



LERØY

LERØY SEAFOOD GROUP

Quarterly report First quarter 2012

May 15th 2012

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CEO

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LERØY

Agenda



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Considerations

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Lerøy at a glance

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Market glance

Highlights as of Q1 2012

- EBIT/kg NOK 4.2 pre restructuring costs
- EBIT/kg all inclusive NOK 2.8
 - Including restructuring costs in Lerøy Hydrotech of NOK50m, i.e. NOK/kg 1.4
- Prices
 - Fairly good prices in line with our expectations
- Contract prices in the range of prevailing spot prices this quarter
 - 27% contract share
- Biology satisfactory
 - Record-high volume for season, i.e. 36.3' GWT
- Biomass in sea of 90.6' LWT Q1 12 vs 84.1' LWT Q1 11
- S&D second best first quarter ever
- Rode Beheer B.V. fully consolidated from March



Internal considerations Q1 2012

All figures in NOK mill

	Q1 - 12	Q1 - 11	Change	2011	2010	Change
Turnover	2 164	2 225	-3 %	9 177	8 888	3 %
EBITDA	209	510	-59 %	1 485	1 806	-18 %
EBIT pre restructuring **	153					
EBIT bef adj biom	103	446	-77 %	1 213	1 586	-24 %
PTP bef adj biom	89	458	-80 %	1 183	1 623	-27 %

*) PTP = Pre-Tax Profit

***) Impairment loss on fixed asset NOK33m and salaries NOK17m



Internal considerations Q1 2012

Production

- Record-high volume for season due to good biology
 - 36.3' GWT
- In general, operations satisfactory
 - Underlying production costs to stock down
 - Growth and feed price
- Biomass in sea of 90.6' LWT gives a good basis for the remainder of the year

Sales and Distribution

- Second best first quarter ever
- Capitalising on
 - Economies of scale
 - Systems
 - Global network
 - Organisation/human capital
 - Alliances



Internal considerations

Q1 2012 cont'd

Affiliated companies

- Earnings improved compared to previous quarter (Norskott/Scottish Sea Farms)
 - Biology and higher prices

Financially solid

- NIBD NOK1,679m as of Q1 2012
 - Satisfactory cash-flow in the quarter under review
- Proposed dividend of NOK/share 7.0 (NOK382m) to be paid out in the beginning of June, i.e. Q2
- Payable tax in Q2 c.NOK153m
- Well positioned for future organic and strategic growth



External considerations Q1 2012

Demand and supply

- Spot prices down 34.6% year on year
 - On the back of significantly higher supply
- However, the supply growth somewhat mitigated by a good demand
 - Prices in line with our expectations
- Contract prices in the range of spot-prices
 - 27% contract share in the first quarter
- Focus on market
 - Favourable prices from a demand point of view
 - Marketing campaigns
 - Emerging markets

Political issues / trade barriers

- US punitive duty on Norwegian fresh salmon finally revoked
 - Positive effects



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Income Statement Q1 2012

All figures in NOK 000

	<u>Q1 2012</u>	<u>Q1 2011</u>	<u>2011</u>
Salgsinntekter / Operating revenues	2 163 877	2 225 129	9 176 873
Vareforbruk / Cost of goods sold	1 497 221	1 301 410	5 866 180
Lønnskostnader / Salaries and wages	259 047	222 088	967 789
Andre driftskostnader / Other operating costs	199 107	191 247	858 107
Driftsresultat før avskrivninger / EBITDA	208 503	510 384	1 484 797
Ordinære avskrivninger / Ordinary depreciation	72 316	64 541	271 899
Nedskrivning driftsmidler / Impairment loss fixed assets	33 000	0	0
Driftsresultat før verdijustering biomasse / EBIT before fair value adjustment biomass	103 186	445 843	1 212 898
Verdijustering biomasse / Fair value adjustment biomass	88 895	49 596	-615 767
Driftsresultat / Operating profit (EBIT)	192 082	495 439	597 131
Inntekt fra tilknyttede selskaper / Income from associated companies	9 076	21 932	19 741
Netto finansposter / Net financial items	-22 664	-16 753	-81 884
Resultat før skattekostnad og før just biomasse / Profit before tax bef adj biom.	89 435	458 042	1 183 314
Resultat før skattekostnad / Profit before tax	178 494	500 618	534 988
Beregnete skatter / Estimated taxation	-48 223	-139 004	-156 311
Periodens resultat / Profit for the period	130 271	361 614	378 677
Henføres til / Attributable to:			
Kontrollerende eierinteresser / Controlling interests	134 519	330 234	382 705
Ikke-kontrollerende eierinteresser / Non-controlling interests	-4 248	31 380	-4 028

Key Figures Production Q1 2012

Figures NOKm	Lerøy Midnor ^{*)}	Lerøy Hydrotech ^{**)}	Lerøy Aurora ^{*)}	Lerøy Vest	Sjøtroll Havbruk ^{*)}	Others / elimination	Total Q1 12	Total Q1 11
Revenues	267,7	214,5	144,3	258,1	143,4	175,8	1 203,8	1 251,8
EBIT before biom adj	64,4	-34,1	29,6	12,1	-7,5	5,0	69,5	416,3
RoS before biom adj	24 %	-16 %	20 %	5 %	-5 %	3 %	6 %	33 %
Volumes (GWtk)	8,7	8,0	5,0	9,9	4,7		36,3	27,9
EBIT/kg	7,4	-4,2 ^{***)}	5,9	1,2	-1,6		1,8	14,6

EBIT/kg all inclusive NOK 2.8 (Q1 2011 NOK/kg 16.0)

Q1 11 comparable figures:							
Revenues	281,5	213,0	148,2	294,7	187,1	127,4	1 251,8
EBIT before biom adj	107,2	86,7	51,6	109,4	52,6	8,8	416,3
RoS before biom adj	38 %	41 %	35 %	37 %	28 %	7 %	33 %
Volumes (GWtk)	6,5	5,2	3,8	8,1	4,4	0,0	27,9
EBIT/kg	16,6	16,6	13,7	13,5	12,0		14,6

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

***) Restructuring costs of NOK50m in Q1 2012

***) EBIT/kg pre restructuring costs: 2.0

Key Figures Sales & Distribution Q1 2012

Figures NOKm	Sales & Distribution	Elimination	Total Q1 12	Total Q1 11
Revenues	2 329,8	-152,0	2 177,9	2 166,4
EBIT	40,3	-0,1	40,2	36,3
RoS	1,7 %		1,8 %	1,7 %

- Second best first quarter ever

Balance Sheet Q1 2012

All figures in NOK 000

	31.03.12	31.03.11	31.12.11
Eiendeler / Assets			
Immaterielle eiendeler / Intangible assets	3 987 145	3 864 600	3 885 419
Varige driftsmidler / Tangible fixed assets	1 906 530	1 617 681	1 836 384
Finansielle anleggsmidler / Financial non-current assets	359 540	387 631	360 794
Sum anleggsmidler / Total non-current assets	6 253 216	5 869 912	6 082 597
Biologiske eiendeler / Biological assets	2 345 721	2 747 128	2 370 938
Andre varer / Other inventories	316 779	247 338	328 045
Fordringer / Receivables	1 210 528	1 104 314	1 082 838
Betalingsmidler / Cash and cash equivalents	1 721 119	1 648 844	1 597 429
Sum omløpsmidler / Total current assets	5 594 147	5 747 623	5 379 250
Sum eiendeler / Total assets	11 847 363	11 617 535	11 461 847
Egenkapital og gjeld / Equity and debt			
Innskutt egenkapital / Paid in equity	2 765 787	2 773 912	2 765 788
Opptjent egenkapital / Earned equity	2 632 354	3 015 686	2 497 048
Ikke-kontrollerende eierinteresser / Non-controlling interests	641 813	576 944	534 931
Sum egenkapital / Total equity	6 039 955	6 366 542	5 797 766
Avsetning for forpliktelser / Accrued liabilities	1 174 915	1 278 976	1 098 673
Langsiktig gjeld / Long-term liabilities	2 578 908	2 176 727	2 429 365
Kortsiktige kreditter / Short-term loans	820 991	412 760	760 977
Annen kortsiktig gjeld / Other short-term liabilities	1 232 594	1 382 530	1 375 066
Sum gjeld / Total liabilities	5 807 408	5 250 993	5 664 082
Sum egenkapital og gjeld / Total equity and liabilities	11 847 363	11 617 535	11 461 847

