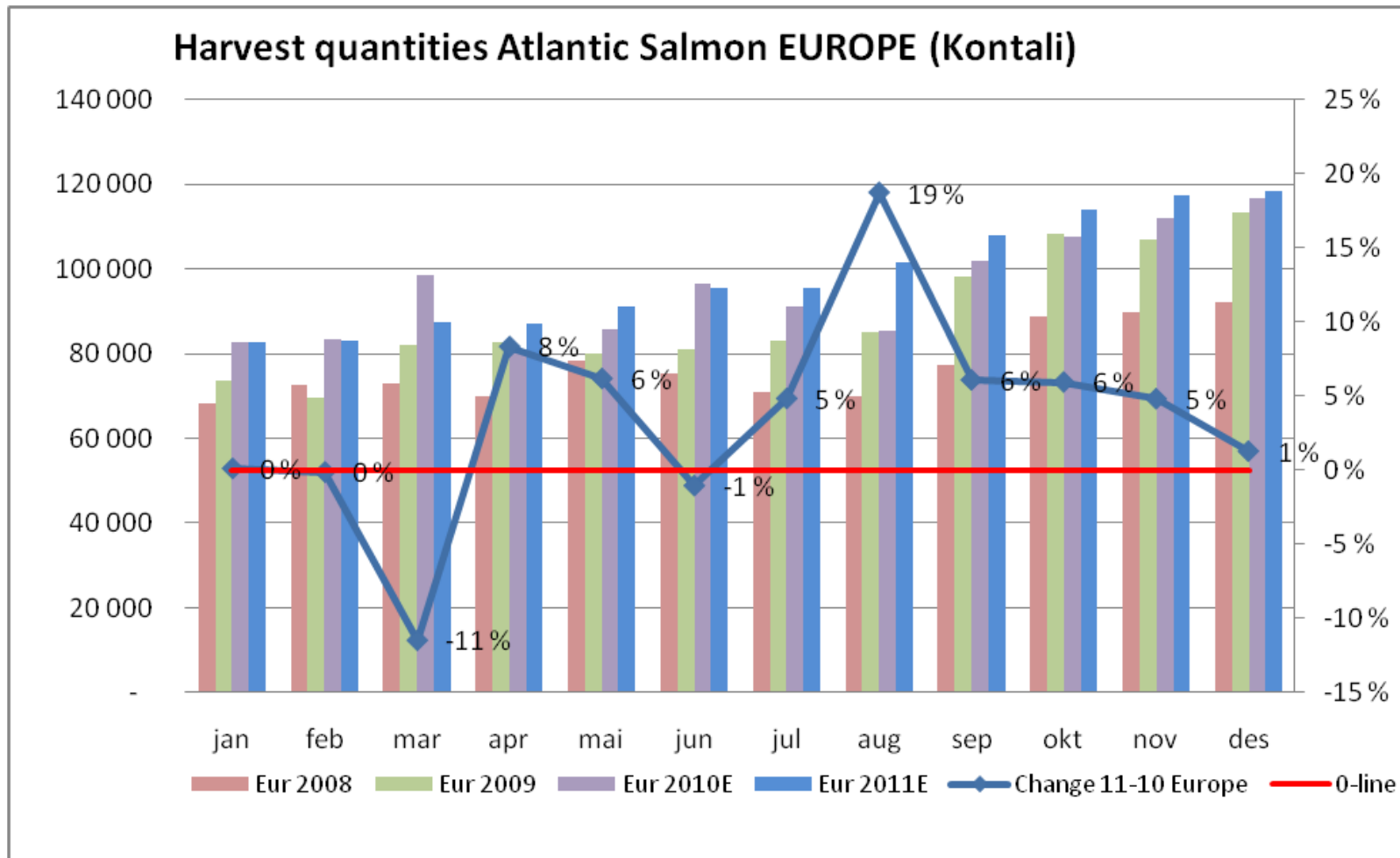
|                         | 2005             | Change<br>04-05 | 2006             | Change<br>05-06 | 2007             | Change<br>06-07 | 2008             | Change<br>07-08 | 2009             | Change<br>08-09 | 2010 E           | Change<br>09-10 | 2011 E           | Change<br>10-11 |
|-------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Norway                  | 572 200          | 7 %             | 598 500          | 5 %             | 723 300          | 20,9 %          | 741 000          | 2,4 %           | 855 700          | 15,5 %          | 942 000          | 10,1 %          | 969 900          | 3,0 %           |
| United Kingdom          | 119 700          | -20 %           | 127 500          | 7 %             | 134 900          | 5,8 %           | 136 400          | 1,1 %           | 144 800          | 6,2 %           | 142 100          | -1,9 %          | 146 500          | 3,1 %           |
| Faroe Islands           | 17 200           | -53 %           | 11 900           | -31 %           | 19 000           | 59,7 %          | 37 900           | 99,5 %          | 48 100           | 26,9 %          | 41 300           | -14,1 %         | 49 600           | 20,1 %          |
| Ireland                 | 12 400           | 0 %             | 14 500           | 17 %            | 15 300           | 5,5 %           | 11 400           | -25,5 %         | 15 500           | 36,0 %          | 17 000           | 9,7 %           | 16 000           | -5,9 %          |
| Iceland                 | 6 500            | -2 %            | 4 000            | -38 %           | 2 000            | -50,0 %         | 1 000            | -50,0 %         | 500              | -50,0 %         | -                | -100,0 %        | -                |                 |
| <b>Total Europe</b>     | <b>728 000</b>   | <b>-2 %</b>     | <b>756 400</b>   | <b>4 %</b>      | <b>894 500</b>   | <b>18,3 %</b>   | <b>927 700</b>   | <b>3,7 %</b>    | <b>1 064 600</b> | <b>14,8 %</b>   | <b>1 142 400</b> | <b>7,3 %</b>    | <b>1 182 000</b> | <b>3,5 %</b>    |
| Chile                   | 385 200          | 11 %            | 368 700          | -4 %            | 356 400          | -3,3 %          | 402 600          | 13,0 %          | 238 500          | -40,8 %         | 123 500          | -48,2 %         | 176 300          | 42,8 %          |
