

Lerøy Seafood Group

Quarterly report First quarter 2008

May 8th 2008

Ole-Eirik Lerøy
President & CEO

Ivan Vindheim
CFO



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Internal considerations Q1 2008

All figures in NOK mill

	Q1 - 08	Q1 - 07	Change	2007	2006	Change
Turnover	1 317	1 491	-12 %	6 291	5 617	12 %
EBIT bef adj biom	69	125	-45 %	387	684	-43 %
Operating profit	-105	88	-219 %	403	770	-48 %
Affiliated comp.	4	17	-76 %	36	129	-72 %
PTP bef adj biom	44	129	-66 %	367	758	-52 %
Pre-tax profit	-132	88	-250 %	369	858	-57 %

Internal considerations Q1 2008

Financially Solid

- Well positioned for future organic and strategic growth

Production

- Modest harvest volumes in Q1
 - Approximately 18% of annual volume
- Higher salmon prices than Q4 07
 - Substantial drop compared to Q1 07
- Cost pressure

Sales and distribution

- Modest volumes
- Volatility in sales prices
- Headwinds of a weak USD

Affiliated companies

- High production costs in Scotland (Norskott)





External considerations Q1 2008

Demand and supply

- Prices up 8.0% from Q4 07
- Prices in Q1 2008 9.2% lower than Q1 2007
- Supply growth from Norway YTD 4.8%
- Well balanced market
 - Estimated supply
 - Long-term trend in the demand for salmon
 - Food inflation

Political issues / trade barriers

- Positive signals from the EU?

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Income Statement Q1 2008

All figures in NOK 000'

	<u>Q1 2008</u>	<u>Q1 2007</u>	<u>2007</u>
Salgsinntekter / Operating revenues	1 316 657	1 491 078	6 290 898
Vareforbruk / Cost of goods sold	932 300	1 111 064	4 698 675
Lønnskostnader / Salaries and wages	149 414	131 266	579 004
Andre driftskostnader / Other operating costs	119 228	92 875	472 158
Ordinære avskrivninger / Ordinary depreciation	47 049	30 885	153 846
EBIT før verdijustering biomasse / EBIT before fair value adjustment biomass	68 666	124 988	387 215
Verdijustering biomasse / Fair value adjustment biomass	-173 938	-36 513	15 838
Driftsresultat / operating profit	-105 272	88 475	403 053
Inntekt fra tilknyttede selskaper / Income from affiliated companies	3 602	16 743	35 509
Netto finansposter / Net financial items	-30 575	-17 295	-69 736
Resultat før skattekostnad / Profit before tax	-132 245	87 923	368 826
Resultat før skattekostnad og før just biomasse/Profit before tax bef adj biom	44 385	129 274	366 961
Beregnete skatter / Estimated taxation	38 960	-20 940	-89 262
Periodens resultat / Profit for the period	-93 285	66 983	279 564



Balance Sheet Q1 2008

All figures in NOK 000'

	<u>31.03.08</u>	<u>31.03.07</u>	<u>31.12.07</u>
Immaterielle eiendeler / Intangible assets	2 832 628	2 812 144	2 832 305
Varige driftsmidler / Tangible fixed assets	1 245 267	952 124	1 149 128
Finansielle anleggsmidler / Financial fixed assets	321 569	354 670	317 113
Sum anleggsmidler / Total fixed assets	4 399 464	4 118 938	4 298 546
Varer / Inventories	1 604 284	1 545 391	1 759 141
Fordringer / Receivables	732 598	961 031	910 685
Betalingsmidler / Cash and equivalents	457 794	1 155 546	537 738
Sum omløpsmidler / Total current assets	2 794 676	3 661 968	3 207 564
Sum eiendeler / Total assets	7 194 140	7 780 906	7 506 110

Balance Sheet Q1 2008

All figures in NOK 000'

	<u>31.03.08</u>	<u>31.03.07</u>	<u>31.12.07</u>
Innskutt egenkapital / Equity contributions	2 646 280	2 654 696	2 646 280
Opptjent egenkapital / Earned equity	1 022 290	1 093 951	1 111 733
Minoritetsinteresser / Minority interests	19 633	18 597	20 830
Sum egenkapital / Total equity	3 688 203	3 767 244	3 778 843
Avsetning for forpliktelser / Accrued liabilities	604 309	652 302	655 541
Langsiktig gjeld / Long-term liabilities	1 748 371	1 758 384	1 724 699
Kortsiktige kreditter / Short-term loans	554 935	610 589	566 594
Annen kortsiktig gjeld / Other short-term liabilities	598 322	992 387	780 433
Sum gjeld / Total liabilities	3 505 937	4 013 662	3 727 267
Sum egenkapital og gjeld / Total equity and liabilities	7 194 140	7 780 906	7 506 110



Cash Flow Statement Q1 2008

All figures in NOK 000'

