



Lerøy Seafood Group ASA



Q4 2014

February 24th
Oslo

CEO | Henning Beltestad
CFO | Sjur S. Malm



Agenda

- 1 Highlights
- 2 Key financial figures
- 3 Outlook



Q4 2014: Challenging quarter

- EBIT before FV adj. NOK 435 million
 - NOK 42m in gain from sale of assets
- EBIT/kg all inclusive NOK 10.2
- Harvest volume 42 479 GWT
- Contract share of 33 %
- NIBD NOK 1 876 million at end Q4 2014
- Proposed dividend of NOK 12
- Harvest guidance 2015 1 66 000 GWT
 - 181 500 including share of associates

Q4: Farming highlights

- Improving prices during quarter
 - Average NOS price up NOK 3.8 compared to Q3/14
 - Average NOS price down NOK 2.9, compared to Q4/13
 - Spotprice development backed by weakening of NOK
 - ~40% of quarterly harvest volume in October
 - Russian import ban weighs especially on trout prices

- Contract prices above spot prices

- Increase in costs
 - Cost decrease q-o-q, but cost increase y-o-y
 - A challenging situation in Hordaland continues to impact performance

- Biomass at sea
 - End Q4/14 at 107,505 tons vs 103,107 tons end Q4/13 (+4%)





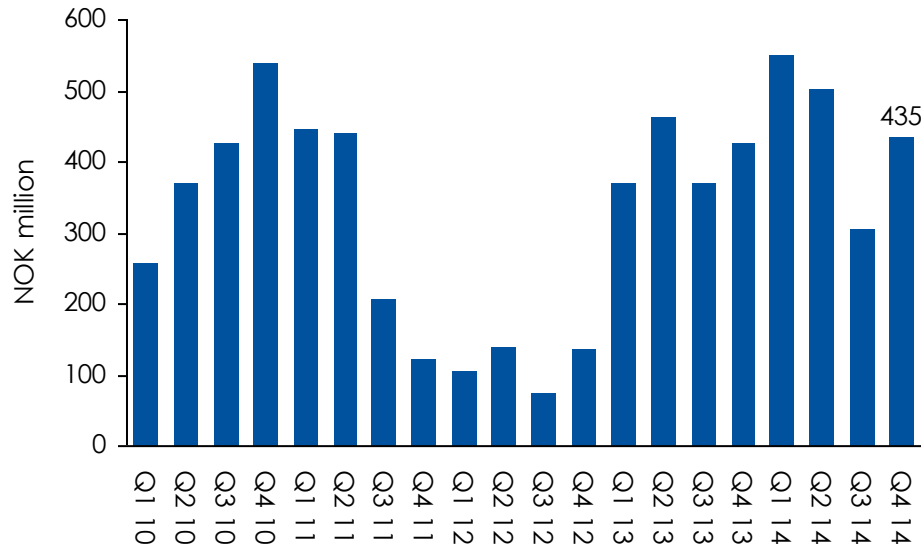
Q4: VAP and S&D highlights

- Value added processing (VAP)
 - Continued strong order flow
 - New capacity gradually filled
 - EBIT NOK 31m (7.2 %) in Q4/14 vs. NOK 29m (7.5 %) in Q4/13

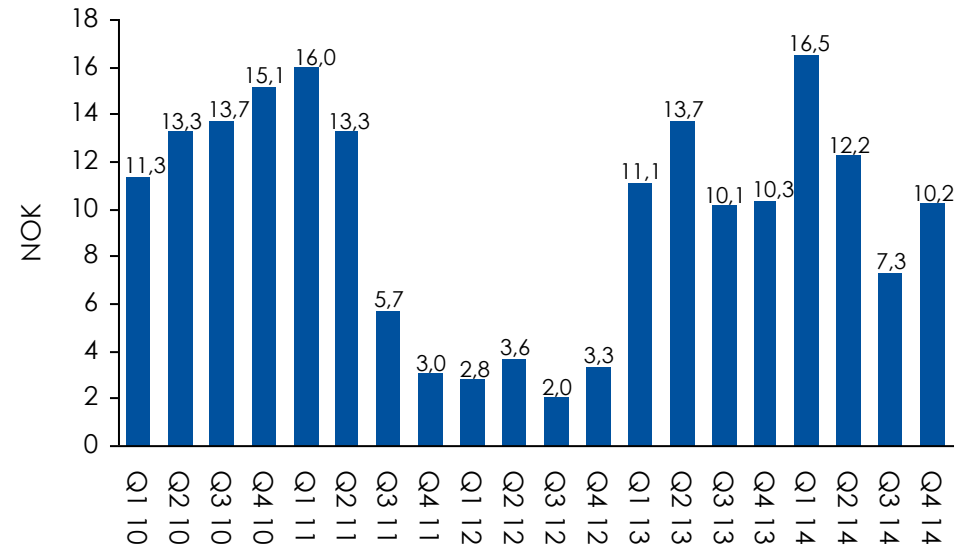
- Sales & Distribution
 - Positive development
 - Strong momentum in several “fish-cut” start-ups
 - EBIT NOK 82m (2.7 %) in Q4/14 vs. NOK 69m (2.2 %) in Q4/13

Quarterly historic figures

EBIT*



EBIT/kg*, all inclusive



*before biomass adjustment

Lerøy Seafood Group ASA

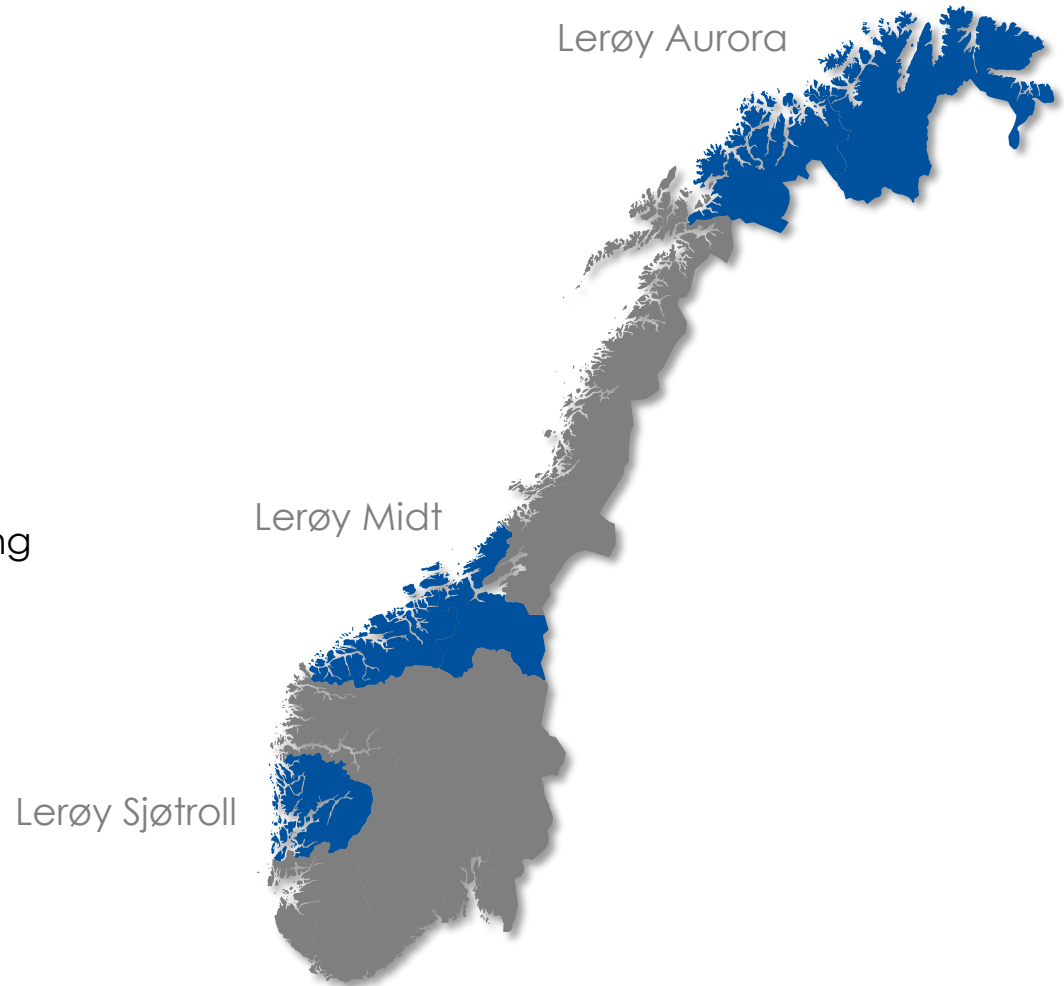
Farming

VAP

Sales &
Distribution

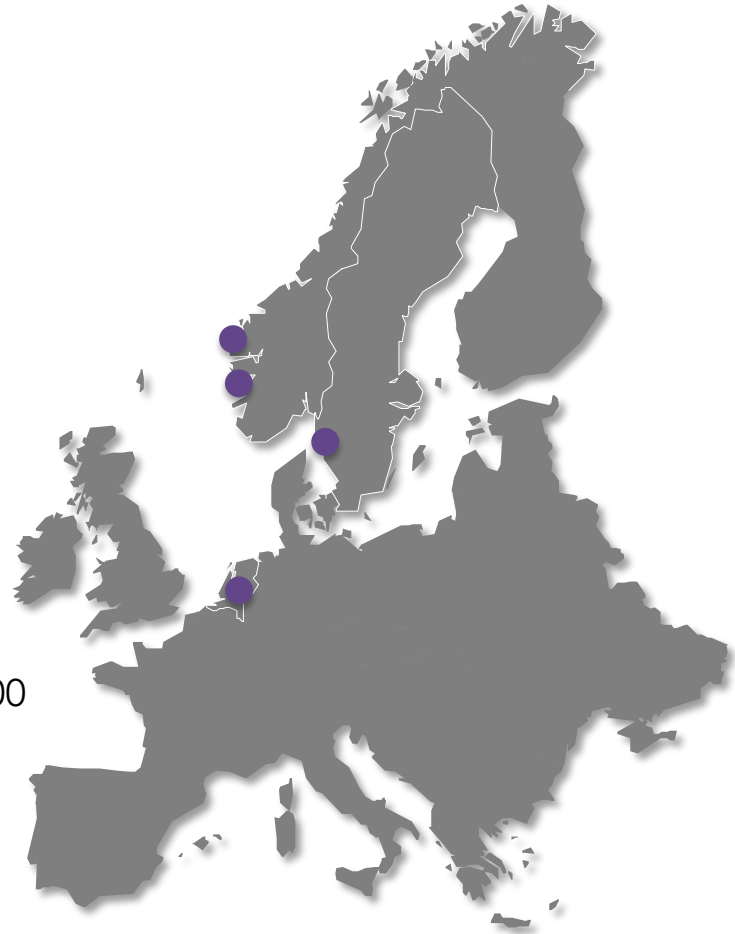
Farming

- Lerøy Aurora (salmon)
- Lerøy Midt (salmon)
- Lerøy Sjøtroll (salmon and trout)
- Geographic diversification along Norway's long coastline.



