

Lerøy Seafood Group

Quarterly report

Second quarter 2004

August 26th

Ole-Eirik Lerøy

CEO

Helge Singelstad

CFO



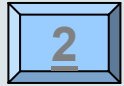
LERÖY | SEAFOOD INNOVATION SINCE 1899



Agenda



Considerations



Key financial figures Q2 2004



Lerøy at a glance



Lerøy Seafood Group – Company profile



Market glance





Internal considerations 2nd Quarter 2004

Main figures All figures in mill NOK

	Q2-04	Q2-03	Change	YTD 04	YTD 03	2003
• Turnover	851	678	25,5 %	1.709	1.280	2.915
• Operating profit	29	24	20,8 %	57	41	84
• Affiliated companies	2	-4	150 %	0	-11	-21
• Pre-tax profit	27	9	200 %	48	20	55





Internal considerations 2nd Quarter 2004

- **Financially Solid**

- Well positioned for future organic and strategic growth
- Dividend for 2003 NOK 0,60 per share (Ex dividend 26. May 2004)

- **Appr. 2.924 shareholders as of 20. August 2004**

- Considerably improved liquidity traded shares

- **Consolidated**

- Satisfactory operations in most areas in Q2 2004
- Still focus on operations and synergies
- Lerøy Midnor AS well integrated
- Acquired rest of shares in Lerøy Sweden AB
- Acquired 60 % shares in Portnor LDA





Portnor Lda, acquisition 60 % shares

- **Established in Lisboa in 1991**
- **Key figures 2003:**
 - Turnover NOK 90 mill
 - Pre tax profit NOK 1,9 mill
 - Share price (60 %) NOK 4,6 mill
- **Employees: 22**
- **Leading distributor of fresh seafood in Portugal**
- **Other shareholders**
 - Man. Director Mr. Thomassen & Mrs. Thomassen





Internal considerations 2nd Quarter 2004

- **Financially Solid**

- Well positioned for future organic and strategic growth
- Dividend for 2003 NOK 0,60 per share (Ex dividend 26. May 2004)

- **Appr. 2.924 shareholders as of 20. August 2004**

- Considerably improved liquidity traded shares

- **Consolidated**

- Satisfactory operations in most areas in Q2 2004
- Still focus on operations and synergies
- Lerøy Midnor AS well integrated
- Acquired rest of shares in Lerøy Sweden AB
- Acquired 60 % shares in Portnor LDA

- **Affiliated companies**

- Improved, but still difficult market situation





External considerations 2nd Quarter 2004

- **Improved salmon and trout prices**
 - Prices increased in H1 (15.6 %)
 - Prices in Q2 04 higher than comparable figures in Q2 03 (22.1 %)
 - Higher prices needed
 - Prices so far in Q3 04 higher than comparable prices in Q3 03, but uncertainty in price development
- **Weakened financial and operational performances throughout the industry**
 - Enhances restructuring
 - Consolidation
 - Increased market orientation
- **Still difficult market situation in both pelagic and white fish sectors**
- **Currencies**
 - Future will bring great volatility





External considerations 2nd Quarter 2004

cont.

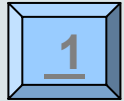
- **Political issues / trade barriers**
- **Safeguard measures**
- **WTO**
- **Dumping ?**



