



# Austevoll Seafood ASA

## 2011

Q1 presentation

*Presented by*  
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## Austevoll Seafood ASA

As a globally integrated pelagic fishery and seafood specialist, Austevoll Seafood ASA (AUSS) operates through subsidiaries and associated companies, fishing vessels with licensed quotas in three of the world's most important fishery countries - Norway, Chile and Peru. Committed to providing quality products to our customers, AUSS employs sophisticated fishing technology and responsible fishing strategies that harvest ocean resources without compromising the sustainability of such.

Through our activities in fishing fleet, fishmeal and oil plants, canning plants, frozen fish plants, salmon farming and sales, AUSS's integrated operation ensures a high level of freshness is maintained in our products - from fishing waters to finished products.

Over the last decade, AUSS has acquired a significant number of companies of a complementary nature to its existing business areas. Our success lies in the integration of these businesses and creating synergies and value-added businesses through co-operations across all our business areas.

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





# Financial highlights

All figures in NOK 1.000	Q1 11	Q1 10	2010
Revenue	2 952 389	2 745 538	12 744 751
EBITDA	611 539	431 000	2 540 827
Total assets	18 931 430	16 790 356	19 042 235
Equity	9 361 587	7 618 713	9 110 861
Equity Ratio	49 %	45 %	48 %
Net interest bearing debt (NIBD)	-3 088 282	-3 814 791	-3 161 929

Proposed dividend payment of NOK 1.50 per share



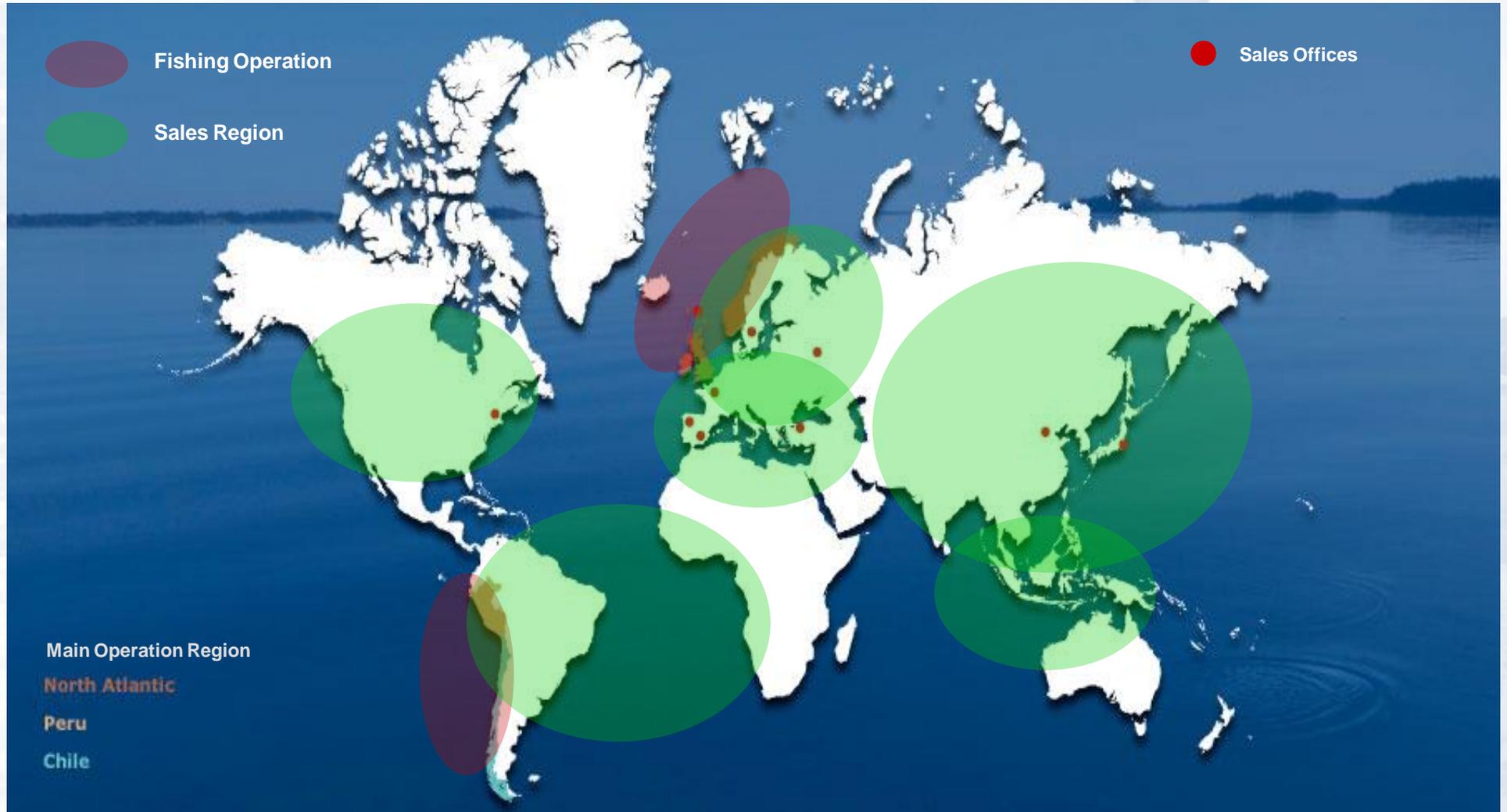
# Company overview

	 <b>Peru</b>	 <b>Chile</b>	 <b>North Atlantic</b>	<b>Austevoll Seafood (Group)</b>
<b>Activities</b>				
<b>Harvesting capacity</b>	7% of Anchovy quota centre-north - 30 vessels	9.1% of pelagic fishing quota - 5 vessels	2 vessels*	500-600,000 tons of pelagic fish (37 vessels)
<b>Salmon Operation</b>			130 salmon licenses 7 salmon licenses*	150.000~160.000 tons of salmon
<b>Primary Processing</b>	7 meal & oil plants 3 canning plants 2 freezing plants	1 meal & oil plant 2 canning plants 1 freezing plant	8 meal & oil plants 1 storage/blending 4 freezing plants 14 salmon processing plants	43 processing plants Handling over 1.4 mill tons of pelagic fish annually
<b>Sales &amp; Distribution</b>	Own sales organisation	Own sales organisation	Own sales organisation	Wholesale with global distribution

\* Associated company



# Overview of AUSS





# Operation in Chile

(FoodCorp S.A.)

