



AUSTEVOLL SEAFOOD  
ASA  
4<sup>th</sup> Quarter 2008

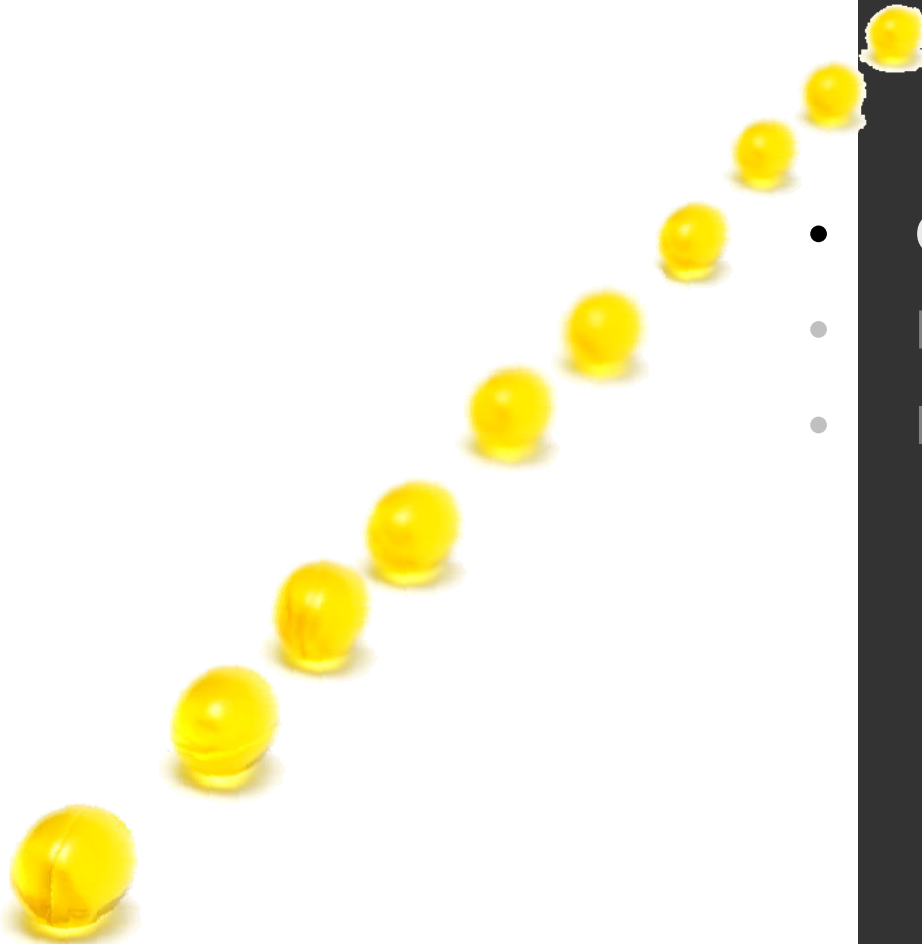
02.03.2009

Arne Møgster - CEO

Britt Drivenes - CFO

*Quality for the world*

# Agenda



- Overview of AUSS
- Key figures Q4
- Market Outlook

# Financial Highlights

## Result highlights







All figures in NOK 1.000

	Q4 08	Q4 07	2008	2007
Revenue	1 552 147	719 978	4 088 394	3 468 957
EBITDA	295 609	22 629	788 617	483 411
Total assets			15 984 653	8 813 030
Equity			5 619 768	4 228 611
Equity Ratio			35 %	48 %
Net interest bearing debt (NIBD)			-6 554 295	-2 514 792



# Company Overview



	 <b>Peru</b>	 <b>Chile</b>	 <b>North Atlantic</b>	<b>Austevoll Seafood (Group)</b>
Activities				
Harvesting capacity	15.794m <sup>3</sup> of anchovy hold capacity - 38 vessels	9.1% of pelagic fishing quota - 5 vessels	2 vessels*	600-700,000 tons of pelagic fish (45 vessels)
Salmon Operation			105 salmon licenses 7 salmon licenses*	120.000~130.000 tons of salmon
Primary Processing	9 meal & oil plants 2 canning plants 2 freezing plants	2 meal & oil plants 2 canning plants 1 freezing plant	9 + 1* meal & oil plants 1 storage/blending 4 freezing plants 8 salmon processing plants	41 processing plants Handling over 1.41 mill tons of pelagic fish annually
Secondary Processing			High Concentrate Omega-3 Fish Oil Plant	2000mt of HCO <sub>3</sub>
Sales & Distribution	Own sales organisation	Own sales organisation	Own sales organisation	Wholesale with global distribution

\* Associated company

# Operation in Chile



**Chile**

FOODCORP S.A.

Chile	Q4 08	2008	2007	2009E
Own Catch	16	102	139	133
Purchase	9	73	59	77
Total ('000 tons)	25	175	198	210

	Yearly Quota Jurel	Catches YTD 08 Jurel	Quota % caught Jurel	Bycatch Caballa	%	Total YTD 08 catches Jurel/Caballa
FoodCorp	121'198	80'662	66,6%	7'503	8,5	88'165
TOTAL	1'312'335	688'978	52,5%	60'703	8,1	749'681

*\*Quota utilisation : FoodCorp vs Industry total*

- Best performance in the industry; utilisation of Horse Mackerel quota 2008: 66,7%.
- Obtain good production for human consumption.
- The leading company in frozen Horse Mackerel.
- Total quota is reduced from 1.6 to 1.4 million tons – FoodCorp quota is consequently reduced from 133 to 103 thousand tons.
- Quota to be reviewed in May 2009.
- Fishing back to normal level in Jan~Feb 2009.

# Operation in Peru



**Peru**

AUSTRAL S.A.A.

Peru	Q4 08	2008	2007	2009E
Ow n Catch	165	462	415	469
Purchase	74	194	191	248
Total ('000 tons)	239	656	606	717

	Season 1	Season 2	Total	%
Ow n Catch	234	154	388	7,4
Purchase	55	59	114	
Total ('000 tons)	289	213	502	7,4

Total 7.18% hold capacity

Source: SGS Peru



**Austral is fully  
ISO14001 certified**

**ITQ expected to be applied for the first fishing season 2009**

- ✓ Estimated total quota (incl. south) for 2009 to be 6,350,000 tons.
- ✓ Austral awarded 7.0% of the centre north quota.
- ✓ Well positioned to front the new quota system.
- ✓ Production facilities are in line with the new environmental regulations.