Cash Flow Statement Q1 2012

All figures in NOK 000

	<u>Q1 2012</u>	<u>Q1 2011</u>	<u>2011</u>
Kontantstrøm fra drift / Cash flow from operating activities			
Resultat før skatt / Profit before tax	178 494	500 618	534 988
Betalt skatt / Income tax paid	-107 099	-48 221	-407 229
Ordinære avskrivninger / Ordinary depreciation	72 316	64 541	271 900
Nedskrivninger varige driftsmidler / Impairment loss fixed assets	33 000	0	0
Resultat tilknyttede selskaper / Profit from associated companies	-9 076	-21 932	-19 741
Endring verdijustering biomasse / Change in value adjustment biomass	-88 895	-49 809	616 741
Endring varelager / Change in inventories	150 923	56 772	-313 670
Endring kundefordringer / Change in accounts receivable	-66 672	109 318	86 893
Endring leverandører / Change in accounts payable	-30 210	-92 133	51 911
Poster klass. som finansieringsaktiviteter / Items reclassified as financing activities	22 663	17 322	81 884
Andre tidsavgrensninger / Other accruals	-12 757	-68 697	-30 862
Netto kontantstrøm fra drift / Net cash flows from operating activities	142 686	467 779	872 815
Kontantstrøm fra investeringsaktiviteter / Cash flow from investing activities			
Netto investering i varige driftsmidler etc. / Net investment in fixed assets etc.	-104 125	-91 152	-516 660
Netto investering i immaterielle eiendeler / Net investment in intangible fixed assets	-102	-427	-9 405
Netto utbetaling ved kjøp av aksjer etc. / Net payments for acquisitions of shares etc.	4 138	393	-1 675
Netto utbetaling v/kjøp av konsernselskaper / Net acquisitions of group companies	-111 767	-13 168	-22 754
Innbetaling av utbytte fra tilknyttede selskaper / Dividend from associates	0	0	29 336
Endring langsiktige fordringer etc. / Change in long-term receivables etc.	174	-254	-254
Netto kontantstrøm fra investeringsaktiviteter/Net cash flow from investing activities	-211 682	-104 608	-521 412
Kontantstrøm fra finansieringsaktiviteter / Cash flow from financing activities			
Netto endring i kortsiktige kreditter / Net change in bank overdraft	29 636	-13 539	319 513
Netto endring langsiktig gjeld / Net change in long-term debt	179 156	-54 586	213 618
Netto innbetaling av egenkapital / Net equity contributions	0	0	0
Netto finanskostnader / Net financial costs	-22 663	-16 836	-81 884
Gjenkjøp av egenkapitalinteresser / repurchase of equity interests	0	0	-15 198
Utbetaling av utbytte / Dividend payments	0	0	-565 939
Netto kontantstrøm fra finansieringsakt. / Net cash flow from financing activities	186 129	-84 961	-129 890
Netto kontantstrøm for perioden / Net cash flows for the period	117 133	278 210	221 513
Betalingsmidler v/periodens begynnelse / Cash and cash equiv. at beginning of period	1 597 429	1 357 096	1 357 096
Betalingsmidler fra oppkjøp / Cash and cash equivalents from business combinations	6 557	13 538	18 821
Betalingsmidler ved periodens slutt / Cash and equivalents at end of period	1 721 119	1 648 844	1 597 429

Key figures - Lerøy Seafood Group Q1 2012

	Q1 2012	Q1 2011	2011
Resultatmargin før just.biomasse / Profit margin before adj. biomass	4,1 %	20,6 %	12,9 %
Resultatmargin / Profit margin ¹⁾	8,2 %	22,5 %	5,8 %
Driftsmargin før just.biomasse / Operating margin before adj.biomass	4,8 %	20,0 %	13,2 %
Driftsmargin / Operating margin ²⁾	8,9 %	22,3 %	6,5 %
Resultat per aksje før just.biomasse / Earnings per share before adj.biomass	1,26	5,80	15,13
Resultat per aksje / Earnings per share ³⁾	2,46	6,05	7,01
Utvannet resultat per aksje / Diluted earnings per share	2,46	6,05	7,01
ROCE før just.biomasse (annualisert) / ROCE before adj.biomass (annualised)	6,0 %	28,1 %	17,9 %
ROCE (annualisert) / ROCE (annualised) ⁴⁾	10,7 %	28,3 %	8,4 %
Egenkapitalandel / Equity ratio	51,0 %	54,8 %	50,6 %
Netto rentebærende gjeld / Net interest bearing debt	1 678 780	940 438	1 592 914
Kontantstrøm per aksje / Cash-flow per share ⁵⁾	2,61	8,57	15,99
Utvannet kontantstrøm per aksje / Diluted cash-flow per share	2,61	8,57	15,99

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

NOK million	2012	2013	2014	2015	2016	2017 ->	Total
Instalments	363	379	438	455	509 ^{*)}	824	2 969

- Covenants NIBD/EBITDA < 5 and Equity ratio > 30%^{**)}
 - Q1 2012: 1.4 and 62.2 % respectively
- Satisfactory committed unused credit lines

^{*)} Of which NOK300m a 5 year bond with Eksportfinans ASA (renewed in October 2011)

^{**)} Adjusted for bank deposits and deferred tax associated with licenses

Norskott Havbruk 100% figures

LSG's share = 50%

NOKm	Q1 2012	Q1 2011	2011
Revenues	229	225	797
EBITDA	27	83	175
EBIT bef adj biom	13	69	124
EBIT	14	50	34
Pre tax	13	48	28
Volumes (gwt)	6,9	5,5	21,9
EBIT/kg	1,9	12,5	5,7
Balance sheet	31.03.2012	31.03.2011	31.12.2011
Licences, goodwill	355	350	360
Tangible fixed assets	189	188	191
Inventories	494	466	530
Other current assets	106	123	121
Total assets	1 145	1 128	1 201
Equity	584	641	586
Debt	561	486	615
Total equity and debt	1 145	1 128	1 201
Net interest bearing debt	352	196	370