Chile	Q1 11	Q1 10	2011 E	2010
Ow n Catch (Mackerel & other species)	9	17 *	29	44 *
Purchase - Mackerel	5		10	4
Purchase - Sardin/Anchovy	25	15	60	57
<b>Total ('000 tons)</b>	<b>39</b>	<b>32</b>	<b>98</b>	<b>105</b>
<b>Mackerel</b>				
Ow n Catch	9	7	21	29
<b>% of quota</b>			<b>100 %</b>	<b>29 %</b>

\* Includes 10,000 tons of Squid

- Jack mackerel global quota (TAC) in 2011 set at 315,000 tons compared with total catch of 385,000 tons in 2010.
- Jack mackerel catches in Q1 in line with new quota. (Q1 2010 included 10,000 tons of Squid).
- Increasing usage of mackerel into human consumption production (95%)
- Purchasing third party jack mackerel for human consumption to increase economies of scales.
- Lower fishing efforts by the high sea trawlers YTD 2011 vs YTD 2010.

Fishmeal & Oil /  
Human  
Consumption



# Operation in Peru

(Austral Group S.A.A)

Peru	Q1 11	Q1 10	2011E	2010
Own Catch	66 *	11	460	221
Purchase	29	40	168	134
Total ('000 tons)	95	51	628	355

\* Includes 24,000 tons of horse mackerel

- Production and sales in Q1 2011 affected by low volumes in 2<sup>nd</sup> fishing season in 2010 (0.4m MT in 2010 & 0.4m MT in 2011 vs initial quota of 2.1m MT) .
- Good recovery of total biomass and catches projected back to normal levels for 2011 [estimated 6.6m MT North and South vs 3.2m MT 2010].
- First fishing season started on April 1<sup>st</sup>, 2011. Quota set at 3.7m MT.
- Strong recovery of human consumption fishing during Q1 (jack mackerel and pacific mackerel).
- Recovery of anchoveta human consumption purchases in Q4 2010 and stable tuna purchase levels, both with good projections for 2011



Fishmeal & Oil /  
Human  
Consumption



# Operation in North Atlantic Region

## Austevoll Seafood ASA

- Head office – Austevoll

## Consolidated companies

- Lerøy Seafood Group ASA      Salmon/ Trout
- Welcon Group      Fishmeal and Oil
- Austevoll Fisk Group      Pelagic North Atlantic



Austevoll Fisk  
Group

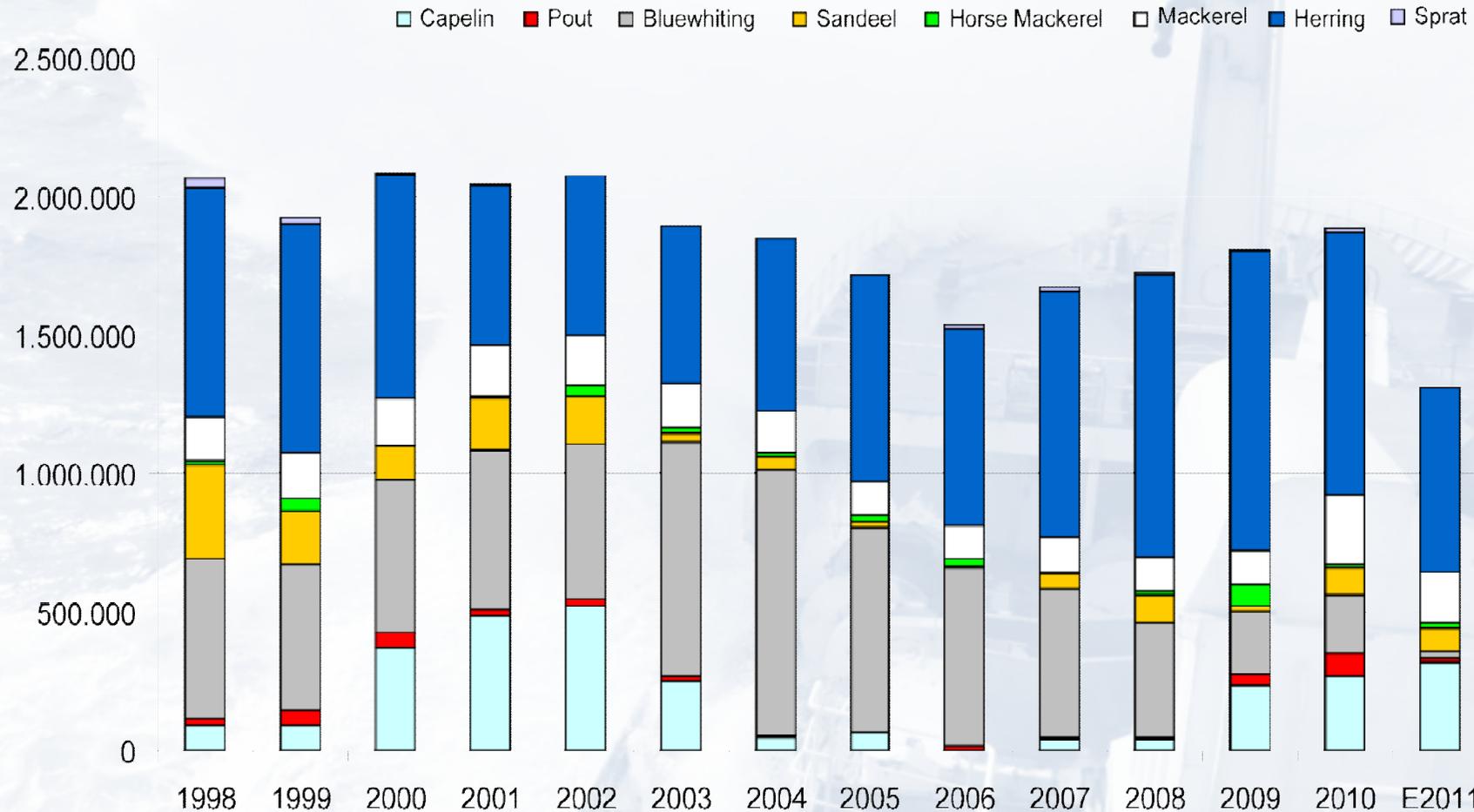
## Associated companies

- Br. Birkeland AS (40.2%)      Pelagic North Atlantic & Salmon/ Trout
- Norway Pelagic ASA (33.27%)      Pelagic North Atlantic
- Shetland Catch Ltd (25%)      Pelagic North Atlantic
- Norskott Havbruk AS (50%)      Salmon/ Trout (UK based)
- Alfarm Alarko Lerøy (50%)      Salmon/ Trout





# Norwegian pelagic quotas 1998~2011



Sources: NSS + Nordea Estimates



# Welcon AS

Norway	Q1 11	Q1 10	2011E	2010
Purchase	178	259	479	550
Total ('000 tons)	178	259	479	550

*100% of Welcon Group*

- Lower production vs Q1 2010.
  - ü Mainly due to limited quota of blue whiting and reduced quota on herring.
- Good prices for both meal and oil in Q1.
- Expecting all time high average prices in Q2 for Welcon.
- Reduced raw material estimate for 2011 mainly due to uncertainty with regards to the Norwegian pout quota.



