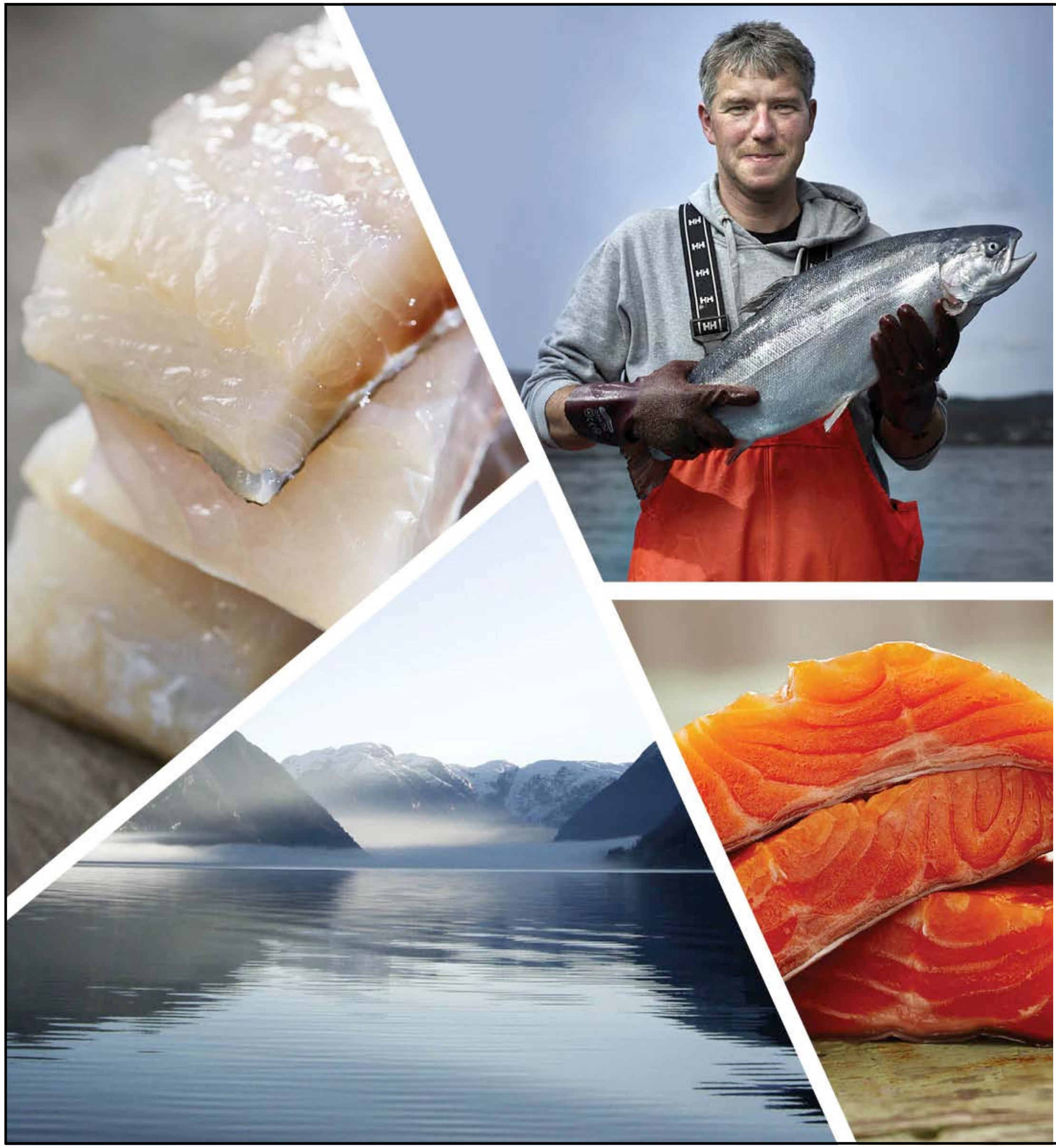
Lerøy Seafood Group ASA

Q1 2014

May 14th
Oslo

CEO Henning Beltestad
CFO Sjur Malm



Agenda

1. Highlights
2. Key financial figures
3. Outlook

Q1 2014 best quarter ever

- EBIT before FV adj. NOK 550 million
- EBIT/kg all inclusive NOK 16.5
- Harvest volume 33 336 GWT
- Contract share of 42%
- NIBD NOK 1,748 million at end Q1 2014
- Harvest guidance 2014 163 000 GWT

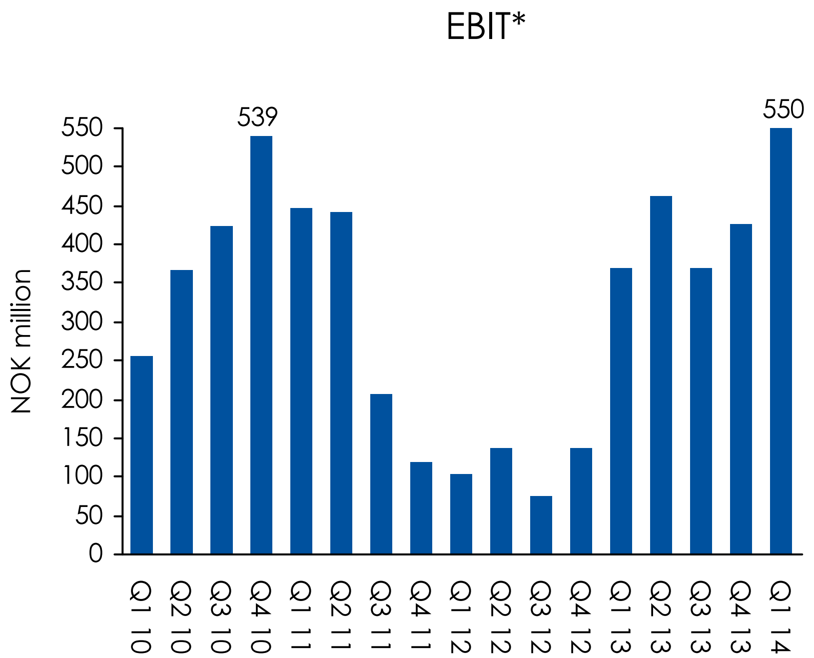
Q1: Farming highlights

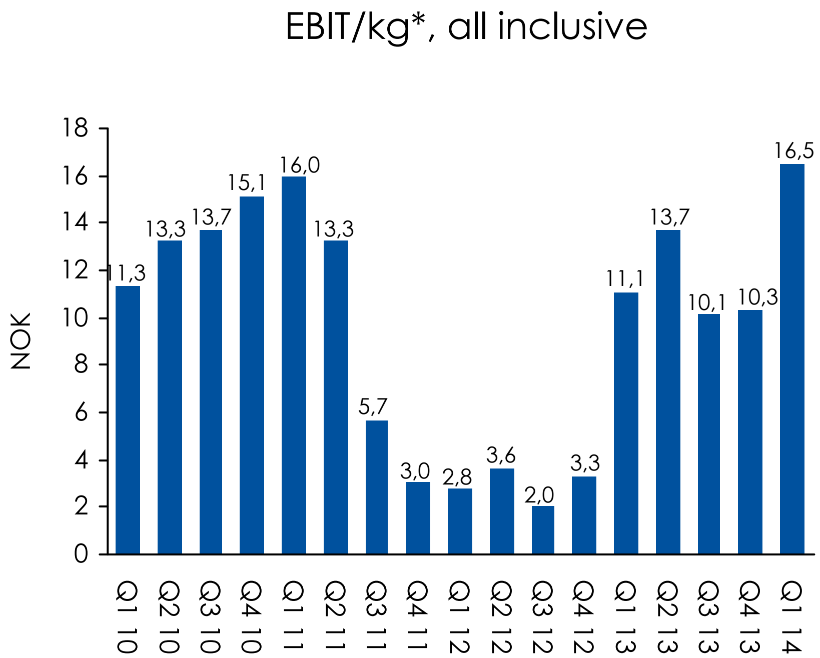
- High spot prices
  - NOS Q1/14 NOK 46.8 vs NOK 35.4 in Q1/13 (+32%)
- Major lift in contract prices
  - Price realisation still influenced by high contract share (42%)
- Reduction in costs
  - Significant cost reduction q-o-q
  - Significant cost increase y-o-y
- Biomass at sea
  - End Q1/14 at 96,852 tons vs 90,173 tons end Q1/13
- Biology
  - Positive development during Q1/14

Q1: VAP and S&D highlights

- Value added processing (VAP)
  - Challenging price environment
  - Positive development
  - EBIT NOK 15m (4.1%) in Q1/14 vs. NOK 9m (3.6%) in Q1/13
- Sales & Distribution
  - Positive development
  - Start-up costs related to several fish-cut operations
  - EBIT NOK 39m (1.3%) in Q1/14 vs. NOK 29m (1.3%) in Q1/13

Best ever quarterly result





*before biomass adjustment

Lerøy Seafood Group ASA

Farming

VAP

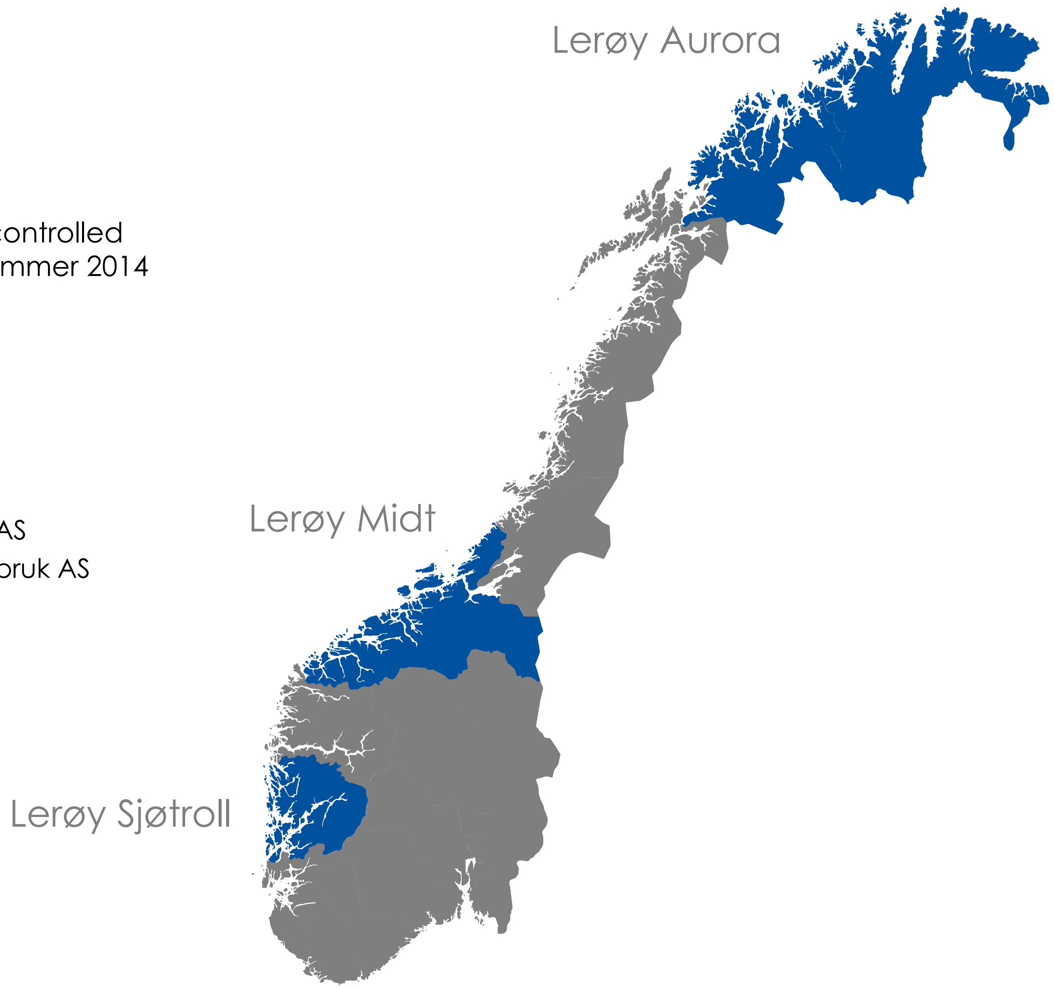
Sales &
Distribution

Farming Norway

- Lerøy Aurora AS (salmon)
  - 17 fully owned licenses
  - 16 licenses in Villa Organic (49.5% controlled by LSG). Company will be split in summer 2014

