



3rd Quarter 2008
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Highlights Q3 – weak market

Extraordinary events.

- EBIT of -44,5 MNOK in Q3/08 compared to -5,6 MNOK in Q3/07, primarily due to reduced prices and extraordinary write down of biomass

Cod Juveniles

- 1200 brood stock, ready for production in 2009
- External juveniles of 1,4 mill. in production, to be released Q2/09
- Hatchery pilot production to commence

Cod Production

- Increased production costs at locations Hammarvika and Kjølsvika, location Sjetnes close to target
- Released 1,5 mill juveniles in Q3/08 of a total release of 3,6 mill. juveniles in 2008
- Harvested 1120 t (r.w.) in Q3/08 of a total est. harvest of 3.200 t in 2008
- Revised growth plan adapted to new market situation

Cod Processing

- Harvesting plant with 2 slaughtering lines, 5 day/week production
- Investing in pre-rigor filet line, operational in Q1/09

Cod Market

- Average FOB price of NOK/kg 30,50 in Q3/08, down 29 % relative to Q3/07
- General slowdown in demand across most markets

Financials – key figures

KEY FINANCIALS FIGURES NOK (1000`)	Q3 2008	Q3 2007	YTD 2008
Revenue	26 356	15 460	33 626
EBITDA	-39 997	-3 718	-71 142
EBIT before biomass adj	-44 464	-5 630	-81 742
EBIT after biomass adj	-44 464	-5 630	-81 742
Net profit	-46 199	-5 004	-89 326
Total assets	384 273	273 314	384 273
Totalt Equity	249 628	245 696	249 628
Equity ratio	65%	90%	65%
Interest bearing debt	103 946	2 792	103 946
Cash and cash equivalents	34 420	53 701	34 420

Harvesting tons r.w	1120t	495t	1344t
Net growth tons r.w	1451t	955t	3059t

- **Q3/08 revenue was 26,4 MNOK** relative to 15,5 MNOK in Q3/07.
- **EBIT of – 44,5 MNOK** in Q3/08 compared to -5,6 MNOK in Q3/07.
- Negative result in Q3/08 is mainly explained by;
 - (1) Extraordinary write down of biomass (no casheffect in Q3/08)
 - **Hammarvika**; 7,0 MNOK, expected prod. cost of NOK 27 (r.w.), 10% harvested
 - **Sjetnes**; 7,0 MNOK, expected prod. cost of NOK 21 (r.w.), 50% harvested
 - **Kjølvika**; 12,0 MNOK, expected prod. cost of NOK 23 (r.w.), to be harvested in 2009
 - (2) A loss of 4,5 MNOK on prepaid juveniles resulting from the Marin Invest bankruptcy
 - (3) Negative results of fish sold in the period of 5,2 MNOK
 - (4) Normal admin/sales cost of 5,6 MNOK
 - (5) Loss in subsidiaries with 3,2 MNOK
- Total assets of **384,2 MNOK**, reflecting 168,4 MNOK in non current assets and 215,9 MNOK in current assets. **Estimated biomass value of 144,0 MNOK.**
- **Total equity of 246,6 MNOK**, 65% equity ratio, interest bearing debt of 103,9 MNOK, including 100 MNOK in convertible loan
- **34,4 MNOK in cash**, 32 MNOK in unused loan & grants from Innovation Norway and 75 MNOK in unused credit & factoring facility

Cod Juveniles – in operation

1. KEY FIGURES – high production capacity

- ✓ **MNOK 60 invested**
- ✓ **7 employees**
- ✓ **1200 top quality brood stock** (MarinBreed)
- ✓ **Hatchery – pilot project started**
 - capacity 10 mill. fry (3-5 grams)
- ✓ **Juvenile plant – in production**
 - capacity 7mill. juveniles (70 grams)
 - 1,4 mill. released in Q3/08

3. POTENTIAL – cost reduction

- ✓ **Reduced juvenile cost**
 - potential cost reduction from 13 to 8 NOK per juveniles
- ✓ **Reduced risk**
 - In-house land based production
- ✓ **Higher quality**
 - F3 generation available in 12-14 months (25 % reduced growth time)

2. STATUS – state of the art facility



4. PLAN – secure utilization

- ✓ **Broodstock**
 - MarineBreed F3 egg generation late 2009
- ✓ **Hatchery**
 - Start up Q3/09 – pilot batch of 500`
- ✓ **Juvenile plant**
 - Securing capacity with 3rd party production

Cod Farming – revised growth plan

1. KEY FIGURES – high capacity

- ✓ Invested MNOK 140
- ✓ 32 employees
- ✓ 6 fully operational large locations (MTB 27120 t)
- ✓ 5 mill. fish, 5.000 t. (r.w.) as of Q3/08
- ✓ Biomass value of MNOK 144

