SalMar ASA

Presentation Q4 2012

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Oslo, 28 February 2012



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Agenda

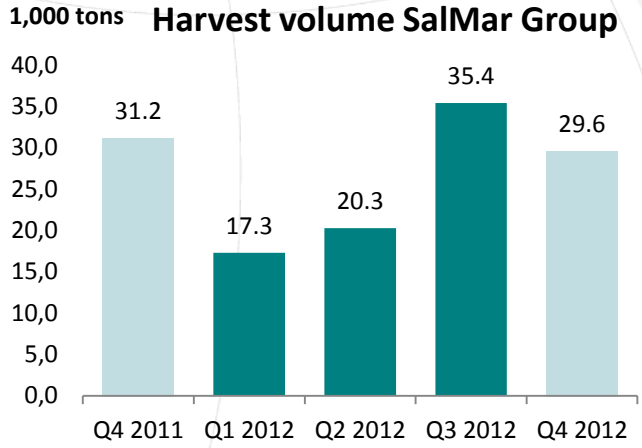
- Highlights
- Financial update
- Operational update
- Market and outlook

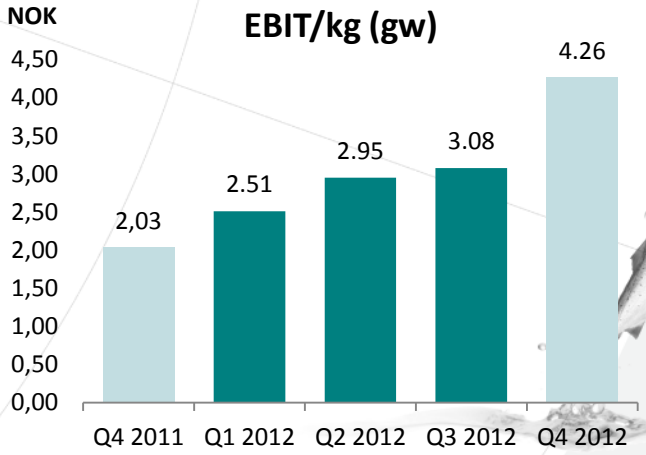


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Fourth quarter highlights

- Operating income of NOK 1 329 million (NOK 1 082)
- Harvest volumes at 29 600 tons gutted weight, down from 31 200 tons in Q4 2011
- Operational EBIT at NOK 126 million (NOK 80)
- Positive EBIT development for Central – and Northern Norway from higher prices and improved operations
- Rauma struggling with PD issues
- Sales & Processing still marked by defiant market conditions, slight improvements from previous quarter





Financial update



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Group profit and loss

NOK million	4Q 12	4Q 11	FY 2012	FY 2011
Operating income	**1 329,1**	**1 082,1**	**4 204,8**	**3 833,5**
Cost of goods sold	746,5	637,2	2 324,8	1 997,5
Payroll expenses	144,4	121,8	483,2	391,7
Other operating expenses	264,6	205,1	886,0	705,9
EBITDA	173,6	118,1	510,8	738,3
Depreciations	47,6	38,1	170,2	132,5
Operational EBIT	**126,1**	**80,0**	**340,7**	**605,8**
Fair value adjustments	205,8	7,9	290,4	-368,1
Exceptional biological items	-	-50,0	-54,6	-60,1
Badwill related to business combination in Finnmark	-15,0	-	62,4	-
EBIT after biomass adj.	**316,9**	**37,8**	**638,9**	**177,6**
Income from ass. comp.	42,8	16,2	93,9	98,0
Other financial items	-18,6	-43,5	-124,3	-115,2
Earnings before tax	**341,1**	**10,6**	**608,5**	**160,5**
Tax	72,3	-6,0	125,5	13,1
Result for the period	**268,8**	**16,6**	**483,0**	**147,4**

- Harvest volume down to 29 600 tons
- NOS spot of NOK 26.41, up from NOK 25.32 in Q3
- Increase in EBIT/kg gw for the group of 38% from previous quarter, due to higher prices and positive cost development
- Other financial improved due to higher value on Bakkafrost TRS