# Highlights from Peru



## Implementation of ITQ in Peru

- ✓ Sustainability of resource.
- ✓ Environmental.
- ✓ Optimization of utilization of fixed assets.
- ✓ Improved efficiency in catch process.
- ✓ Improved fishmeal and fishoil quality and yield.
- ✓ Increased dedication of resources to Human Consumption fishing and anchoveta fishing in the south.



PREMIO NACIONAL CONAM  
A LA PRODUCCION  
MÁS LIMPIA Y A  
LA ECOEFICIENCIA

Peruvian Ministry of the Environment names Austral Group, *winner in the National Contest of Responsible Management of Handling of Solid Residues and Cleanest, most Eco-efficient Production 2008.*

First in South America to achieve sustainable certification for anchovy and mackerel products from Friends of the Sea.



PERÚ

Ministerio  
del Ambiente



# Operation in North Atlantic Region



## Austevoll Seafood ASA

- Head office – Austevoll

## Consolidated companies

- Lerøy Seafood Group ASA - *Bergen*
- Welcon AS –*Oslo*
- Epax AS –*Aalesund*
- Atlantic Pelagic AS –*Austevoll*
- Austevoll Fiskeindustri AS – *Austevoll*
- Sir Fish AS – *Sirevåg*
- Modolv Sjøset AS – *Træna*
- North Capelin Honningsvåg AS – *Honningsvåg*

## Associated companies

- Br. Birkeland AS (40.2%) – *Austevoll*
- Shetland Catch Ltd (25%) - *Shetland, UK*





# Lerøy Seafood Group



## **Production capacities**

- 105 licenses for salmon farming

## **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)
- 11.0% share of Norwegian Seafood tot exports value
- 17.3% of Norwegian salmon export
- 24.5% of Norwegian value added salmon export

## **Total of 1,590 employees (inc. share of affiliates)**

- Sales and distribution 449
- Production and farming 976
- Affiliates 329

# Lerøy Seafood Group

## Salmon/trout farming



Company	Ownership share	Licences No individuals	Mill. smolt	2007 GWT	2008 GWT	2009E GWT
Lerøy Midnor AS	100 %	30	9,5	29 200	29 100	35 000
Lerøy Aurora AS	100 %	17	5,0	17 100	17 200	20 500
Lerøy Fossen AS	100 %	7	4,2	9 100	6 500	10 000
Lerøy Hydrotech AS	100 %	24	7,0	20 100	23 000	22 000
Lerøy Austevoll AS*)	100 %	27	10,0	13 400	16 900	22 500
Total Norway		105	35,7	88 900	92 700	110 000
Norskott Havbruk AS (UK) **)50 %			6,0	12 000	11 400	13 000
Total			41,7	100 900	104 100	123 000

 Consolidated, farming

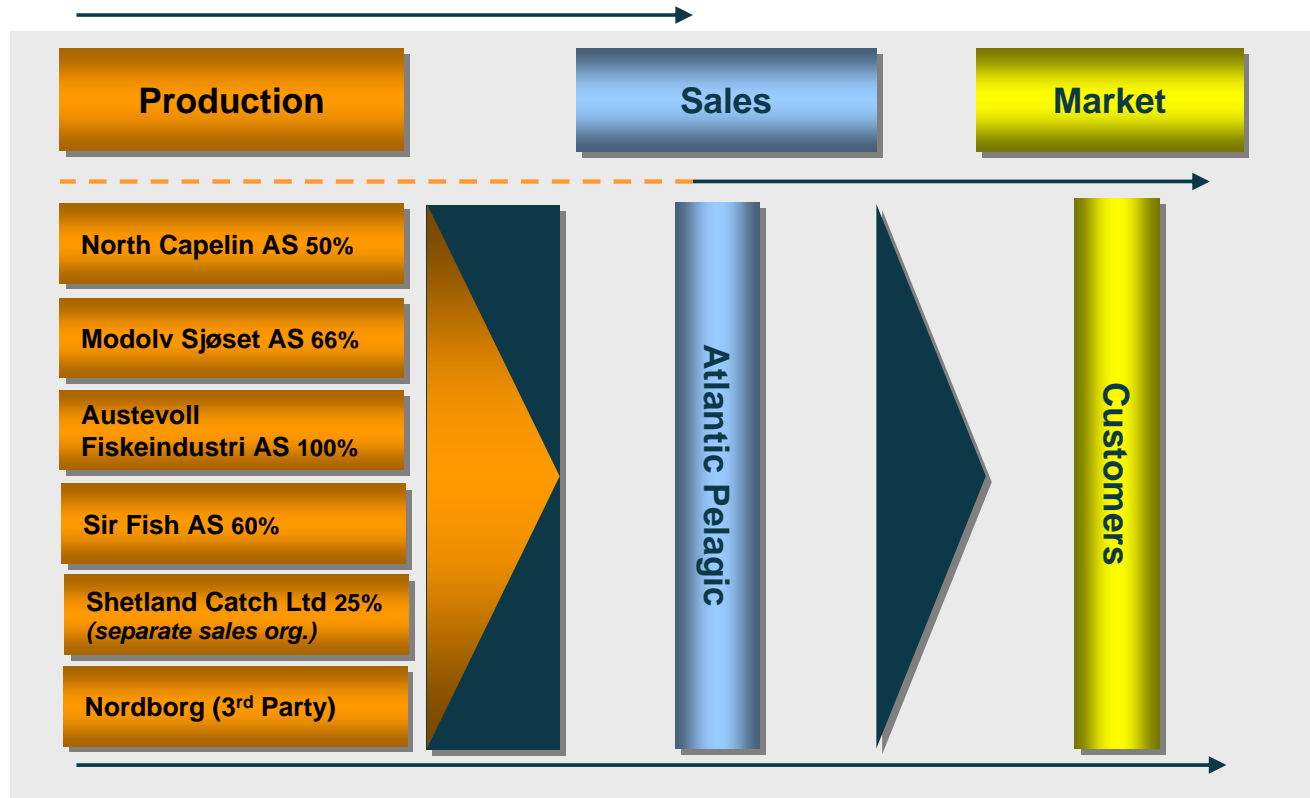
 Affiliated, farming

\*) Acquisition 2007, consolidated from 010407

\*\*) LSG's share

# Operation overview

## Atlantic Pelagic AS



- Purchase 2008 : approx 123.000 tons (191.000 tons including Shetland Catch)
- Budget 2009 : approx 177.000 tons ( 245.000 tons including Shetland Catch)
- Limited unsold stock.
- Debtors secured by credit insurer.



