



LERØY SEAFOOD GROUP

Quarterly report First quarter 2011

May 12th 2011

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Lerøy at a glance

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Market glance



Highlights as of Q1 2011

- Record-high first quarter, both turnover and profitwise
 - EBIT/kg all inclusive NOK 16.0
- High salmon spot prices on the back of a negative global supply and strong demand
 - However, high proportion of contracts (53%)
- Biology satisfactory
 - But still significant regional differences costwise
- Strong cash-flow
- Took over Jokisen Eväät OY in Q1 (51% stake)
 - Enjoys a strong position in the sale and distribution of seafood in the Finnish market

Internal considerations Q1 2011

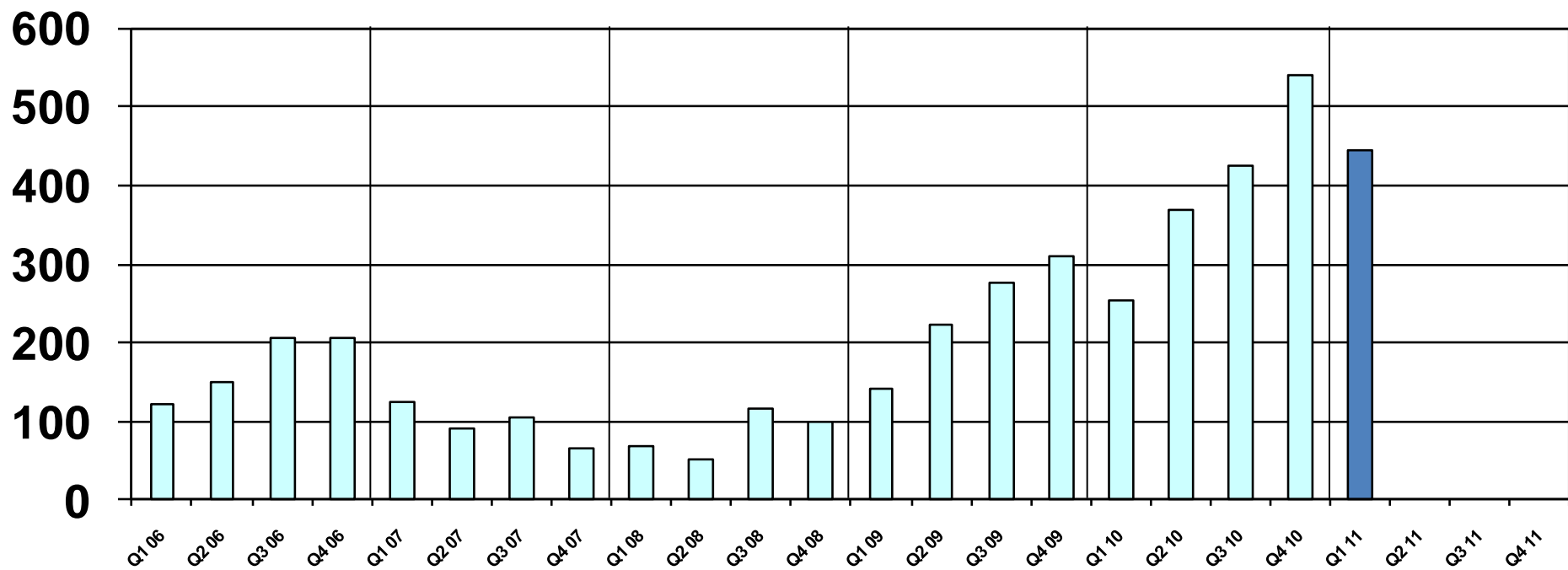
All figures in NOK mill

	Q1 - 11	Q1 - 10	Change	2010	2009	Change
Turnover	2 225	1 873	19 %	8 888	7 474	19 %
EBITDA	510	307	66 %	1 806	1 154	56 %
EBIT bef adj biom	446	255	75 %	1 586	950	67 %
PTP bef adj biom ^{*)}	458	267	72 %	1 623	927	75 %

*) PTP = Pre-Tax Profit

Quartely EBIT LSG pre biomass adj

NOK million



Internal considerations Q1 2011

Production

- In total, volumes in line with 2011E and seasonality
- Overall, operations satisfactory
 - Substantial improvements in Lerøy Vest
 - However, region Hordaland still potential for improvements
- Input factors rising, however, untapped potential in
 - Biological performance
 - Economies of scale

Sales and Distribution

- Capitalising on
 - Economies of scale
 - Systems
 - Global network
 - Organisation/human capital





Internal considerations

Q1 2011 cont'd

Affiliated companies

- Satisfactory biological performance
- Significant increase in profit as a result of higher prices (Norskott/Scottish Sea Farms)

Financially solid

- NIBD NOK940m as of Q1 2011
- Proposed dividend NOK/share 10.0, i.e. NOK546m
 - Ex dividend 26 May 2011
- High profit and strong cash performance
- Well positioned for future organic and strategic growth

External considerations Q1 2011

Demand and supply

- Seasonally high spot prices in Q1 11 on the back of a strong demand and negative global supply
 - 17.0% Q1 11 vs Q1 10
- However, LSG high proportion of contracts
 - 53% in Q1 11, and approx. 40-50% 2011E FY
- Negative supply growth from Norway in Q1 11
 - -3.1% Q1 11 vs Q1 10
- Uncertainty related to Chile
- Strong market
 - Enduring demand for seafood in general, and for Atlantic salmon in particular
 - Good demand also expected in the time ahead

Political issues / trade barriers

- 5 years review of the US' punitive tariff on fresh whole Norwegian salmon
- Extended control of Norwegian salmon into China
 - Extremely difficult from a market point of view



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Income Statement Q1 2011

All figures in NOK 000

	<u>Q1 2011</u>	<u>Q1 2010</u>	<u>2010</u>
Salgsinntekter / Operating revenues	2 225 129	1 873 091	8 887 671
Vareforbruk / Cost of goods sold	1 301 410	1 250 740	5 612 160
Lønnskostnader / Salaries and wages	222 088	170 985	777 845
Andre driftskostnader / Other operating costs	191 247	144 509	691 791
Driftsresultat før avskrivninger / EBITDA	510 384	306 857	1 805 874
Ordinære avskrivninger / Ordinary depreciation	64 541	51 764	219 624
Driftsresultat før verdijustering biomasse / EBIT before fair value adjustment biomass	445 843	255 093	1 586 249
Verdijustering biomasse / Fair value adjustment biomass	49 596	270 012	298 538
Driftsresultat / Operating profit	495 439	525 105	1 884 787
Inntekt fra tilknyttede selskaper / Income from associated companies	21 932	42 749	122 006
Netto finansposter / Net financial items	-16 753	-14 415	-66 272
Resultat før skattekostnad og før just biomasse / Profit before tax bef adj biom.	458 042	266 902	1 623 307
Resultat før skattekostnad / Profit before tax	500 618	553 439	1 940 521
Beregnete skatter / Estimated taxation	-139 004	-142 986	-510 952
Periodens resultat / Profit for the period	361 614	410 453	1 429 569

Key Figures Production Q1 2011

Figures NOKm	*) Lerøy Midnor	Lerøy Hydrotech	*) Lerøy Aurora	Lerøy Vest	*) Sjøtroll Havbruk	Others / elimination	Total Q1 11	Total Q1 10
Revenues	281,5	213,0	148,2	294,7	187,1	127,4	1 251,8	837,9
EBIT before biom adj	107,2	86,7	51,6	109,4	52,6	8,8	416,3	218,9
RoS before biom adj	38 %	41 %	35 %	37 %	28 %	7 %	33 %	26 %
Volumes (GWtk)	6,5	5,2	3,8	8,1	4,4	0,0	27,9	22,5
EBIT/kg	16,6	16,6	13,7	13,5	12,0		14,6	9,6

EBIT/kg all inclusive NOK 16.0 (Q1 2010 NOK/kg 11.3)