# **Pelagic**

## ***North Atlantic***

*Austevoll Fisk Group  
integration with  
Norway Pelagic ASA*



# Pelagic Production – North Atlantic

## Austevoll Fisk AS

- Price increased for herring, 47% on fillets and 55% on round frozen compared with Q1 2010 due to lower herring quota.
- Market is under-supplied and demand is good. Low stock level with increasing price levels.
- Successful capelin season generated good margins for the producers. Stock building during Q1 will allow sales for the rest of the year.
- Good demand for fish in general with prices expecting to increase.
- Merger between Austevoll Fisk and Norway Pelagic approved in the shareholders meetings on April 15<sup>th</sup> 2011



Volume (Metric Ton)	Q1 11	Q1 10	2010
<b>Total Production</b>	71,000	85,000	180,000



# Merger rationale and synergies

- Merger approved in the shareholders meetings on April 15<sup>th</sup>, 2011.
- Transaction to be finalised by end June 2011.
- AUSS will increase its shareholding in NPEL from 33% to 43% upon completion.
- The combined company will have an est NOK3,5 bill turnover based on 2010 figures.
- 16 plants and market share of 45-50% of total pelagic landings in Norway
- Expected economies of scales and cost savings through synergies, providing stability in the value chain.

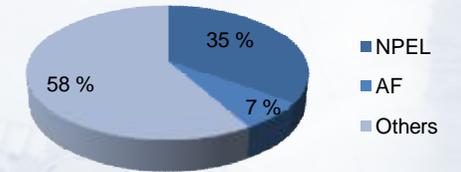




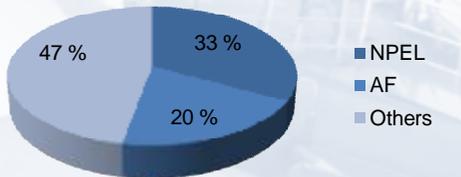
# Locations and activities



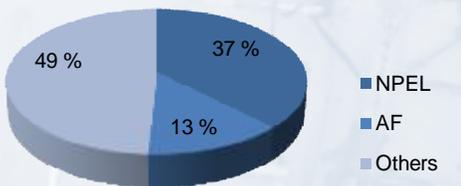
Mackerel landings in Norway 2010



Capelin landings in Norway 2010



Herring landings in Norway 2010





# Salmon

*Lerøy Seafood Group ASA - Norway*



# Lerøy Seafood Group ASA

## Production capacities

- Second largest salmon producer in the world.
- 130 licenses for salmon farming in Norway.

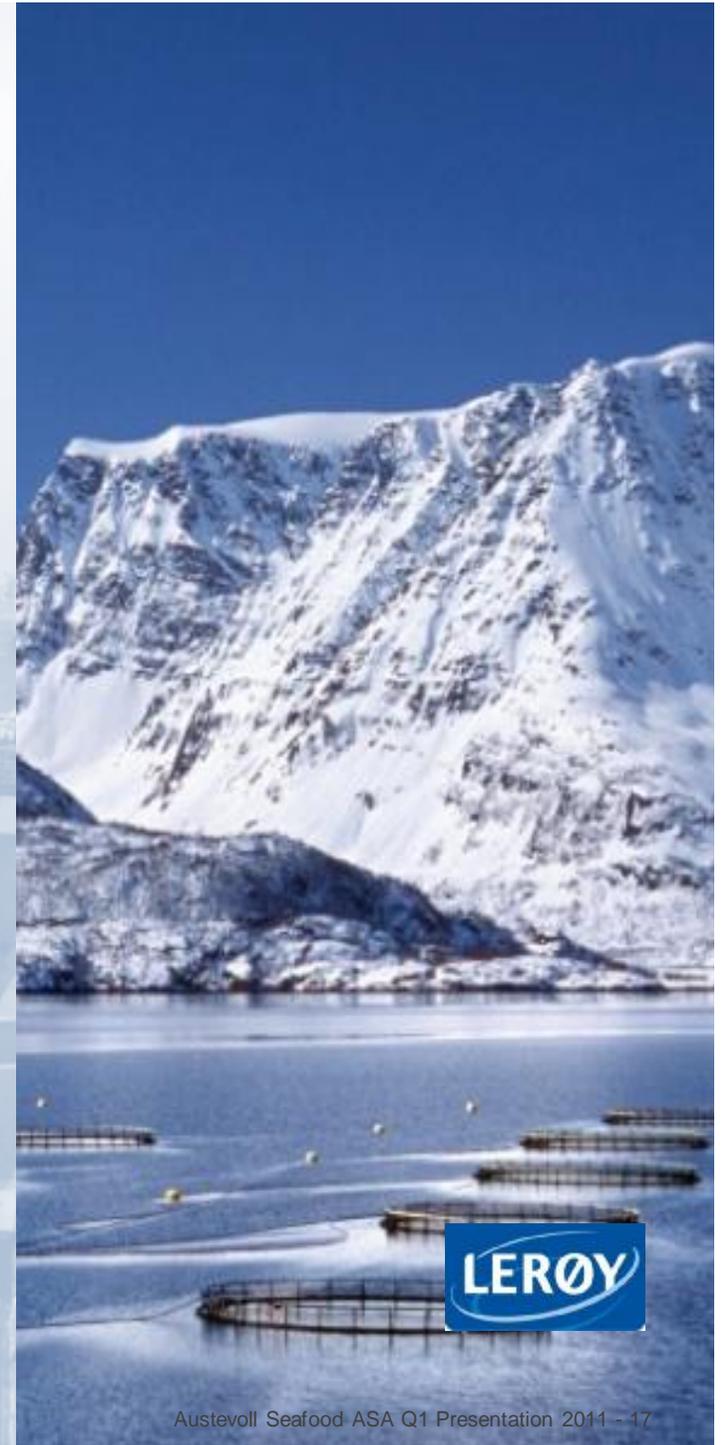
## Global distribution network

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

## Total of 1,811 employees

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

Salmon / Trout





# Lerøy Seafood Group ASA

Salmon/trout farming

Company	Ownership share	Licences No	Mill. smolt individuals	2009 GWT	2010E 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

 Consolidated, farming

 Affiliated, farming

\*) Acquired and consolidated as from November 2010

\*\* ) LSG's share



# Financial

*Q1 2011*





# Volume by products Q1 2011

## Catch and purchase

Figures in 1.000 tons	Q1 11	Q1 10	2011E	2010
Chile own catch	9	17	29	44
Chile purchase	30	15	70	61
Peru own catch	66	11	460	221
Peru purchase	29	40	168	134
Norway/UK purchase *	178	259	479	550
<b>TOTAL</b>	<b>312</b>	<b>342</b>	<b>1206</b>	<b>1.010</b>