LERÖY | SEAFOOD INNOVATION SINCE 1899



Agenda



Considerations



Key financial figures Q2 2004



Lerøy at a glance



Lerøy Seafood Group – Company profile



Market glance

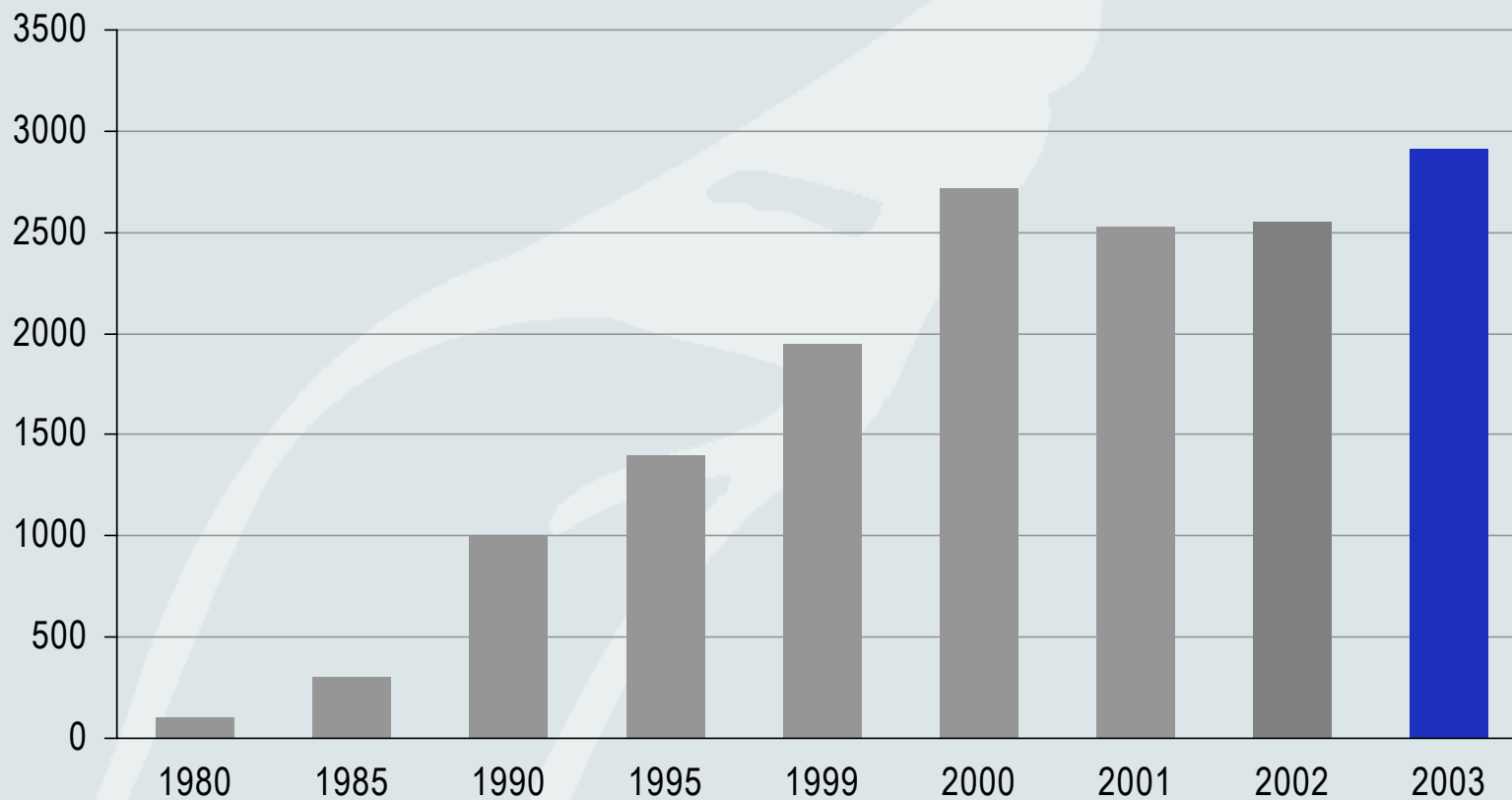


LERÖY | SEAFOOD INNOVATION SINCE 1899



Yearly turnover LSG

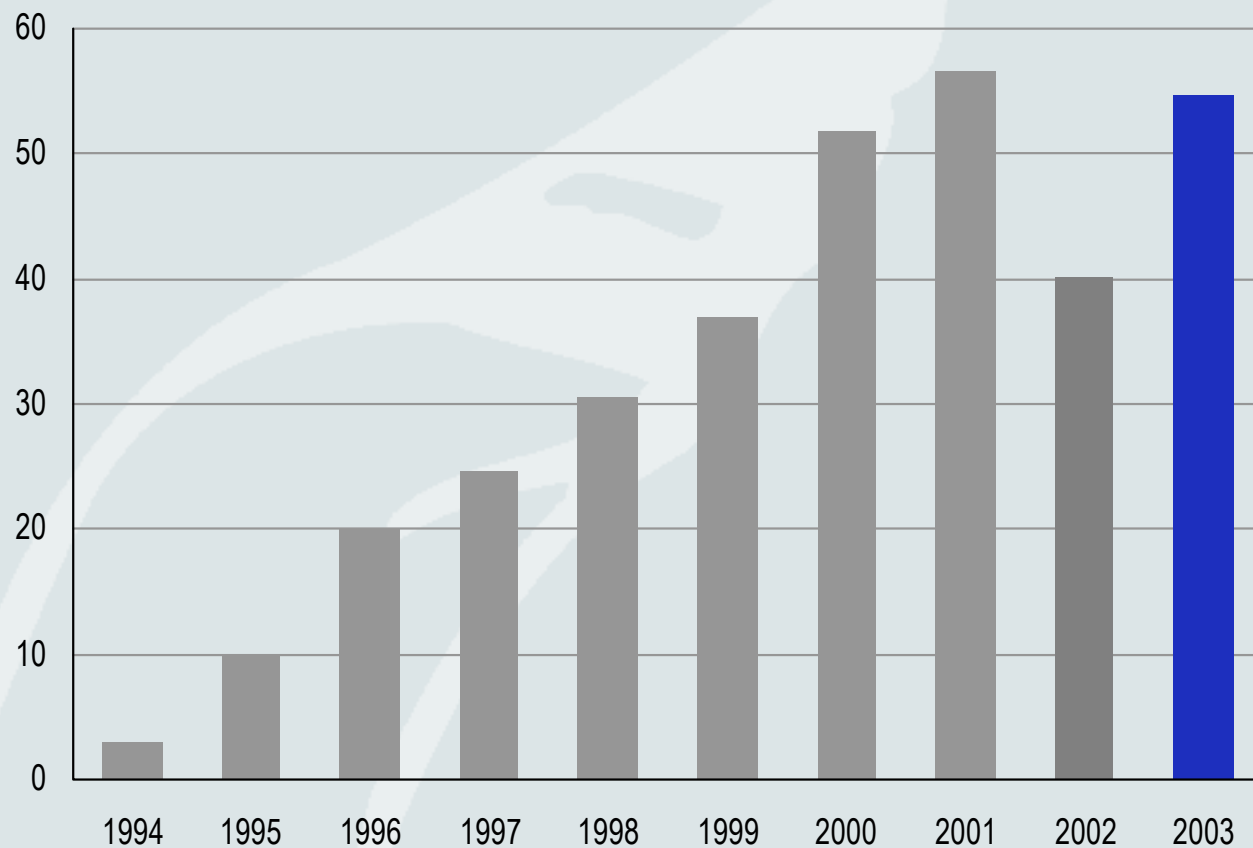
mill. NOK





Pre-tax earnings LSG

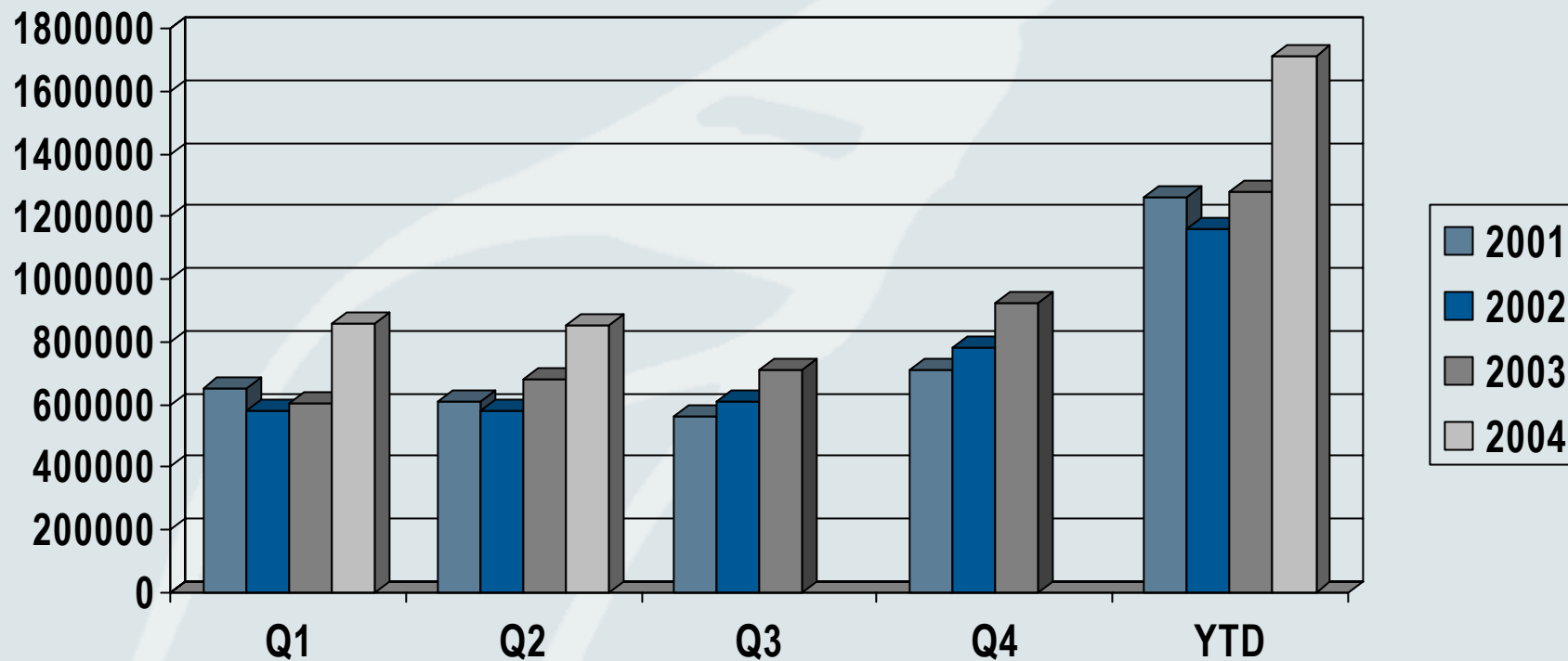
mill. NOK





Quarterly turnover LSG

mill. NOK

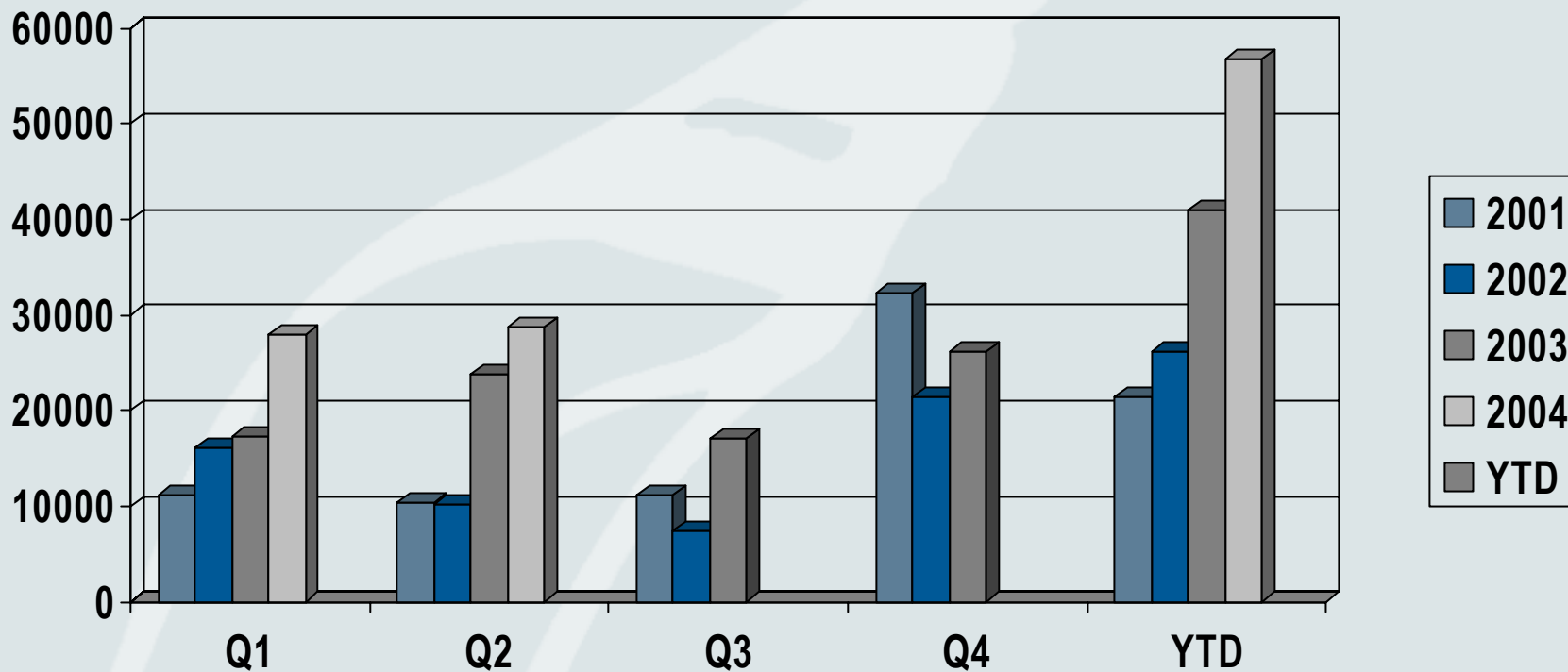


LERÖY | SEAFOOD INNOVATION SINCE 1899



Quarterly operating profit LSG

mill. NOK

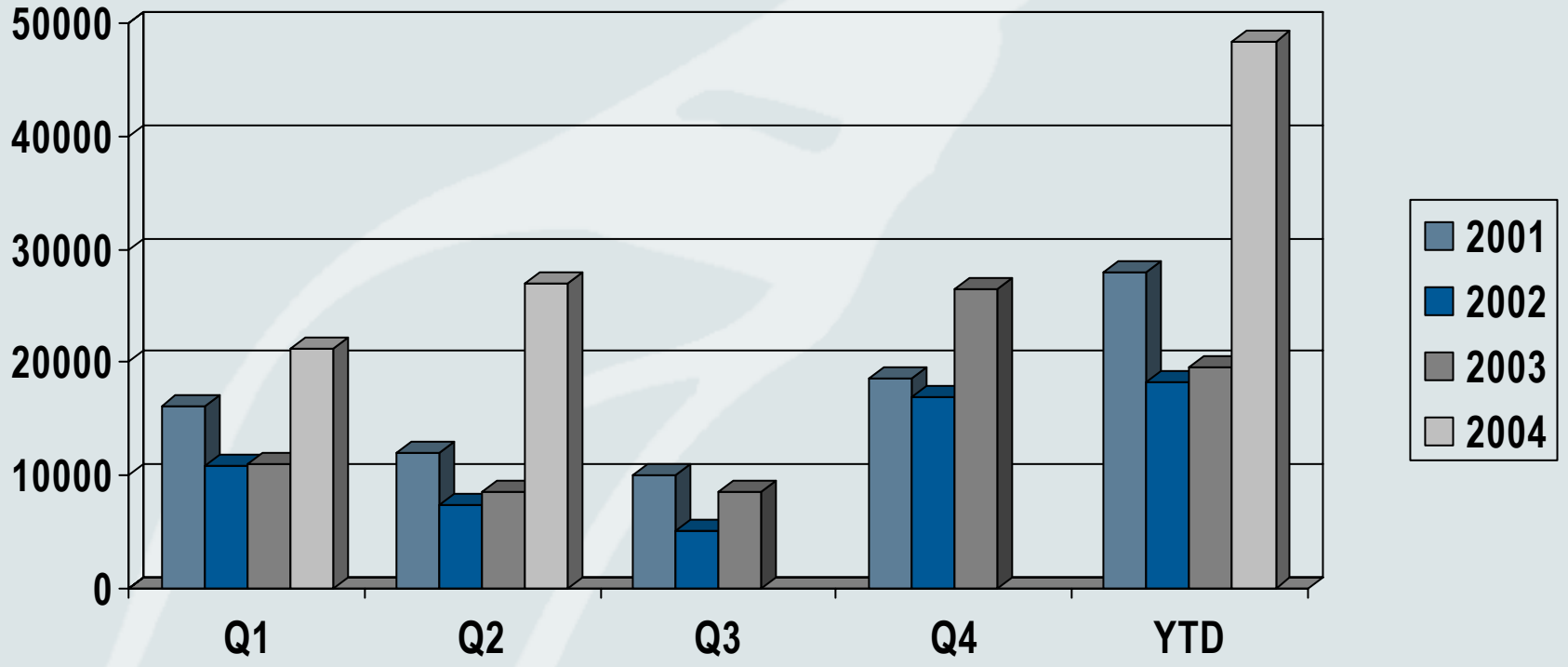


LERÖY | SEAFOOD INNOVATION SINCE 1899



Profit before tax LSG

mill. NOK



LERÖY | SEAFOOD INNOVATION SINCE 1899



Resultatregnskap / Income Statement Q2-04

Alle tall i NOK 1.000 / All figures in NOK 1,000

	Q2 - 2004	Q2 - 2003	YTD 2004	YTD 2003	2003
Salgsinntekter / Operating revenues	851 254	678 442	1 708 653	1 280 101	2 914 873
Vareforbruk / Cost of goods sold	734 666	606 011	1 467 272	1 143 172	2 614 210
Lønn og andre personalkostnader / Salaries and other personnel expenses	42 074	22 396	90 128	46 282	116 472
Andre driftskostnader / Other operating expenses	33 656	22 881	70 395	42 886	85 674
Ordinære avskrivninger / Ordinary depreciation and amortization	12 114	3 406	24 178	6 734	14 150
Driftsresultat / Operating profit	28 744	23 748	56 680	41 027	84 367
Inntekt tilknyttet selskap / Income from affiliated companies	2 419	-4 051	-18	-10 934	-20 511
Netto finansposter / Net financial items	-4 117	-11 153	-8 359	-10 520	-9 196
Resultat før skattekostnad / Profit before tax	27 046	8 544	48 303	19 573	54 660
Beregnete skatter / Estimated taxation	-6 441	-3 619	-13 149	-8 722	-20 577
Periodens resultat / Profit for the period	20 605	4 925	35 154	10 851	34 083

Balanse / Balance Sheet Q2-04

Alle tall i NOK 1.000 / All figures in NOK 1,000

	30.06.04	30.06.03	31.12.03
Immaterielle eiendeler / Intangible assets	265 299	32 060	272 457
Varige driftsmidler / Tangible fixed assets	178 755	68 366	183 417
Finansielle anleggsmidler / Financial fixed assets	275 061	273 116	275 063
Sum anleggsmidler / Total fixed assets	719 115	373 542	730 937
Varer / Inventories	276 841	63 447	274 823
Fordringer / Receivables	401 841	337 965	505 917