Q1 10 comparable figures:								
Revenues	239,2	149,9	102,0	222,2	n.a.	124,6	837,9	
EBIT before biom adj	89,7	48,9	29,1	48,6	n.a.	2,7	219,0	
RoS before biom adj	38 %	33 %	29 %	22 %	n.a.	2 %	26 %	
Volumes (GWtk)	7,4	4,6	3,1	7,4	n.a.		22,5	
EBIT/kg	12,1	10,7	9,3	6,6	n.a.		9,6	

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

Key Figures Sales & Distribution Q1 2011

Figures NOKm	Sales & Distribution	Elimination	Total Q1 11	Total Q1 10
Revenues	2 263,5	-97,1	2 166,4	1 869,0
EBIT	36,2	0,1	36,3	46,7
RoS	1,6 %		1,7 %	2,5 %

- Second best first quarter ever

Balance Sheet Q1 2011

All figures in NOK 000

	<u>31.03.11</u>	<u>31.03.10</u>	<u>31.12.10</u>
Immaterielle eiendeler / Intangible assets	3 864 600	2 964 779	3 851 457
Varige driftsmidler / Tangible fixed assets	1 617 681	1 216 924	1 586 334
Finansielle anleggsmidler / Financial non-current assets	387 631	343 151	369 982
Sum anleggsmidler / Total fixed assets	5 869 912	4 524 854	5 807 773
Biologiske eiendeler / Biological assets	2 747 128	2 121 826	2 706 733
Varer / Inventories	247 338	213 352	290 379
Fordringer / Receivables	1 104 314	922 003	1 190 214
Betalingsmidler / Cash and cash equivalents	1 648 844	934 224	1 357 096
Sum omløpsmidler / Total current assets	5 747 623	4 191 405	5 544 422
Sum eiendeler / Total assets	11 617 535	8 716 259	11 352 195
Innskutt egenkapital / Paid in equity	2 773 912	2 642 612	2 773 912
Opptjent egenkapital / Earned equity	3 015 686	2 045 158	2 671 798
Ikke-kontrollerende eierinteresser / Non-controlling interests	576 944	18 916	548 564
Sum egenkapital / Total equity	6 366 542	4 706 686	5 994 274
Avsetning for forpliktelsler / Accrued liabilities	1 278 976	949 559	1 269 054
Langsiktig gjeld / Long-term liabilities	2 176 727	1 465 517	2 223 014
Kortsiktige kreditter / Short-term loans	412 760	601 363	434 121
Annen kortsiktig gjeld / Other short-term liabilities	1 382 530	993 134	1 431 732
Sum gjeld / Total liabilities	5 250 993	4 009 573	5 357 921
Sum egenkapital og gjeld / Total equity and liabilities	11 617 535	8 716 259	11 352 195

Cash Flow Statement Q1 2011

All figures in NOK 000

	<u>Q1 2011</u>	<u>Q1 2010</u>	<u>2010</u>
Kontantstrøm fra drift / Cash flow from operating activities			
Resultat før skatt / Profit before tax	500 618	553 439	1 940 521
Betalt skatt / Income tax paid	-48 221	-4 056	-98 315
Ordinære avskrivninger / Ordinary depreciation	64 541	51 764	219 624
Resultat tilknyttede selskaper / Profit from associated companies	-21 932	-42 749	-122 006
Endring verdijustering biomasse / Change in value adjustment biomass	-49 809	-270 012	-298 538
Endring varelager / Change in inventories	56 772	29 707	-133 265
Endring kundefordringer / Change in accounts receivable	109 318	74 307	-67 458
Endring leverandører / Change in accounts payable	-92 133	-8 787	-8 312
Poster klassifisert som finansieringsaktiviteter / Items reclassified as financing activities	17 322	14 508	65 127
Andre tidsavgrensninger / Other accruals	-68 697	-31 865	9 105
Netto kontantstrøm fra drift / Net cash flows from operating activities	467 779	366 256	1 506 483
Kontantstrøm fra investeringsaktiviteter / Cash flow from investing activities			
Netto investering i varige driftsmidler etc. / Net investment in fixed assets etc.	-91 152	-42 038	-267 749
Netto investering i immaterielle eiendeler / Net investment in intangible fixed assets	-427	-386	-1 782
Netto utbetaling ved kjøp av aksjer etc. / Net payments for acquisitions of shares etc.	393	161	-18 255
Netto utbetaling ved kjøp av konsernselskaper / Net acquisitions of group companies	-13 168	0	-540 000
Innbetaling av utbytte fra tilknyttede selskaper / Dividend from associates	0	0	47 540
Endring langsiktige fordringer etc. / Change in long-term receivables etc.	-254	1 508	3 919
Netto kontantstrøm fra investeringsaktiviteter / Net cash flow from investing activities	-104 608	-40 755	-776 327
Kontantstrøm fra finansieringsaktiviteter / Cash flow from financing activities			
Netto endring i kortsiktige kreditter / Net change in bank overdraft	-13 539	-48 958	-305 200
Netto endring langsiktig gjeld / Net change in long-term debt	-54 586	-35 800	524 351
Netto innbetaling av egenkapital / Net equity contributions	0	0	131 300
Innbetaling knyttet til renteinntekter / Interests received	3 558	3 372	16 705
Utbetaling knyttet til rentekostnader / Payment of interests	-20 394	-17 880	-81 832
Utbetaling av utbytte / Dividend payments	0	0	-375 452
Netto kontantstrøm fra finansieringsaktiviteter / Net cash flow from financing activities	-84 961	-99 266	-90 128
Netto kontantstrøm for perioden / Net cash flows for the period	278 210	226 235	640 028
Betalingsmidler ved periodens begynnelse / Cash and cash equivalents at beginning of period	1 357 096	707 989	707 989
Betalingsmidler fra oppkjøp / Cash and cash equivalents from business combinations	13 538	0	9 079
Betalingsmidler ved periodens slutt / Cash and equivalents at end of period	1 648 844	934 224	1 357 096

Key figures - Lerøy Seafood Group Q1 2011

	<u>Q1 2011</u>	<u>Q1 2010</u>	<u>2010</u>
Resultatmargin før just.biomasse / Profit margin before adj. biomass	20,6 %	14,2 %	18,3 %
Resultatmargin / Profit margin ¹⁾	22,5 %	29,5 %	21,8 %
Driftsmargin før just.biomasse / Operating margin before adj.biomass	20,0 %	13,6 %	17,8 %
Driftsmargin / Operating margin ²⁾	22,3 %	28,0 %	21,2 %
Resultat per aksje før just.biomasse / Earnings per share before adj.biomass	5,80	3,71	22,08
Resultat per aksje / Earnings per share ³⁾	6,05	7,65	26,25
Utvannet resultat per aksje / Diluted earnings per share	6,05	7,65	26,25
ROCE før just.biomasse (annualisert) / ROCE before adj.biomass (annualised)	28,1 %	20,6 %	27,5 %
ROCE (annualisert) / ROCE (annualised) ⁴⁾	28,3 %	39,2 %	30,8 %
Egenkapitalandel / Equity ratio	54,8 %	54,0 %	52,8 %
Netto rentebærende gjeld / Net interest bearing debt	940 438	1 131 665	1 298 727
Kontantstrøm per aksje / Cash-flow per share ⁵⁾	8,57	6,84	27,86
Utvannet kontantstrøm per aksje / Diluted cash-flow per share	8,57	6,83	27,85

1) Resultatmargin = Resultat før skatt / Salgsinntekter

Profit margin = Profit before tax / Revenues

2) Driftsmargin = Driftsresultat / Salgsinntekter

Operating margin = Operating profit / Revenues

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

Earnings per share = Majority interests / Average number of shares

4) ROCE = [Resultat før skatt + netto finansposter] / Gjennomsnitt [netto rentebærende gjeld + sum egenkapital]

ROCE = [Pre tax profit + Net financial items] / Average [Net interest bearing debt + Total equity]