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Group balance sheet

NOK Million	31.12.2012	30.09.2012	31.12.2011
ASSETS			
Intangible fixed assets	2 135,5	2 136,1	1 917,1
Tangible fixed assets	1 268,8	1 256,4	1 126,4
Financial fixed assets	970,3	938,5	926,3
Total fixed assets	**4 374,6**	**4 330,9**	**3 969,8**
Inventory	2 289,9	1 952,0	1 648,7
Accounts receivables	660,9	649,9	505,3
Other short-term receivables	243,8	200,8	145,0
Cash and cash equivalents	55,3	46,9	47,6
Total current assets	**3 249,9**	**2 849,7**	**2 346,6**
TOTAL ASSETS	**7 624,5**	**7 180,6**	**6 316,4**
EQUITY AND LIABILITIES			
Paid-in equity	517,9	517,9	176,6
Reserves	2 313,5	2 061,7	1 915,7
Minority interests	136,3	128,7	122,2
Total equity	**2 967,7**	**2 708,3**	**2 214,6**
Provisions for liabilities	871,7	768,4	739,7
Int. bearing long-term liabilities	2 223,4	2 196,7	2 202,0
Total long-term liabilities	**3 095,1**	**2 965,1**	**2 941,7**
Int. bearing short-term liabilities	596,3	469,1	501,8
Other short-term liabilities	965,3	1 038,1	658,4
Total short-term liabilities	**1 561,6**	**1 507,2**	**1 160,1**
TOTAL EQUITY AND LIABILITIES	**7 624,5**	**7 180,6**	**6 316,4**
Net interest bearing debt	**2 764,4**	**2 618,8**	**2 656,1**
Equity share	**38,9 %**	**37,7 %**	**35,1 %**

- Increased total assets
  - Increased inventory
  - Increased value on Bakkafrost TRS
  - Higher current receivables
- Equity of NOK 2 967.7 million, equity ratio of 38.9%
- Net interest bearing debt (NIBD) increased to NOK 2 764.4 million
- Gearing ratio 4.43
  - Headroom vs covenants



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Group cash flow

NOK million	4Q 12	4Q 11	FY 2012	FY 2011
Operational EBIT	126,1	80,0	340,7	605,8
Depreciation	47,6	38,1	170,2	132,5
Change in working capital	-139,3	103,7	-244,4	-390,3
Other changes	-73,3	-68,7	-51,2	20,7
Net cash flow from operating activities	-39,0	153,1	215,2	368,8
Net cash flow from investing activities	-55,1	-96,4	-428,1	-659,5
Change in interest-bearing debt	102,5	-57,1	-79,2	642,9
Equity paid out	-	-	-2,9	-411,5
Equity paid in	-	-	303,4	-
Net cash flow from financing activities	102,5	-57,1	221,3	231,4
Net change in cash for the period	**8,4**	**-0,4**	**8,4**	**-59,3**
Conversion differences foreign subsidiaries	-0,0	-0,1	-0,7	-0,1
Cash in the beginning of the period	46,9	48,1	47,6	107,1
Cash at the end of the period	**55,3**	**47,6**	**55,4**	**47,6**

- Operating activities
  - Negative due to increase in working capital, mainly biomass
- Investing activities
  - Mainly CAPEX
- Financial activities
  - Increase in NIBD NOK 154.1m
  - Paid interest NOK 51.6 m

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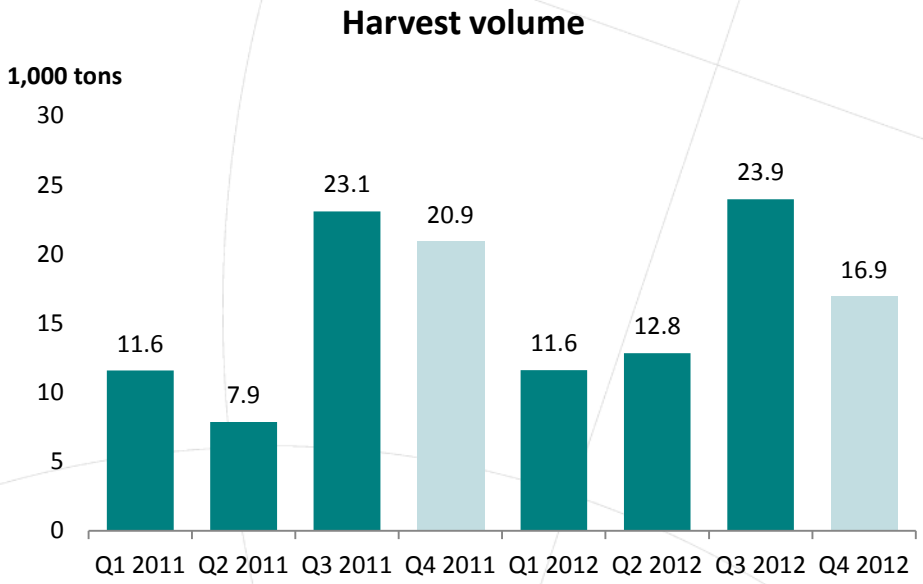
Operational update