## Volumes sold

Figures in 1.000	Q1 11	Q1 10	2011E	2010
Fishmeal and oil (tons) *	50	61	300	291
Frozen products (tons)	5	1	15	5
Canning (cases)	838	436	2.500	1.535
High concentrate Omega 3 oils (tons) **	-	0,360	-	1,321
Low concentrate Omega 3 oils (tons) **	-	0,060	-	0,210
Salmon (tons)	27,9	22,5	144,0	116,8

\* 100% of Welcon group volumes

\*\* Epax sold in November 2010



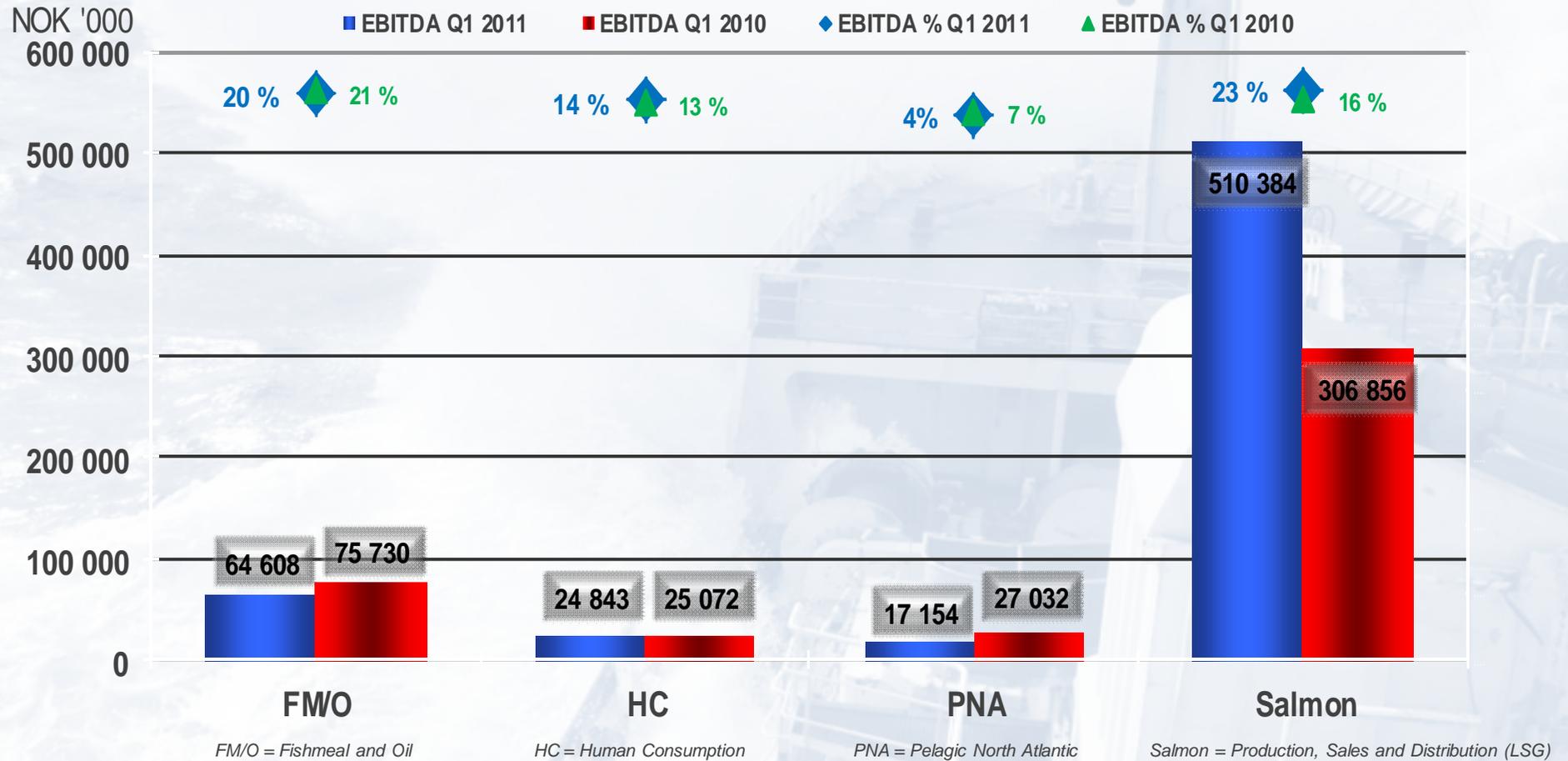
# Results Q1 2011

	First quarter		
	2011	2010	2010
All figures in NOK 1.000			
<b>Operating income</b>	2.952.389	2.745.538	12.744.751
Operating expenses	2.340.850	2.314.538	10.203.924
<b>EBITDA before fair value adj.biomass</b>	<b>611.539</b>	<b>431.000</b>	<b>2.540.827</b>
Depreciation and amortisation	125.281	122.152	495.479
Impairment	-	-	61.573
<b>EBIT before fair value adj.biomass</b>	<b>486.258</b>	<b>308.848</b>	<b>1.983.775</b>
Fair value adjustment biomass	49.596	270.012	298.538
<b>Operating profit</b>	<b>535.854</b>	<b>578.860</b>	<b>2.282.313</b>
Income from associated companies	37.230	58.651	191.761
Net interest expenses	-47.360	-53.778	-208.965
Net other financial items (incl agio/disagio)	-4.401	3.831	-39.617
<b>Profit before tax</b>	<b>521.323</b>	<b>587.564</b>	<b>2.225.492</b>
Income tax expenses	-138.642	-141.734	-459.412
<b>Net profit</b>	<b>382.681</b>	<b>445.830</b>	<b>1.766.080</b>
Earnings per share	1,13	1,45	6,03
Earnings per share excl. fair value adj. biomass	1,02	0,84	5,35



