



# LERØY SEAFOOD GROUP

## Quarterly report Third quarter 2012

November 13<sup>th</sup> 2012

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# Highlights as of Q3 2012

- Satisfactory profit despite of low prices
  - EBIT before biomass adjustment NOK 74 million
  - EBIT/kg all inclusive NOK 2.0
- Contracts
  - Positive market view and low contract prices has resulted in low contract share
  - Average contract share 15% (38% in Q3 2011), below target
  - Contract prices in line with spot prices in the quarter
- Harvest volume
  - Record-high volume for the season, i.e. 37.3' GWT (Q3 2011: 36.0' GWT)
  - Record-high portion of trout; 23% (Q3 2011: 16%)
- Prices
  - Pressure on salmon price and margins in Sales and Distribution unit
  - Achieved price for trout 7% higher than salmon in Q3 2012 (4% Q3 2011)
  - NOS price Q3 2012 NOK 25.32 (NOK 25.84 Q3 2011)
- Costs
  - Slightly lower feed costs y-o-y
  - Large cost variance in different farming operations in the quarter
- Biomass in sea:
  - Record-high volume for the season 102.1' LWT Q3 12 vs 96.3' LWT Q3 11
  - 35.2' LWT > 4kg Q3 12 vs 35.1' LWT > 4kg Q3 11

# Key figures Q3 2012

All figures in NOK mill

	<b>Q3 - 12</b>	Q3 - 11	Change	<b>YTD Q3 2012</b>	YTD Q3 2011	Change	2011
<b>Turnover</b>	<b>2 223</b>	2 304	-4 %	<b>6 692</b>	6 926	-3 %	9 177
<b>EBITDA</b>	<b>146</b>	276	-47 %	<b>565</b>	1 293	-56 %	1 485
<b>EBIT bef adj biom *</b>	<b>74</b>	207	-64 %	<b>314</b>	1 093	-71 %	1 213
<b>PTP bef adj biom **</b>	<b>53</b>	190	-72 %	<b>266</b>	1 088	-76 %	1 183

\*) YTD figure including impairment loss of NOK 50m in Q1 2012 (fixed asset NOK33m, salaries NOK17m) in connection with closure of slaughter house in Lerøy Hydrotech

\*\*\*) PTP = Pre-tax profit

# Internal considerations Q3 2012



- Farming
  - Challenging quarter
    - Positive EBIT in North- and Mid-Norway
    - Negative EBIT from region West, but costs improving y-o-y
  - Good biology gives record high seasonally volumes (harvested 37.3 GWT, biomass in sea 102.1 LWT)
  - Underlying production cost is decreasing (from Q3 11)
  - Increased volumes of trout, which has more stable prices
- Sales and Distribution
  - Low contract share combined with record high harvest volumes have given massive volumes in spot market
  - High volumes in spot market has given pressure on margins in Sales and Distribution unit



# Internal considerations Q3 2012

- Affiliated company: Norskott (Scottish Sea Farms)
  - Higher volumes, but lower prices
    - Spot prices down
    - Share of contracts reduced
    - High production costs for the period
    - EBIT/kg NOK 1.4 in Q3 2012
    - Biological situation is well managed and under control
- Financially solid
  - NIBD NOK 2,241m as of Q3 2012
  - Fixed interest (swap) for NOK1,000m – 10 years
  - Equity NOK5,654m
  - Equity ratio 50%
  - Satisfactory operational cash flow



# Agenda

- 1 Considerations
- 2 Key financial figures Q3 2012**
- 3 Lerøy at a glance
- 4 Market glance

# Income Statement Q3 2012

All figures in NOK 000

	<u>Q3 2012</u>	<u>Q3 2011</u>	<u>YTD 2012</u>	<u>YTD 2011</u>	<u>2011</u>
<b>Salgsinntekter / Operating revenues</b>	<b>2 222 633</b>	2 304 256	<b>6 692 389</b>	6 926 268	9 176 873
Vareforbruk / Cost of goods sold	<b>1 604 073</b>	1 530 269	<b>4 740 559</b>	4 303 095	5 866 180
Lønnskostnader / Salaries and wages	<b>264 019</b>	259 160	<b>749 692</b>	694 793	967 789
Andre driftskostnader / Other operating costs	<b>208 589</b>	238 459	<b>637 261</b>	635 384	858 107
<b>Driftsresultat før avskrivninger / EBITDA</b>	<b>145 952</b>	276 368	<b>564 876</b>	1 292 995	1 484 797
Ordinære avskrivninger / Ordinary depreciation	<b>72 322</b>	69 644	<b>217 410</b>	200 101	271 899
Nedskrivning driftsmidler / Impairment loss fixed assets	<b>0</b>	0	<b>33 000</b>	0	0
<b>Driftsresultat før verdijustering biomasse / EBIT before fair value adjustment biom</b>	<b>73 630</b>	206 723	<b>314 466</b>	1 092 894	1 212 898
Verdijustering biomasse / Fair value adjustment biomass	<b>-54 057</b>	-143 098	<b>-48 739</b>	-637 624	-615 767
<b>Driftsresultat / Operating profit (EBIT)</b>	<b>19 573</b>	63 625	<b>265 727</b>	455 270	597 131
Inntekt fra tilknyttede selskaper / Income from associated companies	<b>3 403</b>	-8 220	<b>18 368</b>	28 278	19 741
Netto finansposter / Net financial items	<b>-23 950</b>	-24 435	<b>-68 364</b>	-59 921	-81 884
<b>Resultat før skattekostnad og før just biomasse / Profit before tax bef adj biom.</b>	<b>53 086</b>	190 276	<b>265 879</b>	1 087 584	1 183 314
<b>Resultat før skattekostnad / Profit before tax</b>	<b>-975</b>	30 970	<b>215 731</b>	423 627	534 988
Beregnete skatter / Estimated taxation	<b>1 230</b>	-12 676	<b>-56 140</b>	-119 696	-156 311
<b>Periodens resultat / Profit for the period</b>	<b>255</b>	18 294	<b>159 591</b>	303 931	378 677



# Balance Sheet Q3 2012

All figures in NOK 000

	<u>30.09.12</u>	<u>30.09.11</u>	<u>31.12.11</u>
<b><i>Eiendeler / Assets</i></b>			
Immaterielle eiendeler / Intangible assets	3 992 796	3 881 271	3 885 419
Varige driftsmidler / Tangible fixed assets	2 031 985	1 752 285	1 836 384
Finansielle anleggsmidler / Financial non-current assets	363 576	363 564	360 794
<b>Sum anleggsmidler / Total non-current assets</b>	<b>6 388 357</b>	5 997 120	6 082 597
Biologiske eiendeler / Biological assets	2 320 762	2 287 838	2 370 938
Andre varer / Other inventories	325 406	309 941	328 045
Fordringer / Receivables	1 217 999	1 201 442	1 082 838
Betalingsmidler / Cash and cash equivalents	1 138 765	1 456 634	1 597 429
<b>Sum omløpsmidler / Total current assets</b>	<b>5 002 931</b>	5 255 854	5 379 250
<b>Sum eiendeler / Total assets</b>	<b>11 391 288</b>	11 252 974	11 461 847
<b><i>Egenkapital og gjeld / Equity and debt</i></b>			
Innskutt egenkapital / Paid in equity	2 765 788	2 773 912	2 765 788
Opptjent egenkapital / Earned equity	2 248 336	2 418 095	2 497 048
Ikke-kontrollerende eierinteresser / Non-controlling interests	639 507	537 526	534 931
<b>Sum egenkapital / Total equity</b>	<b>5 653 630</b>	5 729 533	5 797 766
Avsetning for forpliktelser / Accrued liabilities	1 172 983	1 086 152	1 098 673
Langsiktig gjeld / Long-term liabilities	2 461 015	2 493 795	2 429 365
Kortsiktige kreditter / Short-term loans	918 774	561 335	760 977
Annen kortsiktig gjeld / Other short-term liabilities	1 184 886	1 382 160	1 375 066
<b>Sum gjeld / Total liabilities</b>	<b>5 737 658</b>	5 523 441	5 664 082
<b>Sum egenkapital og gjeld / Total equity and liabilities</b>	<b>11 391 288</b>	11 252 974	11 461 847

