



## Fourth Quarter Presentation

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# HIGHLIGHTS – fourth quarter

- **Q4/06 revenue was 18,0 MNOK, three times Q4/05 revenue as a result of increased harvest and sales.**
- **EBIT of -9,5 MNOK relative to -3,8 MNOK in Q4/05, reflecting 3,8 MNOK in negative margins for the generations sold and 5,7 MNOK in admin. costs.**
- **Successful IPO in October secured gross proceeds of 117 MNOK as well as a strong and diversified shareholder structure.**
- **649 tons (r.w.) harvested and slaughtered in Q4/06. A total harvest of 1279 tons (r.w) in 2006.**
- **Approx. 30% market share of all farmed cod sold from Norway in Q4/06.**
- **A bacterial disease (*francisellosis*) discovered at one site reducing the growth and average harvest size of the fish in Q4/06. Codfarmers decided to harvest the affected fish earlier than planned.**

# HIGHLIGHTS – fourth quarter cont`d

- **Market prices remain high in spite of increase in volumes of farmed cod. Our average achieved Q4/06 FOB price was reduced to NOK 36, but still reflects a 12% increase on the price achieved in Q4/05 .**
- ***Perla Cod* from Codfarmers used by the Norwegian National Chefs Team, when they won the gold medal at the Culinary World Cup in Luxembourg in November 2006.**
- **3.6 mill juveniles contracted for on-growing in 2007. The main bulk of these consist of large spring juveniles to be put in our sites in May and harvested in 2008.**
- **Secured new production capacity through the purchase of the Åmøyhavn facility in Meløy in Nordland. New cluster expected ready for production in 2008.**
- **Focus on building infrastructure, biomass, organization and market to handle the increasing production in 2007 and preparing for the increased harvest and sales volumes in 2008.**

# FINANCIALS - key financial figures

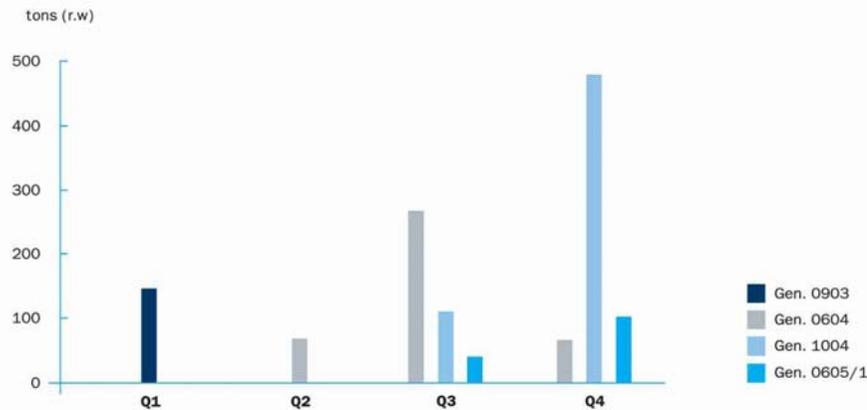
## KEY FINANCIALS FIGURES

NOK (1000`)	IFRS			
	Q4 2006	Q4 2005	Year 2006	Year 2005
Revenue	18 017	5 474	33 430	7 644
EBITDA	-7 966	-3 121	-18 207	-13 605
EBIT before biomass adj	-9 549	-3 752	-22 090	-15 590
EBIT after biomass adj	-9 549	-3 752	-22 090	-15 590
Total assets	231 478	49 357	231 478	49 456
Totalt Equity	211 593	39 632	211 593	39 632
Equity ratio	91,4	80,3%	91,4 %	80,1 %
Interest bearing debt	3 139	3 884	3 139	3 884
Cash and cash equivalents	136 110	2 165	136 110	2 165

- Q4/06 revenue was 18,0 MNOK. Harvest and sales revenues up more than three times compared to Q4/05. Total 2006 revenue amounts to 33,4 MNOK reflecting the sales of 1279 tons (r.w.), 5 times the volume harvested and sold in 2005.
- EBIT of -9,5 MNOK relative to -3,8 MNOK in Q4/05, reflecting 3,8 MNOK in negative margins for the generations sold and 5,7 MNOK in admin. cost. Total 2006 EBIT of - 22,1 MNOK.
- Total assets of 231 MNOK
- Total equity of 211 MNOK with an equity ratio of 91% and 3,1 MNOK in interest bearing debt.
- Successful Public Offering in October secured gross proceeds of 117 MNOK.
- 136 MNOK in cash and cash equivalents.