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Farming Central Norway

Farming Central Norway	4Q 12	4Q 11	FY 2012	FY 2011
Operating income (NOK mill)	463.5	493.5	1,727.7	1,854.5
Operational EBIT (mill.)	61.5	42.0	202.6	453.0
Operational EBIT %	13.3 %	8.5 %	11.7 %	24.4 %
Harvest volume (1,000 tgw)	16.9	20.9	65.3	63.4
EBIT/ kg gw (NOK)	3.64	2.01	3.10	7.15

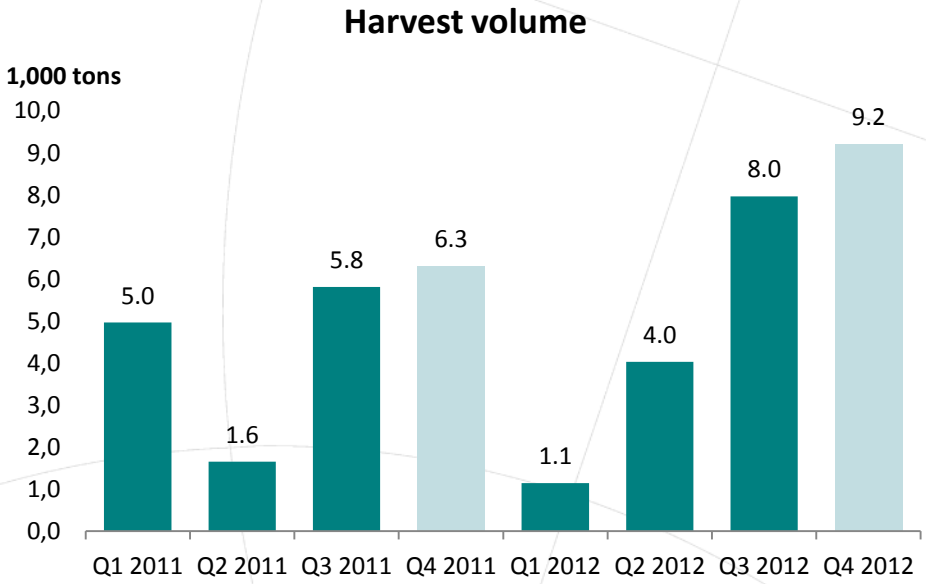


- Good performance
  - Positive cost development from previous quarters continued, partly due to reduced share of high cost 2010 generation
  - EBIT/kg NOK 3.64, versus NOK 3.00 in Q3 and NOK 2.01 in Q4 2011
  - Improvements mainly due to higher prices
  - Good biological status
- Harvest volume
  - Reallocating biomass to 2013
  - Expected volume for 2013; ~71 000 tons

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Farming Northern Norway

Farming Northern Norway	4Q 12	4Q 11	FY 2012	FY 2011
Operating income (NOK mill)	320.3	134.9	692.0	544.0
Operational EBIT (mill.)	49.6	-14.7	83.3	106.4
Operational EBIT %	15.5 %	-10.9 %	12.0 %	19.6 %
Harvest volume (1,000 tgw)	9.2	6.3	22.4	18.7
EBIT/ kg gw (NOK)	5.36	-2.33	3.73	5.68

