



Lerøy Seafood Group ASA



Q1 2015

May 13th

Oslo

CEO | Henning Belttestad

CFO | Sjur S. Malm



Agenda

- ① Highlights
- ② Key financial figures
- ③ Outlook

Q1 2015

- EBIT before FV adj. NOK 404 million
- EBIT/kg all inclusive NOK 11.5
- Harvest volume 35 023 GWT
- Contract share of 33%
- NIBD NOK 1,892 million at end Q1 2015
- Harvest guidance 166 000 GWT for 2015



Q1: Farming highlights

- Spot prices below last year
 - NOS Q1/15 NOK 40.4 vs NOK 46.8 in Q1/14 (-14%)
 - Up NOK 2/kg q-o-q, and down NOK 6.5/kg y-o-y
 - Trout prices well below salmon prices
- Contract prices in line with spot prices
- Cost in line with Q4/14
 - Salmon: Cost reduction q-o-q
 - Trout: Cost increase q-o-q
- Challenging quarter for trout operations
 - EBIT/kg all incl. Q1/15:
 - Salmon: NOK 13.5/kg
 - Trout: NOK -2.8/kg
- Biomass at sea
 - End Q1/15 at 99,535 tons vs 96,852 tons end Q1/14 (+3%)



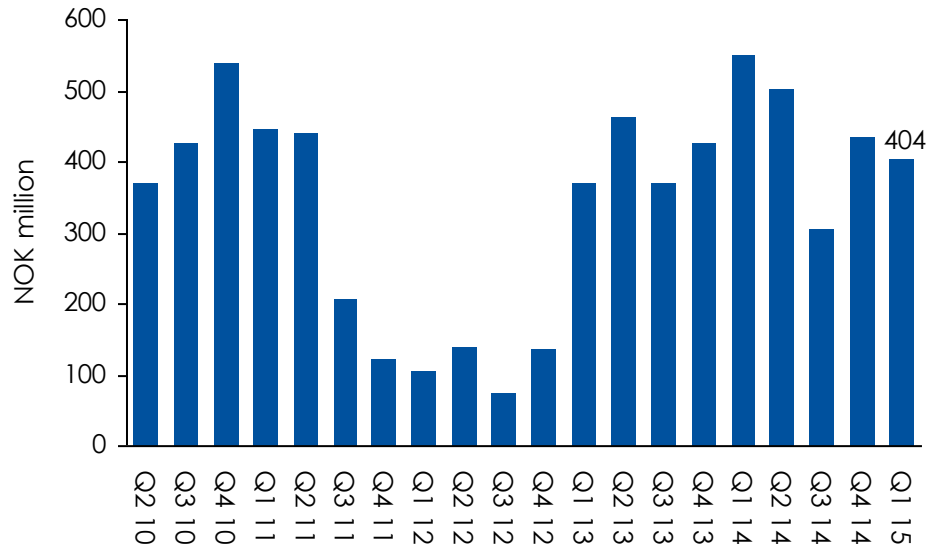
Q1: VAP and S&D highlights

- Value added processing (VAP)
 - Strong order inflow
 - Revenue NOK 425m, up 16% y-o-y
 - EBIT NOK 18m (4.3%) in Q1/15 vs. NOK 15m (4.1%) in Q1/14

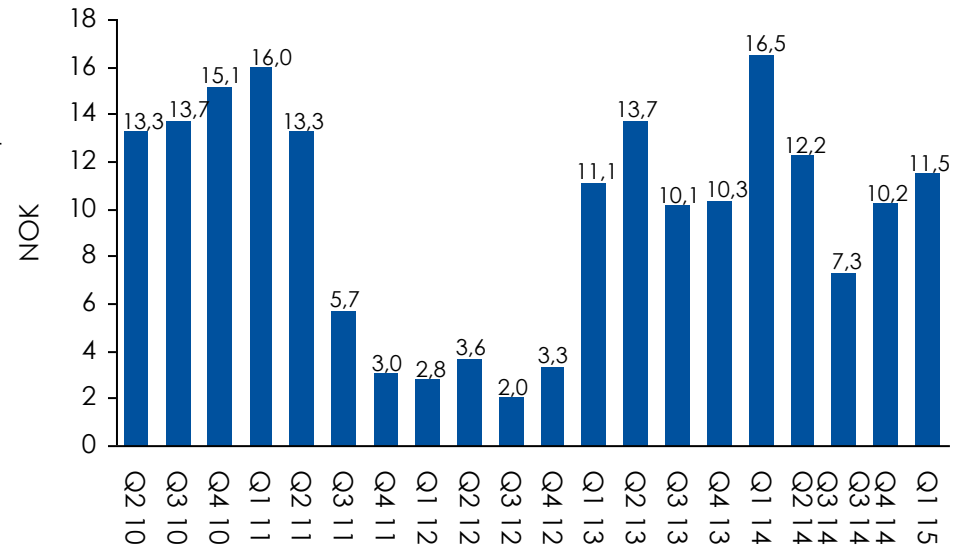
- Sales & Distribution
 - Positive development
 - EBIT NOK 63m (2.0%) in Q1/15 vs. NOK 39m (1.3%) in Q1/14

