



Lerøy Seafood Group ASA



Q2 2015

August 13th

Bergen

CEO | Henning Belttestad

CFO | Sjur S. Malm



Agenda

- 1 Highlights
- 2 Key financial figures
- 3 Outlook



Q2 2015

- EBIT before FV adj. NOK 370 million
 - NOK 28m in gain from sale of assets
- Harvest volume 40 295 GWT
- EBIT/kg all inclusive NOK 9.2
- Contract share of 27%
- NIBD NOK 2,611 million at end Q2 2015
- Harvest guidance 166 000 GWT for 2015

Q2: Farming highlights

- Spot prices below last year
 - NOS Q2/15 NOK 37.3 vs NOK 39.5 in Q2/14 (-6%)
 - Down NOK 2.9/kg q-o-q, and down NOK 2.3/kg y-o-y
 - Trout prices below salmon prices
- Contract prices above spot prices
- Marginal cost increase q-o-q
- Challenging quarter for trout operations
 - EBIT/kg all incl. Q2/15:
 - Salmon: NOK 10.4/kg
 - Trout: NOK 0.6/kg
- Biomass at sea
 - End Q2/15 at 90,661 tons vs 88,048 tons end Q2/14 (+3%)



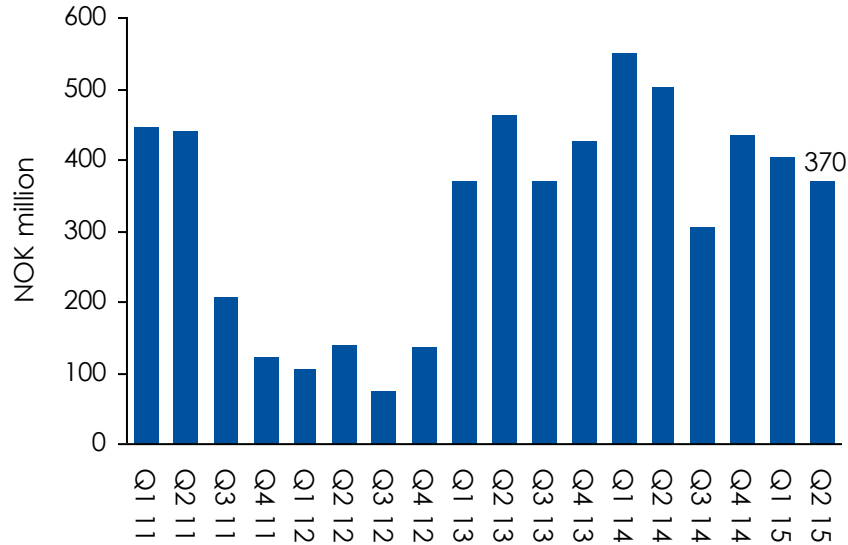
Q2: VAP and S&D highlights

- Value added processing (VAP)
 - Revenue NOK 468m, up 18% y-o-y
 - EBIT NOK 18m (3.8%) in Q2/15 vs. NOK 21m (5.3%) in Q2/14
 - Timing of Easter impacts y-o-y comparison

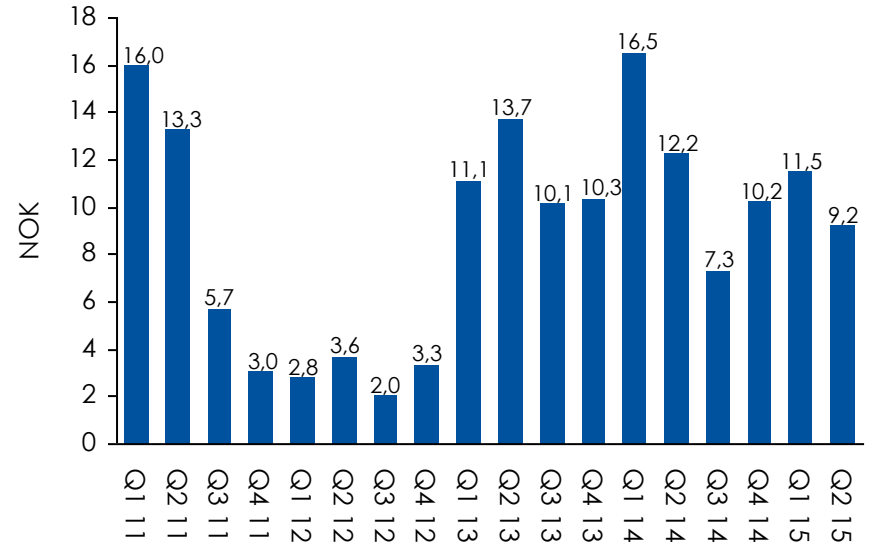
- Sales & Distribution
 - Positive development
 - EBIT NOK 67m (2.1%) in Q2/15 vs. NOK 64m (2.1%) in Q2/14
 - Results include about NOK 10m in restructuring costs