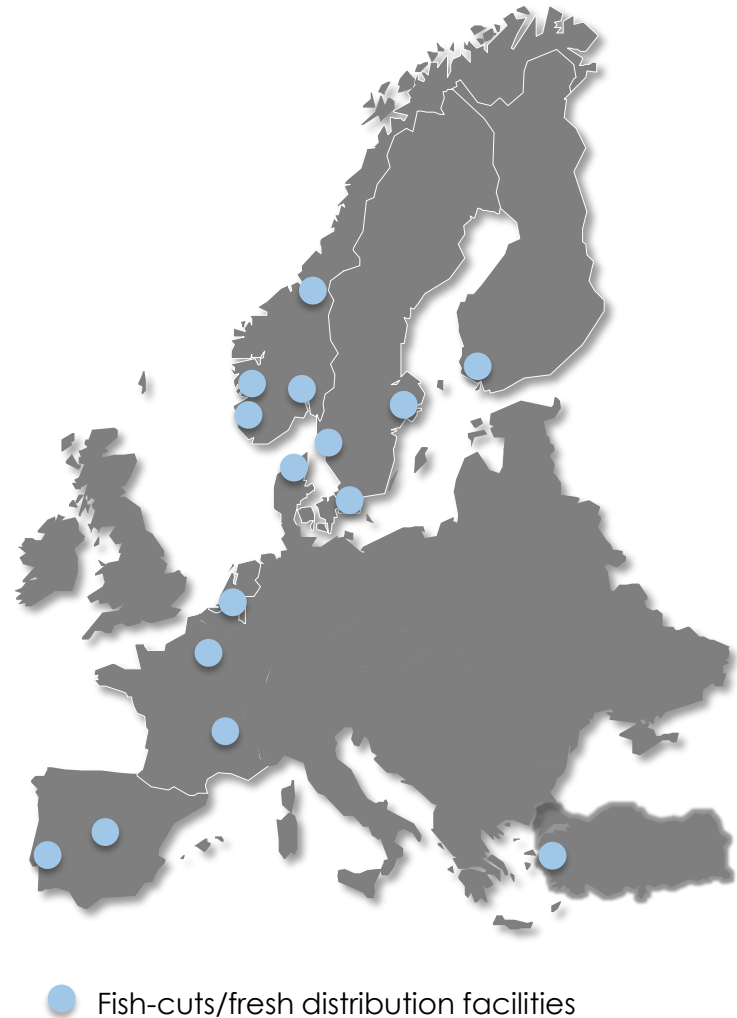
VAP

- Rode Beheer BV Group
 - Capacity of about 16-20,000 tons raw material
- Lerøy Smøgen Seafood AB
 - Capacity of about 12,000 tons raw material
- Lerøy Fossen AS
 - Capacity of about 12-15,000 tons raw material
- Bulandet Fiskeindustri AS(white fish)
- Total VAP capacity in these factories 40-50,000 tons raw material

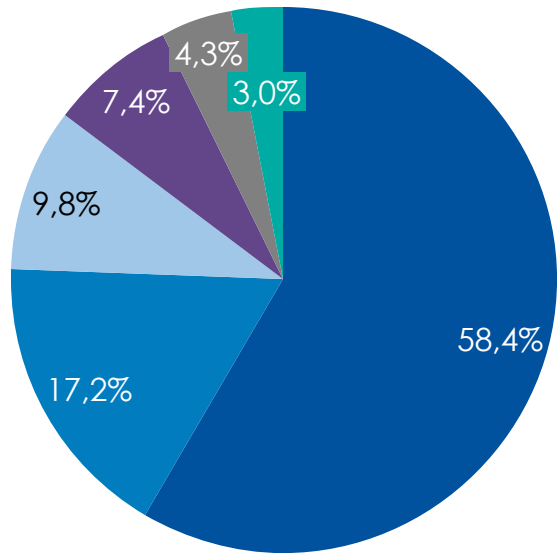


Sales & Distribution

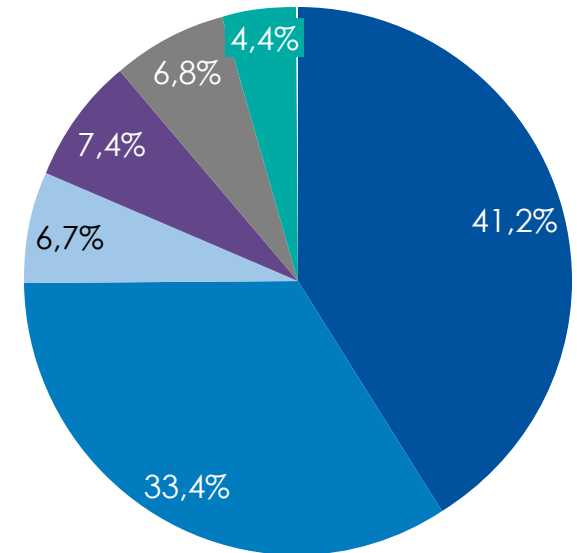
- Global reach and sales to more than 70 countries.
- A significant industrial activity within trading, processing, sales and distribution of fish.
- Investments in fish cuts in end markets recent years
- Processing and fresh distribution facilities:
 - Norway
 - Sweden
 - Finland
 - France
 - Spain
 - Portugal
 - Denmark (reported as associate)
 - Turkey (reported as associate)
 - Netherlands (reported in VAP)



Sales per market and product Q4 2014



- EU
- Norway
- Asia Pacific
- USA & Canada
- Rest of Europe
- Others



- Whole salmon
- Processed salmon
- Whitefish
- Salmontrout
- Shellfish
- Others

Farming: Guiding

	Licences	Smolt cap.	2011 GWT	2012 GWT	2013 GWT	2014 GWT	2015E GWT
Lerøy Aurora AS*	26	11,5	18 100	20 000	24 200	26 800	31 000
Lerøy Midt AS	55	22,0	62 300	61 900	58 900	68 300	70 000
Lerøy Sjøtroll	60	22,6	56 200	71 600	61 700	63 200	65 000
Total Norway	141	52,1	136 600	153 400	144 800	158 300	166 000
Villa Organic AS**						6 000	
Norskott Havbruk (UK)***			10 900	13 600	13 400	13 800	15 500
Total			147 500	167 100	158 200	178 100	181 500