Quarterly historic figures

EBIT*



EBIT/kg*, all inclusive



*before biomass adjustment

Lerøy Seafood Group ASA

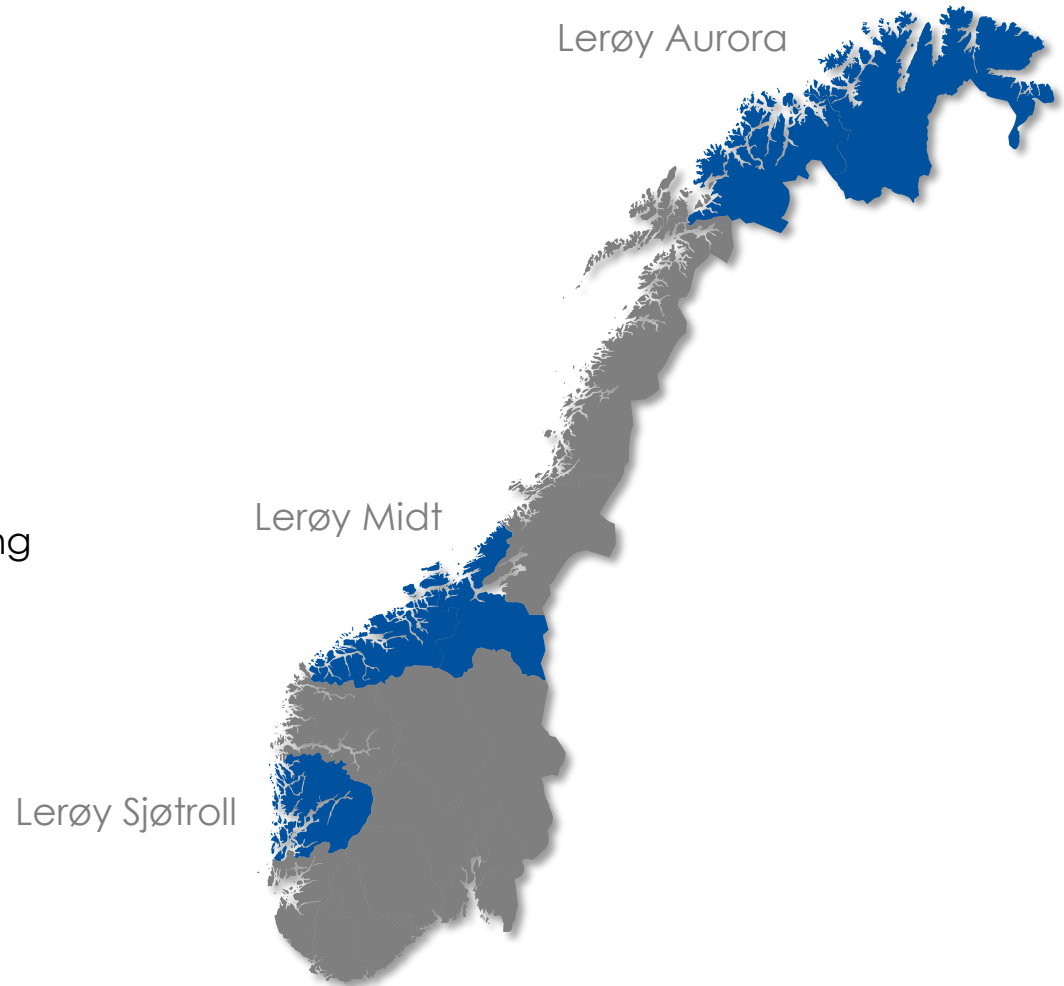
Farming

VAP

Sales &
Distribution

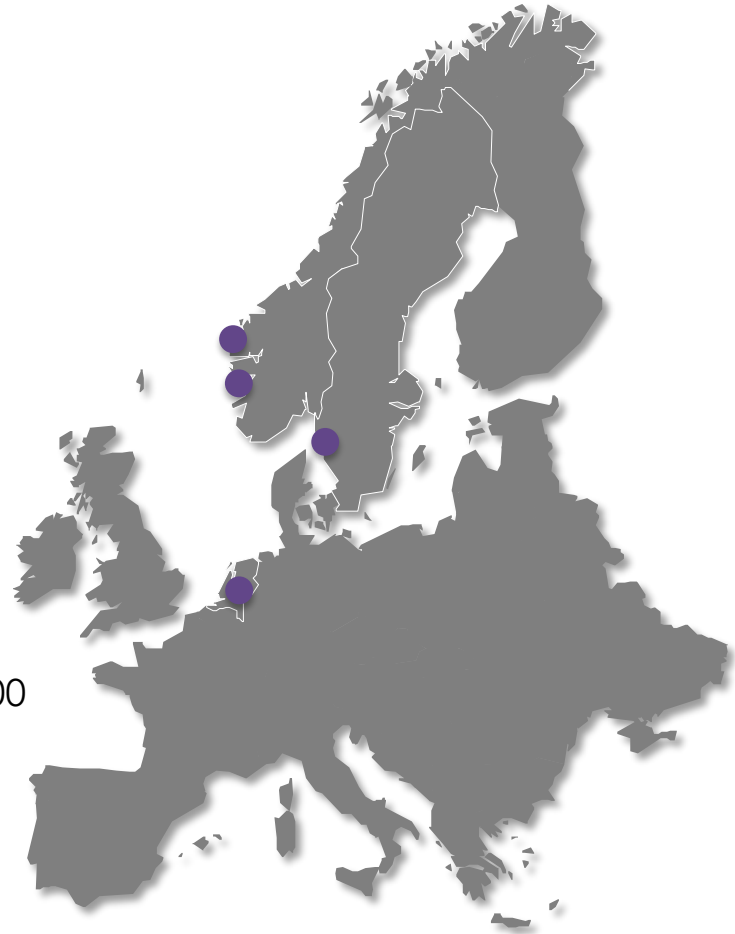
Farming

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



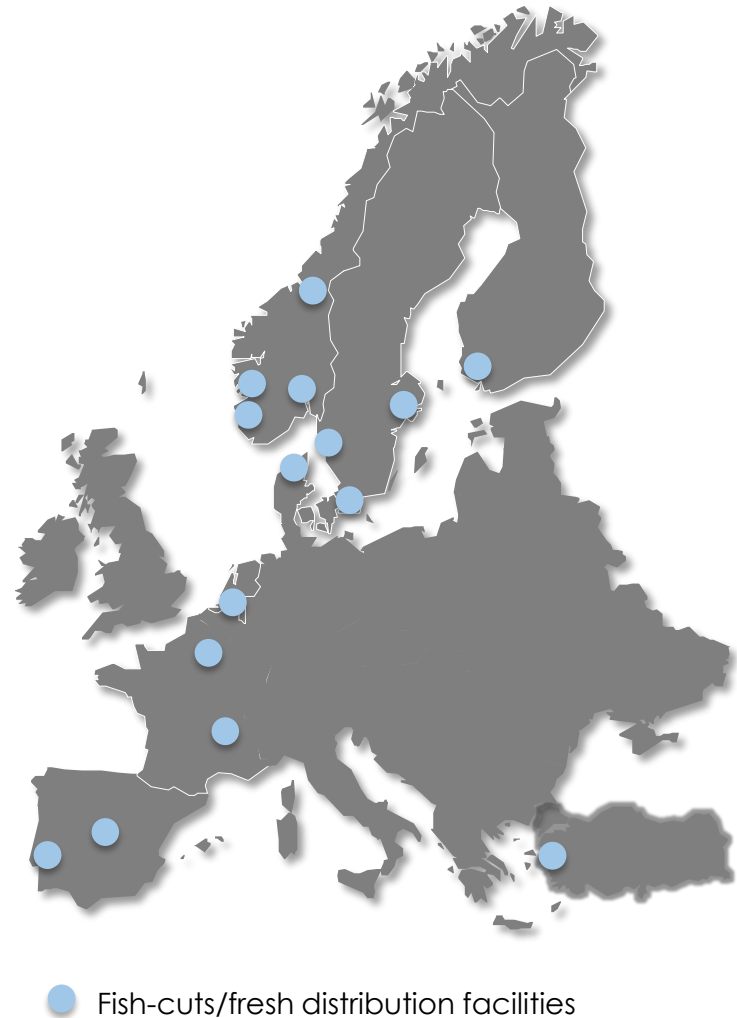
VAP

- 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

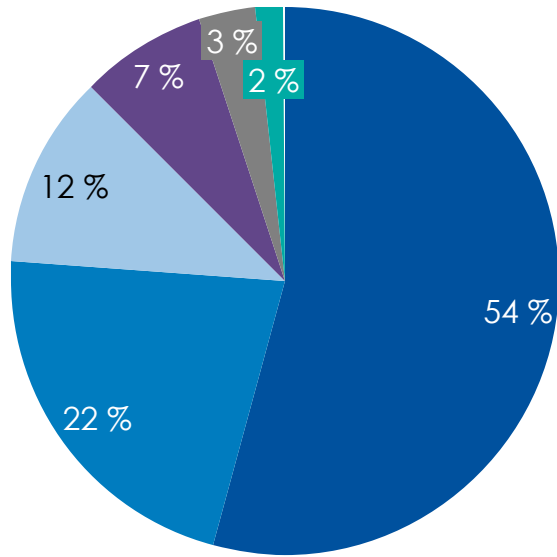


Sales & Distribution

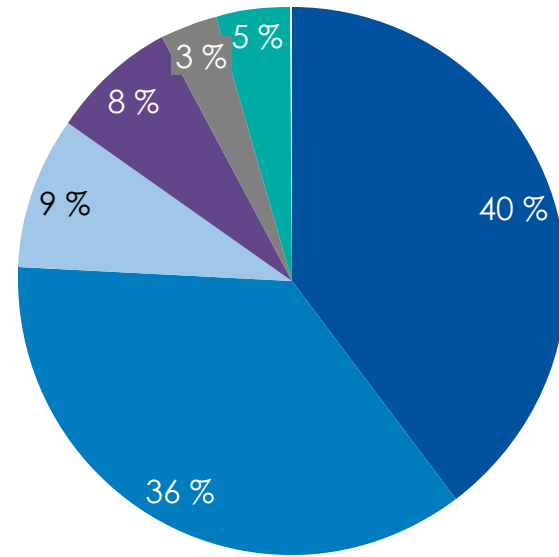
- Global reach and sales to more than 70 countries.
- A significant industrial activity within trading, processing, sales and distribution of fish.
- Investments in fish cuts in end markets recent years
- Processing and fresh distribution facilities:
 - Norway
 - Sweden
 - Finland
 - France
 - Spain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



Sales per market and product Q1 2015



- 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 | 71 000 |
| Lerøy Sjøtroll | 61 | 22,6 | 56 200 | 71 600 | 61 700 | 63 200 | 64 000 |
| Total Norway | 142 | 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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- 1 Highlights
- 2 Key financial figures
- 3 Outlook

Key financial figures

| (NOKm) | Q1 2015 | Q1 2014 | ▲% |
|------------------------------|---------------|---------------|--------------|
| Revenue | 3 268 | 3 180 | 3 % |
| Other gains and losses | 10,2 | 0,6 | |
| EBITDA | 500,8 | 638,9 | |
| Depreciation & amortisation | 96,9 | 88,5 | |
| EBIT* | 403,9 | 550,4 | -27 % |
| Income from associates* | 21 | 77 | |
| Net finance | -35,2 | -15,2 | |
| Pre-tax* | 389,7 | 612,1 | -36 % |
| EPS (NOK)* | 5,2 | 8,1 | -36 % |
| Harvested Volume (GWT) | 35 023 | 33 336 | 5 % |
| EBIT*/kg all inclusive (NOK) | 11,5 | 16,5 | |
| ROCE* (%) | 17,9 % | 29,1 % | |