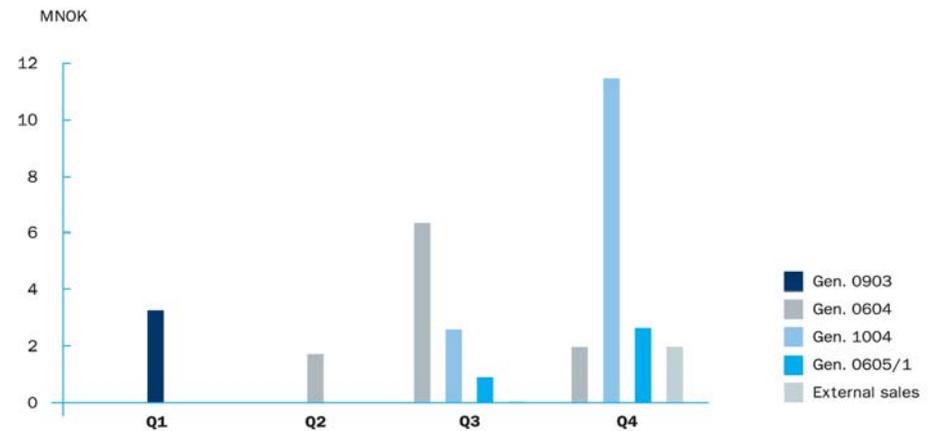
# FINANCIALS - harvest and sales

## Harvest



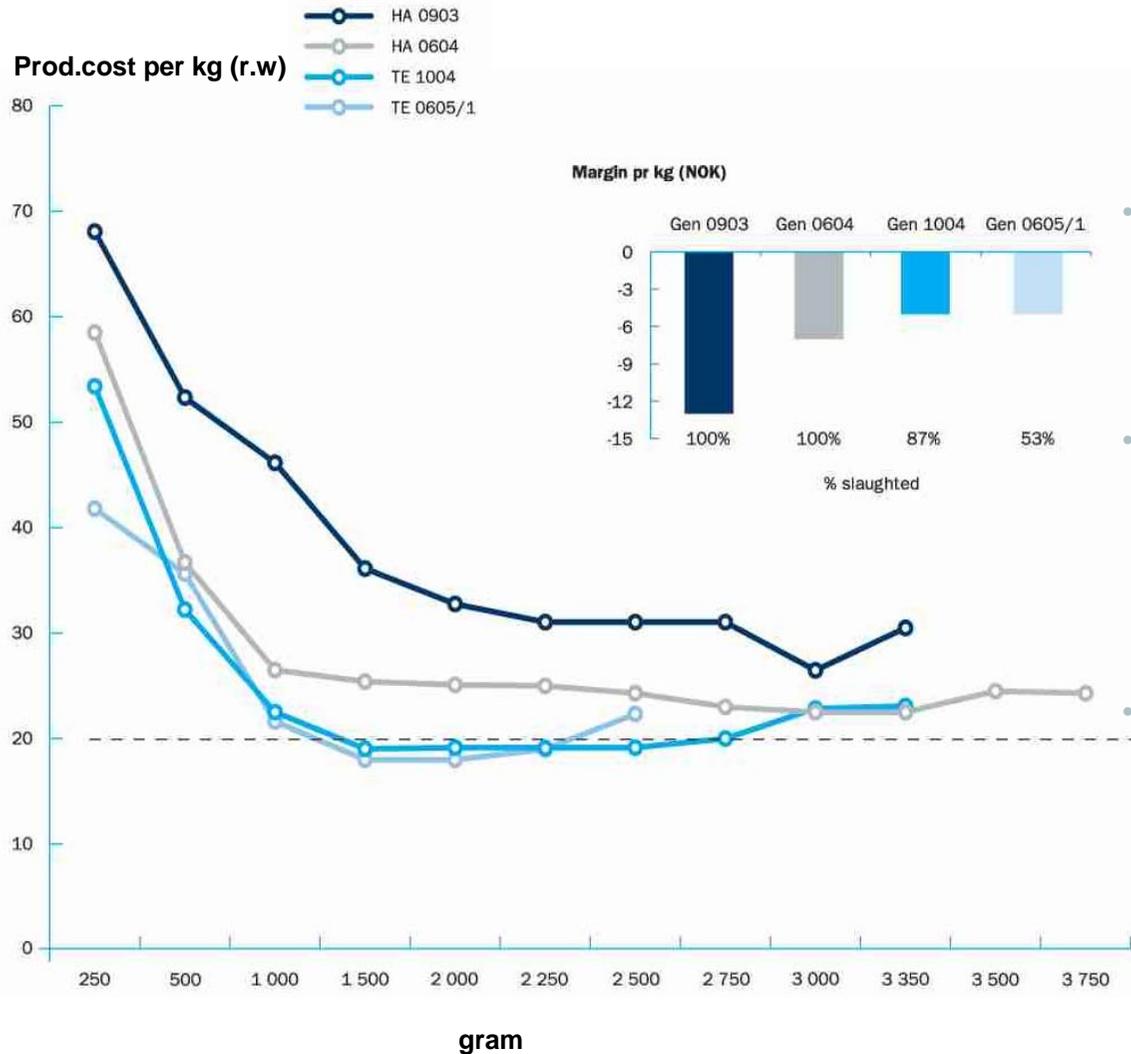
- Harvested from four different generations.
- Total harvest of 649 tons (r.w) during Q4/06.
- Total harvest of 1279 tons (r.w) in 2006 with two generations fully harvested.