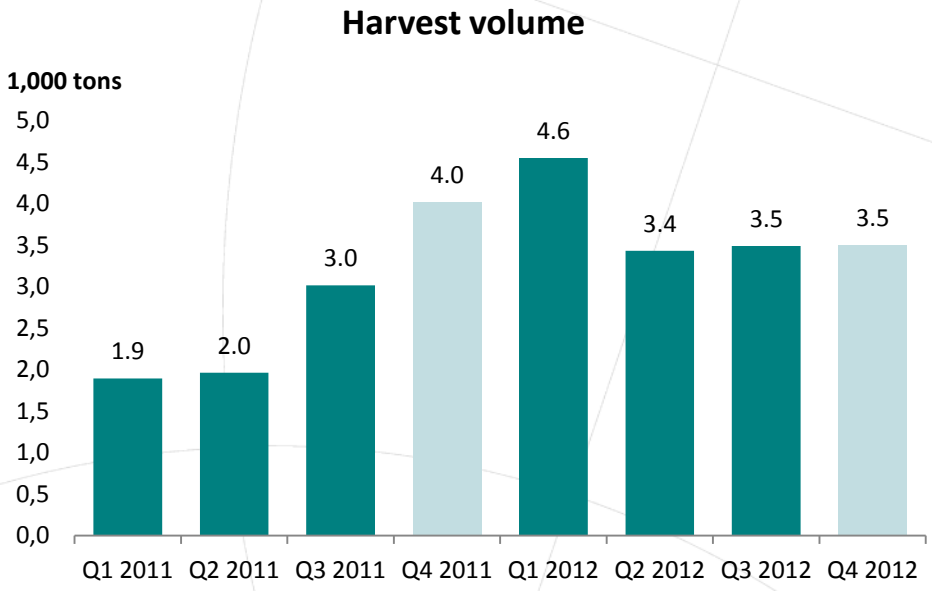


- Good performance
  - Continued operational improvement
  - EBIT/kg at NOK 5.36 in Q4 versus NOK 3.14 in Q3 and NOK -2.33 in Q411
  - High quality fish from well performing sites
  - Higher prices
  - Good biological status
- Harvest volume
  - Continued volume growth
  - Expected volume for 2013: ~28 000 tons

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Farming Rauma

Farming Rauma	4Q 12	4Q 11	FY 2012	FY 2011
Operating income (NOK mill)	97.0	110.1	419.4	342.2
Operational EBIT (mill.)	-7.5	8.8	0.8	66.7
Operational EBIT %	-7.7 %	8.0 %	0.2 %	19.5 %
Harvest volume (1,000 tgw)	3.5	4.0	14.9	10.9
EBIT/ kg gw (NOK)	-2.16	2.19	0.06	6.13



- Continued weak performance
  - Most volumes harvested affected by PD
  - All PD affected fish taken out, bound for improved earnings coming quarters
- Harvest volume
  - Harvest volumes stable at 3 500-4 000 tons per quarter
  - Expected volume for 2013; ~17 000 tons

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Sales & Processing

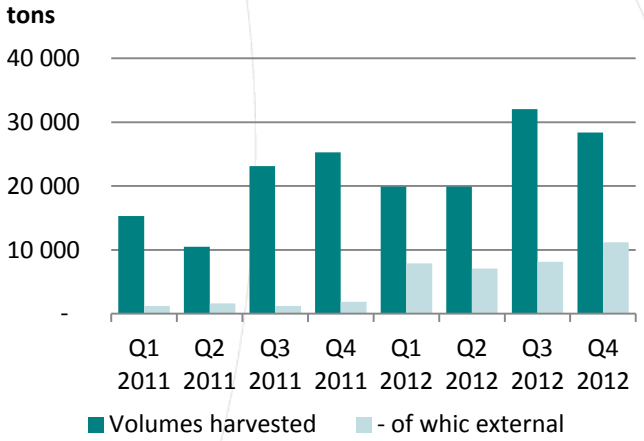
Sales and Processing	4Q 12	4Q 11	FY 2012	FY 2011
Operating income (NOK mill)	1 296,8	1 101,8	4 231,3	3 947,6
Operational EBIT (mill.)	16,2	28,0	55,0	9,5
Operational EBIT %	1,2 %	2,5 %	1,3 %	0,2 %

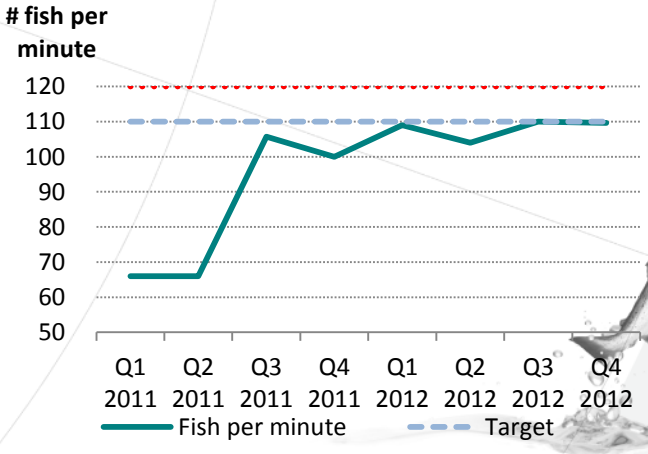
- Operating income of NOK 1 297 million, up 18% from Q4 2011
  - Includes sales of all group volumes
- Lower volumes in December due to reallocation of biomass volumes, affecting quarterly average price negatively
- Sales still affected by challenging market conditions, but improvements from third quarter 2012
- Another strong quarter for InnovaMar

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Sales & Processing - InnovaMar

- InnovaMar delivers a good quarter
  - Total volume at 28 381 tons, down from Q3 due to biomass reallocations
  - Strong growth in external volumes at; 11 190 tons
  - Total volume 2012: 100 224 tons
- Harvest facility
  - 109.6 fish/ minute, stable from Q3, slightly below target of >110 fish per minute
  - Expected improvements
    - Flexibility in use of raw materials and selection of sizes
    - Target 70 000 tons per shift, leads to reduced use of man-hour
    - Est. cost saving of 10-20% vs industry average in Norway
- VAP facility
  - Total capacity of 50-60 fish/ minute
  - Target capacity +100 tons/ shift
  - Volume Q4 2012: 4 821 tons of raw material