* Before biomass adjustment

Balance sheet

| (NOKm) | Q1 2015 | Q1 2014 | End 2014 |
|---------------------------------|---------------|---------|----------|
| Intangible assets | 4 326 | 4 003 | 4 277 |
| Tangible fixed assets | 2 718 | 2 385 | 2 677 |
| Financial non-current assets | 677 | 815 | 607 |
| Total non-current assets | 7 721 | 7 203 | 7 561 |
| Biological assets at cost | 2 956 | 2 639 | 2 897 |
| Fair value adjustment | 436 | 633 | 785 |
| Other inventory | 495 | 346 | 525 |
| Receivables | 1 716 | 1 553 | 1 730 |
| Cash and cash equivalents | 1 314 | 1 096 | 1 360 |
| Total current assets | 6 917 | 6 267 | 7 298 |
| Total assets | 14 638 | 13 470 | 14 858 |
| NIBD | 1 892 | 1 748 | 1 876 |
| Equity | 8 119 | 7 572 | 8 080 |
| Equity ratio | 55,5 % | 56,2 % | 54,4 % |

Funding

| NOK million | 2015 | 2016 | 2017 | 2018 | 2019 | Later | Total |
|-------------|------|------|------|------|------|-------|-------|
| To be paid | 269 | 637 | 322 | 302 | 462 | 1 113 | 3 105 |
| Total | 349 | 637 | 322 | 302 | 462 | 1 113 | 3 185 |

| | Covenants | Q1 2015 |
|-------------------|-----------|---------|
| NIBD/EBITDA | <5 | 0,94 |
| Adj. Equity ratio | >30% | 63,2% |

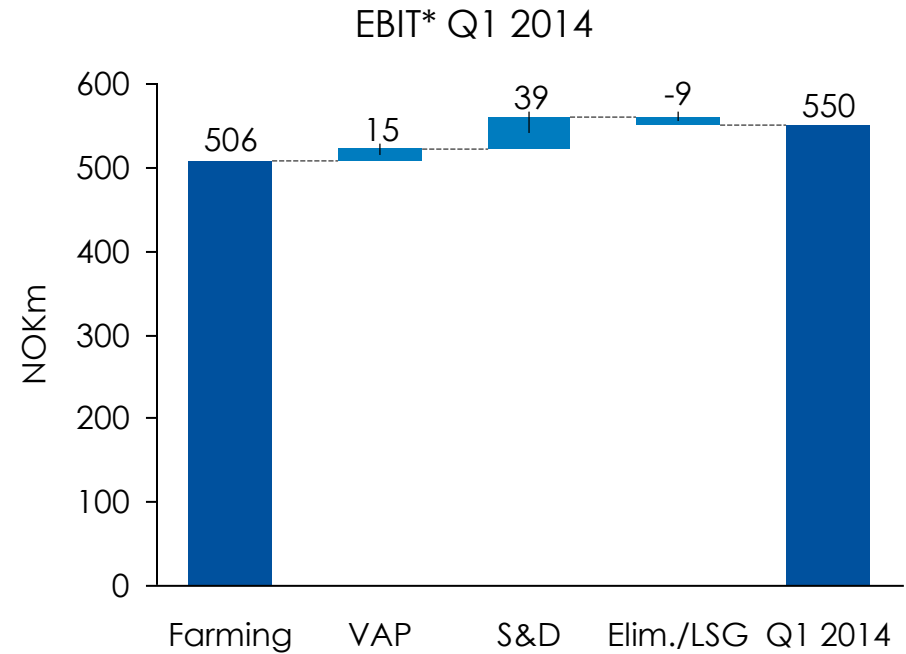
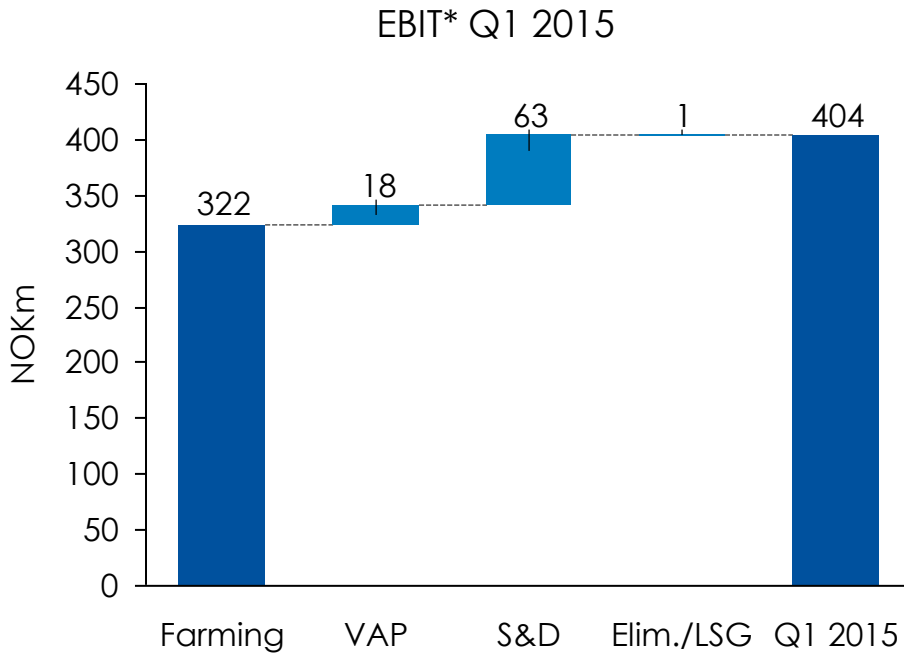
Cash flow

| | Q1 2015 | Q1 2014 | FY 2014 |
|--|--------------|--------------|--------------|
| EBITDA | 501 | 639 | 2 160 |
| Paid tax | -138 | -52 | -344 |
| Working capital * | -76 | 8 | -286 |
| Other ** | -17 | -1 | -115 |
| Cash from operating activities | 270 | 593 | 1 415 |
| Net investments in capex | -130 | -101 | -583 |
| Acquisitions, divestments and other | -131 | -16 | 43 |
| Cash from investing activities | -261 | -117 | -540 |
| Net financial cost | -32 | -28 | -106 |
| Dividends | 0 | -30 | -579 |
| Cash from financing activities * | -32 | -58 | -685 |
| Change in ST receivables included in NIBD | 0 | -50 | -50 |
| Effect from business combinations | 8 | 0 | 103 |
| Effect from currency exchange rate changes | -1 | 1 | -3 |
| Other changes (incl.currency effects) | 7 | -49 | 50 |
| Net cash flow / change in NIBD | -16 | 368 | 240 |
| NIBD at beginning | 1 876 | 2 117 | 2 117 |
| Change in NIBD | 16 | -368 | -241 |
| NIBD at end | 1 892 | 1 748 | 1 876 |

*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



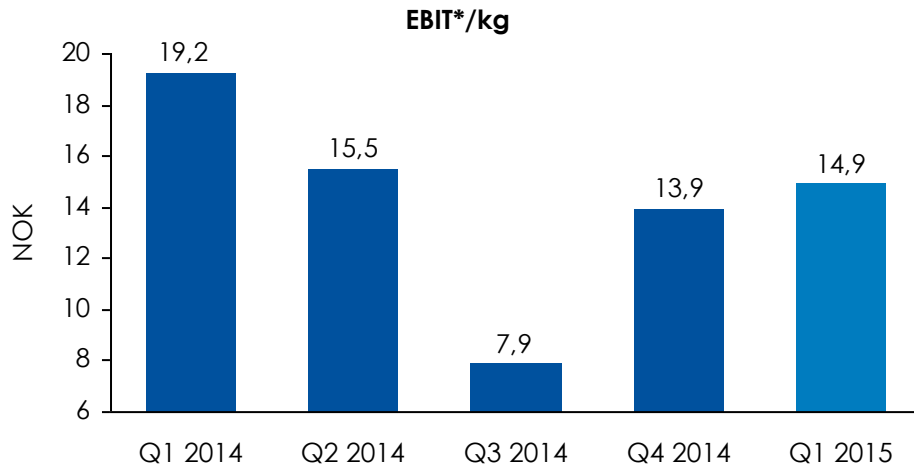
* Before biomass adjustment

Lerøy Aurora

| | Q1 2015 | Q1 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 323 | 246 |
| EBIT* (NOKm) | 110 | 98 |
| Harvested volume (GWT) | 7 359 | 5 109 |
| EBIT/kg* (NOK) | 14,9 | 19,2 |