# Industrial consolidation between Welcon and United Fish Ind.



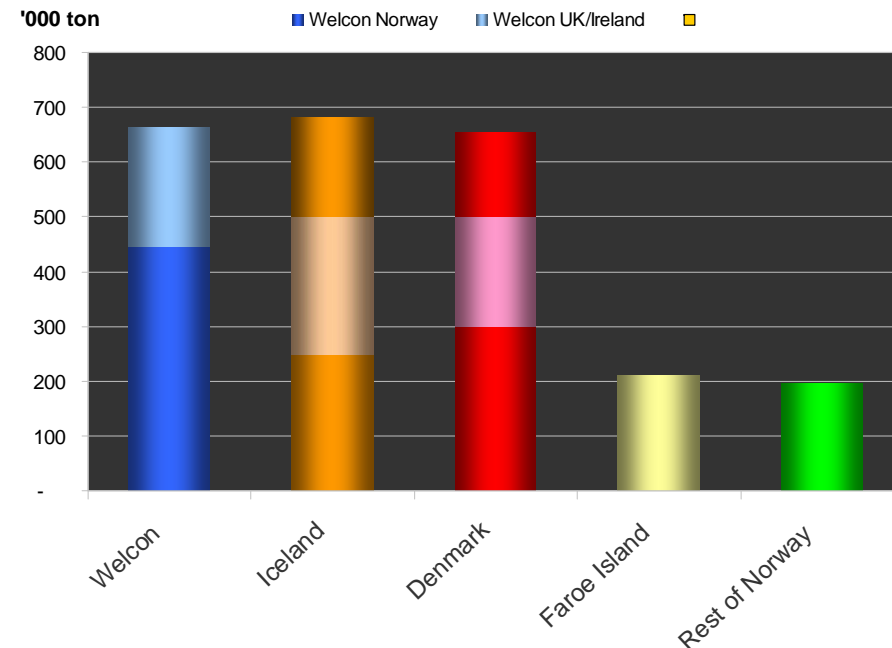
## Transaction summary

- ✓ Origin transferred its shares in UFI together with €16 million, in return for 50% shareholding for the combine business
- ✓ Proforma turnover approx. €175 million.

## Industrial strategic consolidation in the North Atlantic

- ✓ Strong geographical spread
- ✓ Improved raw material landings and conversion efficiencies
- ✓ Global access to new markets
- ✓ Two of the top three producers in the North Atlantic Region
- ✓ Good international management and leadership

North Atlantic Raw Material Purchased 2008



Source: IFFO



Welcon	Q4 08	2008	2007	2009E
Purchase	34	371	487	600*
Total (tons)	34	371	487	600*

\* 100% basis

- Good balance between raw material and market prices for fishmeal with improved margins.
- Low unsold stocks
- Still strong US currency keeps prices favorable in Q1 09
- Positive outlook for Q2 2009 for fishmeal.

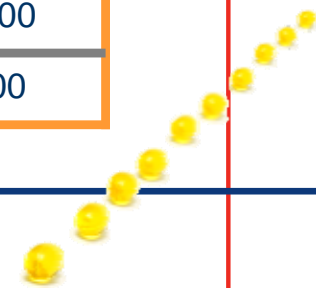


# Epax AS - Highlights



- Experienced no negative impact of the global financial crisis although some anxiety in the supplement business
- Production at full capacity – Production volumes all time high in Q4 ended at 556 MT (Q3:460 MT) of High Concentrates
- Almost 100% supplied through Austevoll plants in Peru, Quality superior compared to ordinary traders supply.
- Secured Crude oil stock until January 2010
- EU Hygiene legislation into force from may 2009. EPAX supplies through Austevoll will be in compliance in due time
- Price of Omega-3 Crude oil declining to approx 900 – 1300 USD/MT dependent on Omega3 content

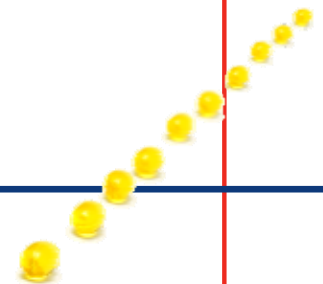
Total Sales volume	Q2 08	Q3 08	Q4 08	2008	2007	2009E
Hi Concentrate (HC)	357	451	408	1517	1130	1800
Low Concentrate (LC)	69	59	37	255	283	300





## Innovation;

- ✓ Newly developed Enzymatic technology being up scaled for commercial production
- ✓ **Lipromega** © Patent Granted in China, US and EPO countries
- ✓ Small scale commercial production is currently running in existing facility.
- ✓ Dedicated customers is already working with launch details aiming for H2 2009
- ✓ New plant designed, suitable site not confirmed.



# Agenda



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- Key figures Q4
- Market Outlook







# Volume by products

## Catch and purchase

Figures in 1.000 tons	Q4 08	2008	Q4 07	2007	2009 E
Chile own catch	16	102	4	139	133
Chile purchase	9	73	4	59	77
Peru own catch	165	462	155	415	469
Peru purchase	74	194	40	191	248
Norway/UK purchase	34	371	49	487	600 *
Salmon					110
<b>TOTAL</b>	<b>298</b>	<b>1 202</b>	<b>252</b>	<b>1291</b>	<b>1637</b>

## Volumes sold

Figures in 1.000	Q4 08	2008	Q4 07	2007	2009 E
Fishmeal and oil (tons)	53	310	49	300	360
Frozen products (tons)	3	22	5	28	45
Canning (cases)	542	2 999	889	4 022	4 300
High concentrate Omega 3 oils (tons)	0,408	1,517	0,310	1,130	1,800
Low concentratet Omega 3 oils (tons)	0,037	0,255	0,051	0,283	0,300
Salmon					110