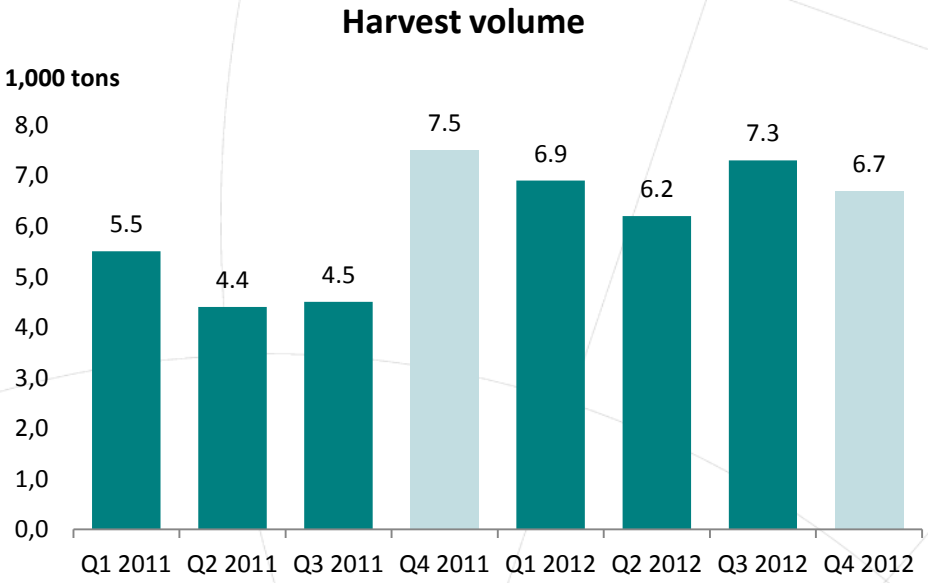




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Norskott Havbruk (Scottish Seafarms)

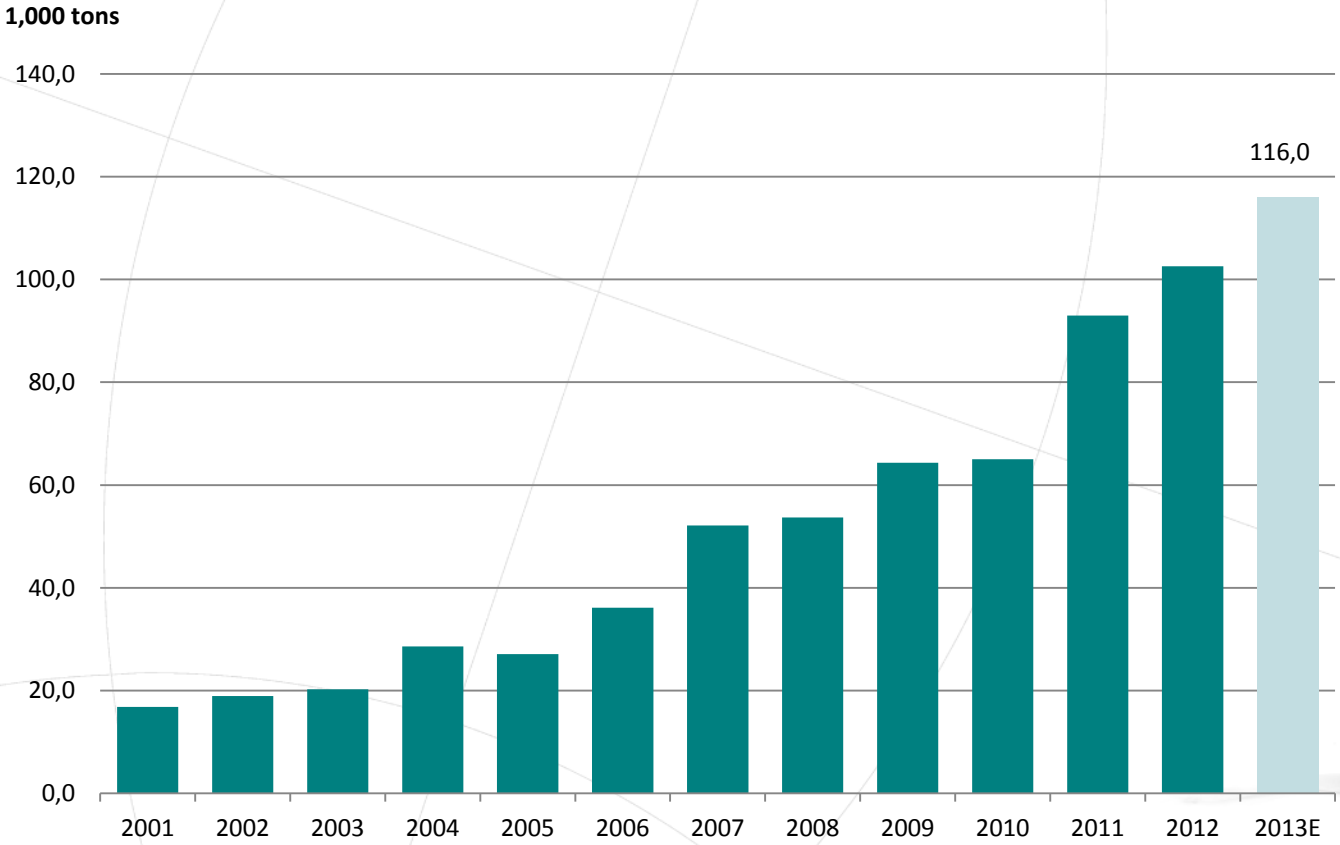
NOK million	4Q 12	4Q 11	FY 2012	FY 2011
Operating income	235.7	247.5	936.6	797.4
EBIT before biomass adj.	14.5	-6.9	55.3	124.0
EBIT before biomass adj. %	6.2 %	-2.8 %	5.9 %	15.6 %
Value adjustment biomass	3.9	-17.3	-0.0	-90.4
Earnings before tax	15.0	-25.7	47.7	28.0
SalMars share after tax	5.5	-9.3	17.6	13.7
Harvest volume (1,000 tgw)	6.7	7.5	27.1	21.9
EBIT/ kg gw (NOK)	2.18	-0.92	2.04	5.67