5) Kontantstrøm fra drift

Cash-flow from operations

Funding

- Sound debt repayment profile

NOK million	2011	2012	2013	2014	2015
Instalments	352	342	341	335	695 ^{*)}

- Covenants NIBD/EBITDA < 5 and Equity ratio > 30%^{**)}
 - Q1 2011: 0.4 and 66.9 % respectively
- Satisfactory committed unused credit lines

^{*)} Of which NOK300m 5 year extendable bond with Eksportfinans ASA (annual option to extend the bond by 1 year at a time)

^{**)} Adjusted for bank deposits and deferred tax associated with licenses

Norskott Havbruk 100% figures

LSG's share = 50%

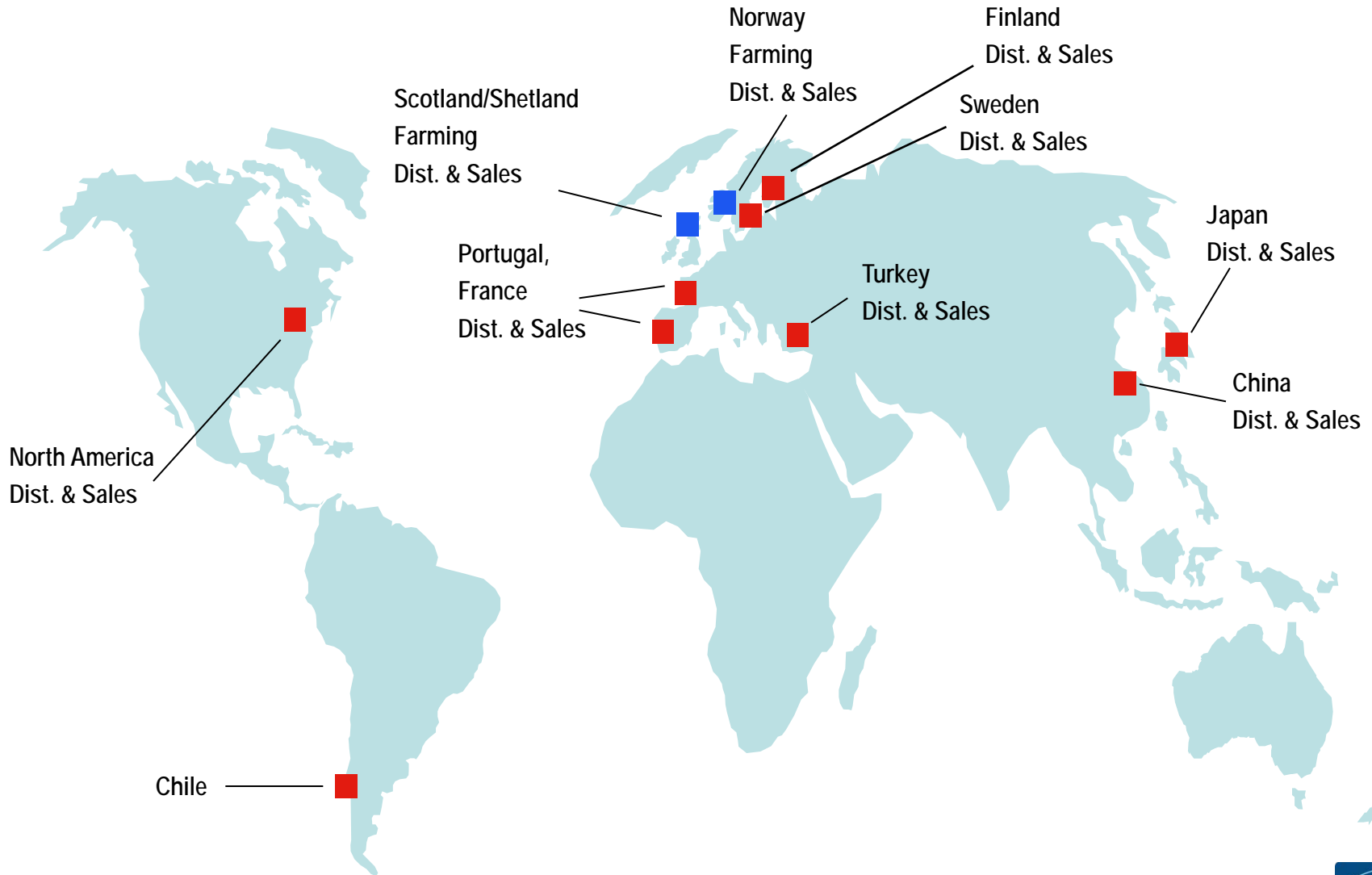
NOKm	Q1 2011	Q1 2010	2010
Revenues	225	285	1 027
EBITDA	83	83	325
EBIT bef adj biom	69	73	279
EBIT	50	119	331
Pre tax	48	116	325
Volumes (gwt)	5,5	8,3	27,1
EBIT/kg	12,6	8,8	10,3
Balance sheet	31.03.2011	31.03.2010	31.12.2010
Licences, goodwill	350	351	353
Tangible fixed assets	188	188	190
Inventories	466	444	490
Other current assets	123	127	112
Total assets	1 128	1 109	1 145
Equity	641	563	606
Debt	486	547	539
Total equity and debt	1 128	1 109	1 145
Net interest bearing debt	196	309	261



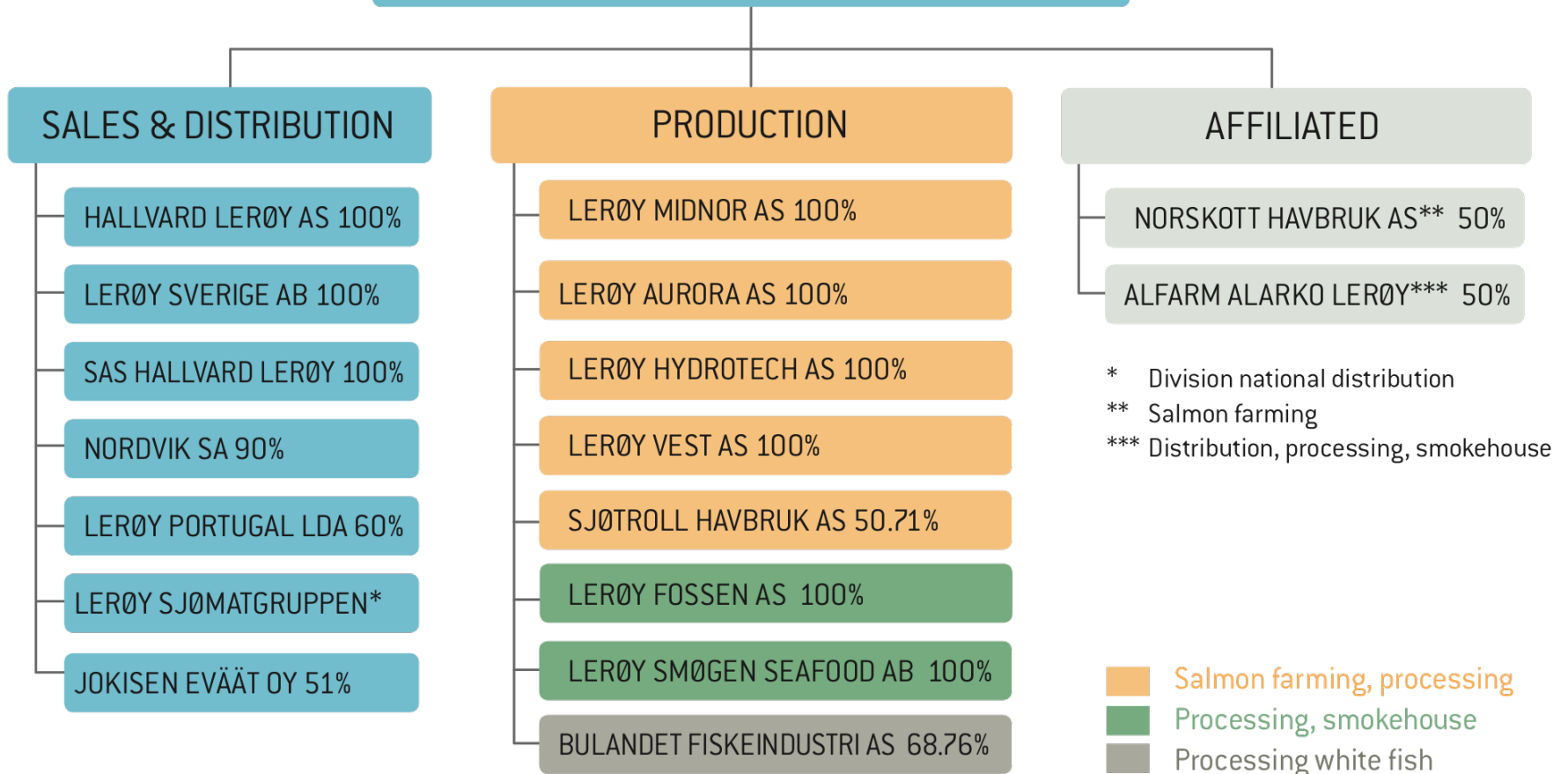
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Lerøy Seafood Group - Global organization