## Sales



- Q4/06 sales revenue of 18,0 MNOK.
- Total sales of 33,4 MNOK in 2006.
- Approx. 30% market share of total farmed cod sales from Norway in Q4/06

# FINANCIALS - margin analysis

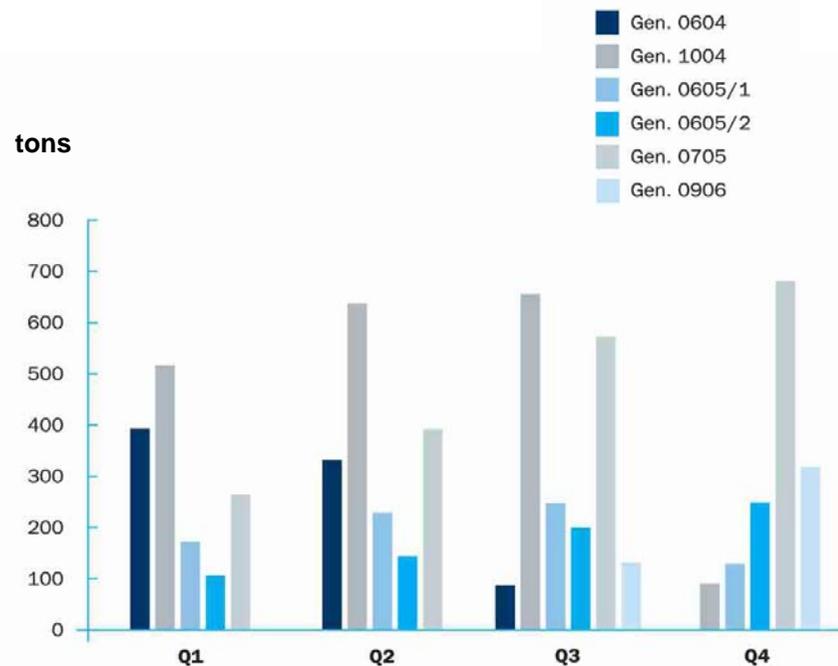


- Continuously falling production costs. Significant cost improvement for the two last generations harvested. Margins for all generations harvested to date still negative.

- The higher prod. cost for generation 1004 and 0604 at location Telnes relative to earlier estimates is mainly due to lower growth, higher mortality and earlier harvesting related to a bacterial outbreak (*francisellosis*).

- Estimated break even price of NOK 20 (round weight calculated FOB Oslo less packing and transportation costs).

# PRODUCTION - standing biomass per 2006



- 1.468 tons (r.w.) standing biomass per Q4/06, not included contracted and live juveniles.
- 1,6 mill fish distributed over four different generations, not included 3,6 million contracted juveniles.
- Estimated biomass value of 35,5 MNOK (IFRS), not included contracted juveniles.
- Generation 0705 and 0605/2 with a standing biomass of 930 tons at year end constitute the main harvesting volume in 2007.