- Improved performance
  - Management monitor and handle AGD with success
  - Sea lice under control, but challenging
  - Improved EBIT/kg 0,79 compared to 3Q 12
  - Solid demand for SSF salmon in the marked
- Harvest volume
  - Harvest volumes 2012 totals to 27 100 tons
  - Expected volume for 2013; ~ 25 000 tons
  - Contract share approx. 60%, 50% 1H.

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SalMar (Norway) – Strong historical growth



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Market and outlook



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Market development

- Global supply of approx. 561 400 tons in Q4 2012, 11 % increase y/y
  - Chile 49 %, Norway 7 %, Faroe Islands 12%, North America +2%, UK -9%
- 7 % increase in export volumes from Norway
  - 9 % increase in exports from Norway to the EU.
  - France +7%, consolidating position as leading market, importing 47 100 tons of Norwegian salmon in Q4 2012
  - Russia -2%, stabilizing after period of strong growth
  - Poland +28%, solid development maintains
  - China still challenging
- Average NOS spot price up 16% from Q4 2011
  - Strong positive trend throughout the quarter, ending at NOK 32.42
  - NOK has strengthened versus Euro and USD
  - NOK has weakened versus to GBP

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Market development contd.

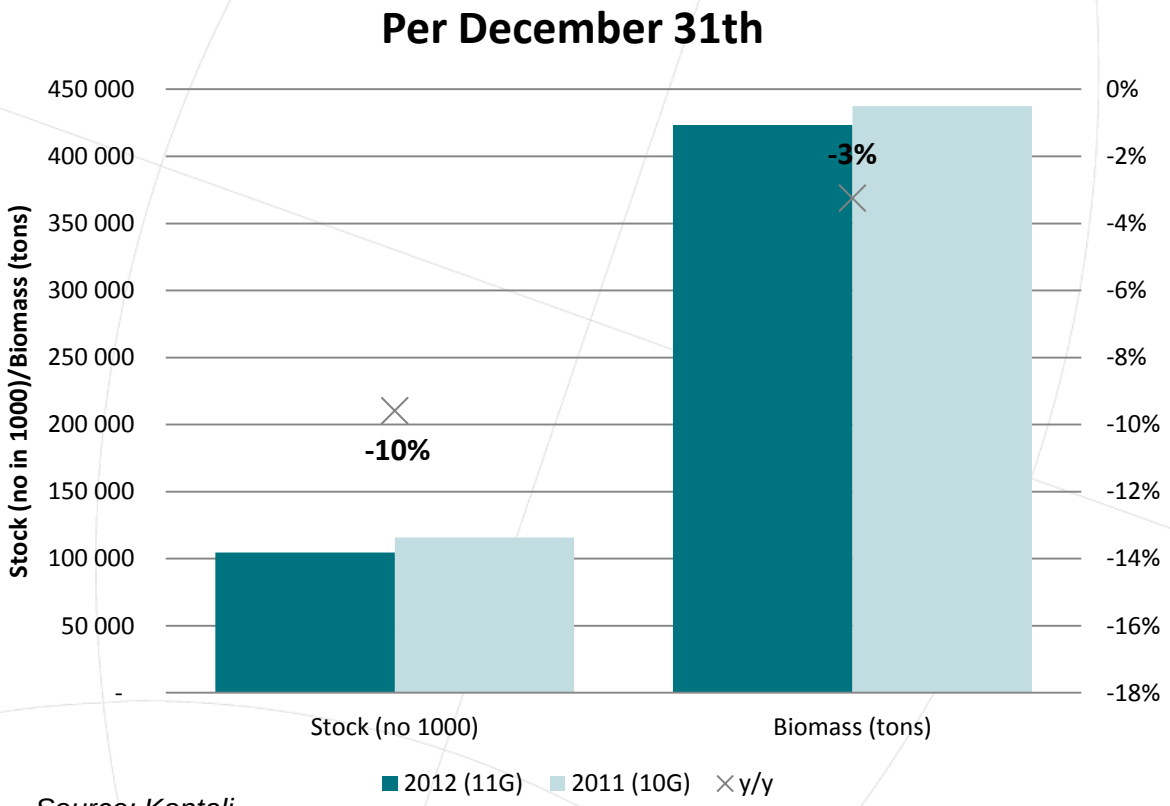
- Norwegian biomass at 689 400 tons by end of Q4 2012
  - 3 % higher than end of Q4 2011
  - Chilean biomass approx. 35% higher than Q4 2011
- Growth rates expected to decline
  - Expected growth in global supply of 4% in Q1 2013
  - 2% FY year growth in 2013
  - Expected improvements in margins from Q1 2013
  - Reduced supply growth indicate promising price-development for 2013
- Recent demand-development in key markets indicate significant growth potential going forward



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Estimated biomass Norway

2012 (11G) VS. 2011 (10G)



