



Quality for the world

# Austevoll Seafood ASA

Q1 2010

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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, Omega-3 oil refining, 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 10	Q1 09	30.12.2009
Revenue	2,745,538	2,483,083	11,324,609
EBITDA	431,000	337,292	1,921,695
EBITDA %	16%	14%	17%
Total assets	16,790,356	15,546,478	16,291,209
Equity	7,618,713	5,558,128	7,095,483
Equity Ratio	45%	36%	44%
Net interest bearing debt (NIBD)	-3,814,791	-6,212,190	-4,091,474

**Proposed dividend payment of NOK 1.20 per share**

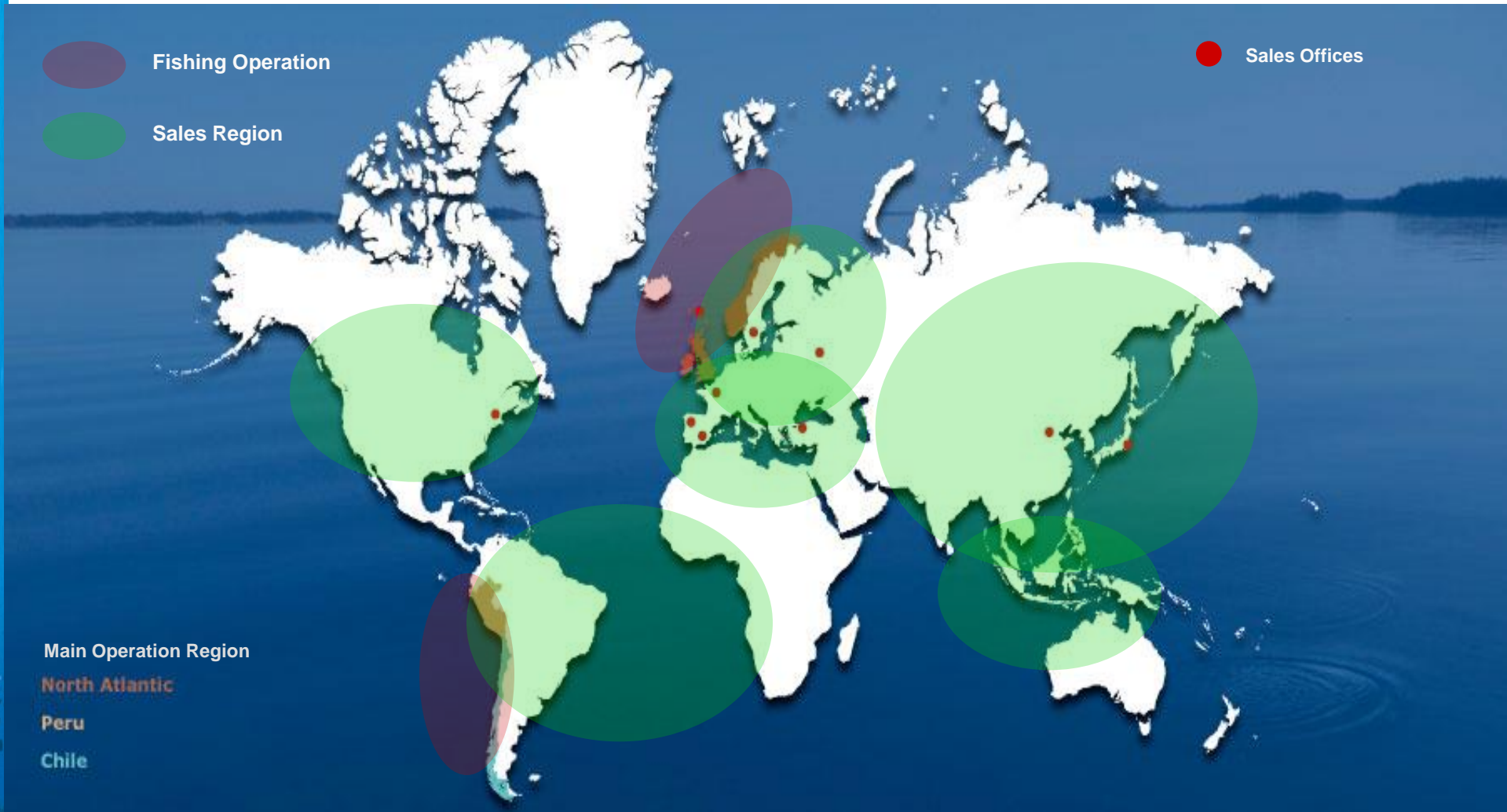


# Company overview

	 <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 - 37 vessels	9.1% of pelagic fishing quota - 5 vessels	2 vessels*	600-700,000 tons of pelagic fish (44 vessels)
<b>Salmon Operation</b>			105 salmon licenses 7 salmon licenses*	120.000~130.000 tons of salmon
<b>Primary Processing</b>	7 meal & oil plants 3 canning plants 2 freezing plants	2 meal & oil plants 2 canning plants 1 freezing plant	8 meal & oil plants 1 storage/blending 4 freezing plants 8 salmon processing plants	38 processing plants Handling over 1.41 mill tons of pelagic fish annually
<b>Secondary Processing</b>			High Concentrate Omega-3 Fish Oil Plant	2000mt of HCO <sub>3</sub>
<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 10	Q1 09	2010 E	2009
Own Catch*	17	19	108	90
Purchase	15	37	76	80
<b>Total ('000 tons)</b>	<b>32</b>	<b>56</b>	<b>184</b>	<b>170</b>

## Mackerel

Quota (000tons)	96	103
<b>% of quota caught</b>	<b>100 %</b>	<b>75 %</b>

*\*Includes Mackerel & other species*

- Own catch 7,000 MT of Mackerel and 10,000 MT of Squid.
- Earthquake 27 February caused a significant reduction in fishing activity in March.
- Earthquake delayed start of the season and mostly all shipments due to destruction of roads and bridges.
- 2010 global quota set at 1.3 million tons, down from 1.4 million tons(2009)
- Expect a challenging year for catching of quota in 2010

# Earthquake and Tsunami

- Magnitude of 8,8 in the Richter scale.
- The fifth strongest earthquake in the history of the world.
- Earthquake was strongly perceived from 5th to 8th Region, 800 Km long.
- 3 Regions were affected seriously by the tsunami.
- Most of the fishing companies were somehow damaged.
- Government estimates that reconstruction of damaged areas will cost in the range of US\$ 30 billions.

