SalMar ASA

Presentation Q4 2014

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Oslo, 26 February 2015



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Agenda

- Highlights
- Financial update
- Operational update
- Outlook

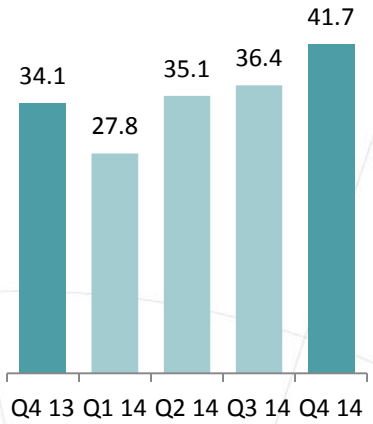


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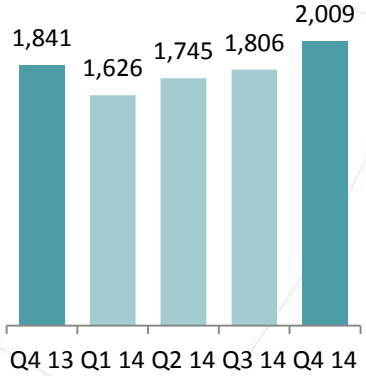
Fourth quarter highlights

- Good prices and high harvest volumes gave profit growth and record revenues.
- 50% of harvested volume sold on contract with marginal effect.
- The board recommends a dividend payment of NOK 10.0 per share.

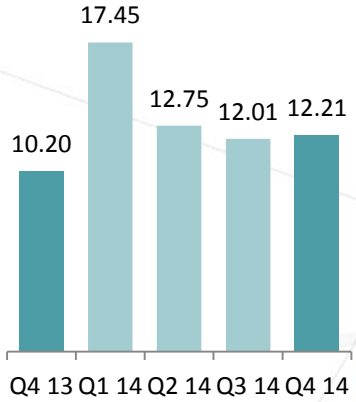
Harvest volume (1,000 tons)



Operating income (NOKm)



EBIT/kg (NOK)



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Financial update



Group profit and loss

NOK Million	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating income	**2,008.7**	**1,841.1**	**7,185.9**	**6,245.9**
Cost of goods sold	926.3	939.0	3,175.3	3,051.2
Payroll expenses	194.5	186.5	710.4	623.1
Other operating expenses	299.4	294.9	1,143.0	1,086.3
EBITDA	588.5	420.7	2,157.2	1,485.3
Depreciations	79.7	72.6	278.2	225.8
Operational EBIT	**508.7**	**348.1**	**1,879.0**	**1,259.5**
Fair value adjustment	-127.5	470.4	-232.3	528.2
Particular biological events	-	-	-	-
Non-recurring gains on aquisition	-	-35.8	-	161.8
Operational profit	**381.3**	**782.7**	**1,646.7**	**1,949.4**
Income from investments in associates	31.1	33.4	96.1	158.0
Other financial items	-24.8	22.2	-114.0	214.7
Profit before tax	**387.5**	**838.3**	**1,628.8**	**2,322.1**
Tax	97.4	185.6	413.4	418.7
Net profit for the period	**290.1**	**652.7**	**1,215.5**	**1,903.4**

- Revenues driven by higher harvest volumes
  - 41,700 tons vs 34,100 tons in Q4 13.
- Average salmon price (NASDAQ Index) NOK 39.09/ kg (NOK 42.02/kg)
- Contract share of 50% with marginal price effect
- EBIT/kg NOK 12.21 vs NOK 10.20 in Q4 13

Group balance sheet

NOK Million	31/12/2014	30/09/2014	31/12/2013
ASSETS			
Intangible fixed assets	2,898.6	2,819.4	2,464.1
Tangible fixed assets	2,017.6	1,985.1	1,859.3
Financial fixed assets	539.2	485.4	408.8
Total fixed assets	**5,455.4**	**5,289.8**	**4,732.2**
Inventory	3,321.1	3,239.5	3,248.7
Accounts receivables	888.2	703.4	662.1
Other short-term receivables	292.6	362.3	217.6
Cash and cash equivalents	167.0	199.7	1,071.0
Total current assets	**4,669.0**	**4,504.8**	**5,199.4**
TOTAL ASSETS	**10,124.4**	**9,794.6**	**9,931.6**
EQUITY AND LIABILITIES			
Paid-in equity	476.6	476.6	476.6
Reserves	4,600.1	4,270.6	4,246.4
Minority interests	60.6	34.3	337.8
Total equity	**5,137.3**	**4,781.5**	**5,060.8**
Provisions for liabilities	1,256.6	1,465.0	1,199.6
Int. bearing long-term liabilities	2,191.6	2,153.8	2,446.2
Total long-term liabilities	**3,448.1**	**3,618.8**	**3,645.8**
Int. bearing short-term liabilities	276.7	685.4	397.2
Other short-term liabilities	1,262.3	708.9	827.8
Total short-term liabilities	**1,539.0**	**1,394.3**	**1,225.0**
TOTAL EQUITY AND LIABILITIES	**10,124.4**	**9,794.6**	**9,931.6**
Net interest bearing debt	**2,301.3**	**2,639.5**	**1,772.4**
Equity share	**50.7 %**	**48.8 %**	**51.0 %**