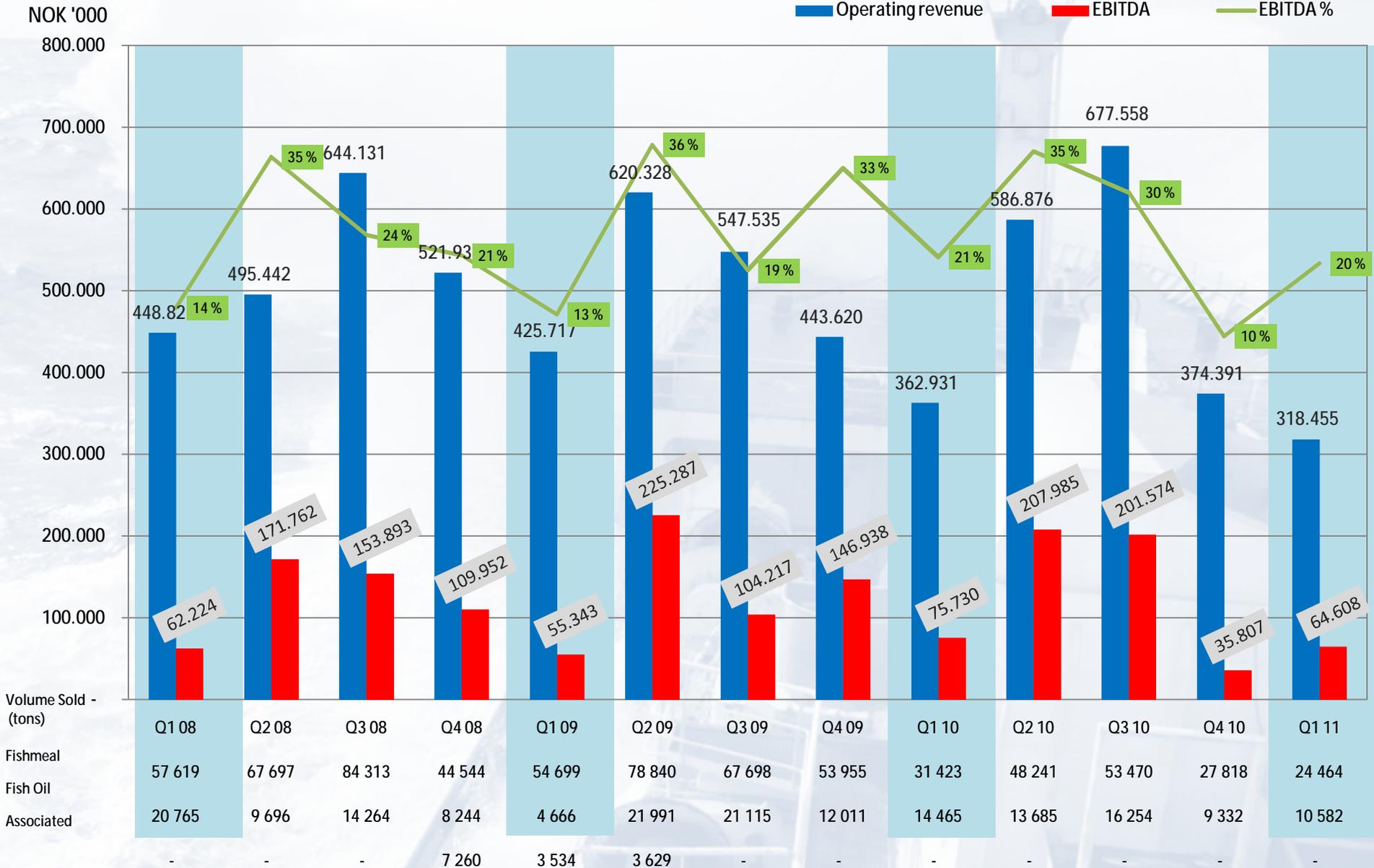
# Q1 2011 EBITDA by Segments

Fishmeal & Oil (tons)	35,05	45,89
Frozen products (tons)	4,93	0,91
Canning (cases)	838,24	436,46
High & Low refined Omega-3 oils (tons)	0,00	0,42
Salmon (tons)	27,90	22,50