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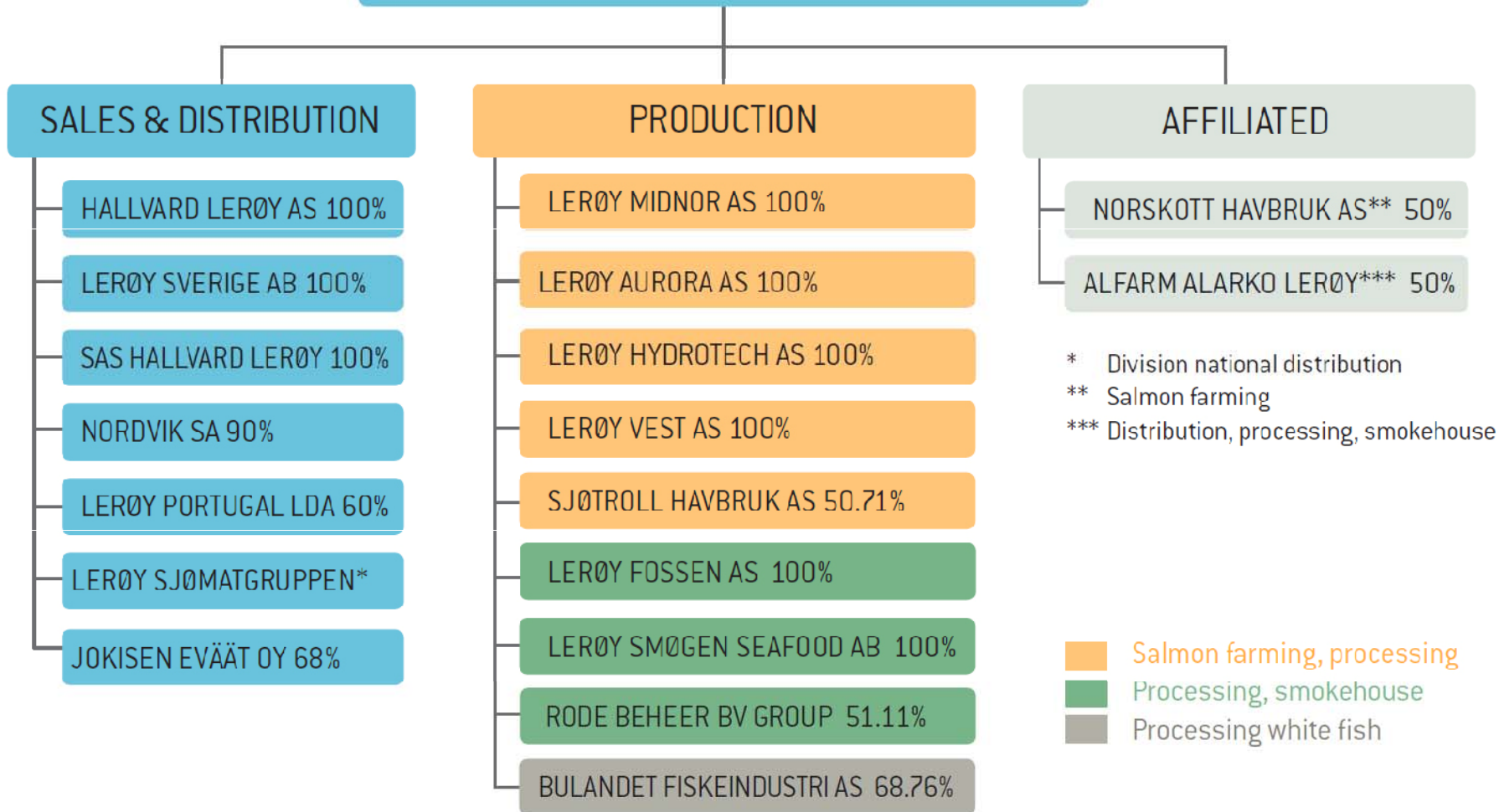
Market glance



Lerøy Seafood Group - Global organization



LERØY SEAFOOD GROUP ASA



Lerøy Seafood Group

Global distribution network

- Head Office in Bergen
- National distribution and processing in Norway, Sweden, Finland, France, Portugal, and Turkey
- Branch offices in key markets (France, Japan, China and USA)
- 11.7% (10.9%) share of Norwegian seafood export value
- 17.6% (16.4%) of Norwegian salmon export
- 27.9% (28.4%) of Norwegian value added salmon export
- #2 global salmon farmer volumewise

Total of 1,748 employees

- Sales and distribution 552
- Production and farming 1,196
- Associates 398 (not consolidated)