# Cash Flow Statement Q3 2012

All figures in NOK 000

	<u>Q3 2012</u>	<u>Q3 2011</u>	<u>YTD 2012</u>	<u>YTD 2011</u>	<u>2011</u>
<b>Kontantstrøm fra drift / Cash flow from operating activities</b>					
Resultat før skatt / Profit before tax	-975	30 972	215 731	423 628	534 988
Betalt skatt / Income tax paid	0	-1 727	-279 528	-393 681	-407 229
Ordinære avskrivninger / Ordinary depreciation	72 322	69 644	217 410	200 100	271 900
Nedskrivninger varige driftsmidler / Impairment loss fixed assets	0	0	33 000	0	0
Resultat tilknyttede selskaper / Profit from associated companies	-3 403	8 219	-18 368	-28 278	-19 741
Endring verdijustering biomasse / Change in value adjustment biomass	54 057	141 957	48 739	640 335	616 741
Endring varelager / Change in inventories	-269 931	-282 841	29 210	-236 060	-313 670
Endring kundefordringer / Change in accounts receivable	11 083	3 874	194	64 011	86 893
Endring leverandører / Change in accounts payable	92 688	102 845	90 304	85 393	51 911
Poster klass. som finansieringsaktiviteter / Items reclassified as financing activities	23 950	24 436	68 364	59 921	81 884
Andre tidsavgrensninger / Other accruals	-15 073	-11 256	-137 317	-134 883	-30 865
<b>Netto kontantstrøm fra drift / Net cash flows from operating activities</b>	<b>-35 282</b>	<b>86 123</b>	<b>267 738</b>	<b>680 486</b>	<b>872 812</b>
<b>Kontantstrøm fra investeringsaktiviteter / Cash flow from investing activities</b>					
Netto investering i varige driftsmidler etc. / Net investment in fixed assets etc.	-103 267	-131 427	-369 351	-362 083	-516 660
Netto investering i immaterielle eiendeler / Net investment in intangible fixed assets	-193	-140	-933	-8 007	-9 405
Netto utbetaling ved kjøp av aksjer etc. / Net payments for acquisitions of shares etc.	-898	0	3 029	-1 000	-1 675
Netto utbetaling v/kjøp av konsernselskaper / Net acquisitions of group companies	9 330	0	-102 932	-22 751	-22 751
Innbetaling av utbytte fra tilknyttede selskaper / Dividend from associates	0	0	9 000	29 336	29 336
Endring langsiktige fordringer etc. / Change in long-term receivables etc.	0	-65	61	-188	-254
<b>Netto kontantstrøm fra investeringsaktiviteter/Net cash flow from investing activities</b>	<b>-95 028</b>	<b>-131 632</b>	<b>-461 126</b>	<b>-364 693</b>	<b>-521 409</b>
<b>Kontantstrøm fra finansieringsaktiviteter / Cash flow from financing activities</b>					
Netto endring i kortsiktige kreditter / Net change in bank overdraft	272 480	-3	119 825	126 470	319 513
Netto endring langsiktig gjeld / Net change in long-term debt	-44 773	118 647	69 067	271 389	213 618
Netto finanskostnader / Net financial costs	-26 062	-24 436	-74 741	-59 921	-81 884
Gjenkjøp av egenkapitalinteresser / repurchase of equity interests	0	0	0	-7 074	-15 198
Utbetaling av utbytte / Dividend payments	-2 036	0	-382 828	-565 939	-565 939
<b>Netto kontantstrøm fra finansieringsakt. / Net cash flow from financing activities</b>	<b>199 609</b>	<b>94 208</b>	<b>-268 677</b>	<b>-235 075</b>	<b>-129 890</b>
<b>Netto kontantstrøm for perioden / Net cash flows for the period</b>	<b>69 298</b>	<b>48 699</b>	<b>-462 065</b>	<b>80 718</b>	<b>221 512</b>
Betalingsmidler v/periodens begynnelse / Cash and cash equiv. at beginning of period	1 072 623	1 407 935	1 597 429	1 357 096	1 357 096
Betalingsmidler fra oppkjøp / Cash and cash equivalents from business combinations	-3 156	0	3 401	18 821	18 821
<b>Betalingsmidler ved periodens slutt / Cash and equivalents at end of period</b>	<b>1 138 765</b>	<b>1 456 635</b>	<b>1 138 765</b>	<b>1 456 635</b>	<b>1 597 429</b>

# Key figures - Lerøy Seafood Group Q3 2012

	<u>Q3 2012</u>	<u>Q3 2011</u>	<u>YTD 2012</u>	<u>YTD 2011</u>	<u>2011</u>
Resultatmargin før just.biomasse / Profit margin before adj. biomass	2,4 %	8,3 %	4,0 %	15,7 %	12,9 %
Resultatmargin / Profit margin <sup>1)</sup>	0,0 %	1,3 %	3,2 %	6,1 %	5,8 %
Driftsmargin før just.biomasse / Operating margin before adj.biomass	3,3 %	9,0 %	4,7 %	15,8 %	13,2 %
Driftsmargin / Operating margin <sup>2)</sup>	0,9 %	2,8 %	4,0 %	6,6 %	6,5 %
Resultat per aksje før just.biomasse / Earnings per share before adj.biomass	0,70	2,54	3,56	13,89	15,13
Resultat per aksje / Earnings per share <sup>3)</sup>	0,01	0,50	2,92	5,59	7,01
Utvannet resultat per aksje / Diluted earnings per share	0,01	0,50	2,92	5,59	7,01
ROCE før just.biomasse (annualisert) / ROCE before adj.biomass (annualised)	3,9 %	11,9 %	5,8 %	21,7 %	17,9 %
ROCE (annualisert) / ROCE (annualised) <sup>4)</sup>	1,2 %	3,0 %	5,0 %	8,8 %	8,4 %
Egenkapitalandel / Equity ratio	49,6 %	50,9 %	49,6 %	50,9 %	50,6 %
Netto rentebærende gjeld / Net interest bearing debt	2 241 024	1 598 291	2 241 024	1 598 291	1 592 914
Kontantstrøm per aksje / Cash-flow per share <sup>5)</sup>	-0,65	1,59	4,91	12,47	15,99
Utvannet kontantstrøm per aksje / Diluted cash-flow per share	-0,65	1,59	4,91	12,47	15,99

1) Resultatmargin = Resultat før skatt / salgsinntekter

2) Driftsmargin = Driftsresultat / salgsinntekter

3) Resultat per aksje = Majoritetens andel resultat / Gjennomsnittlig antall aksjer

4) ROCE = [Res. før skatt+nto fin.poster] / Gj.sn.[nto renteb. gjeld+sum egenkapital]

5) Kontantstrøm fra drift

1) Profit margin = Profit before tax / revenues

2) Operating margin = Operating profit / revenues

3) Earnings per share = Majority interests / Average number of shares

4) ROCE = [Pre tax profit + net fin. items] / Average [net interest bearing debt + total equity]

5) Cash-flow from operations

# Funding

- Sound debt repayment profile

NOK million	2012	2013	2014	2015	2016	2017 ->	Total
Instalments	350	387	447	464	518 <sup>*)</sup>	692	2 858

- Covenants NIBD/EBITDA < 5 and Equity ratio > 30%<sup>\*\*)</sup>
  - Q3 2012: 2.96 and 57.5 % respectively
- Satisfactory committed unused credit lines

<sup>\*)</sup> Of which NOK300m a 5 year bond with Eksportfinans ASA (renewed in October 2011)

<sup>\*\*)</sup> Adjusted for bank deposits and deferred tax associated with licenses

# Key Figures per segment Q3 2012

## Q3 2012

<i>Figures NOKm</i>	Production	Sales & Distribution	Elimin / LSG ASA	Total Group
<b>Revenues</b>	1 229	2 214	-1 220	<b>2 223</b>
<b>EBIT before biom adj</b>	42	41	-10	<b>74</b>
<b>EBIT margin</b>	3,4 %	1,9 %		<b>3,3 %</b>
<b>Volumes (GWtk)</b>	37,3	37,3		<b>37,3</b>
<b>EBIT/kg</b>	1,1	1,1	-0,3	<b>2,0</b>

## Q3 2011

<i>Figures NOKm</i>	Production	Sales & Distribution	Elimin / LSG ASA	Total Group
<b>Revenues</b>	1 261	2 302	-1 258	<b>2 304</b>
<b>EBIT before biom adj</b>	152	66	-11	<b>207</b>
<b>EBIT margin</b>	12,1 %	2,9 %		<b>9,0 %</b>
<b>Volumes (GWtk)</b>	36,0	36,0		<b>36,0</b>
<b>EBIT/kg</b>	4,2	1,8	-0,3	<b>5,7</b>

# Key Figures per segment YTD 2012

## YTD AP9 2012

<i>Figures NOKm</i>	Total production	Sales & Distribution	Elimin / LSG ASA	Total Group
<b>Revenues</b>	3 794	6 688	-3 790	<b>6 692</b>
<b>EBIT before biom adj</b>	212	126	-23	<b>314</b>
<b>RoS</b>	5,6 %	1,9 %		<b>4,7 %</b>
<b>Volumes (GWtk)</b>	112,1	112,1		<b>112,1</b>
<b>EBIT/kg</b>	1,9	1,1	-0,2	<b>2,8</b>

<b>EBIT/kg ex restruct.</b>	2,3	<b>3,3</b>
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## YTD AP9 2011

<i>Figures NOKm</i>	Total production	Sales & Distribution	Elimin / LSG ASA	Total Group
<b>Revenues</b>	3 928	6 829	-3 830	<b>6 926</b>
<b>EBIT before biom adj</b>	968	153	-29	<b>1 093</b>
<b>RoS</b>	24,6 %	2,2 %		<b>15,8 %</b>
<b>Volumes (GWtk)</b>	97,0	97,0		<b>97,0</b>
<b>EBIT/kg</b>	10,0	1,6	-0,3	<b>11,3</b>

# Key Figures per segment Q3 2012

Q3 2012	PRODUCTION									SALES AND DISTRIBUTION			GROUP	
<i>Figures NOKm</i>	*) Lerøy Midnor	Lerøy Hydrotec h	*) Lerøy Aurora	Lerøy Vest	*) Sjøtroll Havbruk	Total Farming	Other	Elimin.	Total Production	Sales & Distributio n	Elimin.	Total S&D	Elimin./ LSG ASA	Total Group
Revenues	264,5	109,2	154,5	244,5	260,2	1 032,8	268,1	-72,2	1 228,8	2 341,8	-128,0	2 213,7	-1 219,9	2 222,6
EBIT before biom adj	38,6	-5,8	11,8	-15,0	0,0	29,6	12,6	0,0	42,2	41,0	0,0	41,0	-9,5	73,6
EBIT margin	14,6 %	-5,4 %	7,7 %	-6,1 %	0,0 %	2,9 %	4,7 %	0,0 %	3,4 %	1,7 %		1,9 %		3,3 %
Volumes (GWtk)	9,0	4,1	4,9	10,0	9,3	37,3			37,3	37,3		37,3		37,3
EBIT/kg	4,3	-1,4	2,4	-1,5	0,0	0,8	0,3		1,1	1,1		1,1	-0,3	2,0