	<u>Q1 2008</u>	<u>Q1 2007</u>	<u>2007</u>
Kontantstrøm fra drift / Cash flow from operating activities			
Resultat før skatt / Profit before tax	-132 246	87 923	368 827
Ordinære avskrivninger / Ordinary depreciation	47 049	30 885	153 846
Endring kundefordringer / Change in accounts receivable	89 893	6 575	94 416
Endring leverandører / Change in accounts payable	-138 588	22 680	-7 993
Endring verdjustering biomasse / Change in value adjustment biomass	173 938	36 513	-15 838
Endring varelager / Change in inventories	-19 081	-54 587	-200 882
Resultat tilknyttede selskaper / Profit impact affiliated companies	-3 602	-16 743	-35 509
Betalt skatt og andre driftsposter / Taxes paid and other operating items	35 405	67 534	-259 086
Netto kontantstrøm fra drift / Net cash flows from operating activities	52 768	180 780	97 781
Kontantstrøm fra investeringsaktiviteter / Cash flow from investing activities			
Netto investering i varige driftsmidler etc. / Net investment in fixed assets etc.	-143 511	-135 388	-408 045
Netto utbetaling ved kjøp av aksjer etc. / Net payments for acquisitions of shares etc.		-20 262	56 428
Netto utbetaling ved kjøp av konsernselskaper / Net acquisitions of group companies		333 155	295 112
Endring langsiktige fordringer etc. / Change in long-term receivables etc.	-1 214	-145	-431
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities	-144 725	177 360	-56 936
Kontantstrøm fra finansieringsaktiviteter / Cash flow from financing activities			
Netto endring i kortsiktige kreditter / Net change in bank overdraft	-8 659	25 653	-43 628
Endring langsiktig gjeld / Net change in long-term debt	20 672	-22 743	-48 965
Netto innbetaling av egenkapital / Net equity contributions		284 624	292 824
Utbetaling av utbytte / Dividend payments			-213 210
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financing activities	12 013	287 534	-12 979
Netto kontantstrøm for perioden / Net cash flows for the period	-79 944	645 674	27 866
Betalingsmidler ved periodens begynnelse / Cash and equivalents at beginning of period	537 738	509 872	509 872
Betalingsmidler ved periodens slutt / Cash and equivalents at end of period	457 794	1 155 546	537 738



Key figures - Lerøy Seafood Group Q1 2008

Nøkkeltall / Key figures

Resultatmargin / Profit margin ¹⁾

Driftsmargin før just.biomasse./ Operating margin before adj.biomass.

Driftsmargin / Operating margin ²⁾

Resultat per aksje før just.biomasse/ Earnings per share before adj.biomass

Resultat per aksje / Earnings per share ³⁾

Utvannet resultat per aksje / Diluted earnings per share

ROCE før just.biomasse (annualisert) / ROCE before adj.biomass (annualised)

ROCE (annualisert) / ROCE (annualised) ⁴⁾

Egenkapitalandel / Equity ratio

Netto rentebærende gjeld / Net interest bearing debt

Kontantstrøm per aksje / Cash-flow per share ⁵⁾

Utvannet kontantstrøm per aksje / Diluted cash-flow per share

	<u>Q1 2008</u>	<u>Q1 2007</u>	<u>2007</u>
	-10,04 %	5,90 %	5,86 %
	5,22 %	8,38 %	6,16 %
	-8,00 %	5,93 %	6,41 %
	0,65	2,05	5,80
	-1,73	1,40	5,75
	-1,73	1,39	5,71
	5,57 %	14,09 %	9,85 %
	-7,35 %	9,66 %	9,44 %
	51,27 %	48,42 %	50,34 %
	1 841 534	1 194 081	1 753 555
	0,98	3,75	2,03
	0,98	3,72	2,01

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



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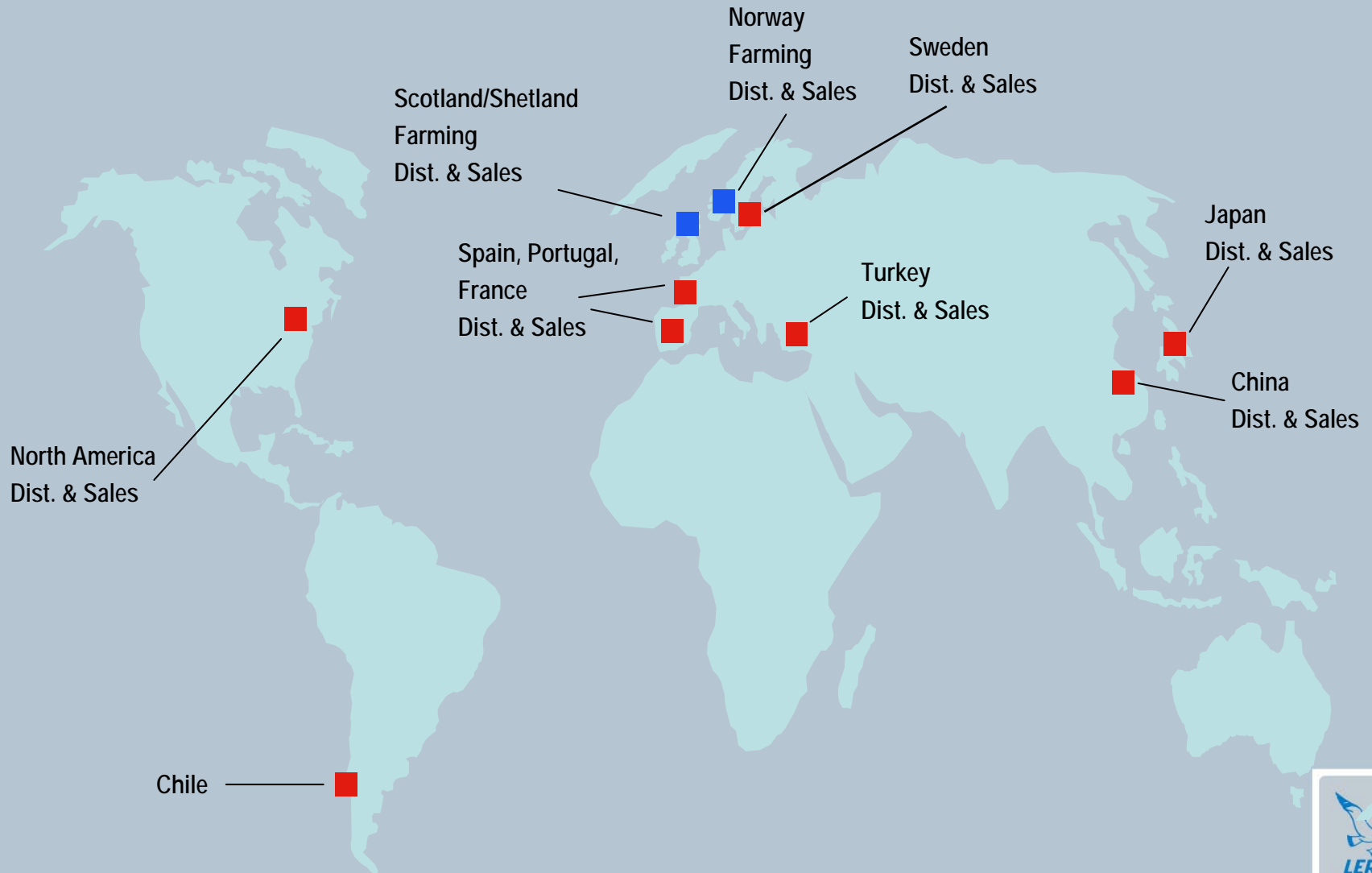
Lerøy at a glance