## Staff and family

- No casualties nor injuries among our workers and their families.
- Support has been provided to all workers that required aid, specially to those who lost or had significant damages to their houses.

## Facilities and equipments

- Fleet did not suffer damages
- Fishmeal plants with low damage, started operation with less capacity second half March.
- Canning plant with low damage, started operation with less capacity end of March.
- Frozen plant severely damaged, starting partially operation in the beginning of May.
- Damages of facilities, inventory and loss of income, covered by insurances.





# Operation in Peru

## (Austral Group S.A.A)

Peru	Q1 10	Q1 09	2010 E	2009
Own Catch	11	15	347	427
Purchase	40	24	235	175
<b>Total ('000)</b>	<b>51</b>	<b>39</b>	<b>582</b>	<b>602</b>

- Partial recovery of global catch levels in South (+37% vs 2009) and increase in Austral share of unload (23% in 2010 vs 10% in 2009)
- Seafood business strongly affected with very low unload levels of jack mackerel, mackerel and anchoveta.
- Own catch Q1 10 mainly anchoveta vs Q1 09 mainly horse mackerel.
- Light-moderate Niño delays anchoveta spawning
- Delay in start of 1<sup>st</sup> fishing season to 13<sup>th</sup> May (20<sup>th</sup> April in 2009)
- As estimated global quota lower than 2009 (2.5mn MT vs 3.5mn MT)
- Sea water temperatures recovered to normal levels within 30 miles of Peruvian coast
- Global quota estimate 4.5 mn MT in centre north for 2010.



# Operation in North Atlantic Region

## Austevoll Seafood ASA

- Head office – Austevoll

## Consolidated companies

- Lerøy Seafood Group ASA
- Welcon Group
- Epax Group
- Austevoll Fisk Group

Salmon/ Trout  
 Fishmeal and Oil  
 Human Consumption  
 Pelagic North Atlantic

## Associated companies

- Br. Birkeland AS (40.2%)
- Shetland Catch Ltd (25%)
- Norskott Havbruk AS (50%)
- Alfarm Alarko Lerøy (50%)

Pelagic North Atlantic & Salmon/ Trout  
 Pelagic North Atlantic  
 Salmon/ Trout (UK based)  
 Salmon/ Trout



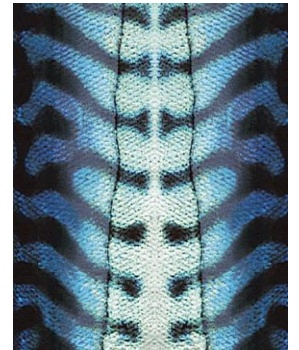


# Welcon AS

Norw ay	Q1 10	2010E	Q1 09	2009
Purchase	259	568	231	574
Total (tons)	259	568	231	574

*100% of Welcon Group*

- Still limited unsold stocks
- Good production the first quarter
- All time high prices of fishmeal in Europe
- Expecting oil prices to firm up 2H
- Norwegian consumption expecting to increase





# Human Consumption

*Epax AS – Norway*





## Epax AS

- Strong sales development.
- Sales of refined EPAX products up 37% in Q1/10 compared to Q1/09. Sales up by 16% from Q4/09.
- EPAX customers continue a strong growth as well as increased market share are main drivers.
- Full ISO 14001 certification – fully integrated value chain from fish to finished product.
- Recognized as top Supplier by Banner Pharmacaps, Inc. for the third year running.

Total Sales volume (Metric Ton)	Q1 10	Q1 09
Hi-Refined Omega-3 Fishoil	420	567
Other non-refined Fishoil/ derivates	1750	1279



# **Pelagic**

*North Atlantic*

*Austevoll Fisk Group*

# Pelagic Production – North Atlantic

- High quota on herring and capelin secured seasonal high activity in Q1 2010.
- Successful production of female capelin and capelin roe, but stronger competition from Iceland.
- Stock unsold on an acceptable level.
- Major part of herring used for our filleting production.
- Contracts stabilized the market for herring fillets and flaps in key markets such as Germany, Russia and Poland.
- Oversupply of whole herring and capelin to Ukraine, but good balance in our biggest volume market Russia.
- Weaker USD put pressure on margins.
- Strong focus on bigger and stronger customers and on credit insurance.

Volume (Metric Ton)	Q1 10	Q1 09
Total Production	85,000	50,000





# Salmon

*Lerøy Seafood Group ASA - Norway*





# Lerøy Seafood Group ASA ([www.leroy.no](http://www.leroy.no))

## Production capacities

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

## 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)
- 12.4% share of Norwegian seafood export value
- 17.9% of Norwegian salmon export
- 20.8% of Norwegian value added salmon export

## Total of 1,522 employees

- Sales and distribution 444
- Production and farming 1,078
- Affiliates 366 (not consolidated)





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# Lerøy Seafood Group ASA

Salmon/trout farming

Company	Ownership share	Volume 2010E	Volume YTD Q1	Share %	Rest 2010E	Share %
Lerøy Midnor AS	100 %	36 500	7 400	20 %	29 100	80 %
Lerøy Aurora AS	100 %	20 500	3 100	15 %	17 400	85 %
Lerøy Hydrotech AS	100 %	24 000	4 600	19 %	19 400	81 %
Lerøy Vest AS	100 %	35 000	7 400	21 %	27 600	79 %
<b>Total Norway</b>		<b>116 000</b>	<b>22 500</b>	<b>19 %</b>	<b>93 500</b>	<b>81 %</b>
<b>Norskott Havbruk AS (UK)</b>	<b>50 %</b>	<b>12 000</b>	<b>4 100</b>	<b>34 %</b>	<b>7 900</b>	<b>66 %</b>
<b>Total</b>		<b>128 000</b>	<b>26 600</b>	<b>21 %</b>	<b>101 400</b>	<b>79 %</b>



Consolidated, farming



Affiliated, farming

\*) LSG's share





# Financial

*Q1 2010*

# Volume by products

## Catch and purchase

Figures in 1.000 tons	Q1 10	Q1 09	2010 E	2009
Chile own catch	17	19	108	90
Chile purchase	15	37	76	80
Peru own catch	11	15	347	427
Peru purchase	40	24	235	175
Norway/UK purchase *	259	231	568	574
<b>TOTAL</b>	<b>343</b>	<b>326</b>	<b>1334</b>	<b>1346</b>