Q3 2011	PRODUCTION									SALES AND DISTRIBUTION			GROUP	
<i>Figures NOKm</i>	Lerøy Midnor	Lerøy Hydrotech	Lerøy Aurora	Lerøy Vest	Sjøtroll Havbruk	Total Farming	Other	Elimin.	Total Production	Sales & Distribution	Elimin.	Total S&D	Elimin./ LSG ASA	Total Group
Revenues	324,3	197,8	130,2	249,3	219,5	1 121,1	196,8	-57,4	1 260,5	2 432,8	-131,2	2 301,6	-1 257,9	2 304,3
EBIT before biom adj	72,3	26,3	30,5	10,7	5,0	144,8	7,3		152,1	66,1	-0,1	66,1	-11,4	206,7
EBIT margin	22,3 %	13,3 %	23,4 %	4,3 %	2,3 %	12,9 %	3,7 %		12,1 %	2,7 %		2,9 %		9,0 %
Volumes (GWtk)	10,0	6,8	3,9	8,7	6,6	36,0			36,0	63,9		36,0		36,0
EBIT/kg	7,3	3,9	7,8	1,2	0,7	4,0	0,2		4,2	1,0		1,8	-0,3	5,7

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

# Key Figures per segment YTD 2012

YTD AP9 2012	PRODUCTION									SALES AND DISTRIBUTION			GROUP	
<i>Figures NOKm</i>	*) ***) Lerøy Midnor	**) Lerøy Hydrotech	*) Lerøy Aurora	Lerøy Vest	*) Sjøtroll Havbruk	Total Farming	Other	Elimin.	Total Production	Sales & Distributio n	Elimin.	Total S&D	Elimin./ LSG ASA	Total Group
Revenues	809,5	518,5	412,6	788,5	651,2	3 180,3	771,4	-157,7	3 794,1	7 118,8	-430,4	6 688,3	-3 790,1	6 692,3
EBIT before biom adj	137,9	-11,4	46,3	12,0	-3,4	181,4	30,1	0,0	211,6	125,6	0,0	125,6	-22,7	314,5
EBIT margin	17,0 %	-2,2 %	11,2 %	1,5 %	-0,5 %	5,7 %	3,9 %		5,6 %	1,8 %		1,9 %		4,7 %
Volumes (GWtk)	25,4	19,4	13,8	30,9	22,7	112,1			112,1	112,1		112,1		112,1
EBIT/kg	5,4	-0,6	3,4	0,4	-0,1	1,6	0,3		1,9	1,1		1,1	-0,2	2,8

EBIT/kg ex restruct.	2,0	2,1	2,3	3,3
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YTD AP9 2011	PRODUCTION									SALES AND DISTRIBUTION			GROUP	
<i>Figures NOKm</i>	Lerøy Midnor	Lerøy Hydrotech	Lerøy Aurora	Lerøy Vest	Sjøtroll Havbruk	Total Farming	Other	Elimin.	Total Production	Sales & Distribution	Elimin.	Total S&D	Elimin./ LSG ASA	Total Group
Revenues	922,0	648,0	448,1	805,2	661,9	3 485,2	615,8	-173,0	3 928,1	7 194,6	-366,0	6 828,6	-3 830,4	6 926,3
EBIT before biom adj	304,0	185,8	130,6	214,9	110,7	946,0	22,1	0,0	968,1	153,4	0,0	153,4	-28,6	1 092,9
EBIT margin	33,0 %	28,7 %	29,2 %	26,7 %	16,7 %	27,1 %	3,6 %		24,6 %	2,1 %		2,2 %		15,8 %
Volumes (GWtk)	24,6	18,4	12,3	24,2	17,5	97,0			97,0	97,0		97,0		97,0
EBIT/kg	12,4	10,1	10,6	8,9	6,3	9,7	0,2		10,0	1,6		1,6	-0,3	11,3

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

\*\*\*) Restructuring costs of NOK50m in (Q1 2012)

\*\*\*) PD hit of NOK16m included in EBIT (Q2 2012)





# Norskott Havbruk 100% figures

LSG's share = 50%

All figures in NOK millions

<b>Income statement</b>	<b>Q3 2012</b>	Q3 2011	<b>YTD 2012</b>	YTD 2011	2011
Revenues	<b>255</b>	155	<b>701</b>	550	797
EBITDA	<b>23</b>	33	<b>81</b>	169	175
EBIT bef adj biom	<b>10</b>	21	<b>41</b>	131	124
EBIT	<b>10</b>	-24	<b>37</b>	58	34
Pre tax	<b>8</b>	-25	<b>33</b>	54	28
Volumes (1000 gwt)	<b>7,3</b>	4,5	<b>20,5</b>	14,3	21,9
EBIT/kg	<b>1,4</b>	4,7	<b>2,0</b>	9,1	5,7

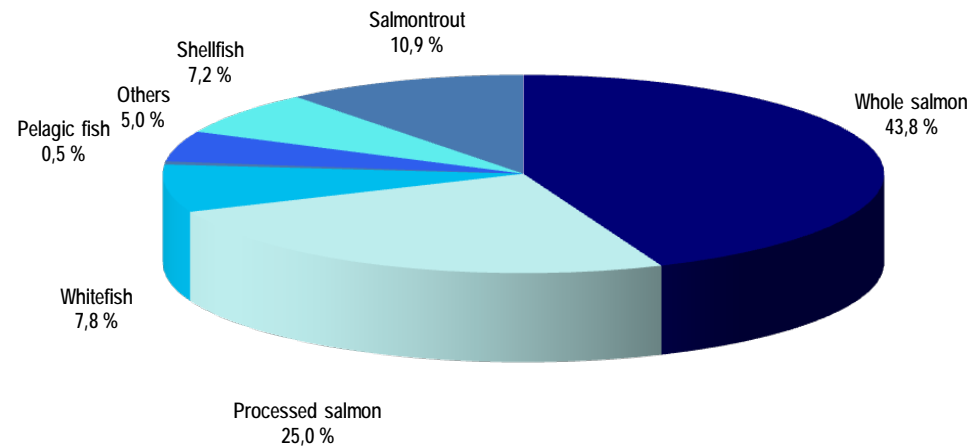
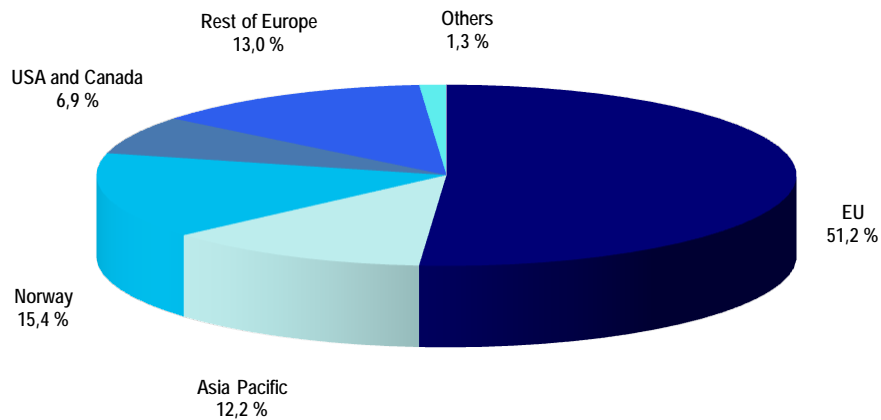
<b>Balance sheet</b>	<b>30.09.2012</b>	30.09.2011	31.12.2011
Licences, goodwill	<b>360</b>	354	360
Tangible fixed assets	<b>206</b>	191	191
Inventories	<b>503</b>	571	530
Other current assets	<b>122</b>	91	121
<b>Total assets</b>	<b>1 191</b>	1 207	1 201
Equity	<b>588</b>	595	586
Debt	<b>603</b>	612	615
<b>Total equity and debt</b>	<b>1 191</b>	1 207	1 201
Net interest bearing debt	<b>359</b>	351	370



# Agenda

- 1 Considerations
- 2 Key financial figures Q3 2012
- 3 Lerøy at a glance**
- 4 Market glance

# Sales per market and product, Q3 2012



More than 60 countries

# Integrated value chain



- #2 global in salmonids farming volumes
- Significant player within whitefish
- 12.7% (12.3%) share of Norwegian seafood export value
- 16.9% (17.6%) of Norwegian salmon export
- 25.0% (28.4%) of Norwegian value added salmon export
- Total of 1,958 employees
  - Sales and distribution 455
  - Production and farming 1,503
  - Associates 407 (not consolidated)

# Lerøy Seafood Group – Salmon/trout farming

Company	Ownership share	Licences No	Mill. smolt individuals	2010 GWT	2011 GWT	2012E GWT	2013E GWT
Lerøy Midnor AS	100 %	30	9,5	34 000	35 900	35 000	36 000
Lerøy Aurora AS	100 %	17	7,5	20 300	18 100	19 000	22 000
Lerøy Hydrotech AS	100 %	24	7,0	25 200	26 400	26 500	27 000
Lerøy Vest AS	100 %	34	14,2	34 300	34 500	38 500	39 000
Sjøtroll Havbruk AS *)	50,71 %	25	8,4	3 000	21 700	33 000	30 000
Total Norway		130	46,6	116 800	136 600	152 000	154 000
Norskott Havbruk AS (UK) **)	50 %		7,0	13 500	10 900	13 000	12 500
Total			53,6	130 300	147 500	165 000	166 500