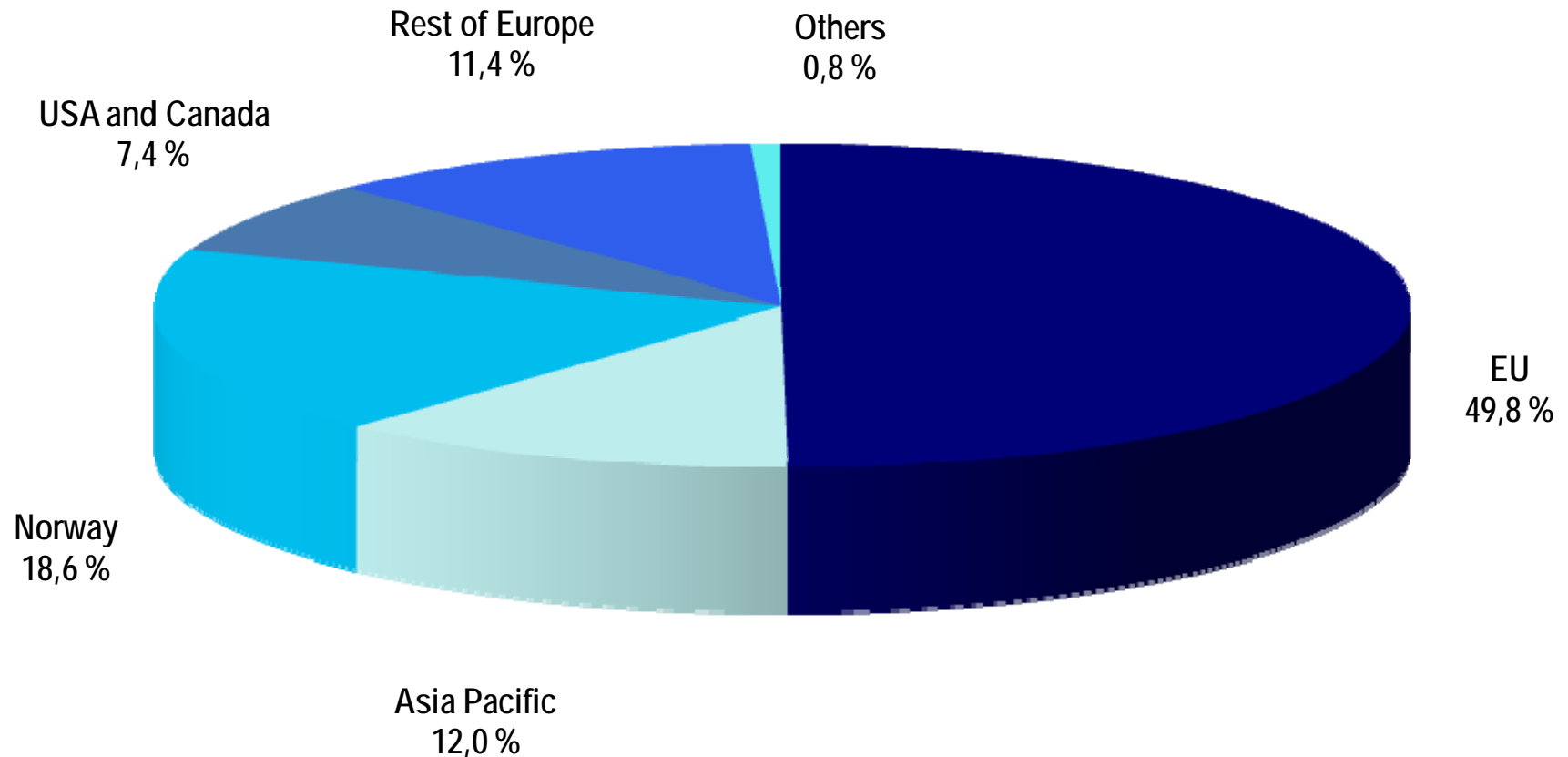




Lerøy Seafood Group

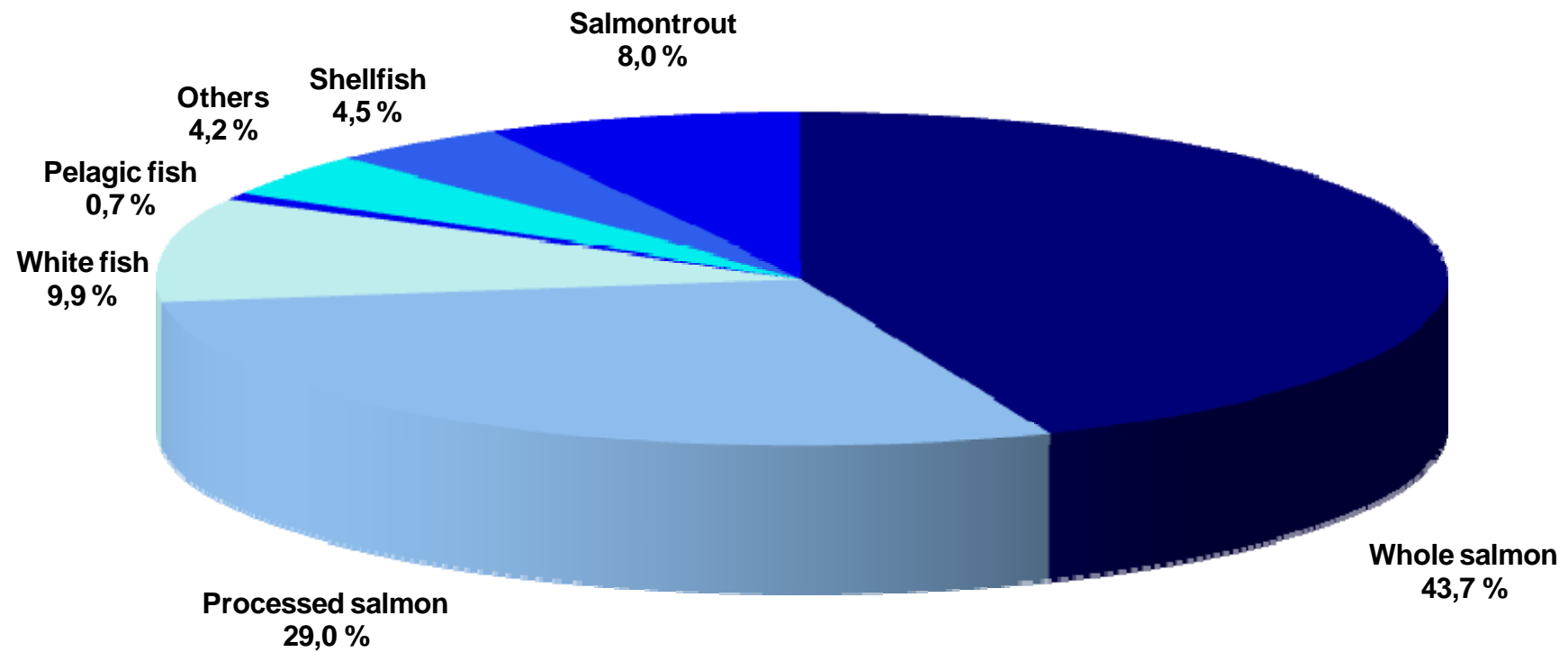
- Fully integrated
 - From roe to the plate
- Competent employees
- Decentralized farming units
 - Autonomous units in three regions
 - In addition, the affiliated company Scottish Sea Farms in Scotland
- Processing plants
 - Smokehouses
 - Fillets, portions etc
 - Post / pre-rigor
- Global sales network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

Lerøy Seafood Group - Sales per market Q1 2012



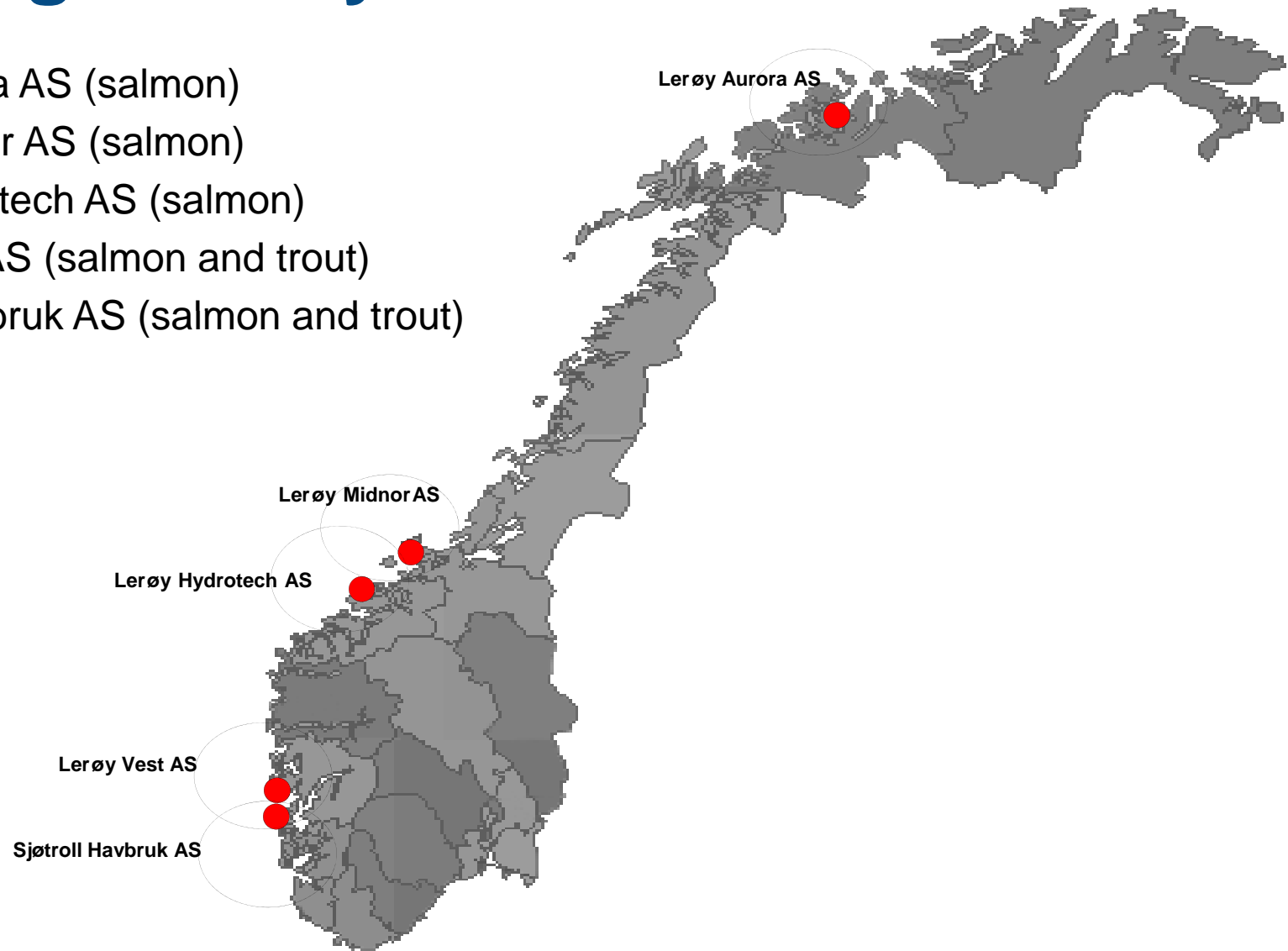
More than 60 countries

Lerøy Seafood Group - Sales per product Q1 2012



Farming Norway

- Lerøy Aurora AS (salmon)
- Lerøy Midnor AS (salmon)
- Lerøy Hydrotech AS (salmon)
- Lerøy Vest AS (salmon and trout)
- Sjøtroll Havbruk AS (salmon and trout)



Integrated value chain



Lerøy Seafood Group – Salmon/trout farming

Company	Ownership share	Licences No	Mill. smolt individuals	2010 GWT	2011 GWT	2012E GWT
Lerøy Midnor AS	100 %	30	9,5	34 000	35 900	36 000
Lerøy Aurora AS	100 %	17	7,5	20 300	18 100	20 000
Lerøy Hydrotech AS	100 %	24	7,0	25 200	26 400	26 000
Lerøy Vest AS	100 %	34	14,2	34 300	34 500	39 000
Sjøtroll Havbruk AS ^{*)}	50,71 %	25	8,4	3 000	21 700	27 000
Total Norway		130	46,6	116 800	136 600	148 000
Norskott Havbruk AS (UK) ^{**)}	50 %		7,0	13 500	10 900	12 500
Total			53,6	130 300	147 500	160 500

 Consolidated, farming

 Affiliated, farming

^{*)} Acquired and consolidated as from November 2010

^{**)} LSG's share



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Atlantic salmon – Supply in tons WFE

	2009	Change 08-09	2010	Change 09-10	2011	Change 10-11	2012	Change 11-12	2013	Change 12-13
<i>Norway</i>	855 700	15,5 %	944 600	10,4 %	1 005 600	6,5 %	1 134 500	12,8 %	1 134 200	0,0 %
<i>UK</i>	144 800	6,2 %	141 800	-2,1 %	154 700	9,1 %	149 400	-3,4 %	155 000	3,7 %
<i>Faroe Island</i>	47 100	27,6 %	41 800	-11,3 %	55 800	33,5 %	60 800	9,0 %	64 700	6,4 %
<i>Ireland</i>	14 800	29,8 %	17 800	20,3 %	16 000	-10,1 %	16 000	0,0 %	17 000	6,3 %
Total Europe	1 062 400	14,8 %	1 146 000	7,9 %	1 232 100	7,5 %	1 360 700	10,4 %	1 370 900	0,7 %