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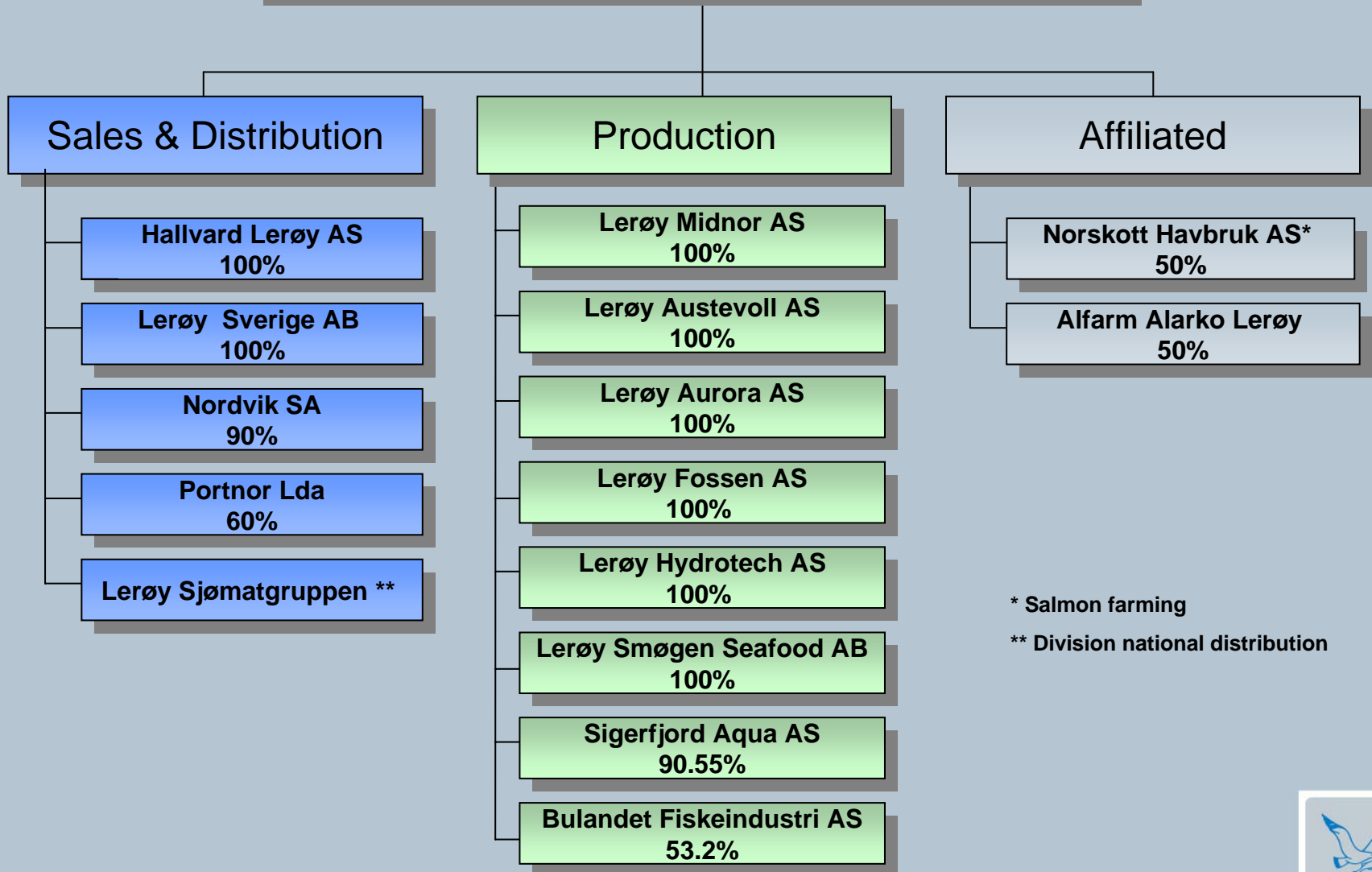
Market glance



Lerøy Seafood Group - Global organization



Lerøy Seafood Group ASA



* Salmon farming

** Division national distribution



Lerøy Seafood Group

Global distribution network

- Global distribution from Head Office in Bergen
- Local distribution and processing in Norway, Sweden, France, Portugal and Turkey
- Local representative offices in some key markets (France, Japan, China and USA)
- 12.5% share of Norwegian Seafood tot exports value
- 18.1% of Norwegian salmon export
- 26.0% of Norwegian value added salmon export