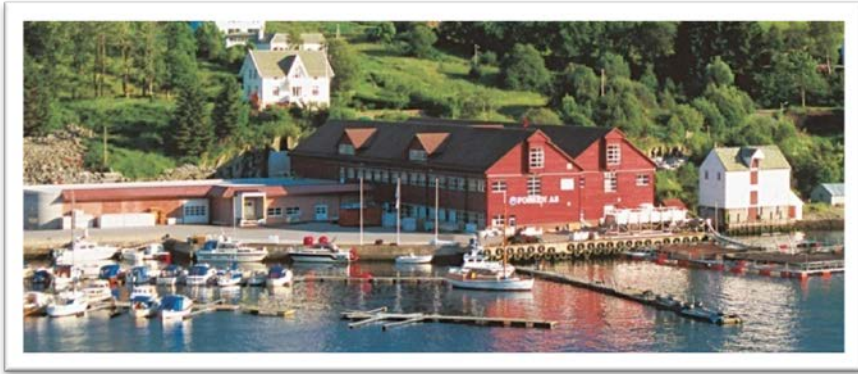
 Consolidated, farming

 Affiliated, farming

\*) Acquired and consolidated as from November 2010

\*\*) LSG's share

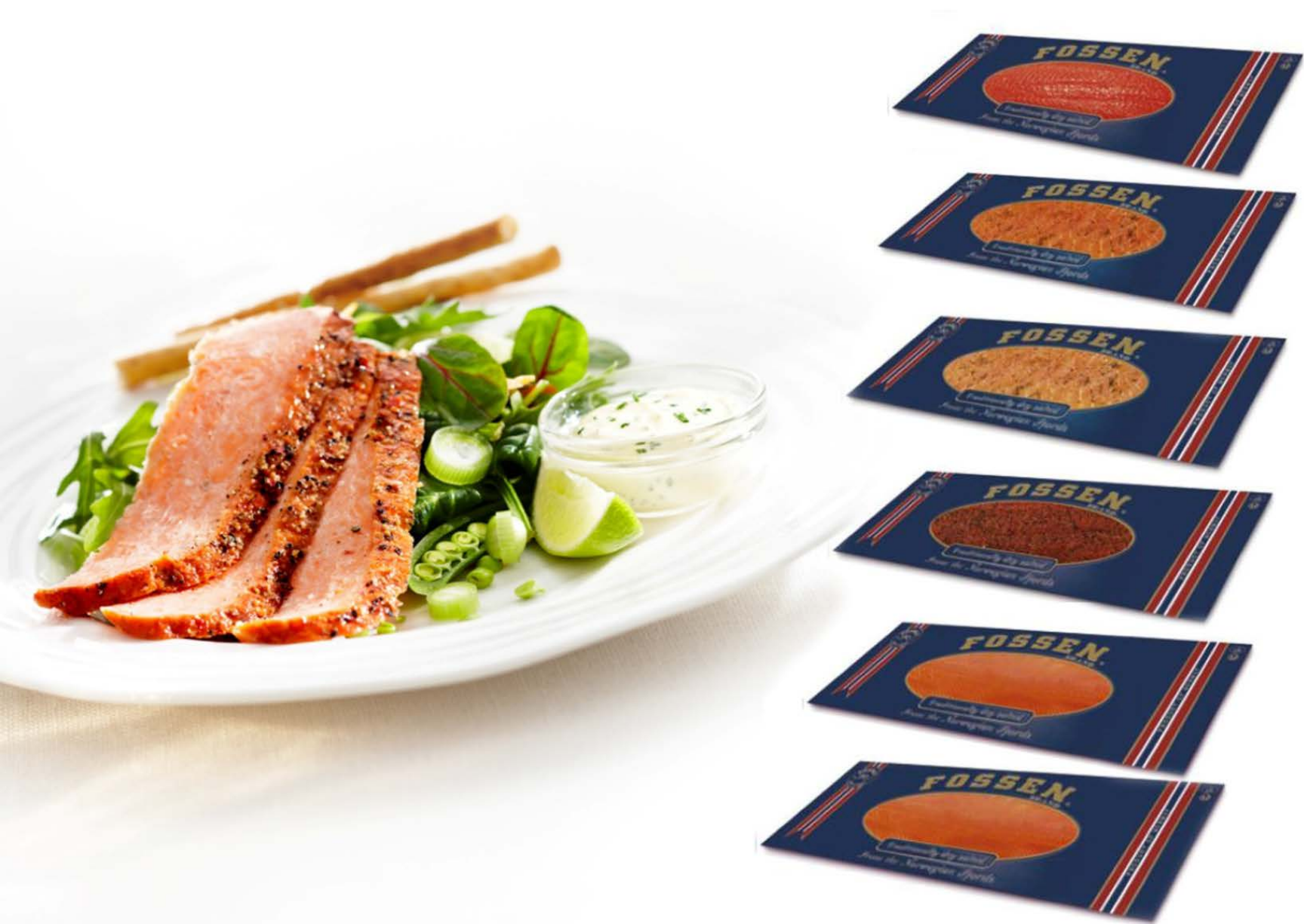
# Building brand, and investing further in processing capacity for trout



- Lerøy Fjord trout – kissed by a glacier
  - Strong focus on building market
  - Unique red colour
  - Full traceability
  - Available whole, fillet, smoked or cured
- Total production of 26,000gwt trout
  - Only supplier of trout year around in Norway
  - Investing in expanding value adding processing capacity at Fossen to 13,000 gwt



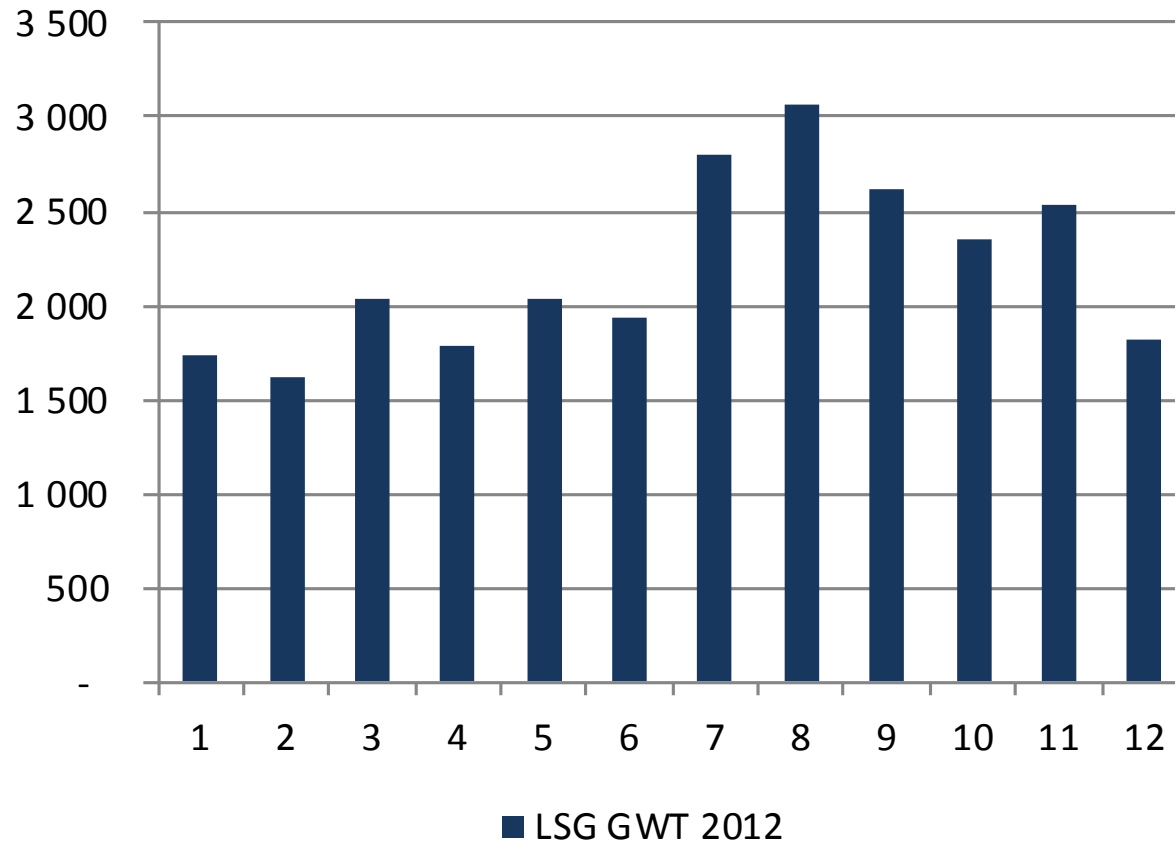
# Fossen Fjord Trout, Smoked & Marinated



# Trout

## LSG 2012

WFE	2012	2013	Growth
Norway	74 500	67 000	-10 %
LSG	29 952	29 808	0 %
LSG share	40 %	44 %	







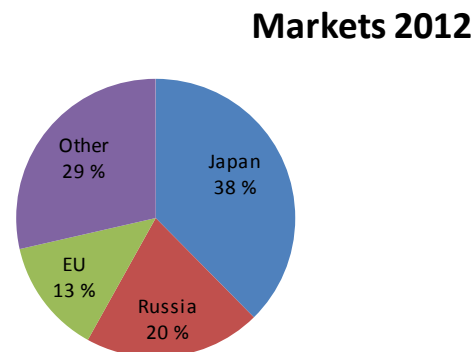
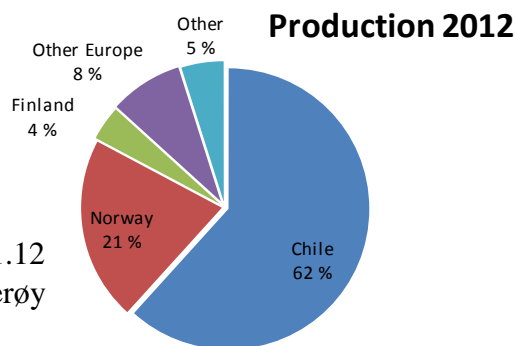
# Agenda

- 1 Considerations
- 2 Key financial figures Q3 2012
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- 4 Market glance