Quarterly historic figures

EBIT*



EBIT/kg*, all inclusive



*before biomass adjustment

Lerøy Seafood Group ASA

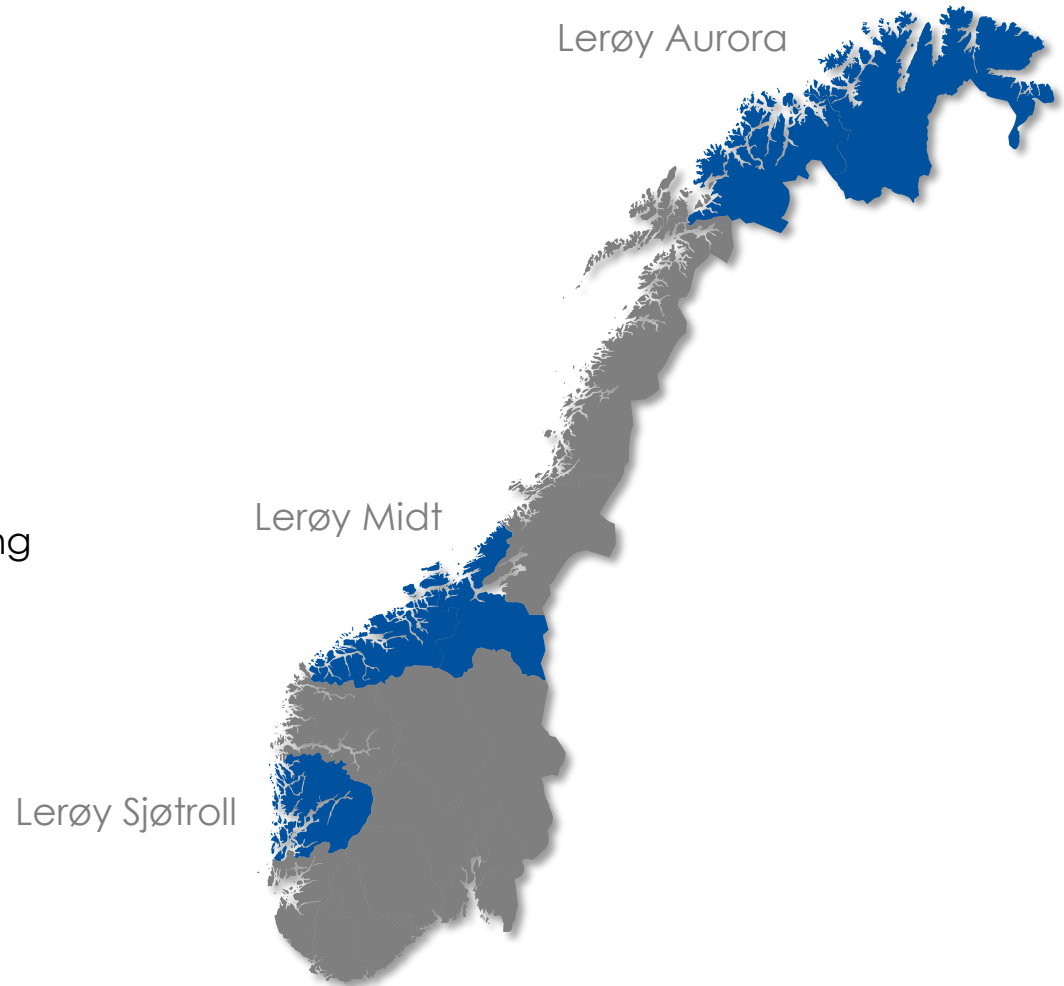
Farming

VAP

Sales &
Distribution

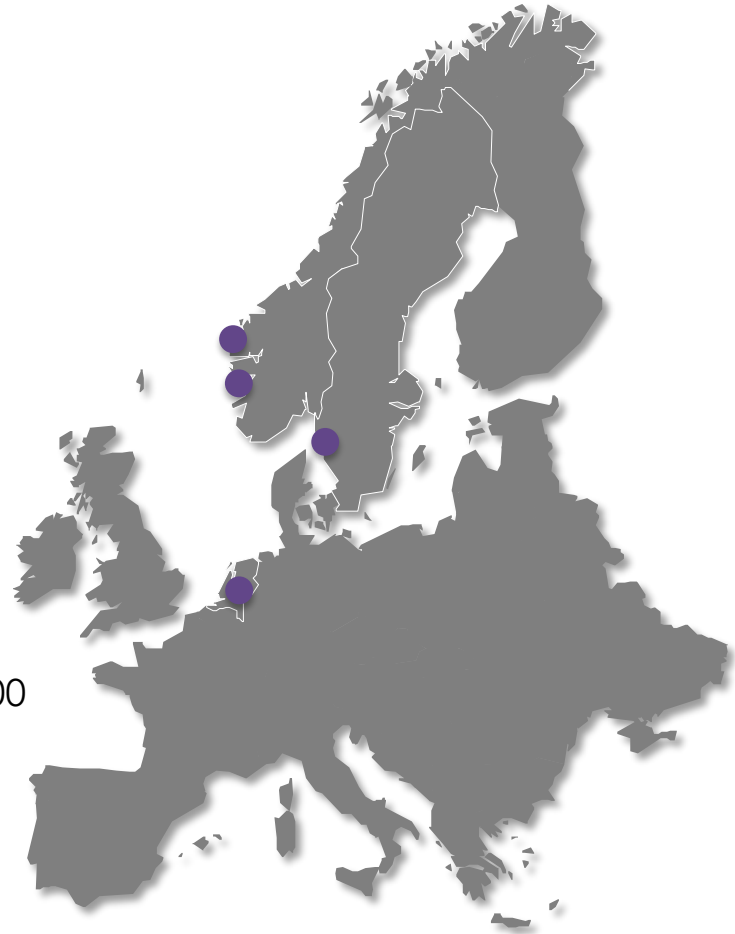
Farming

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



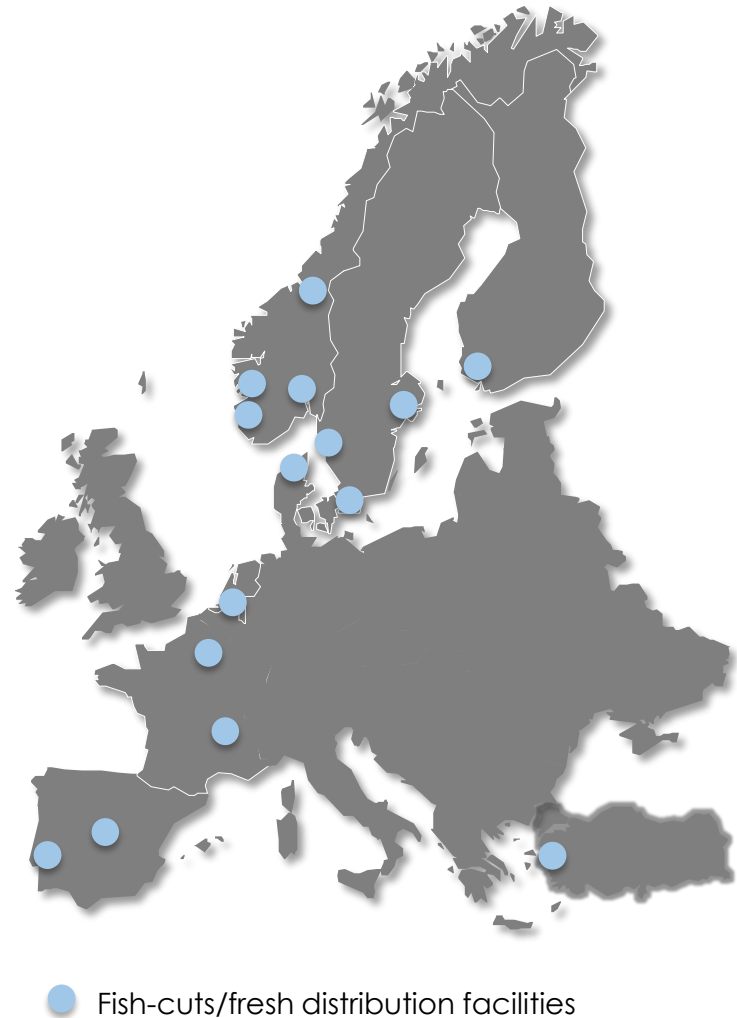
VAP

- 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

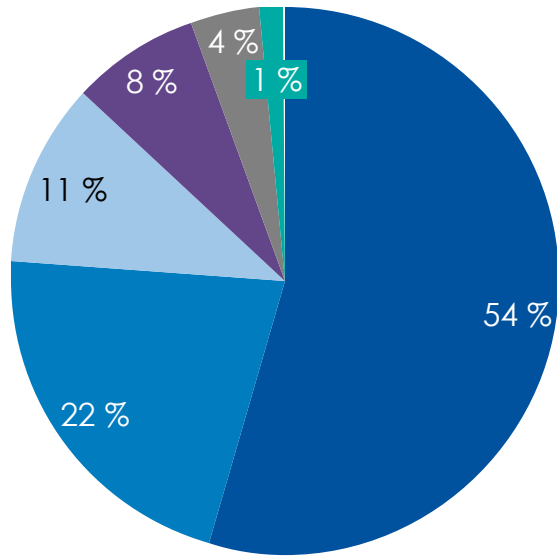


Sales & Distribution

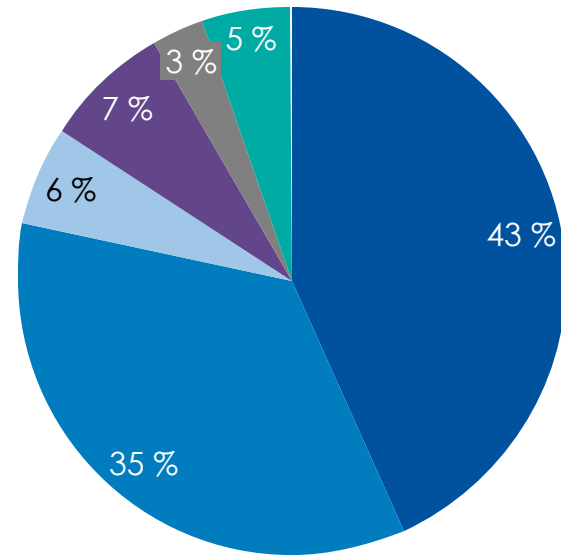
- Global reach and sales to more than 70 countries.
- A significant industrial activity within trading, processing, sales and distribution of fish.
- Investments in fish cuts in end markets recent years
- Processing and fresh distribution facilities:
 - Norway
 - Sweden
 - Finland
 - France
 - Spain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



Sales per market and product Q2 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 | 73 000 |
| Lerøy Sjøtroll | 61 | 22,6 | 56 200 | 71 600 | 61 700 | 63 200 | 62 000 |
| 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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Key financial figures Q2

| (NOKm) | Q2 2015 | Q2 2014 | ▲% |
|------------------------------|---------------|---------------|--------------|
| Revenue | 3 324 | 3 177 | 5 % |
| Other gains and losses | 28 | 0 | |
| EBITDA | 470 | 590 | |
| Depreciation & amortisation | 100 | 89 | |
| EBIT* | 370 | 500 | -26 % |
| Income from associates* | 19 | 40 | |
| Net finance | -25 | -23 | |
| Pre-tax* | 364 | 517 | -30 % |
| EPS (NOK)* | 4.4 | 6.6 | -33 % |
| Harvested Volume (GWT) | 40 295 | 40 944 | -2 % |
| EBIT*/kg all inclusive (NOK) | 9.2 | 12.2 | |
| ROCE* (%) | 15.8 % | 24.4 % | |

* Before biomass adjustment

Key financial figures YTD

| (NOKm) | YTD 2015 | YTD 2014 | ▲ % |
|------------------------------|---------------|---------------|--------------|
| Revenue | 6 592 | 6 356 | 4 % |
| Other gains and losses | 38 | 0 | |
| EBITDA | 971 | 1229 | |
| Depreciation & amortisation | 197 | 178 | |
| EBIT* | 774 | 1 051 | -26 % |
| Income from associates* | 40 | 117 | |
| Net finance | -60 | -39 | |
| Pre-tax* | 754 | 1 129 | -33 % |
| EPS (NOK)* | 9.6 | 14.7 | -35 % |
| Harvested Volume (GWT) | 75 318 | 74 280 | 1 % |
| EBIT*/kg all inclusive (NOK) | 10.3 | 14.1 | |
| ROCE* (%) | 16.8 % | 26.7 % | |

* Before biomass adjustment

Balance sheet

| (NOKm) | Q2 2015 | Q2 2014 | End 2014 |
|---------------------------------|----------------|---------|----------|
| Intangible assets | 4 319 | 4 011 | 4 277 |
| Tangible fixed assets | 2 768 | 2 442 | 2 677 |
| Financial non-current assets | 694 | 829 | 607 |
| Total non-current assets | 7 781 | 7 282 | 7 561 |
| Biological assets at cost | 2 904 | 2 535 | 2 897 |
| Fair value adjustment | 223 | 428 | 785 |
| Other inventory | 519 | 344 | 525 |
| Receivables | 1 802 | 1 520 | 1 730 |
| Cash and cash equivalents | 1 065 | 766 | 1 360 |
| Total current assets | 6 512 | 5 592 | 7 298 |
| Total assets | 14 293 | 12 875 | 14 858 |
| NIBD | 2 611 | 2 050 | 1 876 |
| Equity | 7 575 | 7 231 | 8 080 |
| Equity ratio | 53 % | 56,2 % | 54,4 % |

Funding

| NOK million | 2015 | 2016 | 2017 | 2018 | 2019 | Later | Total |
|-------------|------|------|------|------|------|-------|-------|
| To be paid | 177 | 642 | 327 | 308 | 467 | 1 138 | 3 059 |
| Total | 351 | 642 | 327 | 308 | 467 | 1 138 | 3 233 |

| | Covenants | Q2 2015 |
|-------------------|-----------|---------|
| NIBD/EBITDA | <5 | 1,37 |
| Adj. Equity ratio | >30% | 59,4% |