\* 100% basis

# Result Q4 2008



## Condensed Consolidated Income Statement (unaudited)

All figures in NOK 1.000	Q4 08	Q4 07	31.12.2008	31.12.2007
<b>Operating income</b>	<b>1 552 147</b>	<b>719 978</b>	<b>4 088 394</b>	<b>3 468 957</b>
Raw material and consumables used	855 930	461 018	2 291 768	2 174 352
Salaries and personnel expenses	198 670	122 242	473 280	342 924
Other operating expenses	201 939	114 088	534 730	468 271
<b>Operating profit before depreciation (EBITDA)</b>	<b>295 609</b>	<b>22 629</b>	<b>788 617</b>	<b>483 411</b>
Depreciation and amortisation	86 160	53 181	250 029	201 939
Depreciation of excess value inventory	-	-	-	3 000
Impairment	59 997	-	59 997	-
<b>Operating profit (EBIT)</b>	<b>149 452</b>	<b>-30 552</b>	<b>478 591</b>	<b>278 471</b>
Fair value adjustment biomass	116 953	-	116 953	-
<b>Operating profit</b>	<b>266 405</b>	<b>-30 552</b>	<b>595 544</b>	<b>278 471</b>
Income from associated companies	46 095	51 276	24 988	65 758
Net interest expenses	-76 077	-43 048	-227 458	-141 413
Net other financial items (incl agio/disagio)	-72 674	15 391	-109 255	12 800
<b>Profit before tax</b>	<b>163 748</b>	<b>-6 933</b>	<b>283 819</b>	<b>215 616</b>
Income tax expenses	-61 057	50 527	-120 851	-32 343
<b>Net profit</b>	<b>102 691</b>	<b>43 594</b>	<b>162 968</b>	<b>183 273</b>
Net profit from discontinued operations	-	10 623	-	324 273
<b>Net profit including discontinued operations</b>	<b>102 691</b>	<b>54 217</b>	<b>162 968</b>	<b>507 546</b>
Profit to minority interests	33 090	1 552	40 460	8 563
Profit attribut.to equity holder of parent	69 601	52 664	122 508	498 983
Earnings per share	0,38	0,29	0,66	2,72
Diluted earnings per share	0,38	0,29	0,66	2,72

# Consolidated income Q4 2008

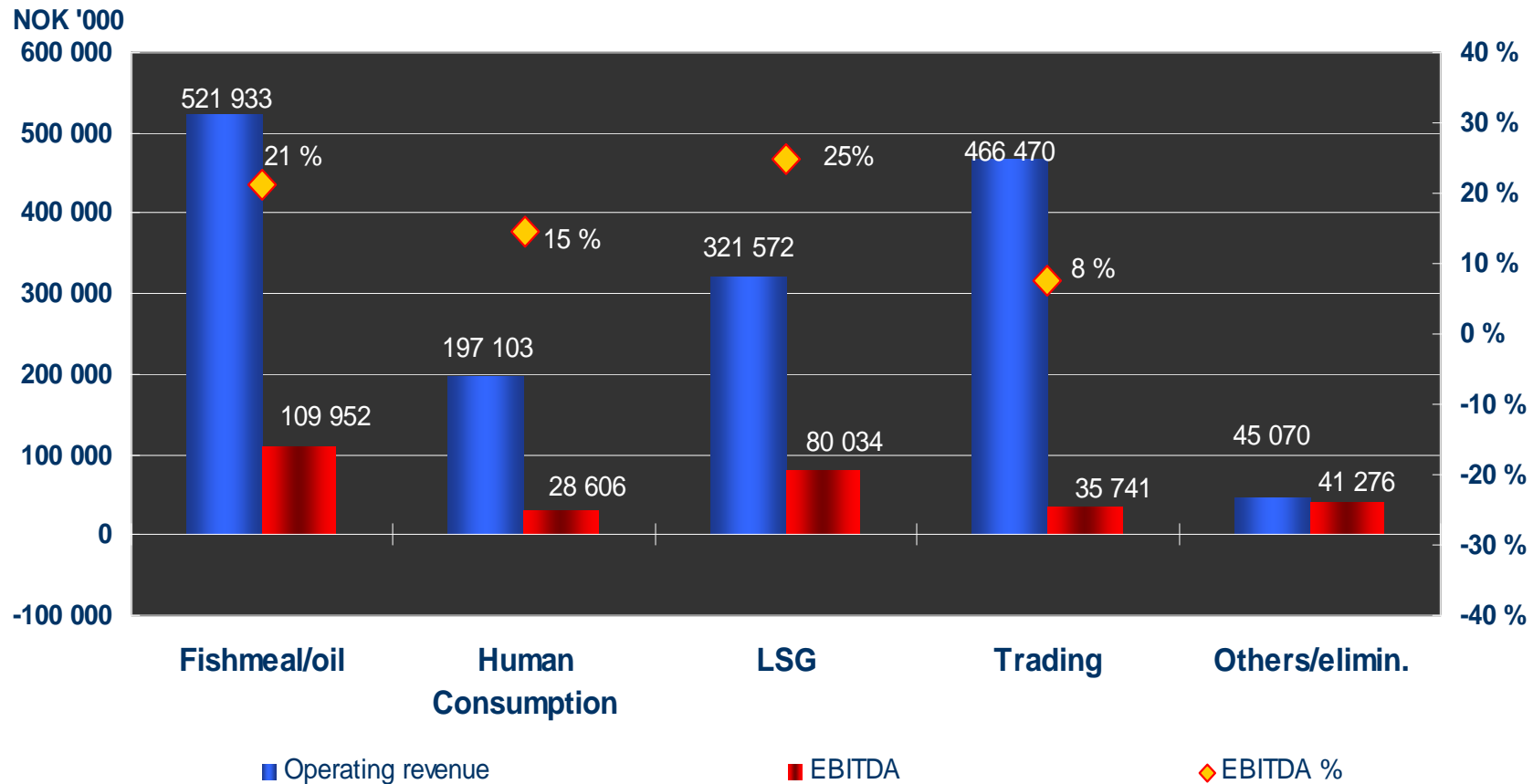


## Cond. Consolidated Income Statement (unaudited)

All figures in NOK 1.000	AUSS Q4 08	LSG December	Total Q4 08	AUSS 2008	LSG December	Total 2008
<b>Operating income</b>	1 230 575	321 572	1 552 147	3 766 822	321 572	4 088 394
Operating expenses	1 015 000	241 538	1 256 538	3 058 239	241 538	3 299 777
<b>Operating profit before depreciation (EBITDA)</b>	<b>215 575</b>	<b>80 034</b>	<b>295 609</b>	<b>708 583</b>	<b>80 034</b>	<b>788 617</b>
Depreciation, amortisation and impairment	127 604	18 553	146 157	291 473	18 553	310 026
<b>Operating profit (EBIT) before adj.biomass</b>	<b>87 971</b>	<b>61 481</b>	<b>149 452</b>	<b>417 110</b>	<b>61 481</b>	<b>478 591</b>