# Large Rainbow Trout – production and consumption

<i>Production</i>	<b>2008</b>	<b>Chg</b>	<b>2009</b>	<b>Chg</b>	<b>2010</b>	<b>Chg</b>	<b>2011</b>	<b>Chg</b>	<b>2012E</b>	<b>Chg</b>	<b>2013E</b>	<b>Chg</b>
Chile	179 300	6 %	149 600	-17 %	189 000	26 %	203 500	8 %	217 900	7 %	184 000	-16 %
Norway	86 300	13 %	81 000	-6 %	55 600	-31 %	54 000	-3 %	74 400	38 %	67 600	-9 %
Finland	12 000	4 %	12 000	0 %	13 700	14 %	13 500	-1 %	14 000	4 %	14 000	0 %
Faroe Isl.	8 700	30 %	9 200	6 %	2 300	-75 %	0		0		0	
Other Europe	27 800	-2 %	29 300	5 %	29 900	2 %	28 900	-3 %	29 600	2 %	30 400	3 %
Other	14 600	7 %	16 600	14 %	16 600	0 %	16 600	0 %	17 200	4 %	18 800	9 %
<b>Total</b>	<b>328 700</b>	<b>7 %</b>	<b>297 700</b>	<b>-9 %</b>	<b>307 100</b>	<b>3 %</b>	<b>316 500</b>	<b>3 %</b>	<b>353 100</b>	<b>12 %</b>	<b>314 800</b>	<b>-11 %</b>

<i>Consumption</i>	<b>2008</b>	<b>Chg</b>	<b>2009</b>	<b>Chg</b>	<b>2010</b>	<b>Chg</b>	<b>2011</b>	<b>Chg</b>	<b>2012E</b>	<b>Chg</b>	<b>2013E</b>	<b>Chg</b>
Japan	121 200	11 %	105 100	-13 %	110 500	5 %	115 700	5 %	132 000	14 %	112 700	-15 %
Russia	84 300	38 %	69 500	-18 %	56 100	-19 %	54 800	-2 %	71 800	31 %	68 600	-4 %
EU	47 800	0 %	44 700	-6 %	45 600	2 %	43 700	-4 %	46 800	7 %	45 600	-3 %
Other	75 400	-14 %	78 900	5 %	95 100	21 %	96 600	2 %	100 300	4 %	92 300	-8 %
<b>Total</b>	<b>328 700</b>	<b>7 %</b>	<b>298 200</b>	<b>-9 %</b>	<b>307 300</b>	<b>3 %</b>	<b>310 800</b>	<b>1 %</b>	<b>350 900</b>	<b>13 %</b>	<b>319 200</b>	<b>-9 %</b>



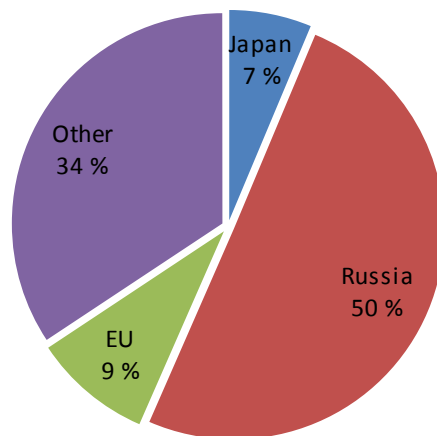
Figures as per 08.11.12  
Sources: Kontali/Lerøy

# Norway– production and markets Trout

<b>Norway</b>	<b>2008</b>	<b>Chg</b>	<b>2009</b>	<b>Chg</b>	<b>2010</b>	<b>Chg</b>	<b>2011</b>	<b>Chg</b>	<b>2012E</b>	<b>Chg</b>	<b>2013E</b>	<b>Chg</b>
Japan	8 600	28 %	6 200	-28 %	3 772	-39 %	4 159	10 %	4 643	12 %	5 400	16 %
Russia	43 100	56 %	41 900	-3 %	24 500	-42 %	23 000	-6 %	36 900	60 %	32 500	-12 %
EU	10 500	38 %	7 400	-30 %	4 700	-36 %	5 800	23 %	6 700	16 %	5 400	-19 %
Other	24 100	-1 %	25 500	6 %	22 728	-11 %	21 210	-7 %	25 200	19 %	23 500	-7 %

<b>Production</b>	<b>86 300</b>	<b>13 %</b>	<b>81 000</b>	<b>-6 %</b>	<b>55 600</b>	<b>-31 %</b>	<b>54 000</b>	<b>-3 %</b>	<b>74 400</b>	<b>38 %</b>	<b>67 600</b>	<b>-9 %</b>
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## Norway Markets 2012

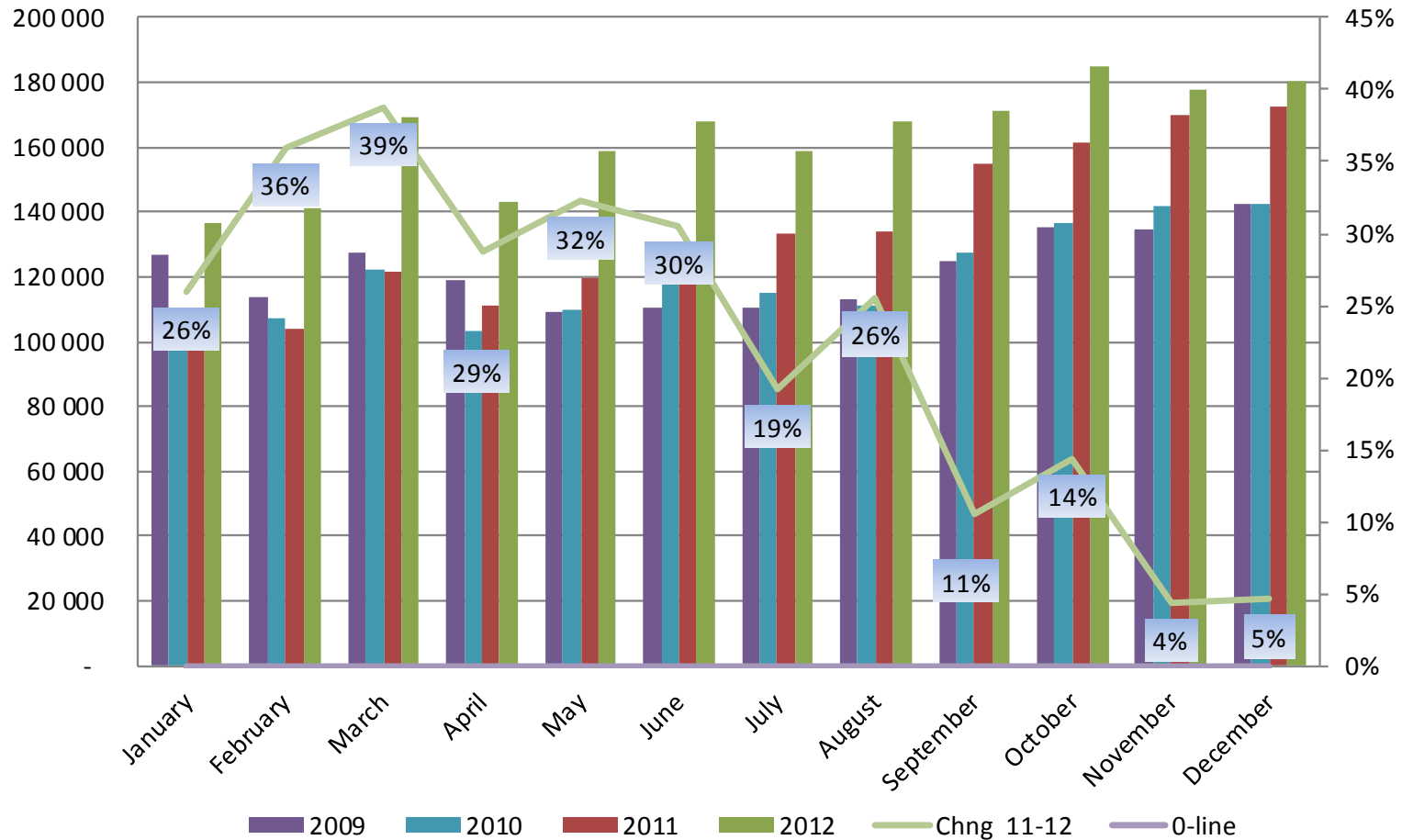


# Atlantic salmon – Supply in tons WFE

	2009	2010	Change 09-10	2011	Change 10-11	2012	Change 11-12	2013	Change 12-13
Norway	855 700	944 600	10,4 %	1 005 600	6,5 %	1 166 200	16,0 %	1 147 600	-1,6 %
United Kingdom	144 800	141 800	-2,1 %	154 700	9,1 %	153 300	-0,9 %	144 700	-5,6 %
Faroe Islands	47 100	41 800	-11,3 %	56 300	34,7 %	64 200	14,0 %	64 500	0,5 %
Ireland	14 800	17 800	20,3 %	16 000	-10,1 %	15 600	-2,5 %	12 000	-23,1 %
<b>Total Europe</b>	<b>1 062 900</b>	<b>1 146 000</b>	<b>7,8 %</b>	<b>1 232 600</b>	<b>7,6 %</b>	<b>1 399 900</b>	<b>13,6 %</b>	<b>1 370 300</b>	<b>-2,1 %</b>
Chile	239 100	129 600	-45,8 %	221 000	70,5 %	376 200	70,2 %	427 600	13,7 %
Canada	115 400	118 000	2,3 %	110 000	-6,8 %	121 500	10,5 %	106 000	-12,8 %
Australia	32 200	33 000	2,5 %	36 000	9,1 %	36 500	1,4 %	37 000	1,4 %
USA	16 400	18 000	9,8 %	18 300	1,7 %	19 600	7,1 %	19 500	-0,5 %
Others	1 200	1 400	16,7 %	2 100	50,0 %	3 500	66,7 %	7 000	100,0 %
<b>Total America</b>	<b>404 300</b>	<b>300 000</b>	<b>-25,8 %</b>	<b>387 400</b>	<b>29,1 %</b>	<b>557 300</b>	<b>43,9 %</b>	<b>597 100</b>	<b>7,1 %</b>
<b>Total World-wide</b>	<b>1 467 200</b>	<b>1 446 000</b>	<b>-1,4 %</b>	<b>1 620 000</b>	<b>12,0 %</b>	<b>1 957 200</b>	<b>20,8 %</b>	<b>1 967 400</b>	<b>0,5 %</b>