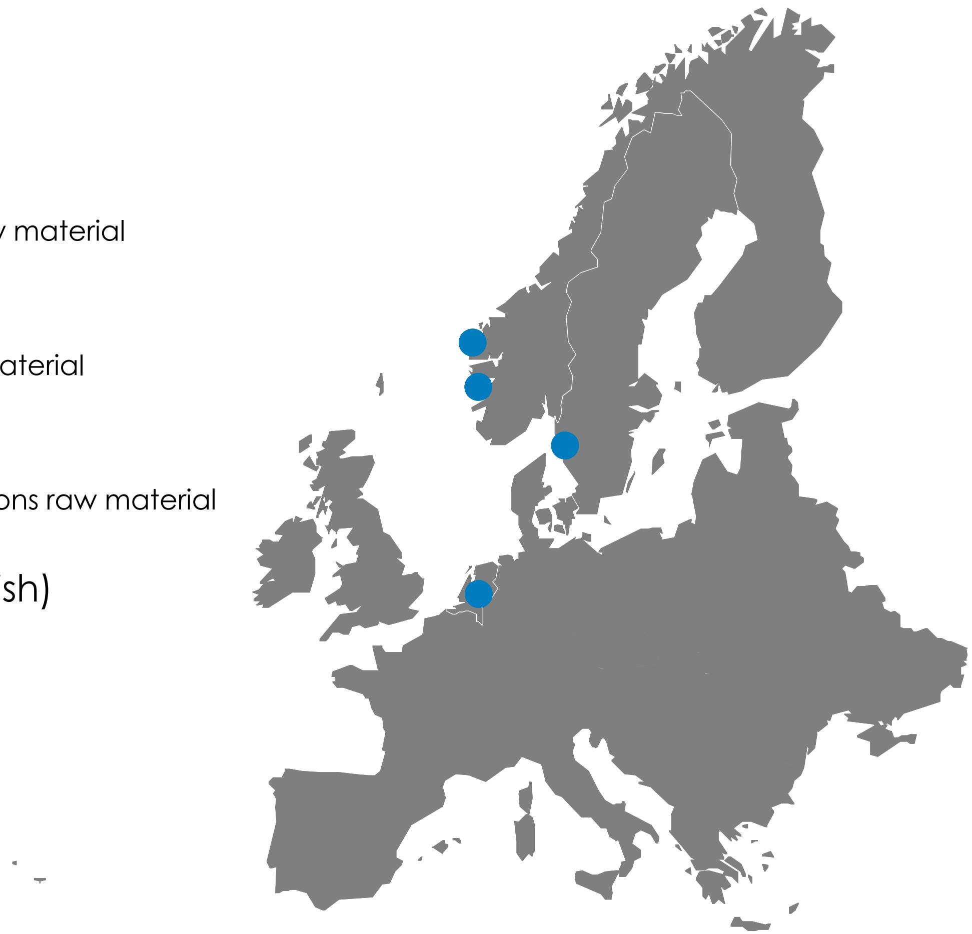
- Lerøy Midt AS (salmon)
  - 54 fully owned licenses

- Lerøy Sjøtroll (salmon and trout)
  - 34 fully owned licenses in Lerøy Vest AS
  - 25 fully owned licenses in Sjøtroll Havbruk AS (controlled 50,7% by LSG)



VAP segment

- Rode Beheer BV
  - 4 production facilities in Netherlands
  - Capacity of about 15-20,000 tons raw material
- Lerøy Smøgen Seafood AB
  - Capacity of about 12,000 tons raw material
- Lerøy Fossen AS
  - After expansion, capacity of 12,000 tons raw material
- Bulandet Fiskeindustri AS(white fish)



Sales & Distribution

- Significant investment in fish cuts recent years
- A significant industrial activity within trading, processing, sales and distribution of fish
- Processing and fresh distribution facilities:
  - Norway
  - Sweden
  - Finland
  - France
  - Spain
  - Portugal
  - Denmark (reported as associate)
  - Turkey (reported as associate)
  - Netherlands (reported in VAP)

Fish-cuts/fresh distribution facilities

Lerøy Sjømathuset – one of the facilities within S&D

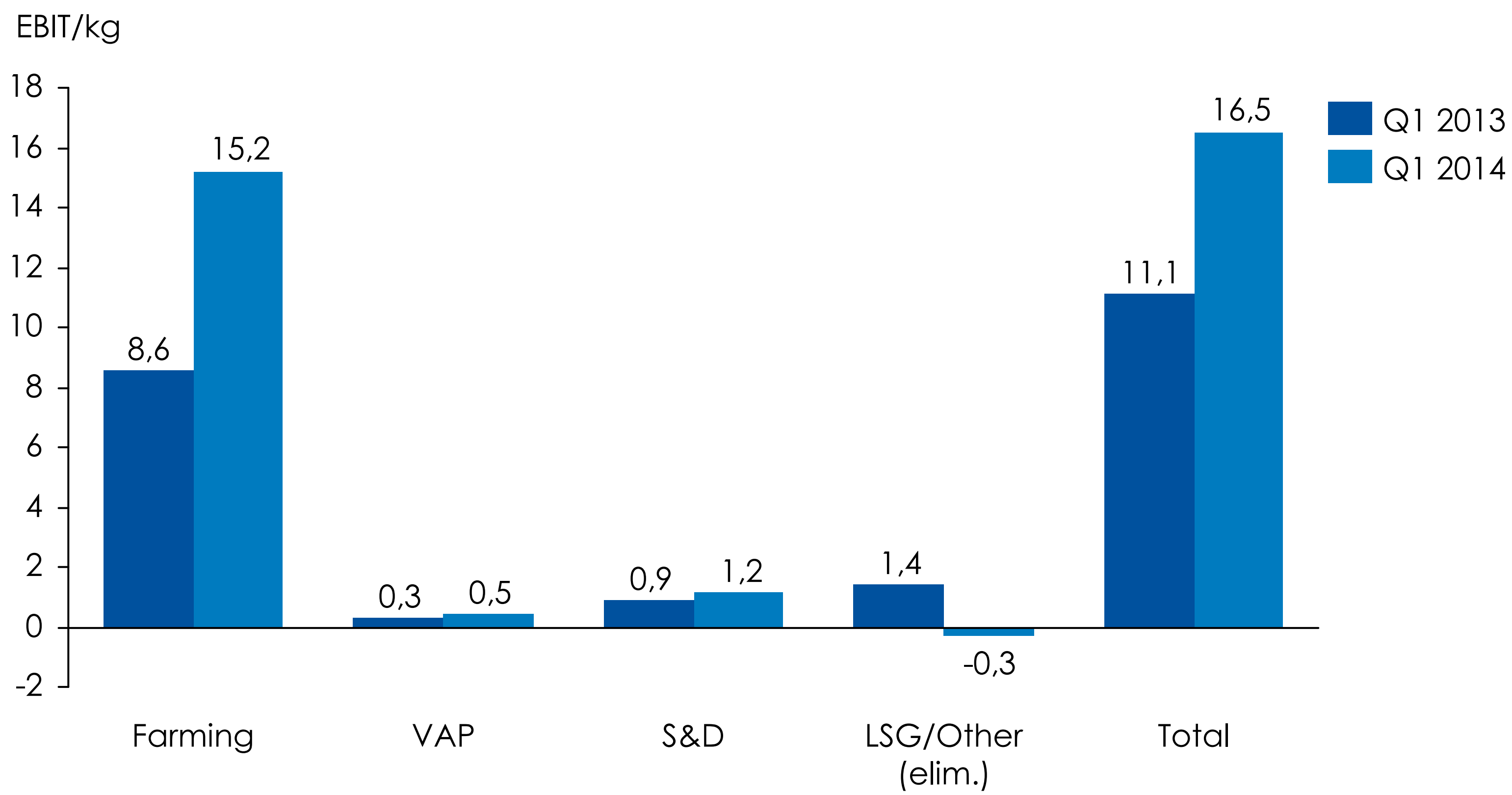
- Norway's largest processing and distribution centre for fresh pre-packed seafood
  - 10 000 tons capacity
- Norway's largest producer of sushi
  - 20 million pieces per year/per shift
- Leading the revolution in fresh seafood distribution