Totally 1,698 employees

- Sales and distribution 441
- Production and farming 924
- Affiliates 333





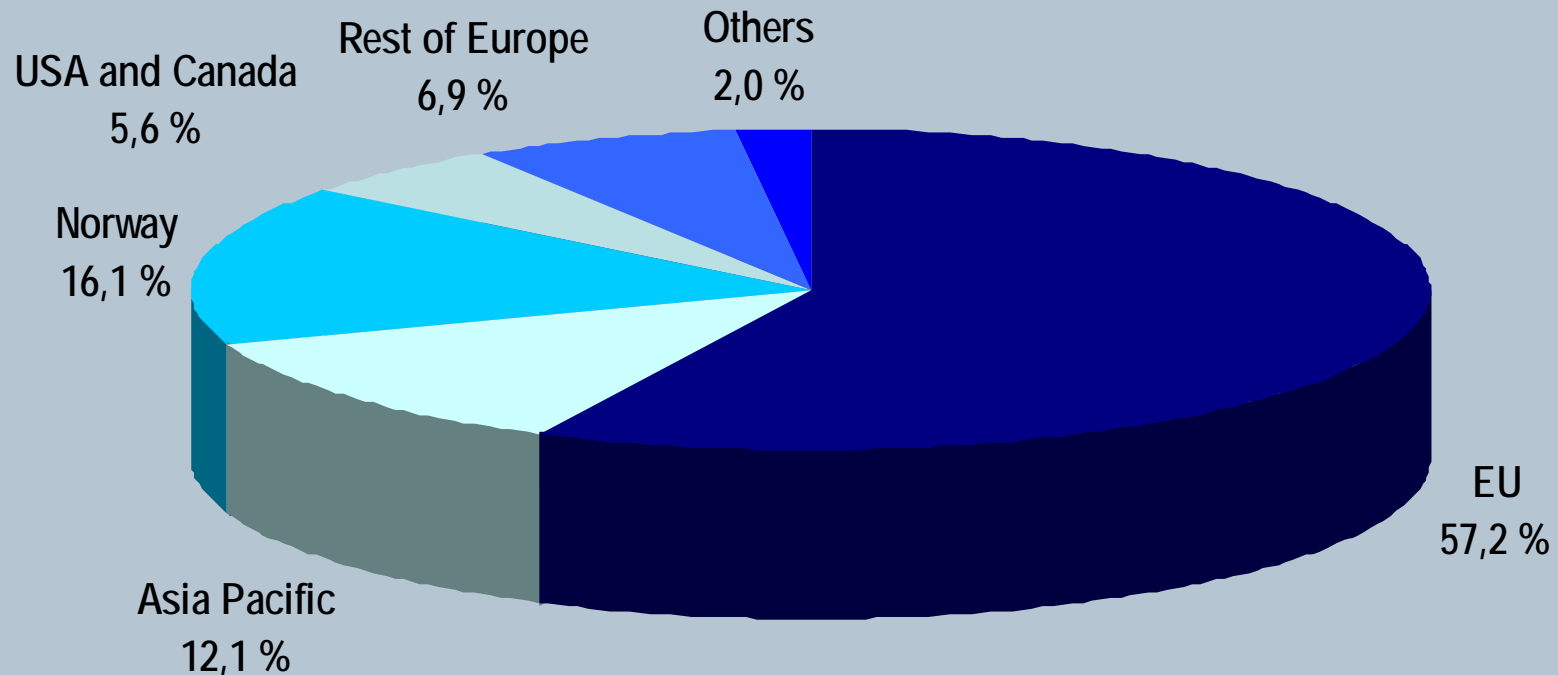
Lerøy Seafood Group

Market strategy:

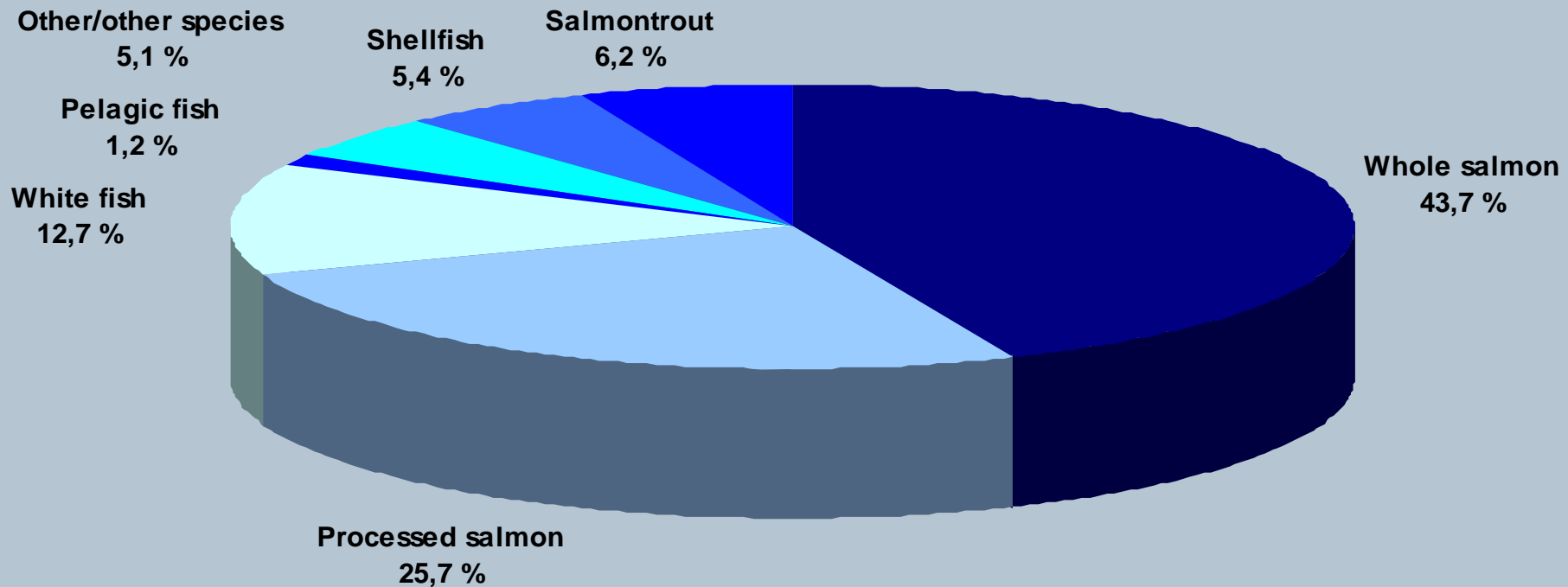
- Quality
- Branding
- Diversity in product range
- Diversity in customer base
- Market-oriented solutions
- Geographical spread
- Continuity in deliveries
- Cost efficiency