*before biomass adj

- Strong results
- ~20% of volume from Finnmark
- 9 new licenses give room for significant growth in 2015 and into 2016
- Higher feed price will give higher release-from-stock cost (RFS) in coming quarters



* Before biomass adjustment

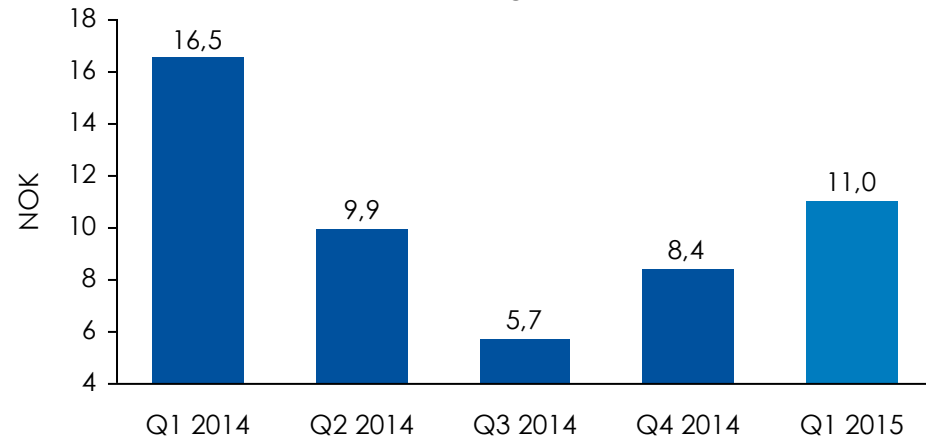
Lerøy Midt

| | Q1 2015 | Q1 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 652 | 595 |
| EBIT* (NOKm) | 170 | 228 |
| Harvested volume (GWT) | 15 454 | 13 837 |
| EBIT/kg* (NOK) | 11,0 | 16,5 |

*before biomass adj

- Strong growth in sea
- Cost increase y-o-y, but unchanged q-o-q
- Higher feed price will give higher RFS cost in coming quarters, but room for cost reduction in other areas.

EBIT*/kg

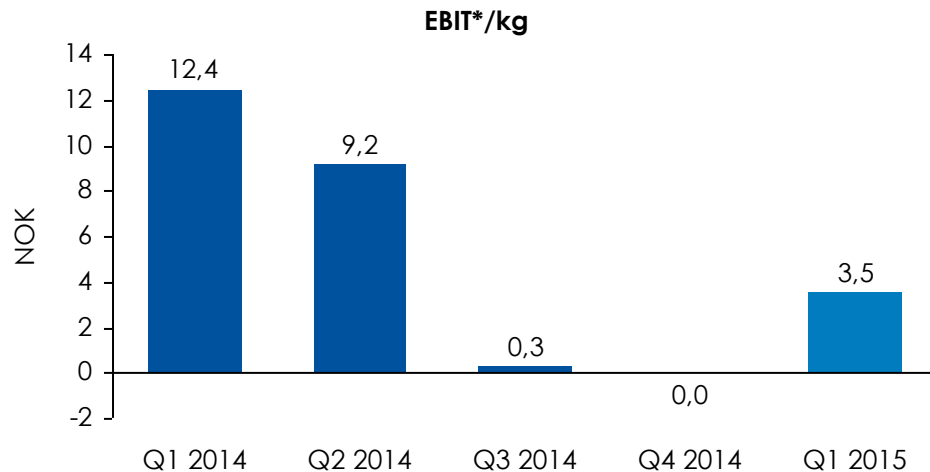


* Before biomass adjustment

Lerøy Sjøtroll

| | Q1 2015 | Q1 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 580 | 651 |
| EBIT* (NOKm) | 42 | 179 |
| Harvested volume (GWT) | 12 210 | 14 390 |
| EBIT/kg* (NOK) | 3,5 | 12,4 |

*before biomass adj



- Cost in Q1/15 in-line with high level seen in Q4/14, however improvement for cost of salmon
- Extremely challenging situation for trout (~35% of volume), driven by low price and high costs:
 - EBIT/kg salmon: 7.8/kg
 - EBIT/kg trout: -5.1/kg
- Positive effects of cleaner fish seen
- Expect lower RFS cost already from Q2/15

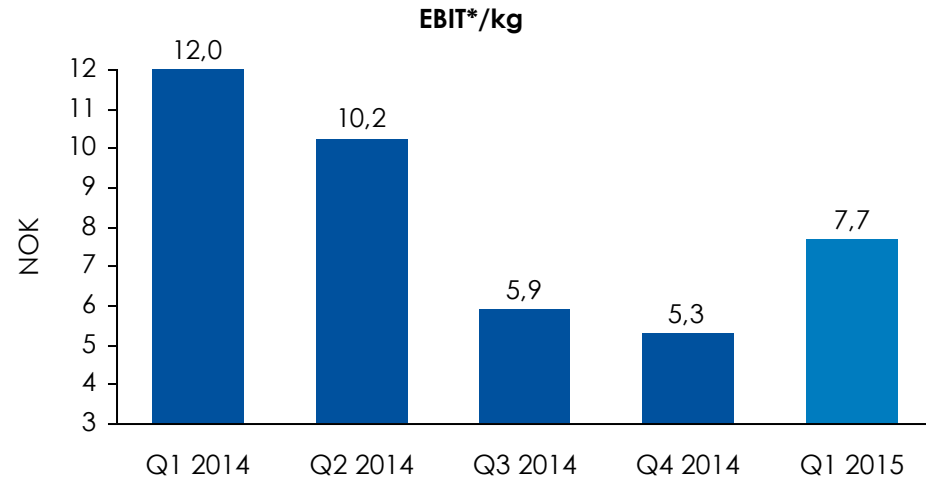
* Before biomass adjustment

Norskott Havbruk (associate)

| | Q1 2015 | Q1 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 325 | 391 |
| EBIT* (NOKm) | 43 | 87 |
| Harvested volume (GWT) | 5 589 | 7 261 |
| EBIT/kg* (NOK) | 7,7 | 12,0 |

*before biomass adj

- Good biological performance
- 60% contract share
- Low volume, significant increase in coming quarters.
- RFS cost expected to fall in Q2/15



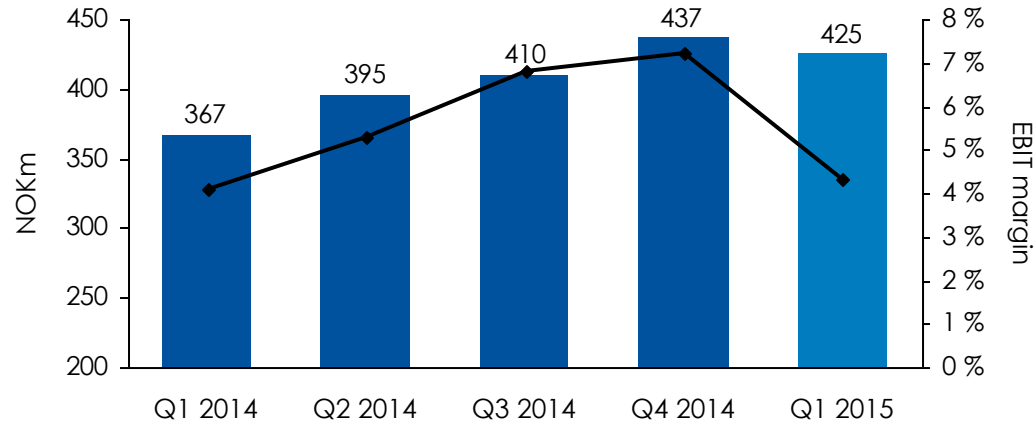
* Before biomass adjustment

VAP – Value Added Processing

| | Q1 2015 | Q1 2014 |
|----------------|---------|---------|
| Revenue (NOKm) | 425 | 367 |
| EBIT (NOKm) | 18 | 15 |
| EBIT margin | 4,3 % | 4,1 % |