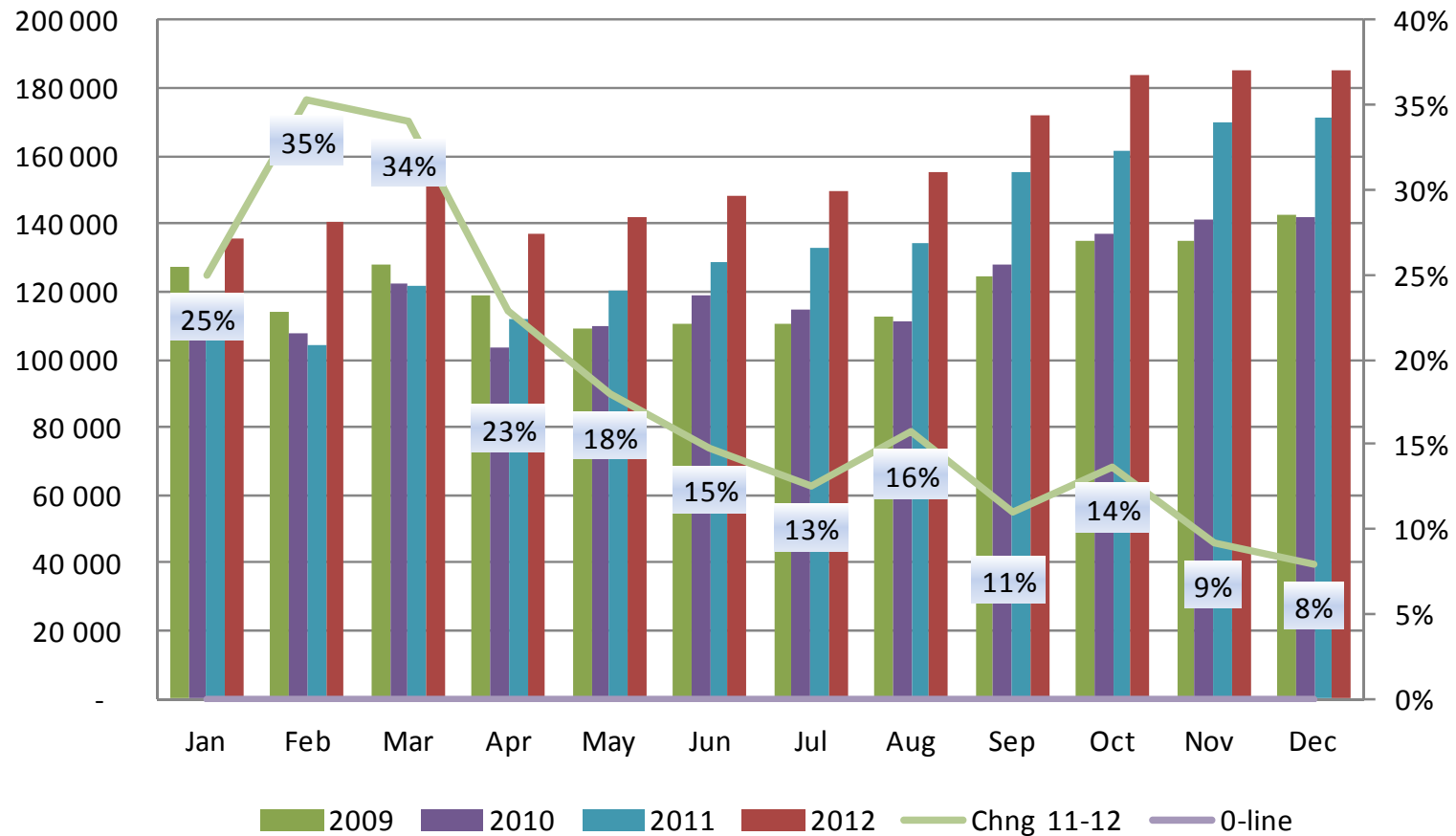
<i>Chile</i>	239 100	-40,7 %	129 600	-45,8 %	221 000	70,5 %	359 700	62,8 %	431 400	19,9 %
<i>Canada</i>	115 400	-2,6 %	118 000	2,3 %	110 000	-6,8 %	116 700	6,1 %	113 000	-3,2 %
<i>Australia</i>	32 200	25,3 %	33 000	2,5 %	36 000	9,1 %	37 000	2,8 %	36 700	-0,8 %
<i>USA</i>	16 400	-3,5 %	18 000	9,8 %	18 500	2,8 %	19 900	7,6 %	19 100	-4,0 %
<i>All others</i>	1 700	-29,2 %	1 400	-17,6 %	2 100	50,0 %	3 200	52,4 %	6 200	93,8 %
Total America	404 800	-28,6 %	300 000	-25,9 %	387 600	29,2 %	536 500	38,4 %	606 400	13,0 %

Total World-wide	1 467 200	-1,7 %	1 446 000	-1,4 %	1 619 700	12,0 %	1 897 200	17,1 %	1 977 300	4,2 %
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Figures as per 18.04.12
Source: Kontali