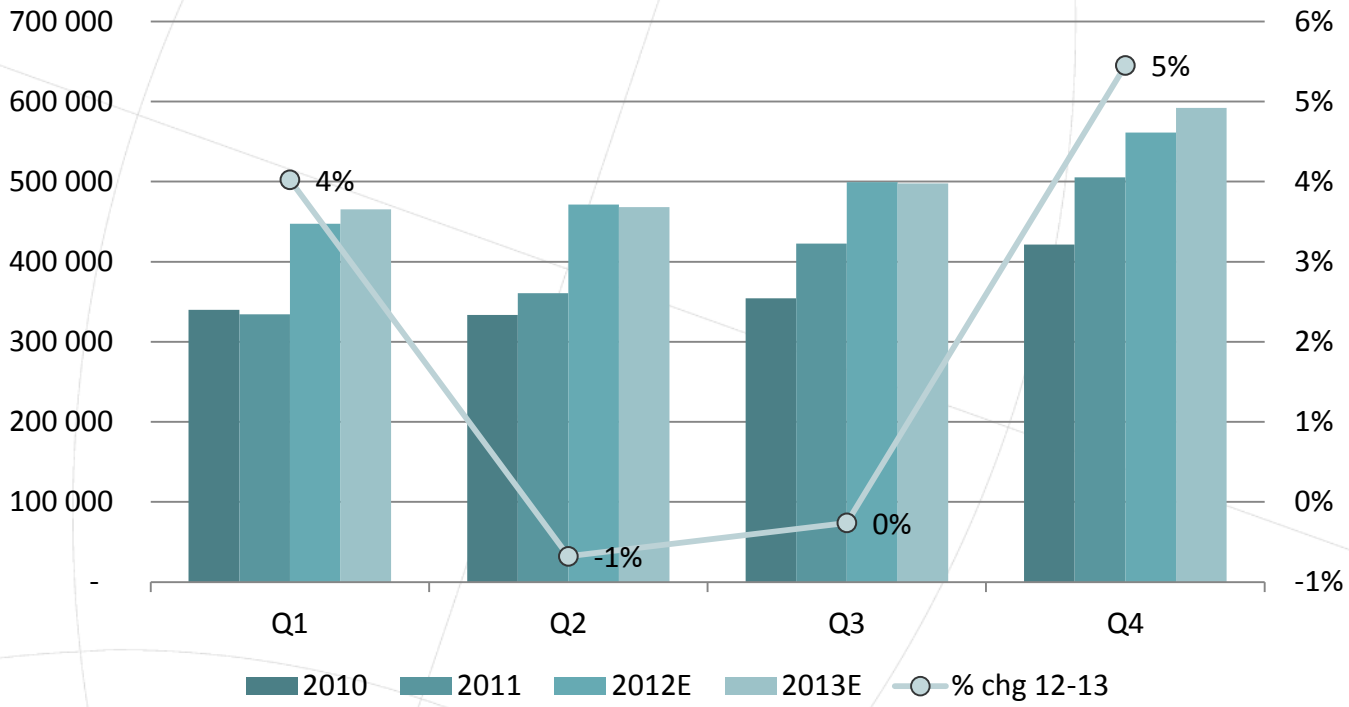
Source: Kontali,

- Stock11G S0 average weight +11% compared to 10G S0

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Atlantic salmon supply/global harvest volumes 2013

Based on a 2% y/y growth scenario



Source: Kontali, as per February 2013

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Outlook

- Strong market outlook for SalMar
  - Expects continued growth in demand from important markets
  - As of February 2012, future prices above NOK 30 in 2013 and 2014.
  - Growth in global supply expected to slow down, +4% in Q1 2013 and +2% FY 2012
- Expected increases in market prices for salmon gives reason for optimism for increased margins on farming and better contract coverage for VAP
- Current contract share for 2013 app. 12%.
- Reduced sea temperatures y/y the past few months
  - Reduced expectations for growth 1H 2013.
- Expected total volume for 2013 at 116 000 tons, +13% from 2012.
- CAPEX: NOK 250m
- Board will not propose payment of dividend to the AGM



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Outlook contd.

- Key priority - improve biological performance
  - Better performing biomass to be harvested in 2013
  - Low mortality on 2011 & 2012G compared to previous generations.
  - Operational improvement programs on-going
  - Reduced production costs 2013 vs 2012
- Farming Northern Norway
  - Large share of 1H 2013 harvest volumes from newly acquired licenses in Finnmark.
  - 1H biomass cost some NOK 2-3 per kg above, expected cost for this segment in 2H 2013

***Kvitfloget** – Top performing farming site Farming Norhern Norway*



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Post-Balance Sheets Events

- Signed Term Sheet related to the planned acquisition of Atlantic Cod Farms AS
  - Total investment NOK 40 million
  - Access to 7 new farming sites for future growth
  - Strengthened Area Control - reducing biological risk
  - Access to infrastructure, expertise and equipment
  - Proximity to the SalMar Rauma cluster - harvesting and monitoring