| Canada                  | 107 500          | 21 %            | 115 000          | 7 %             | 109 500          | -4,8 %          | 118 500          | 8,2 %           | 115 400          | -2,6 %          | 119 500          | 3,6 %           | 123 200          | 3,1 %           |
| Australia               | 17 900           | 27 %            | 19 400           | 8 %             | 23 800           | 22,7 %          | 25 700           | 8,0 %           | 32 200           | 25,3 %          | 33 000           | 2,5 %           | 36 000           | 9,1 %           |
| USA                     | 9 600            | -28 %           | 10 200           | 6 %             | 12 300           | 20,6 %          | 17 000           | 38,2 %          | 16 400           | -3,5 %          | 18 500           | 12,8 %          | 17 000           | -8,1 %          |
| Others                  | 2 400            | 0 %             | 2 400            | 0 %             | 2 400            | 0,0 %           | 1 400            | -41,7 %         | 1 200            | -14,3 %         | 1 200            | 0,0 %           | 1 200            | 0,0 %           |
| <b>Total America</b>    | <b>522 600</b>   | <b>12 %</b>     | <b>515 700</b>   | <b>-1 %</b>     | <b>504 400</b>   | <b>-2,2 %</b>   | <b>565 200</b>   | <b>12,1 %</b>   | <b>403 700</b>   | <b>-28,6 %</b>  | <b>295 700</b>   | <b>-26,8 %</b>  | <b>353 700</b>   | <b>19,6 %</b>   |
| <b>Total World-wide</b> | <b>1 250 600</b> | <b>3,6 %</b>    | <b>1 272 100</b> | <b>1,7 %</b>    | <b>1 398 900</b> | <b>10,0 %</b>   | <b>1 492 900</b> | <b>6,7 %</b>    | <b>1 468 300</b> | <b>-1,6 %</b>   | <b>1 438 100</b> | <b>-2,1 %</b>   | <b>1 535 700</b> | <b>6,8 %</b>    |

Global growth of 4.6% from 2009 to 2011

# Atlantic salmon - Harvest Quantities World Wide in tons WFE



# Atlantic salmon - Harvest Quantities Europe in tons WFE



Figures as per 22.10.10  
Source: Kontali





uten skinn og ben,  
godt for store og små

Søkerike på  
Omega-3

I ovn eller stekepanne,  
fiks ferdig på 15 minutter

100 000 000 000

# Lerøy i ny drakt

hele rødfiskserien i nytt og smakfullt design!

Lerøy re-designer hele rødfisk serien i fryst med nytt, innovativt og lekkert design. Omprofileringen er et ledd i å fremstå mer tydelig som avsender og gi forbrukeren en

førsteklasses vare med tips om tilberedning og tilbehør. Forbrukerne er kravstore og Lerøy møter deres krav om kvalitet og innovasjon pakket i smakfull drakt.



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**Thank you!**

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