*) Included harvested volume from Villa Organic after split July 2014

**) LSG's share of Villa Organic's volume in H1 2014, not consolidated

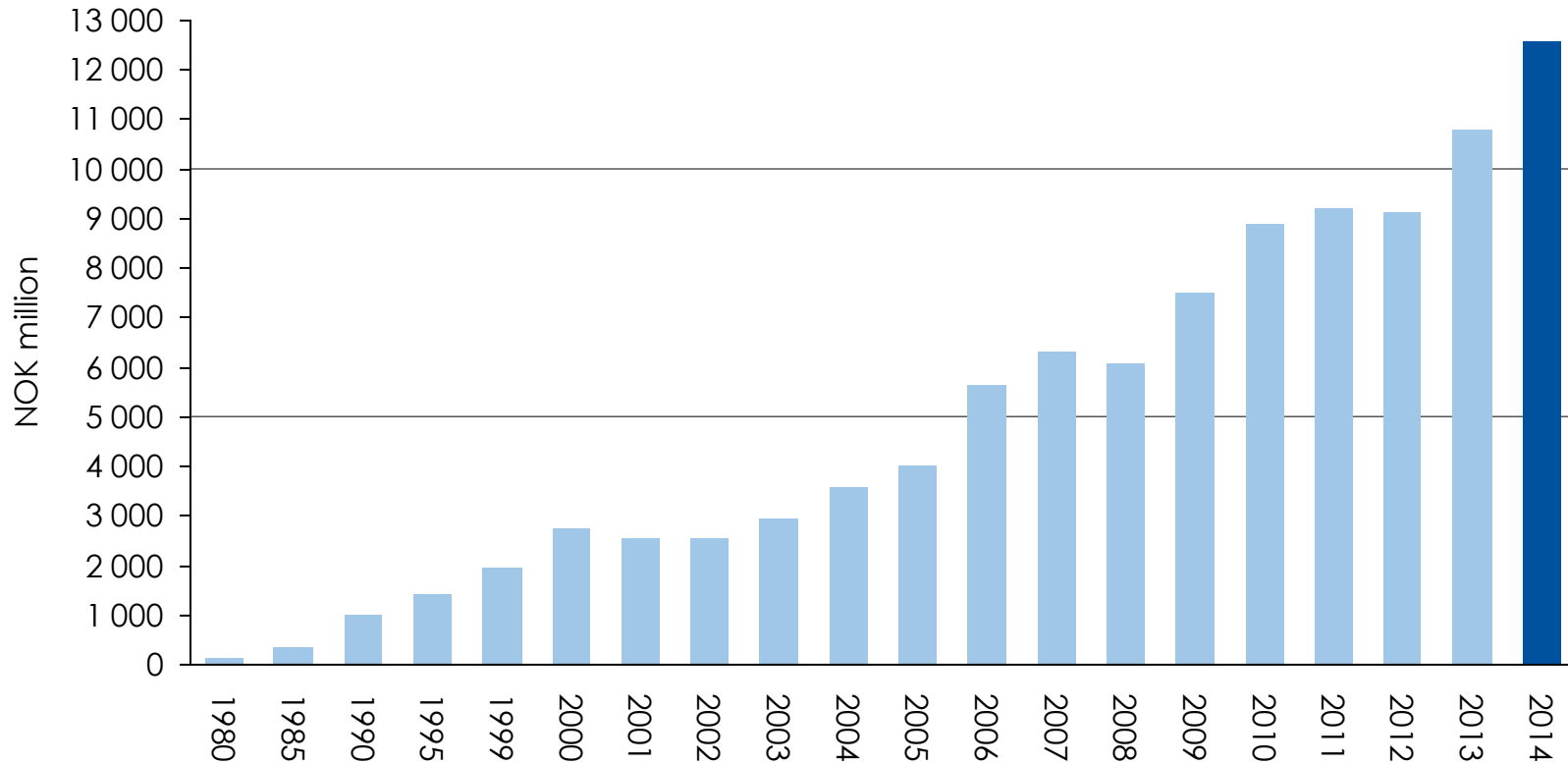
**) LSG's share, not consolidated



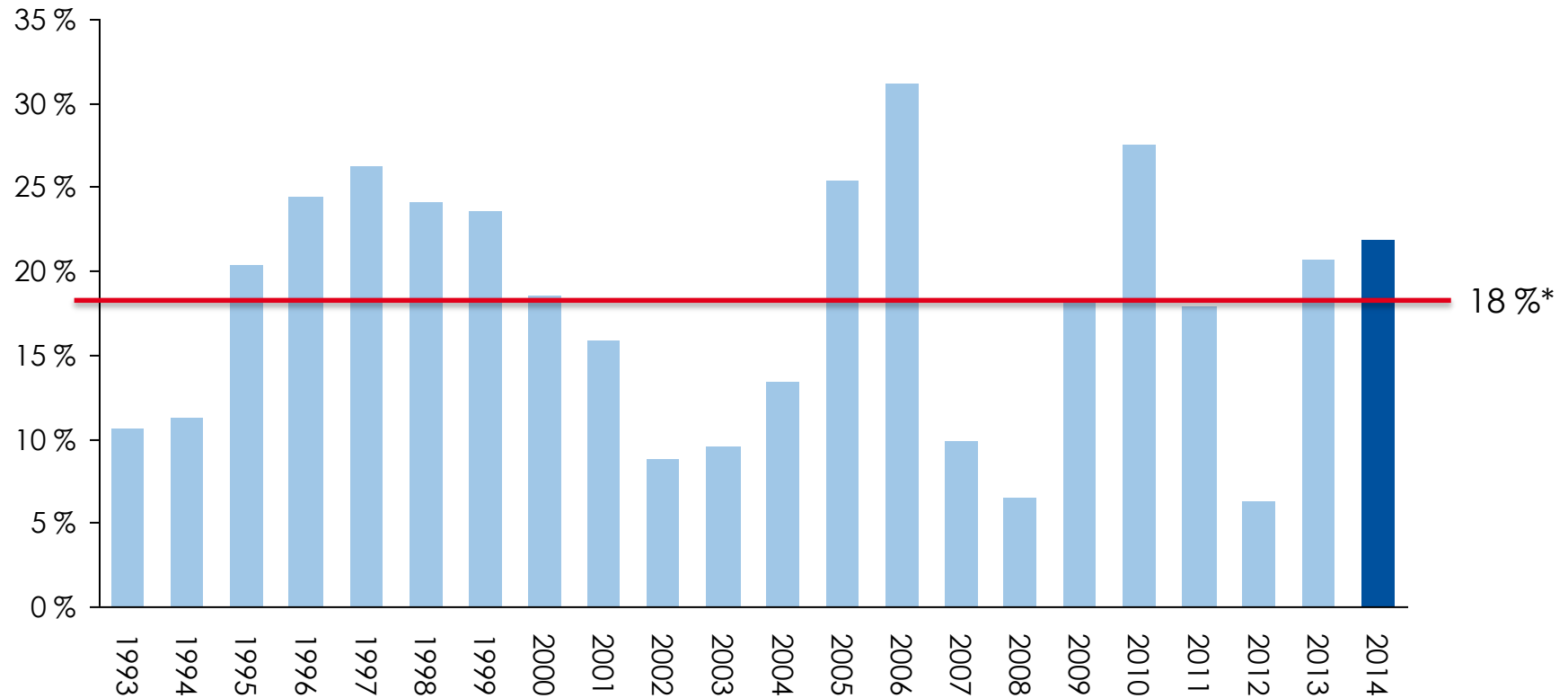
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Turnover Lerøy Seafood Group ASA



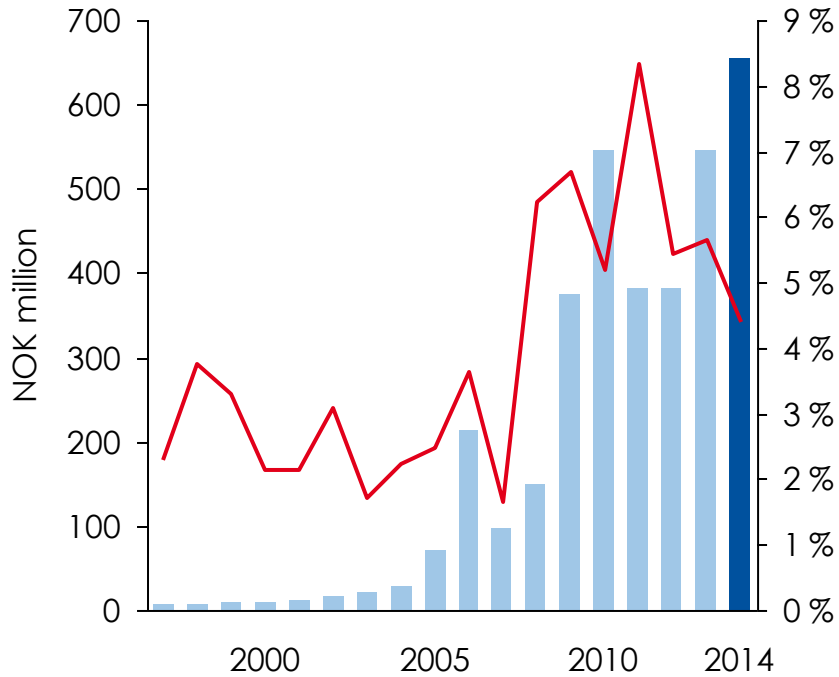
Return on capital employed (ROCE)



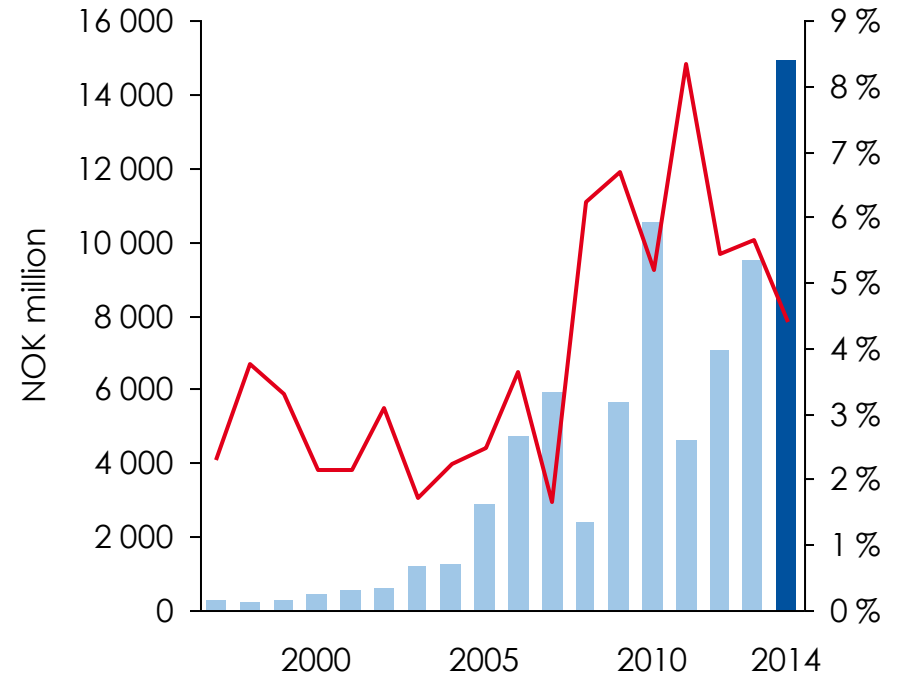
* Target communicated at the listing on Oslo Stock Exchange 03.06.2002

Annual dividen since 1995

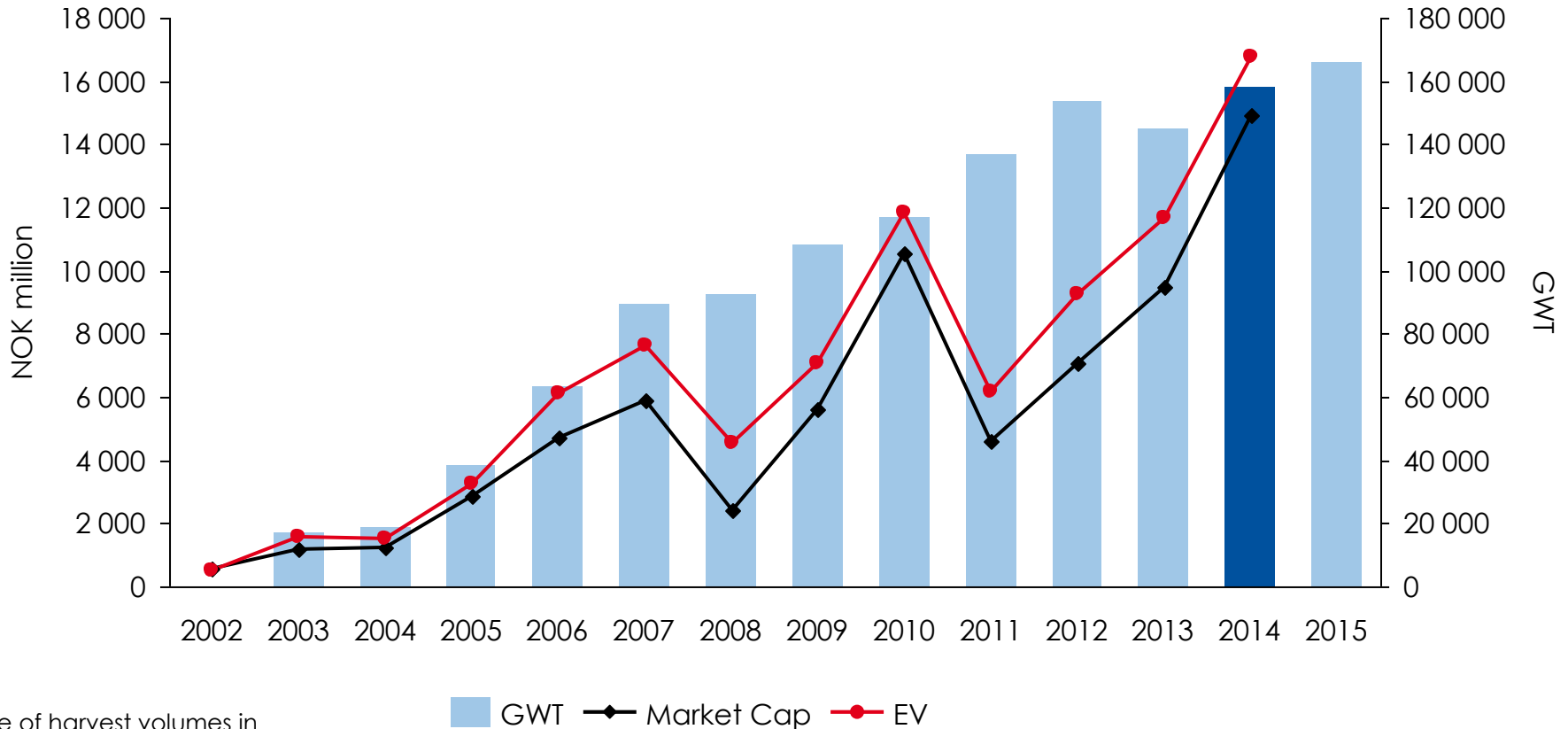
Dividend & Dividend yield



Market Cap & Dividend yield



Ten years with sustainable growth, more to come!



Share of harvest volumes in Norskott Havbruk not included.

Key financial figures Q4 2014

(NOKm)	Q4 2014	Q4 2013	▲ %
Revenue	3 261	3 230	1 %
Other gains and losses**	42	0	
EBITDA	534	506	6 %
Depreciation and amortisation	99	81	
EBIT*	435	425	3 %
Income from associates*	10	44	
Net finance	-52	-19	
Pre-tax*	393	449	-12 %
EPS (NOK)*	4.9	6.8	-28%
Harvested Volume (GWT)	42 479	41 202	3 %
EBIT*/kg all inclusive (NOK)	10.2	10.3	-0,6 %
ROCE* (%)	18.0 %	21.8 %	

* Before biomass adjustment

** Gain from sale of stake in SalmoBreed

Key financial figures 2014

(NOKm)	2014	2013	▲%
Revenue	12 579	10 765	17 %
Other gains and losses	117	54	
EBITDA	2 160	1 938	11 %
Depreciation & amortisation	371	313	
EBIT*	1 789	1 626	10 %
Income from associates*	148	106	
Net finance	-120	-102	
Pre-tax*	1 817	1 630	11 %
EPS (NOK)*	24.0	21.1	14%
Harvested Volume (GWT)	158 258	144 784	9 %
EBIT*/kg all inclusive (NOK)	11.3	11.2	0.7 %
ROCE* (%)	21,2 %	20,7 %	

* Before biomass adjustment

Balance sheet

(NOKm)	31.12.2014	31.12.2013
Intangible assets	4 276 654	3 998 947
Tangible fixed assets	2 676 716	2 377 012
Financial non-current assets	607 294	766 796
Total non-current assets	7 560 664	7 142 755
Biological assets at cost	2 897 447	2 616 859
Fair value adjustment	784 546	1 110 502
Other inventory	524 947	358 482
Receivables	1 730 488	1 802 620
Cash and cash equivalents	1 360 272	872 513
Total current assets	7 297 700	6 760 976
Total assets	14 858 364	13 903 731
NIBD	1 876	2 117
Equity	8 080	7 549
Equity ratio	54.4 %	54.3 %