Betalingsmidler / Cash and equivalents ¹⁾	263 966	313 611	292 749
Sum omløpsmidler / Total current assets	942 648	715 023	1 073 489
Sum eiendeler / Total assets	1 661 763	1 088 565	1 804 426

1) Tall som inngår i beregningen av netto rentebærende gjeld /
 Figures used in calculation of net interest bearing debt



Balanse / Balance Sheet Q2-04

forts./cont.

Alle tall i NOK 1.000 / All figures in NOK 1,000

	30.06.04	30.06.03	31.12.03
Innskutt egenkapital / Equity contributions	656 113	505 288	656 043
Opptjent egenkapital / Earned equity	162 982	121 825	127 781
Minoritetsinteresser / Minority interests	10 742	10 612	10 325
Sum egenkapital / Total equity	829 837	637 725	794 149
Avsetning for forpliktelser / Accrued liabilities	8 457	310	8 647
Langsiktig gjeld / Long-term liabilities ¹⁾	391 538	190 249	412 195
Kortsiktige kreditter / Short-term loans ¹⁾	126 941	16 089	242 898
Annen kortsiktig gjeld / Other short-term liabilities	304 990	244 192	346 537
Sum gjeld / Total liabilities	831 926	450 840	1 010 277
Sum egenkapital og gjeld / Total equity and liabilities	1 661 763	1 088 565	1 804 426

1) Tall som inngår i beregningen av netto rentebærende gjeld /
Figures used in calculation of net interest bearing debt





Key figures – Lerøy Seafood Group Q2-04

Nøkkeltall / Key figures

	Q2 - 2004	Q2 - 2003	YTD 2004	YTD 2003	2003
Resultatmargin / Profit margin	3,18 %	1,26 %	2,83 %	1,53 %	1,88 %
Driftsmargin / Operating margin	3,38 %	3,50 %	3,32 %	3,20 %	2,89 %
Resultat per aksje / Earnings per share	0,60	0,17	1,02	0,37	1,15
Utvannet res per aksje / Dil. earnings per share	0,60	0,17	1,02	0,37	1,15





Key figures – Lerøy Seafood Group Q2-04

Nøkkeltall / Key figures

	Q2 - 2004	Q2 - 2003	YTD 2004	YTD 2003	2003
Avkastning på sysselsatt kapital / ROCE ²⁾	11,65 %	7,08 %	10,45 %	7,63 %	9,55 %
Egenkapitalandel / Equity ratio			49,94 %	58,58 %	44,01 %
Netto rentebærende gjeld / Net interest bearing debt			254 513		362 344

2) Annualisert / Annualized

Delårstall er ikke revidert / Quarterly figures have not been audited



LERÖY | SEAFOOD INNOVATION SINCE 1899



Lerøy Seafood Group consolidated Q2-04

- **Lerøy Seafood Group's total equity is 829,8 mill NOK**
- **Subsidiaries share of group equity is 482,7 mill NOK**
- **Operating profit for YTD 2004 is 56,7 mill NOK**