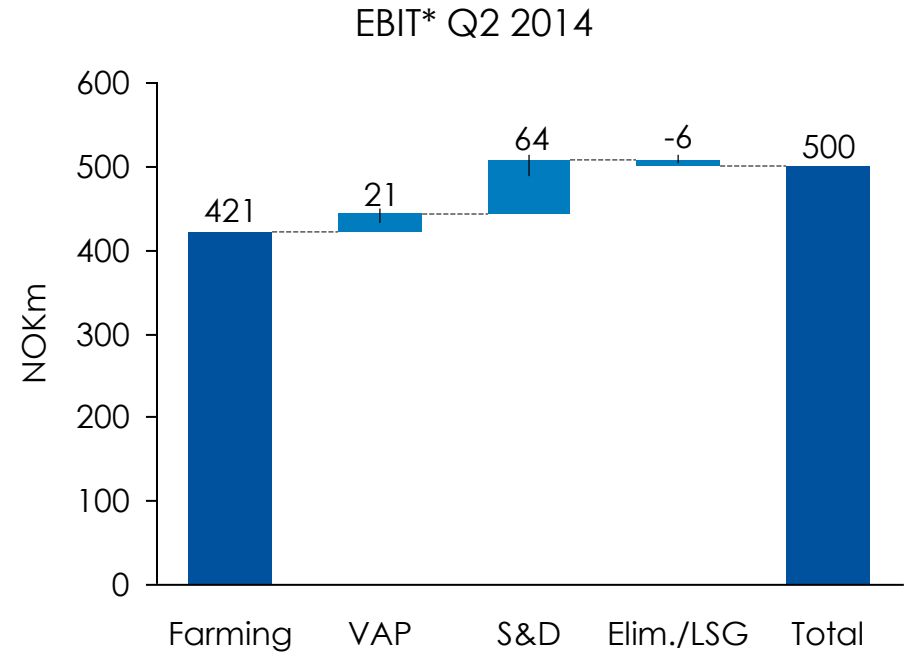
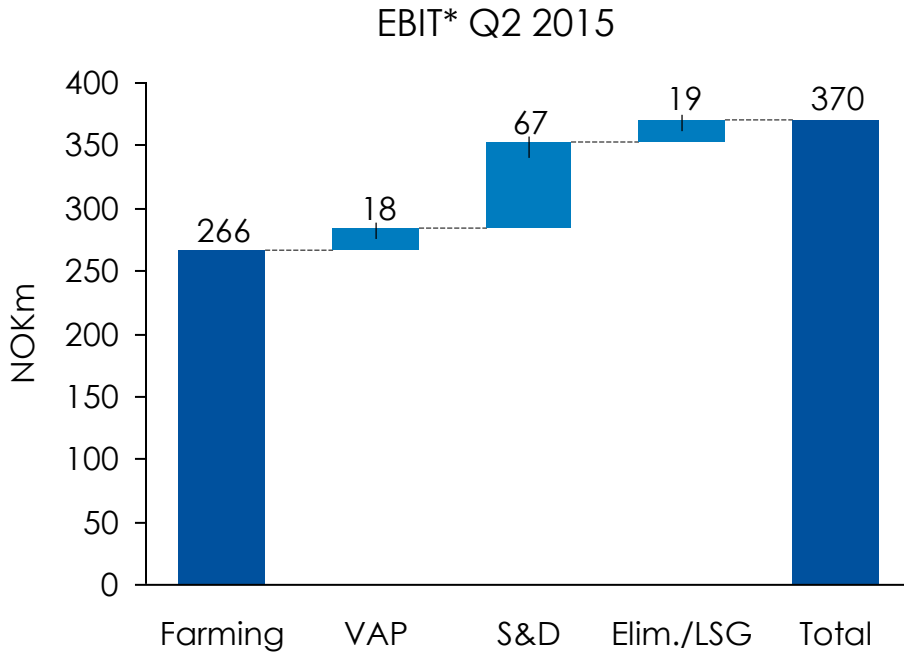
Cash flow

| | Q2 2015 | Q2 2014 | YTD 2015 | YTD 2014 | FY 2014 |
|---|--------------|--------------|--------------|--------------|--------------|
| EBITDA | 470 | 590 | 971 | 1 229 | 2 160 |
| Paid tax | -212 | -278 | -349 | -330 | -344 |
| Working capital * | -72 | 88 | -148 | 96 | -286 |
| Other ** | -32 | -4 | -49 | -5 | -115 |
| Cash from operating activities | 155 | 397 | 425 | 989 | 1 415 |
| Net investments in capex | -154 | -145 | -284 | -247 | -583 |
| Acquisitions, divestments and other | -11 | 18 | -142 | 1 | 43 |
| Cash from investing activities | -165 | -128 | -426 | -245 | -540 |
| Net financial cost | -24 | -25 | -56 | -53 | -106 |
| Dividends | -680 | -549 | -680 | -579 | -579 |
| Cash from financing activities * | -704 | -574 | -736 | -632 | -685 |
| Other changes (incl.currency effects) | -20 | 3 | 3 | -46 | 51 |
| Net cash flow / change in NIBD | -735 | -302 | -735 | 66 | 241 |
| NIBD at beginning | 1 876 | 1 748 | 1 876 | 2 117 | 2 117 |
| Change in NIBD | 735 | 302 | 735 | -66 | -241 |
| NIBD at end | 2 611 | 2 050 | 2 611 | 2 050 | 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

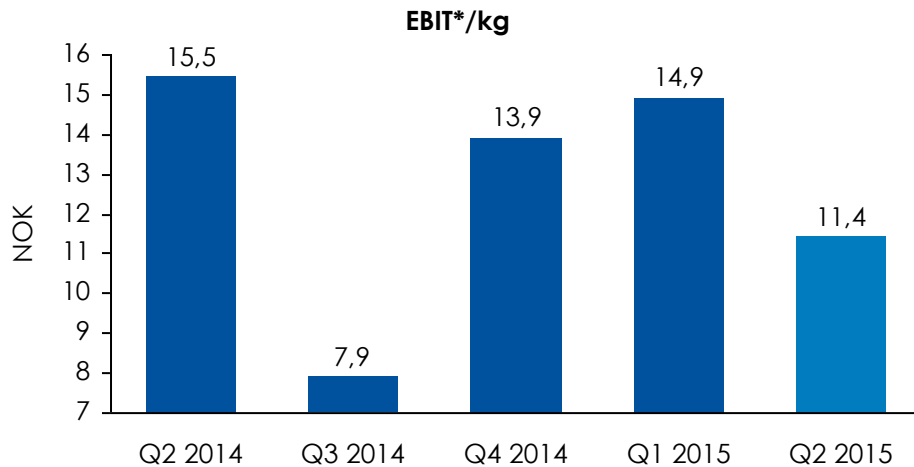


* Before biomass adjustment

Lerøy Aurora

| | Q2 2015 | Q2 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 299 | 244 |
| EBIT* (NOKm) | 68.2 | 77.4 |
| Harvested volume (GWT) | 5 977 | 5 006 |
| EBIT/kg* (NOK) | 11.4 | 15.5 |

*before biomass adj



- Continued strong performance
- 9 new licenses give room for significant growth in 2015 and into 2016
- RFS (release-from-stock) cost increase q-o-q and y-o-y
- Higher feed price will continue to give higher RFS cost in coming quarters

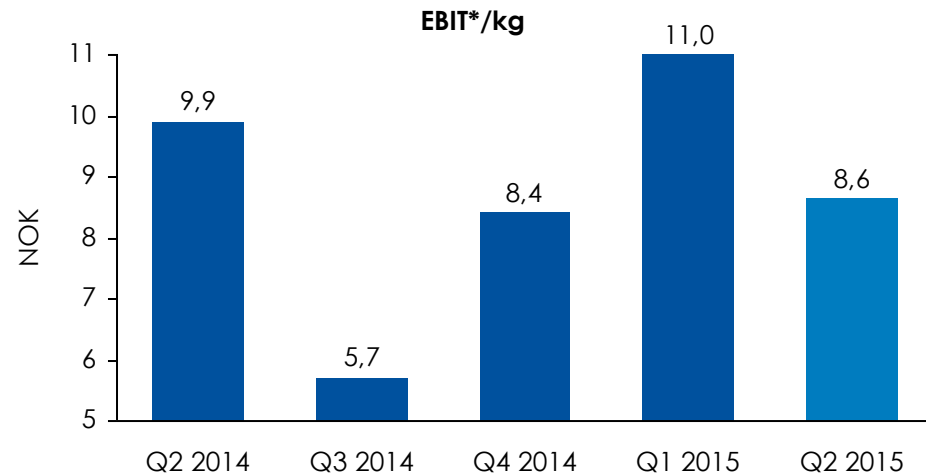
* Before biomass adjustment

Lerøy Midt

| | Q2 2015 | Q2 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 724 | 728 |
| EBIT* (NOKm) | 163.4 | 184.1 |
| Harvested volume (GWT) | 18 916 | 18 606 |
| EBIT/kg* (NOK) | 8.6 | 9.9 |

*before biomass adj

- Strong growth in sea in H1 15
- RFS cost increase q-o-q and y-o-y
- Higher feed price will continue to give higher RFS cost in coming quarters, but room for cost reduction in other areas.