Lerøy Seafood Group ASA

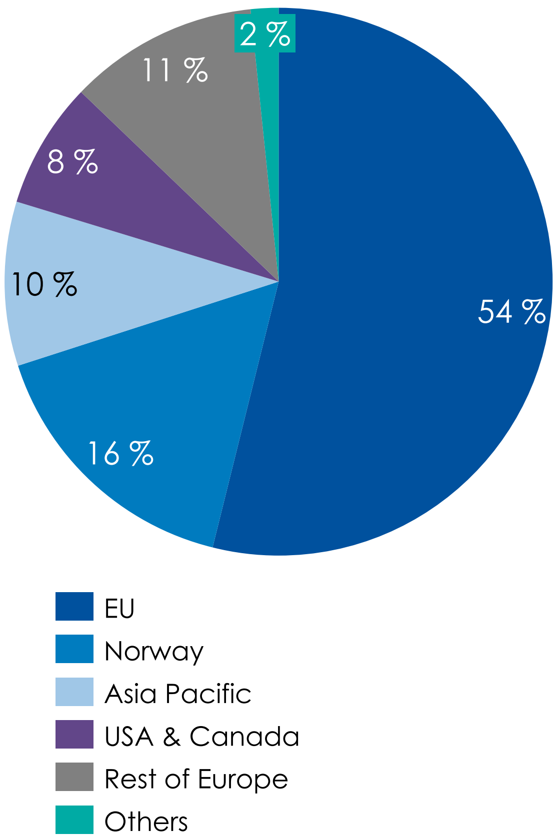
- **Farming**
  - Lerøy Aurora AS
  - Lerøy Midt AS
  - Lerøy Sjøtroll
  - Norskott Havbruk AS (50 %)
  - Villa Organic AS* (49,5 %)
- **VAP**
  - Lerøy Fossen AS
  - Lerøy Smøgen Seafood AB
  - Rode Beheer Bv Group (50,1 %)
  - Bulandet Fiskeindustri AS (76,0 %)
- **Sales & Distribution**
  - Hallvard Lerøy AS
  - Sjømathuset AS
  - Lerøy Sverige AB Group
  - SAS Hallvard Lerøy
  - Lerøy Portugal LDA (60 %)
  - Lerøy Sjømatgruppen
  - Lerøy Finland OY
  - Lerøy Processing Spain
  - Lerøy Schlie (50 %)
  - Alfarm Alarko Lerøy (50 %)

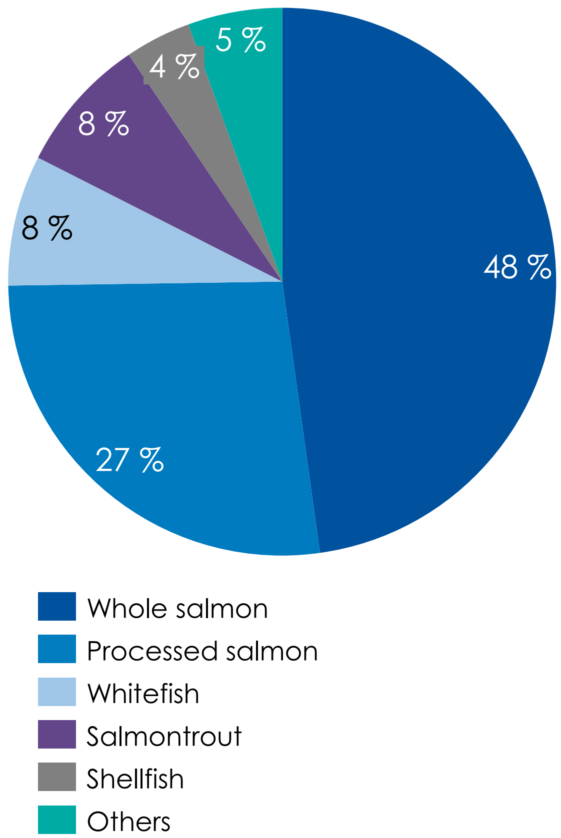
* Villa Organic AS will be split between the two main shareholders during summer 2014

Development EBIT/kg Q1 2014 vs Q1 2013



Sales per market and product Q1 2014

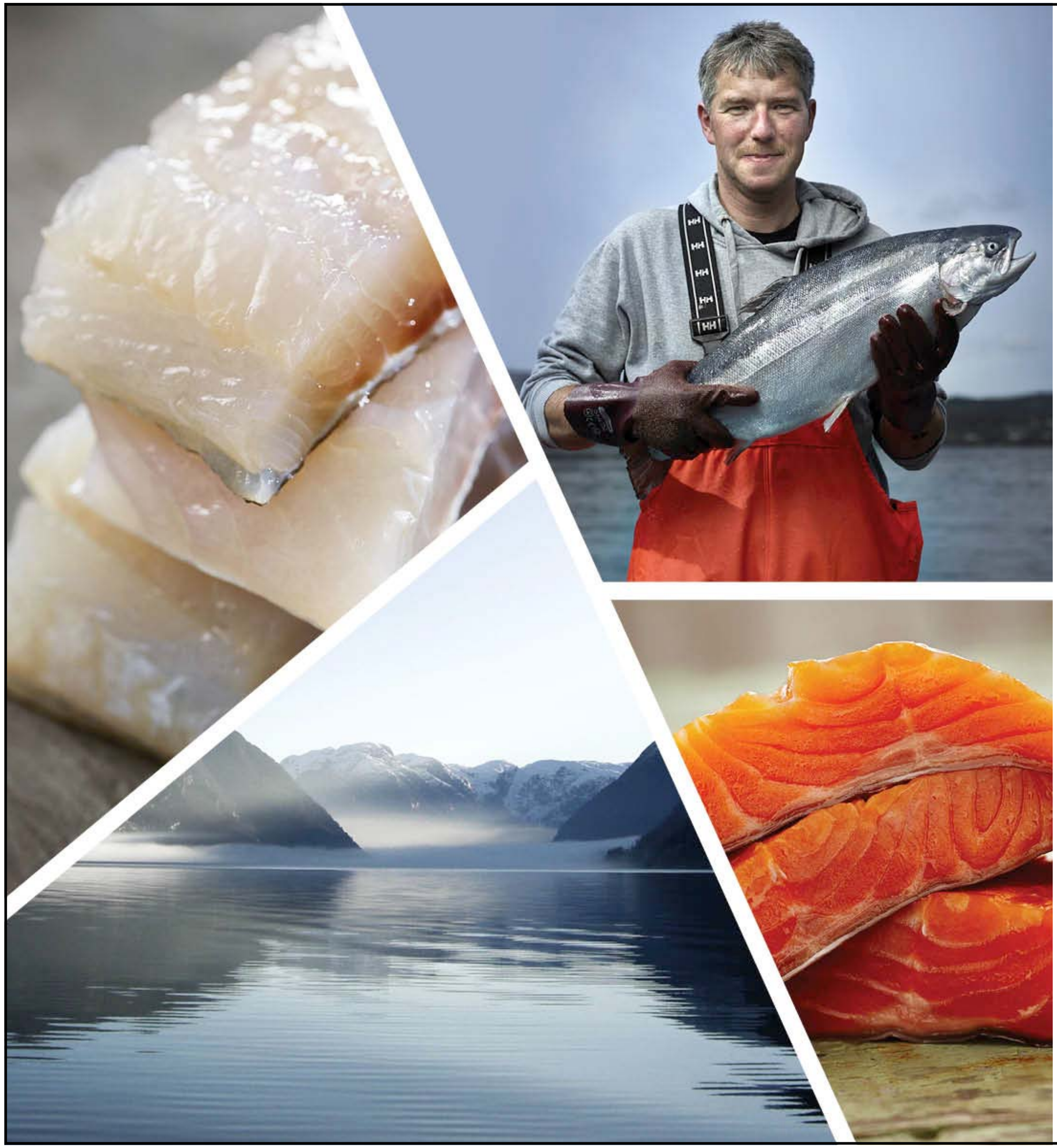




Farming: Guiding

	Licences	Smolt cap.	**2011** GWT	**2012** GWT	**2013** GWT	**2014E** GWT
Lerøy Aurora AS*	17	7,5	18 100	20 000	24 200	28 000
Lerøy Midt AS	54	22,0	62 300	61 900	58 900	66 000
Lerøy Sjøtroll	59	22,6	56 200	71 600	61 700	69 000
Total Norway	130	52,1	136 600	153 400	144 800	163 000
Villa Organic AS**	8					6 000
Norskott Havbruk (UK)***			10 900	13 600	13 400	12 500
Total			**147 500**	**167 100**	**158 200**	**181 500**

*) Included harvested volume from Villa Organic after split (around 3,000 gwt)
**) LSG's share of Villa Organic's volume in H1 2014, not consolidated
***) LSG's share, not consolidated



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Key financial figures

(NOKm)	Q1 2014	Q1 2013	▲%
Revenue	3 180	2 332	36.4 %
EBITDA	638,9	443,7	
Depreciation & amortisation	88,5	74,4	
EBIT*	**550,4**	**369,4**	**49.0 %**
Income from associates*	77,0	14,2	
Net finance	-15,2	-26,7	
Pre-tax*	**612,1**	**356,9**	71,5%
EPS (NOK)*	8,1	4,6	75.5 %
Harvested Volume (GWT)	33 336	33 231	0 %
EBIT*/kg all inclusive (NOK)	16,5	11,1	
ROCE* (%)	**29,1%**	**19,4%**	

* Before biomass adjustment

Balance sheet

(NOKm)	**Q1/14**	Q1/13	**End 2013**
Intangible assets	4 003	3 971	3 999
Tangible fixed assets	2 385	2 168	2 377
Financial non-current assets	815	376	767
Total non-current assets	**7 203**	**6 515**	**7 143**
Biological assets at cost	2 639	2 283	2 617
Fair value adjustment	633	556	1 111
Other inventory	346	256	358
Receivables	1 553	1 232	1 803
Cash and cash equivalents	1 096	1 189	873
Total current assets	**6 267**	**5 517**	**6 761**
Total assets	**13 470**	**12 032**	**13 904**
NIBD	**1 748**	**1 877**	**2 117**
Equity	**7 572**	**6 390**	**7 549**
Equity ratio	**56,2%**	**53,1%**	**54,3%**

Funding

NOK million	2014	2015	2016	2017	2018	Later	Total
To be paid	348	313	583	266	250	976	2 735
Total	428	313	583	266	250	976	2 815

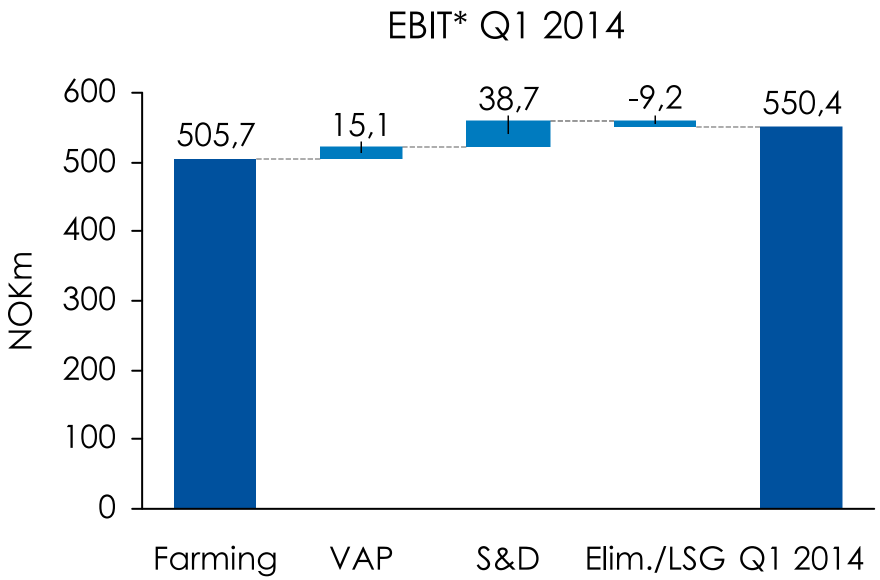
	Covenants	Q1 2014
NIBD/EBITDA	<5	0,8
Adj. Equity ratio	>30%	61,3%