Lerøy Seafood Group - Sales per market Q1 08

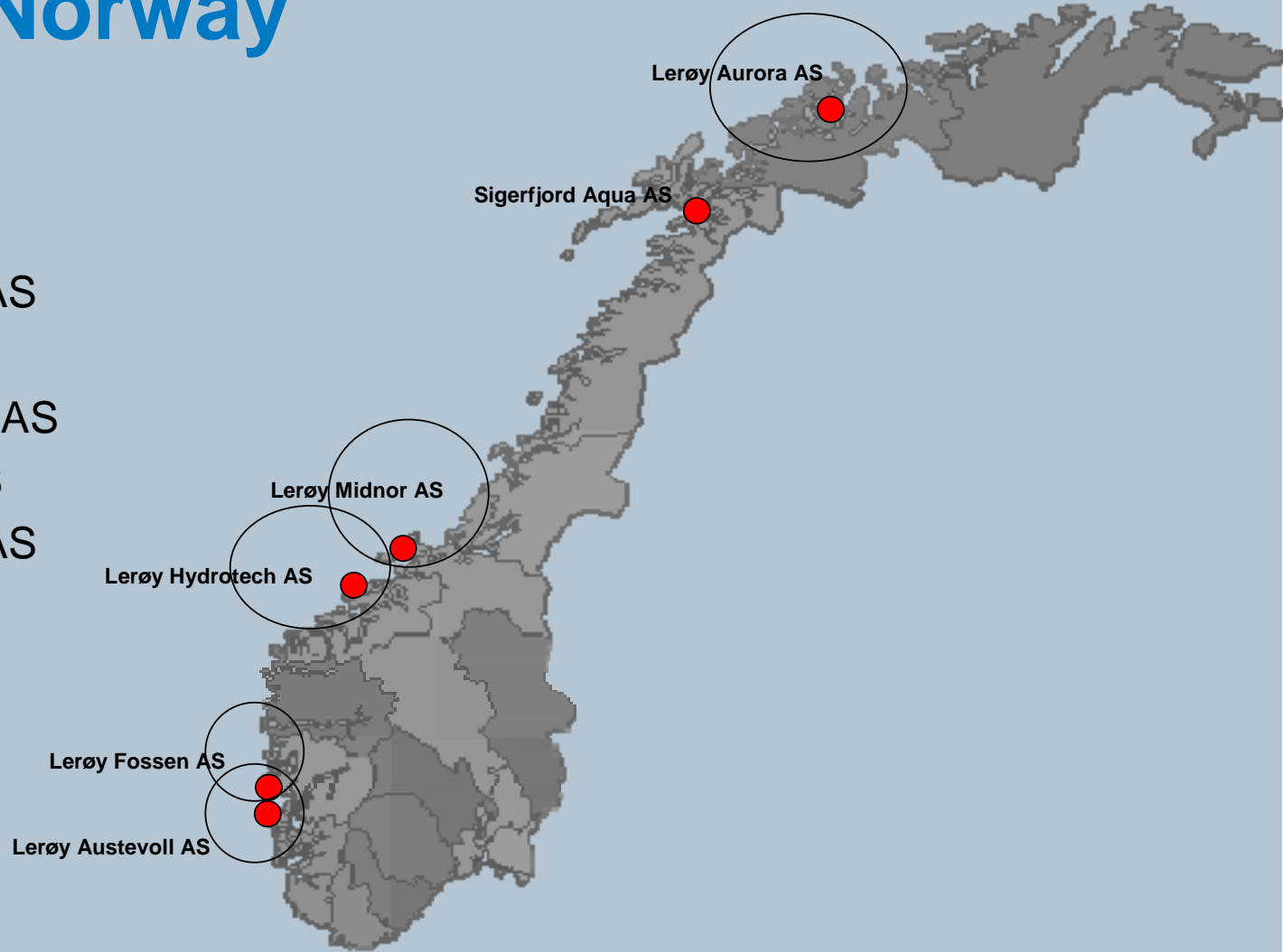


Lerøy Seafood Group - Sales per product Q1 08




Farming Norway

Lerøy Aurora AS
Sigerfjord Aqua AS
Lerøy Midnor AS
Lerøy Hydrotech AS
Lerøy Fossen AS
Lerøy Austevoll AS



Lerøy Seafood Group – Salmon/trout farming

Company	Ownership share	Licences No individuals	Mill. smolt	2006 GWT	2007 GWT	2008E GWT
Lerøy Midnor AS	100 %	28,0	9,5	27 200	29 200	30 000
Lerøy Aurora AS	100 %	16,0	5,0	13 700	17 100	20 000
Lerøy Fossen AS	100 %	7,0	4,2	4 900	9 100	7 500
Lerøy Hydrotech AS	100 %	23,0	7,0	17 600	20 100	23 000
Lerøy Austevoll AS*)	100 %	27,0	10,0	11 000	13 400	18 500
Total Norway		101	35,7	74 400	88 900	99 000
Norskott Havbruk AS (UK)**)	50 %		6,0	10 050	12 000	13 000
Total			41,7	84 450	100 900	112 000

 Consolidated, farming

 Affiliated, farming


*) Acquisition 2007, consolidated from 010407

***) LSG's share



Lerøy Seafood Group – Salmon/trout farming

Company	Ownership share	Volume 2008E	Volume YTD Q1	Share%	Rest 2008	Share%
Lerøy Midnor AS	100 %	30,0	4,9	16 %	25,1	84 %
Lerøy Aurora AS	100 %	20,0	5,2	26 %	14,8	74 %
Lerøy Fossen AS	100 %	7,5	1,1	15 %	6,4	85 %
Lerøy Hydrotech AS	100 %	23,0	3,8	17 %	19,2	83 %
Lerøy Austevoll AS	100 %	18,5	3,0	16 %	15,5	84 %
Total Norway		99,0	18,2	18 %	80,8	82 %
Norskott Havbruk AS (UK) ^{*)}	50 %	13,0	3,1	24 %	9,9	76 %
Total		112,0	21,3	19 %	90,7	81 %