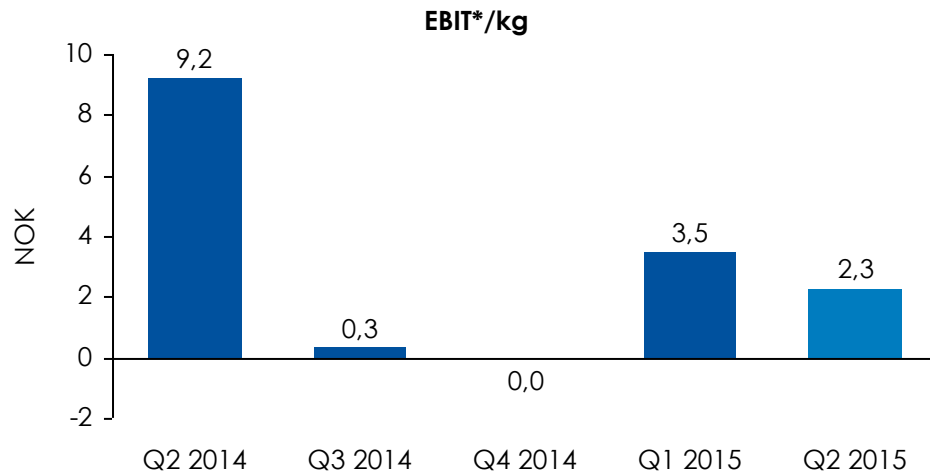


* Before biomass adjustment

Lerøy Sjøtroll

| | Q2 2015 | Q2 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 686 | 768 |
| EBIT* (NOKm) | 34.7 | 159.2 |
| Harvested volume (GWT) | 15 402 | 17 332 |
| EBIT/kg* (NOK) | 2.3 | 9.2 |

*before biomass adj



- RFS cost decrease q-o-q, but still at very high levels in a historic perspective
- Challenging situation for trout (~35% of volume), driven by price and very high costs
- Documented very positive effects of cleaner fish, significant reduction in number of treatments
- Expect lower RFS cost H2/15 compared to H1/15

* Before biomass adjustment

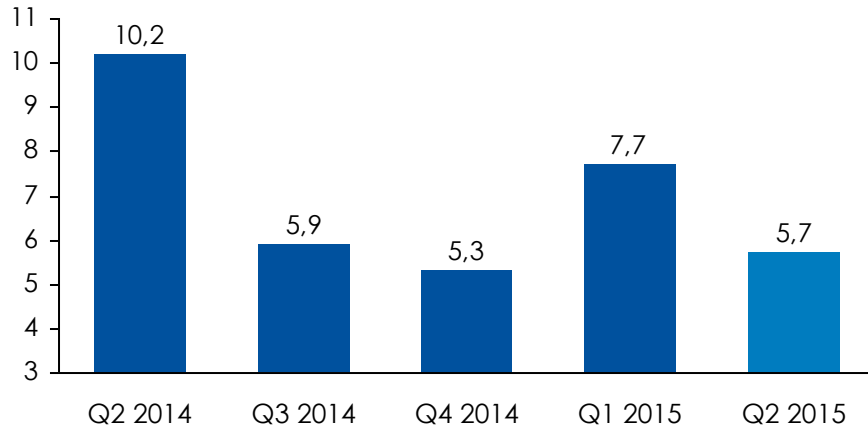
Norskott Havbruk (associate)

| | Q2 2015 | Q2 2014 |
|------------------------|---------|---------|
| Revenue (NOKm) | 344 | 332 |
| EBIT* (NOKm) | 37.1 | 67.6 |
| Harvested volume (GWT) | 6 556 | 6 638 |
| EBIT/kg* (NOK) | 5.7 | 10.2 |

*before biomass adj

- Harvest guidance 2015 remains 31,000gwt
- Expect lower RFS cost H2/15 vs H1/15
- Contract share of 58%
- Lower profitability from both lower price realisation as well as higher costs
- Strong pound (£) impacts competitive position

EBIT*/kg



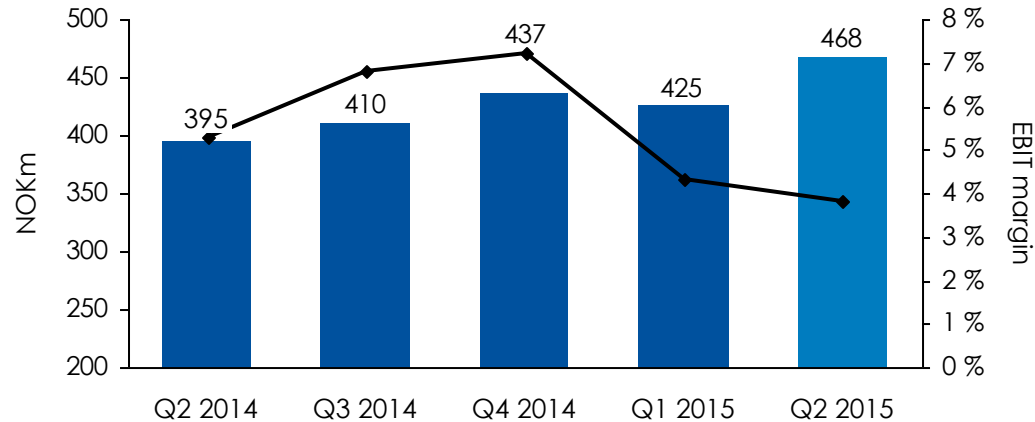
* Before biomass adjustment

VAP – Value Added Processing

| | Q2 2015 | Q2 2014 |
|----------------|---------|---------|
| Revenue (NOKm) | 468 | 395 |
| EBIT (NOKm) | 18.0 | 21.1 |
| EBIT margin | 3.8 % | 5.3 % |

- New capacity gradually being filled gives 18% y-o-y growth in revenue
- Timing of Easter impacts y-o-y comparison
- H1/15 EBIT margin at 4.0% is below target, and below the 4.7% margin reported for H1/14.

Revenue and EBIT margin

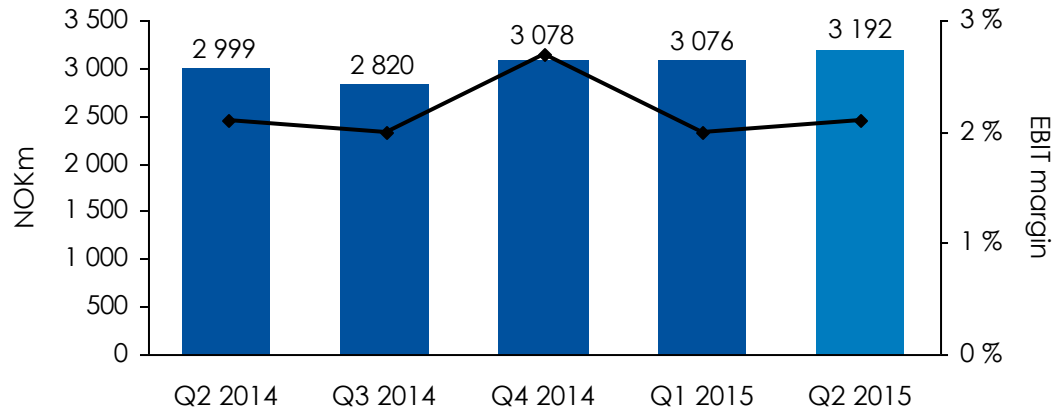


Sales & Distribution

| | Q2 2015 | Q2 2014 |
|----------------|---------|---------|
| Revenue (NOKm) | 3 192 | 2 999 |
| EBIT (NOKm) | 67.2 | 64.1 |
| EBIT margin | 2.1 % | 2.1 % |

- Strong performance in key operations in the quarter, but still room for improvement in several units
- 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

| | 2011 | Change 10-11 | 2012 | Change 11-12 | 2013 | Change 12-13 | 2014 | Change 13-14 | 2015 | Change 14-15 | 2016 | Change 15-16 |
|-------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| Norway | 1 005 600 | 6,5 % | 1 183 100 | 17,7 % | 1 143 600 | -3,3 % | 1 199 000 | 4,8 % | 1 237 300 | 3,2 % | 1 263 300 | 2,1 % |
| United Kingdom | 154 700 | 8,3 % | 159 400 | 3,0 % | 157 800 | -1,0 % | 171 500 | 8,7 % | 172 700 | 0,7 % | 178 100 | 3,1 % |
| Faroe Islands | 56 300 | 34,7 % | 70 300 | 24,9 % | 72 600 | 3,3 % | 82 800 | 14,0 % | 74 900 | -9,5 % | 82 100 | 9,6 % |
| Ireland | 16 000 | -10,1 % | 15 600 | -2,5 % | 10 600 | -32,1 % | 12 300 | 16,0 % | 15 000 | 22,0 % | 16 000 | 6,7 % |
| Iceland | 1 000 | 0,0 % | 2 900 | 190,0 % | 3 100 | 6,9 % | 4 000 | 29,0 % | 5 200 | 30,0 % | 7 500 | 44,2 % |
| Total Europe | 1 233 600 | 7,4 % | 1 431 300 | 16,0 % | 1 387 700 | -3,0 % | 1 469 600 | 5,9 % | 1 505 100 | 2,4 % | 1 547 000 | 2,8 % |
| Chile | 221 000 | 70,5 % | 364 000 | 64,7 % | 468 100 | 28,6 % | 582 900 | 24,5 % | 574 600 | -1,4 % | 581 400 | 1,2 % |
| Canada | 119 500 | -2,0 % | 136 500 | 14,2 % | 115 100 | -15,7 % | 101 000 | -12,3 % | 131 600 | 30,3 % | 130 600 | -0,8 % |
| USA | 18 300 | 1,7 % | 19 600 | 7,1 % | 20 300 | 3,6 % | 20 400 | 0,5 % | 20 500 | 0,5 % | 20 500 | 0,0 % |
| Australia | 36 000 | 9,1 % | 40 000 | 11,1 % | 39 000 | -2,5 % | 39 000 | 0,0 % | 43 000 | 10,3 % | 45 000 | 4,7 % |
| Others | 5 000 | 11,1 % | 8 500 | 70,0 % | 11 100 | 30,6 % | 14 100 | 27,0 % | 20 300 | 44,0 % | 24 700 | 21,7 % |
| Total Others | 399 800 | 30,2 % | 568 600 | 42,2 % | 653 600 | 14,9 % | 757 400 | 15,9 % | 790 000 | 4,3 % | 802 200 | 1,5 % |
| Total World-wide | 1 633 400 | 12,2 % | 1 999 900 | 22,4 % | 2 041 300 | 2,1 % | 2 227 000 | 9,1 % | 2 295 100 | 3,1 % | 2 349 200 | 2,4 % |