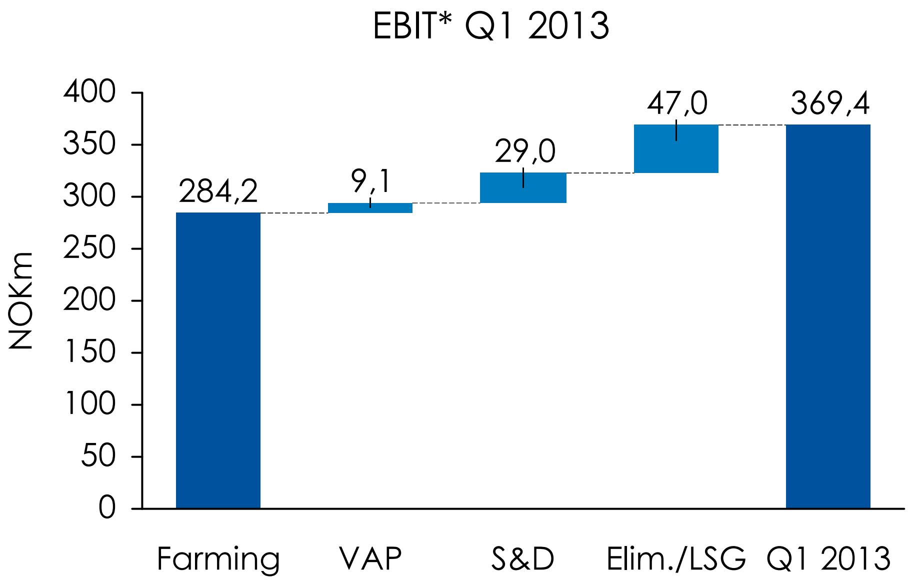
Cash flow

	Q1 2014	Q1 2013	FY 2013
EBITDA	639	444	1 938
Paid tax	-52	-49	-100
Working capital	8	108	-535
Other	-1	-25	-46
Cash from operating activities	**593**	**478**	**1 259**
Net investments in capex	-101	-140	-564
Acquisitions, divestments and other	-16	46	-135
Cash from investing activities	**-117**	**-94**	**-699**
Net financial cost	-28	-28	-101
Dividends	-30	0	-394
Cash from financing activities *	**-58**	**-28**	**-495**
Change in ST receivables included in NIBD	-50	0	50
Net cash flow / change in NIBD	**368**	**355**	**115**
NIBD at beginning	2 117	2 232	2 232
Change in NIBD	-368	-355	-115
NIBD at end	**1 748**	**1 877**	**2 117**

* Before change in interest- bearing debt

EBIT per segment



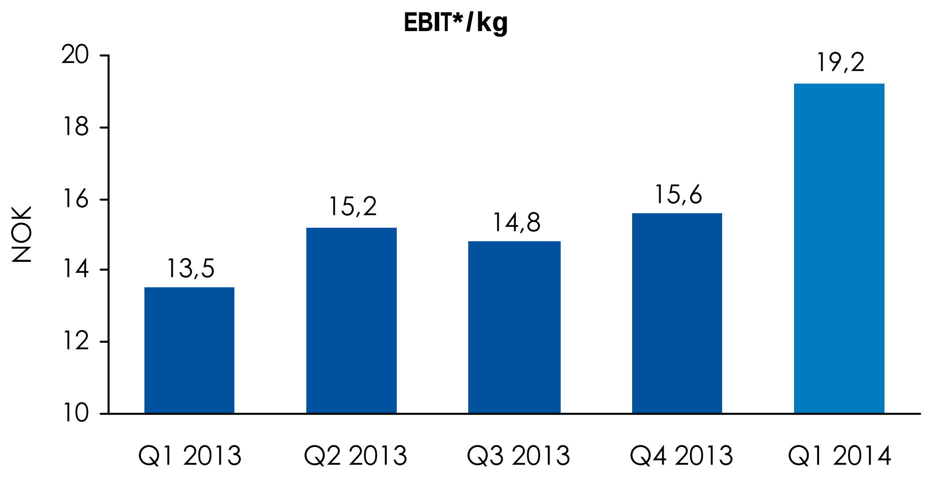


* Before biomass adjustment

Lerøy Aurora

	Q1 2014	Q1 2013
Revenue (NOKm)	246	235
EBIT* (NOKm)	98,3	80,8
Harvested volume (GWT)	5 109	5 962
EBIT/kg* (NOK)	19,2	13,5

*before biomass adj



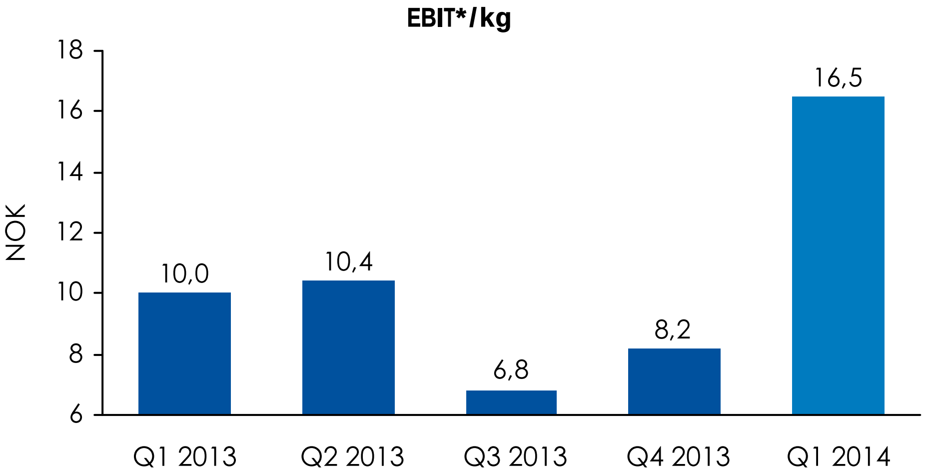
- Another strong quarter
- All sites ASC certified during 2014
- Contract share lower than group average
- Negative cost impact y-o-y:
  - Higher feed cost
  - Higher harvesting cost
- Flat or improving cost development expected for the year

* Before biomass adjustment

Lerøy Midt

	Q1 2014	Q1 2013
Revenue (NOKm)	595	328
EBIT* (NOKm)	228	132
Harvested volume (GWT)	13 837	13 173
EBIT/kg* (NOK)	16,5	10,0

*before biomass adj



- Strong quarter
- Contract share higher than group average, but major lift in contract prices
- Good performance in processing unit
- Positive development in costs.
  - Better performing sites harvested Q1/14 vs. Q4/13
- Some cost increase expected in Q2/14

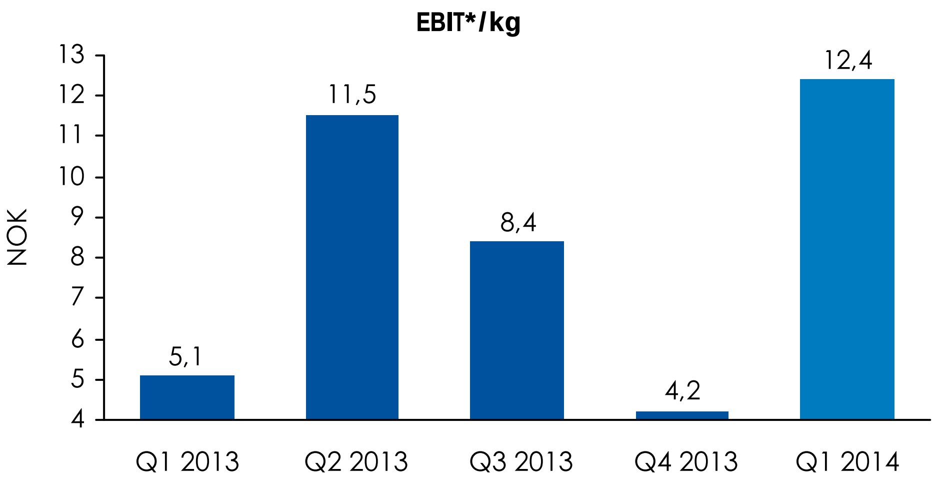
* Before biomass adjustment

Lerøy Sjøtroll

	Q1 2014	Q1 2013
Revenue (NOKm)	651	491
EBIT* (NOKm)	179	72
Harvested volume (GWT)	14 390	14 096
EBIT/kg* (NOK)	12,4	5,1

*before biomass adj

- Positive development, and significant fall in costs q-o-q
- Contract share around group average
- Significant steps to mitigate potential AGD challenges taken

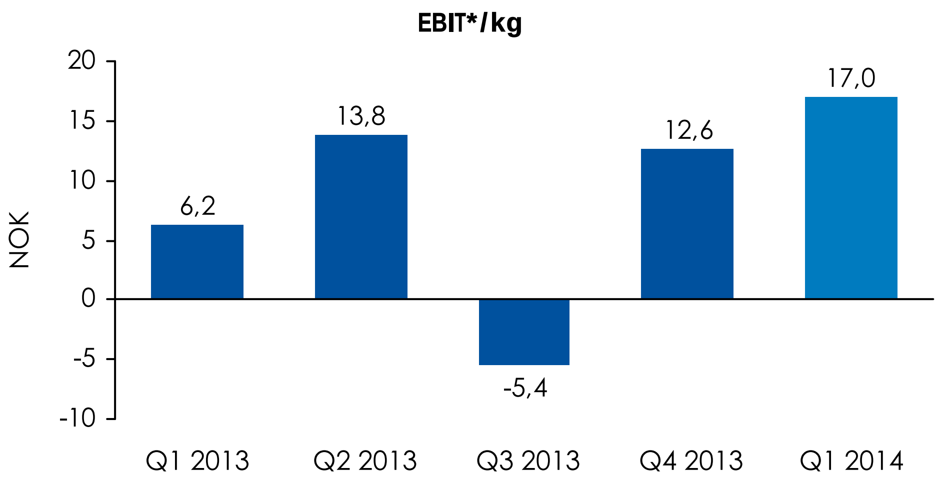


* Before biomass adjustment

Villa Organic (associate)

	Q1 2014	Q1 2013
Revenue (NOKm)	312	191
EBIT* (NOKm)	114	28
Harvested volume (GWT)	6 700	4 500
EBIT/kg* (NOK)	17,0	6,2