Funding

NOK million	2015	2016	2017	2018	2019	Later	Total
Total instalments	336	622	305	291	602	947	3103

	Covenants	Q4 2014
NIBD/EBITDA	<5	0.87
Adj. Equity ratio	>30%	62.0%

Cash flow

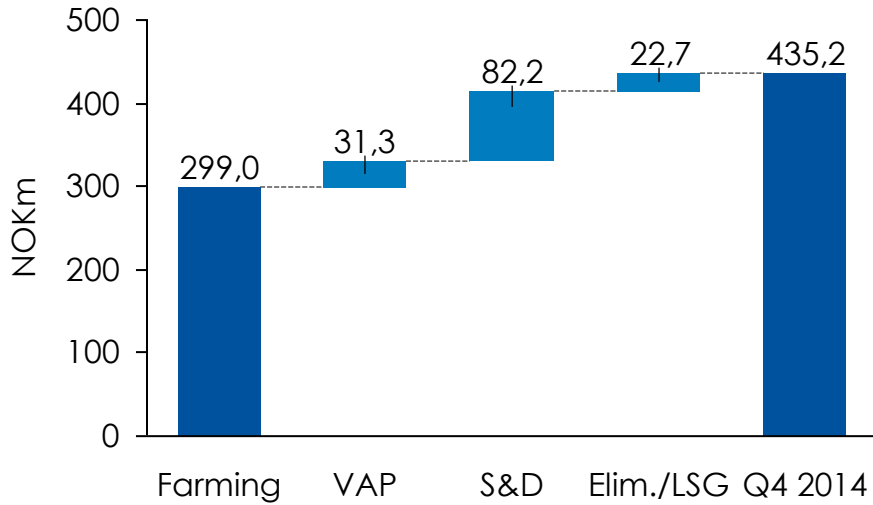
	Q4 2014	Q4 2013	YTD 2014	YTD 2013
EBITDA	534	506	2 160	1 938
Paid tax	-13	-11	-344	-100
Working capital *	8	-305	-286	-535
Other **	-37	-35	-115	-46
Cash from operating activities	493	154	1 415	1 259
Net investments in capex	-184	-129	-583	-564
Acquisitions, divestments and other	49	24	43	-135
Cash from investing activities	-135	-105	-540	-699
Net financial cost	-24	-21	-106	-110
Dividends	0	0	-579	-394
Cash from financing activities *	-24	-21	-685	-503
Change in ST receivables included in NIBD	0	50	-50	50
Effect from business combinations	0	0	103	0
Effect from currency exchange rate changes	-3	9	-3	9
Other changes (incl.currency effects)	-3	59	50	59
Net cash flow / change in NIBD	331	87	240	115
NIBD at beginning	2 207	2 204	2 117	2 232
Change in NIBD	-331	-87	-241	-115
NIBD at end	1 876	2 117	1 876	2 117

* Before change in interest bearing debt

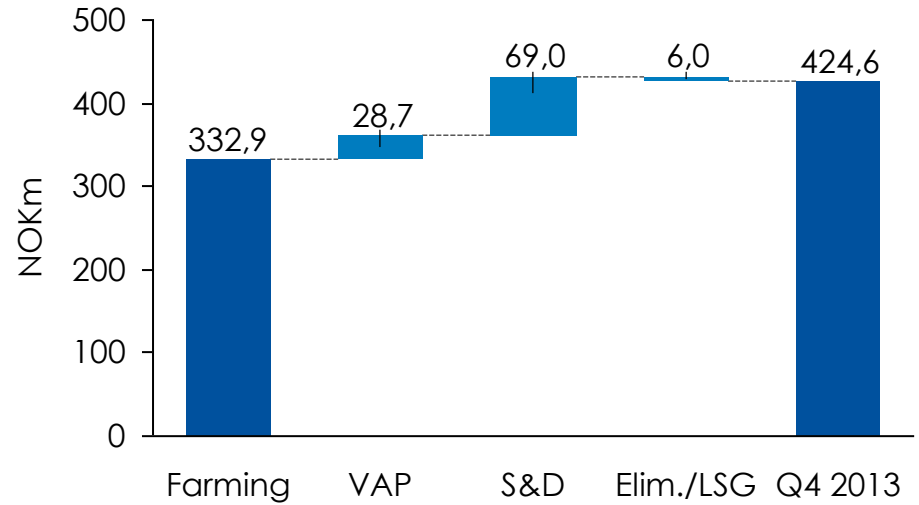
** Items included in EBITDA with no cash effect and items included in cashflow from financing activities

EBIT per segment

EBIT* Q4 2014



EBIT* Q4 2013



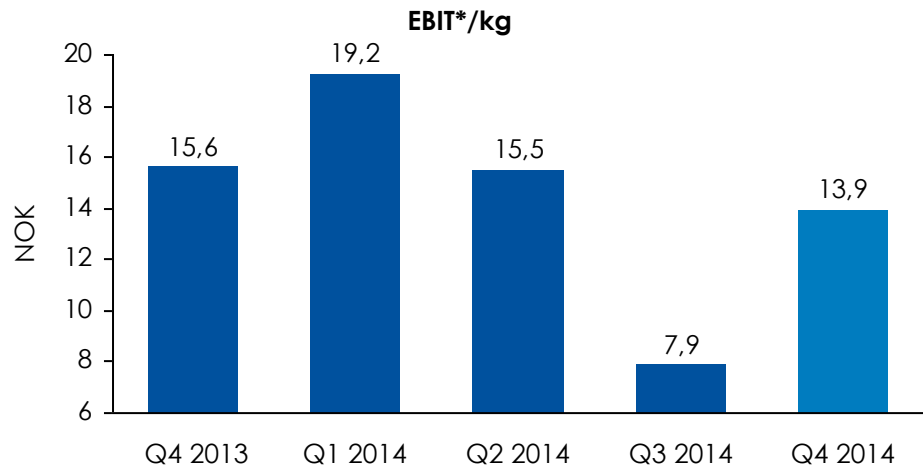
* Before biomass adjustment

Lerøy Aurora

	Q4 2014	Q4 2013	2014	2013
Revenue (NOKm)	452	323	1 190	1 018
EBIT* (NOKm)	146	116	370	359
Harvested volume (GWT)	10 524	7 426	26 770	24 188
EBIT/kg* (NOK)	13.9	15.6	13.8	14.8

*before biomass adj

- ~25% of volume from Finnmark
- 9 new licenses give room for significant growth in 2015 and into 2016
- Significant cost reduction q-o-q
- Higher feed cost will give higher release-from-stock cost (RFS) in 2015



* Before biomass adjustment

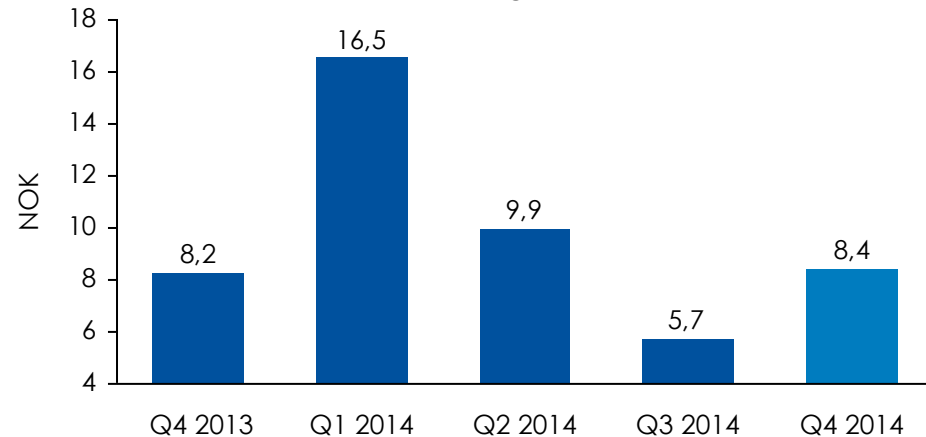
Lerøy Midt

	Q4 2014	Q4 2013	2014	2013
Revenue (NOKm)	723	773	2 682	2 326
EBIT* (NOKm)	153	154	666	508
Harvested volume (GWT)	18 157	18 817	68 284	58 894
EBIT/kg* (NOK)	8.4	8.2	9.8	8.6

*before biomass adj

- Strong growth in sea
- ~45% of quarterly volumes in October
- Feed cost will be higher in 2015, but room for cost reduction in other areas.

EBIT*/kg

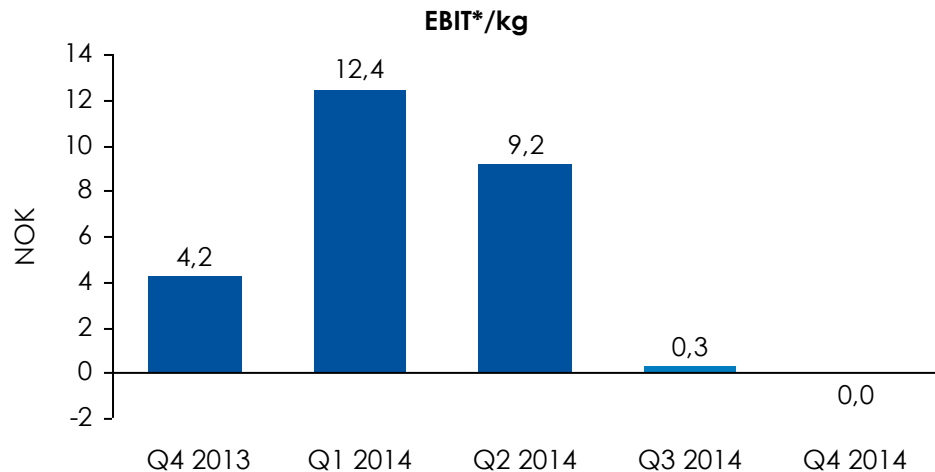


* Before biomass adjustment

Lerøy Sjøtroll

	Q4 2014	Q4 2013	2014	2013
Revenue (NOKm)	607	607	2 718	2 372
EBIT* (NOKm)	0	63	343	460
Harvested volume (GWT)	13 798	14 959	63 204	61 702
EBIT/kg* (NOK)	0.0	4.2	5.4	7.5

*before biomass adj



- Challenging situation continues, with impact on both RFS-cost and price realisation
- Import ban in Russia has given significant impact on price realisation for trout.
- Significant investments and increase in the use of cleaner fish. Positive development, but will take some time before effect is evident in reported figures
- NIBD end 2014 in Sjøtroll Havbruk A/S NOK 241m