- Gradually filling new capacity
- Positive Easter effects in Q1

Revenue and EBIT margin

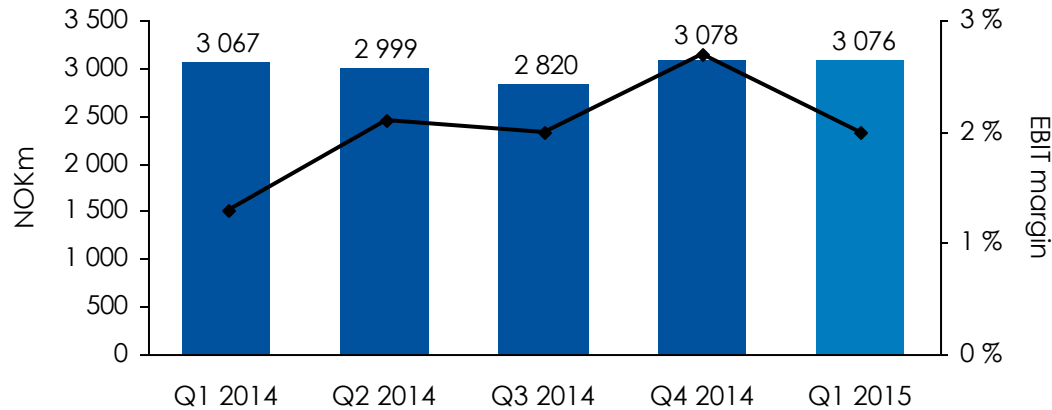


Sales & Distribution

| | Q1 2015 | Q1 2014 |
|----------------|---------|---------|
| Revenue (NOKm) | 3 076 | 3 067 |
| EBIT (NOKm) | 63 | 39 |
| EBIT margin | 2,0 % | 1,3 % |

- Strong quarter, helped by Easter effect, and 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





Agenda

- 1 Highlights
- 2 Key financial figures
- 3 **Outlook**

Atlantic salmon – Supply

in tons WFE

| | 2011 | Change 10-11 | 2012 | Change 11-12 | 2013 | Change 12-13 | 2014 | Change 13-14 | 2015 | Change 14-15 |
|-------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Norway | 1 005 600 | 6,5 % | 1 183 100 | 17,7 % | 1 143 600 | -3,3 % | 1 199 000 | 4,8 % | 1 248 600 | 4,1 % |
| United Kingdom | 154 700 | 8,3 % | 159 400 | 3,0 % | 157 800 | -1,0 % | 171 500 | 8,7 % | 178 800 | 4,3 % |
| Faroe Islands | 56 300 | 34,7 % | 70 300 | 24,9 % | 72 600 | 3,3 % | 82 800 | 14,0 % | 74 200 | -10,4 % |
| Ireland | 16 000 | -10,1 % | 15 600 | -2,5 % | 10 600 | -32,1 % | 12 300 | 16,0 % | 15 000 | 22,0 % |
| Iceland | 1 000 | 0,0 % | 2 900 | 190,0 % | 3 100 | 6,9 % | 4 000 | 29,0 % | 5 200 | 30,0 % |
| Total Europe | 1 233 600 | 7,4 % | 1 431 300 | 16,0 % | 1 387 700 | -3,0 % | 1 469 600 | 5,9 % | 1 521 800 | 3,6 % |
| Chile | 221 000 | 70,5 % | 364 000 | 64,7 % | 468 100 | 28,6 % | 582 900 | 24,5 % | 567 000 | -2,7 % |
| Canada | 119 500 | -2,0 % | 136 500 | 14,2 % | 115 100 | -15,7 % | 101 000 | -12,3 % | 123 000 | 21,8 % |
| USA | 18 300 | 1,7 % | 19 600 | 7,1 % | 20 300 | 3,6 % | 20 400 | 0,5 % | 20 500 | 0,5 % |
| Australia | 36 000 | 9,1 % | 40 000 | 11,1 % | 39 000 | -2,5 % | 39 000 | 0,0 % | 43 000 | 10,3 % |
| Others | 5 000 | 11,1 % | 8 500 | 70,0 % | 11 100 | 30,6 % | 14 100 | 27,0 % | 20 000 | 41,8 % |
| Total Others | 399 800 | 30,2 % | 568 600 | 42,2 % | 653 600 | 14,9 % | 757 400 | 15,9 % | 773 500 | 2,1 % |
| Total World-wide | 1 633 400 | 12,2 % | 1 999 900 | 22,4 % | 2 041 300 | 2,1 % | 2 227 000 | 9,1 % | 2 295 300 | 3,1 % |

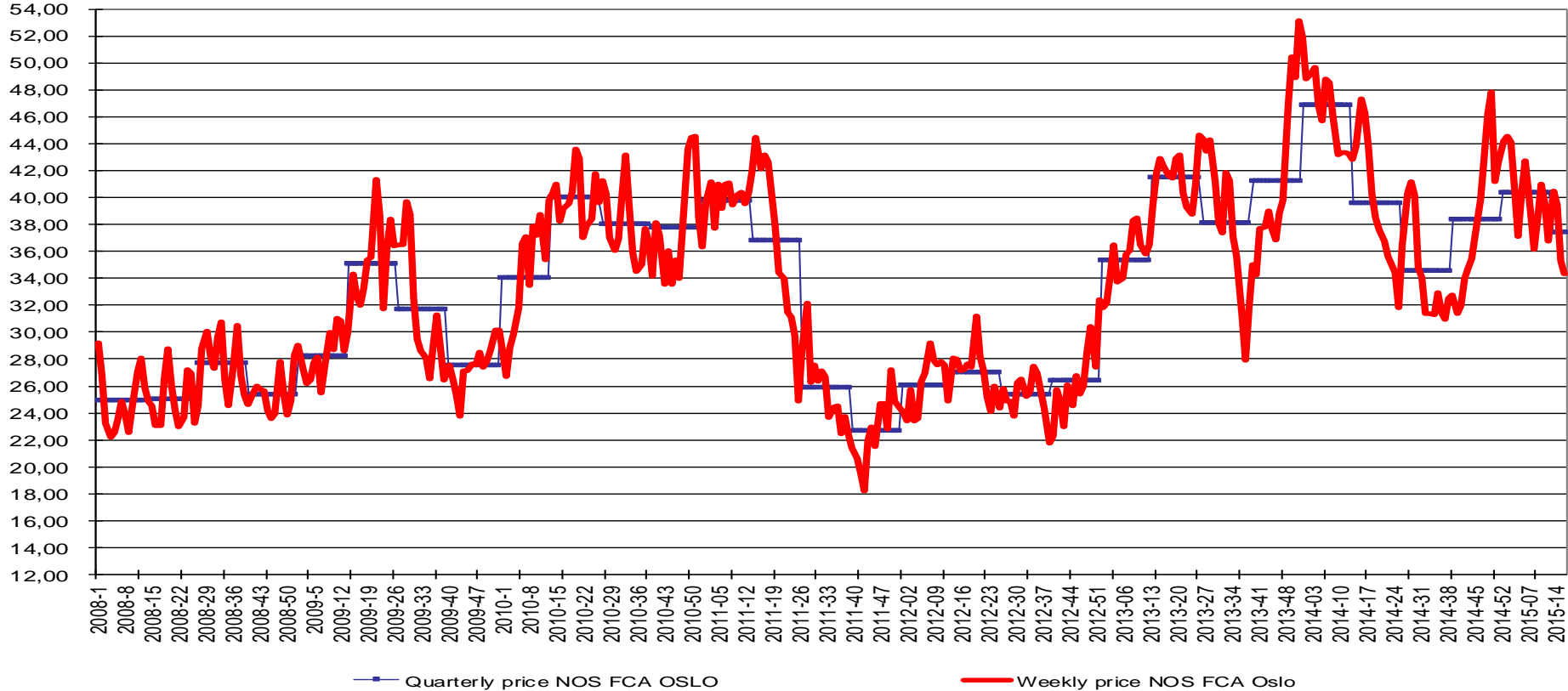
407.900 † (25 %)

264.900 † (13%)

Avg Q1 15 NOK 40,37 vs avg Q1 14 NOK 46,83 (-13.8%)