LERØY SEAFOOD GROUP ASA



Lerøy Seafood Group

Global distribution network

- Head Office in Bergen
- National distribution and processing in Norway, Sweden, Finland, France, Portugal, and Turkey
- Branch offices in key markets (France, Japan, China and USA)
- 13.3% (13.4%) share of Norwegian seafood export value
- 16.8% (17.4%) of Norwegian salmon export
- 28.5% (23.6%) of Norwegian value added salmon export
- #2 global salmon farmer

Total of 1,811 employees

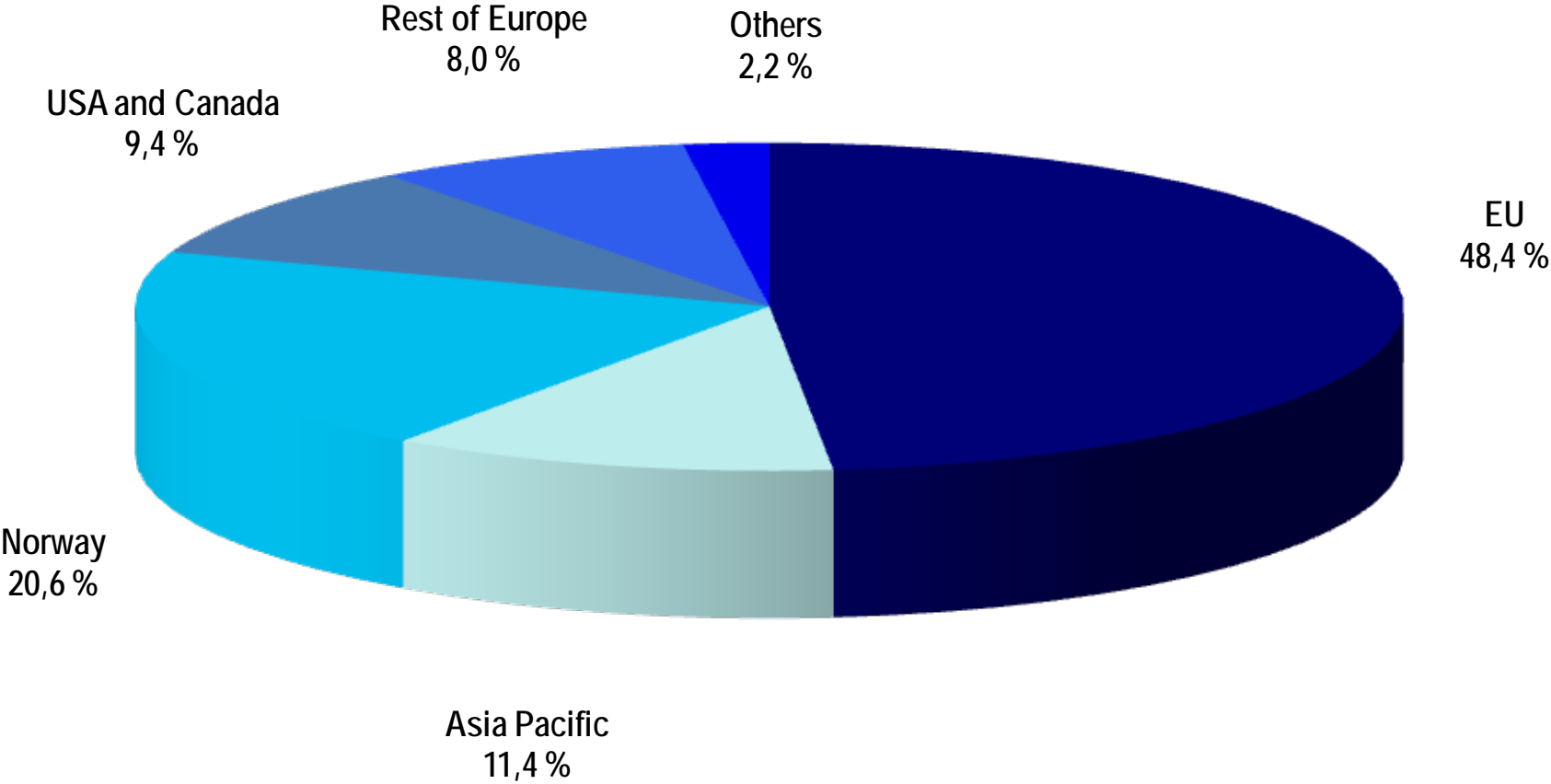
- Sales and distribution 412
- Production and farming 1,399
- Associates 381 (not consolidated)



Lerøy Seafood Group

- Fully integrated
 - From roe to the plate
- Competent employees
- Decentralized farming units
 - Autonomous units in three regions
 - In addition, the affiliated company Scottish Sea Farms in Scotland
- Processing plants
 - Smokehouses
 - Fillets, portions etc
 - Post / pre-rigor
- Global sales network
- Group structure gives rise to economies of scale and avoidance of scale disadvantages

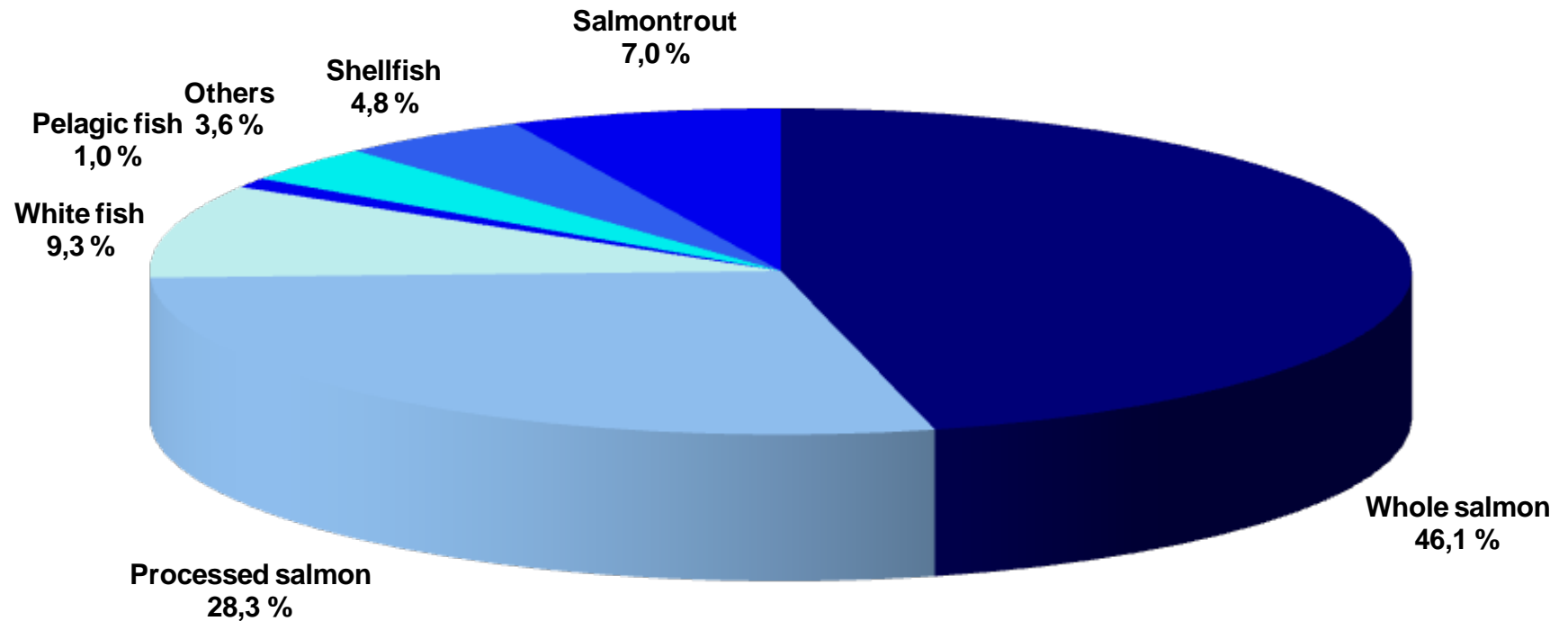
Lerøy Seafood Group - Sales per market Q1 2011