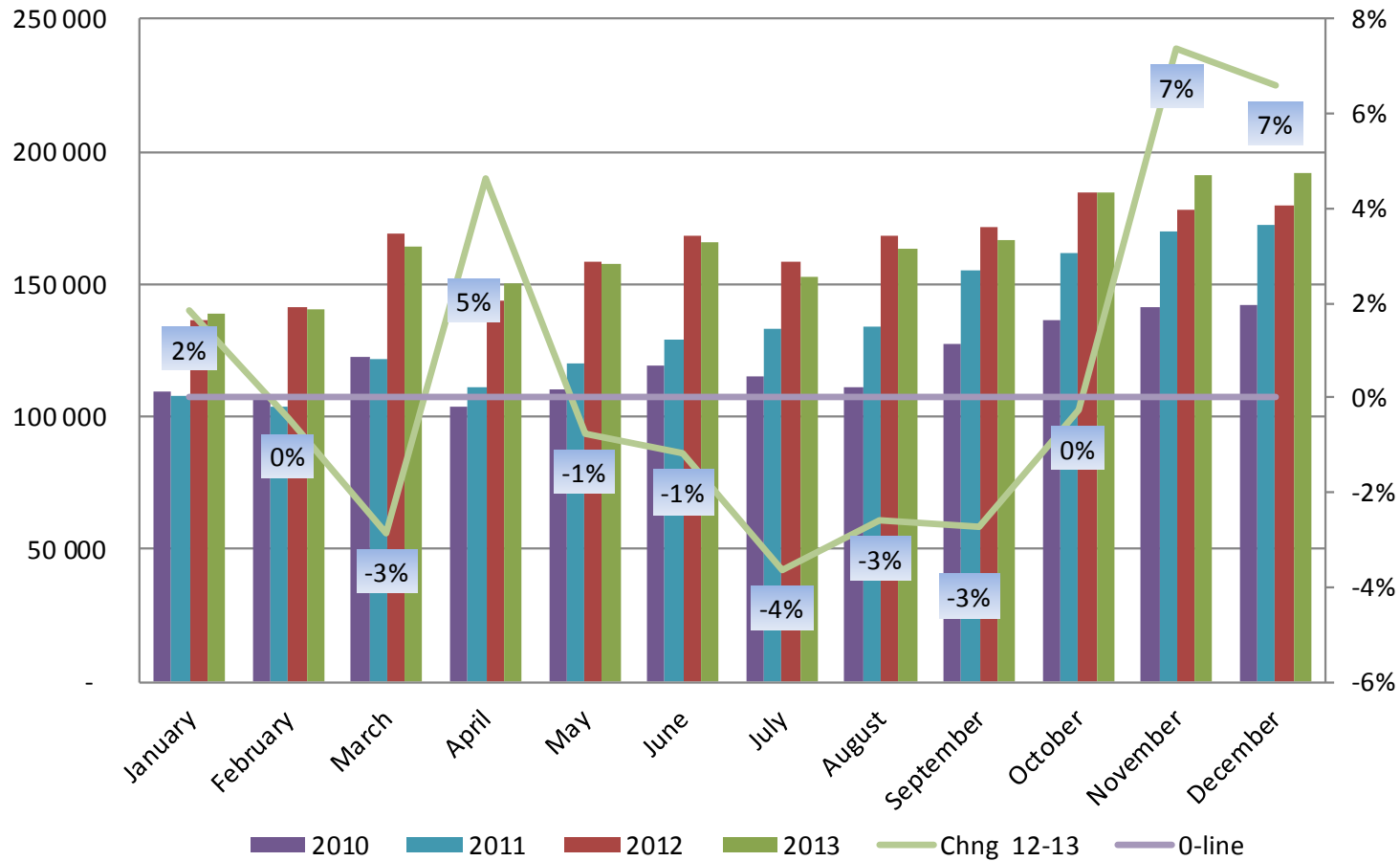
# Atlantic salmon - Harvest Quantities World Wide in tons WFE