Figures as per 29.07.2015

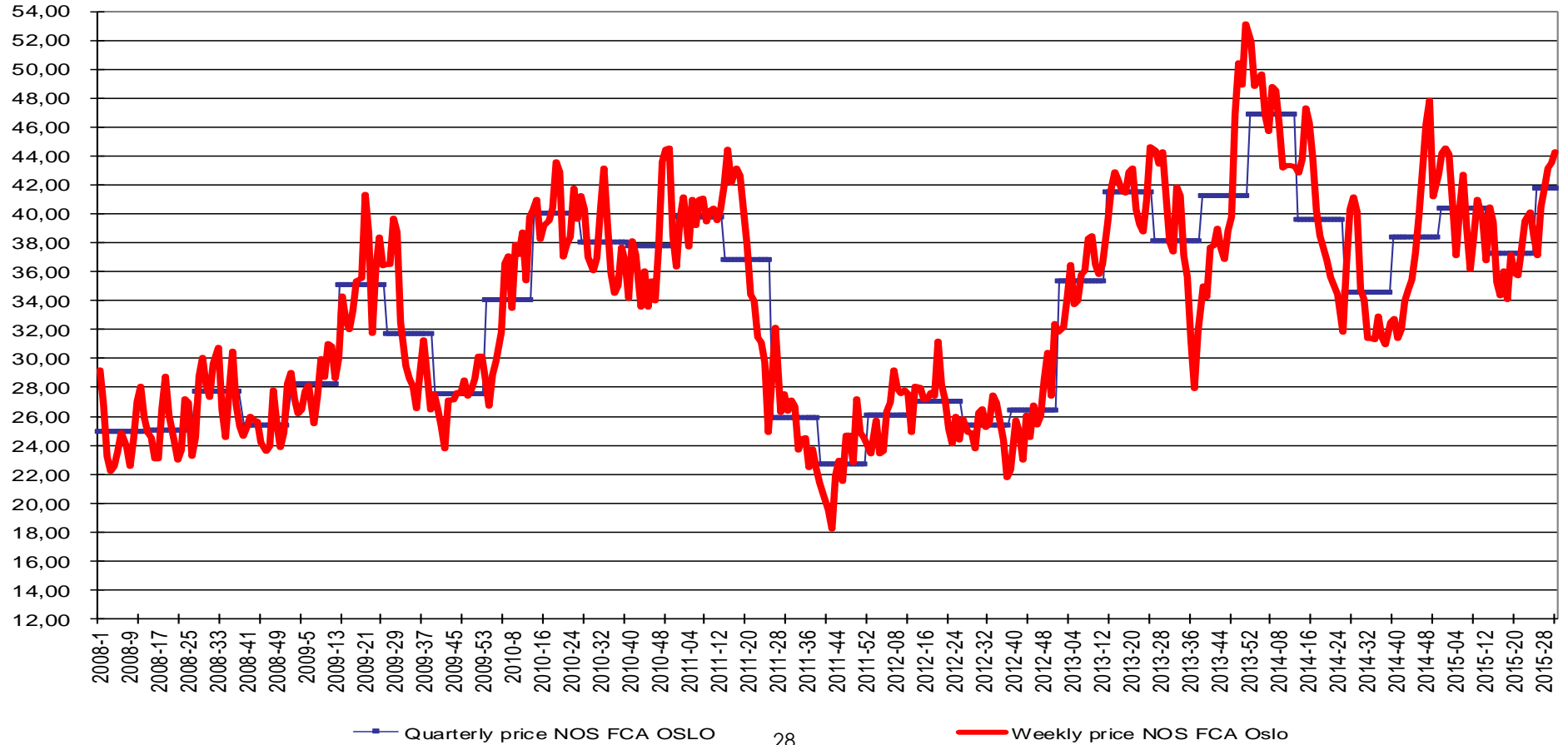
Source: Kontali



Avg Q2 15 NOK 37,25 vs avg Q2 14 NOK 39,54 (-5,8%)
 Avg YTD Q2 2015 NOK 38,81 vs avg YTD Q2 2014 NOK 43,19 (-10,1%)

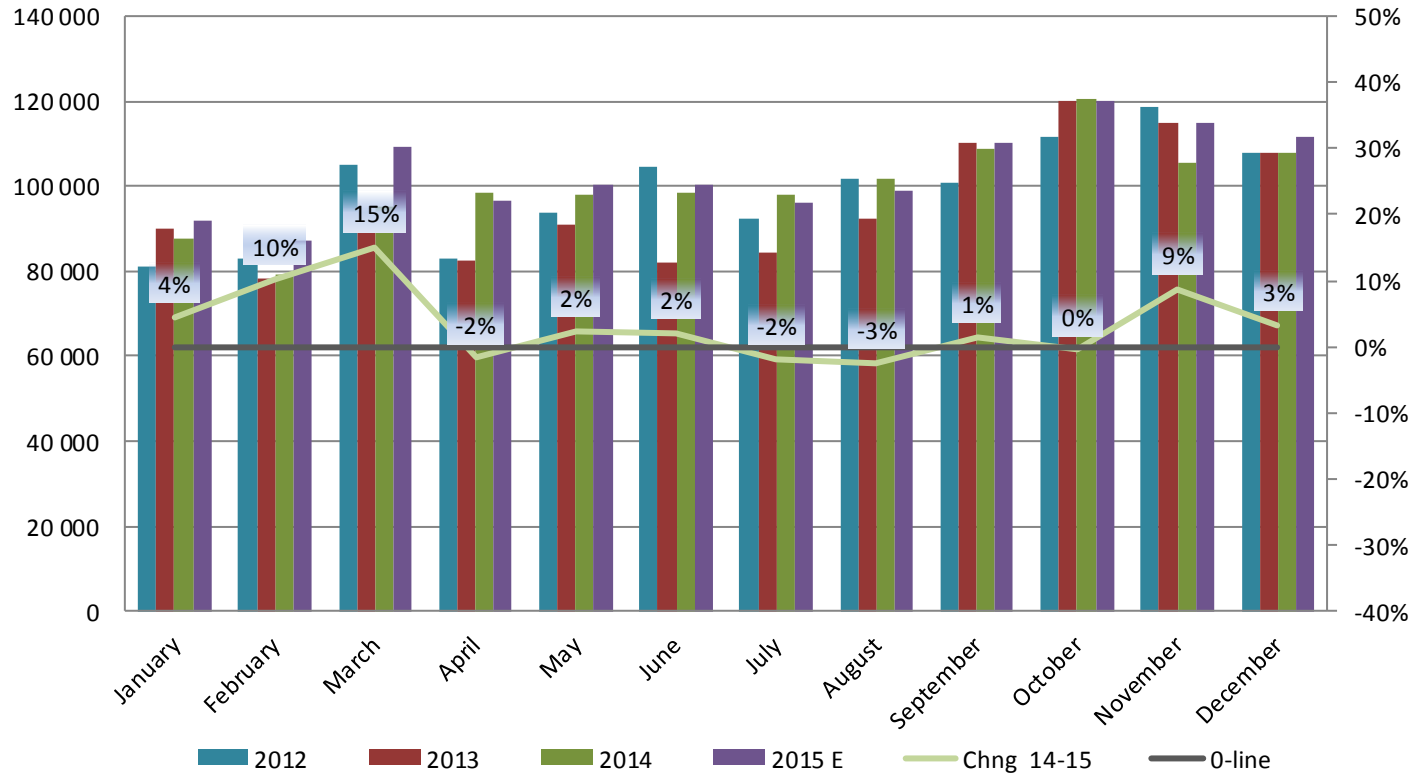
SPOT prices, fresh Atlantic salmon
 cross-section, FCA Oslo
 as of week 29-2015 (Superior quality).

| | 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 | Q3-15 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 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 | 37,25 | 41,72 |