More than 60 countries

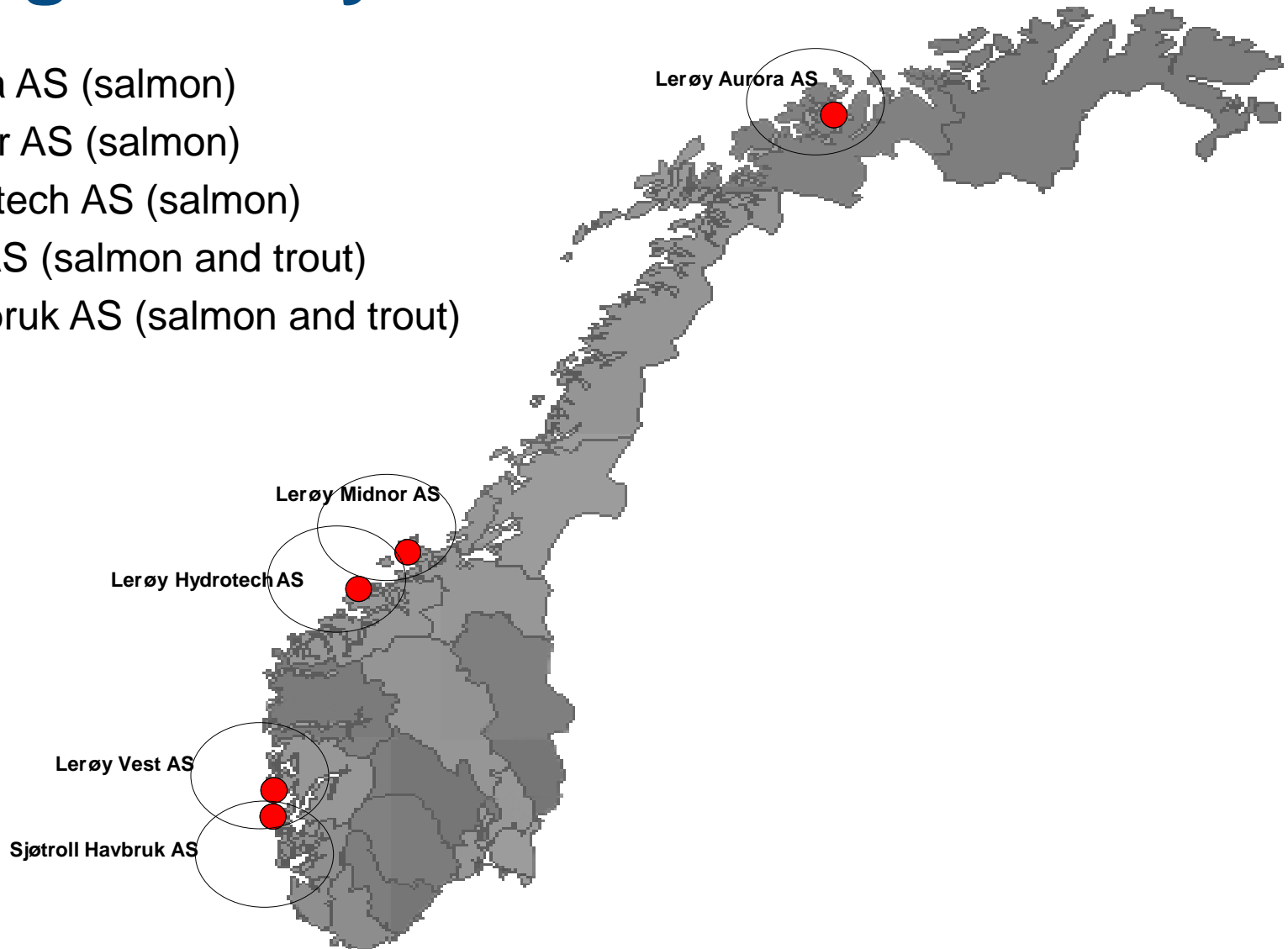


Lerøy Seafood Group - Sales per product Q1 2011



Farming Norway

- Lerøy Aurora AS (salmon)
- Lerøy Midnor AS (salmon)
- Lerøy Hydrotech AS (salmon)
- Lerøy Vest AS (salmon and trout)
- Sjøtroll Havbruk AS (salmon and trout)



Integrated value chain



Lerøy Seafood Group – Salmon/trout farming

Company	Ownership share	Licences No	Mill. smolt individuals	2009 GWT	2010 GWT	2011E GWT
Lerøy Midnor AS	100 %	30	9,5	35 000	34 000	36 500
Lerøy Aurora AS	100 %	17	7,5	19 300	20 300	20 500
Lerøy Hydrotech AS	100 %	24	7,0	21 500	25 200	24 000
Lerøy Vest AS	100 %	34	14,2	32 700	34 300	37 000
Sjøtroll Havbruk AS*)	50,71 %	25	8,4		3 000	26 000
Total Norway		130	46,6	108 500	116 800	144 000
Norskott Havbruk AS (UK)**)	50 %		7,0	13 200	13 500	11 500
Total			53,6	121 700	130 300	155 500

 Consolidated, farming

 Affiliated, farming

*) Acquired and consolidated as from November 2010

***) LSG's share



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Atlantic salmon – Supply in tons WFE