LERÖY | SEAFOOD INNOVATION SINCE 1899



Affiliated companies

Balance at	30.06.04	30.06.03	31. 12.03
Norskott Havbruk AS (50%)	158,6 mill	152,8 mill	155,1 mill
Hydrotech Gruppen AS (39%)	86,8 mill	94,1 mill	91,1 mill
Egersund Fisk AS (27%)	23,5 mill	21,4 mill	22,6 mill
Total	268,8 mill	268,3 mill	268,8 mill
Income from affiliated companies	0 mill	-10,9 mill	-20,5 mill
Lerøy Seafood Group's total equity	829,8 mill	637,7 mill	794,1 mill



Lerøy Seafood Group Consolidated

Key figures



- **Total equity (49,94 %)** **829,8 mill**
- **Net interest bearing debt** **254,5 mill**

- **Total intangible assets** **265,3 mill**
 - Licences fish farming Norway 195,0 mill
 - Goodwill / def. tax 70,3 mill

- **Total LSG-shares: 34.440.767**

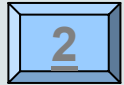




Agenda



Considerations



Key financial figures Q2 2004



Lerøy at a glance



Lerøy Seafood Group – Company profile

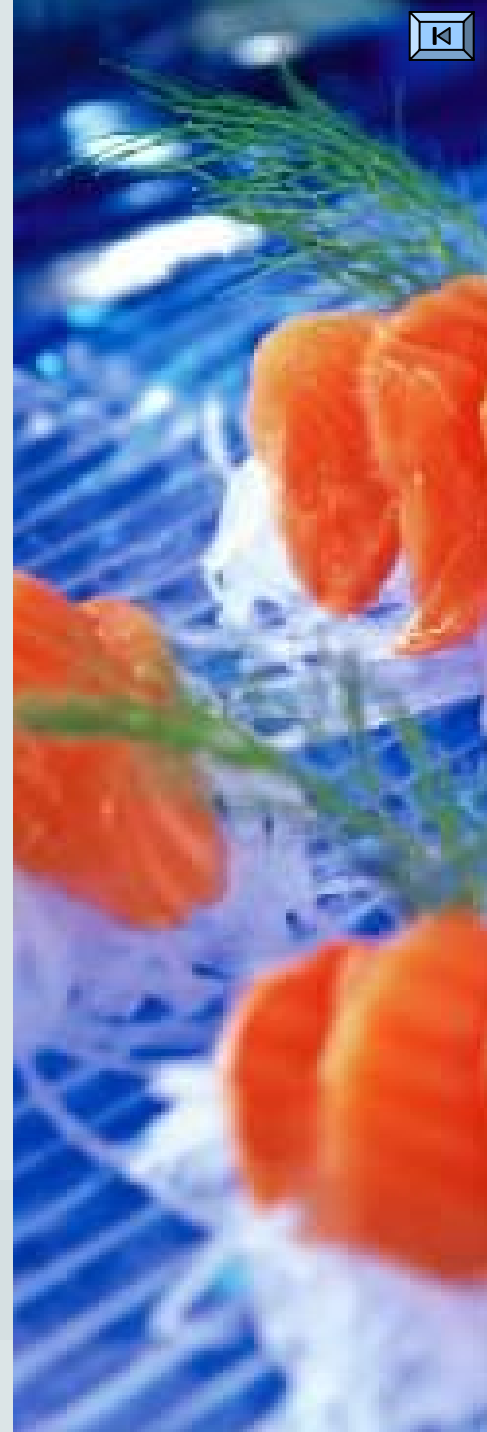


Market glance



Lerøy Seafood Group

- **Global distribution network**
 - Global distribution from Head Office in Bergen
 - Local distribution and processing in Sweden
 - Local representative offices in some key markets (France, Spain, Italy, Japan, China, USA)