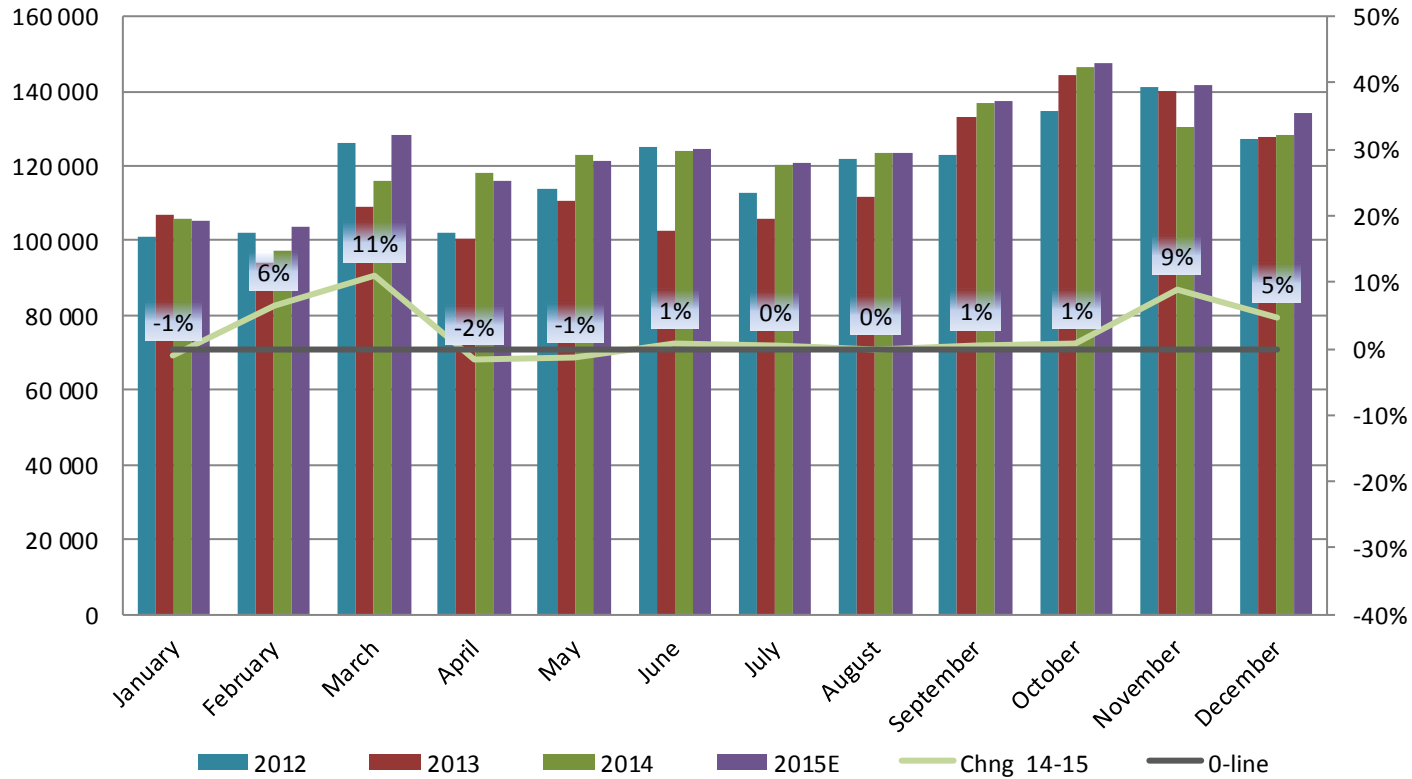
Atlantic salmon - Harvest Quantities Norway in tons WFE



Figures as per 29.07.2015

Source: Kontali

Atlantic salmon - Harvest Quantities Europe in tons WFE

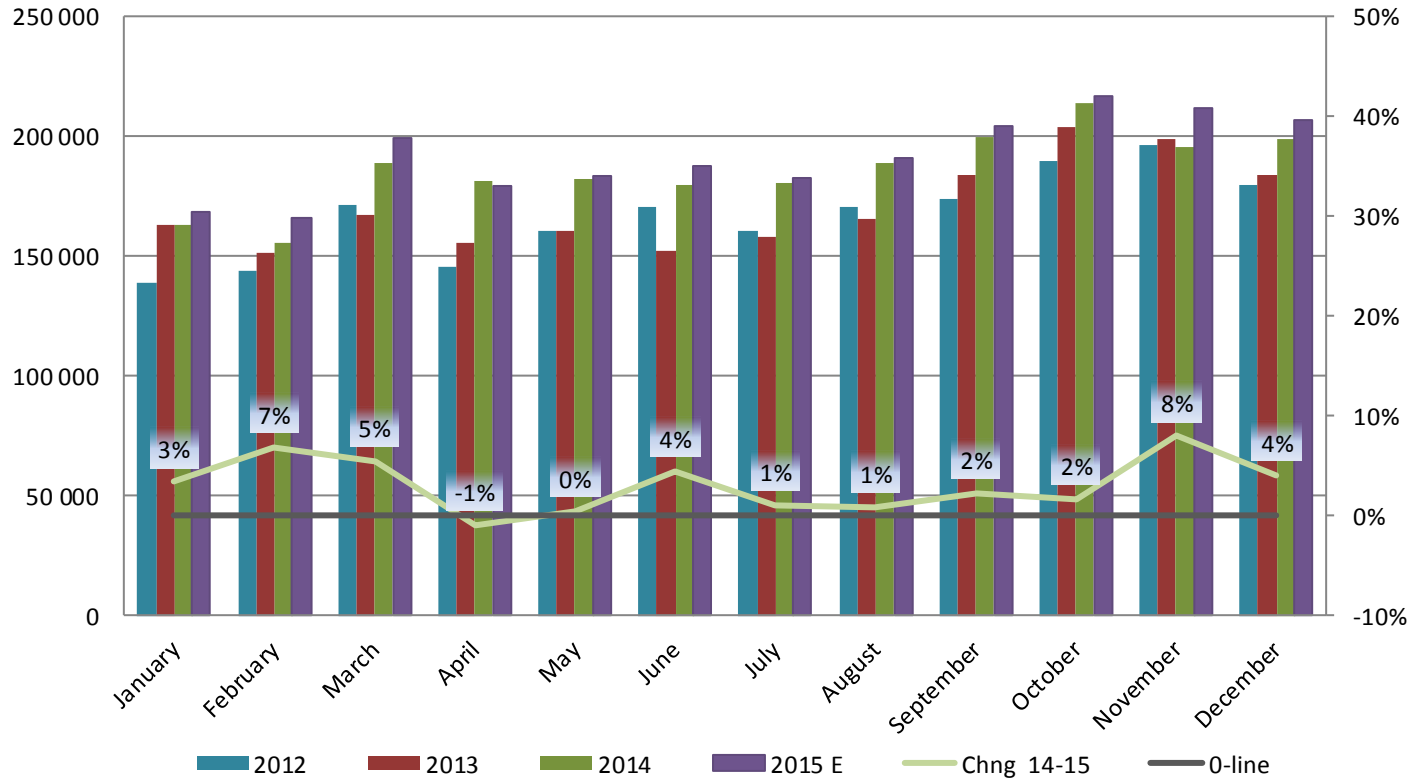


Figures as per 29.07.2015

Source: Kontali

Atlantic salmon - Harvest Quantities WW

in tons WFE



Figures as per 29.07.2015

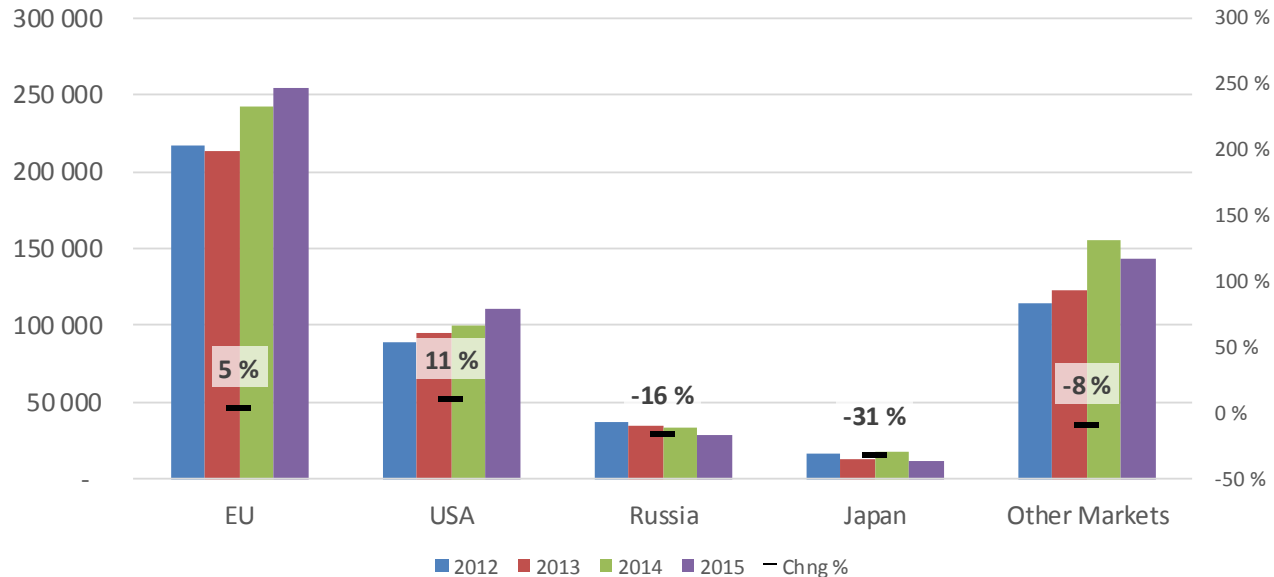
Source: Kontali

Atlantic Salmon Consumption

Q2 2015



| Market | 2012 | 2013 | 2014 | 2015 | Chng | Chng % |
|---------------|----------------|----------------|----------------|----------------|-------------|------------|
| EU | 217 300 | 213 500 | 243 200 | 254 300 | 11 100 | 5 % |
| USA | 88 800 | 94 600 | 99 800 | 110 800 | 11 000 | 11 % |
| Russia | 37 200 | 34 400 | 33 700 | 28 400 | -5 300 | -16 % |
| Japan | 16 800 | 13 200 | 17 400 | 12 000 | -5 400 | -31 % |
| Other Markets | 114 000 | 123 300 | 155 600 | 143 600 | -12 000 | -8 % |
| Total | 474 100 | 479 000 | 549 700 | 549 100 | -600 | 0 % |