# Q4 2008 EBITDA by Segments



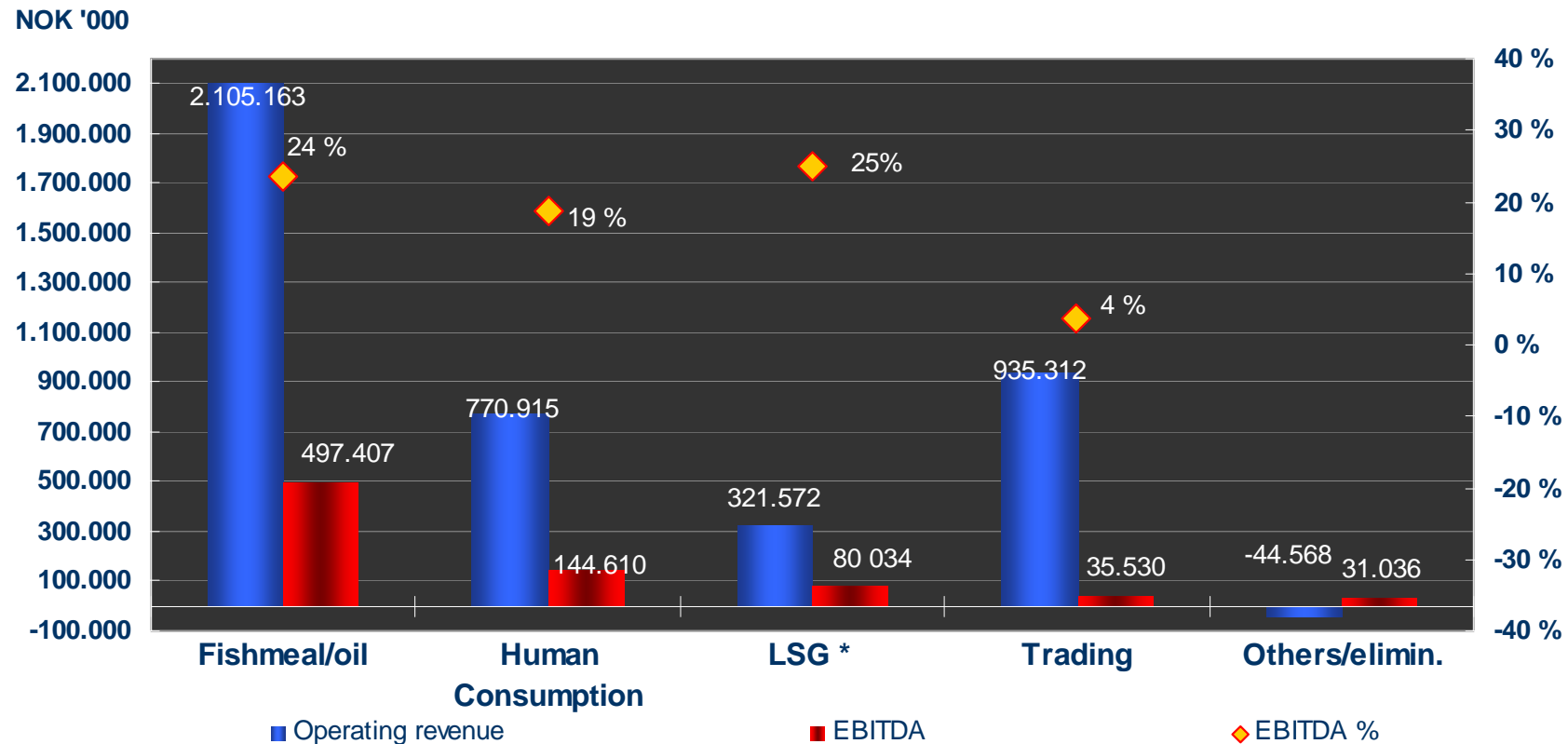
## Fishmeal- and fish oil

- Stable prices
- Good production in Peru

## Human Consumption

- Firm sales prices
- low production for canning and frozen products
- Good production of high concentrates omega-3

# 2008 EBITDA by Segments



## Fishmeal- and fish oil

- Increased fishoil prices 2008
- Good balance between raw material and market prices for fishmeal with improved margins.

## Human Consumption

- Increased prices for canned and frozen products
- Good production of high concentrates omega-3

# Balance 31.12.2008



## Condensed Consolidated Balance sheet (unaudited)

All figures in NOK 1.000	31.12.2008	31.12.2007
Intangible assets	5 842 802	1 624 499
Fixed assets	4 385 334	2 575 773
Financial assets	706 259	2 451 590
Inventories	2 554 543	528 055
Receivables	1 852 179	592 201
Bank balance	643 536	1 040 911
<b>Total Assets</b>	<b>15 984 653</b>	<b>8 813 030</b>
Total equity	5 619 768	4 228 611
Provisions for commitments	1 700 580	532 851
Other long term liabilities	5 870 878	2 401 052
Current liabilities	2 793 427	1 650 515
<b>Total Equity and Liabilities</b>	<b>15 984 653</b>	<b>8 813 030</b>
Equity ratio	35 %	48 %
Net interest bearing debt (NIBD)	6 554 295	2 514 792



# Cash Flow Statement

Condensed Consolidated Cash flow statement (unaudited)

All figures in NOK 1.000	Q4 2008	Q4 2007	31.12.2008	31.12.2007
Net cash flow from operating activities	202 740	33 415	413 783	277 166
Net cash flow from investing activities	-1 228 895	-668 626	-1 448 194	-2 195 459
Net cash flow from financing activities	1 126 932	259 572	637 037	1 547 710
Net change in cash and cash equivalents	100 777	-375 639	-397 374	-370 583
Cash and cash equivalents at beginning of period	542 760	1 416 549	1 040 910	1 411 493
<b>Cash and cash equivalents at period end</b>	<b>643 537</b>	<b>1 040 910</b>	<b>643 536</b>	<b>1 040 910</b>