## Volumes sold

Figures in 1.000	Q1 10	Q1 09	2010 E	2009
Fishmeal and oil (tons) *	61	79	350	394
Frozen products (tons)	1	8	35	33
Canning (cases)	436	622	2.600	2.186
High concentrate Omega 3 oils (tons)	0,360	0,505	1,600	1,528
Low concentratet Omega 3 oils (tons)	0,060	0,062	0,300	0,287
Salmon (tons)	22,5	22,2	116	108,5

\* 100% of Welcon group volumes

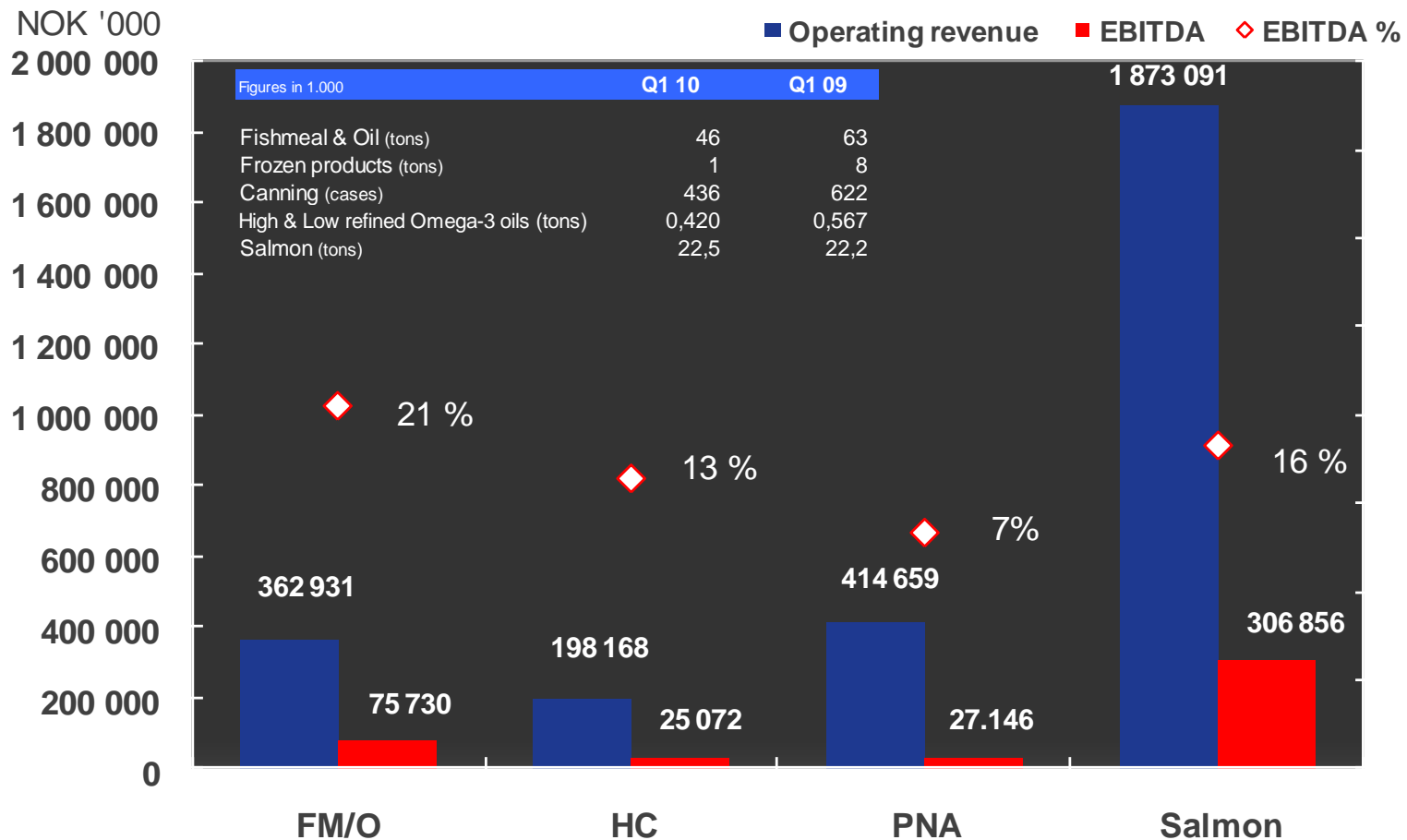


# Result Q1 2010

All figures in NOK 1.000

	Q1 10	Q1 09	2009
<b>Operating income</b>	2,745,538	2,483,083	11,324,609
Operating expenses	2,314,538	2,145,791	9,402,914
<b>EBITDA before fair value adj.biomass</b>	<b>431,000</b>	<b>337,292</b>	<b>1,921,695</b>
Depreciation and amortisation	122,152	117,438	465,535
Impairment	-	-	13,667
<b>EBIT before fair value adj.biomass</b>	<b>308,848</b>	<b>219,854</b>	<b>1,442,493</b>
Fair value adjustment biomass	270,012	-25,561	60,483
<b>Operating profit</b>	<b>578,860</b>	<b>194,293</b>	<b>1,502,976</b>
Income from associated companies	58,651	33,775	80,341
Net interest expenses	-53,778	-93,981	-281,556
Net other financial items (incl agio/disagio)	3,831	-3,718	28,571
<b>Profit before tax</b>	<b>587,564</b>	<b>130,369</b>	<b>1,330,332</b>
Income tax expenses	-141,734	-22,504	-342,383
<b>Net profit</b>	<b>445,830</b>	<b>107,865</b>	<b>987,949</b>
Earnings per share	1.45	0.46	3.83
Earnings per share excl. fair value adj. biomass	0.84	0.52	3.68