 Consolidated, farming

 Affiliated, farming

^{*)} LSG's share



Key Figures Production Q1 2008

Figures NOK million	Lerøy Midnor	Lerøy Hydrotech	Lerøy Aurora	Lerøy Fossen	Lerøy Austevoll	Others / Elimination	Total
Revenues	138,2	100,2	128,7	40,2	72,0	68,3	547,6
EBIT befor biom.adj.	22,6	3,1	25,3	0,8	13,5	-0,5	64,8
EBIT	-51,8	-26,6	-24,7	1,8	-7,4	-0,5	-109,2
Volumes (gwtt)	4,9	3,8	5,2	1,1	3,0	N/A	18,2
EBIT/kg	4,6	0,8	4,8	0,7	4,4	N/A	

Norskott Havbruk

LSG's share = 50%

NOKm	Q1 - 2008	Q1 - 2007	2007
Revenues	196	246	841
EBITDA	33	73	176
EBIT bef adj biom	23	65	140
EBIT	15	51	100
Pre tax	9	47	81
Volumes (gwt)	6,3	6,9	23,8
Balance sheet	31.03.2008	31.03.2007	31.12.2007
Licences, Goodwill	363	399	362
Tangible fixed assets	201	135	222
Inventories	417	448	480
Other current assets	86	108	89
Total assets	1 067	1 090	1 153
Equity	508	550	516
Debt	559	540	637
Total equity and debt	1 067	1 090	1 153
Net interest bearing debt	303	266	266



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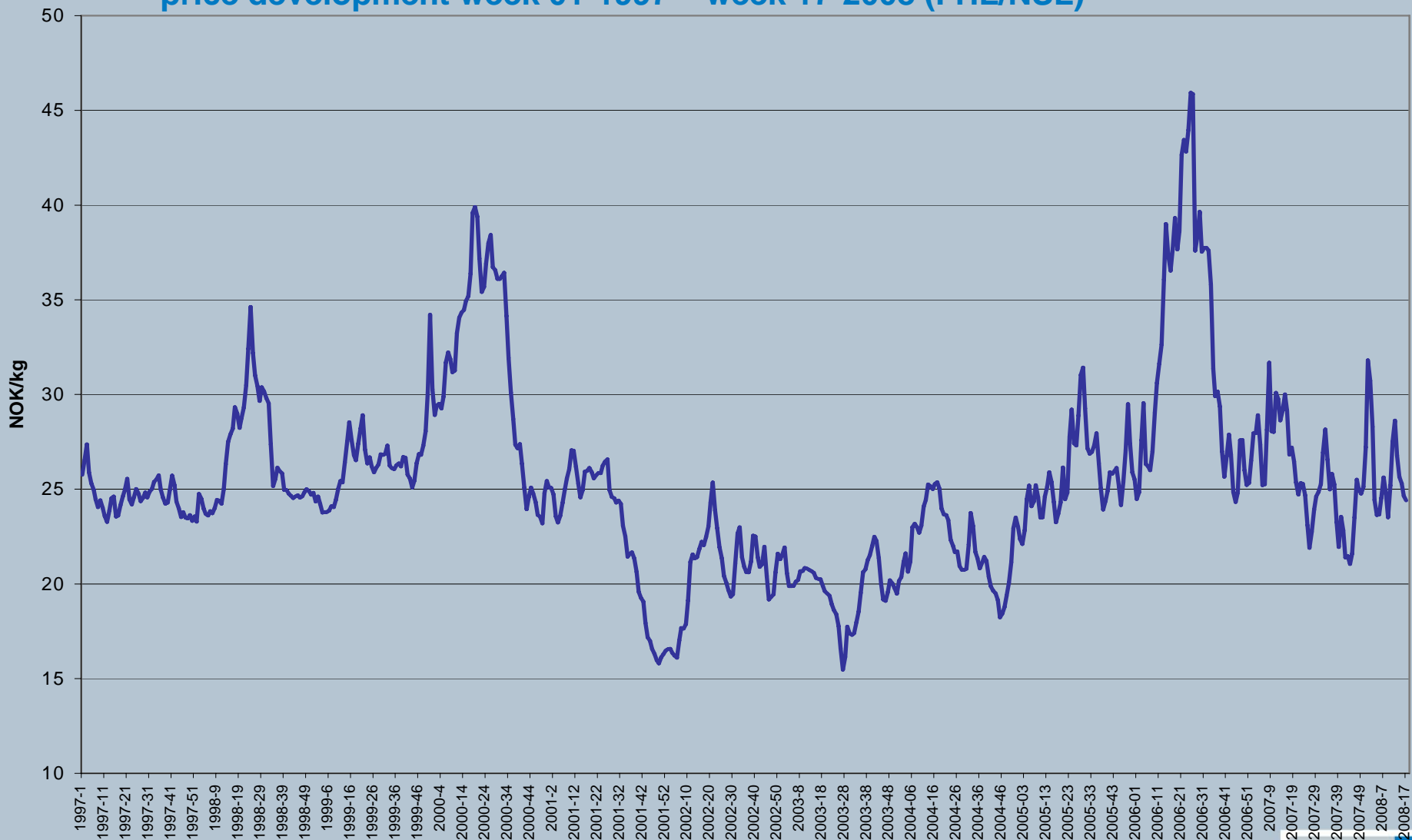
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Market glance



Fresh Atlantic Salmon Norway (4-5 kgs) – price development week 01-1997 – week 17-2008 (FHL/NSL)