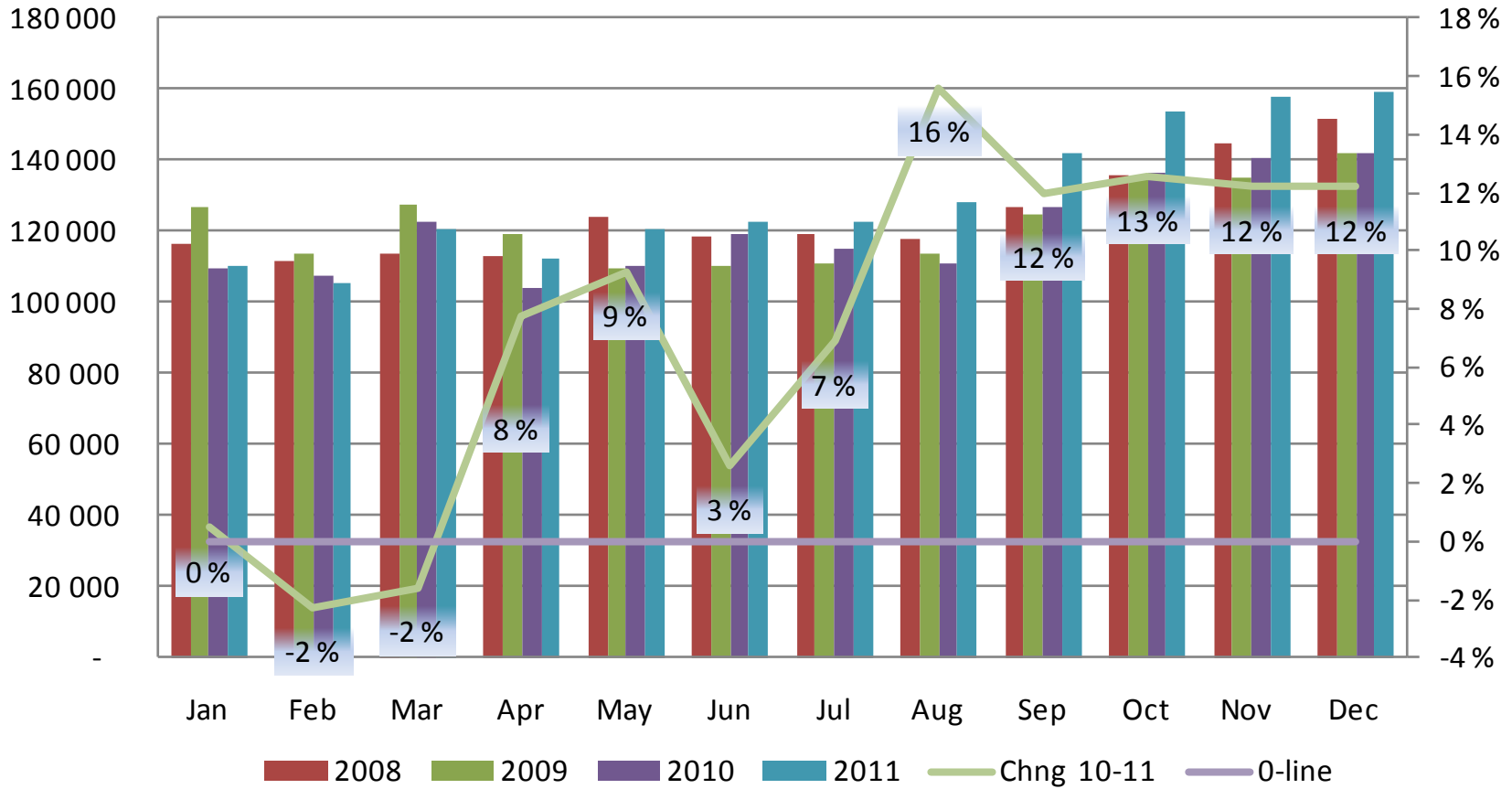
	2005	Change 04-05	2006	Change 05-06	2007	Change 06-07	2008	Change 07-08	2009	Change 08-09	2010	Change 09-10	2011	Change 10-11
<i>Norway</i>	572 200	6,6 %	598 500	4,6 %	723 300	20,9 %	741 000	2,4 %	855 700	15,5 %	944 600	10,4 %	980 100	3,8 %
<i>UK</i>	119 700	-20,1 %	127 500	6,5 %	134 900	5,8 %	136 400	1,1 %	144 800	6,2 %	141 800	-2,1 %	150 500	6,1 %
<i>Faroe Island</i>	17 200	-53,3 %	11 900	-30,8 %	19 100	60,5 %	37 900	98,4 %	48 100	26,9 %	42 100	-12,5 %	54 100	28,5 %
<i>Ireland</i>	12 400	0,0 %	14 500	16,9 %	15 300	5,5 %	11 400	-25,5 %	15 500	36,0 %	17 000	9,7 %	16 000	-5,9 %
<i>Iceland</i>	6 500	-1,5 %	4 000	-38,5 %	-	-100,0 %	-		-		-		-	
Total Europe	728 000	-2,0 %	756 400	3,9 %	892 600	18,0 %	926 700	3,8 %	1 064 100	14,8 %	1 145 500	7,6 %	1 200 700	4,8 %

<i>Chile</i>	385 200	11,3 %	368 700	-4,3 %	356 400	-3,3 %	403 500	13,2 %	239 100	-40,7 %	129 500	-45,8 %	188 600	45,6 %
<i>Canada</i>	107 500	20,8 %	115 000	7,0 %	109 500	-4,8 %	118 500	8,2 %	115 400	-2,6 %	118 000	2,3 %	109 500	-7,2 %
<i>Australia</i>	17 900	27,0 %	19 400	8,4 %	23 800	22,7 %	25 700	8,0 %	32 200	25,3 %	33 000	2,5 %	36 000	9,1 %
<i>USA</i>	9 600	-27,8 %	10 200	6,3 %	12 300	20,6 %	17 000	38,2 %	16 400	-3,5 %	18 000	9,8 %	18 000	0,0 %
<i>All others</i>	2 400	0,0 %	2 400	0,0 %	3 900	62,5 %	2 400	-38,5 %	1 700	-29,2 %	1 400	-17,6 %	2 100	50,0 %
Total America	522 600	12,4 %	515 700	-1,3 %	505 900	-1,9 %	567 100	12,1 %	404 800	-28,6 %	299 900	-25,9 %	354 200	18,1 %

Total World-wide	1 250 600	3,6 %	1 272 100	1,7 %	1 398 500	9,9 %	1 493 800	6,8 %	1 468 900	-1,7 %	1 445 400	-1,6 %	1 554 900	7,6 %
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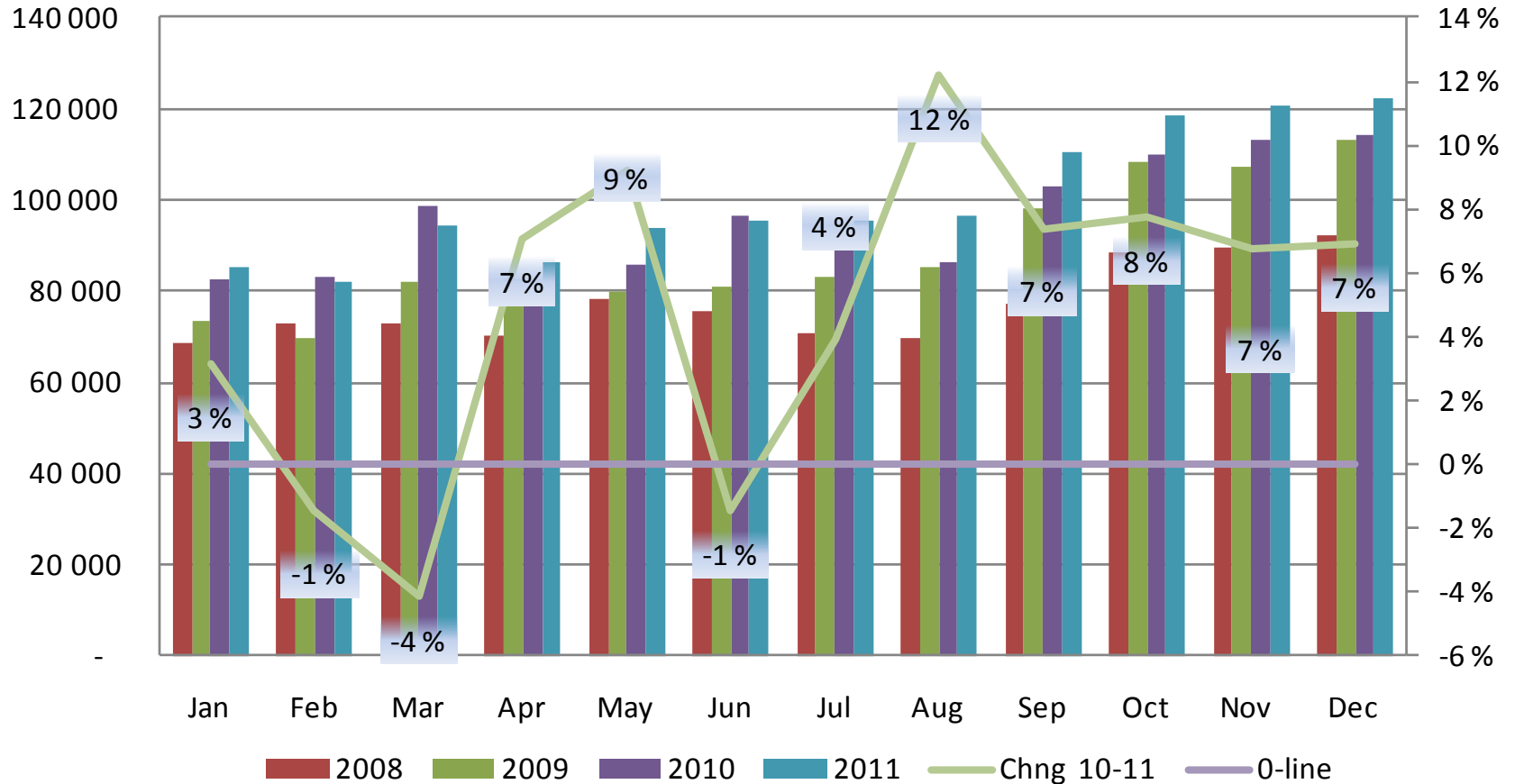
Atlantic salmon - Harvest Quantities World Wide in tons WFE