PELAGIC

WHITEFISH

FARMED FISH

HALLVARD LERØY AS
SALES - MARKETING

**DISTRIBUTION FRANCE
NORDVIK**

DIRECT EXPORT

**DISTRIBUTION
NORWAY**

**DISTRIBUTION UK
SFF / LERØY**

**DISTRIBUTION
LERØY SWEDEN**

LERØY
FRANCE

LERØY
ITALY

LERØY
SPAIN

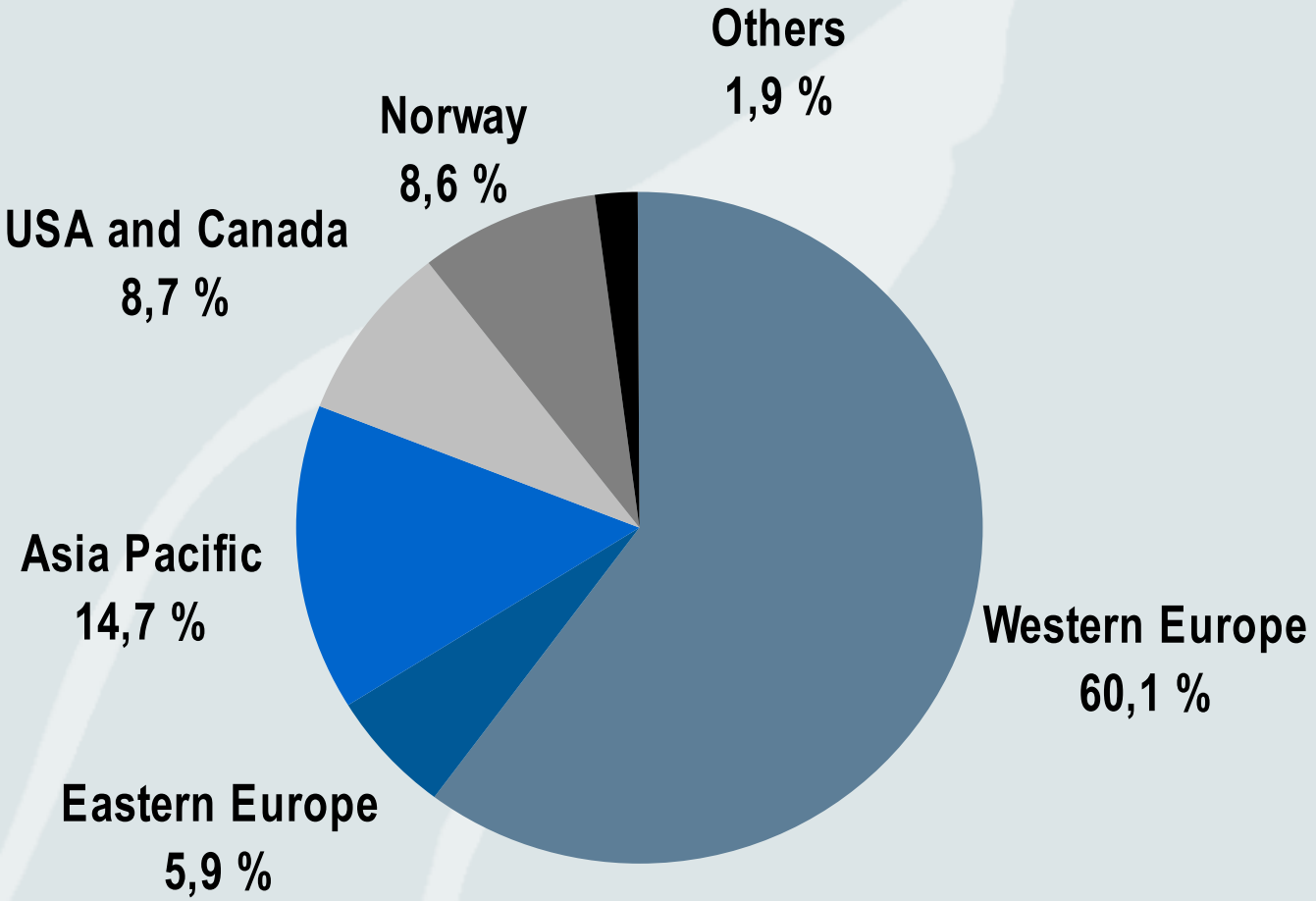
LERØY
CHINA

LERØY
JAPAN

LERØY
US

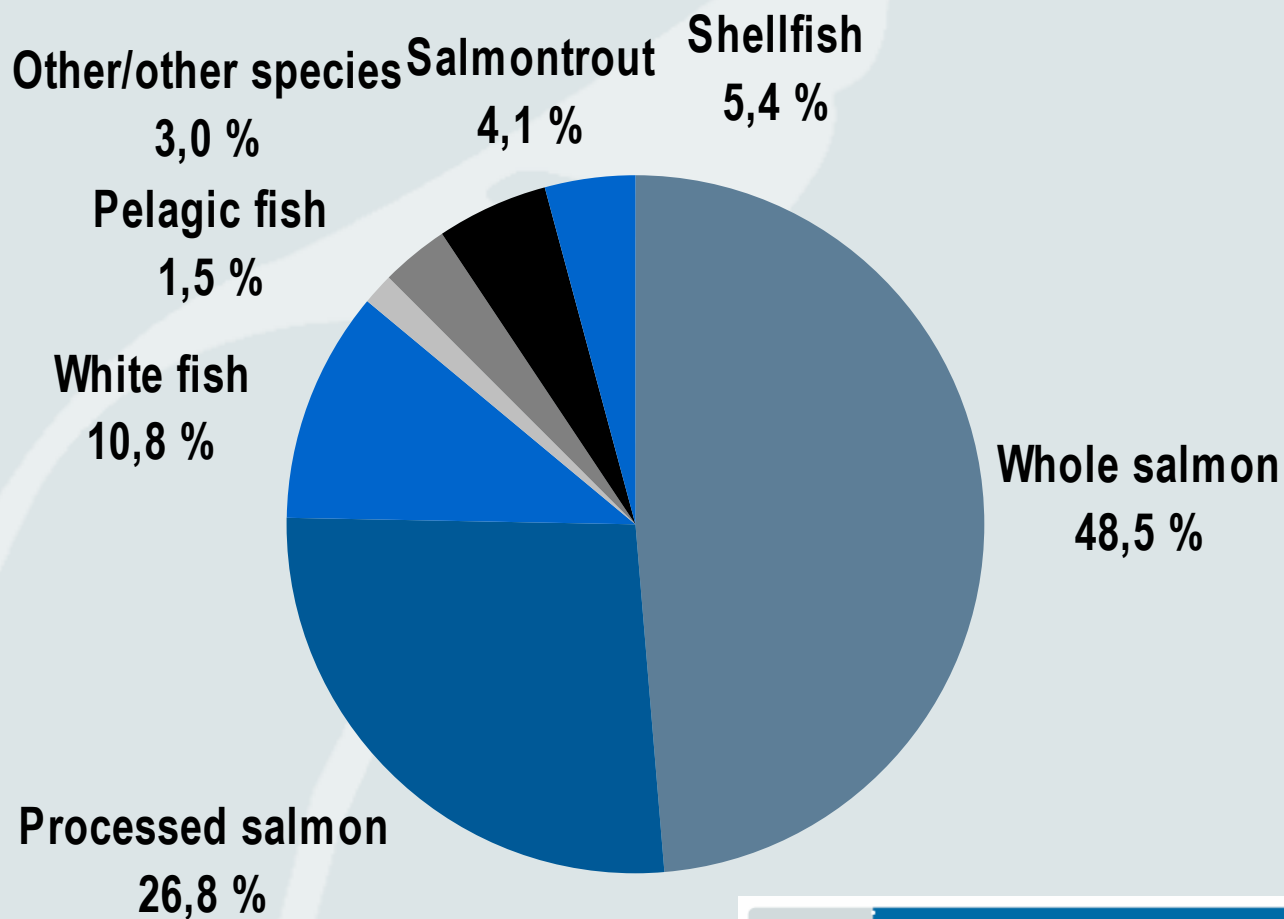


Lerøy Seafood Group - Sales per market Q2-04



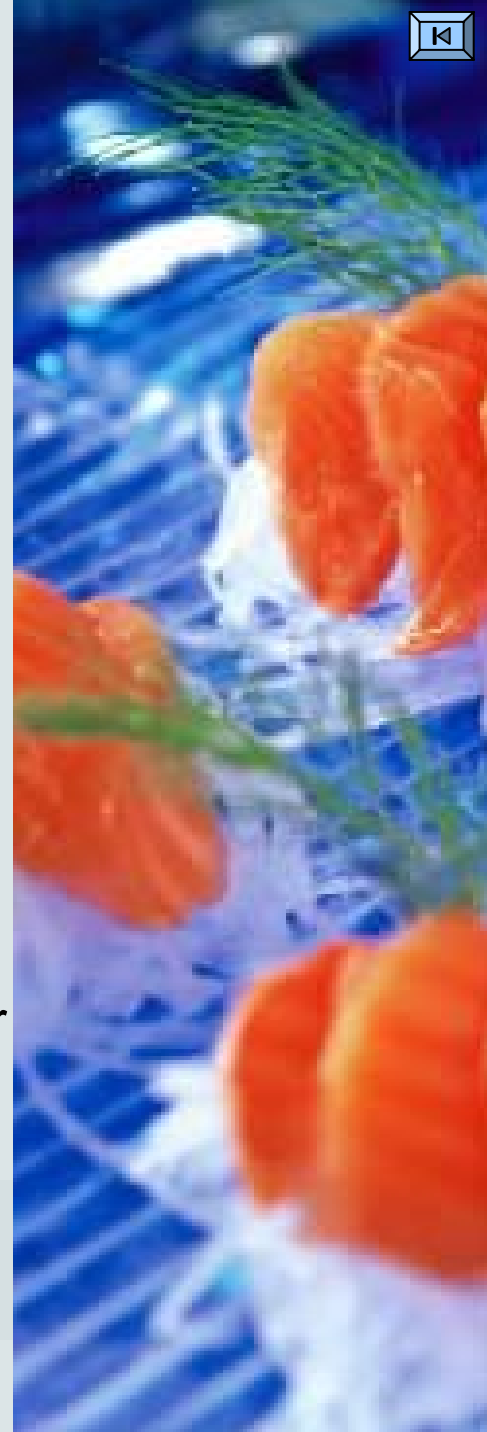


Lerøy Seafood Group - Sales per product Q2-04



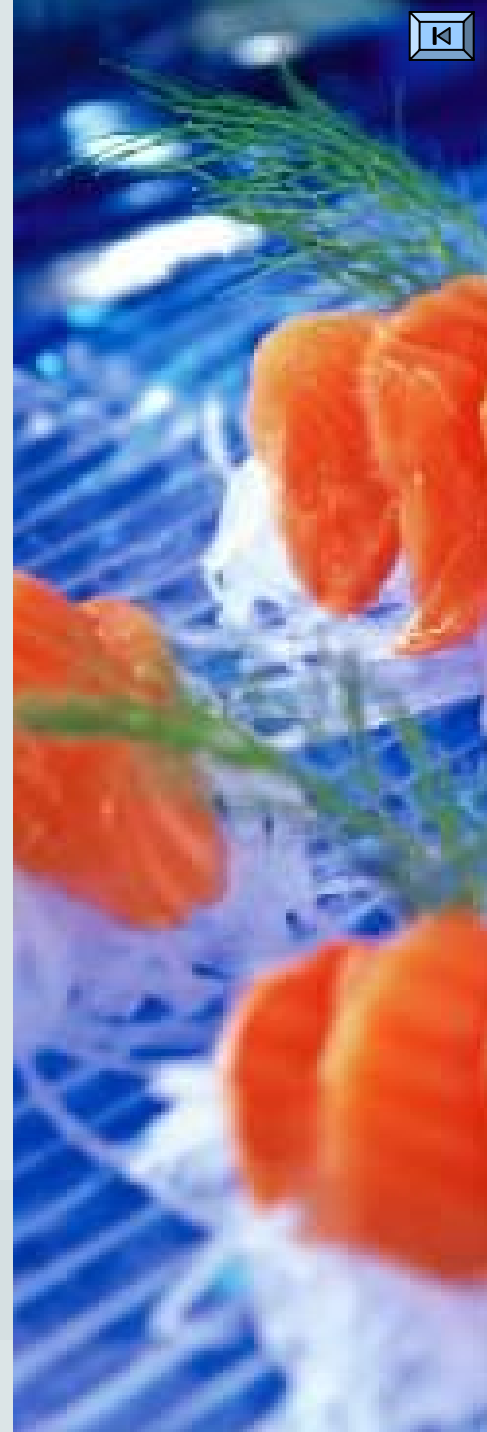
Lerøy Seafood Group

- **Norway's largest seafood exporter**
 - 9,1 % share of Norwegian Seafood total exports value
 - 14,6 % of Norwegian salmon export in 2003
 - 25% of Norwegian value added salmon export
- **Major shareholder in fish farming operations**
 - Lerøy Midnor AS (100%)
 - Scottish Sea Farms (50%), 2nd largest Scottish salmon producer
 - Hydrotech-Gruppen AS (39%)
 - Sigerfjord Aqua AS (90,55 %)