*before biomass adj



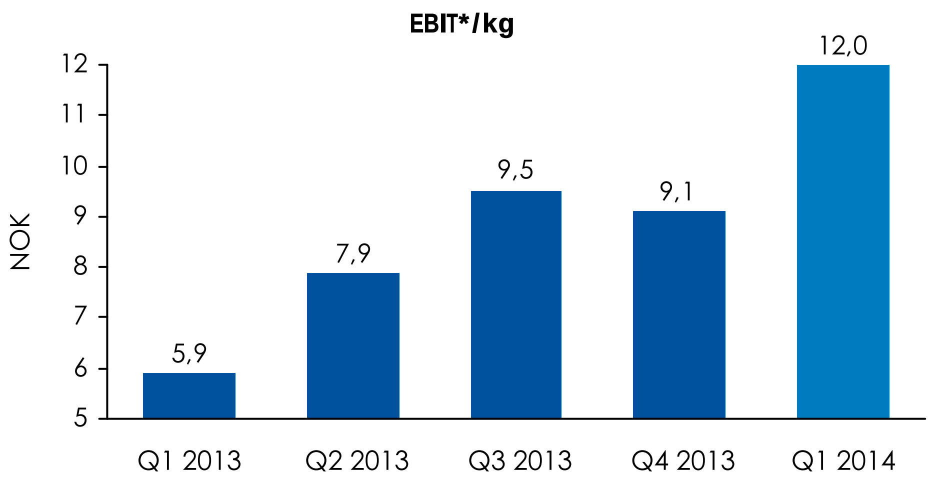
- No contracts, high price realisation
- Positive development in biology
- Company will be split during summer 2014
- Lerøy share, 8 licenses will be operated by Aurora
- NIBD end Q1 2014 NOK – 2m (net cash)

* Before biomass adjustment

Norskott Havbruk (associate)

	Q1 2014	Q1 2013
Revenue (NOKm)	391	289
EBIT* (NOKm)	87	39
Harvested volume (GWT)	7 261	6 515
EBIT/kg* (NOK)	12,0	5,9

*before biomass adj



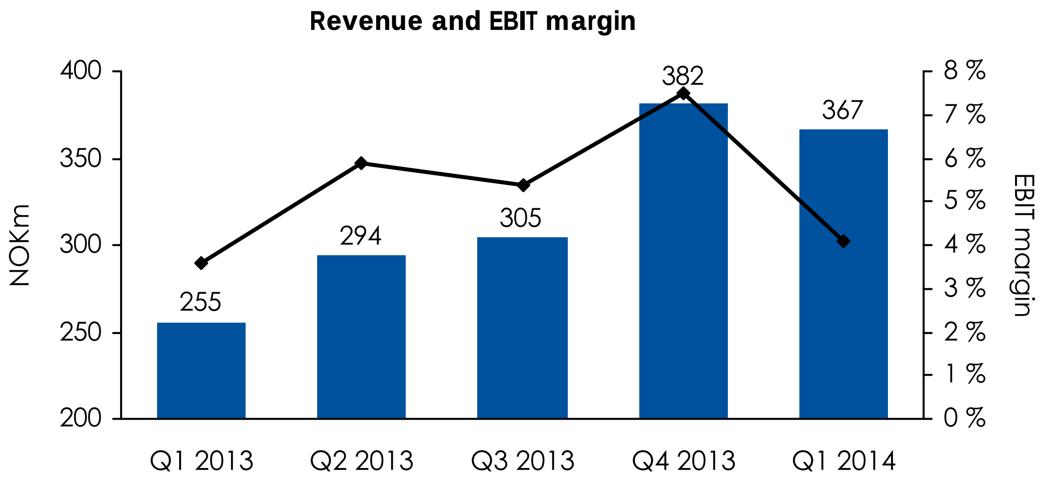
- High contract share
- Negative cost impact y-o-y:
  - Higher feed costs
- Biological health status good
- Expected harvest in 2014 25 000 GWT
- NIBD end Q1 2014 NOK 237m

* Before biomass adjustment

VAP – value added processing

	Q1 2014	Q1 2013	▲%
Revenue (NOKm)	367	255	+44 %
EBIT (NOKm)	15	9	+67 %
EBIT margin	4,1 %	3,6 %	

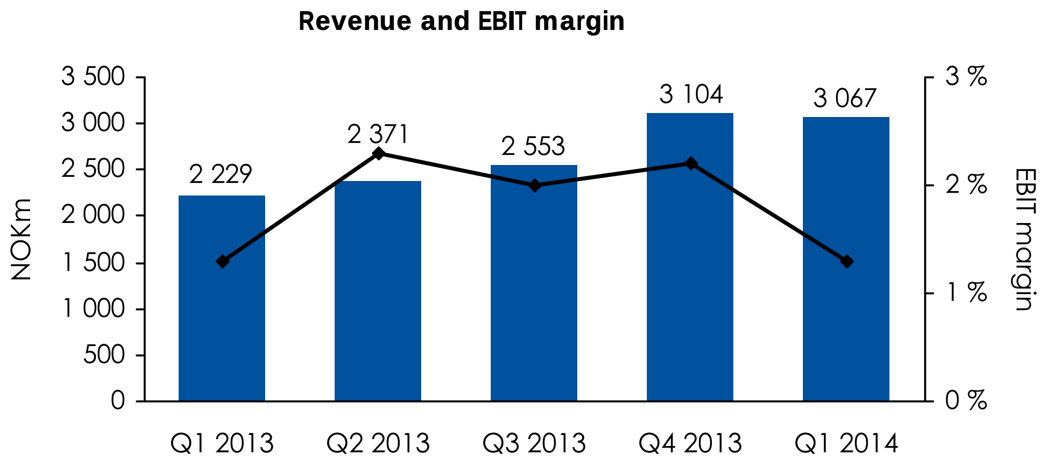
- Challenging price environment
- Positive development
- Margin below target

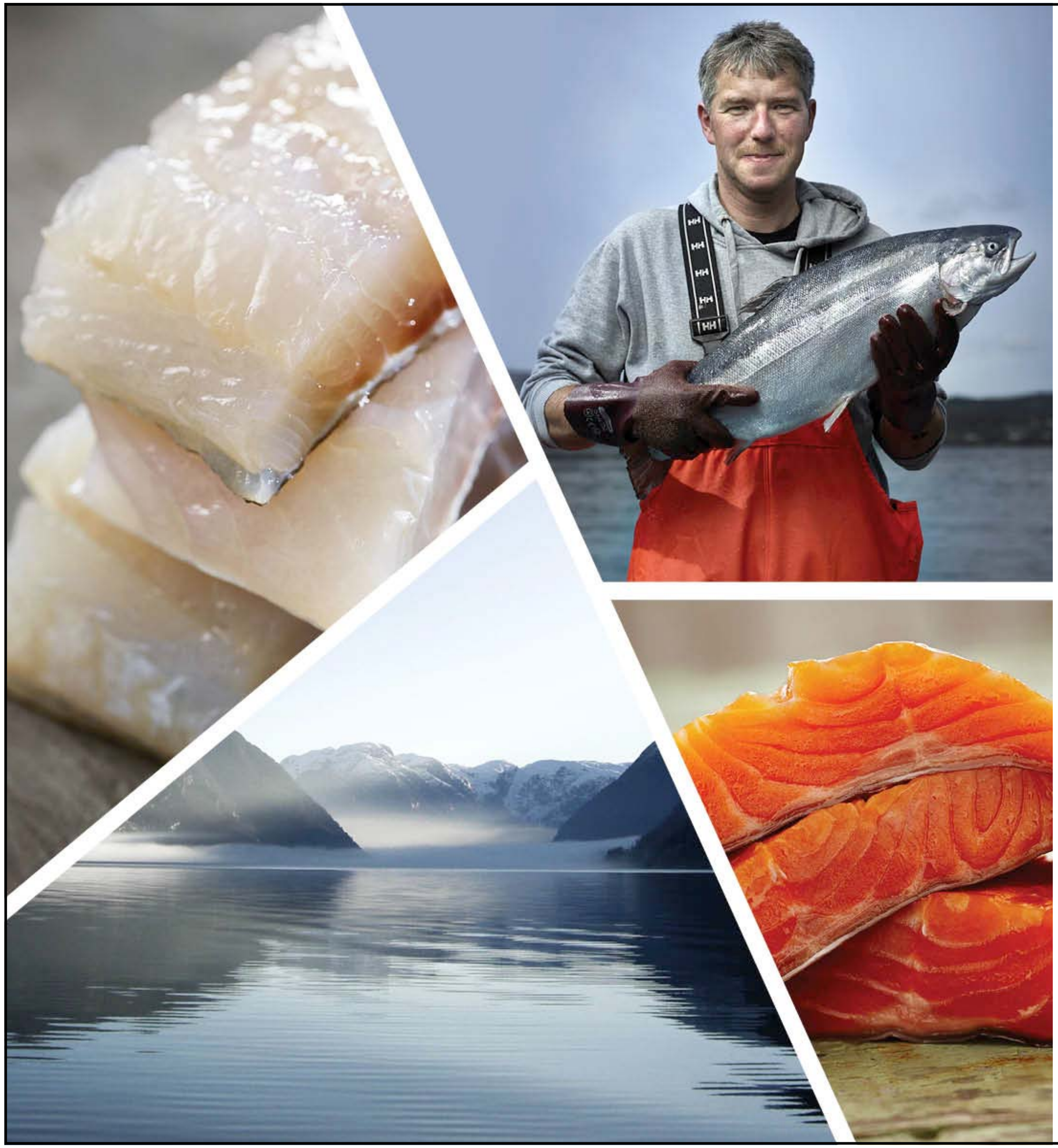


Sales & Distribution

	Q1 2014	Q1 2013	▲%
Revenue (NOKm)	3 067	2 229	+38 %
EBIT (NOKm)	39	29	+33 %
EBIT margin	1,3 %	1,3 %	

- Significant start up cost within fish cut operations
- Still, very positive development y-o-y
- Overtime, fish cut operations will add to profitability and margin level