- Total assets increased NOK 329.8m to NOK 10,124.4 from Q3 14
- Fixed assets increased due to acquisitions and capex
- Account receivables up, but number of credit days stable
  - Reserve for doubtful receivables NOK 11.2m
- Equity up NOK 355.8m to NOK 5,137.3m
  - Equity ratio of 50.7% (48.8%)
- Other Short term liabilities up NOK 553.4m
  - Tax payable NOK 320.0m
- Net interest bearing debt down NOK 338.2m to NOK 2,301.3m

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Group cash flow

NOK Million	Q4 2014	Q4 2013	FY 2014	FY 2013
Profit before tax	387.5	838.3	1,628.8	2,322.1
Tax paid in period	-23.8	-4.2	-25.8	-6.5
Depreciation	79.7	72.6	278.2	225.8
Share of profit/loss from associates	-31.1	-33.4	-96.1	-158.0
Realized and unrealized gains on financial assets	-	-59.5	-	-341.8
Non-recurring gains on acquisitions	-	35.8	-	-161.8
Change in fair value adjustments	127.5	-470.4	232.3	-528.2
Change in working capital	-85.7	20.4	-512.4	-417.6
Other changes	50.3	46.4	142.1	172.0
Net cash flow from operating activities	**504.3**	**446.0**	**1,647.0**	**1,106.0**
Net cash flow from investing activities	**-128.9**	**242.3**	**-1,031.9**	**698.7**
Change in interest-bearing debt	-383.3	89.0	-357.4	-540.8
Dividend paid out	-2.2	-	-898.2	-0.1
Buy-out of non-controlling interest	-	-0.8	-140.9	-70.4
Interest paid	-26.8	-38.1	-115.1	-158.1
Other changes	0.5	-14.4	-10.9	-20.6
Net cash flow from financing activities	**-411.8**	**35.7**	**-1,522.5**	**-790.0**
Net change in cash for the period	-36.3	724.0	-907.4	1,014.6
Foreign exchange effects	3.6	1.2	3.3	1.1
Cash in the beginning of the period	199.7	345.8	1,071.0	55.3
Cash and cash equivalents end of period	**167.0**	**1,071.0**	**167.0**	**1,071.0**

- Cash flow from operations of NOK 504.3m in the quarter
  - Increased net working capital
  - Tax paid
- Negative cash flow from investments of NOK 128.9m
  - Investments in fixed assets and acqustition of one farming licence
- Negative cash flow from financing of NOK 411.8m
  - Reduced interest bearing debt by NOK 383.3m
  - Interests paid NOK 26.8m

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Operational update

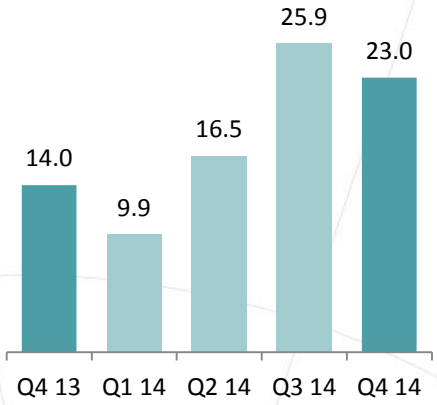


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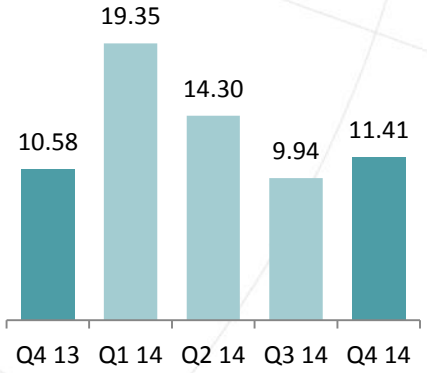
Farming Central Norway

	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating income (NOKm)	841.8	546.7	2,863.5	2,702.0
Operational EBIT (NOKm)	262.7	148.4	946.2	924.2
Operational EBIT %	31%	27%	33%	34%
Harvested volume (1,000 tgw)	23.0	14.0	75.2	70.2
EBIT/ kg gw (NOK)	11.41	10.58	12.58	13.17

Harvest volume (1,000 tons)



EBIT/kg (NOK)