Figures per 28.04.08

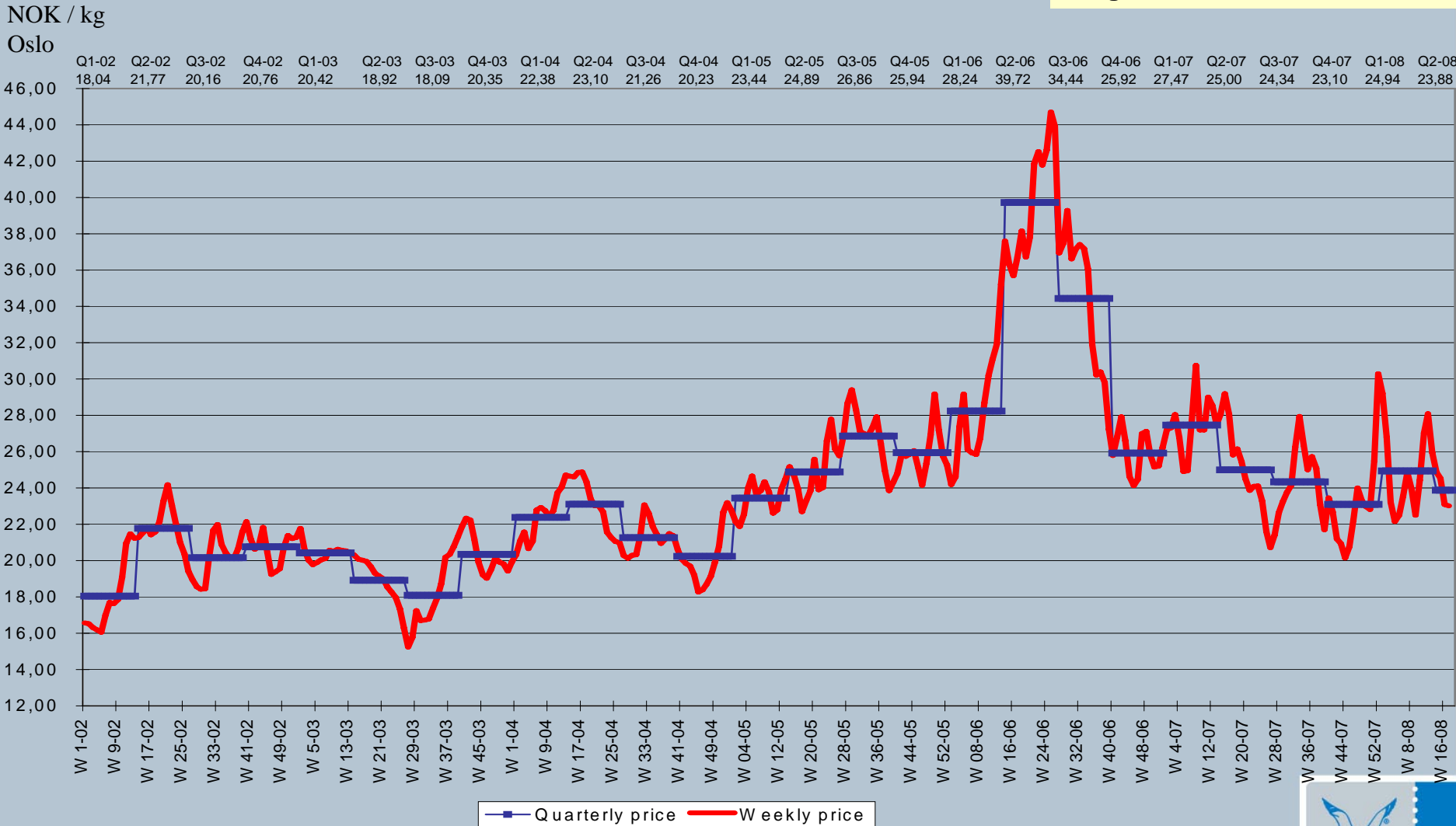
Source: FHL/NSL



Oslo Salmon export from Norway as of week 17-2008

Fresh atlantic salmon, cross-section, FCA.

Avg. Q1 2008 NOK 24.94 (-9,2%)
Avg. Q1 2007 NOK 27.47
Avg. Q4 2007 NOK 23.10
Avg. 2007 NOK 24.97 (-22.1%)
Avg. 2006 NOK 32.08



Figures per 28.04.08

Source: FHL/NSL



Market development for Atlantic Salmon from Norway Jan-April 2007 vs Jan-April 2008

	Volume 2007	Volume 2008	Change	Value 2007	Value 2008	Change
EU	148 461	162 762	9,6 %	3 983 000	3 922 596	-1,5 %
Others	28 182	30 175	7,1 %	734 900	689 023	-6,2 %
Japan	10 432	8 835	-15,3 %	309 366	247 110	-20,1 %
Russia	17 007	19 363	13,9 %	423 570	438 812	3,6 %
USA	4 619	3 239	-29,9 %	163 705	106 967	-34,7 %
In total	208 701	224 374	7,5 %	5 614 541	5 404 508	-3,7 %

(volume in tons round weight, value in thousand NOK)

April 2008 is up 15.0% vs April 2007 in volume.