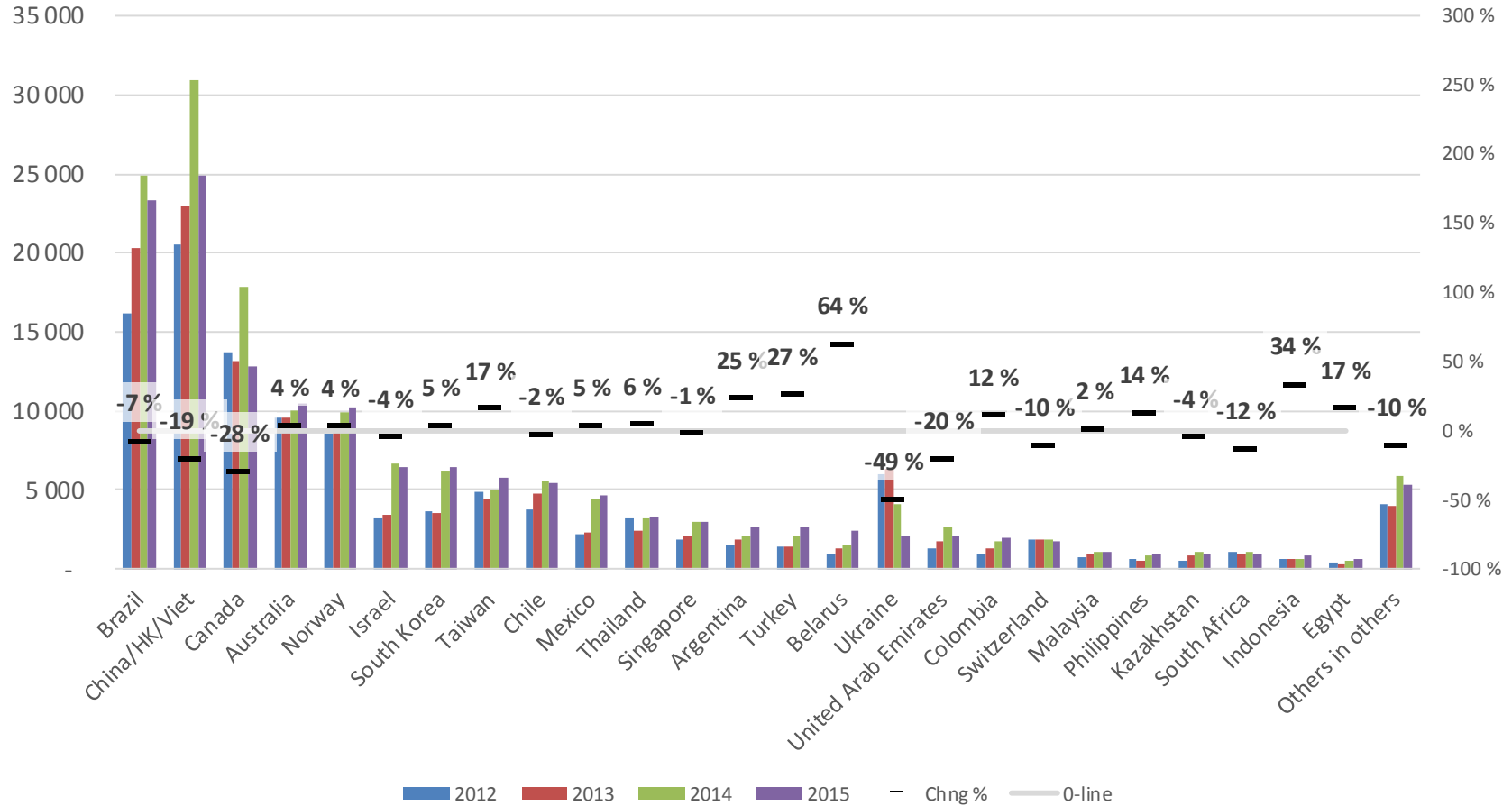


Figures as per 29.07.2015

Source: Kontali/Nasdax

Atlantic Salmon Consumption (Other markets)

2015 Q2

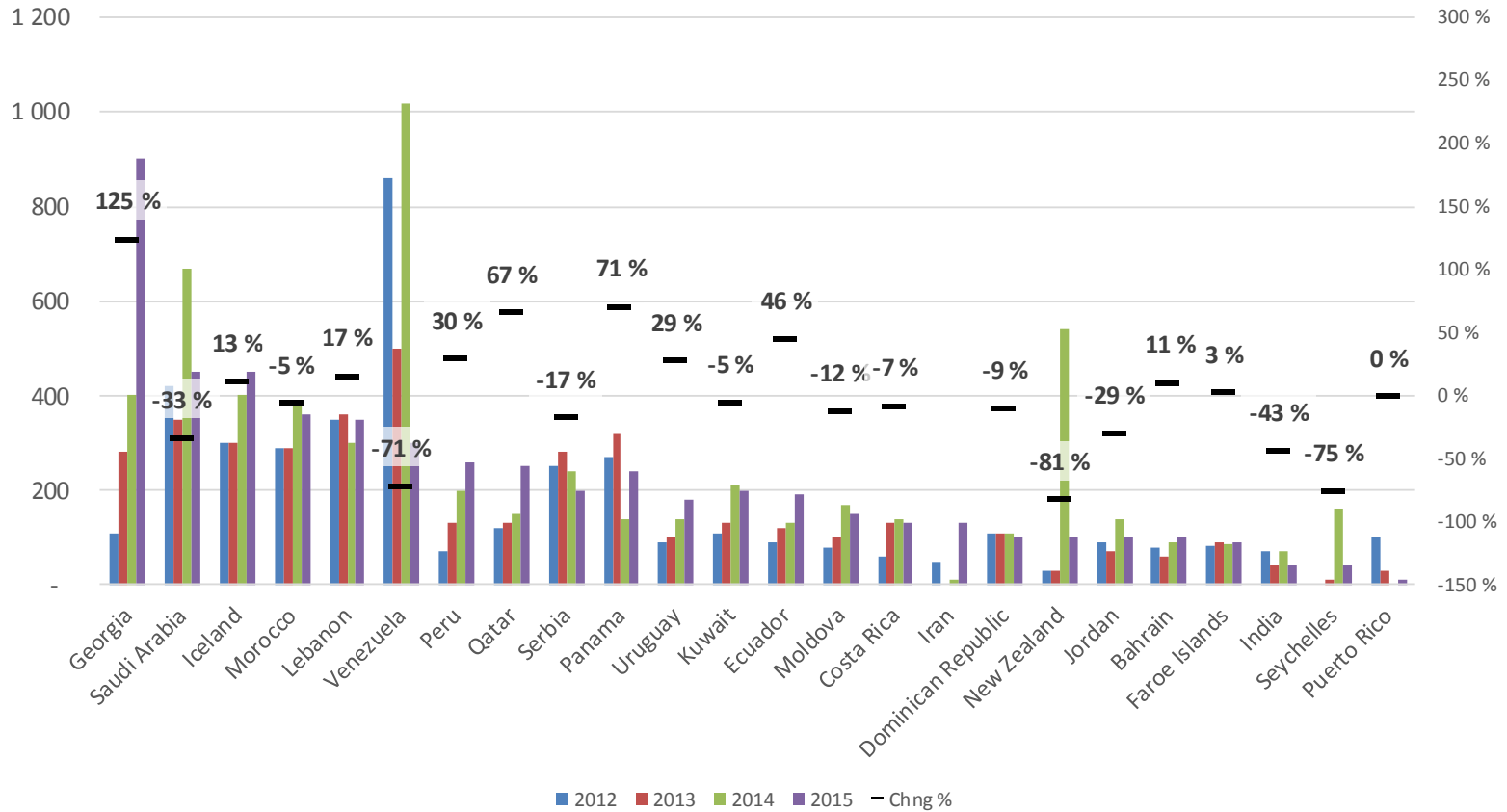


Figures as per 29.07.2015

Source: Kontali

Atlantic Salmon Consumption (Others in Other markets)