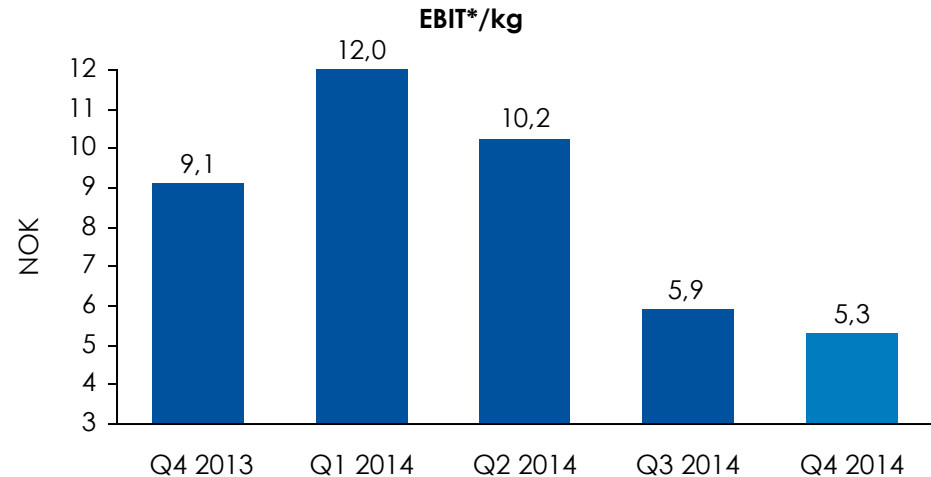
* Before biomass adjustment

Norskott Havbruk (associate)

	Q4 2014	Q4 2013	2014	2013
Revenue (NOKm)	289	316	1 385	1 189
EBIT* (NOKm)	29	61	232	221
Harvested volume (GWT)	5 501	6 703	27 508	26 857
EBIT/kg* (NOK)	5.3	9.1	8.4	8.2

*before biomass adj

- Best year ever in sea-lice management (cleaner-fish), and good effects from these efforts
- Harvest guidance 2015 is 31,000gwt
- Contract share of 69%
- NIBD end Q4/14 of NOK 249m



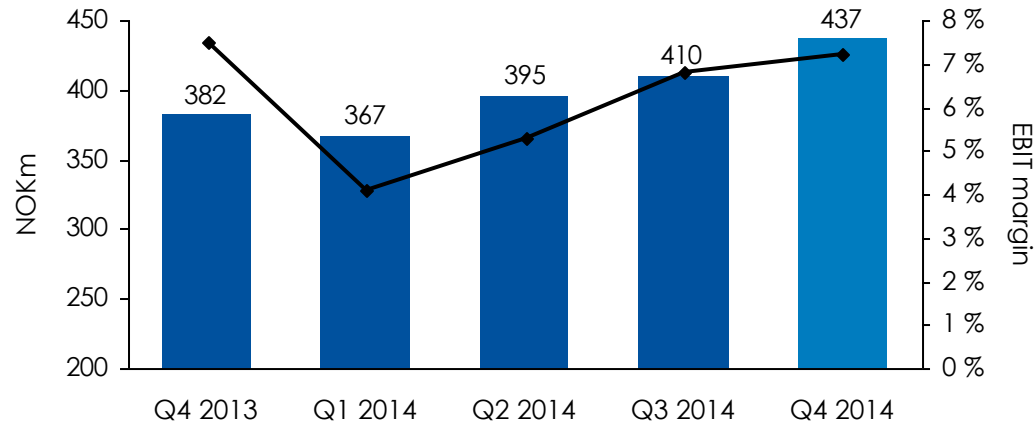
* Before biomass adjustment

VAP – Value Added Processing

	Q4 2014	Q4 2013	2014	2013
Revenue (NOKm)	437	382	1 610	1236
EBIT (NOKm)	31	29	95	72
EBIT margin	7.2 %	7.5 %	5.9 %	5.8 %

- Positive development continues
- Gradually filling new capacity
- Room for further volume growth and profit expansion in 2015

Revenue and EBIT margin

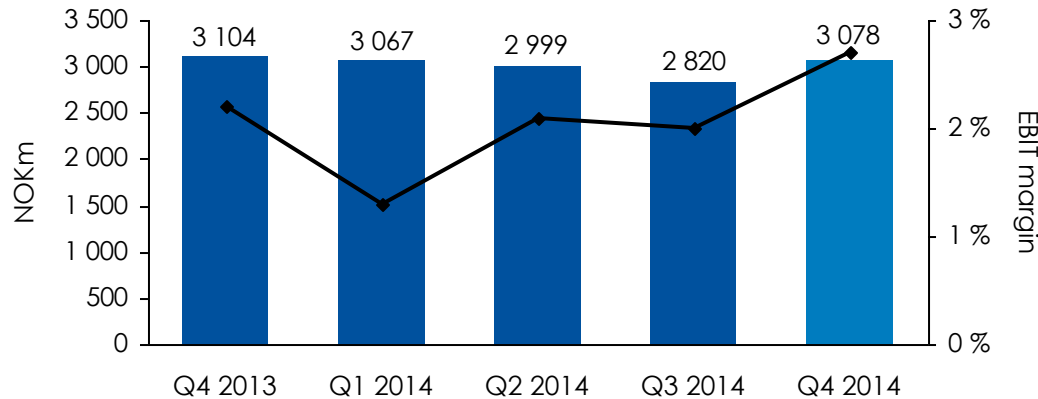


Sales & Distribution

	Q4 2014	Q4 2013	2014	2013
Revenue (NOKm)	3 078	3 104	11 964	10 257
EBIT (NOKm)	82	69	241	204
EBIT margin	2.7 %	2.2 %	2.0 %	2.0 %

- Positive development in many operations
- More examples of “fish-cut” activities driving end user demand
- Gradually, fish-cut operations will contribute to higher margin level and profitability

Revenue and EBIT margin





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Atlantic salmon – Supply in tons WFE

	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 %	1 199 000	4,8 %	1 247 800	4,1 %
United Kingdom	142 900	-1,0 %	154 700	8,3 %	159 400	3,0 %	157 800	-1,0 %	173 800	10,1 %	174 100	0,2 %
Faroe Islands	41 800	-11,3 %	56 300	34,7 %	70 300	24,9 %	72 600	3,3 %	82 400	13,5 %	74 000	-10,2 %
Ireland	17 800	20,3 %	16 000	-10,1 %	15 600	-2,5 %	10 600	-32,1 %	12 300	16,0 %	14 000	13,8 %
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 %	1 471 500	6,0 %	1 514 900	2,9 %
Chile	129 600	-45,8 %	221 000	70,5 %	364 000	64,7 %	468 100	28,6 %	582 900	24,5 %	561 500	-3,7 %
Canada	122 000	0,1 %	119 500	-2,0 %	136 500	14,2 %	115 100	-15,7 %	101 000	-12,3 %	125 000	23,8 %
Australia	33 000	2,5 %	36 000	9,1 %	40 000	11,1 %	39 000	-2,5 %	39 000	0,0 %	43 000	10,3 %
USA	18 000	9,8 %	18 300	1,7 %	19 600	7,1 %	20 300	3,6 %	20 400	0,5 %	20 500	0,5 %
Others	4 500	60,7 %	5 000	11,1 %	8 500	70,0 %	11 100	30,6 %	14 100	27,0 %	20 000	41,8 %
Total America	307 100	-25,5 %	399 800	30,2 %	568 600	42,2 %	653 600	14,9 %	757 400	15,9 %	770 000	1,7 %
Total World-wide	1 455 200	-1,3 %	1 633 400	12,2 %	1 999 900	22,4 %	2 041 300	2,1 %	2 228 900	9,2 %	2 284 900	2,5 %

544.700 † (37 %)

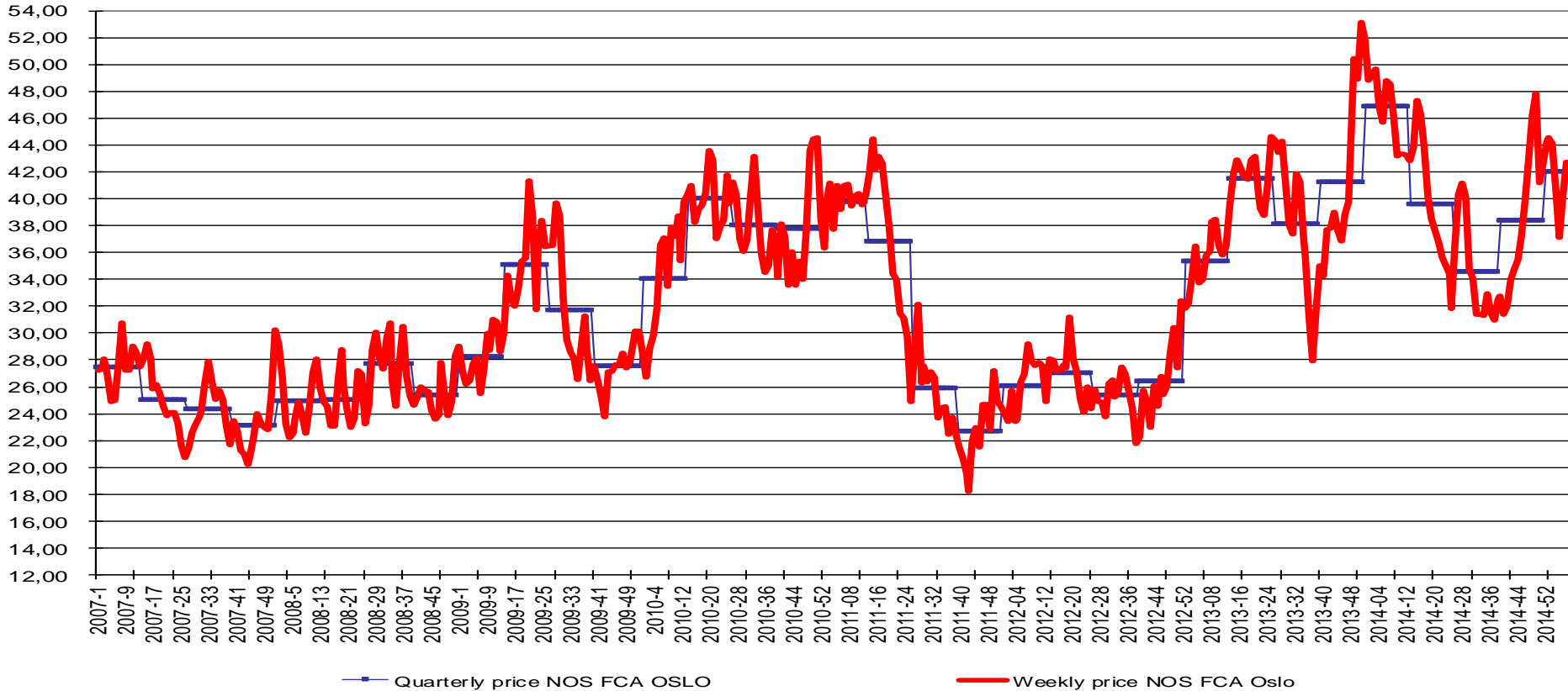
243.600† (12%)



Avg Q4 14 NOK 38.34 vs avg Q4 13 NOK 41.27 (-7.1%)
 Avg 2014 NOK 39.81 vs avg 2013 NOK 39.07(+1.9%)

SPOT prices, fresh Atlantic salmon
 cross-section, FCA Oslo
 as of week 7-2015 (Superior quality).