## Harvest estimates Atlantic Salmon World Wide



# Atlantic salmon - Harvest Quantities World Wide in tons WFE

## Harvest estimates Atlantic Salmon World Wide

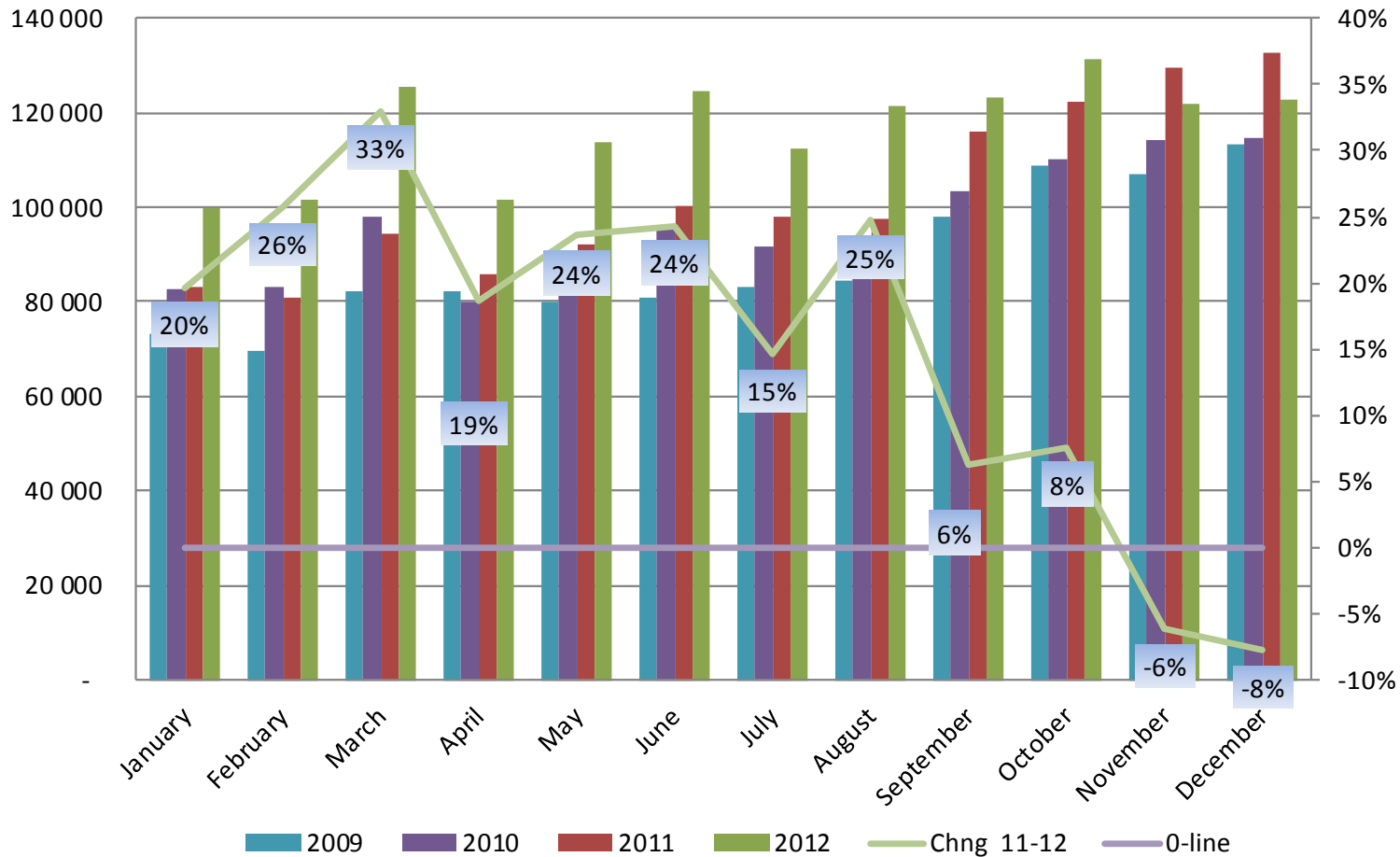


Figures as per 08.11.12  
Source: Kontali



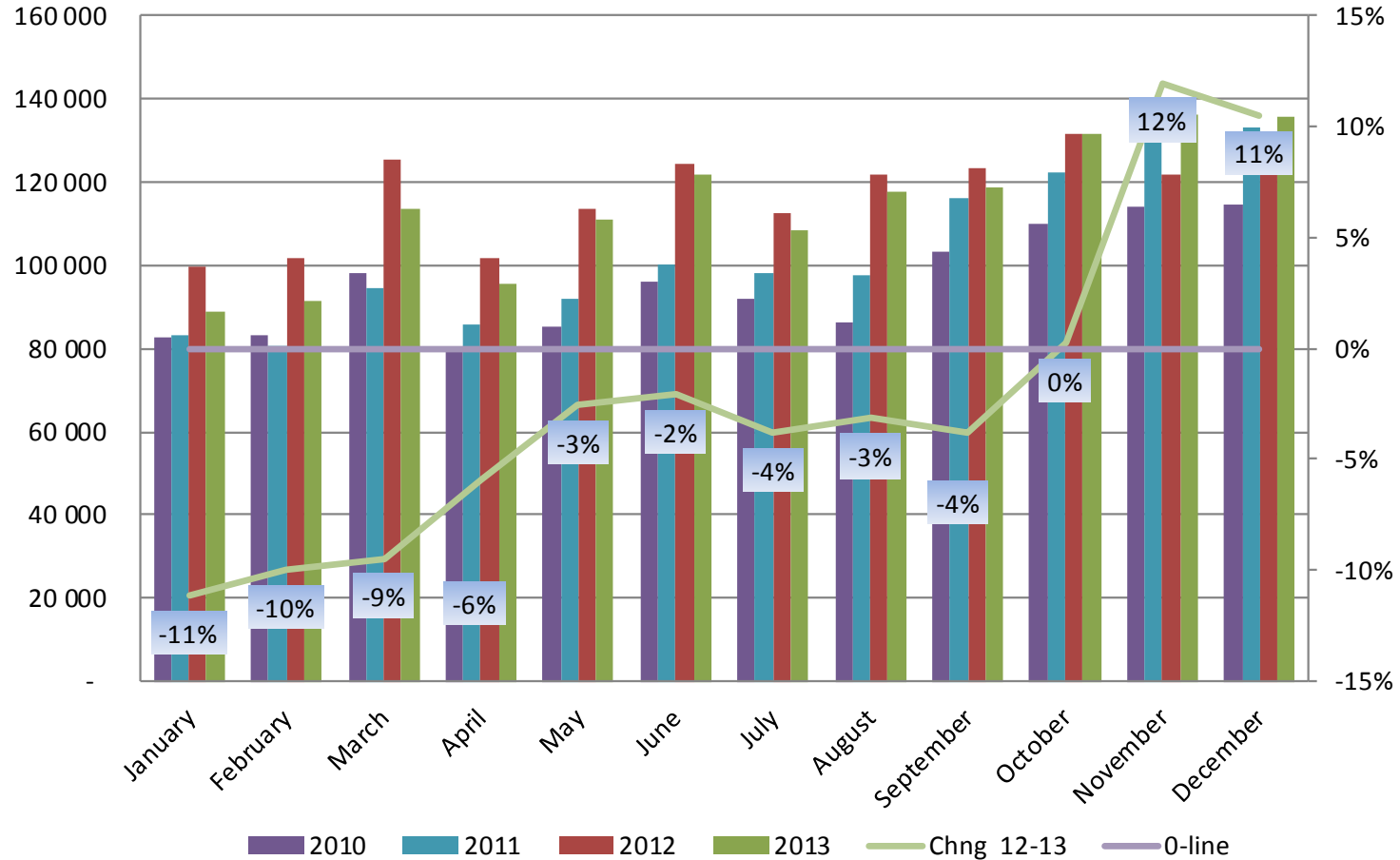
# Atlantic salmon - Harvest Quantities Europe in tons WFE

## Harvest estimates Atlantic Salmon Europe



# Atlantic salmon - Harvest Quantities Europe in tons WFE

## Harvest estimates Atlantic Salmon Europe



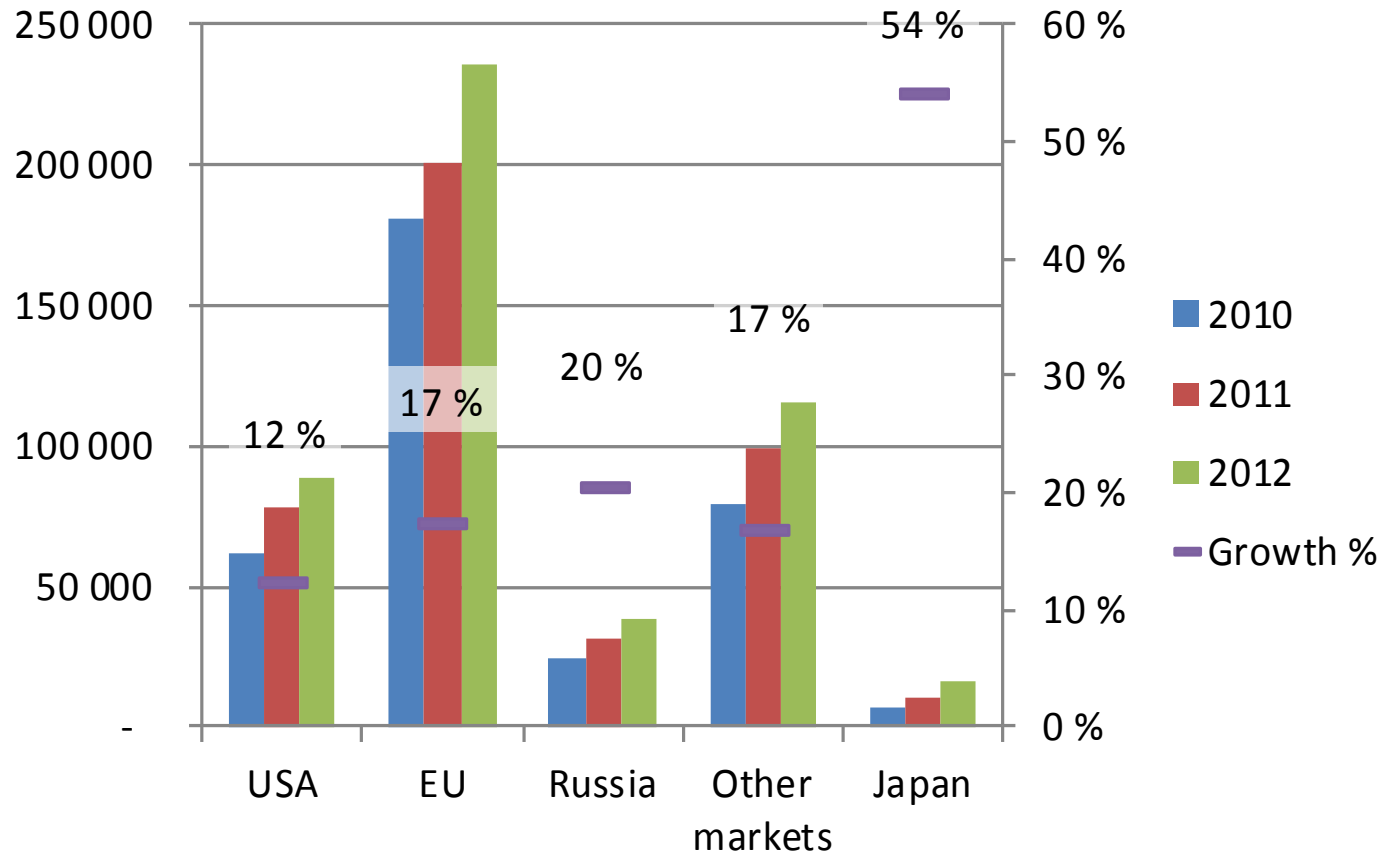
Figures as per 08.11.12  
Source: Kontali