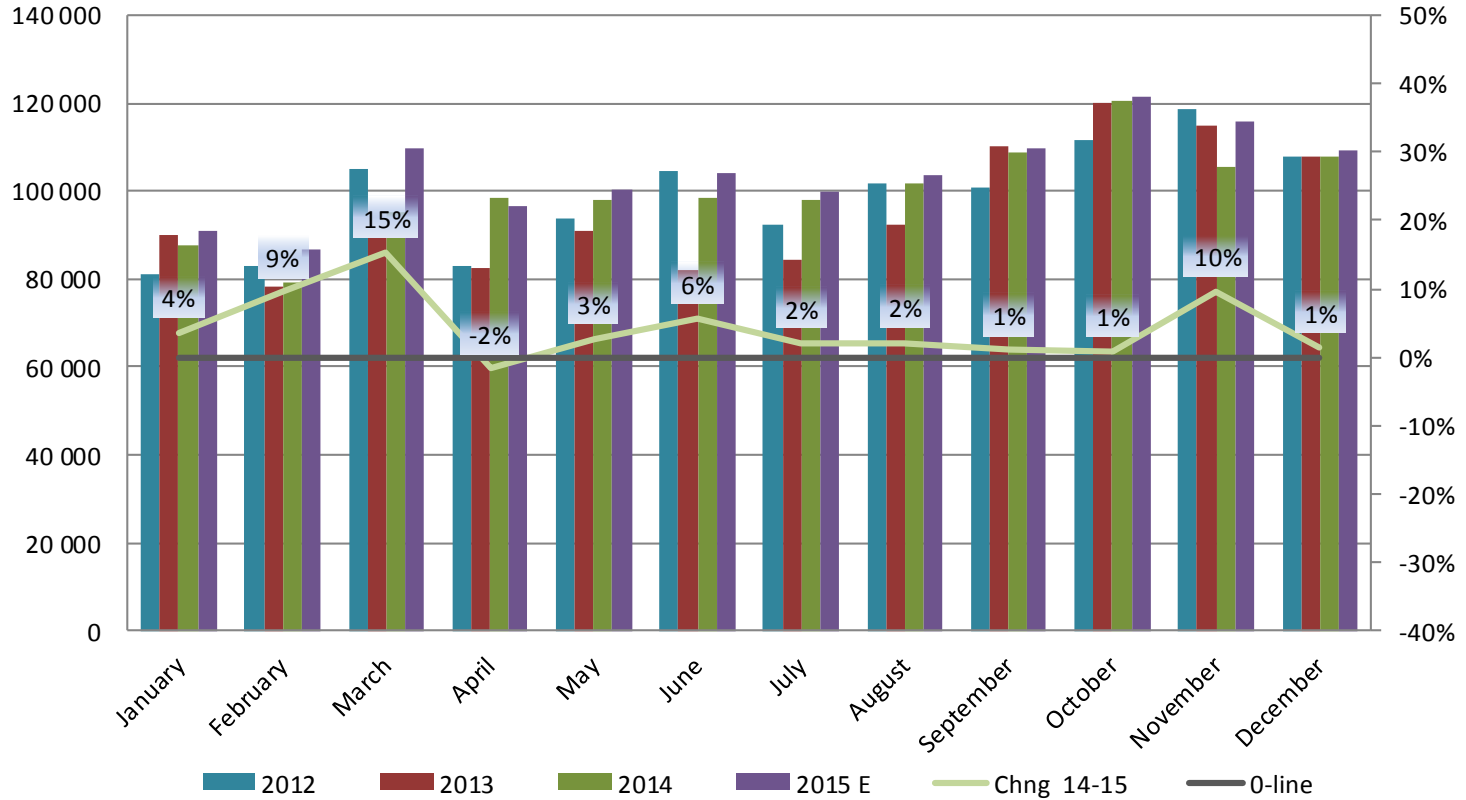
SPOT prices, fresh Atlantic salmon cross-section, FCA Oslo as of week 17-2015 (Superior quality).

| | 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 | Q2-15 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| NOS FCA Oslo | 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 | 40,37 | 37,41 |





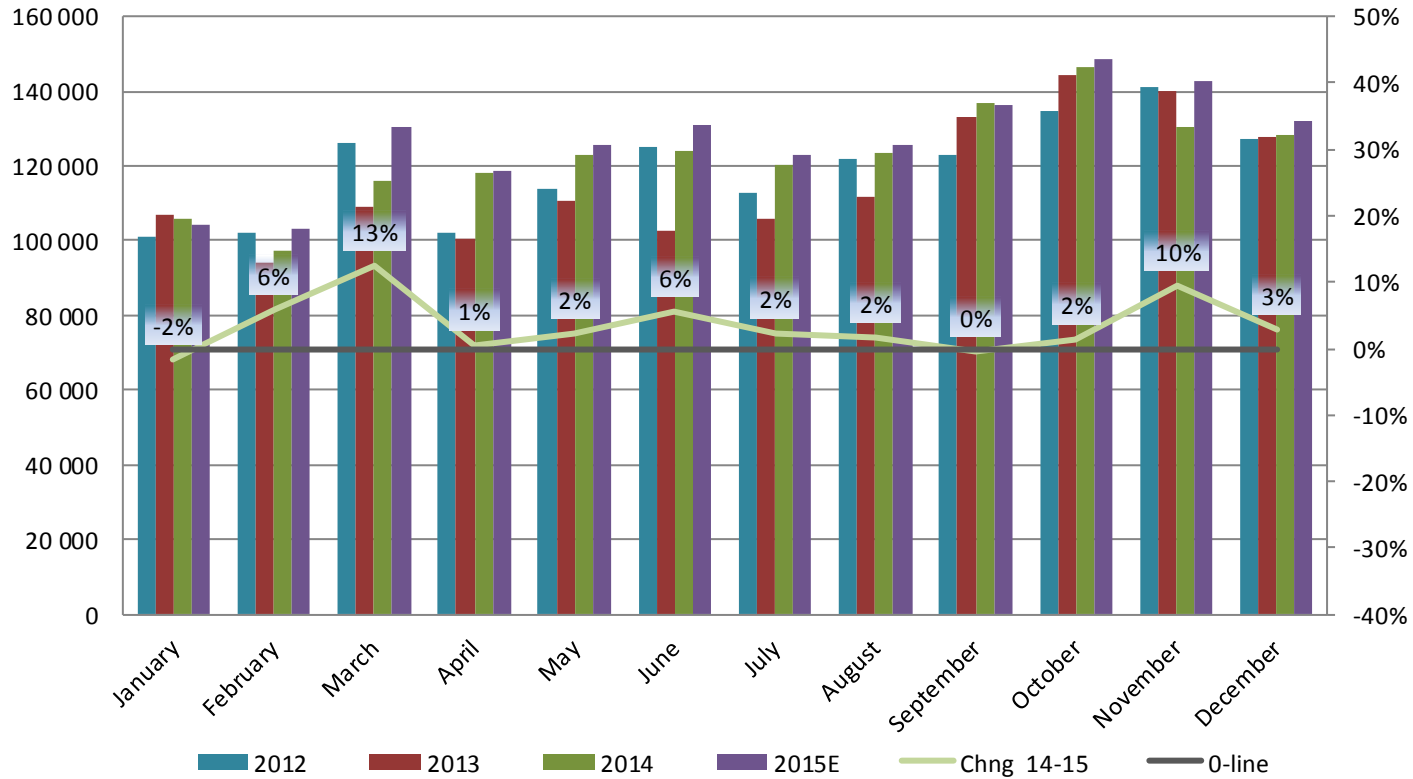
Atlantic salmon - Harvest Quantities Norway in tons WFE