Harvest estimates Atlantic Salmon World Wide



Atlantic salmon - Harvest Quantities Europe in tons WFE

Harvest estimates Atlantic Salmon in Europe



Market development for Atlantic Salmon from Norway

Q1 2010 vs Q1 2011

Region	TONS (WFE)			TNOK		
	2010 Q1	2011 Q1	Chng %	2010 Q1	2011 Q1	Chng %
EU	141 171	136 103	-3,6 %	4 222 210	4 941 087	17,0 %
Others	31 795	34 669	9,0 %	887 174	1 157 096	30,4 %
Russia	20 993	22 338	6,4 %	556 430	770 804	38,5 %
USA	13 724	7 875	-42,6 %	509 572	342 853	-32,7 %
Japan	7 423	7 467	0,6 %	248 599	311 446	25,3 %
Totalt	215 107	208 453	-3,1 %	6 423 985	7 523 286	17,1 %

(Volume in tons WFE, value in thousand NOK)

”Others” is specified on the following slide

Market development for Atlantic Salmon from Norway

Q1 2010 vs Q1 2011

Country	TONS (WFE)			TNOK		
	2010 Q1	2011 Q1	Chng %	2010 Q1	2011 Q1	Chng %
HONG KONG	4 194	5 583	33,1 %	132 243	209 728	58,6 %
UKRANIE	4 393	4 617	5,1 %	71 130	98 399	38,3 %
SOUTH KOREA	1 604	3 043	89,7 %	53 164	118 709	123,3 %
ISRAEL	1 643	2 392	45,6 %	52 654	93 821	78,2 %
VIETNAM	1 664	2 376	42,8 %	37 652	50 807	34,9 %
TAIWAN	2 528	2 325	-8,0 %	74 966	84 228	12,4 %
CHINA	4 185	1 891	-54,8 %	117 273	49 491	-57,8 %
THAILAND	1 573	1 842	17,1 %	43 890	57 474	31,0 %
SINGAPORE	1 048	1 284	22,5 %	34 802	51 176	47,1 %
BELARUS	897	1 177	31,3 %	20 243	32 713	61,6 %
TURKEY	1 083	1 086	0,3 %	34 605	39 957	15,5 %
SWITZERLAND	943	1 006	6,8 %	33 092	43 266	30,7 %
PHILIPPINE	598	867	45,1 %	10 663	17 451	63,7 %
CANADA	754	737	-2,3 %	29 724	35 639	19,9 %
Other Countries	4 689	4 440	-5,3 %	141 074	174 237	23,5 %
Total "Others"	31 795	34 669	9,0 %	887 174	1 157 096	30,4 %

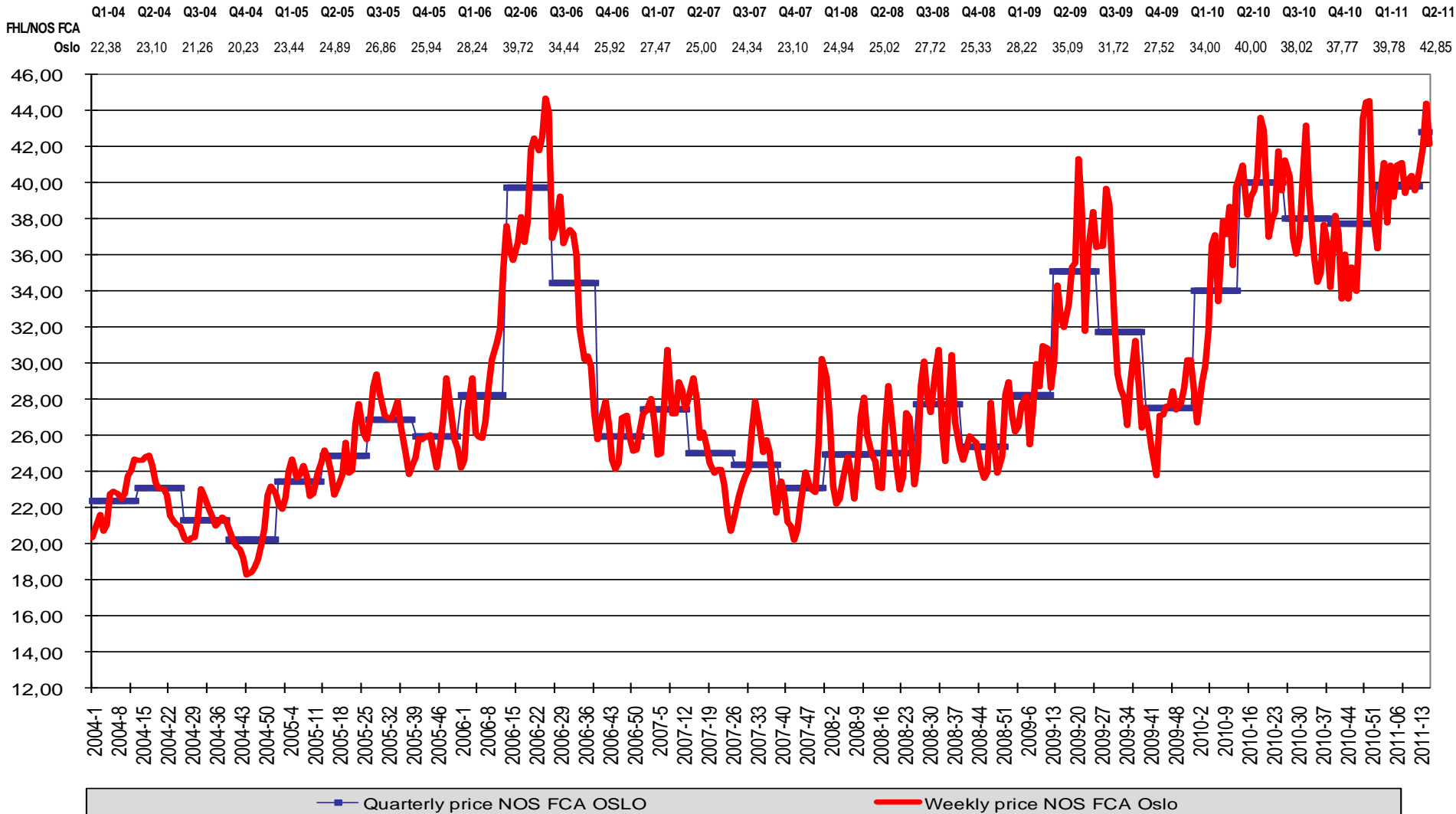
(Volume in tons WFE, value in thousand NOK)

Figures as per 27.04.11

Source: NSEC

SPOT prices, fresh Atlantic salmon, cross-section, FCA Oslo, as of week 16-2011 (Superior quality).