# PRODUCTION – contracted juveniles

Batch	Est. no. at delivery	Size (today)	Est. size at delivery	Est.date of delivery
Batch 1	320 000	120g	250g	May 07
Batch 2	120 000	65g	250g	May 07
Batch 3	250 000	300g	500g	May 07
Batch 4	360 000	180g	300g	May 07
Batch 5	550 000	30g	120g	May 07
Batch 6	800 000	15g	100g	May 07
Batch 7	1 200 000	3g	100g	July 07
<b>3 600 000</b>				

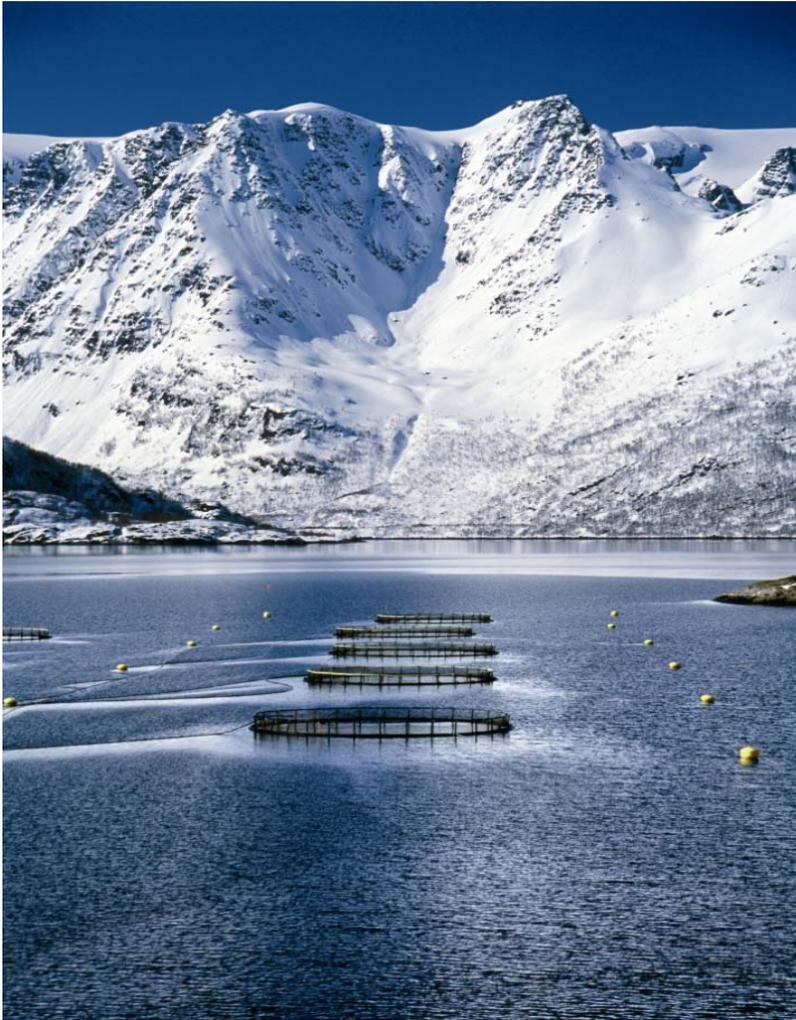
- 7 batches of 3,6 mill. juveniles contracted for 2007
- Estimated May release of 2,4 mill. juveniles (120g-500g)
- Estimated July release of 1,2 mill juveniles (100g)

# PRODUCTION - cod performance indicators

Per dec. 2006	Hammarvika Gen. Sept. 2003	Hammarvika Gen. June 2004	Telnes Gen. Okt. 2004	Telnes Gen. June 2005	Hellvika Gen. June 2005	Hellvika Gen. July 2005	Sjetnes Gen. Sept 2006
Growth from 100g to 1,5kg	16 months	13 months	14 months	12 months	14 months	13 months	
Growth from 100g to harvested weight	24 months	22 months	23 months	20 months	Not harvested	Not harvested	Not harvested
Avg. harvested weight	3,0 kg	3,7 kg	3,2 kg	3,2 kg			
Current avg. weight			2,2 kg	1,8 kg	2,1 kg	2,2 kg	0,3 kg
Biological feed factor (FCR)	1,12	1,20	1,24	1,30	1,06	1,06	0,90
Economic feed factor (EFCR)	1,22	1,31	1,37	1,37	1,09	1,11	0,91
Mortality (%)	10,6%	8,6	9,7%	4,8%	2,8%	4,4%	0,5%
Production cost live fish per Dec	NOK 30,5	NOK 25,8	NOK 23,1	NOK 22,3	NOK 17,5	NOK 18,9	NOK 51,1