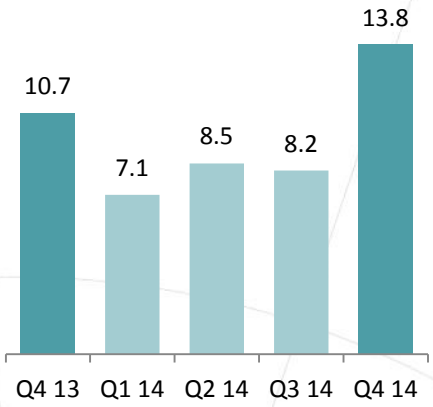


- Cost improvement both QoQ and YoY
- Unfavorable volume distribution compared to price development
- Strong growth due to relatively high temperatures
  - Cases of site MAB harvesting
- Continued biological challenges
  - treatment costs accumulated
- 75,200 tons harvested in 2014, expect harvest volumes of 79,000 tons in 2015

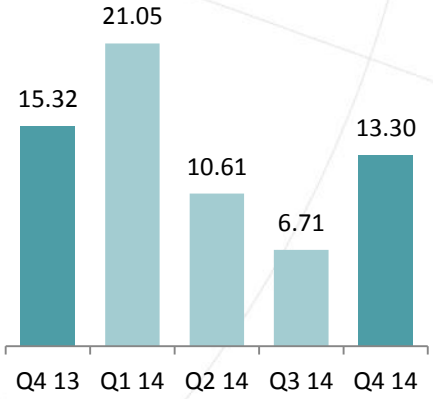
Farming Northern Norway

	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating income (NOKm)	529.3	429.0	1,443.1	912.7
Operational EBIT (NOKm)	183.0	164.1	477.2	320.2
Operational EBIT %	35%	38.3%	33%	35.1%
Harvested volume (1,000 tgw)	13.8	10.7	37.5	23.8
EBIT/ kg gw (NOK)	13.30	15.32	12.72	13.45

Harvest volume (1,000 tons)



EBIT/kg (NOK)



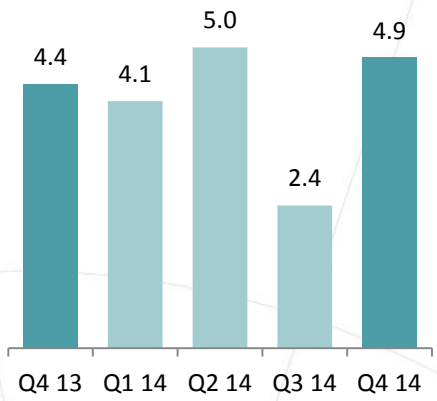
- Improvement in realized prices from Q3 14
  - Volumes evenly distributed throughout the quarter
- Some 10% of volume from jointly operated facilities with higher cost
- Biological situation remains sound
  - Strong growth due to higher sea temperatures
- Expect harvest volumes of 42,000 tons in 2015

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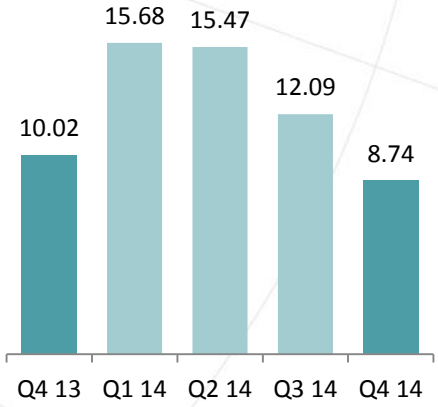
Farming Rauma

	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating income (NOKm)	215.4	187.0	782.0	595.4
Operational EBIT (NOKm)	42.6	44.4	214.7	161.9
Operational EBIT %	20%	23.7%	27%	27.2%
Harvested volume (1,000 tgw)	4.9	4.4	16.5	14.9
EBIT/ kg gw (NOK)	8.74	10.02	13.04	10.88

Harvest volume (1,000 tons)



EBIT/kg (NOK)



- Organic salmon constitute 47% of total volumes
  - Price premium reduced when spot prices increase
- Biological situation remains challenging
  - Sea lice concentration increasing
  - Continued treatments accumulate cost/kg
  - PD affects appetite and growth
- 16,500 tons harvested in 2014, expect harvest volume of 18,000 tons in 2015

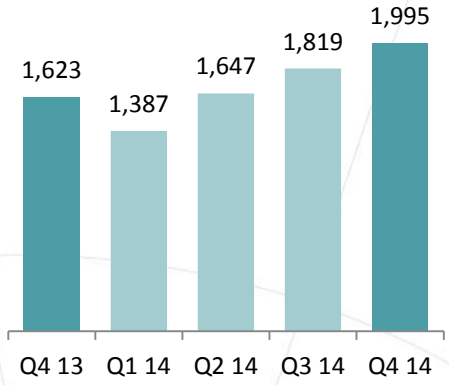
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Sales & Processing