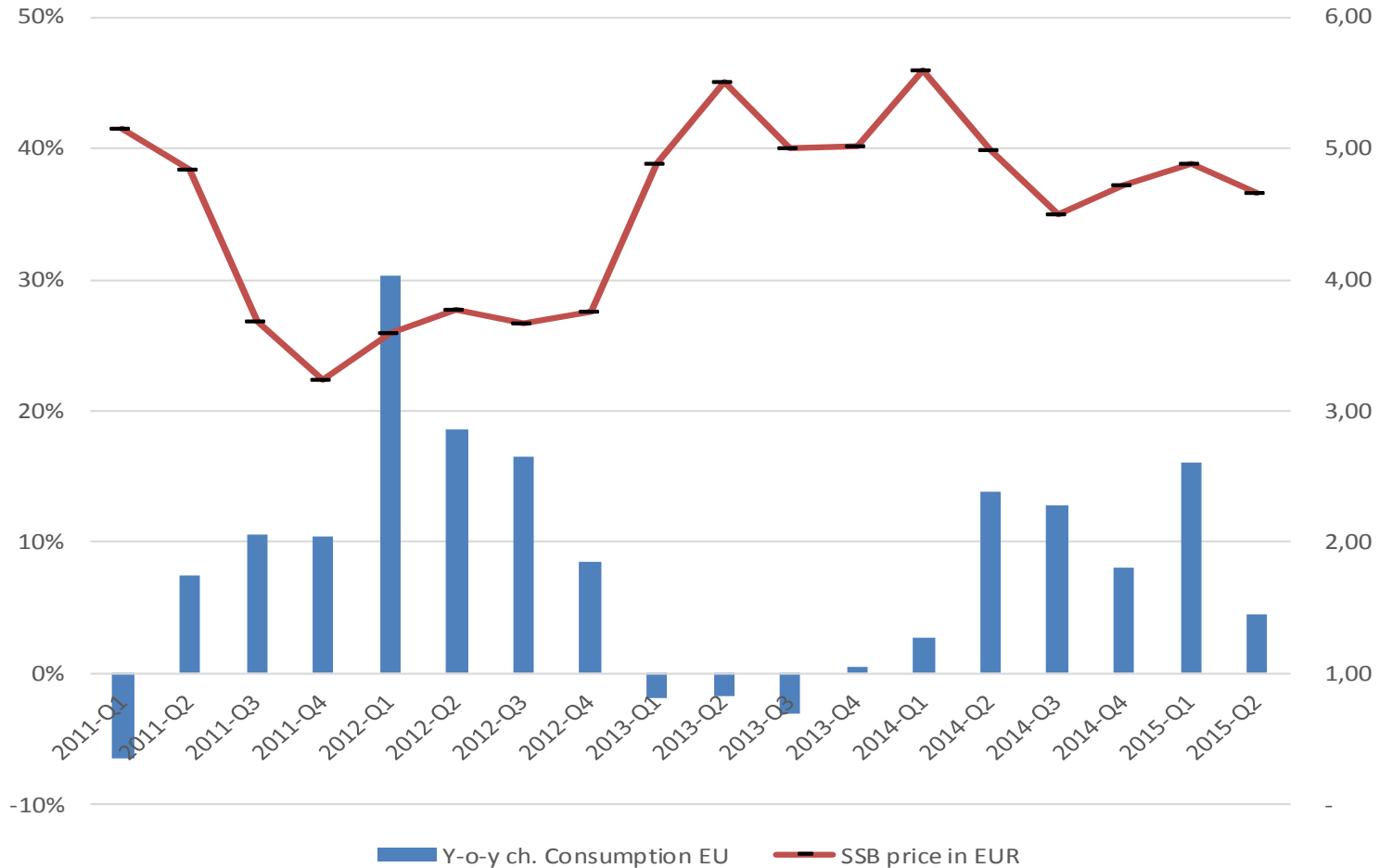
2015 Q2



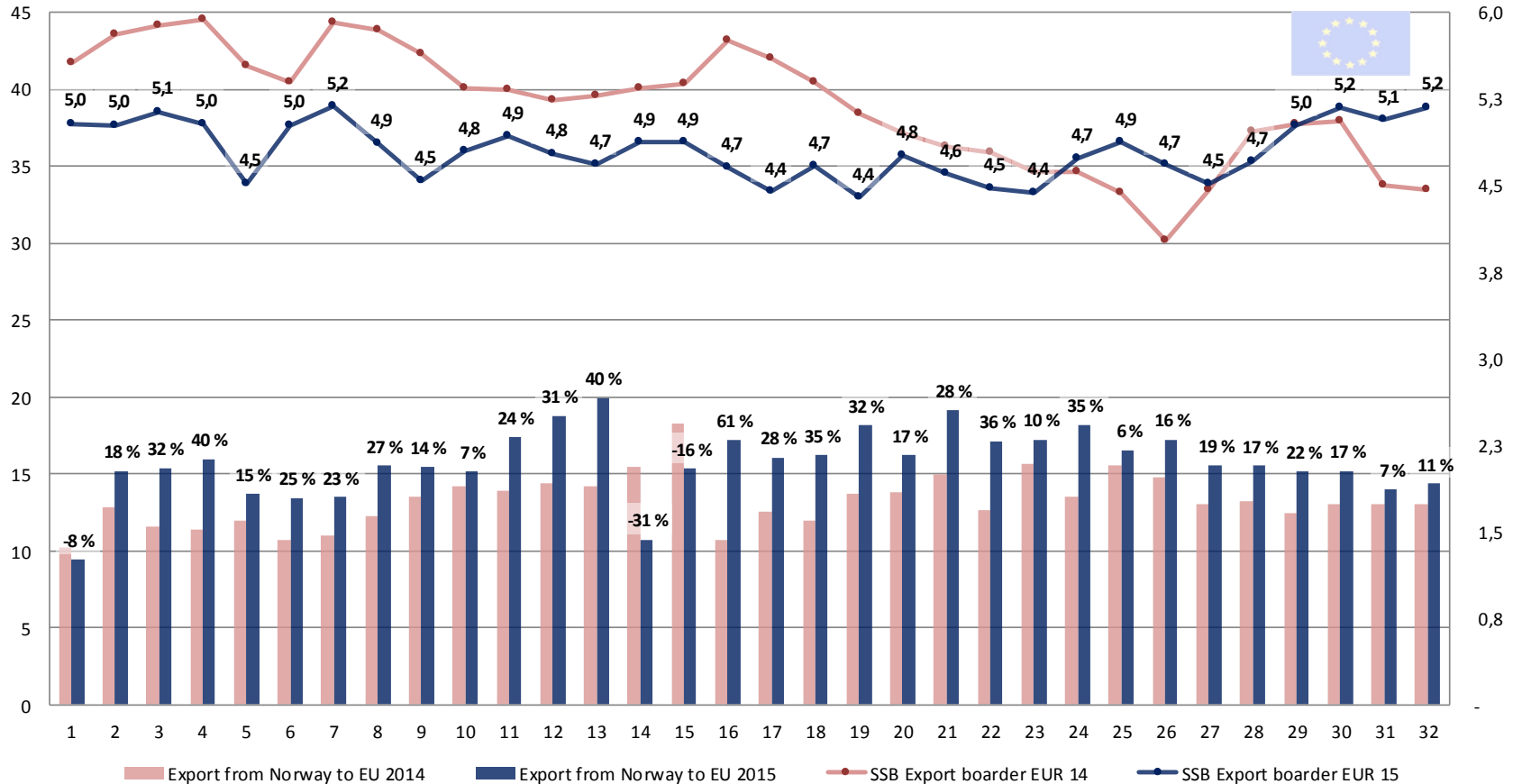
Figures as per 29.07.2015

Source: Kontali

EU consumption growth and price at boarder Norway



EU – export from Norway and export price in EUR



Outlook

- Positive market outlook
 - Good demand growth, but normal seasonality in market is expected
 - Global supply growth ~3% in 2015
- Harvest guidance 1 66.000 GWT for 2015
- Expected contract share Q3 ~35-40%



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 | Q2 | Q1 | Q2 | Q3 | Q4 | FY | FY | FY | |
| Revenue | | | | | | | | | | |
| Farming | 1 482,2 | 1 596,8 | 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 | 467,9 | 367,1 | 395,1 | 410,2 | 437,2 | 1 609,6 | 1 236,3 | 1 027,0 | 783,0 |
| S&D | 3 075,9 | 3 191,6 | 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 | -1 932,7 | -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 | 3 323,5 | 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 | 68,2 | 98,3 | 77,4 | 48,5 | 146,3 | 370,5 | 359,0 | 83,1 | 155,1 |
| Lerøy Midt | 169,8 | 163,5 | 228,3 | 184,1 | 101,0 | 152,9 | 666,3 | 507,7 | 147,3 | 519,6 |
| Lerøy Sjøtroll | 42,2 | 34,7 | 179,1 | 159,2 | 4,8 | -0,2 | 342,9 | 460,3 | 7,7 | 303,1 |
| Farming | 321,8 | 266,3 | 505,7 | 420,7 | 154,3 | 299,0 | 1379,7 | 1327,0 | 238,1 | 977,7 |
| VAP | 18,2 | 18,0 | 15,1 | 21,1 | 27,8 | 31,3 | 95,3 | 71,6 | 49,7 | 33,5 |
| S&D | 63,0 | 67,2 | 38,7 | 64,1 | 56,0 | 82,2 | 241,1 | 204,1 | 192,5 | 237,5 |
| LSG/Elim | 1,0 | 18,5 | -9,2 | -5,6 | 64,7 | 22,7 | 72,6 | 23,0 | -30,2 | -35,8 |
| EBIT before biomass adj. | 403,9 | 370,1 | 550,4 | 500,3 | 302,8 | 435,2 | 1788,7 | 1625,8 | 450,1 | 1212,9 |