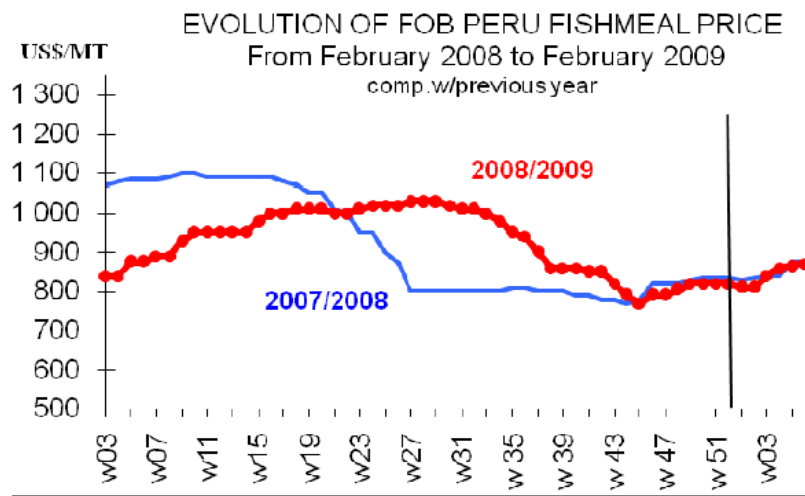


# Agenda

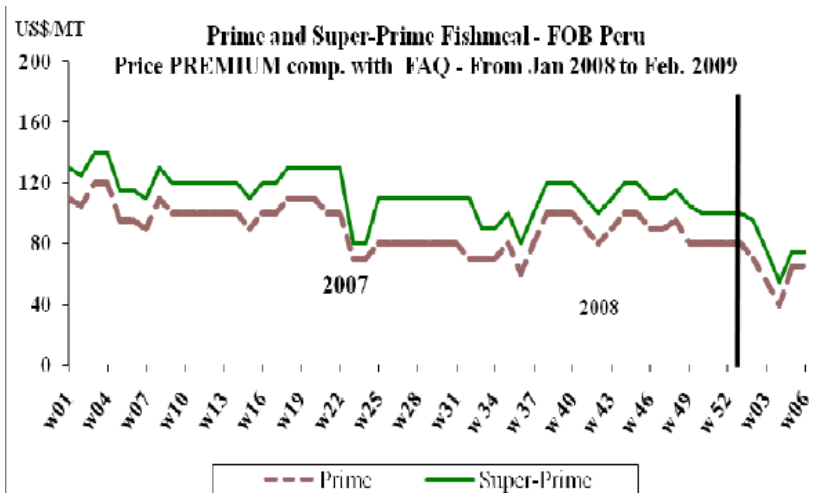


- Overview of AUSS
- Key figures Q4
- **Market Outlook**





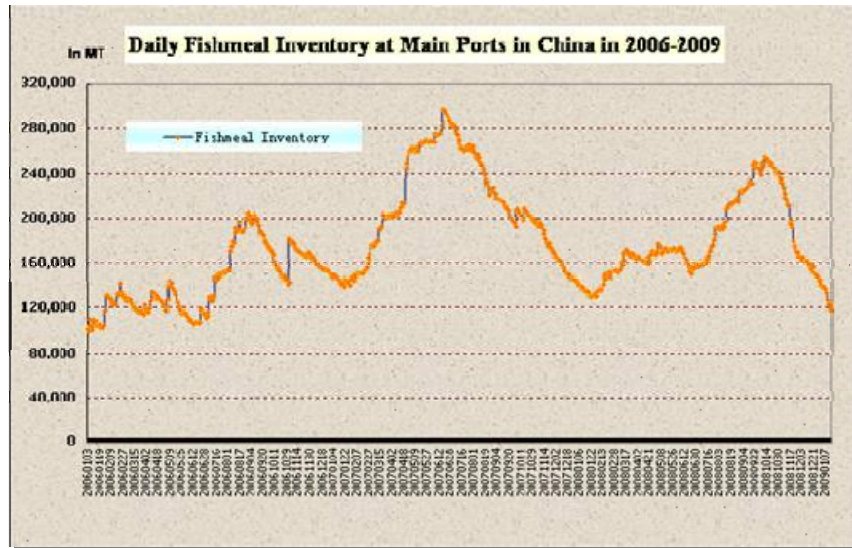
Source:IFFO



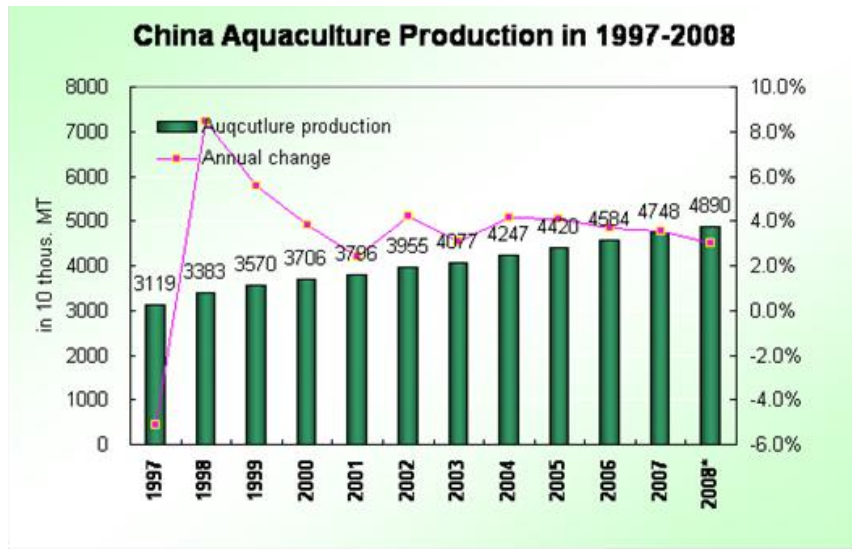
Source: IFFO

## Market situation

- Market expected to remain firm in the short term due to low global fishmeal stock and continuous demand from China, Europe and most of significant markets.
- Production from coming season in Peru already heavily booked ~ estimated 230,000MT equivalent to approx. 1M metric tons of fish quota.
- ITQ to start in 2009 allowing improvement of qualities as well as spread out production likely to reduce price volatility. Chinese first to reserve future production on account on expected lower production of FAQ.
- Prices keep on increasing as follows, with reduction of spread between Super Prime and FAQ :
  - ✓ FAQ 64-65% >USD 900/MT+ FOB Peru
  - ✓ Super Prime > USD 950-980/MT FOB Peru
- Fishmeal usage up 6% in Norwegian fishfeed for 08
- Strong USD keeps prices favorable for Welcon going forward.