# Q1 2010 EBITDA by Segments



FM/O = Fishmeal and Oil

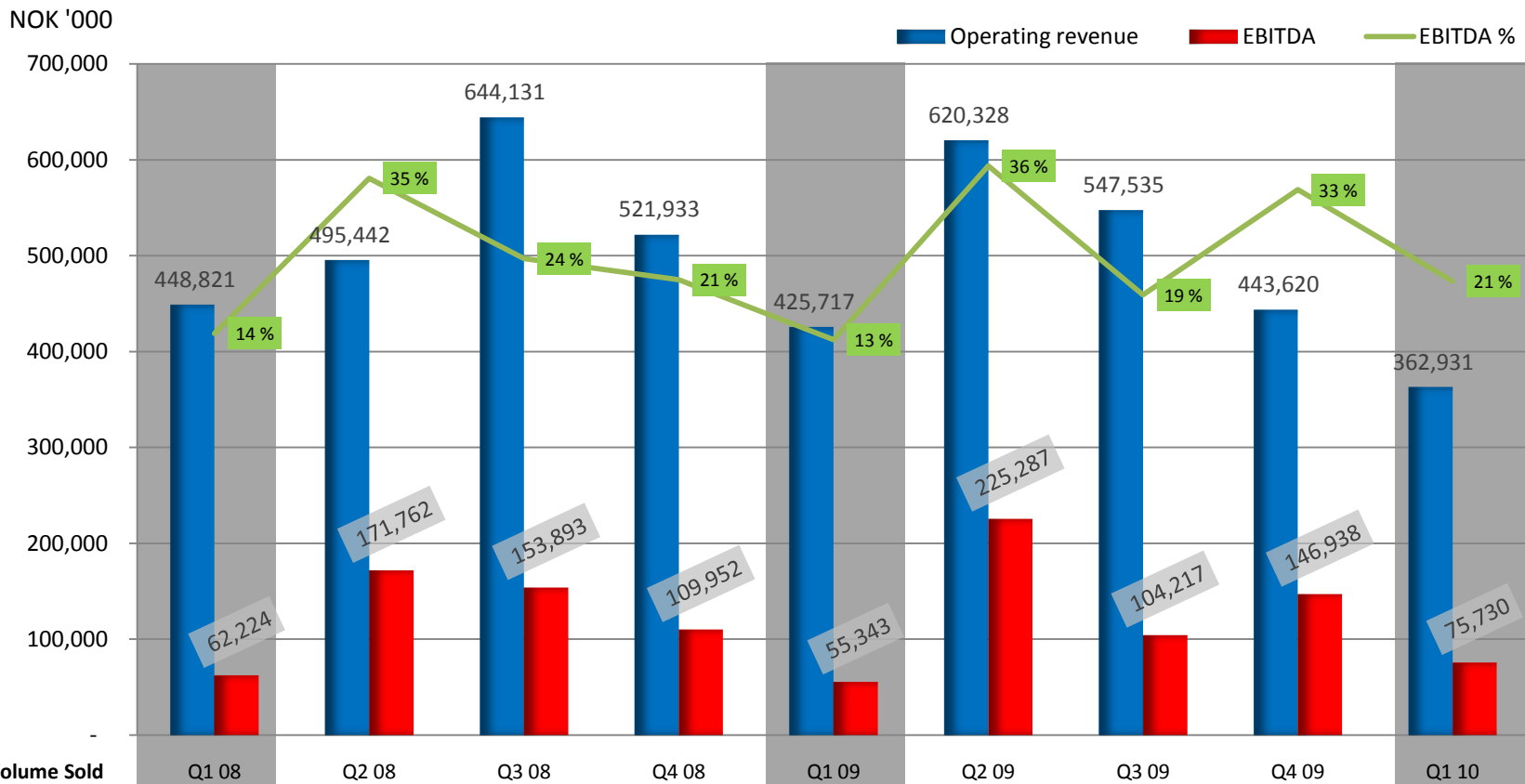
HC = Human Consumption

PNA = Pelagic North Atlantic

Salmon = Production, Sales and Distribution (LSG)

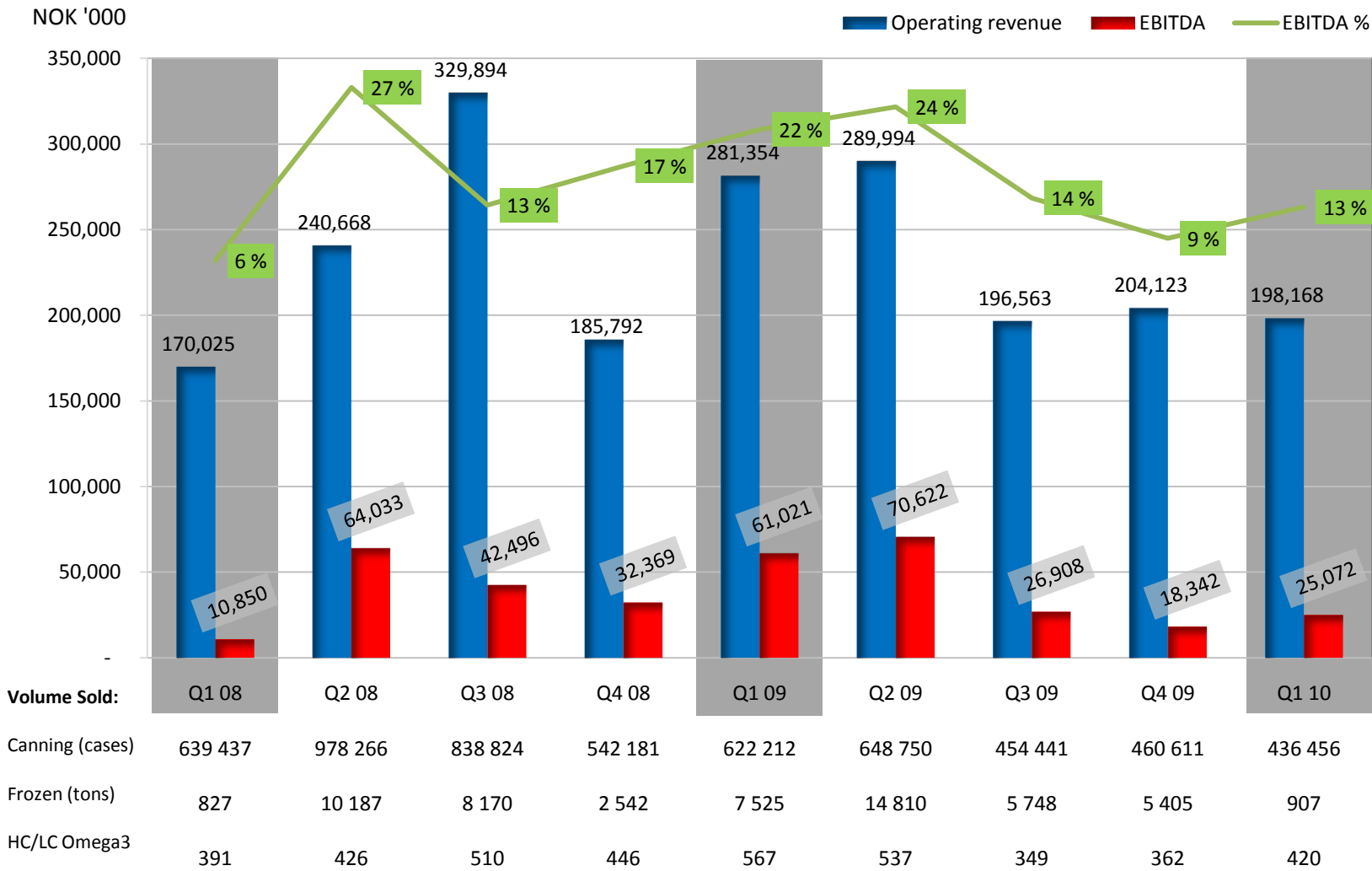


# Fishmeal and Fishoil



Volume Sold (tons)	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10
<b>Fishmeal</b>	57 619	67 697	84 313	44 544	54 699	78 840	67 698	53 955	31 423
<b>Fish Oil</b>	20 765	9 696	14 264	8 244	4 666	21 991	21 115	12 011	14 465
<b>Associated</b>	-	-	-	7 260	3 534	3 629	-	-	-