Figures as per 04.05.2015

Source: Kontali

Atlantic salmon - Harvest Quantities Europe in tons WFE

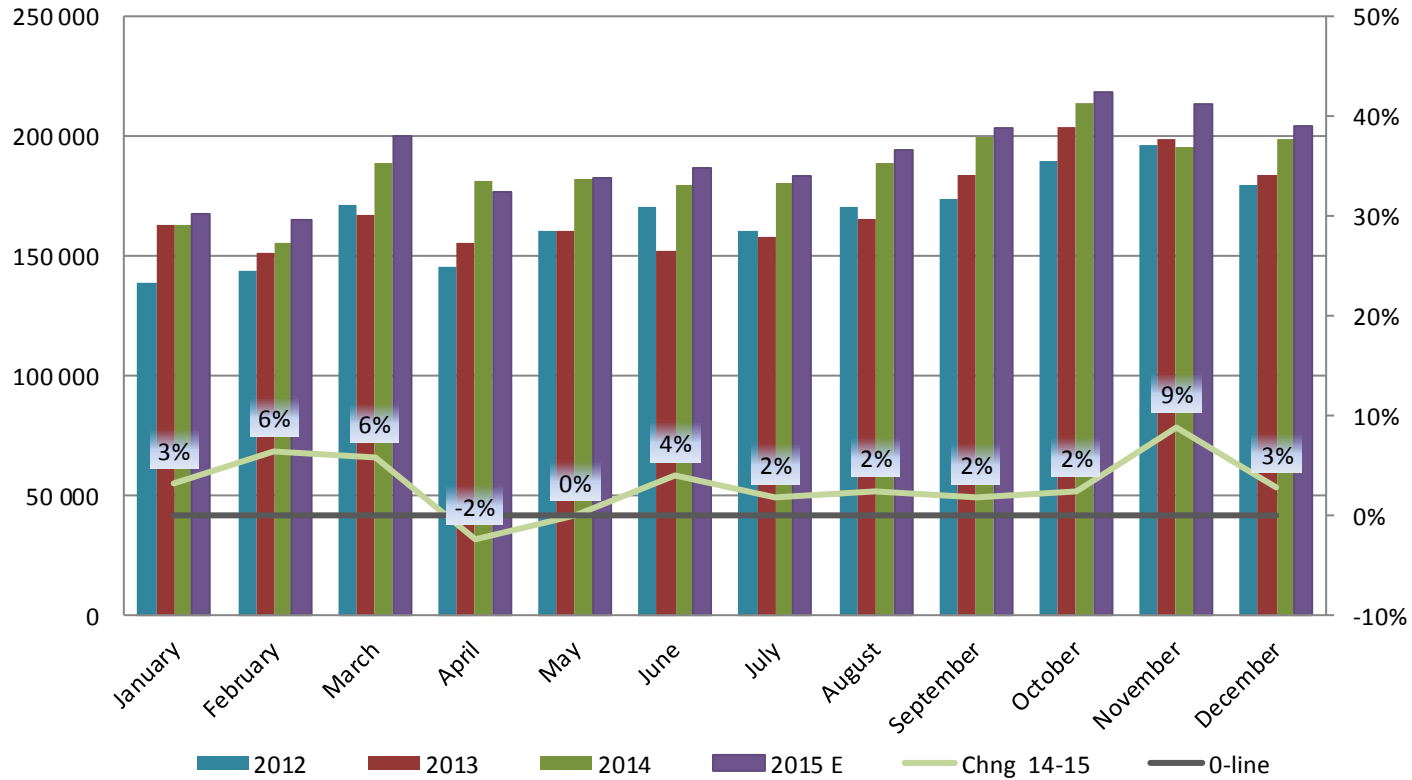


Figures as per 04.05.2015

Source: Kontali

Atlantic salmon - Harvest Quantities WW

in tons WFE



Figures as per 04.05.2015

Source: Kontali

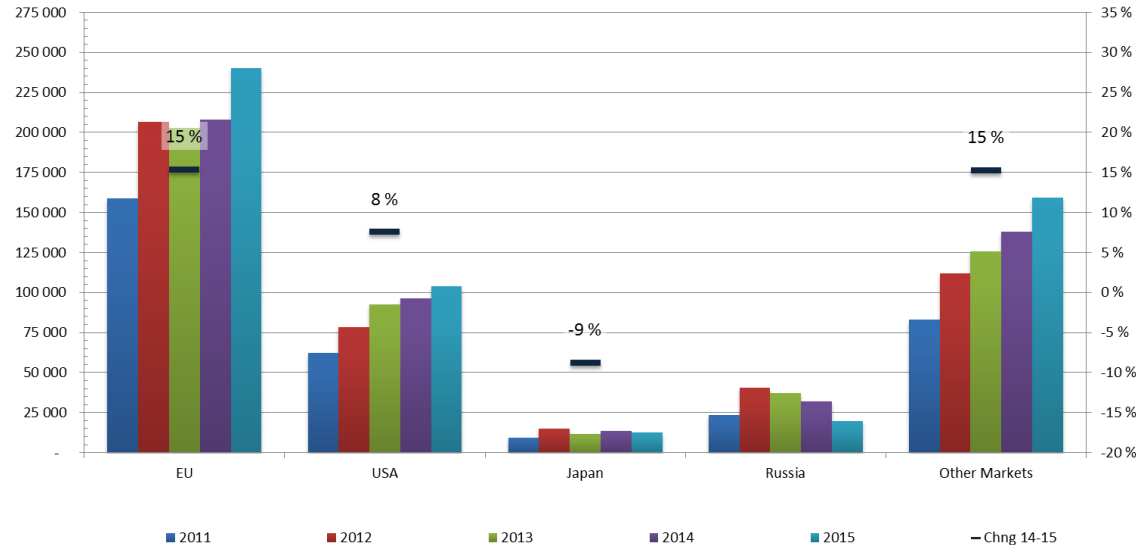
Atlantic Salmon Consumption

2015 Q1

NOK/KG (3-6) Q1:
40,34 -14,4 % (47,12)
(NSI -0,75 vs NOS)



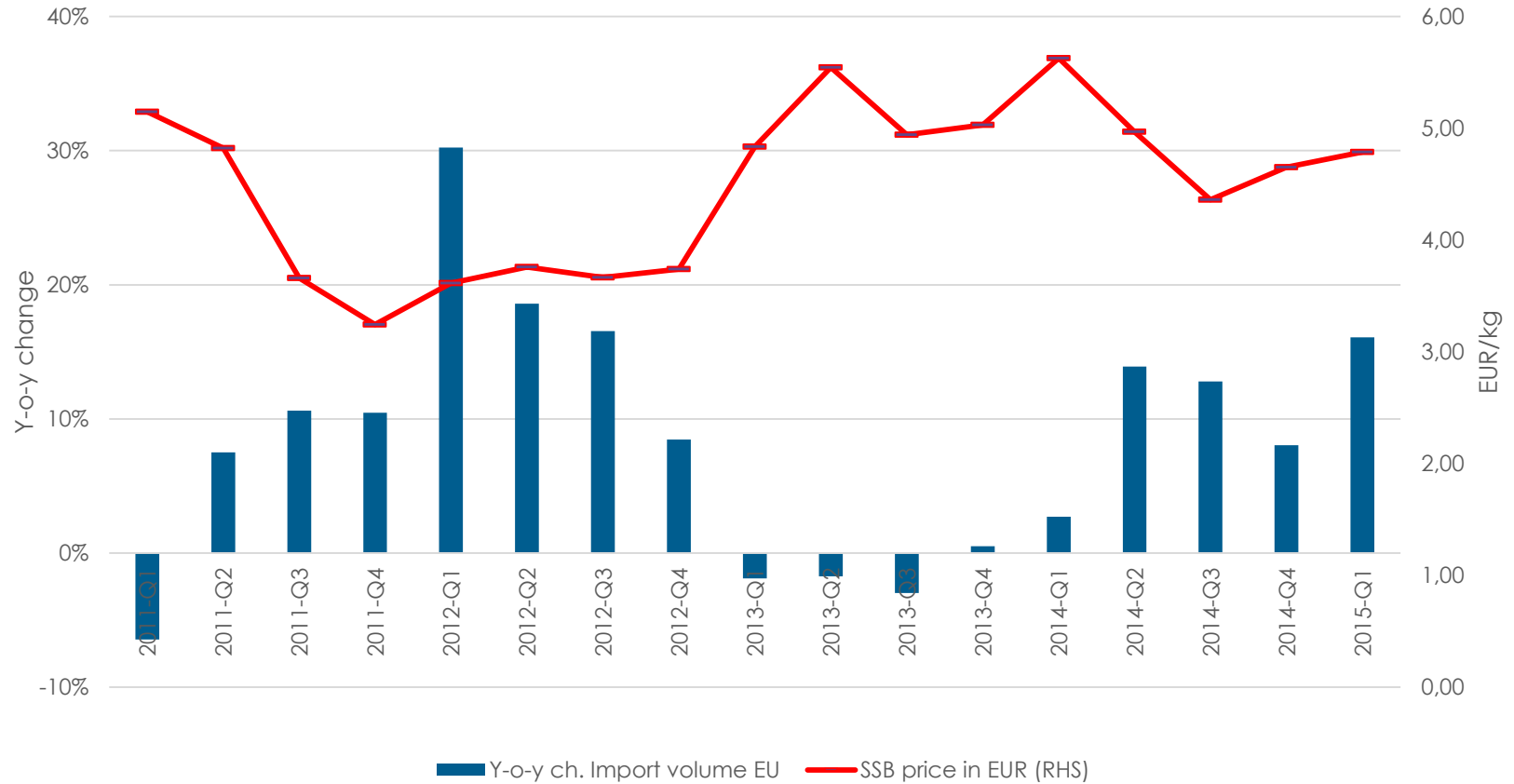
| Market - Salmon | 2013 | 2014 | 2015 | Growth | Growth % |
|--------------------------|----------------|----------------|----------------|---------------|-------------|
| Russia | 37 100 | 32 000 | 19 600 | -12 400 | -39 % |
| USA | 92 700 | 96 500 | 103 800 | 7 300 | 8 % |
| EU | 202 700 | 208 200 | 240 100 | 31 900 | 15 % |
| Japan | 11 800 | 13 700 | 12 500 | -1 200 | -9 % |
| Other Markets | 125 600 | 138 000 | 159 200 | 21 200 | 15 % |
| Total Consumption | 469 900 | 488 400 | 535 200 | 46 800 | 10 % |