Atlantic salmon - Harvest Quantities World Wide in tons WFE

Harvest estimates Atlantic Salmon World Wide

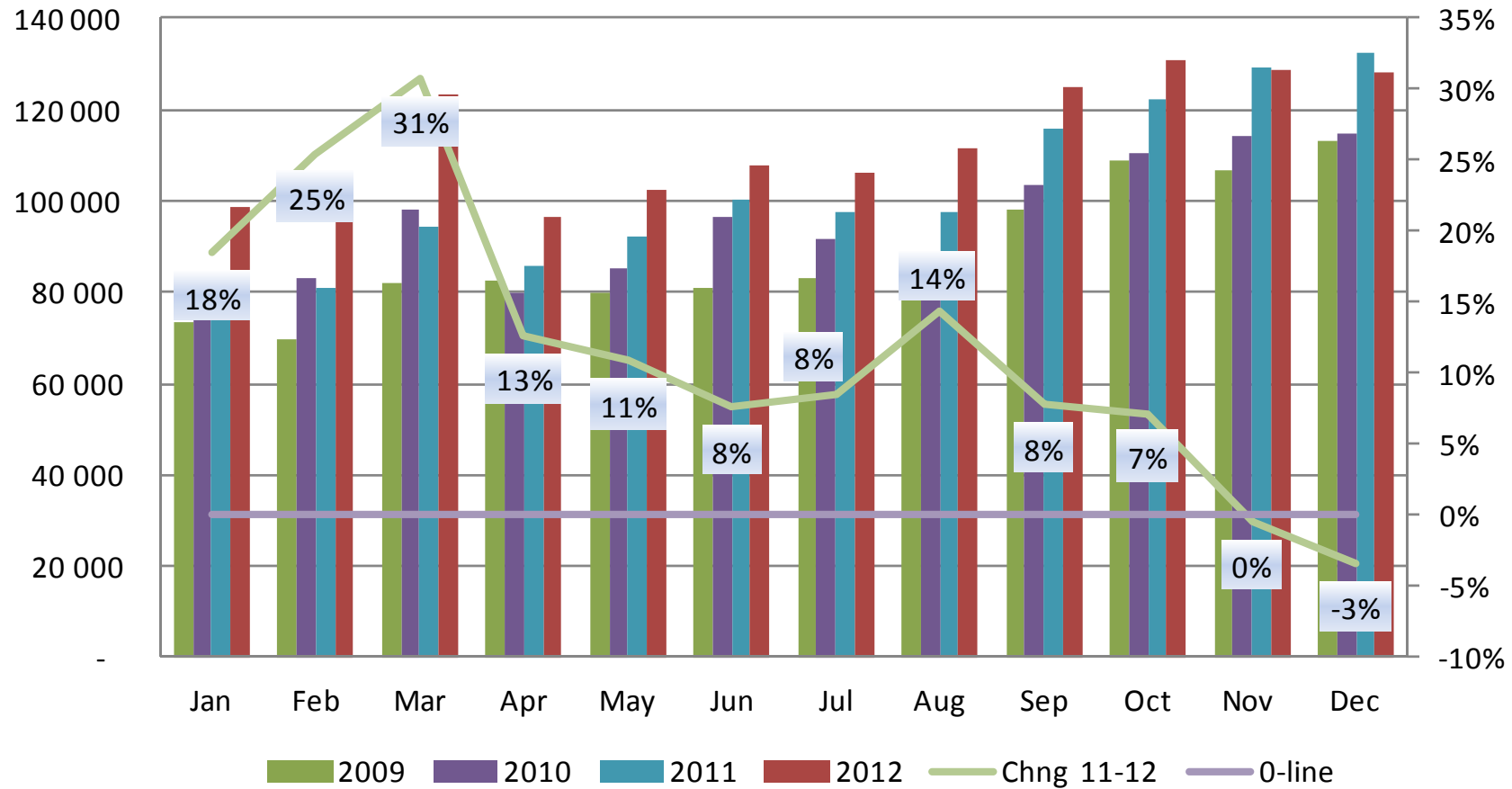


Figures as per 18.04.12
Source: Kontali



Atlantic salmon - Harvest Quantities Europe in tons WFE

Harvest estimates Atlantic Salmon in Europe

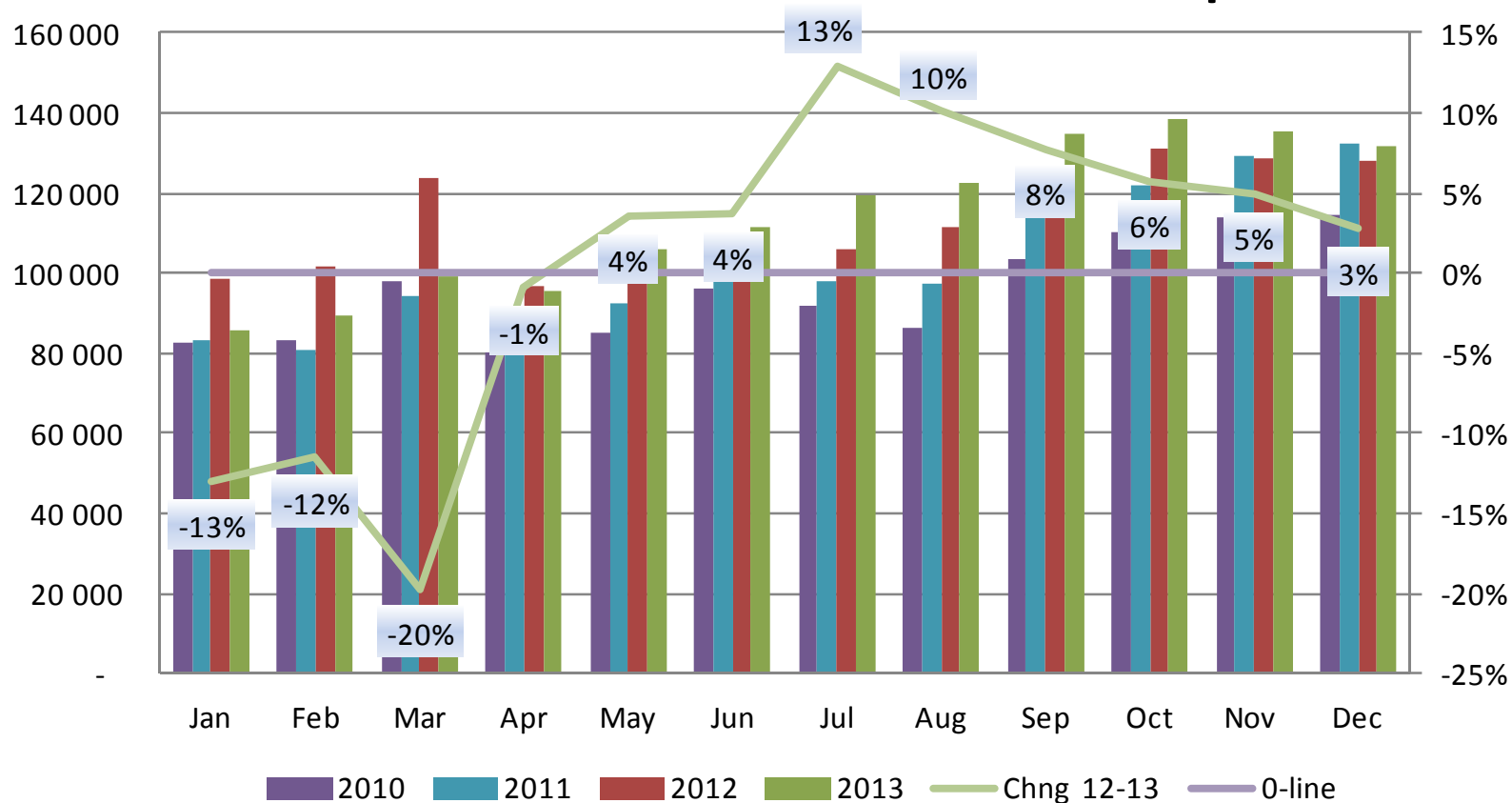


Figures as per 18.04.12
Source: Kontali



Atlantic salmon - Harvest Quantities Europe in tons WFE

Harvest estimates Atlantic Salmon in Europe

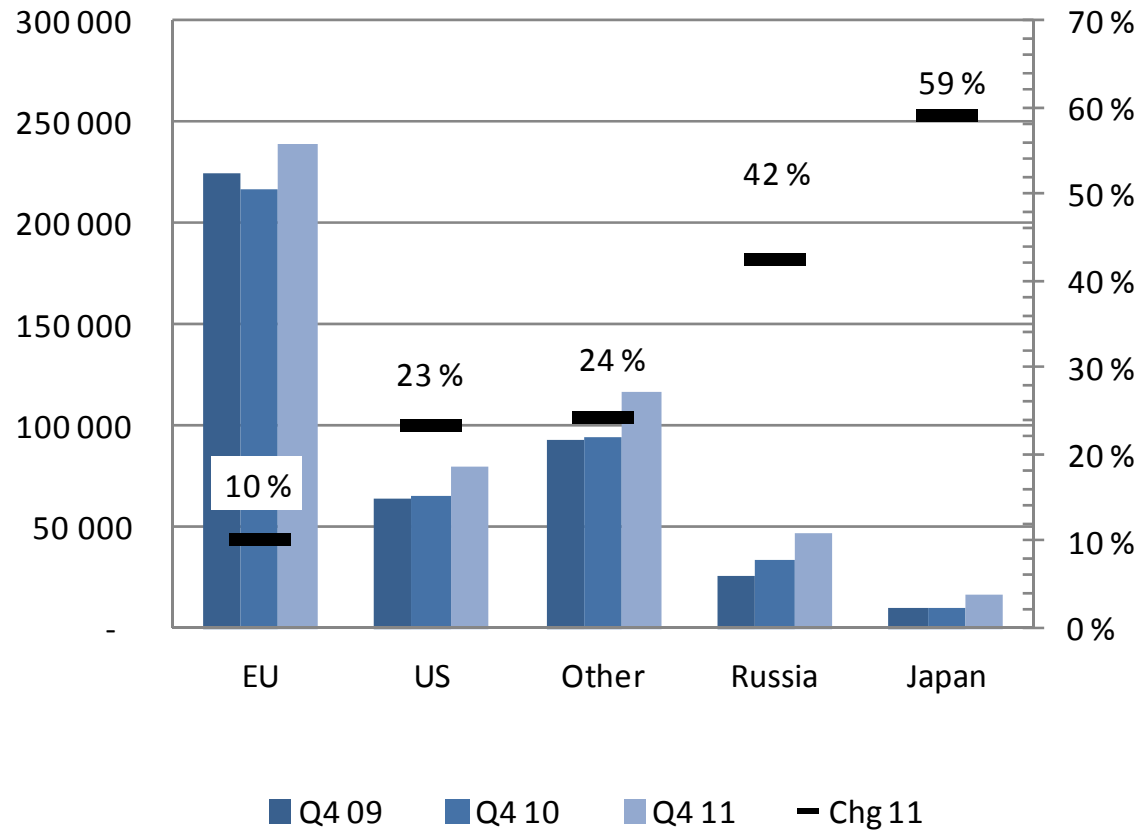


Figures as per 18.04.12
Source: Kontali



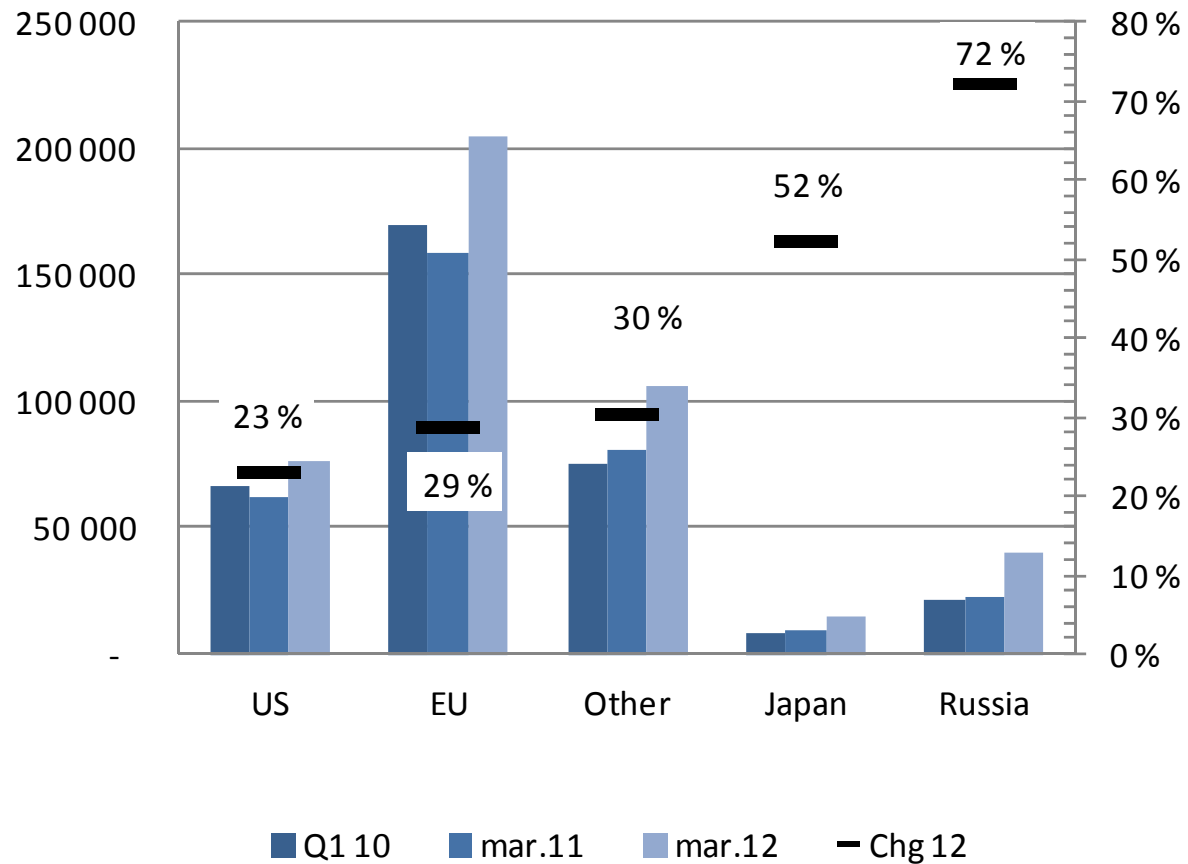
Atlantic Salmon Consumption Q4 2011

World Wide - consumption Q4 2009 - 2011