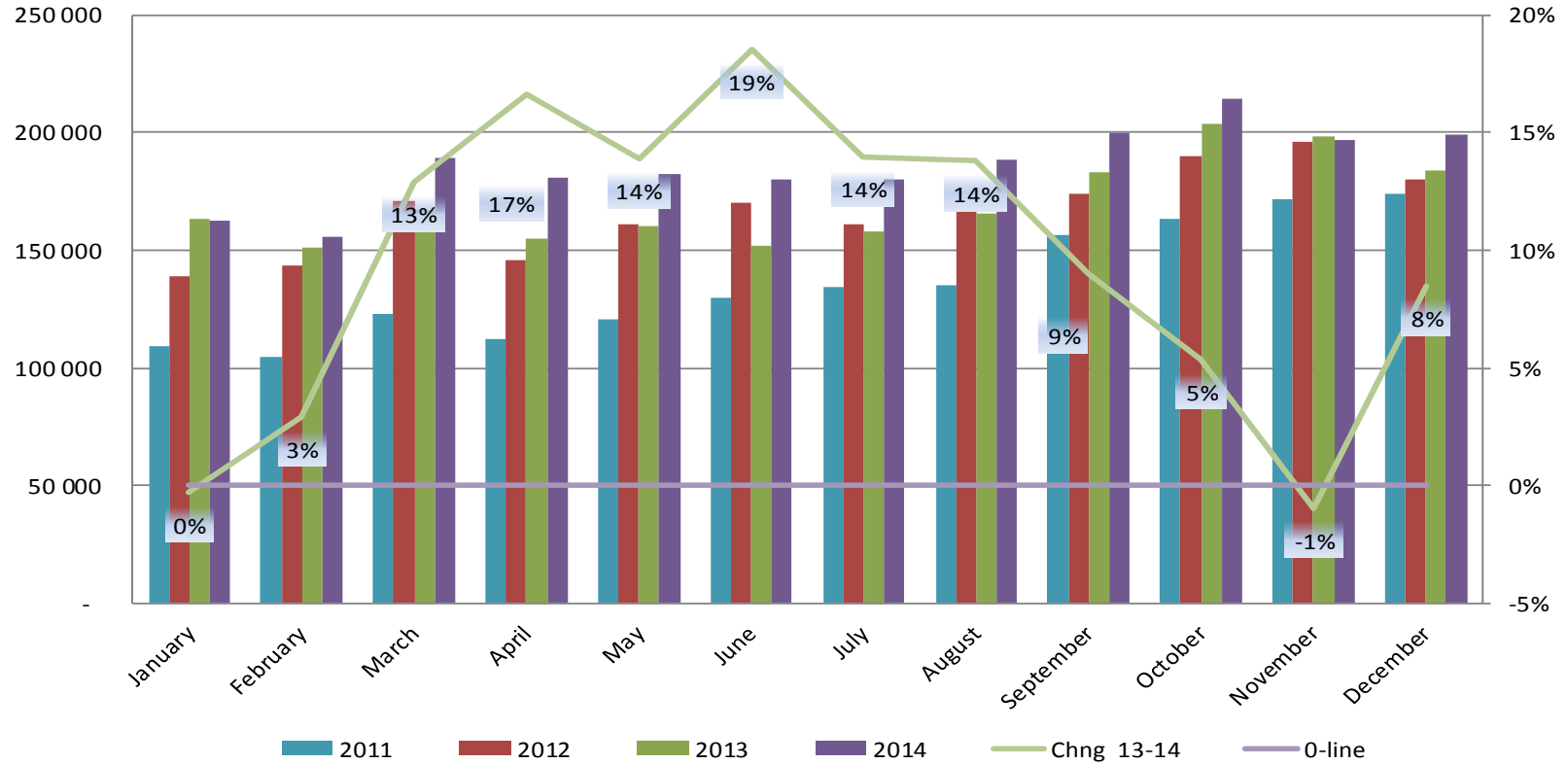
Q1-07 Q2-07 Q3-07 Q4-07 Q1-08 Q2-08 Q3-08 Q4-08 Q1-09 Q2-09 Q3-09 Q4-09 Q1-10 Q2-10 Q3-10 Q4-10 Q1-11 Q2-11 Q3-11 Q4-11 Q1-12 Q2-12 Q3-12 Q4-12 Q1-13 Q2-13 Q3-13 Q4-13 Q1-14 Q2-14 Q3-14 Q4-14 Q1-15
 NOS FCA Oslo 27,47 25,00 24,34 23,10 24,94 25,02 27,72 25,33 28,22 35,09 31,72 27,52 34,00 40,00 38,02 37,77 39,78 36,77 25,84 22,67 26,03 27,03 25,32 26,41 35,36 41,53 38,12 41,27 46,83 39,54 34,54 38,34 41,97



Figures as per 19.02.15
 Source: NOS/Leroy

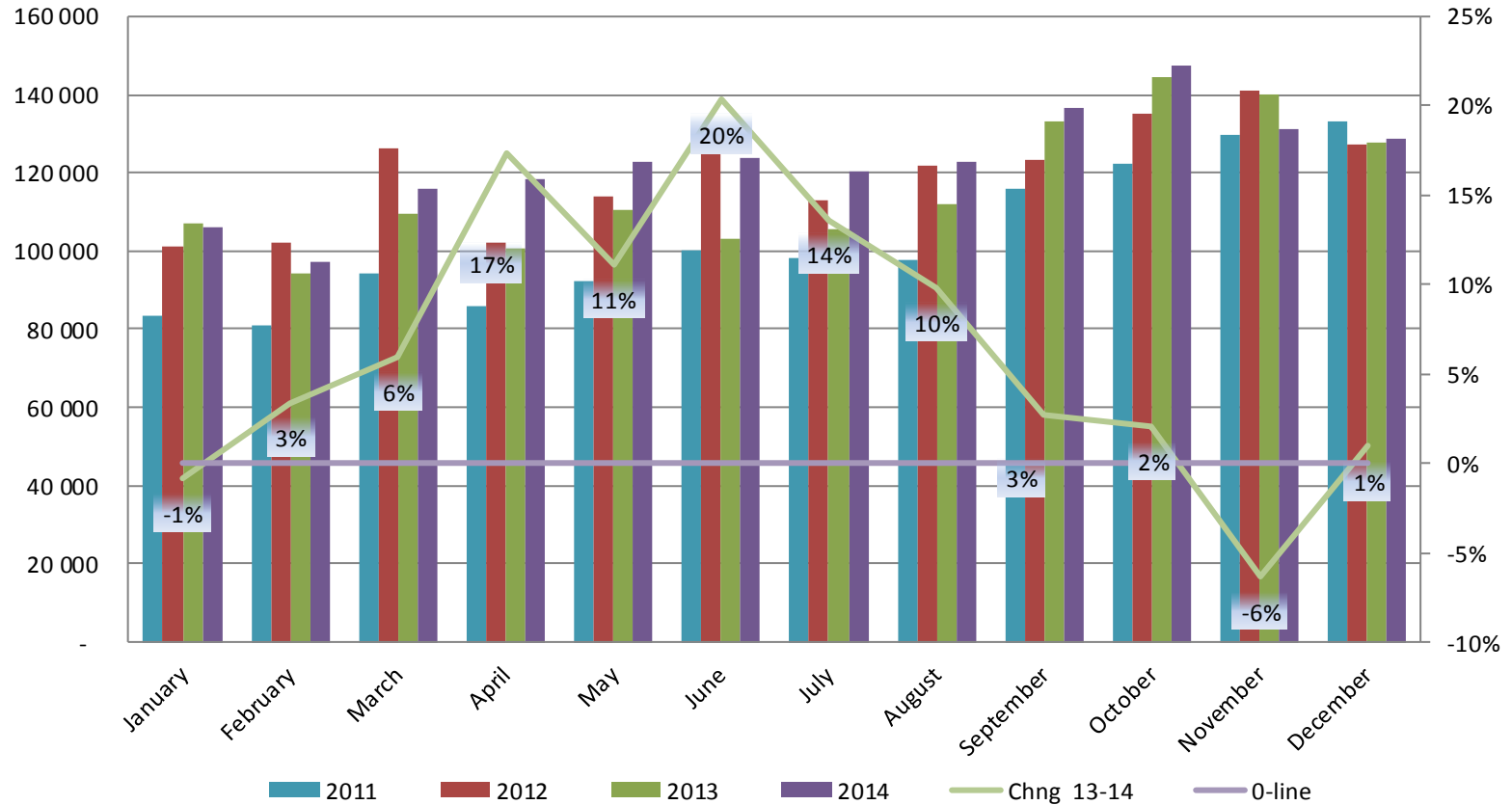
Atlantic salmon - Harvest Quantities WW 2014