# Fishmeal and Fish oil

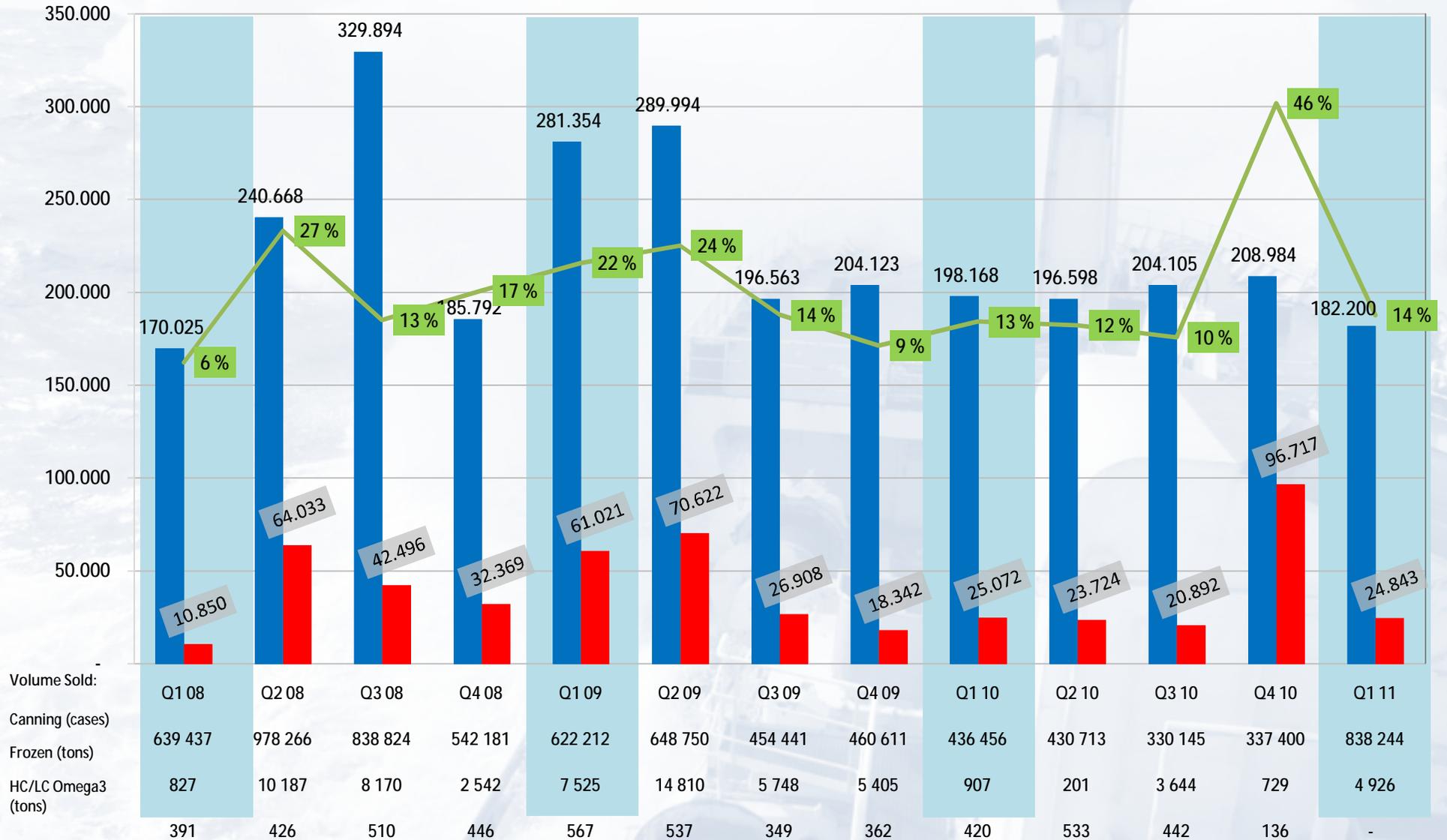




# Human Consumption

NOK '000

Operating revenue EBITDA EBITDA %





# Balance 31.03.2011

All figures in NOK 1.000	31.03.2011	31.03.2010	31.12.2010
Intangible assets	5 970 496	5 645 974	6 024 816
Fixed assets	3 780 079	3 892 808	3 864 944
Financial assets	1 103 255	719 893	1 068 856
Inventories	3 761 888	3 113 557	3 465 006
Receivables	1 822 634	1 673 089	1 808 059
Bank balance	2 493 078	1 745 035	2 810 554
<b>Total Assets</b>	<b>18 931 430</b>	<b>16 790 356</b>	<b>19 042 235</b>
Total equity	9 361 587	7 618 713	9 110 861
Provisions for commitments	1 989 654	1 906 028	2 005 777
Other long term liabilities	4 024 390	4 475 910	4 894 518
Current liabilities	3 555 799	2 789 705	3 031 079
<b>Total Equity and Liabilities</b>	<b>18 931 430</b>	<b>16 790 356</b>	<b>19 042 235</b>
Equity ratio	49 %	45 %	48 %
Net interest bearing debt (NIBD)	3 088 282	3 814 791	3 161 929

Proposed dividend payment of NOK 1.50 per share



# Cash Flow Statement

All figures in NOK 1.000	Q1 2011	Q1 2010	2010 (audited)
Net cash flow from operating activities	271 214	418 313	2 110 961
Net cash flow from investing activities	-149 091	-54 857	-520 197
Net cash flow from financing activities	-439 599	-242 037	-403 826
Net change in cash and cash equivalents	-317 476	121 419	1 186 938
Cash and cash equivalents at beginning of period	2 810 554	1 623 616	1 623 616
Cash and cash equivalents at period end	2 493 078	1 745 035	2 810 554

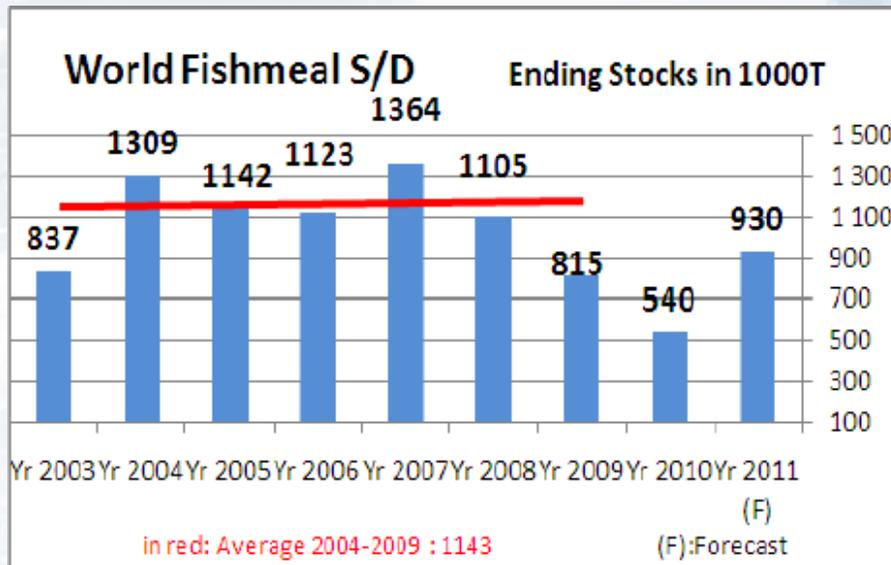
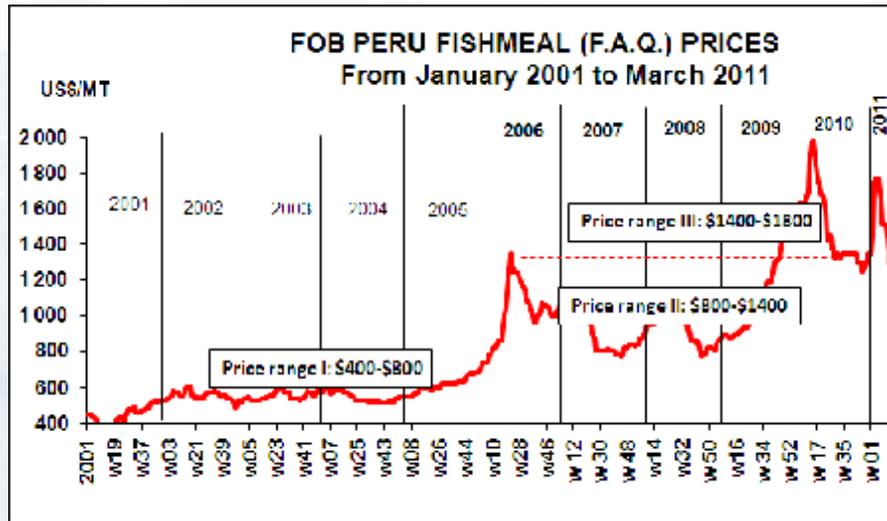


# Outlook

*Austevoll Seafood ASA*



# Fishmeal

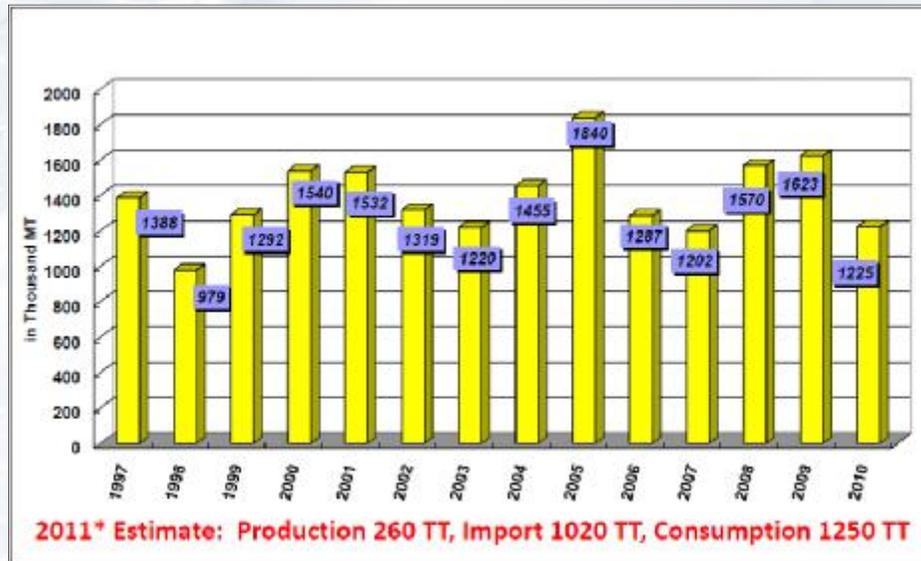


Source: OilWorld

- Overall decline of catches in 2010 is expected to rebound in 2011.
- Peruvian fisheries going well
  - More than 2 mill MT caught
  - First season expected to finish in June.
- About 600,000 MT fishmeal sold in Peru for first season.
- Prices have stabilised and currently stand as follows:
  - ü Super Prime => USD 1350-1400/MT FOB Peru
  - ü Std 65% => USD 1200/MT FOB Peru
- Three price ranges since 2001.
  - ü Third price range looking to continue.
- Even with rebound in production the ending stock level for 2011 is estimated to be well below the average 2004-2009 stock level.
- Vegetable protein prices have provided a good support to fishmeal prices, current ratio 3.5