Atlantic Salmon Consumption Q1

World Wide - consumption Q1 2010 - 2012

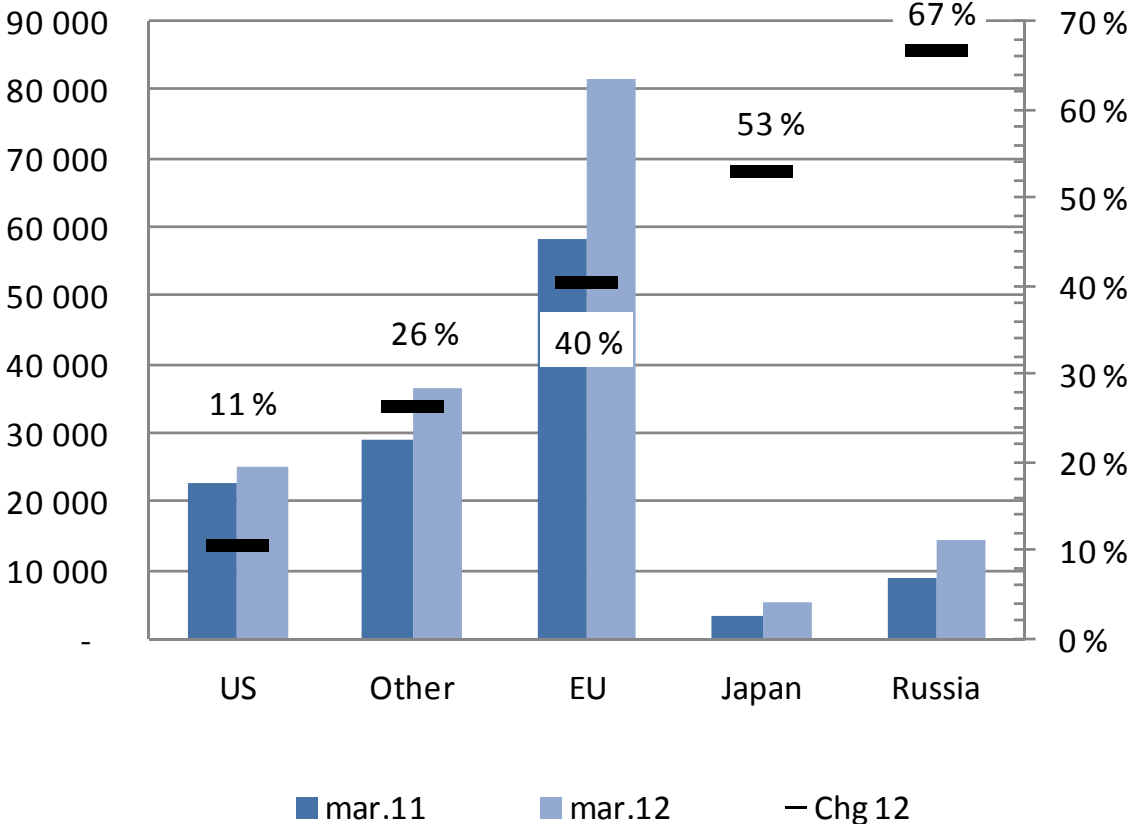


Figures as per 18.04.12
Source: Kontali



Atlantic Salmon Consumption March 2011-2012

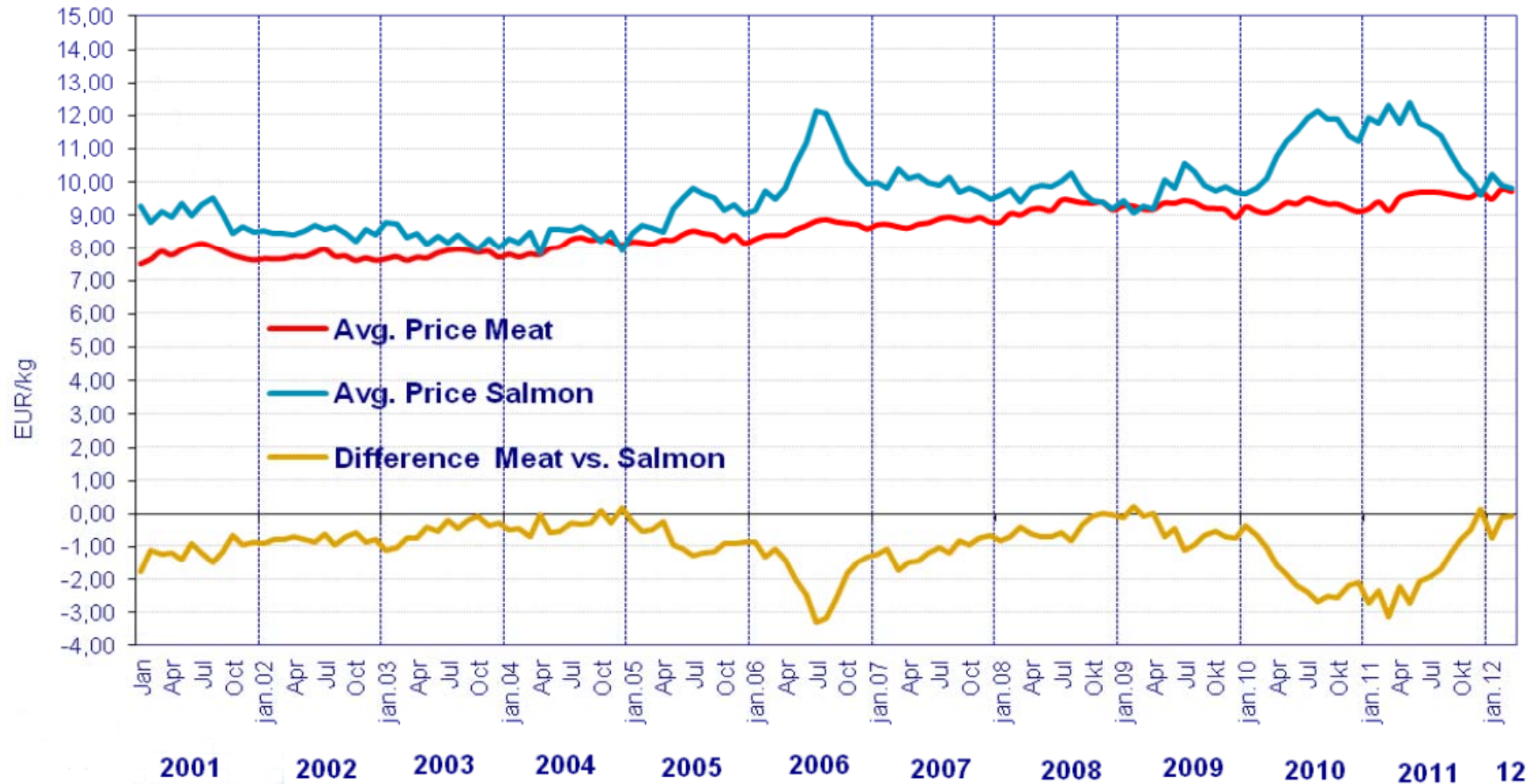
World Wide - consumption March 11 - 12



Figures as per 18.04.12
Source: Kontali



Prices Salmon and meat



Prices Meat = average pork, beef and chicken, French Retail
 Prices Salmon = average fillets and whole, French Retail

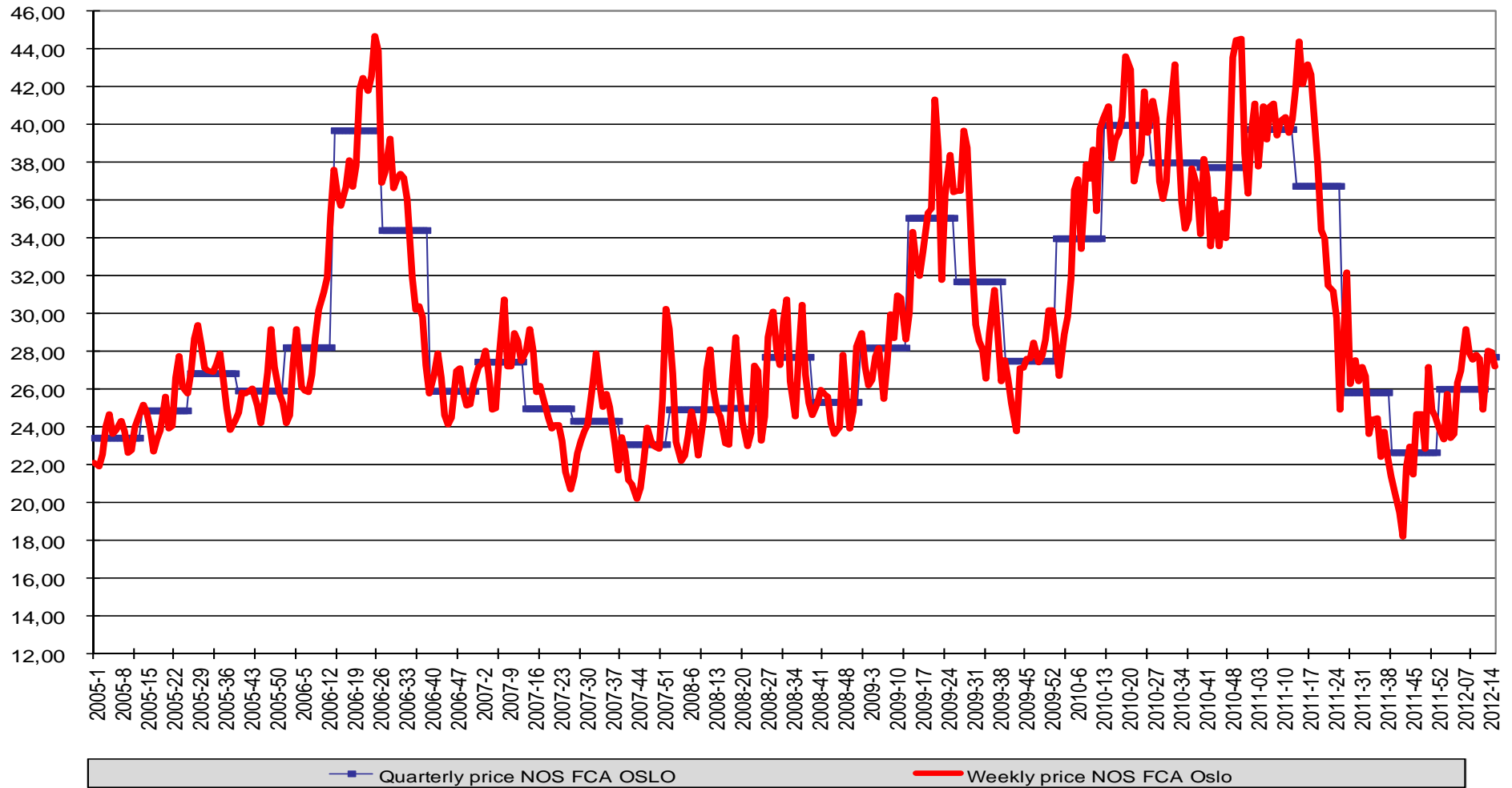
Figures as per 18.04.12
 Source: Kontali



SPOT prices, fresh Atlantic salmon, cross-section, FCA Oslo, as of week 16-2012 (Superior quality).

Avrg Q1 12 NOK 26.03 vs avrg Q1 11 NOK 39.78 (-34.6%)

	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12
NOS FCA Oslo	24,89	26,86	25,94	28,24	39,72	34,44	25,92	27,47	25,00	24,34	23,10	24,94	25,02	27,72	25,33	28,22	35,09	31,72	27,52	34,00	40,00	38,02	37,77	39,78	36,77	25,84	22,67	26,03	27,73



Figures as per 27.04.12
Source: NOS



Retail news - sushi



Retail news - sushi



Retail news - sushi





Going forward!

- Focus on environment and sustainability
- Innovation
- Product and category development
- Market development
- Marketing campaigns and promotions
 - Retail and end-customer
- Cost management throughout the value chain
- Operational focus in general!





Thank you!

www.leroy.no