# Human Consumption





# Balance 31.03.2010

All figures in NOK 1.000	31.03.2010	31.03.2009	31.12.2009
Intangible assets	5.645.974	5.868.905	5.599.398
Fixed assets	3.892.808	4.142.403	3.871.050
Financial assets	719.893	675.760	669.809
Inventories	3.113.557	2.563.838	2.696.923
Receivables	1.673.089	1.626.497	1.830.413
Bank balance	1.745.035	669.075	1.623.616
<b>Total Assets</b>	<b>16.790.356</b>	<b>15.546.478</b>	<b>16.291.209</b>
Total equity	7.618.713	5.558.128	7.095.483
Provisions for commitments	1.906.028	1.724.138	1.785.633
Other long term liabilities	4.475.910	5.292.678	4.537.503
Current liabilities	2.789.705	2.971.534	2.872.590
<b>Total Equity and Liabilities</b>	<b>16.790.356</b>	<b>15.546.478</b>	<b>16.291.209</b>
Equity ratio	45 %	36 %	44 %
Net interest bearing debt (NIBD)	3.814.791	6.212.190	4.091.474

*Financial covenants:*

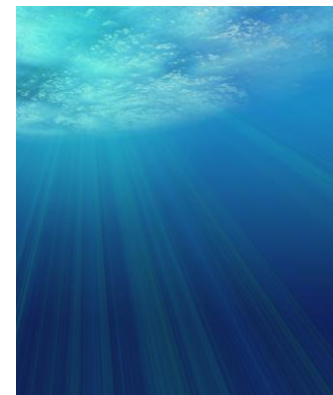
- Consolidated Equity Ratio: 30%\*
- Debt Service Ratio:  $\geq 1.05$

\* Adjusted for deferred tax associated with licenses

# Cash Flow Statement

All figures in NOK 1.000	Q1 2010	Q1 2009	2009 (audited)
Net cash flow from operating activities	418.313	397.329	1.679.107
Net cash flow from investing activities	-54.857	-46.035	180.600
Net cash flow from financing activities	-242.037	-325.754	-879.627
Net change in cash and cash equivalents	121.419	25.540	980.080
Cash and cash equivalents at beginning of period	1.623.616	643.536	643.536
<b>Cash and cash equivalents at period end</b>	<b>1.745.035</b>	<b>669.076</b>	<b>1.623.616</b>

- *Proposed dividend payment of NOK 1.20 per share.*
- *The share will be traded ex. dividend from 28th May 2010*





# Outlook

*Austevoll Seafood ASA*

# Fishmeal

Fishmeal Production of 10 IFFO Members (mt)

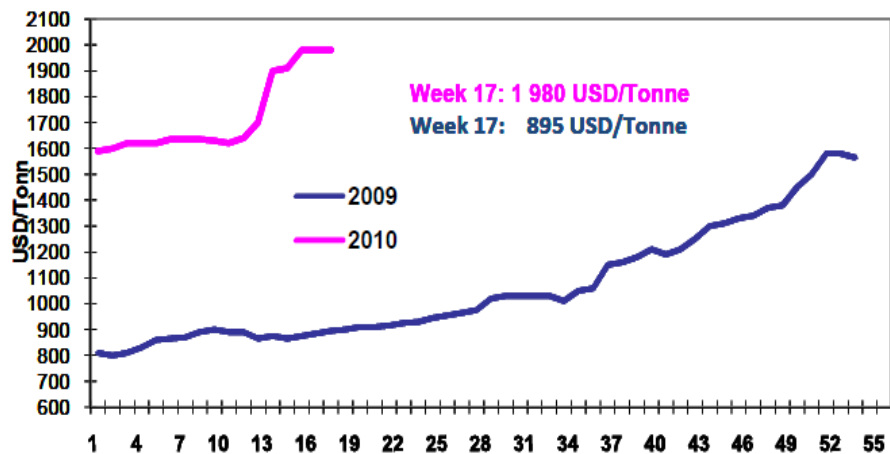
Country	2009	2010	Estimated Change 2010/2009
Chile	641,556	535305	-16.6%
Peru	1,346,882	1129606	-16.1%
Denmark/ Norway	310,232	275000	-11.4%
Iceland/ North Atlantic*	172,418	129758	-24.7%
USA/ South Africa	320,332	186359	-41.8%
<b>Total</b>	<b>2,791,420</b>	<b>2,256,028</b>	<b>-19.2%</b>

\* UK, Ireland, Faroe Islands

Source: IFFO

- Prices remain at high level due to reduced production worldwide.
  - ✓ Super Prime => USD 1800-1850/MT FOB Peru
  - ✓ Std 66% => USD 1750-1800/MT FOB Peru
- Production in the main producing countries down 11% in 2010 vs. 2009 YTD.
- Fishmeal production of IFFO-10 members estimated down 15-20% in 2010 vs 2009.
- Quota in Peru reduced by 1 million tons from 3,5 million to 2,5 million 1<sup>st</sup> season .
- Over 300,000 mt of May-July fishery in Peru sold forward.