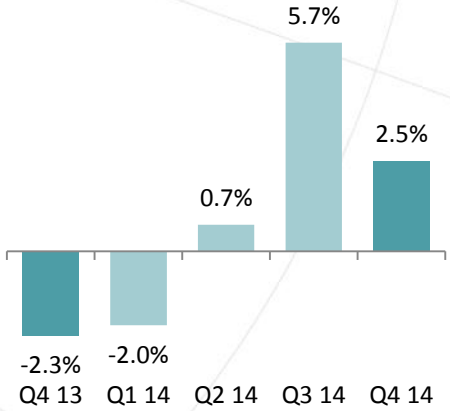
	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating income (NOKm)	1,994.5	1,622.8	6,847.8	6,047.4
Operational EBIT (NOKm)	49.7	-37.6	137.7	-160.9
Operational EBIT %	2.5%	-2.3%	2.0%	-2.7%

- 50% of volumes on fixed price contracts
- Higher volumes improved efficiency within Processing
- Total harvest volume of 36,800 tons in the quarter of which 11,000 external
- Contract share 2015 (medio feb): 30%

Operating income (NOK million)



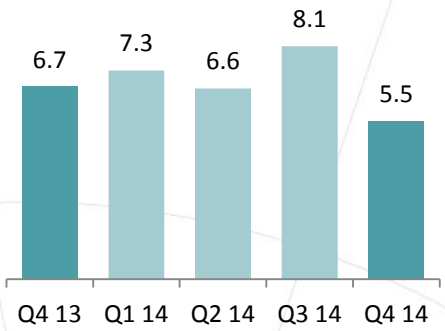
EBIT-margin (%)



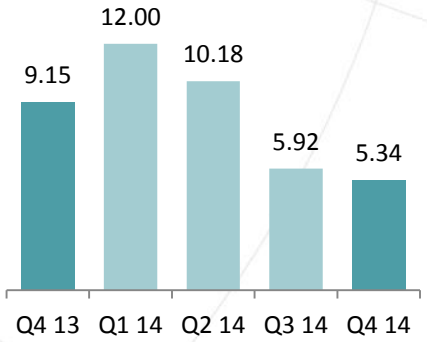
Norskott Havbruk (Scottish Seafarms)

	Q4 2014	Q4 2013	FY 2014	FY 2013
Operating income (NOKm)	288.6	316.2	1,384.6	1,189.1
Operational EBIT (NOKm)	29.4	61.3	232.1	221.1
Operational EBIT %	10.2%	19.4%	16.8%	18.6%
Value adjustment biomass	52.8	29.3	8.3	57.0
Profit before tax	81.2	88.2	239.4	267.2
SalMar share after tax	30.5	33.4	95.5	101.1
Harvest volume (1,000 tgw)	5.5	6.7	27.5	26.9
EBIT/ kg gw (NOK)	5.34	9.15	8.44	8.23

Harvest volume (1,000 tons)



EBIT/kg (NOK)



- Challenging biological environment
- Low harvest volumes
  - 5,502tons ~ 20% of the year total volumes in the quarter.
- High contract share of 68,9 %
- Expect harvest volumes of 31,000 tons in 2015

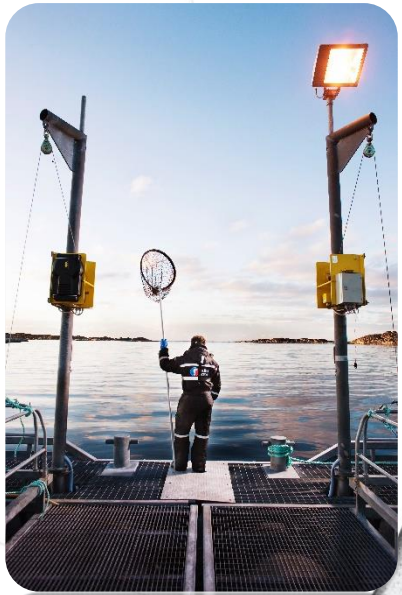
Outlook



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Outlook

- Still challenging biological situation going forward - higher cost
- Expect to harvest approximately 139 000 tons in 2015
  - Central Norway: 79 000 tons
  - Northern Norway: 42 000 tons
  - Segment Rauma: 18 000 tons
- 2015 CAPEX: NOKM 400
  - Mostly related to sea phase production
  - Ongoing freshwater investment programs will add to this number
- Norwegian growth estimated to increase 4-5 % in 2015
- Fishmeal and fish oil prices up - increased feed prices in 2015
- Offshore Fish Farming Project ongoing
  - Reduce biological risk and chance of escapes
  - Depending on licenses, regulatory framework
- BoD will propose a DPS of NOK 10.0



Thank you for your attention

See www.salmar.no for more information



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