in tons WFE



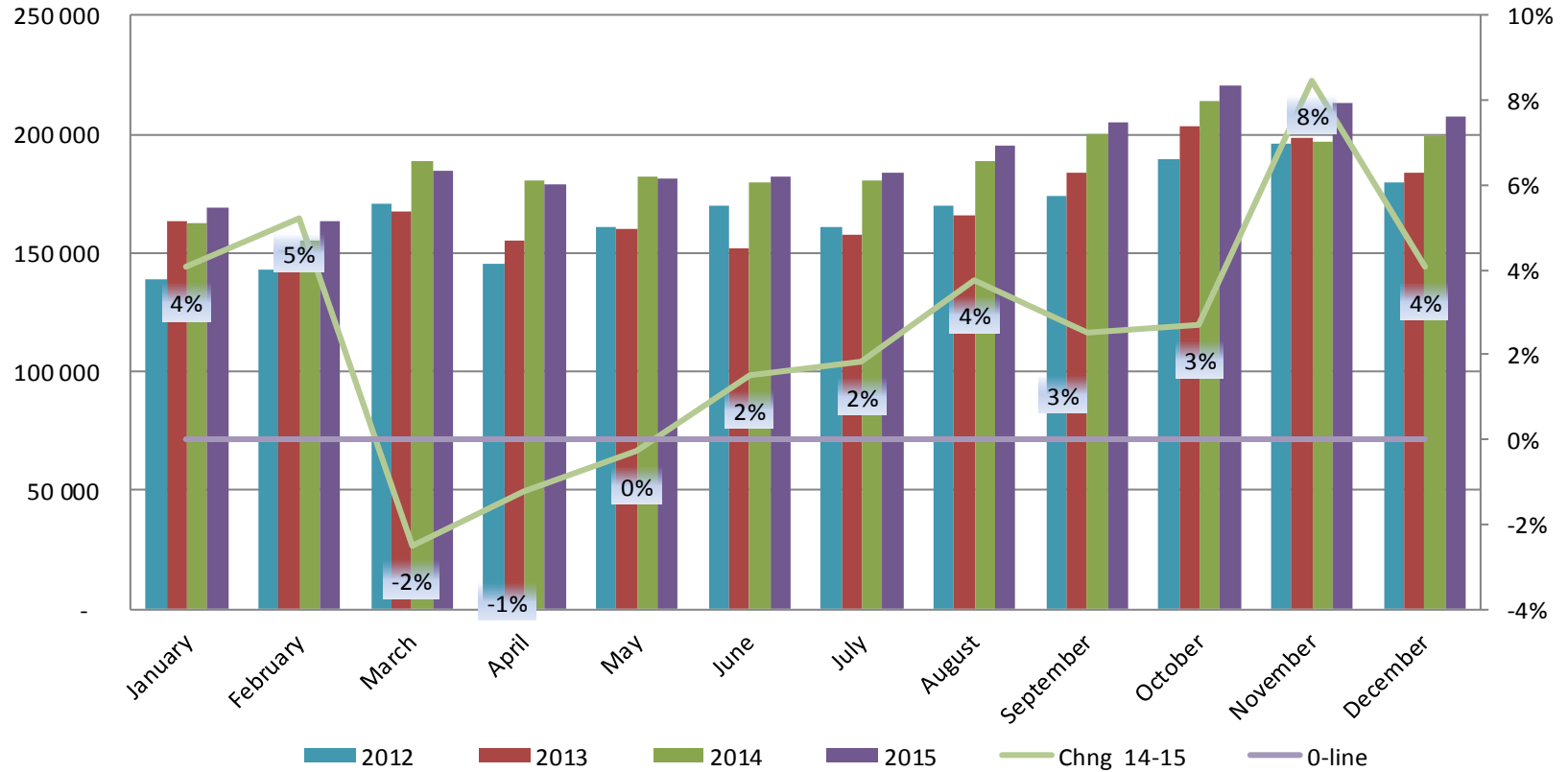
Figures as per 19.02.15
Source: Kontali

Atlantic salmon - Harvest Quantities Europe 2014



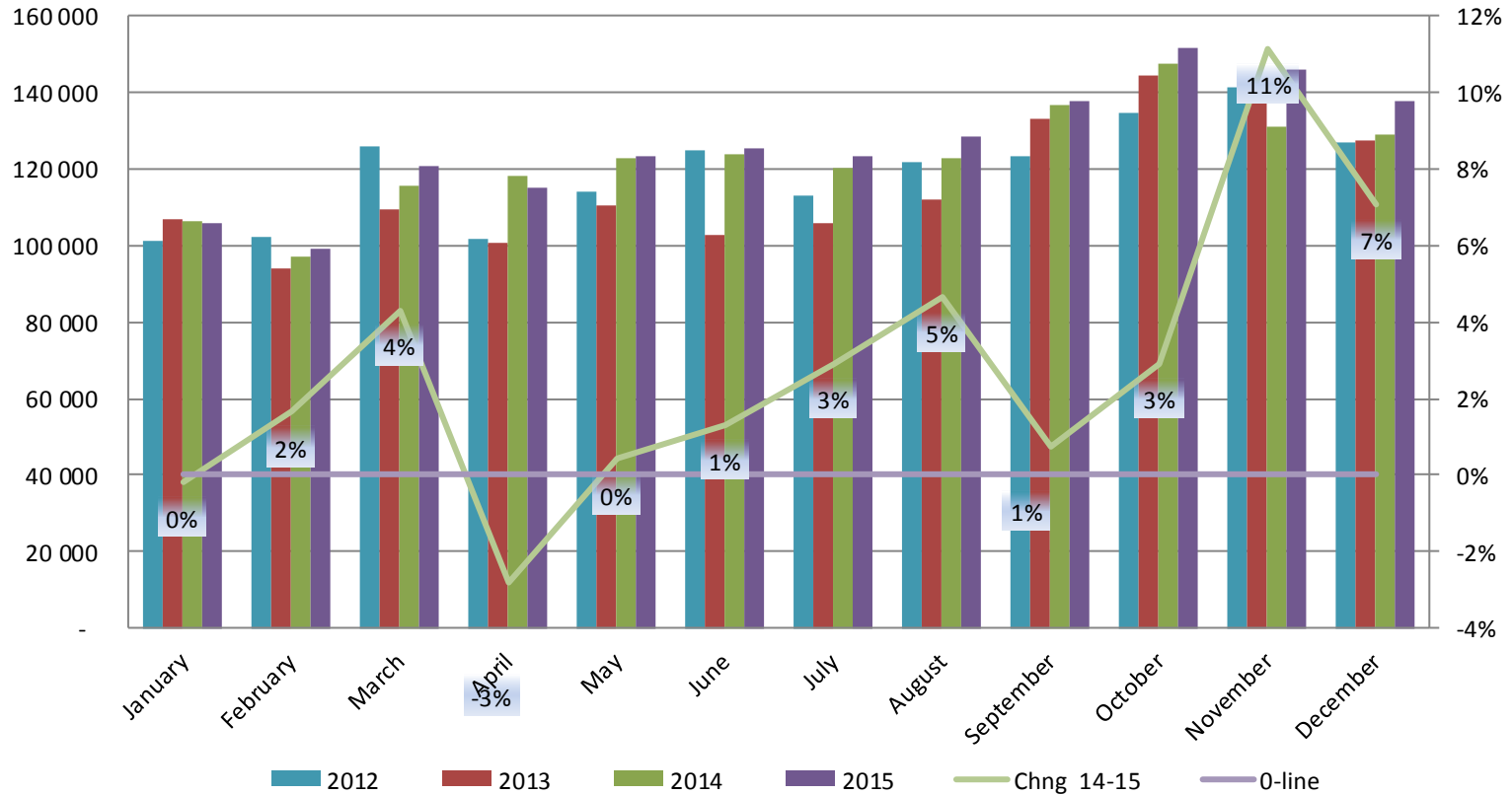
Figures as per 19.02.15
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Atlantic Salmon – Harvest Quantities WW 2015



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Source: Kontali

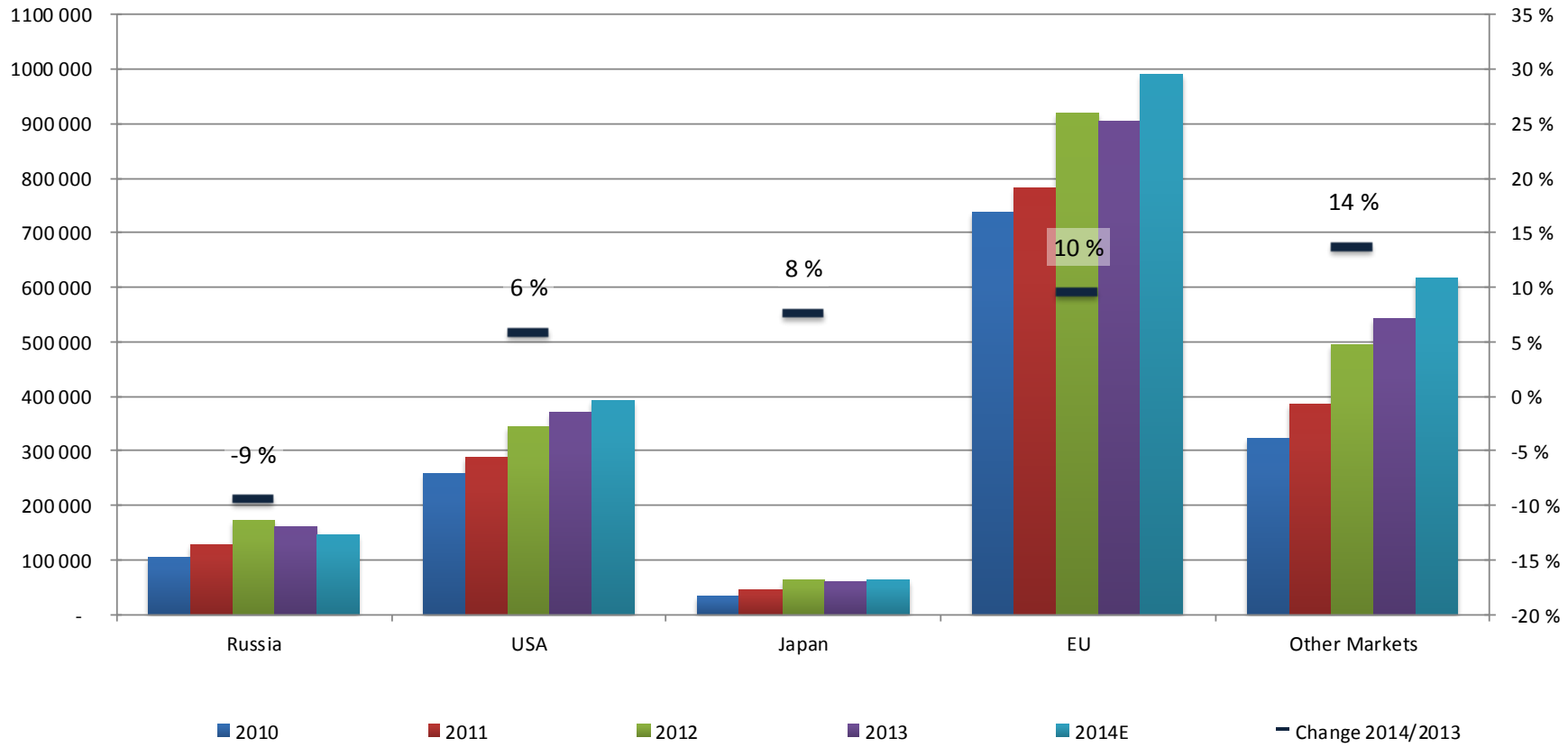
Atlantic Salmon – Harvest Quantities Europe 2015



Figures as per 19.02.15
Source: Kontali

Consumption Atlantic Salmon WW 2014(+ 8%)

NOK/KG (3-6):
40.22 +1.7 % (39.56)
(NSI -0,75/NOS)