Fishmeal-price Peru, FAQ, fob

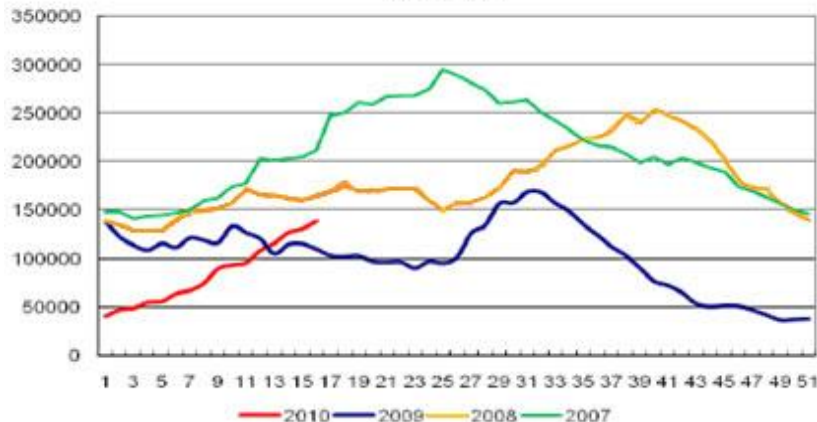


Source: Weekly Newsletter OIL WORLD, ISTA, Hamburg, Germany

Source:Kontali

# Fishmeal

2007-2010 China Fishmeal Weekly Port Stocks  
(Unit: MT)

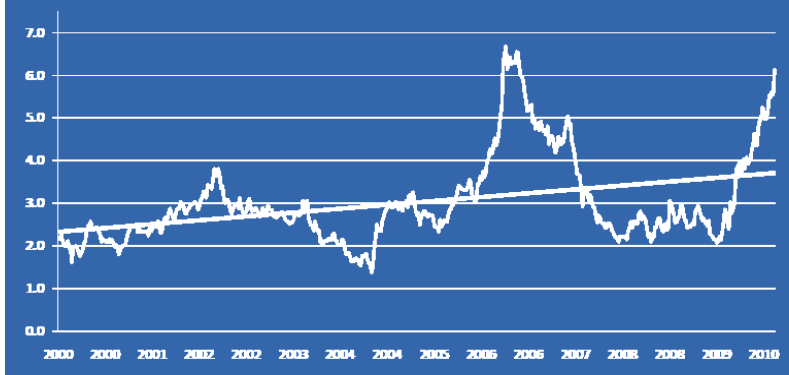


Source: IFFO

## Situation in China – Main market

- China fishmeal stocks increasing back to last year level.
  - Stocks at 150 000 mt YTD
  - Significant share of future production secured in Peru by all Chinese traders.
  - Lower consumption Q1 2010 vs Q1 2009
  - Consumption from aqua feed sector during summertime will be key.

Fishmeal-Soyameal Ratio  
(F.O.B. Peru-F.O.B. Brazil)  
January 2000 to March 2010

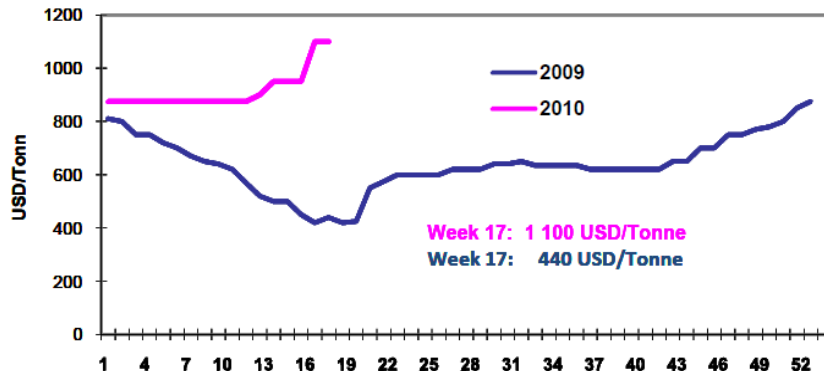


Source: IFFO

- Fishmeal supply and demand
  - ✓ High fishmeal/soyameal ratio.
  - Gradual increase during latest decade
  - ✓ Demand is being adjusted to new price level.

# Fishoil

Fishoil-price Peru, fob

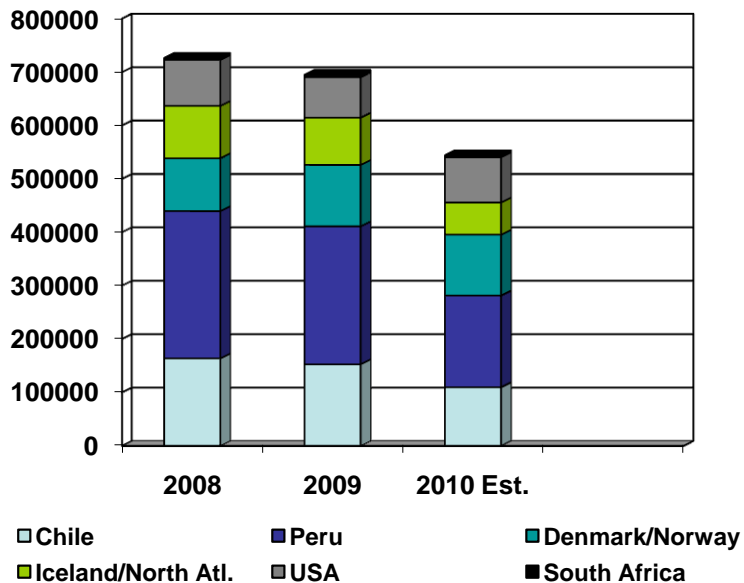


Source: Weekly Newsletter OIL WORLD, ISTA, Hamburg, Germany

Source: Kontali

- Firm market and increased prices
- Global demand expected to be good for the 2H
- Production is expected to be reduced
  - IFFO 10 down 21% in 2010
- Omega 3 remains on an upward trend with increased supply diverted from aqua sector.

Fishoil production by IFFO 10

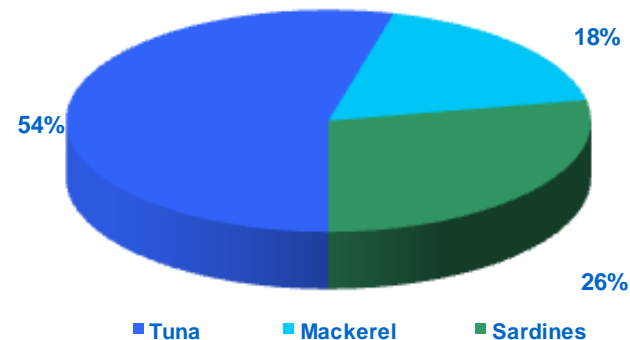


# Austral Group S.A.A

- Sales of our BAYOVAR label keep on increasing representing 34% of all sales during Q1.
- A second label PORTOLA is distributed in Peru focusing on Peruvian Sardines. Sales represents 4% of all canned fish sales during Q1 and keep on increasing.
- Domestic market is now gathering 2/3 of all sales of canned fish.
- Tuna was the main specie sold during Q1 reflecting an increased production and diversified portfolio of customers.
- Peruvian sardines represented 28% of all sales due to increased participation into the domestic market.