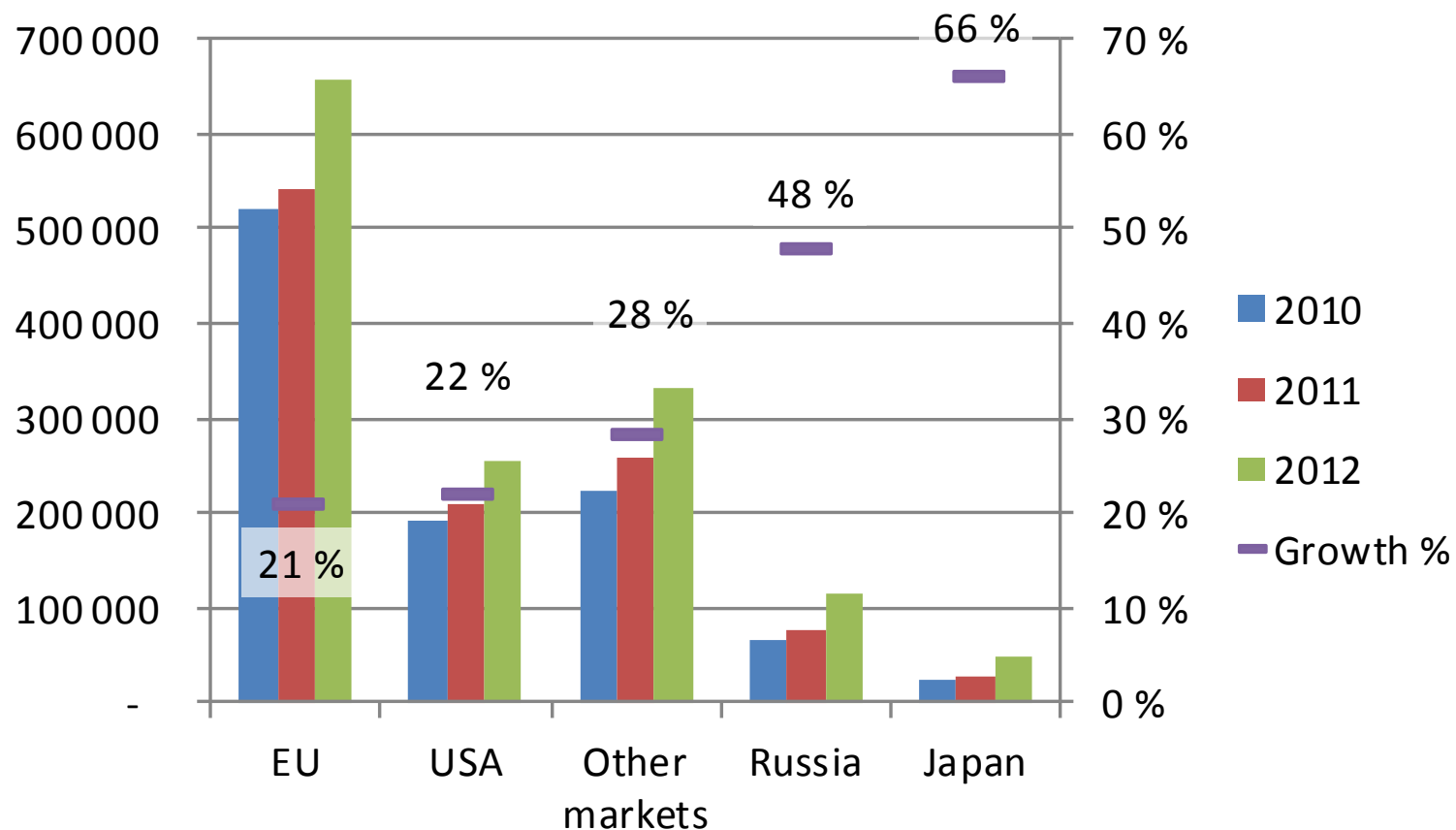
# Atlantic salmon - Consumption Q3

NOS Q3 12 (3-6):  
25,43 (25,95) -2%



# Atlantic salmon - Consumption YTD Q3

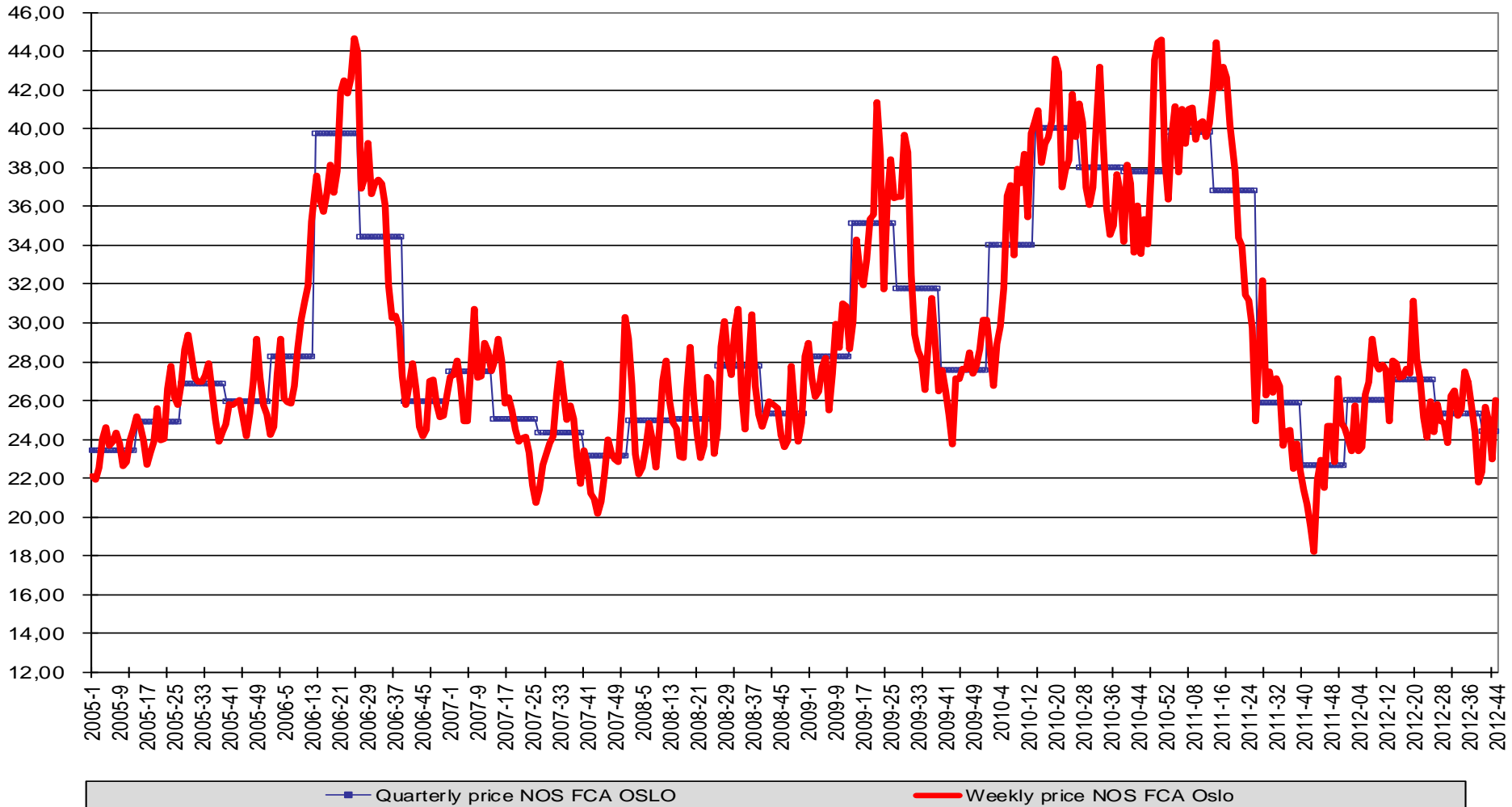
NOS YTD Q3 (3-6):  
26,32 (34,47) -23,6%



# SPOT prices, fresh Atlantic salmon cross-section, FCA Oslo as of week 44-2012 (Superior quality).

Avrg Q3 12 NOK 25.32 vs avrg Q3 11 NOK 25.84 (-2.0%)  
 Avrg YTD Q3 12 NOK 26.13 vs avrg YTD Q3 11 34.13 (-23.5%)

	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	Q3-12	Q4-12
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	27,03	25,32	24,38

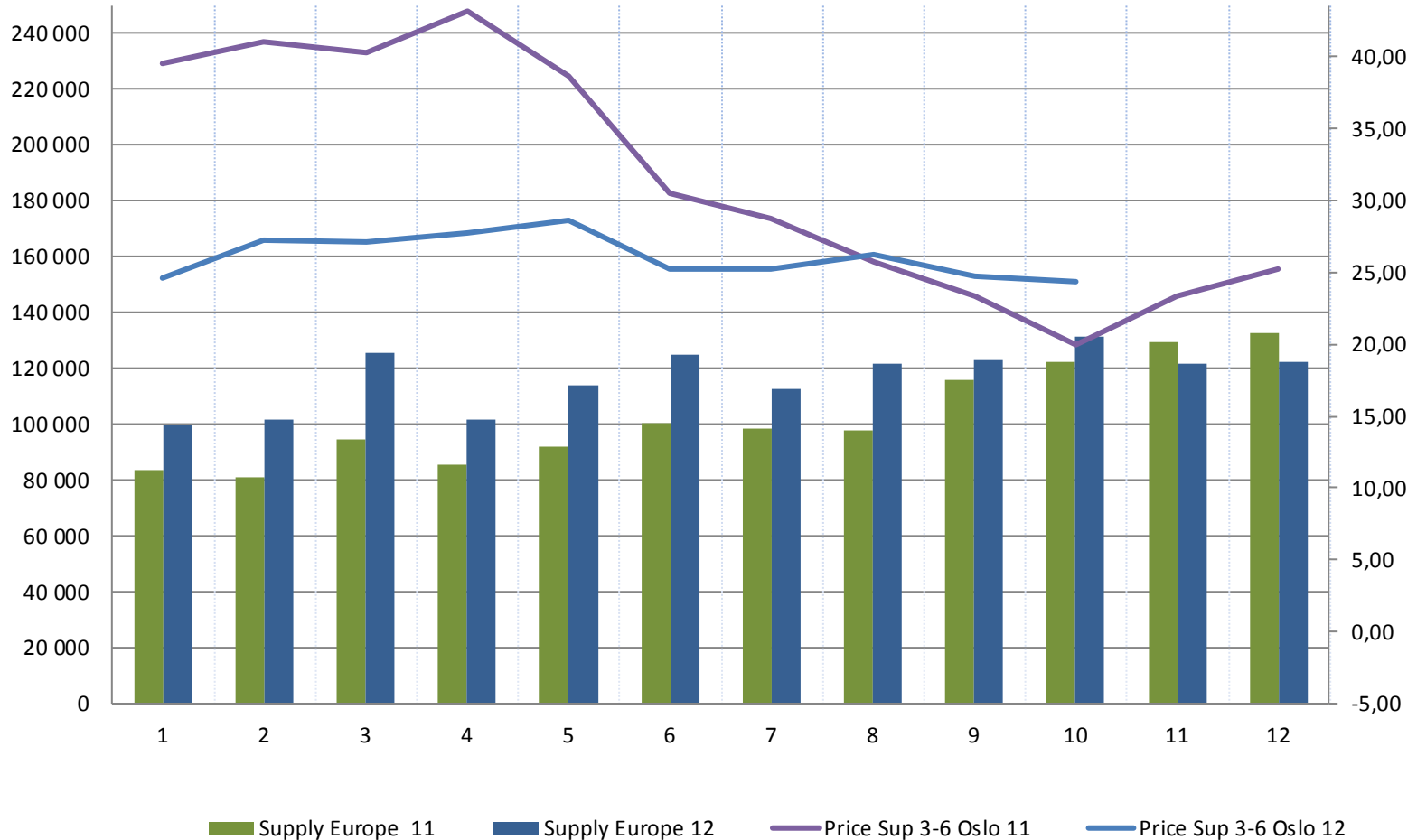


Figures as per 05.11.12  
 Source: NOS



# SPOT prices vs Harvest Estimates Europe 2011-2012

Europe Harvest Estimates of Salmon (wfe tons) ,  
Prices FCA Oslo Sup 3-6 kg (NOK)





# Going forward!

- Continue to drive innovation in the industry
  - Within farming operations
  - Within product and category development
  - Within entering new markets
- Continue to utilise our vertical integration
  - Our vertical integration gives strong competitive edge for a product with high traceability
- Strong environmental focus
  - Our operations are eternal
  - We make a product to feed everyone including our children
- Strong operational focus
  - Local «ownership» of assets
  - We strive everyday to perform better today than we did yesterday



**Thank you!**

[www.leroy.no](http://www.leroy.no)