Avg Q1 11 NOK 39.78 vs avg Q1 10 NOK 34.00 (+17.0%)

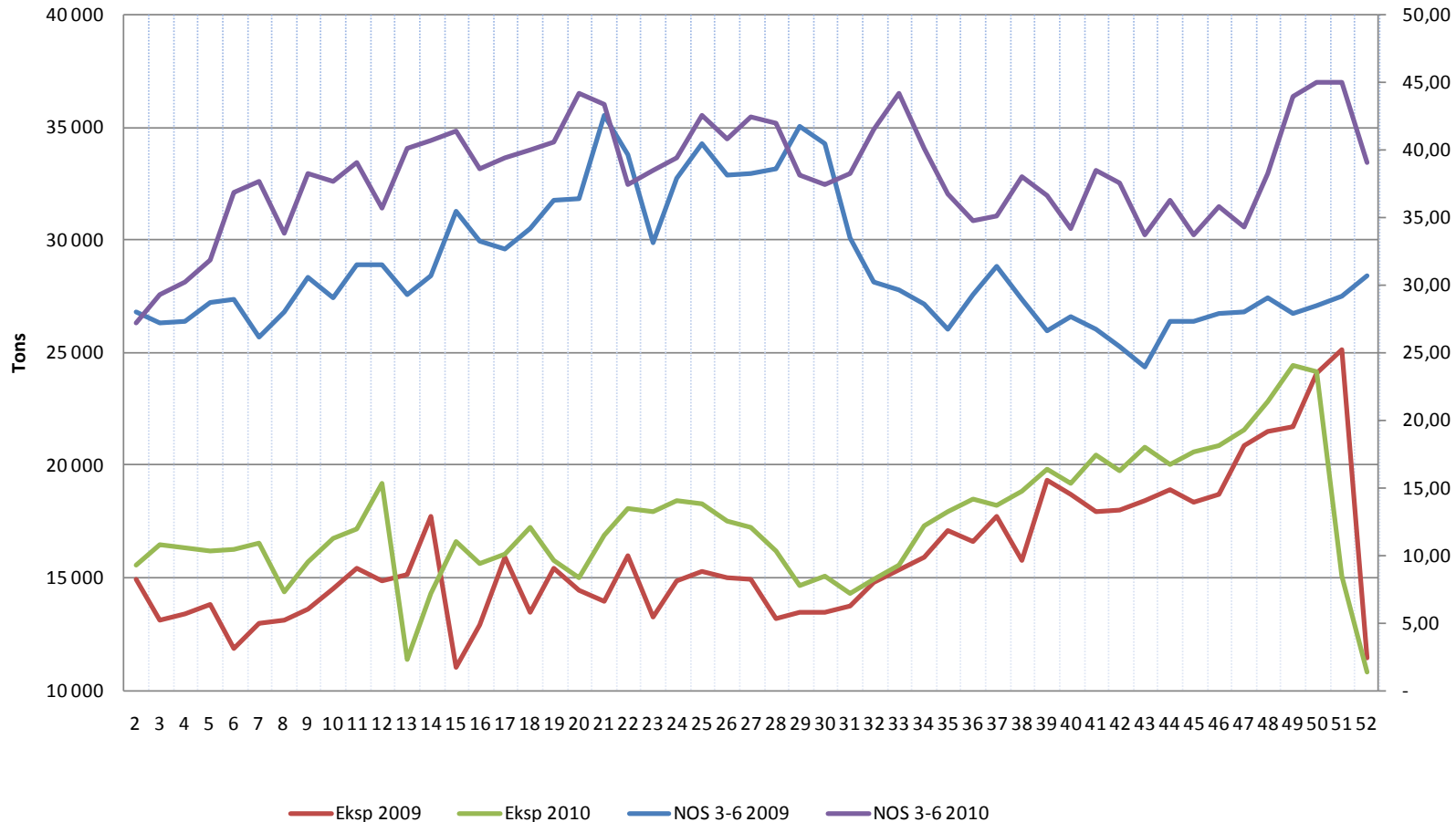


Figures as per 27.04.11
Source: NOS



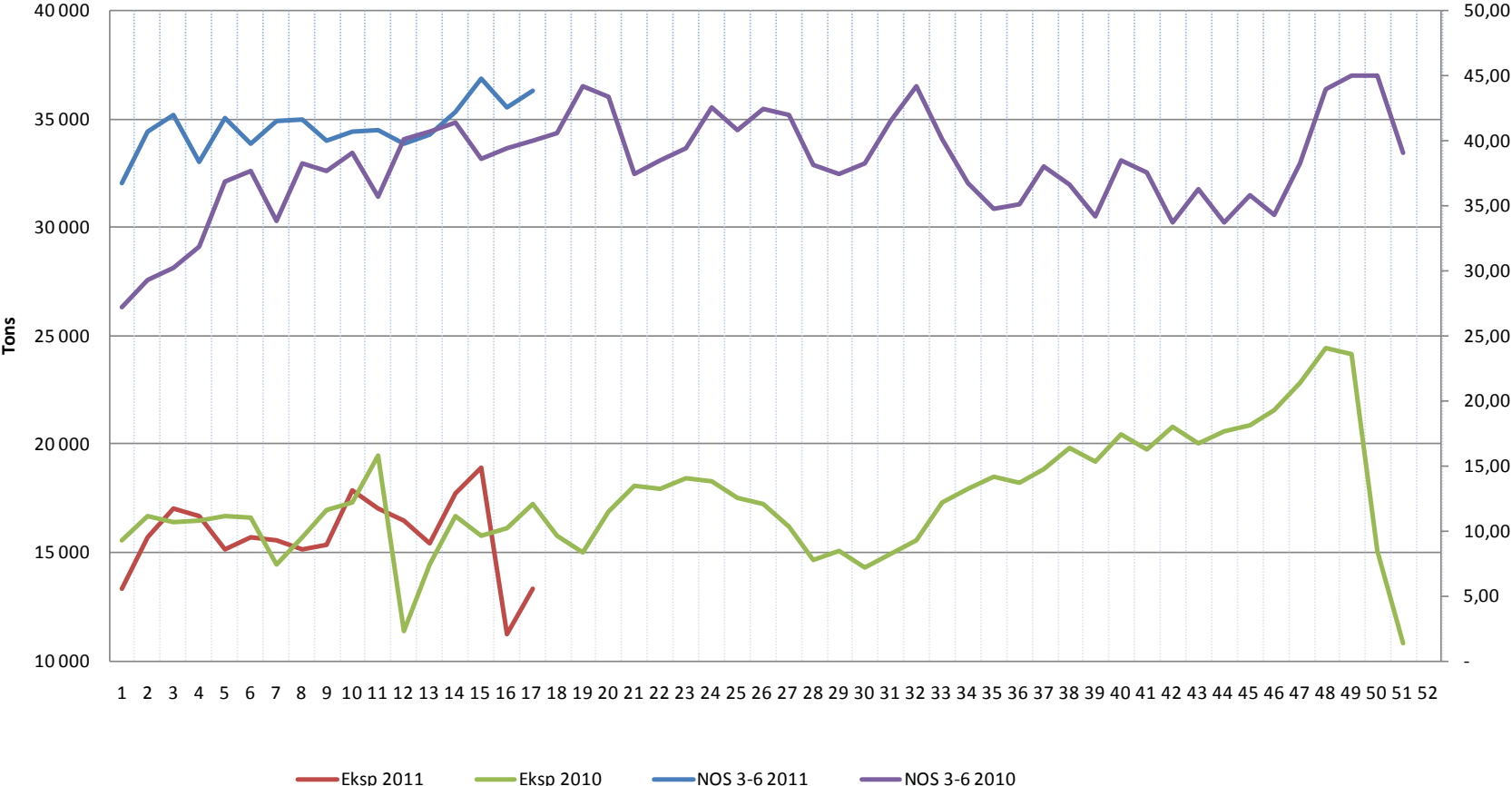
SPOT prices vs Export Volumes Norway 2010/2009

Norwegian Export of Salmon pr week (wfe tons) (EFF),
Prices FCA Oslo (gwt) NOS 3-6 kg



SPOT prices vs Export Volumes Norway 2011/2010

Norwegian Export of Salmon pr week (wfe tons) (EFF),
Prices FCA Oslo (gwt) NOS 3-6 kg



Figures as per 11.05.11
Source: EFF/NOS



Retail news



Boards

FOLKET HAR BESTEMT:

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Thank you!

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