Sales by Species up to March 10



Source: Austral Group SAA

Austevoll Seafood ASA

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# FoodCorp S.A

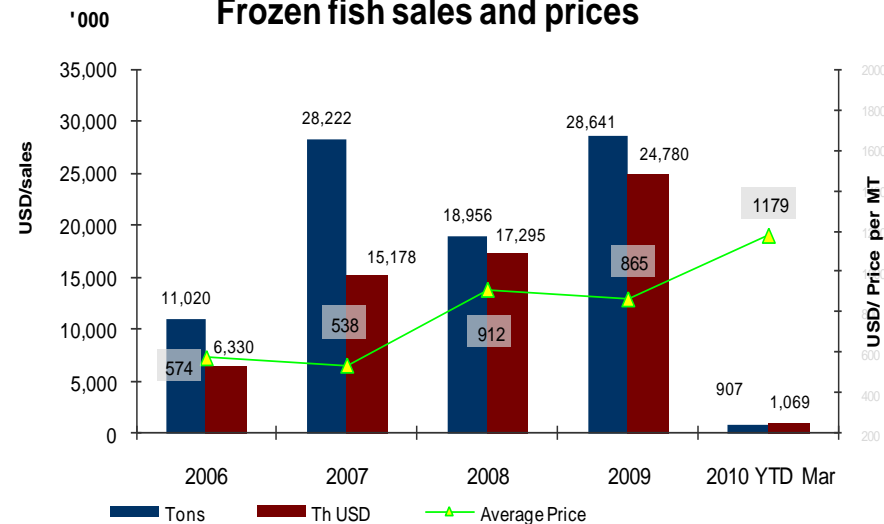
## Frozen fish

- Chilean industry severely damaged by earthquake.
  - Projected 40% less national production for year 2010
- Average price
  - ✓ USD/MT YTD-10: 1.179 ( vs YTD-09: 945)

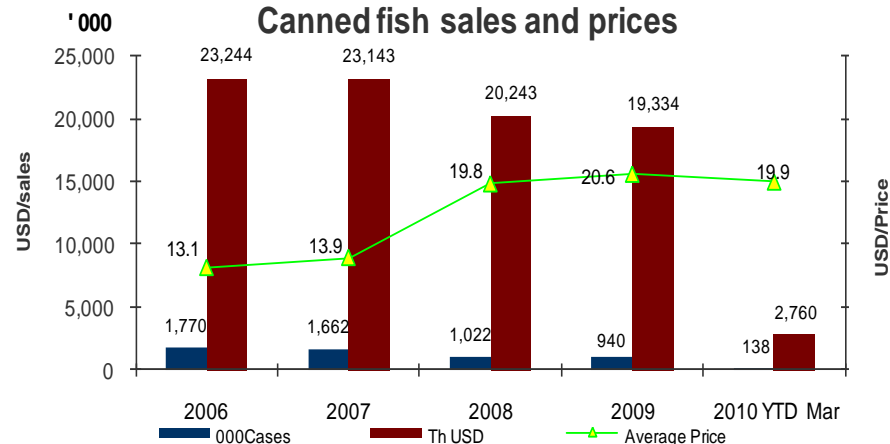
## Canned fish

- Also the Chilean canning industry severely damaged by earthquake, 50% reduction on national production.
- Important carry over of stocks from last year for the Chilean industry.
- Firm prices in this quarter

### Frozen fish sales and prices



### Canned fish sales and prices



Source: FoodCorp SA  
Austevoll Seafood ASA



# Epax Group outlook

- New customers with firm contracts of defined volumes as well as new product launches during 2010 gives confidence for overall results
- New Generic Omega 3 drugs and new OTC products will contribute to increased consumer awareness – important driver for the supplement business.
- North America leading as the main market for Epax.
- Positive signs in EU after a relatively stable period in the last 18 months.
- EPAX/ Austevoll value chain – ISO 14001 and Sustainability Certifications fulfils environmental requirements from a rapidly growing mass of conscious consumers worldwide
- EPAX secured stock levels of crude fishoil – well prepared to meet lower production of crude oil in South America



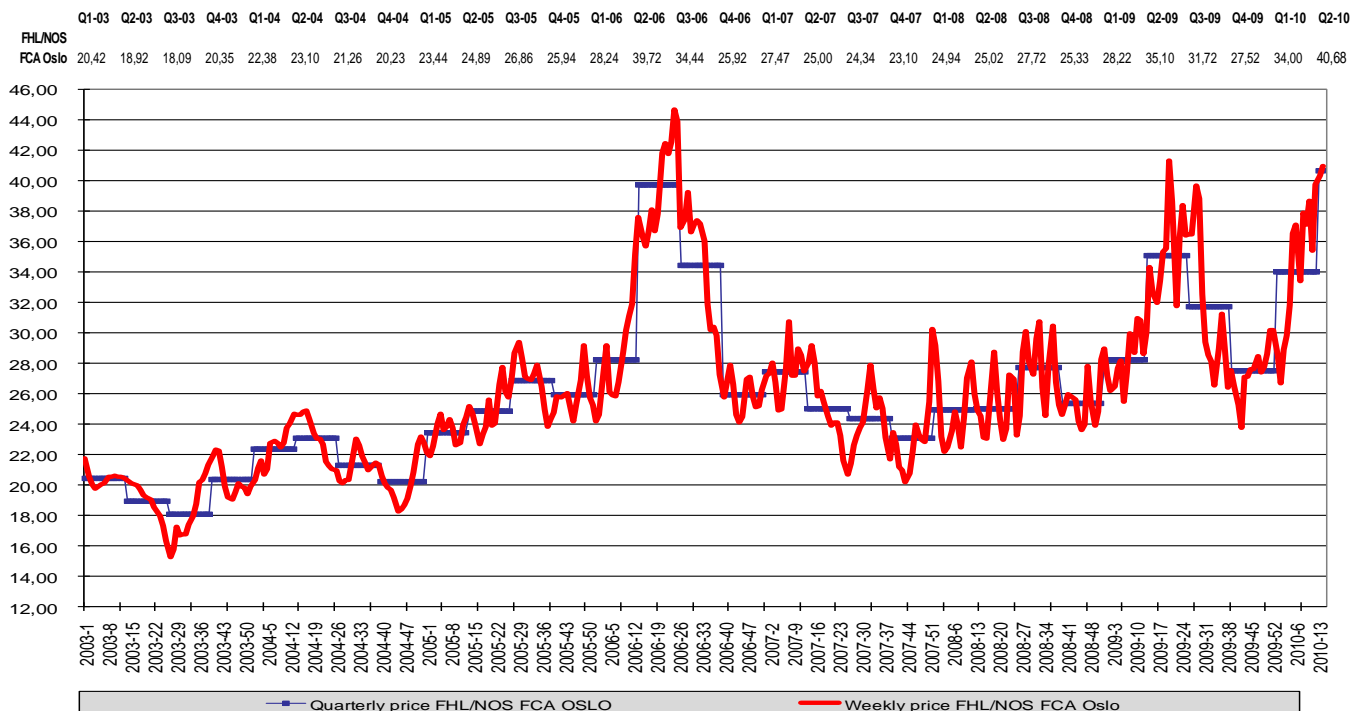
# Market development for Atlantic Salmon from Norway (ex Norway). Jan-Mar 2009 vs Jan-Mar 2010