(EU +15.7%, Others +12.7%, Japan -13.7%, Russia +35.1%, USA -4.2%)

Atlantic salmon – Supply

in tons WFE

	2002	2003	Change 02-03	2004	Change 03-04	2005	Change 04-05	2006	Change 05E-06	2007 E	Change 06-07E	2008 E	Change 07E-08E
Norway	443 900	508 400	14,5 %	537 000	6 %	572 200	7 %	598 500	5 %	723 300	20,9 %	779 600	7,8 %
United Kingdom	140 100	160 800	14,8 %	149 800	-7 %	119 700	-20 %	127 500	7 %	134 900	5,8 %	143 600	6,4 %
Faroe Islands	42 100	47 100	11,9 %	36 800	-22 %	17 200	-53 %	11 900	-31 %	19 000	59,7 %	29 300	54,2 %
Ireland	22 300	18 400	-17,5 %	12 400	-33 %	12 400	0 %	14 500	17 %	16 000	10,3 %	17 000	6,3 %
Iceland	1 500	3 700	146,7 %	6 600	78 %	6 500	-2 %	4 000	-38 %	2 000	-50,0 %	1 000	-50,0 %
Total Europe	649 900	738 400	13,6 %	742 600	1 %	728 000	-2 %	756 400	4 %	895 200	18,4 %	970 500	8,4 %
Chile	268 300	280 800	4,7 %	346 200	23 %	385 200	11 %	368 700	-4 %	356 400	-3,3 %	330 000	-7,4 %
Canada	112 000	92 000	-17,9 %	89 000	-3 %	107 500	21 %	115 000	7 %	110 000	-4,3 %	120 000	9,1 %
Australia	13 000	14 000		14 100	9 %	17 900	27 %	19 400	8 %	23 800	22,7 %	25 700	8,0 %
USA	13 200	18 000	36,4 %	13 300	-26 %	9 600	-28 %	10 000	4 %	11 500	15,0 %	12 000	4,3 %
Others	2 000	1 800	-10,0 %	2 400	33 %	2 400	0 %	2 400	0 %	2 400	0,0 %	2 400	0,0 %
Total America	408 500	406 600	-0,5 %	465 000	14,4 %	522 600	12 %	515 500	-1 %	504 100	-2,2 %	490 100	-2,8 %
Total World-wide	1 058 400	1 145 000	8,2 %	1 207 600	5,5 %	1 250 600	3,6 %	1 271 900	1,7 %	1 399 300	10,0 %	1 460 600	4,4 %

Figures per 28.04.08
Source: Kontali / Lerøy



Drivers Salmon per 30.04.2008

Norway total export volume of Atlantic Salmon (224,374 MT WFE)	+ 7.5 %
Norway total export value of Atlantic Salmon (NOK5,404m)	- 3.7 %
Norway – EU (volume Atlantic Salmon) (162,762 MT WFE)	+ 9.6 %
Norway – EU (value Atlantic Salmon) (NOK3,922m)	- 1.5 %
Norway – Russia (volume Atlantic Salmon) (19,363 MT WFE)	+ 13.9 %
Sales of fish-feed in Norway week 1-17 08 (223,178 MT)	- 4 %

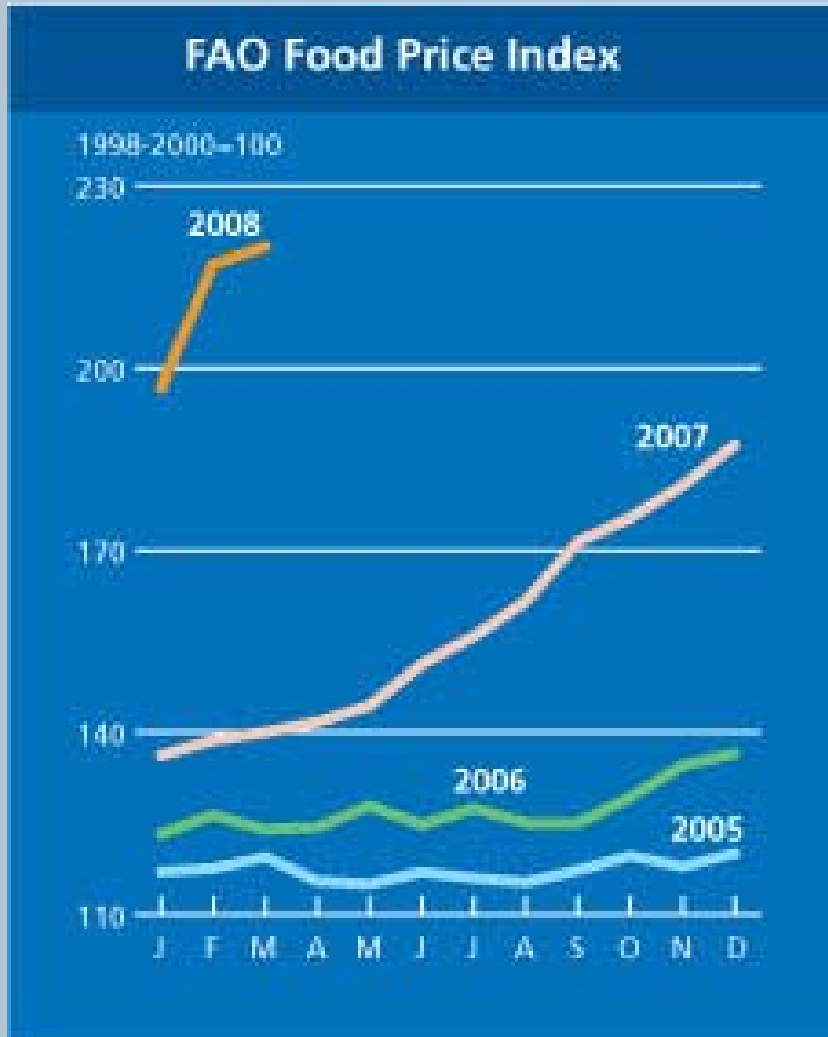
MT = Metric Ton = 1 Ton

Figures per 07.05.08

Sources: NSEC / Kontali / FHL



FAO Food Price Index



Source: FAO. Consists of the weighted average of the six commodities meat, dairy, cereals, oils and fats and sugar

- As per March 2008 the FAO Food Price Index is up 57% year on year
 - 23% in 2007
- Prices of nearly all food commodities have risen since the beginning of the year supported by a persistent, tight supply and demand situation

Food's share of consumer spending



US	11 %
UK	20 %
France	27 %
Poland	31 %
China	59 %



Going forward!

Strong demand

Reduced supply growth

Continued consolidations

Room for operational
improvements



Thank you !

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