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Atlantic Salmon – Supply WW

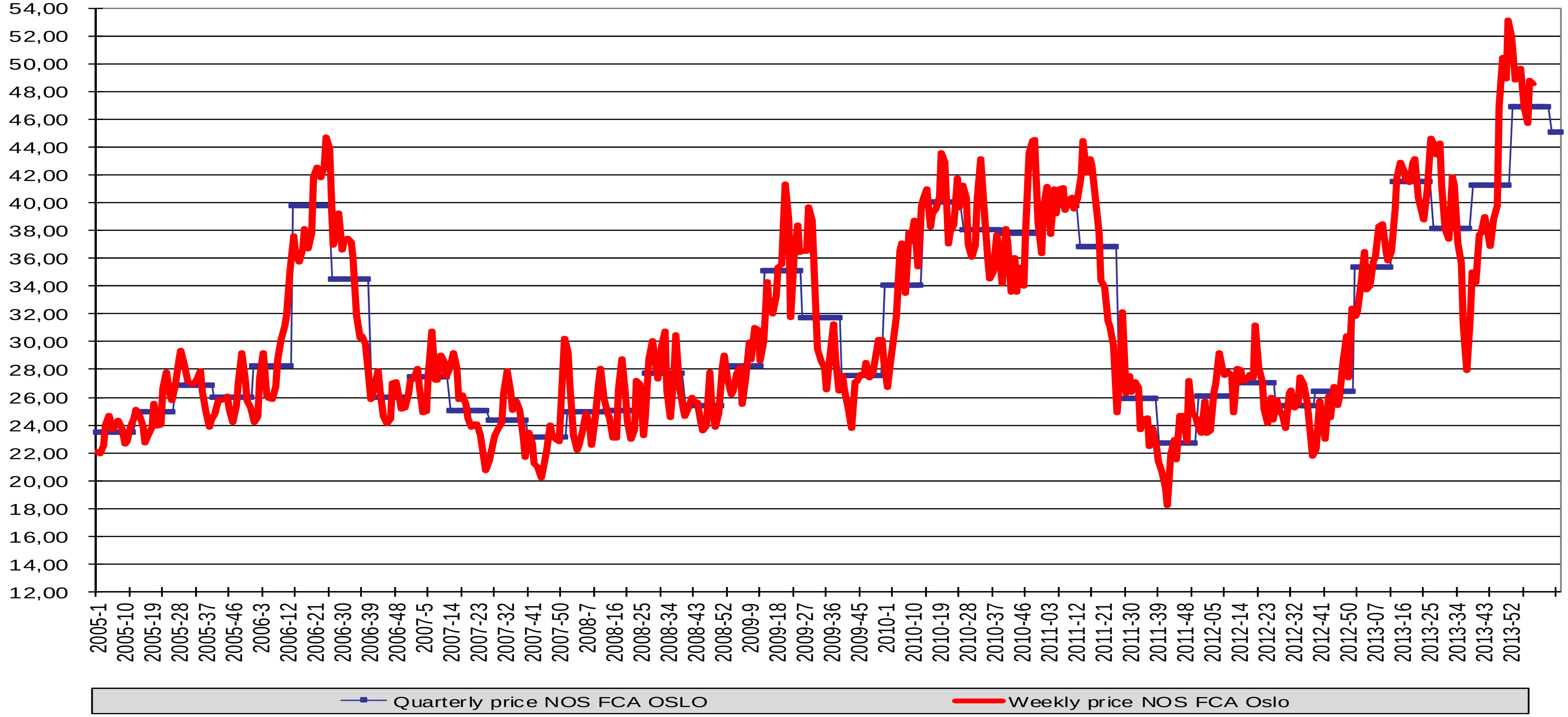
	2010	Change 09-10	2011	Change 10-11	2012	Change 11-12	2013	Change 12-13	2014	Change 13-14	2015	Change 14-15
Norway	944 600	10,4 %	1 005 600	6,5 %	1 183 100	17,7 %	1 143 600	-3,3 %	1 224 200	7,0 %	1 234 000	0,8 %
United Kingdom	142 900	-1,0 %	154 700	8,3 %	159 400	3,0 %	157 800	-1,0 %	161 000	2,0 %	162 200	0,7 %
Faroe Islands	41 800	-11,3 %	56 300	34,7 %	70 300	24,9 %	72 600	3,3 %	76 900	5,9 %	74 400	-3,3 %
Ireland	17 800	20,3 %	16 000	-10,1 %	15 600	-2,5 %	10 600	-32,1 %	12 000	13,2 %	13 000	8,3 %
Iceland	1 000	100,0 %	1 000		2 900		3 100	6,9 %	4 000	29,0 %	5 000	25,0 %
Total Europe	**1 148 100**	**8,1 %**	**1 233 600**	**7,4 %**	**1 431 300**	**16,0 %**	**1 387 700**	**-3,0 %**	**1 478 100**	**6,5 %**	**1 488 600**	**0,7 %**
Chile	129 600	-45,8 %	221 000	70,5 %	364 000	64,7 %	468 100	28,6 %	510 000	9,0 %	486 600	-4,6 %
Canada	122 000	0,1 %	119 500	-2,0 %	136 500	14,2 %	115 100	-15,7 %	117 300	1,9 %	128 900	9,9 %
Australia	33 000	2,5 %	36 000	9,1 %	39 000	8,3 %	40 500	3,8 %	42 000	3,7 %	44 000	4,8 %
USA	18 000	9,8 %	18 300	1,7 %	19 600	7,1 %	20 300	3,6 %	19 500	-3,9 %	20 500	5,1 %
Others	4 500	60,7 %	5 000	11,1 %	8 500	70,0 %	11 100	30,6 %	14 100	27,0 %	18 500	31,2 %
Total America	**307 100**	**-25,5 %**	**399 800**	**30,2 %**	**567 600**	**42,0 %**	**655 100**	**15,4 %**	**702 900**	**7,3 %**	**698 500**	**-0,6 %**
Total World-wide	**1 455 200**	**-1,3 %**	**1 633 400**	**12,2 %**	**1 998 900**	**22,4 %**	**2 042 800**	**2,2 %**	**2 181 000**	**6,8 %**	**2 187 100**	**0,3 %**

Figures as per 27.04.14
Source: Kontali

Spot prices fresh Atlantic salmon

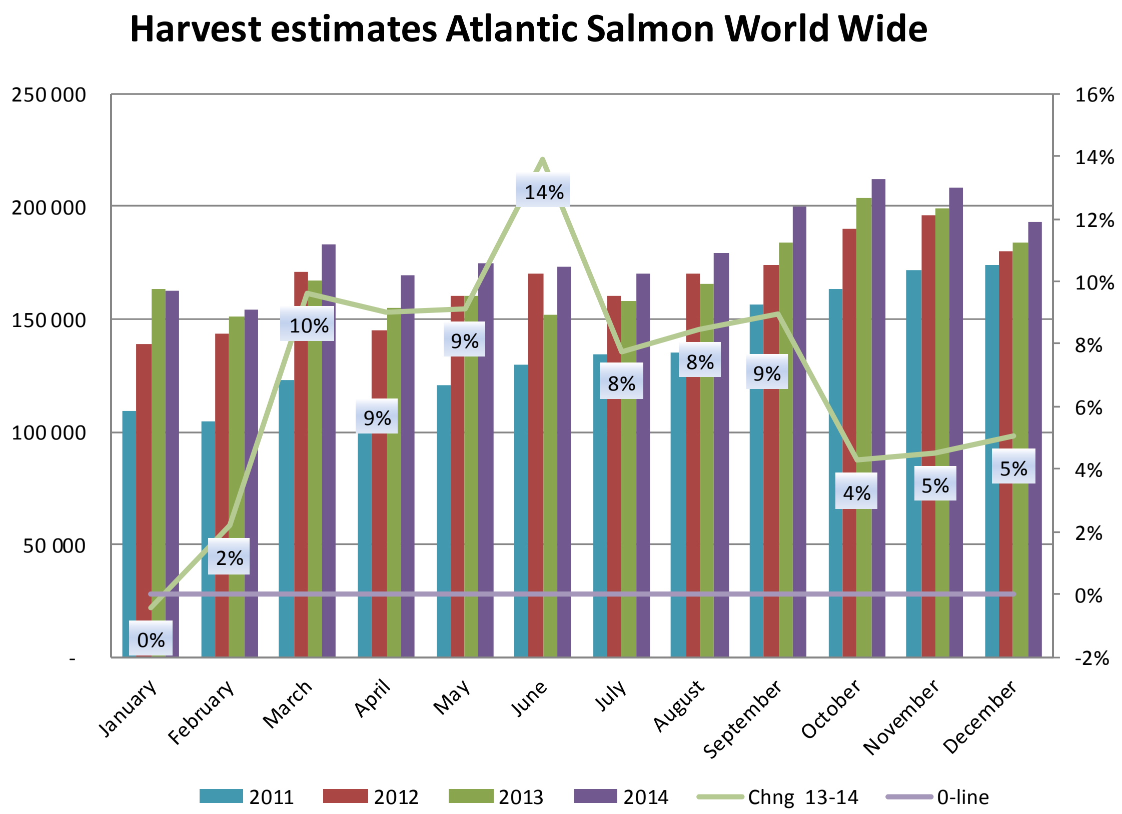
	Q1-05	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06	Q3-06	Q4-06	Q1-07	Q2-07	Q3-07	Q4-07	Q1-08	Q2-08	Q3-08	Q4-08	Q1-09	Q2-09	Q3-09	Q4-09
NOS FCA Oslo	23,44	24,89	26,86	25,94	28,24	39,72	34,44	25,92	27,47	25,00	24,34	23,10	24,94	25,02	27,72	25,33	28,22	35,09	31,72	27,52

	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14
NOS FCA Oslo	34,00	40,00	38,02	37,77	39,78	36,77	25,84	22,67	26,03	27,03	25,32	26,41	35,36	41,53	38,12	41,27	46,83



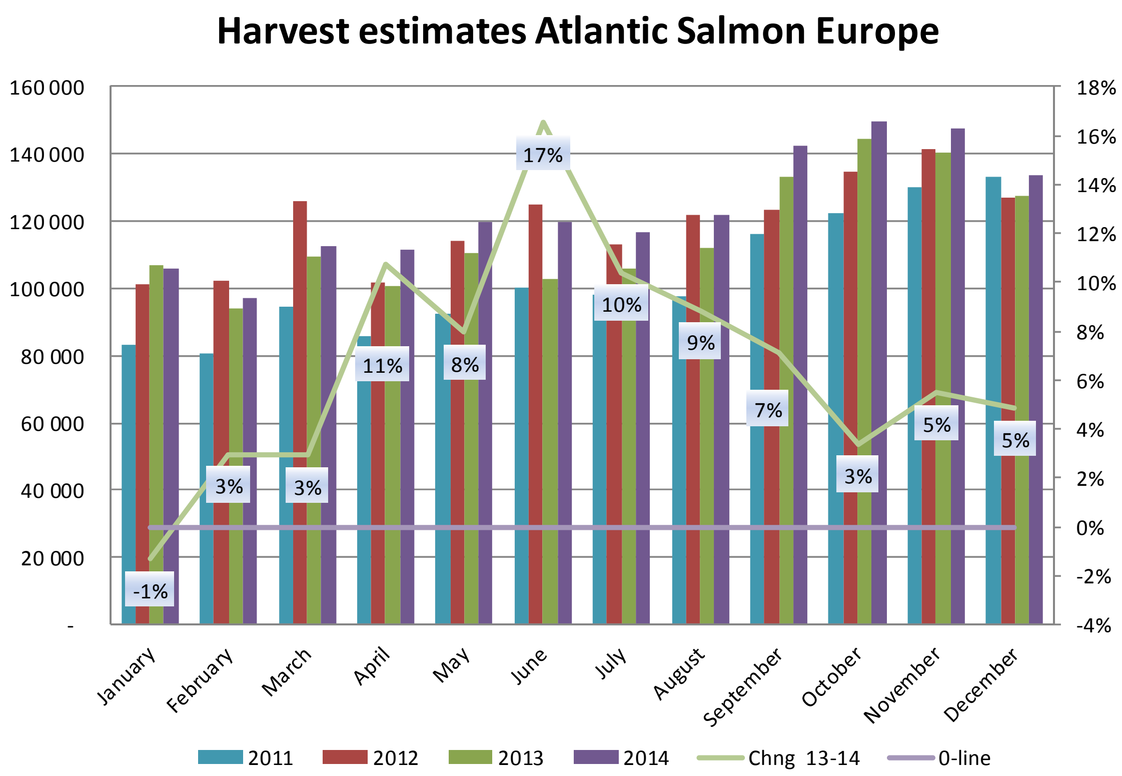
Figures as per 02.05.14
Source: NOS/Lerøy