Source: Andrew Jackson - IFFO

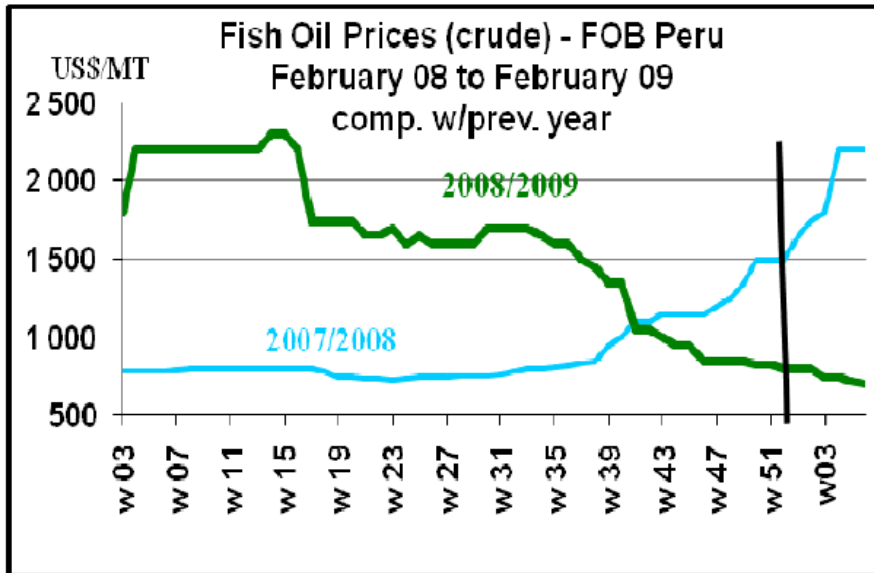


Source: JCI China

## Situation in China – Main Market

- Stock has decreased due to higher-than-expected consumption and very poor domestic supply, both favourable to importations. Delayed cargo arrivals also contributed to have stock down to 120,000MT.
- Market sentiment is bullish as it is felt that market bottom is behind.
- Pig feed in China remains the main driver. Impact is driven by volumes as inclusion rate is limited. Increase of fishmeal price has a very limited effect on overall cost.
- Price of fishmeal in China remains influenced by price fluctuations of soybean meal.
- Aquaculture keeps on growing although at lower pace.

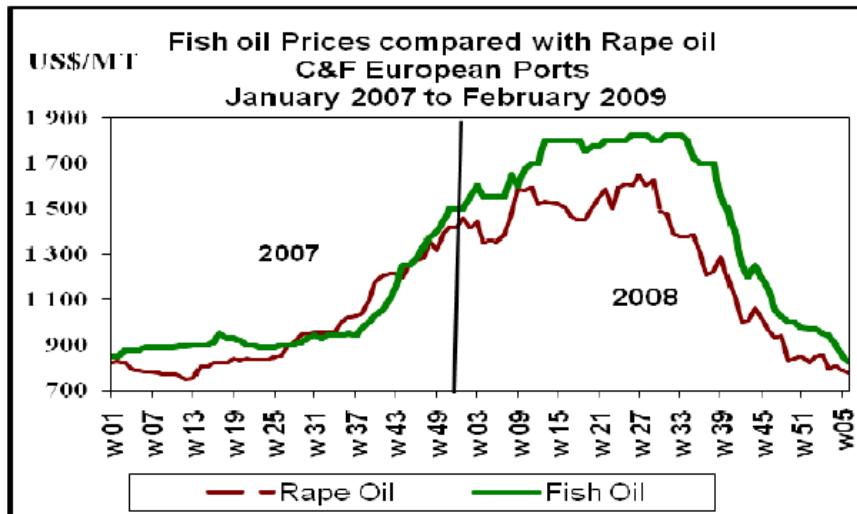
# Fishoil



Source: IFFO

## Market Situation:

- Market has corrected due to decreased demand from salmon feed industry, especially in Chile, and much lower price from competing rapeseed oil. Current level at USD 600/MT FOB.
- Competing rapeseed oil stuck at low level due to decreased demand from EU Biodiesel industry.
- Omega 3 market still growing at good rate with solid demand ahead of new EU legislation for human consumption oils. Austral well positioned with plants and fleet approved well in advance.
- Market remains short of DHA as much of production was balanced in favour of high EPA.

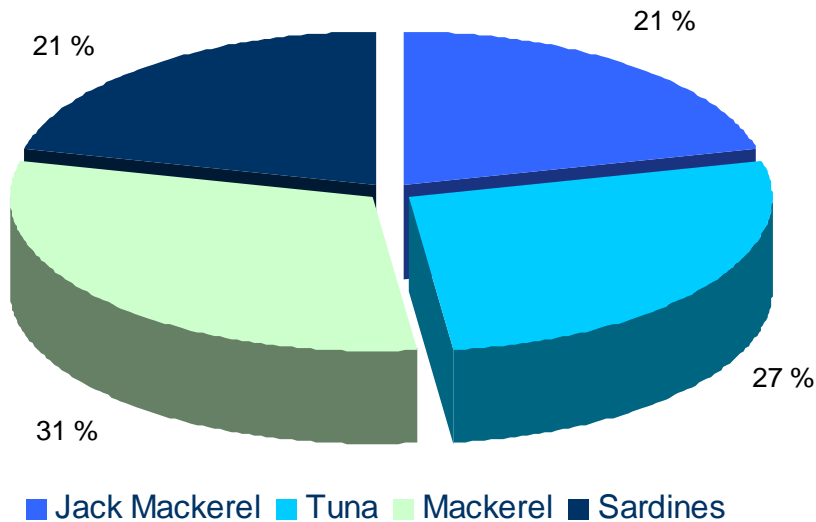


Source: IFFO

# Human consumption market - Austral



Sales by Species during 2008



Source: Austral Group SAA

## Market Situation – Canned & Frozen Fish:

- Market very firm for all references due to shortage of products. Limited landings in Peru during Q4.
- Prices for both Jackmackerel & Mackerel in Tall format stable and firm above USD 20 per case after fishing resumes.
- Austral leading exportations from Peru in 2008 with market share reaching 27,91% of all canned fish exports.
- Domestic market remains solid with Jackmackerel Grated sold over USD 18 per case and Mackerel fillets sold over USD 28 per case. Shelves are empty and most of sales are oriented to own BAYOVAR label.
- Frozen market remains strong, over USD 900 per MT for both Jackmackerel and Mackerel, at much higher level than last year same period.