Lerøy Seafood Group

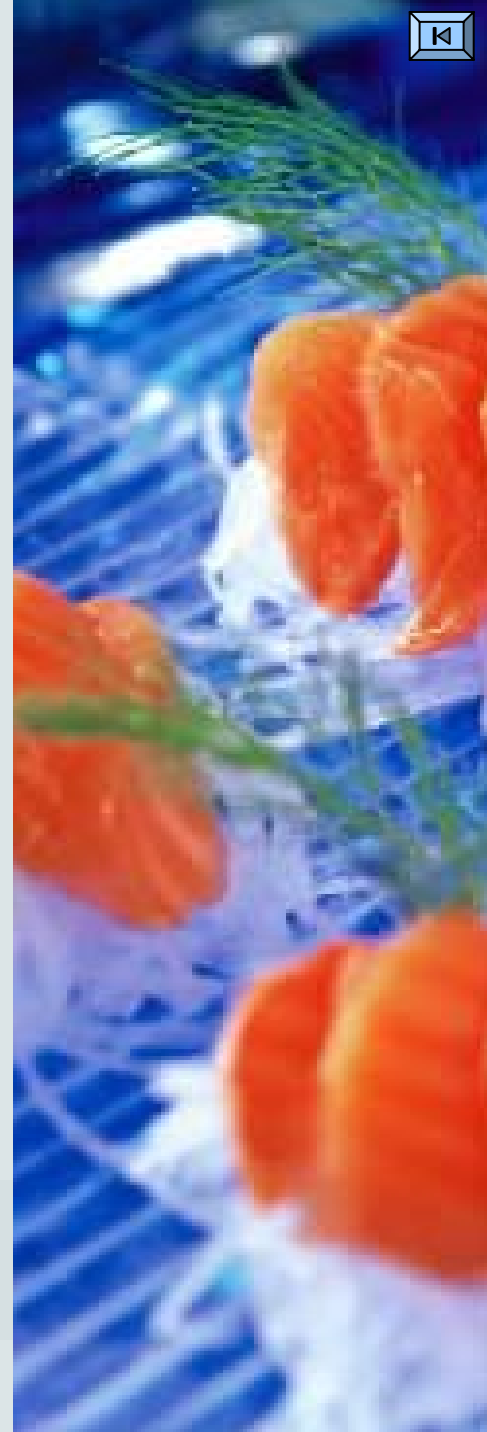
- **Steady growth in operating profit and strong balance sheet**
 - Stable earnings despite turbulence in the sea food industry
 - Growth potential within recently acquired businesses
 - Satisfactory liquidity
- **Professional and highly motivated employees**
- **Strong Partnerships / Network of alliances**



Lerøy Seafood Group

Market strategy:

- Diversity in product range
- Diversity in customer base
- Market-oriented solutions
- Geographical spread
- Continuity in deliveries
- Cost efficiency



Shareholders 20.08.04

Shareholder	No. of shares	Ownership share
Ole-Eirik Lerøy	4 685 000	13,60 %
Ferd Invest AS	3 281 307	9,53 %
Skagen Vekst	1 825 200	5,30 %
MP Pensjon	1 317 300	3,82 %
Knut Hallvard Lerøy	1 253 210	3,64 %
Hallvard Lerøy Jr.	1 190 900	3,46 %
DnB ASA, Egenkapital Investeer	915 173	2,66 %
Lime AS**	610 573	1,77 %
Vital Forsikring ASA	478 773	1,39 %
Sparebanken Rogaland	473 148	1,37 %
George Harald Lerøy	470 000	1,36 %
Pareto C/O	450 000	1,31 %
SalMar AS	446 826	1,30 %
KOS Bergen AS	406 640	1,18 %
Inma AS**	400 000	1,16 %
Firstnordic Norge VE	385 400	1,12 %
Delphi Norge	383 600	1,11 %
Sunnhordland Fjordbruk AS	341 600	0,99 %
Avanse Forvaltning	318 200	0,92 %
DnB Nor, Norge	298 900	0,87 %
Total 20 largest share owners	19 931 750	57,87 %
Others	14 509 017	42,13 %
Total shares	34 440 767	100,00 %

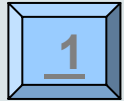
**controlled by CEO Ole-Eirik Lerøy

The company has a total of 2.931 shareholders.

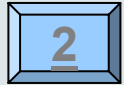




Agenda



Considerations



Key financial figures Q2 2004



Lerøy at a glance



Lerøy Seafood Group – Company profile



Market glance



LERÖY | SEAFOOD INNOVATION SINCE 1899



Lerøy Seafood Group ASA

Sales & Distribution

Lerøy Sverige AB
80%

Sales and distribution in Sweden

Strong position towards catering and super-markets

Hallvard Lerøy AS
100%

Sales and distribution ww

Local representation: USA, France, Spain, Italy, UK, Japan, China

Nordvik SA
80%

Sales and distribution in France

Strong position towards Hyper- and super-markets

Production

Lerøy Smøgen Seafood AB
100%

Cold and hot smoked seafood products, salads and shellfish in brine.

Lerøy Midnor AS
100%

Production of Salmon, Salmon trout, Smolt

Slaughtery and processing

Sigerfjord Aqua AS
90,55%

Production of Arctic char

Affiliated

Farming/other

Norskott Havbruk AS 50%

Hydrotech Gruppen AS 39%

Egersund * Fisk AS 27%

Hjaltland 11%

* Pelagic related activities

Lerøy Midnor AS



LERÖY



Description of Lerøy Midnor AS

Production

Smolt:

- 5 licenses
- 6 mill. smolt per year (salmon/trout)

Farming:

- 26 licenses (salmon/trout)
- All production is located along the coast of Møre and Romsdal and Midt-Norge
- 2004E: 16.000 gwt salmon
3.000 gwt salmon trout

Slaughtery:

- Capacity of 65 tonnes per shift
- 47% ownership in Uthaug lakseslakteri AS

Processing:

- Capacity of appr. 3.500 t per year
- Production of skin and bone free portions and fillets

Organisation:

- Competent and committed



Lerøy Midnor AS

Results and balance



NOK	Q2-04	Q1-04	YTD- 2004	YTD-2003 *)	2003
Revenues	82,5	107,5	190,0	N.A.	216,7
EBITDA	13,7	15,8	29,5		-4,1
EBIT	6,6	8,9	15,5		-17,3
Pre tax	3,8	5,5	9,3		-41,4
Volume (gwt)	3,3	4,7	8,0		N.A
Balance sheet			30.06.04	30.06.2003	31.12.2003
Licences / Goodwill /def. Tax			62,4	N.A	62,4
Fixed assets			108,6		110,9
Inventories			218,8		228,7
Other current assets			41,0		117,3
Total assets			430,8		519,3
Equity			34,9		28,3
Debt			395,9		491,0
Total equity and debt			430,8		519,3
Net interest bearing debt			332,7		429,3

*) Not available

Company est. 11. July 2003



Norskott Havbruk (Scottish Sea Farms Ltd.)

- **Production capacity: 25.000 – 30.000 gwt**
- **Volume harvested in 2003: 24.000 gwt**
- **Est. harvest volume 2004: 23.000 – 24.000 gwt**
- **Additional processing and sales: 5 - 10.000 gwt**
- **2 processing plants**





Norskott Havbruk (Scottish Sea Farms Ltd.)