Atlantic Salmon – Harvest Quantities WW



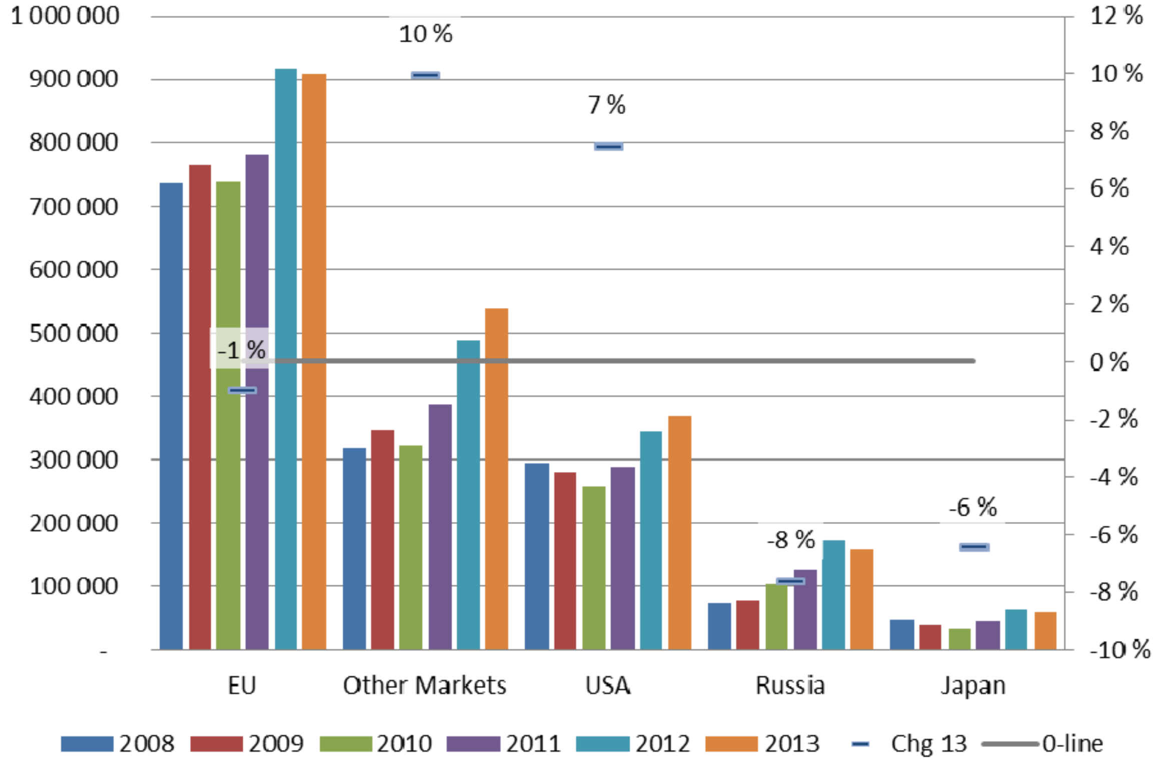
Figures as per 27.04.14
Source: Kontali

Atlantic Salmon – Harvest Quantities Europe



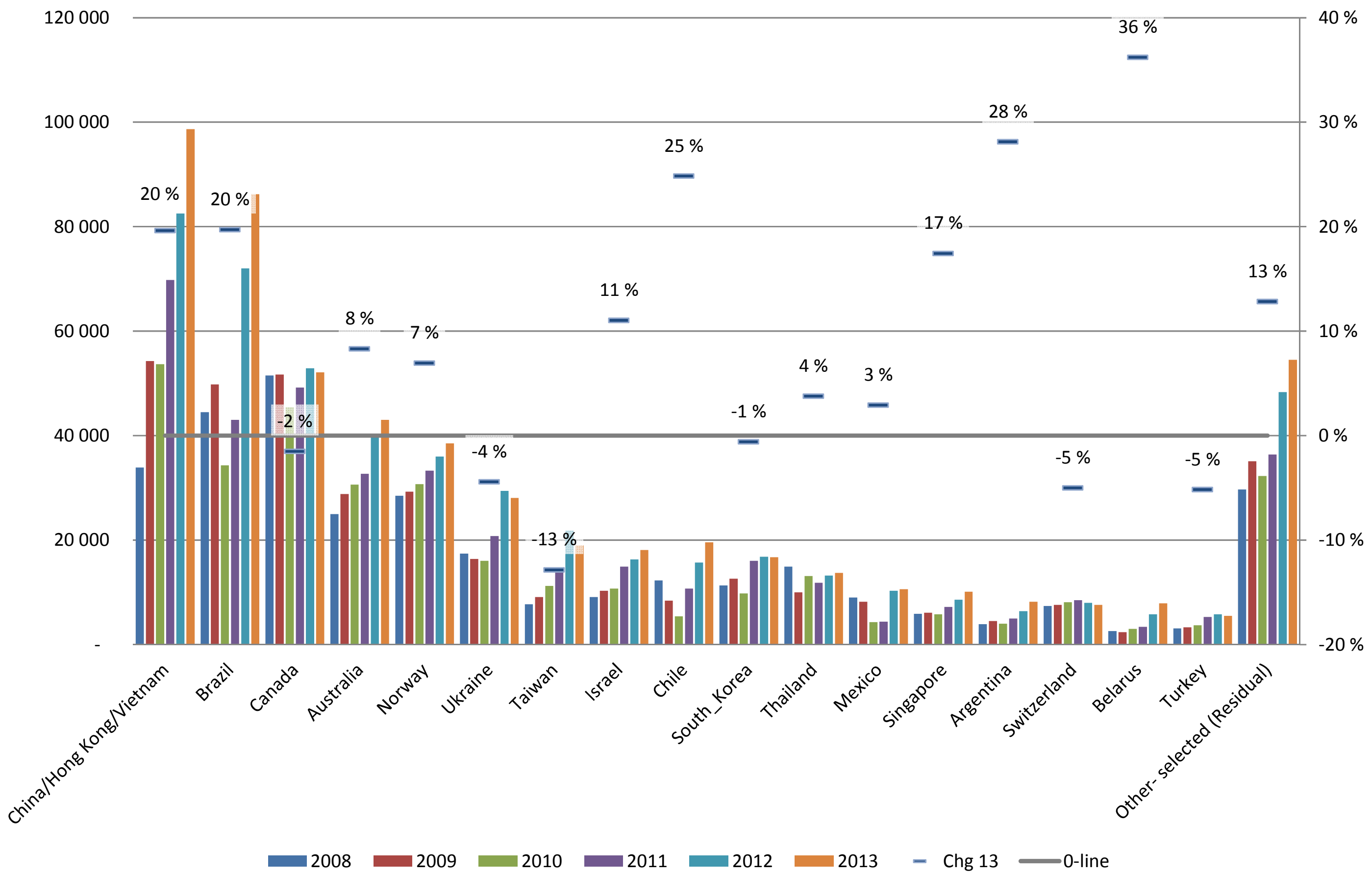
Figures as per 27.04.14
Source: Kontali

Atlantic Salmon – Consumption FY 2013



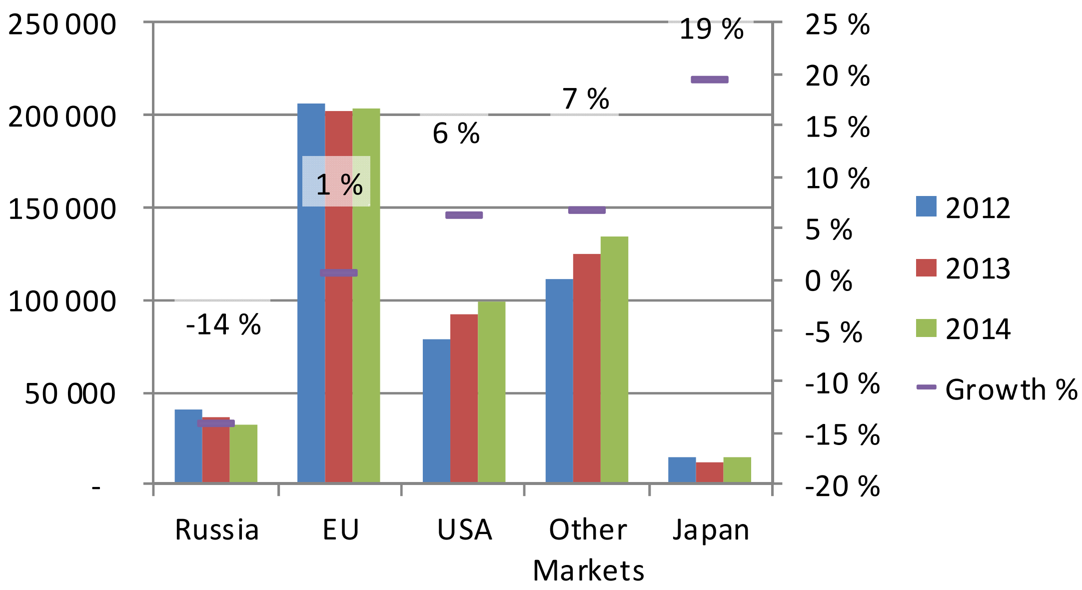
Source: Kontali/NOS

Atlantic Salmon – Consumption Other Markets FY 2013



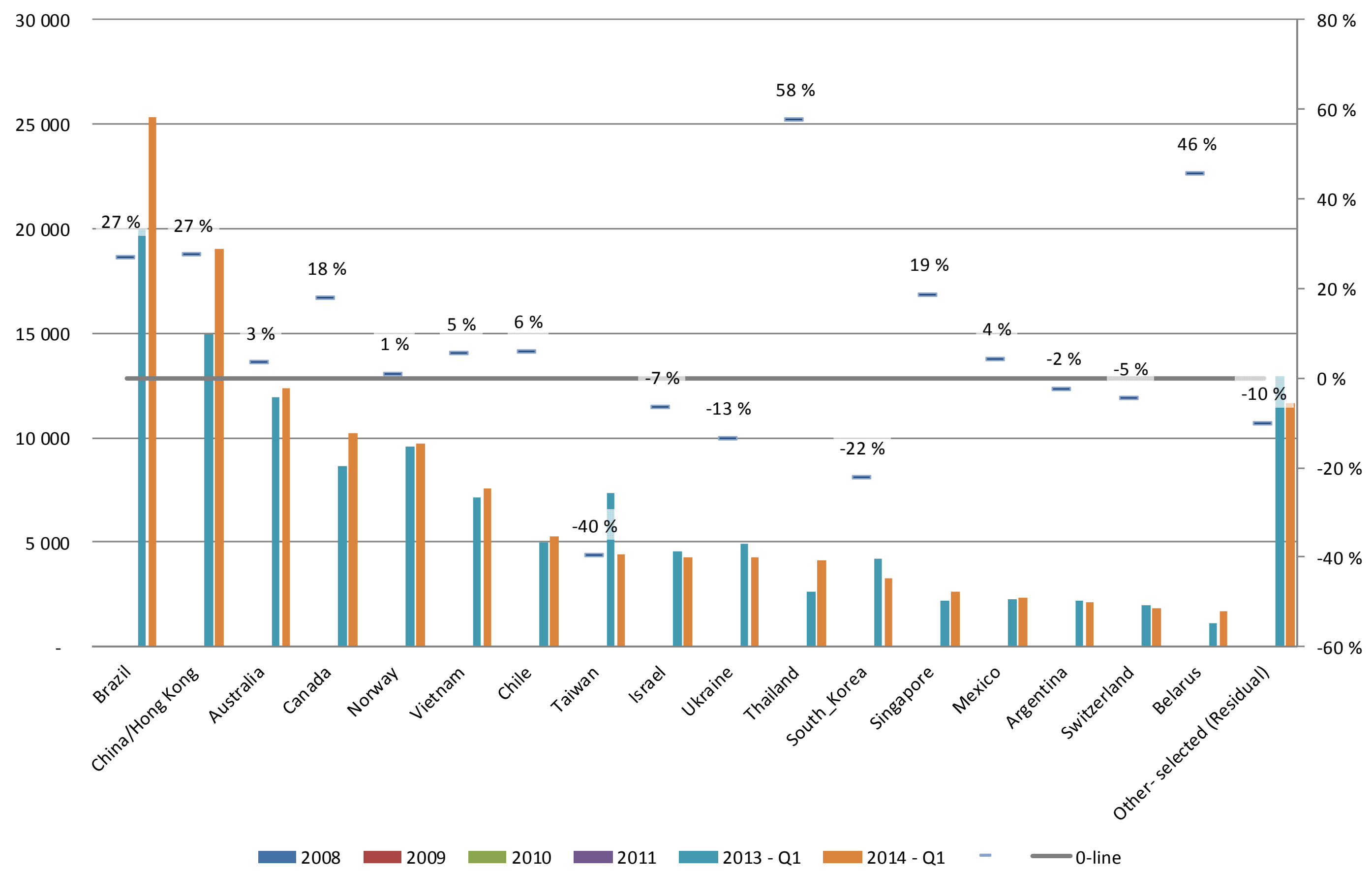
Source: Kontali/NOS

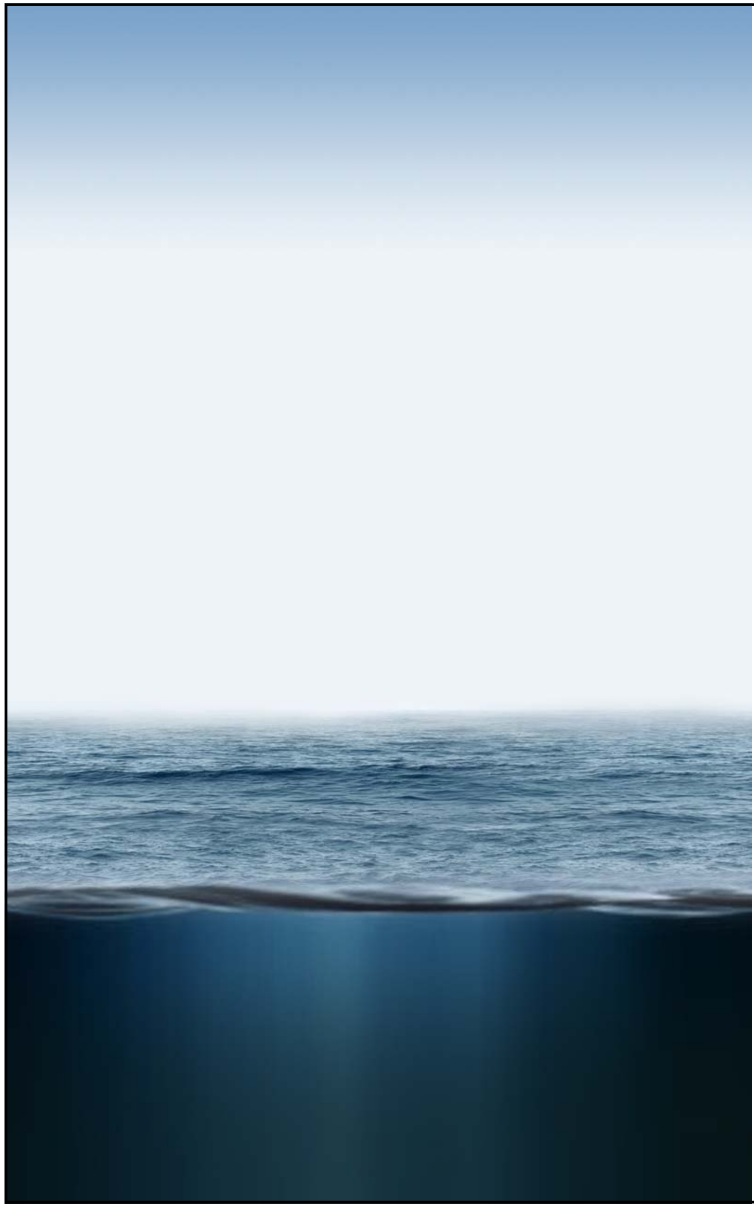
Atlantic Salmon – Consumption Q1



Figures as per 02.05.14
Source: Kontali/NOS

Atlantic Salmon – Consumption Other Markets Q1



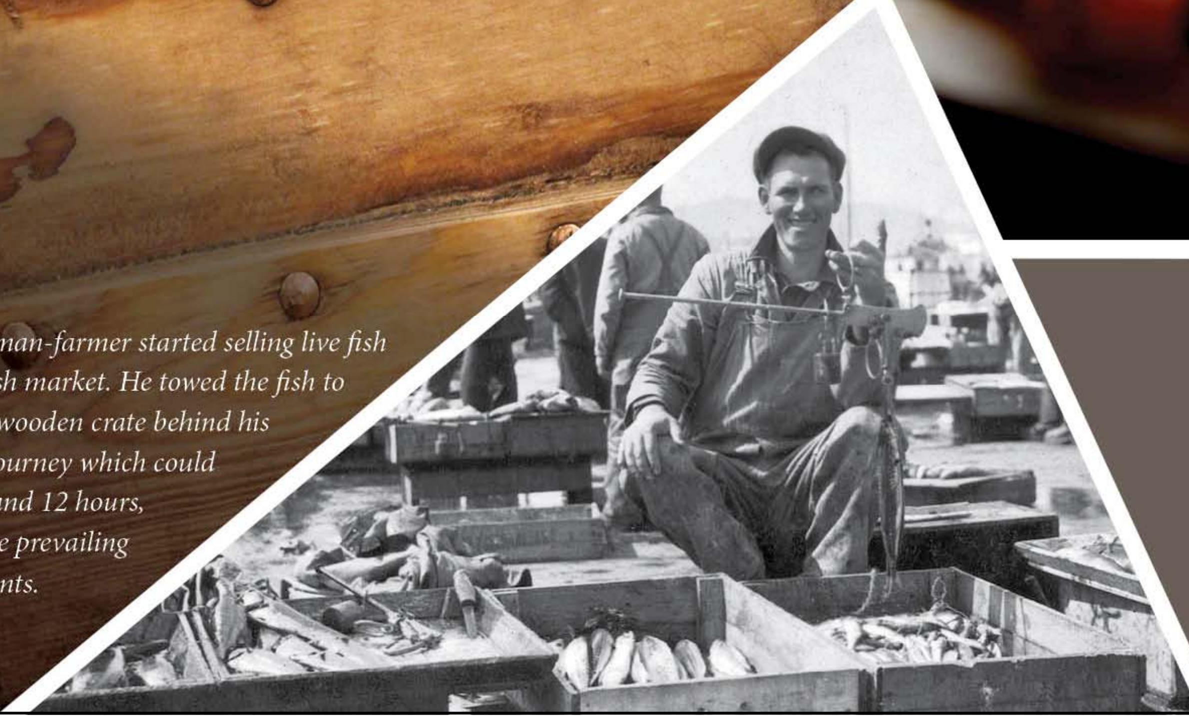


Outlook

- Positive market outlook
  - Good demand growth in new markets
  - Global supply growth ~7% 2014, ~0% 2015
- Harvest guidance 2014 163.000 GWT
- Expected contract share Q2 ~40%
- Volumes expected ~45% H1 and ~55% H2

LERØY

In 1899 a fisherman-farmer started selling live fish on the Bergen fish market. He towed the fish to the market in a wooden crate behind his rowing boat, a journey which could take between 6 and 12 hours, depending on the prevailing winds and currents.