# Human consumption market – FoodCorp



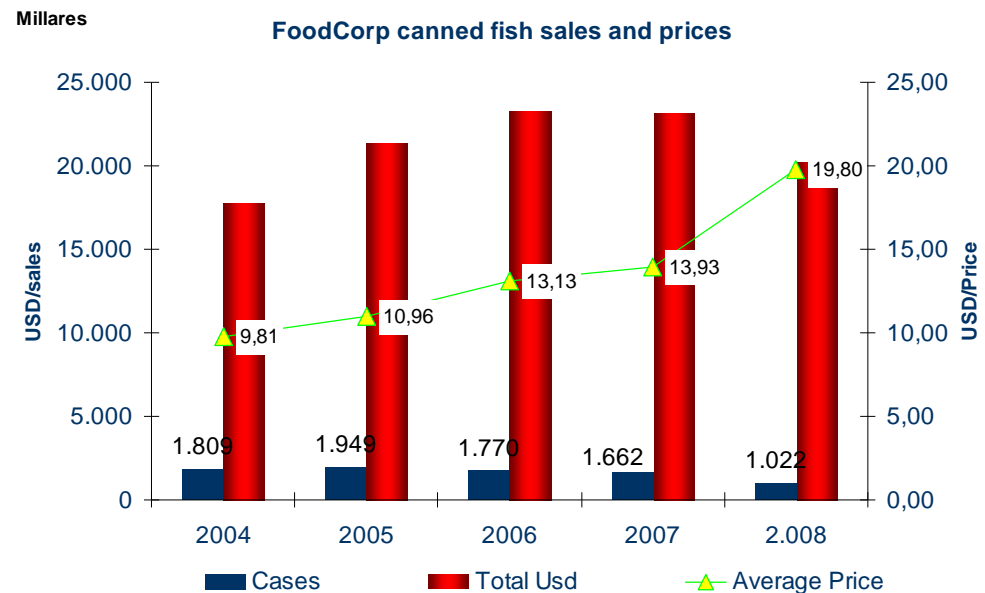
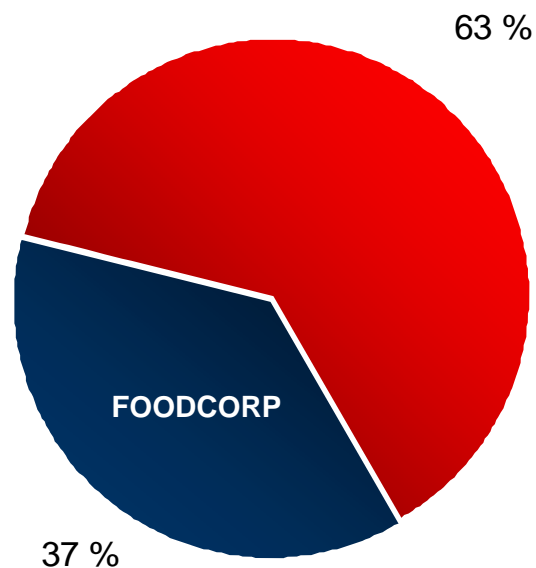
## Frozen fish

- Average price USD/MT 2008: 912 (Q4: 1'048) (2007:538) (2006: 574)
- Total export from Chile 2008: 51'041 t
- Prices continue to be firm in good levels.

## Canned fish

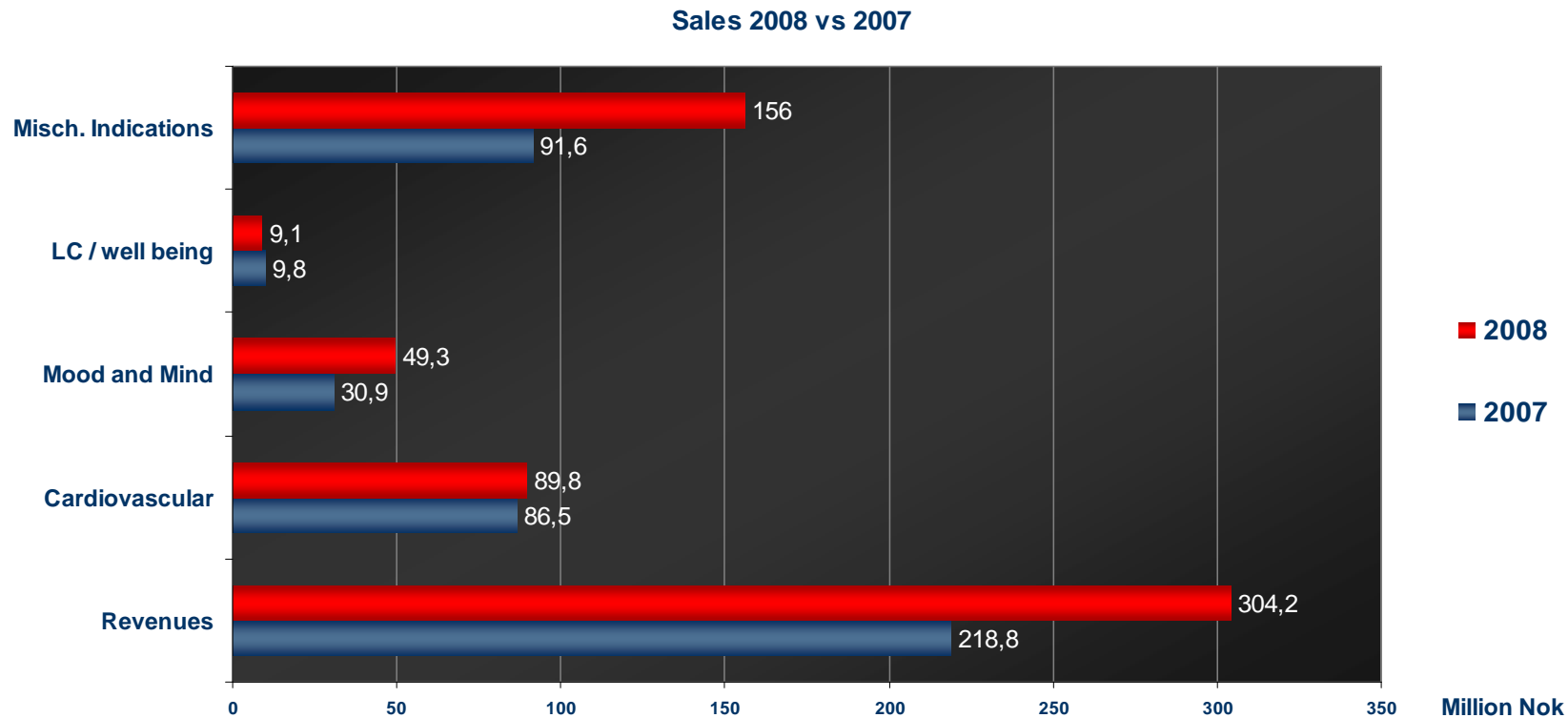
- Firm market trend with good price level. Q4: 19.9 USD/Case
- Sales are based in frame contracts with long term clients.

Frozen fish sales VIII Region, Chile 2008

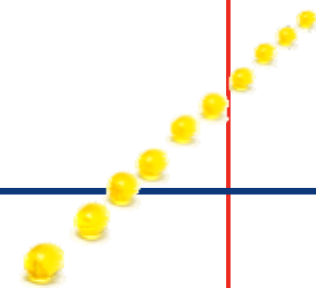


Source: FoodCorp SA

# Epax sales 2008 vs. 2007



- ✓ Strong growth in the US on high Branded products, decline in low price segment
- ✓ Growth in most markets although price competition from new players
- ✓ 6 new 3 years Customer contracts signed in q4 2008
- ✓ European market positive lift in Q4





**Thank you**

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