# Fishmeal



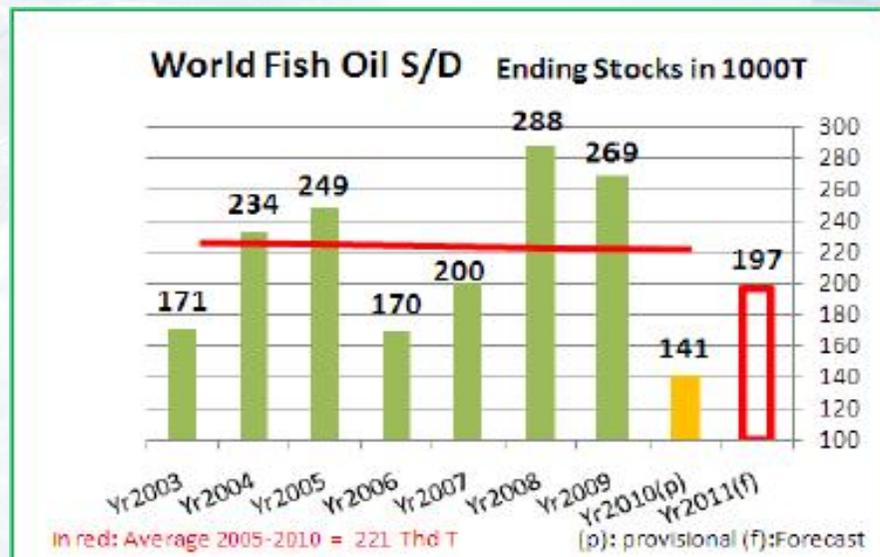
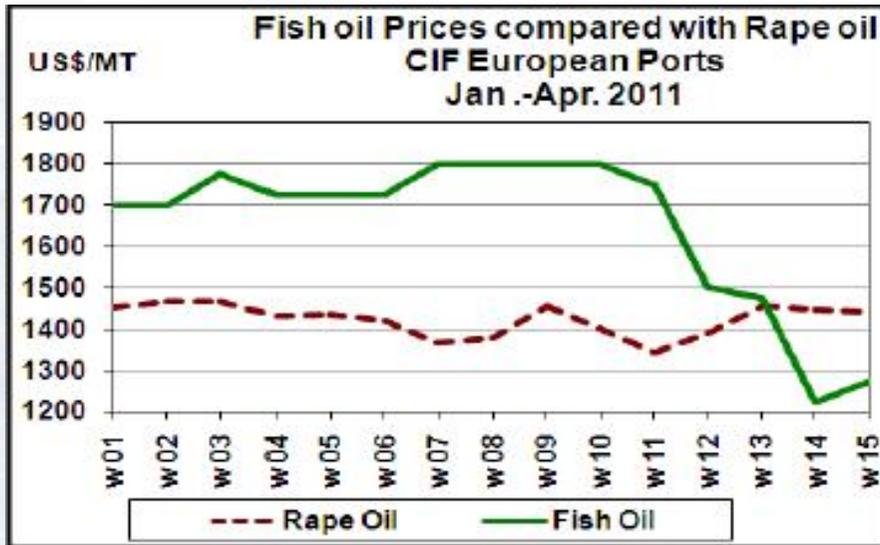
Source: IFFO

## Situation in China – Main market

- Current stock level in China at about 173,000 MT. (YTD 2010 150,000 MT)
- Off-takes are currently recovering, standing at 60,000 MT on a monthly basis.
- Forecasted demand is good, due to good expectations from pig and aquaculture feed industries. Current margins for breeding is good in China.
- China is expected to import about 1,020,000 MT fishmeal in 2011, in line with 2010
- Domestic prices in China are much higher than international levels, encouraging trade activities:
  - Super Prime - RMB 10,500 (equivalent to USD 1610/MT)
  - FAQ – RMB 10,000 (equivalent to USD 1535/MT)



# Fish oil



Source: Oilworld

- World production for 2011 is estimated at about 1,000,000 MT, same as 2009
- Fish oil with a discount towards rapeseed oil
- Prices for feed grade are recovering at USD 1150-1200/MT FOB.
- Omega 3 sector with strong requirements and paying significant premiums for specific profiles.
- Limited availability for Omega 3 industry
- Ending stock level of fish oil estimated to be less than the average of 2005 – 2010 levels.
- Current outlook is firm.



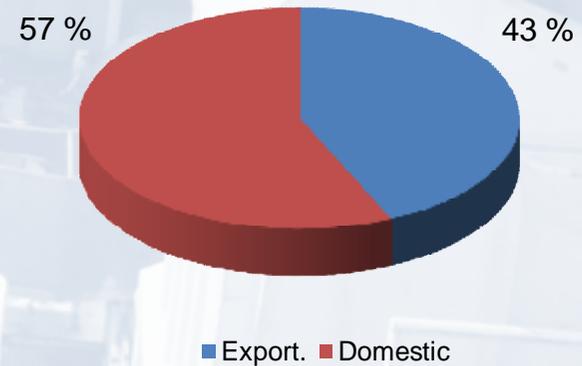
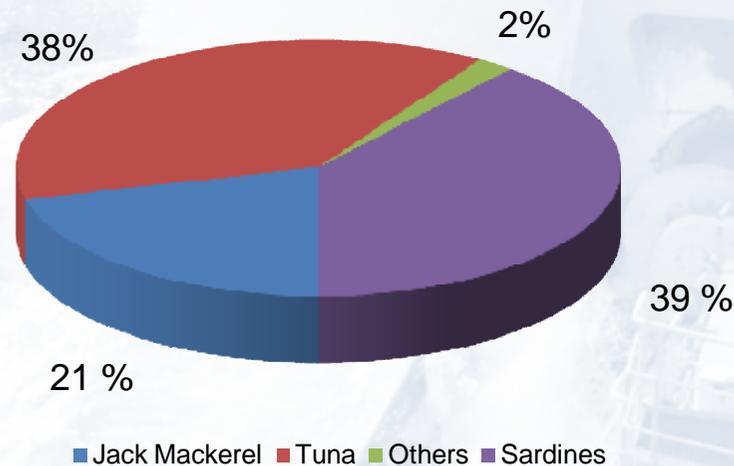
# Austral Group S.A.A – Human consumption

## Canned fish

Sales of canned fish showed a significant recovery vs. Q1, 2010.