Thank You!

Appendix

Historical figures, current reporting structure

	2014	2013					2012	2011
	Q1	Q1	Q2	Q3	Q4	FY	FY	FY
Revenue								
Farming	1 165,1	1 165,1	1 307,7	1 317,9	1 585,6	5 376,3	4 376,5	4 592,0
VAP	254,9	254,9	294,1	305,5	381,9	1 236,3	1 027,0	783,0
S&D	2 229,2	2 229,2	2 371,2	2 552,6	3 104,0	10 257,0	9 098,2	9 067,9
LSG/Elim	-1 317,4	-1 317,4	-1 460,0	-1 485,7	-1 841,8	-6 105,0	-5 398,8	-5 266,0
Operating revenue	**2 331,8**	**2 331,8**	**2 513,0**	**2 690,2**	**3 229,6**	**10 764,7**	**9 102,9**	**9 176,9**
EBIT								
Lerøy Aurora	98,3	80,8	96,1	66,3	115,9	359,0	83,1	155,1
Lerøy Midt	228,3	131,7	112,2	109,4	154,4	507,7	147,3	519,6
Lerøy Sjøtroll	179,1	71,8	191,7	134,2	62,7	460,3	7,7	303,1
Farming	505,7	284,2	400,0	309,8	332,9	1327,0	238,1	977,7
VAP	15,1	9,1	17,4	16,5	28,7	71,6	49,7	33,5
S&D	38,7	29,0	54,0	52,1	69,0	204,1	192,5	237,5
LSG/Elim	-9,2	47,0	-9,3	-8,7	-6,0	23,0	-30,2	-35,8
EBIT before biomass adj.	**550,4**	**369,4**	**462,2**	**369,7**	**424,6**	**1625,8**	**450,1**	**1212,9**