- Generations at the Hammervika location fully harvested. Location ready for new generation of fish this spring.
- Average growth time from juvenile to market size fish of approx. 22-24 months.
- Mortality under 10% for all generations harvested.
- Bacterial outbreak (*francisellosis*) on the Telnes fish reduced growth and increased the feed factor at the end of cycle. The bacteria are not prevalent in the sea in the North due to lower sea water temperatures. The consequences of such outbreaks seem therefore more limited in the North.
- Consistently falling production costs.

# PRODUCTION - capacity



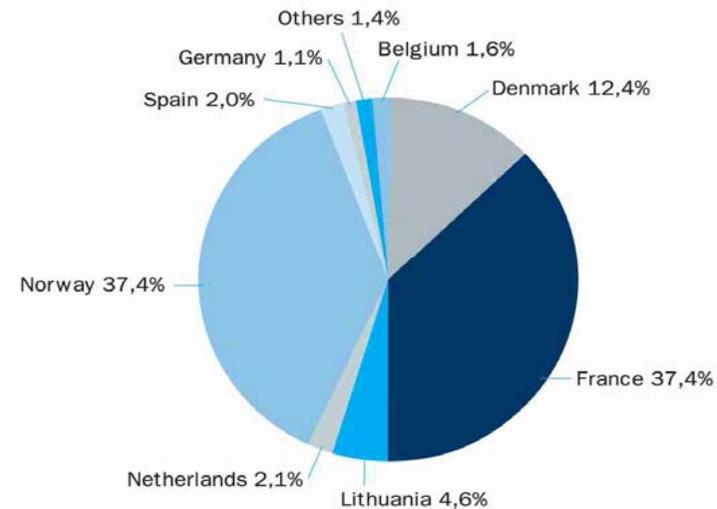
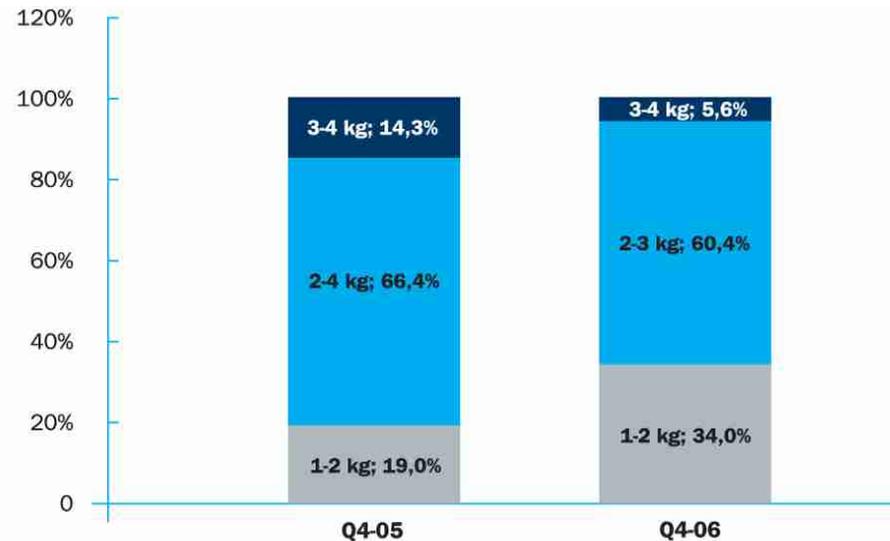
- Opening up new production cluster in Kjerringøy.
- Hired 11 new employees in production.
- Secured new production capacity through the purchase of the Amøyhavn facility in Meløy. New cluster expected ready for production in 2008.
- Initiated new location search to secure more production clusters and further organic growth in the region of Nordland.
- Building infrastructure, biomass and organization to handle the increasing production in 2007 preparing for the increased harvest volumes in 2008.