- BRC
- SQS
- ISO 9002
- ISO 14 001
- Label Rouge
- Investor in people
- VIBES of Scotland



LERÖY | SEAFOOD INNOVATION SINCE 1899



Norskott Havbruk

NOKm	Q2 - 2004	Q2 - 2003	YTD - 2004***)	YTD - 2003	2003
Revenues	169,7	167,9	316,5	310,7	708,3
EBITDA	22,7	14,6	37,1	27,3	57,8
EBIT	15,1	7,2	21,4	12,7	28,2
Pre tax	7,7	0,9	6,9	0,1	2,1
Volume gw (t)	4,6	4,2	9,5	9,4	24,0

Balance sheet	30.06.2004	30.06.03**)	31.12.03*)
Licences, Goodwill	373,0	378,8	375,9
Fixed assets	86,2	93,1	90,8
Inventories	364,4	361,9	323,5
Other current assets	83,9	85,7	112,6
Cash	0,8	1,0	7,9
Total assets	908,3	920,5	910,7
Equity	319,1	310,7	315,5
Interest bearing debt	470,9	481,5	472,7
Non interest bearing debt	118,3	128,3	122,5
Total equity and debt	908,3	920,5	910,7

*) NOK/GBP = 11,89

***) NOK/GBP = 11,92

***) NOK/GBP = 12,59



Hydrotech Gruppen AS (39%)

- **Ownership**
 - 39% owned by Lerøy Seafood Group ASA
 - 57.3% owned by L & K Karlsen Holding AS
 - 3.7% owned by others
- **Fish farms in Norway**
 - 17 wholly owned licenses
- **Estimated sales 2004:**
 - Salmon and trout estimated : 12 gwt (14 gwt)
- **Smolt production: appr. 5 mill**
- **Well-boat shipping co.**
- **Processing plant**



LERÖY | SEAFOOD INNOVATION SINCE 1899



Hydrotech Gruppen

NOK	Q2 - 2004	Q2 - 2003	YTD 2004	YTD 2003	31.12.2003
Revenues	59,8	101,8	119,9	186,6	381,6
EBITDA	5,2	4,3	9,0	0,5	-11,1
EBIT	0,5	-0,4	-0,4	-8,9	-33
Pre tax	-2,9	-5,4	-6,6	-20,3	-50,6
	2,0		4,6		
Balance sheet			30.06.2004	30.06.2003	31.12.2003
Licences / Goodwill			139,9	140,6	139,9
Fixed assets			159,0	170,4	161,5
Inventories			129,0	165,3	142,2
Other current assets			21,4	39,4	21,5
Total assets			449,3	515,7	465,1
Equity			116,9	117,6	121,2
Debt			332,4	398,1	343,9
Total equity and debt			449,3	515,7	465,1
Net interest bearing debt			270,6	300,7	271,3



Egersund Fisk AS (27%)

• Shareholder structure

- Lerøy 27%
- SalMar 27%
- Egersund Fiskeriinvestering 9%
- Others 37%
(less than 4% each)

• Pelagic activity

- Fish oil, fish meal
- Pelagic fish for consumption
- Ownership in vessels for wild catch
- Production of ice

• Part ownership acquired in 2001

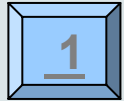


Egersund Fisk 100%	30.06.04	30.06.03
• Turnover	180,3	124,0
• EBIT	7,2	0,2
• Pre tax profits	3,4	- 3,8

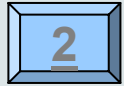




Agenda



Considerations



Key financial figures Q2 2004



Lerøy at a glance



Lerøy Seafood Group – Company profile



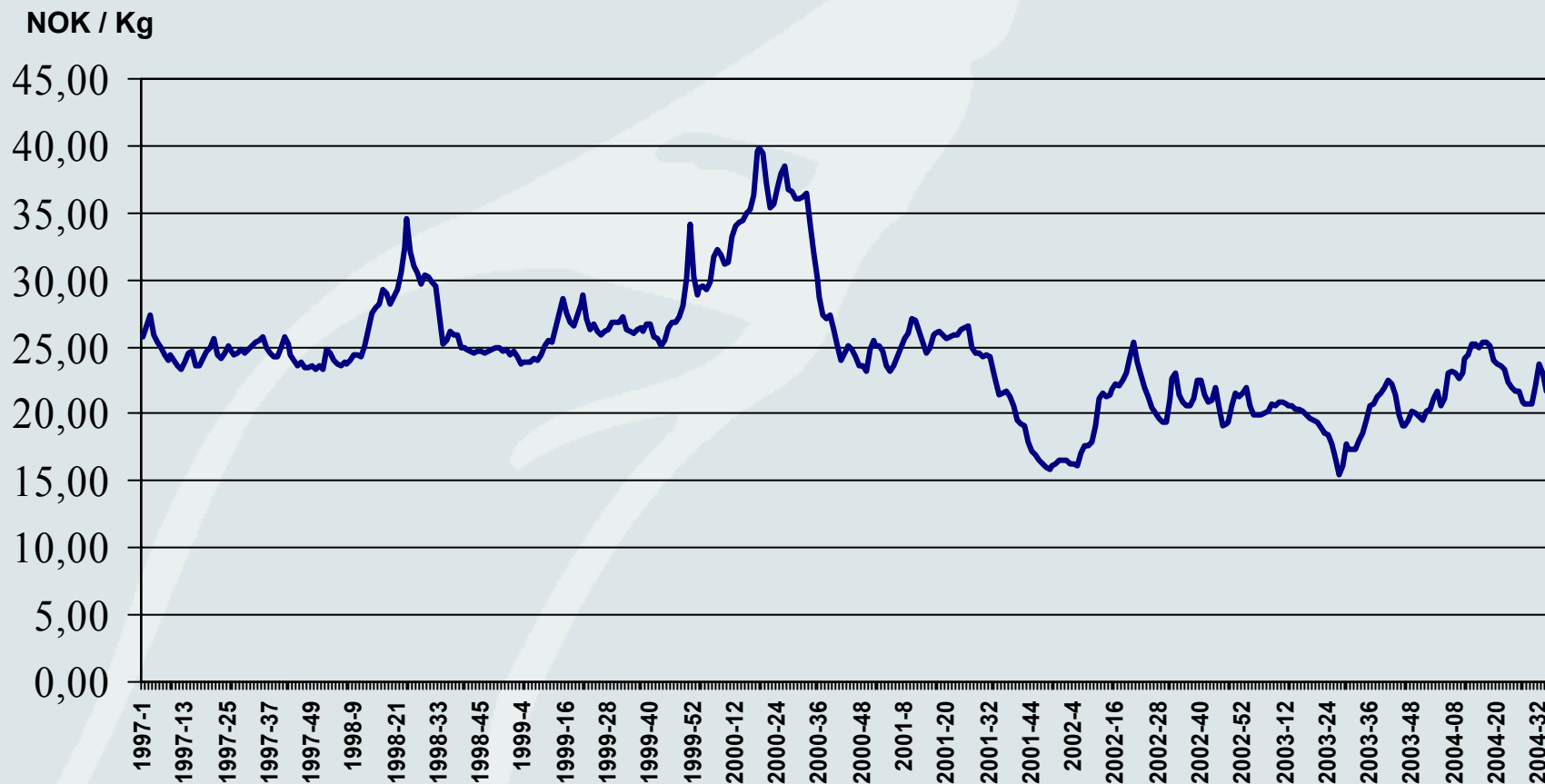
Market glance



LERÖY | SEAFOOD INNOVATION SINCE 1899



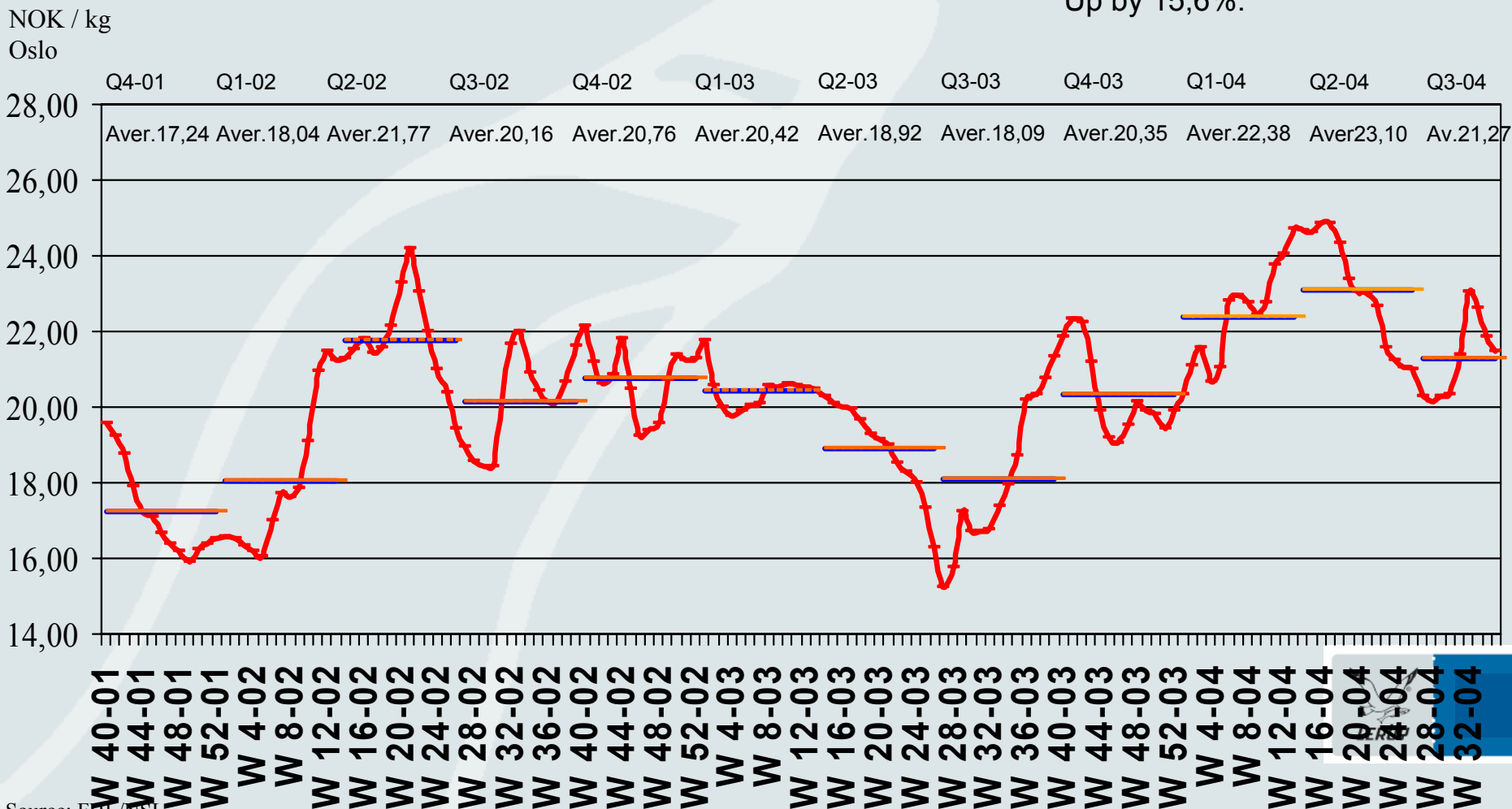
Fresh Atlantic Salmon Norway (4-5 kgs) – price development 1997 - YTD (FHL/NSL)