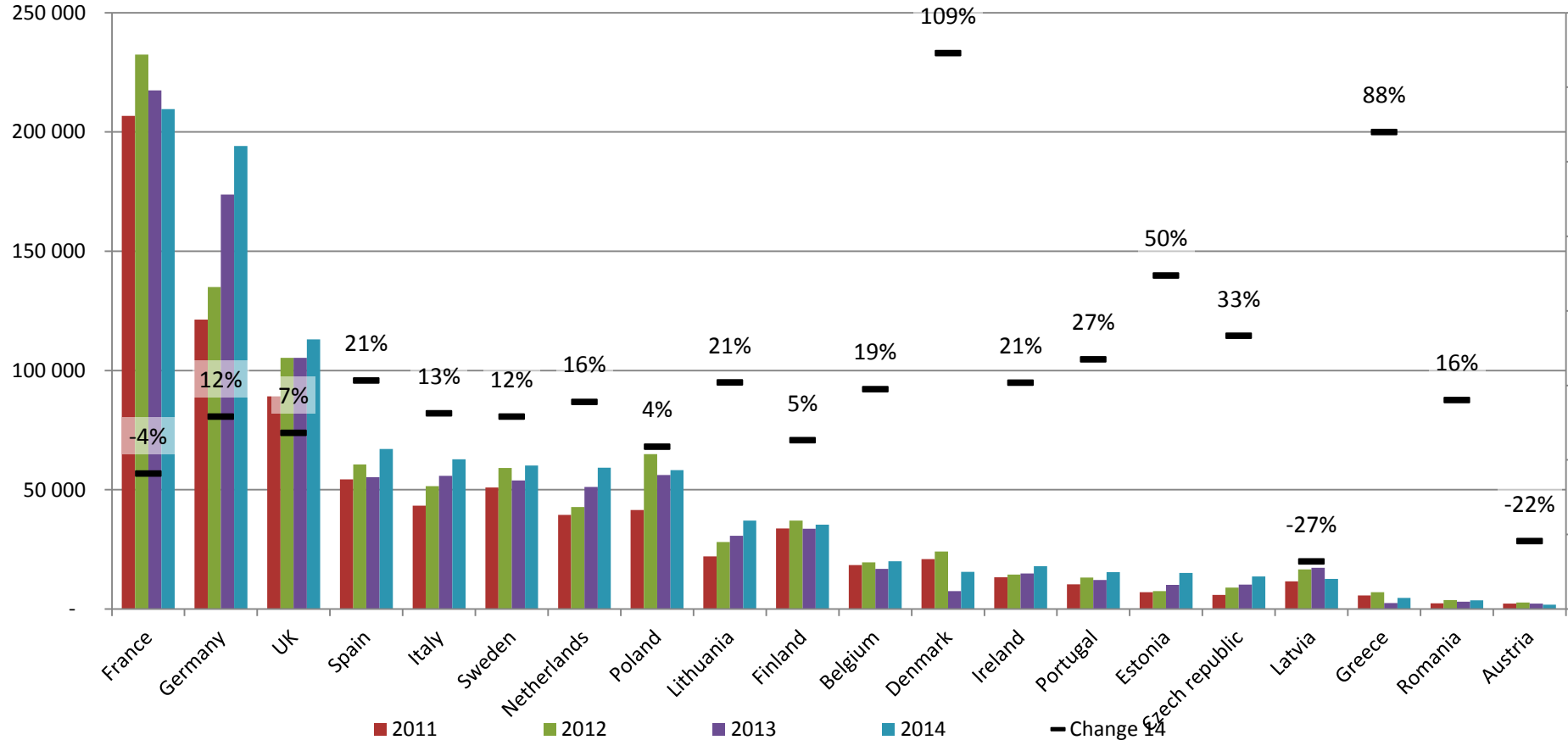
Figures as per 19.02.15
Source: Kontali

Direct export to EU 2014 top 20



- from all producing nations
- reexport Poland and Denmark taken into account

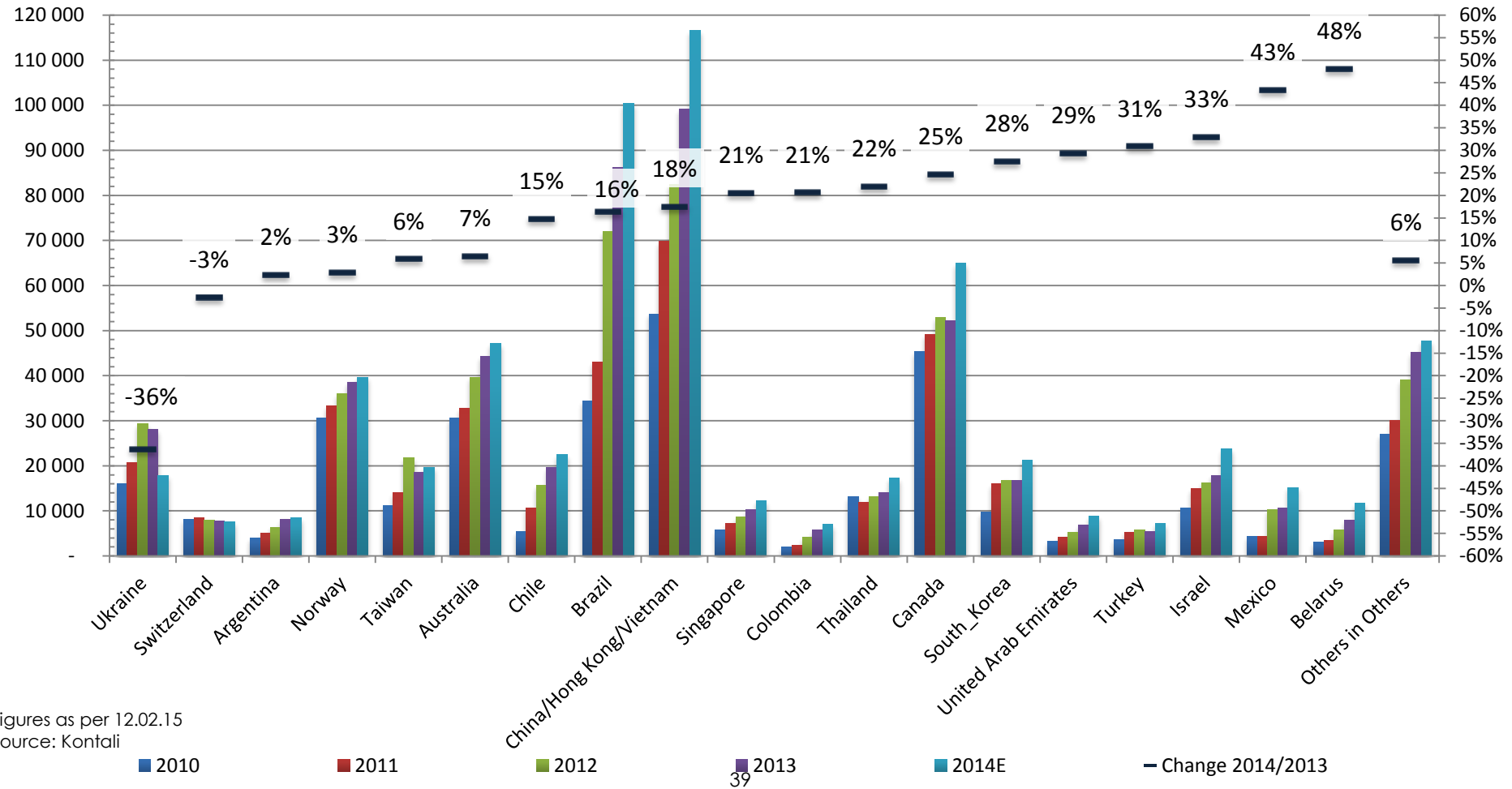
NOK/KG (3-6):
40.22 +1.7 % (39.56)
(NSI -0.75/NOS)



Figures as per 12.02.15
Source: Kontali/Lerøy

Consumption Atlantic Salmon «Other markets» 2014 (+14%)

NOK/KG (3-6):
40.22 +1.7 % (39.56)
(NSI -0.75/NOS)

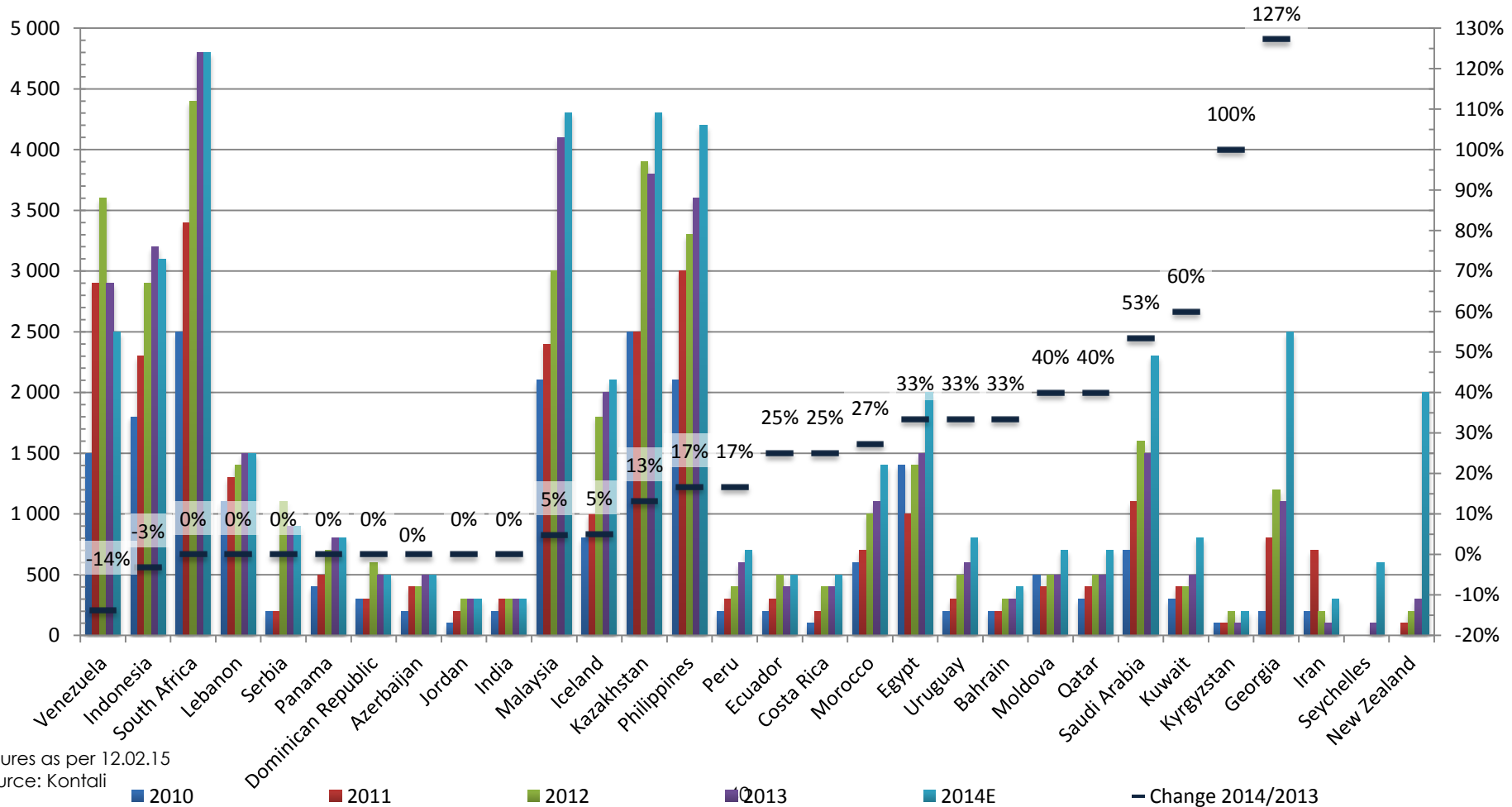


Figures as per 12.02.15
Source: Kontail

Consumption Atlantic Salmon

«Other in Others markets» 2014 (+6%)

NOK/KG (3-6):
40.22 +1.7 % (39.56)
(NSI -0,75/NOS)



Figures as per 12.02.15

Source: Kontail

Outlook

- Limited global supply growth
 - Norwegian supply growth at 4 % in 2015
 - Global supply growth at 2.5 % in 2015
- Strong potential in VAP and S&D segments
- Harvest guidance 2015 166.000 GWT
 - 181.500 GWT including associates
- Expected contract share Q1 ~40-45 %
- Feedcost will increase, but significant steps taken to lower other costs



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!

Historical figures

	2014					2013					2012	2011
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	FY	FY
Revenue												
Farming	1 420,4	1 660,2	1 508,8	1 653,3	6 242,7	1 165,1	1 307,7	1 317,9	1 585,6	5 376,3	4 376,5	4 592,0
VAP	367,1	395,1	410,2	437,2	1 609,6	254,9	294,1	305,5	381,9	1 236,3	1 027,0	783,0
S&D	3 066,7	2 998,8	2 820,3	3 078,3	11 964,2	2 229,2	2 371,2	2 552,6	3 104,0	10 257,0	9 098,2	9 067,9
LSG/Elim	-1 674,5	-1 877,4	-1 777,5	-1 907,5	-7 236,9	-1 317,4	-1 460,0	-1 485,7	-1 841,8	-6 105,0	-5 398,8	-5 266,0
Operating revenue	3 179,7	3 176,6	2 961,8	3 261,4	12 579,5	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	77,4	48,5	146,3	370,5	80,8	96,1	66,3	115,9	359,0	83,1	155,1
Lerøy Midt	228,3	184,1	101,0	152,9	666,3	131,7	112,2	109,4	154,4	507,7	147,3	519,6
Lerøy Sjøtroll	179,1	159,2	4,8	-0,2	342,9	71,8	191,7	134,2	62,7	460,3	7,7	303,1
Farming	505,7	420,7	154,3	299,0	1379,7	284,2	400,0	309,8	332,9	1327,0	238,1	977,7
VAP	15,1	21,1	27,8	31,3	95,3	9,1	17,4	16,5	28,7	71,6	49,7	33,5
S&D	38,7	64,1	56,0	82,2	241,1	29,0	54,0	52,1	69,0	204,1	192,5	237,5
LSG/Elim	-9,2	-5,6	64,7	22,7	72,6	47,0	-9,3	-8,7	-6,0	23,0	-30,2	-35,8
EBIT before biomass adj.	550,4	500,3	302,8	435,2	1788,7	369,4	462,2	369,7	424,6	1625,8	450,1	1212,9