- Quarterly sales of both canned sardine and tuna have been strong, both in domestic and export markets.
- Jack mackerel catches have recovered in Q1 2011. Stock building during Q1 will allow good sales for the rest of the year, as most of production has been committed.

Canned fish sales by Species during Q1, 2011





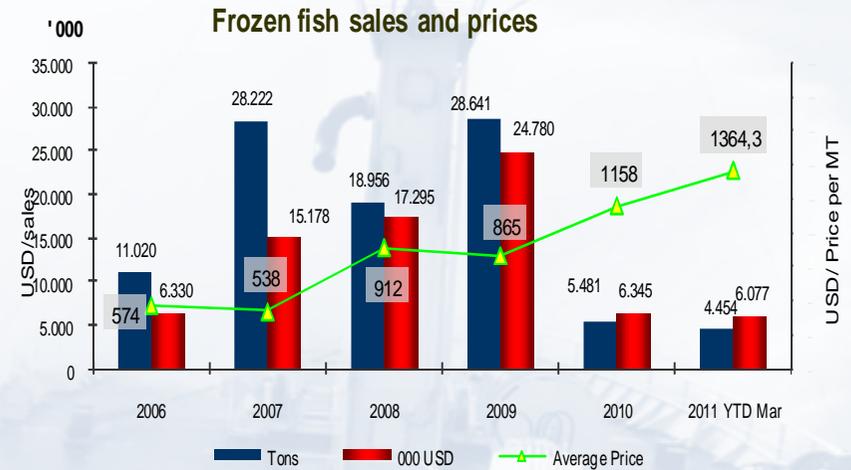
# FoodCorp S.A

## Frozen fish

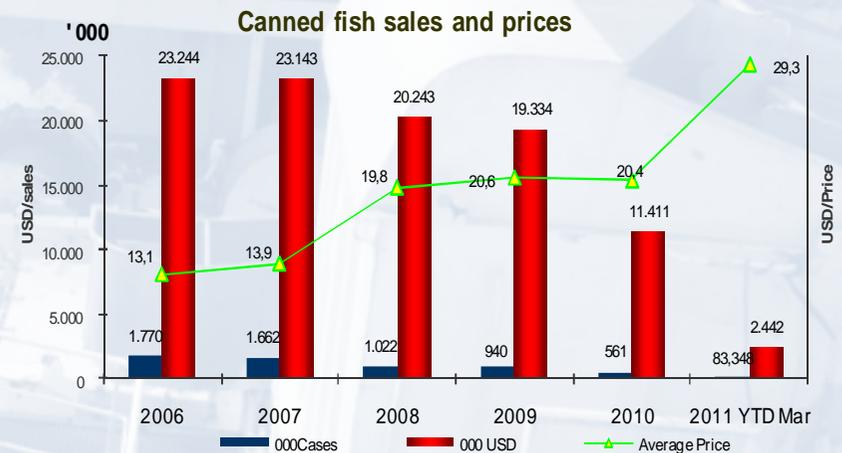
- FoodCorp production YTD-11 the highest of industry
- Average price
  - ü USD/MT YTD-11: 1,364 ( vs YTD-10: 1.179)
  - ü Actual trend USD 1,300/MT and expecting to stay firm.

## Canned fish

- Lower production due to higher usage in frozen.
- Firm prices in this quarter
- Average price
  - ü USD/case YTD-11: 29,3 ( vs YTD-10: 19,9)



Source: FoodCorp SA



Source: FoodCorp SA



# Market development for Atlantic Salmon from Norway

## Q1 2010 vs Q1 2011

	Q1 2011 (tons)	Q1 2010 8tons)	Change	Q1 2011 (TNOK)	Q1 2010 (TNOK)	Change
EU	136 103	141 171	-3,6 %	4 941 087	4 222 210	17,0 %
Others	34 669	31 795	9,0 %	1 157 096	887 174	30,4 %
Russia	22 338	20 993	6,4 %	770 804	556 430	38,5 %
USA	7 875	13 724	-42,6 %	342 853	509 572	-32,7 %
Japan	7 467	7 423	0,6 %	311 446	248 599	25,3 %
<b>In total</b>	<b>208 453</b>	<b>215 107</b>	<b>-3,1 %</b>	<b>7 523 286</b>	<b>6 423 985</b>	<b>17,1 %</b>

Figures as per 27.04.11, Source: NSEC

### 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
Norway	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 %
UK	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 %
Faroe Island	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 %
Ireland	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 %
Iceland	6 500	-1,5 %	4 000	-38,5 %	-	-100,0 %	-	-	-	-	-	-	-	-
<b>Total Europe</b>	<b>728 000</b>	<b>-2,0 %</b>	<b>756 400</b>	<b>3,9 %</b>	<b>892 600</b>	<b>18,0 %</b>	<b>926 700</b>	<b>3,8 %</b>	<b>1 064 100</b>	<b>14,8 %</b>	<b>1 145 500</b>	<b>7,6 %</b>	<b>1 200 700</b>	<b>4,8 %</b>

Avrg Q1 11 NOK 39.78  
vs avrg Q1 10 NOK  
34.00 (+17.0%)

Chile	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 %
Canada	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 %
Australia	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 %
USA	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 %
All others	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 %
<b>Total America</b>	<b>522 600</b>	<b>12,4 %</b>	<b>515 700</b>	<b>-1,3 %</b>	<b>505 900</b>	<b>-1,9 %</b>	<b>567 100</b>	<b>12,1 %</b>	<b>404 800</b>	<b>-28,6 %</b>	<b>299 900</b>	<b>-25,9 %</b>	<b>354 200</b>	<b>18,1 %</b>

<b>Total World-wide</b>	<b>1 250 600</b>	<b>3,6 %</b>	<b>1 272 100</b>	<b>1,7 %</b>	<b>1 398 500</b>	<b>9,9 %</b>	<b>1 493 800</b>	<b>6,8 %</b>	<b>1 468 900</b>	<b>-1,7 %</b>	<b>1 445 400</b>	<b>-1,6 %</b>	<b>1 554 900</b>	<b>7,6 %</b>
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Figures as per 29.04.11 Source: Kontali



## Summary

- ü Strong operational EBIT from the salmon segment.
- ü Recovery of the biomass in Peru.
- ü Recovery of the jack mackerel fishery in Peru.
- ü Cost optimalization in Chile due to lower quotas in 2011.
- ü Firm prices expected going forward for both salmon and pelagic products in general.



Thank you

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