Salmon export from Norway as of week 35-04. Fresh atlantic salmon, cross-section, FCA Oslo.

Average H1-03 NOK 19,67
Average H1-04 NOK 22,74
Up by 15,6%.





Atlantic salmon – supply side

SUPPLY.			Change		Change		Change
	2002	2003	02-03	2004 E	03-04E	2005 E	04E-05E
Norway	443 900	508 400	14,5 %	509 300	0 %	498 700	-2 %
Chile	268 300	280 800	4,7 %	341 400	22 %	379 300	11 %
UK	140 100	162 300	15,8 %	136 300	-16 %	124 200	-9 %
Canada	112 000	92 000	-17,9 %	87 000	-5 %	90 000	3 %
Faroe Islands	42 100	47 100	11,9 %	34 300	-27 %	15 600	-55 %
Ireland	22 300	18 400	-17,5 %	13 500	-27 %	17 500	30 %
USA	13 200	18 200	37,9 %	13 300	-27 %	12 400	-7 %
Others	18 500	20 000	8,1 %	22 300	12 %	24 700	11 %
In total	1 060 400	1 147 200	8,2 %	1 157 400	0,9 %	1 162 400	0 %

Figures per 23.08.04
Source: Kontali / SSPO / HL



LERÖY | SEAFOOD INNOVATION SINCE 1899



Atlantic salmon world-wide production. Market distribution.

Market distribution	Change		Change	
	2003	02-03	2004 E	03-04E
EU - 25	579 600	11 %	580 000	0 %
USA	312 200	6 %	302 000	-3 %
Japan	50 300	-23 %	58 000	15 %
Others	198 200	5 %	238 000	20 %
In total	1 140 300	7 %	1 178 000	3 %

Figures per 24.08.04

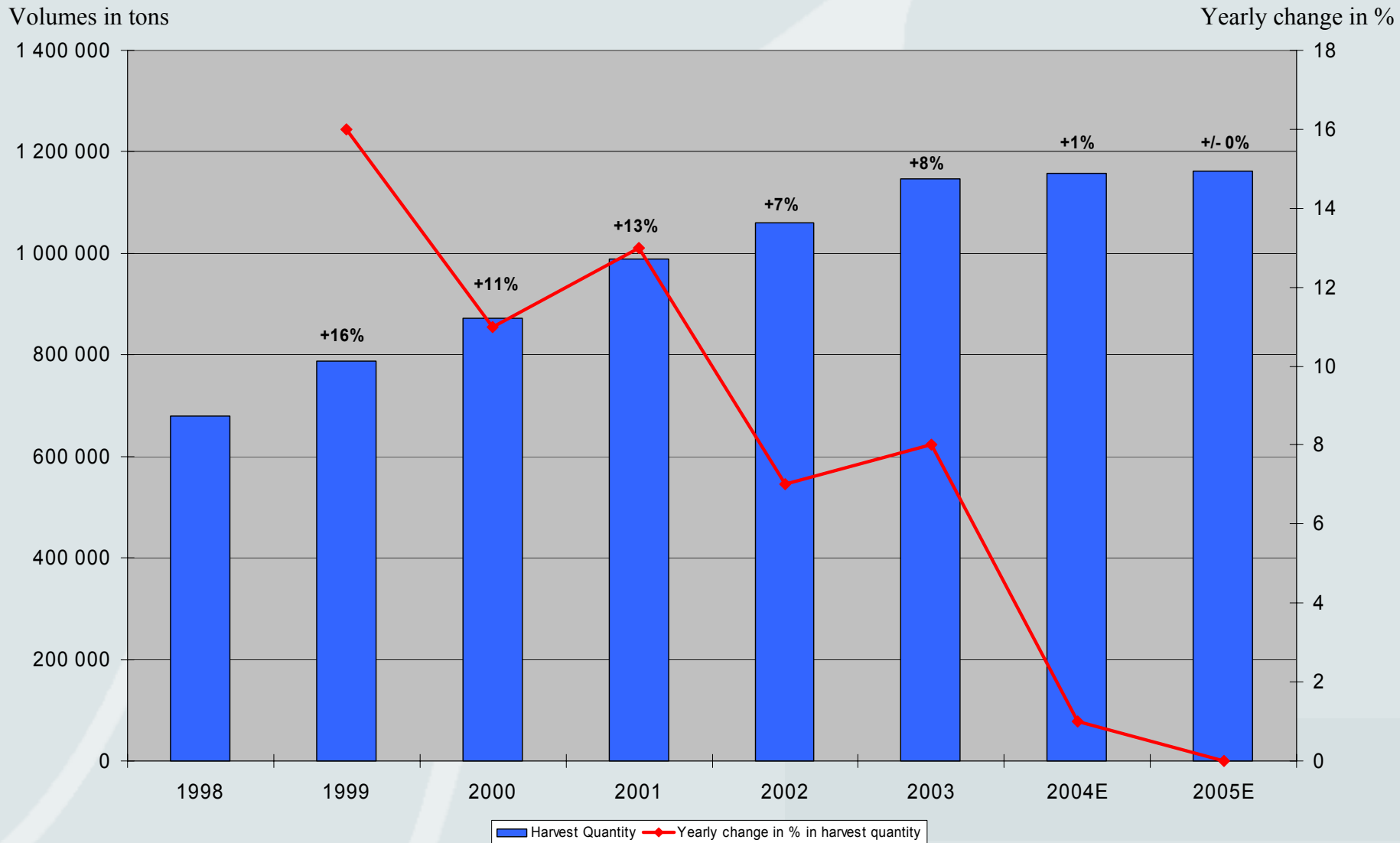
Source: Kontali / HL



LERÖY | SEAFOOD INNOVATION SINCE 1899



Harvest quantities Atlantic Salmon World Wide



Figures per 23.08.04

Source: Kontali



Market development for Atlantic Salmon from Norway

(01.01-31.07 2003 vs 2004)

	Volume 2003	Volume 2004	Change	Value 2003	Value 2004	Change
EU	187 722	201 797	7 %	3 876 482	4 411 198	14 %
USA	9 629	6 232	-35 %	278 741	185 018	-34 %
Japan	19 536	20 864	7 %	470 074	528 098	12 %
Others	39 270	44 893	14 %	781 132	972 777	25 %
In total	256 157	273 786	7 %	5 406 429	6 097 091	13 %

Volume in tons round weight.

Value in thousand NOK.

Figures per 31.07.04

Source: EFF



LERÖY | SEAFOOD INNOVATION SINCE 1899



Drivers Salmon Q2 - 2004

- Norway total exports (231.025 mt) + 7,3 %
- Norway – EU (+13.528 mt) + 7,9 %
- Norway – Eastern Europe (+11.155 mt) + 44,8 %
- Norway - Japan (+1.579 mt) + 9,5 %
- Norway - Feed sales (+18.600 mt) + 6,7 %
- Norway – Biomass of Atlantic Salmon - 7,0 %

Source - NSEC



LERÖY | SEAFOOD INNOVATION SINCE 1899

Thank you !



LERÖY | SEAFOOD INNOVATION SINCE 1899