Figures as per 04.05.2015

Source: Kontali/Nasdax

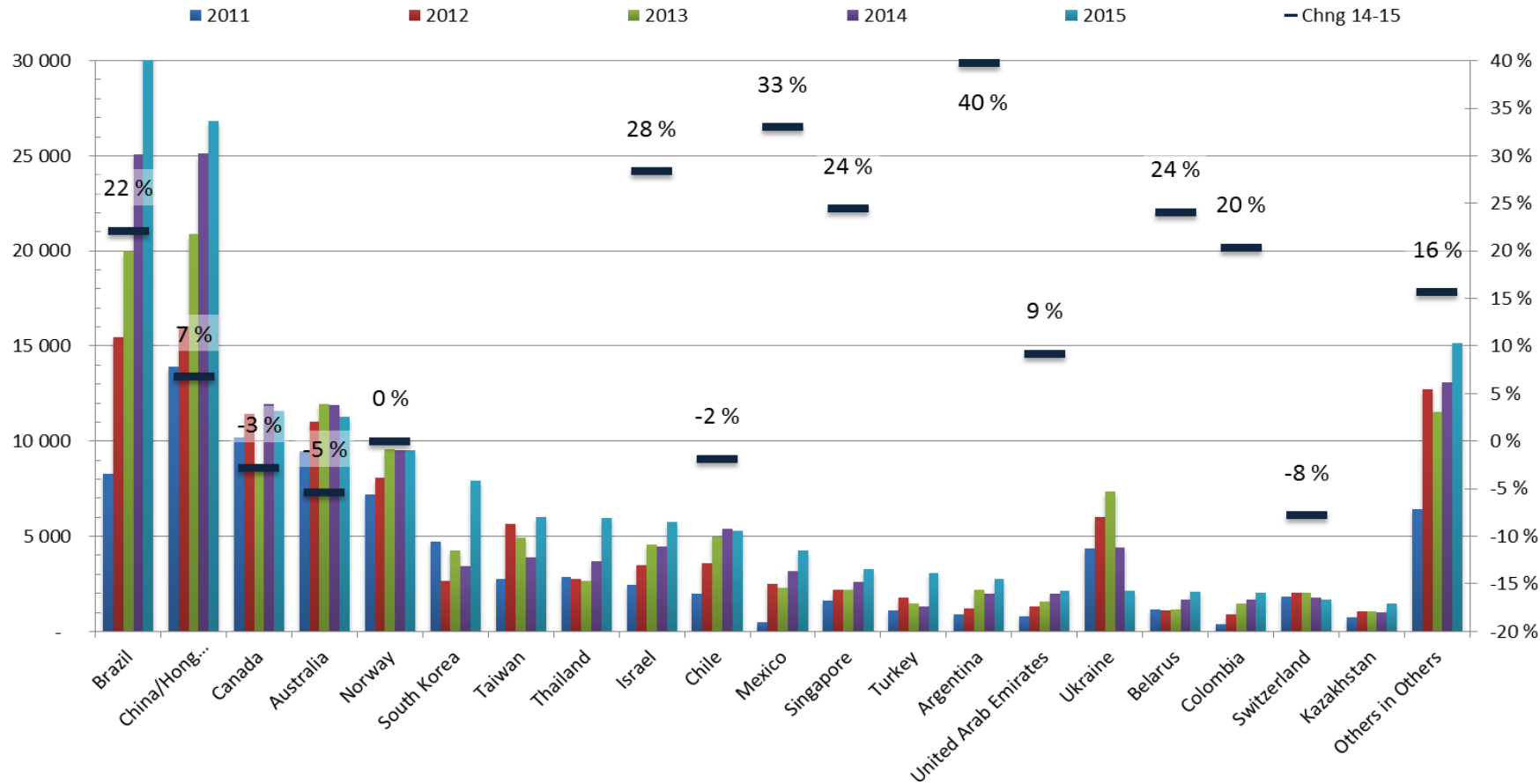
EU consumption growth and price at boarder Norway



Atlantic Salmon Consumption - Others

2015 Q1

NOK/KG (3-6) Q1:
40,34 -14,4 % (47,12)
(NSI -0,75 vs NOS)



Figures as per 04.05.2015

Source: Kontali/Nasdax

Outlook

- Positive market outlook
 - Good demand growth
 - Global supply growth ~4% 2015
- Harvest guidance 166.000 GWT for 2015
- Expected contract share Q2 ~30-35%
- Volumes expected ~45% H1 and ~55% H2



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

| | 2015 | 2014 | | | | | 2013 | 2012 | 2011 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|
| | Q1 | Q1 | Q2 | Q3 | Q4 | FY | FY | FY | |
| Revenue | | | | | | | | | |
| Farming | 1 482,2 | 1 420,4 | 1 660,2 | 1 508,8 | 1 653,3 | 6 242,7 | 5 376,3 | 4 376,5 | 4 592,0 |
| VAP | 425,0 | 367,1 | 395,1 | 410,2 | 437,2 | 1 609,6 | 1 236,3 | 1 027,0 | 783,0 |
| S&D | 3 075,9 | 3 066,7 | 2 998,8 | 2 820,3 | 3 078,3 | 11 964,2 | 10 257,0 | 9 098,2 | 9 067,9 |
| LSG/Elim | -1 714,9 | -1 674,5 | -1 877,4 | -1 777,5 | -1 907,5 | -7 236,9 | -6 105,0 | -5 398,8 | -5 266,0 |
| Operating revenue | 3 268,3 | 3 179,7 | 3 176,6 | 2 961,8 | 3 261,4 | 12 579,5 | 10 764,7 | 9 102,9 | 9 176,9 |
| EBIT | | | | | | | | | |
| Lerøy Aurora | 109,9 | 98,3 | 77,4 | 48,5 | 146,3 | 370,5 | 359,0 | 83,1 | 155,1 |
| Lerøy Midt | 169,8 | 228,3 | 184,1 | 101,0 | 152,9 | 666,3 | 507,7 | 147,3 | 519,6 |
| Lerøy Sjøtroll | 42,2 | 179,1 | 159,2 | 4,8 | -0,2 | 342,9 | 460,3 | 7,7 | 303,1 |
| Farming | 321,8 | 505,7 | 420,7 | 154,3 | 299,0 | 1379,7 | 1327,0 | 238,1 | 977,7 |
| VAP | 18,2 | 15,1 | 21,1 | 27,8 | 31,3 | 95,3 | 71,6 | 49,7 | 33,5 |
| S&D | 63,0 | 38,7 | 64,1 | 56,0 | 82,2 | 241,1 | 204,1 | 192,5 | 237,5 |
| LSG/Elim | 1,0 | -9,2 | -5,6 | 64,7 | 22,7 | 72,6 | 23,0 | -30,2 | -35,8 |
| EBIT before biomass adj. | 403,9 | 550,4 | 500,3 | 302,8 | 435,2 | 1788,7 | 1625,8 | 450,1 | 1212,9 |