  - Completion of the transaction is subject to due diligence, board approval and approval from competition authorities in Norway

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Thank you for your attention

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Appendix



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SalMar's current license situation

Segment	Wholly owned	R&D/partners	**Total**
Central Norway Trøndelag & Nordmøre	44 (MAB 780 tonns) - Trøndelag: 29 - Nordmøre: 15	9 - Sintef /Veso: 5 - STFK / Frøya VGS: 1 - Other : 3	53
Northern Norway Troms & Finnmark	23 (MAB 945 tonns)		23
Rauma Møre & Romsdal	14 (MAB 780 tonns) - Rauma Gruppen: 8 - Bringsvor Laks: 2 - Eikremsvik: 2 - Villa Miljølaks: 2	2 - Villa Miljølaks: 1 - Villa Miljølaks / Ålesund University College: 1	16
Total	81	11	92

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P/F Bakkafrost (25.2% + 4,66% TRS)

FINANCIAL HIGHLIGHTS

BAKKAFROST

Satisfying results at the given price level

- Increased revenue driven by increased salmon prices and growth in harvested volumes (13%).
- Operational EBIT more than double from Q4 2011 to Q4 2012

All segments contribute with positive results

- Increased EBIT/Kg (Farming/VAP) from NOK 3.83 to NOK 7.25 despite 12% increase in the supply of salmon
- Lower EBITDA margin in Fish meal, oil and feed compared to Q4 2011, due to increased raw material prices

(DKK million)	Q4 2012	Q4 2011	2012	2011
Operating revenues	582.1	397.2	1,855.5	1,321.1
Operational EBITDA	119.8	68.8	403.3	402.5
Operational EBIT	**99.2**	**45.9**	**323.0**	**335.1**
Profit for the period	**148.2**	**85.6**	**281.3**	**323.4**
Operational EBITDA margin	20.6%	17.3%	21.7%	30.5%
Operational EBIT margin	17.0%	11.6%	17.4%	25.4%
Operational EBIT/Kg (Farming and VAP) (NOK)	7.25	3.83	7.04	9.59
EBITDA margin (Fish meal, oil and feed)	7.43%	12.43%	9.50%	13.5%

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Source: Bakkafrost Q4 presentation 2012

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