	Volume 2009	Volume 2010	Change	Value 2009	Value 2010	Change
EU	128 461	141 582	10,2 %	3 447 221	4 236 415	22,9 %
Others	19 857	30 710	54,7 %	537 206	936 582	74,3 %
Japan	6 705	7 332	9,4 %	225 880	247 521	9,6 %
Russia	14 807	21 194	43,1 %	346 929	568 227	63,8 %
USA	5 657	13 772	143,5 %	203 630	511 768	151,3 %
<b>In total</b>	<b>175 487</b>	<b>214 590</b>	<b>22,3 %</b>	<b>4 760 866</b>	<b>6 500 513</b>	<b>36,5 %</b>

(Volume in tons WFE, value in thousand NOK)

Figures as per 22.04.10  
Source: NSEC

## SPOT prices, fresh Atlantic salmon, cross-section, FCA Oslo, as of week 15-2010 (Superior quality).



**Avg Q1 10 NOK 34.00 vs avg Q1 09 NOK 28.22 (+20.5%)**

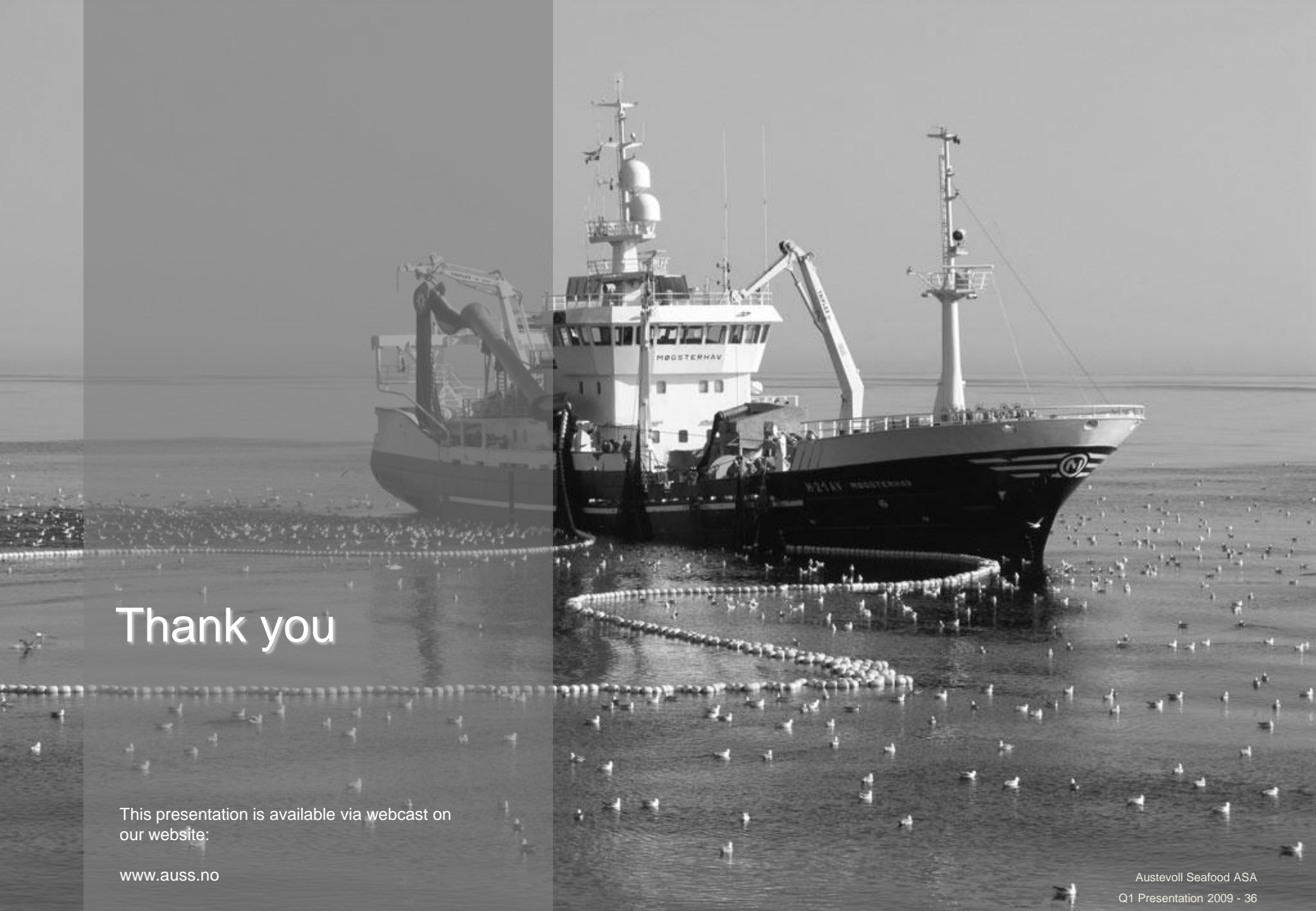
**Avg 2009 NOK 30.58 vs avg 2008 NOK 25.75 (+18.7%)**

Figures as per 22.04.10  
Source: FHL/NSL/NOS

## Summary

- Difficult first quarter for Human Consumption segment, due to low catches in Peru and Chile.
- Strong improvement in operational EBIT from the Salmon and Fishmeal segment.
- FoodCorp production facilities up and running in Q2.
- Shipment of Peruvian fishmeal in Q2 may be delayed by the late start of fishing season.
- Firm prices expected in Q2 for both salmon and fishmeal segment





Thank you

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