# MARKET- sales bench mark



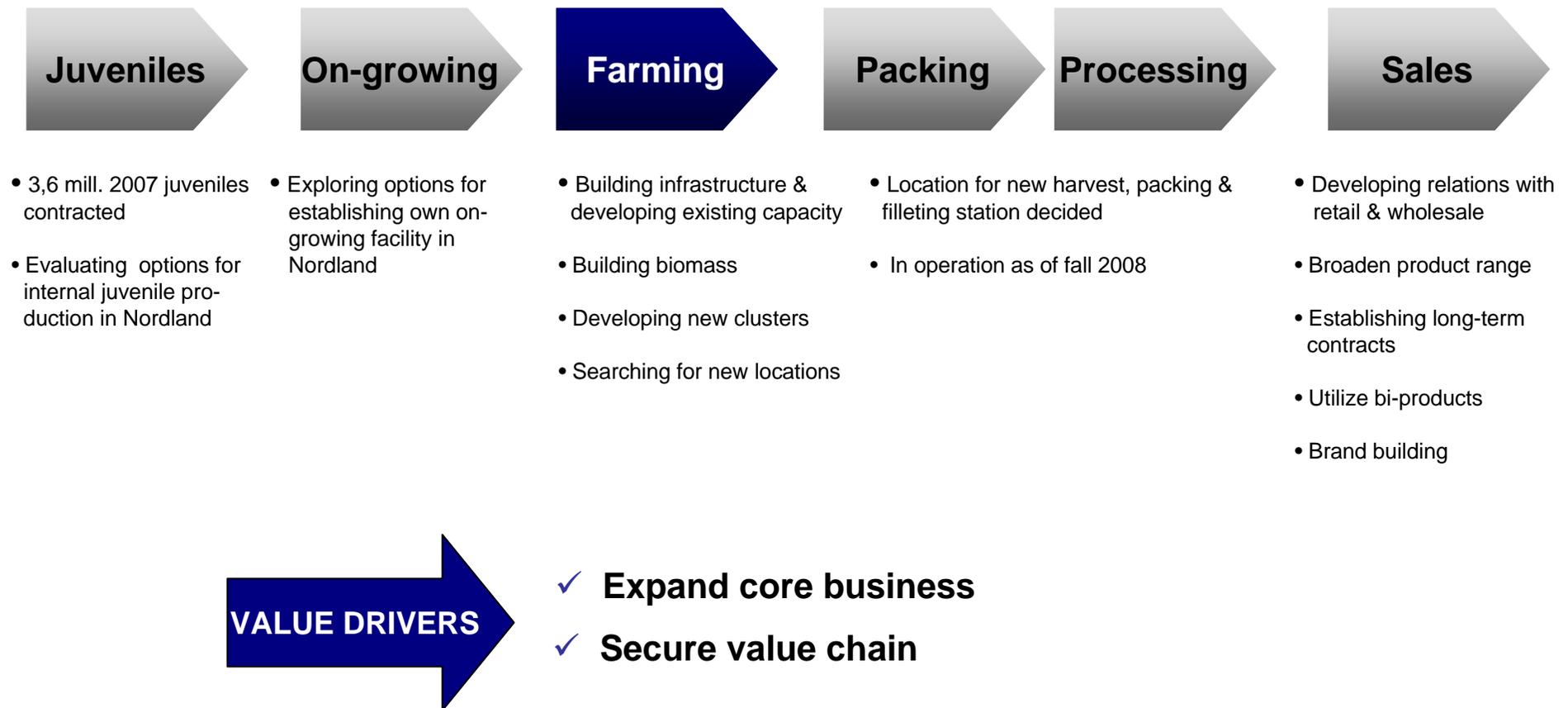
- Market prices remain high in spite of increase in volumes of farmed cod. Achieved average Q4/06 FOB price of NOK 36 reflects a 12% increase on Q4/05.
- Achieved average price fell just short of the average Norwegian FOB export price due to a higher proportion of 1-2kg fish at end of the cycle, 34% in Q4/06 versus 19% in Q4/05.
- 30% market share of all farmed cod sold from Norway in Q4/06.

# MARKET - size distribution & markets



- *Perla Cod* from Codfarmers used by the Norwegian National Chefs Team, when they secured the gold medal at the Culinary World Cup in November 2006.
- Dependency on the French market further reduced through sales to other European countries. Structure of client base still leaves significant scope for penetrating deeper into these as well as new markets.
- Contract negotiations with major European processors and retailers initiated to prepare for larger sales volumes in 2008.

# FUTURE - building business





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