2. STATUS – new generations 2008

	Sjetnes Gen.Sept 2006	Hammarvika Gen.May 2007	Kjølsvika Gen.June 2007	Tårnvika Gen.Sept 2007	Kjerkvika Gen.May 2008	Meløysjøen Gen.Sept 2008
Harvest %	46%	14%	0%	0%	0%	0%
Growth from 100g to 1,5kg	14 months	14 months	-	-	-	-
Growth from 100g to harvest	20 months	-	-	-	-	-
Avg. harvested weight	3,1 kg	-	-	-	-	-
Current avg. weight	3,1 kg	2,2 kg	1,2 kg	0,6 kg	0,4 kg	0,1 KG
No. of fish (1000)	472	513	858	1 414	989	835
Biological feed factor (FCR)	1,14	1,10	1,09	0,94	0,93	0,90
Economic feed factor (EFCR)	1,24	1,20	1,15	1,01	0,95	0,96
Mortality (%)	7,4%	7,2%	4,9%	5,4%	1,3%	1,0%
Production Cost per kg (r.w.)	NOK 20,6	NOK 29,9	NOK 32,1	NOK 44,1	NOK 49,8	NOK 71,3

3. POTENTIAL – cost down to 18 NOK/kg in 2010

- ✓ **Improved growth time**
 - better biological material
- ✓ **Reduced maturation**
 - increased control with new light regime
- ✓ **Improved FCR**
 - Improved practices & better feed efficiency

4. PLAN – updated production estimates

- ✓ **Juveniles release**
 - 2008 – 3,6 mill.
 - 2009 – min. 1,4 mill.
- ✓ **Harvesting volumes (r.w)**
 - 2008 - 3 200t
 - 2009 - 6 000t
 - 2010 - 8 500t
- ✓ **Productions costs NOK/kg**
 - 2008 – NOK 21/NOK 27 - down writing Q3/08
 - 2009 - NOK 23 - down writing Q3/08
 - 2010 - NOK 18

Cod Processing – reduced costs

1. KEY FIGURES – high capacity

- ✓ Invested MNOK 18
- ✓ 26 employees
- ✓ 2nd. slaughtering line in full operation
 - capacity of 15.000 fish per day (45 tons r.w)
- ✓ Harvesting 100 tons hog/week (market value of MNOK 3,3)
- ✓ Increasing to 150 tons hog/week (market value of MNOK 5,0)

2. STATUS – harvesting 5 days a week



3. POTENTIAL – cost down to 3,0 NOK/kg in 2010

- ✓ Higher volumes, 12 month harvesting
- ✓ Prè-rigor fileting Q1/09
- ✓ Broader range of products and packages
- ✓ Full utilization of bi-products

4. PLAN – higher volumes & utilization

- ✓ Securing external volumes
 - 2008 – 300 t.
 - 2009 – negotiating pluss 3000 t.
- ✓ Pre-rigor fileting line in place as of Q1/09
- ✓ Est. harvesting cost
 - 2009 NOK 4,0 kg
 - 2010 NOK 3,0 kg

Cod Market – improved margins

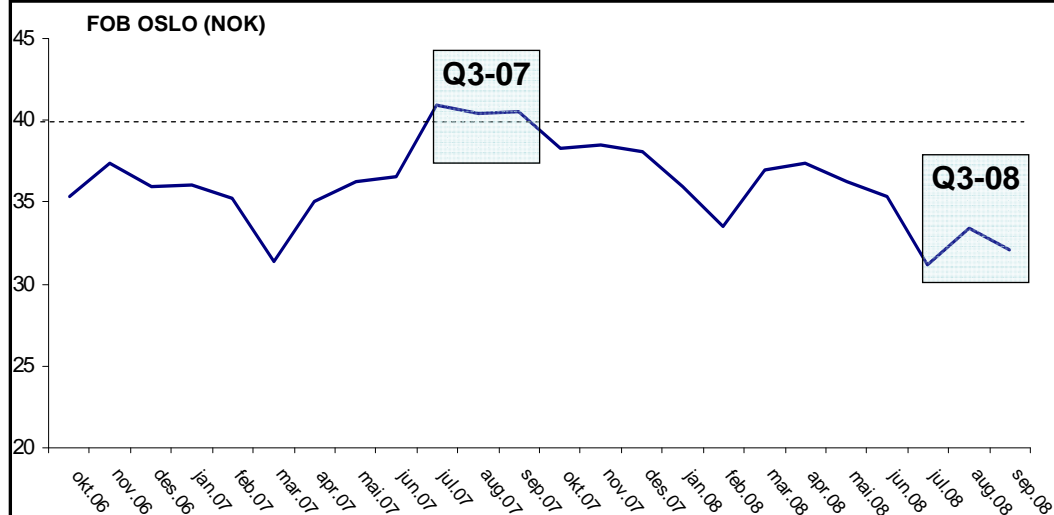
1. KEY FIGURES

- ✓ Invested about MNOK 10
- ✓ Distribution to more than 50 costumers in 12 countries
- ✓ 5 employees in sales, marketing and logistics
- ✓ About 35-40 % share of Norwegian farmed cod exports
- ✓ Consolidating sales volumes thru Increasing sale of external fish

3. POTENTIAL

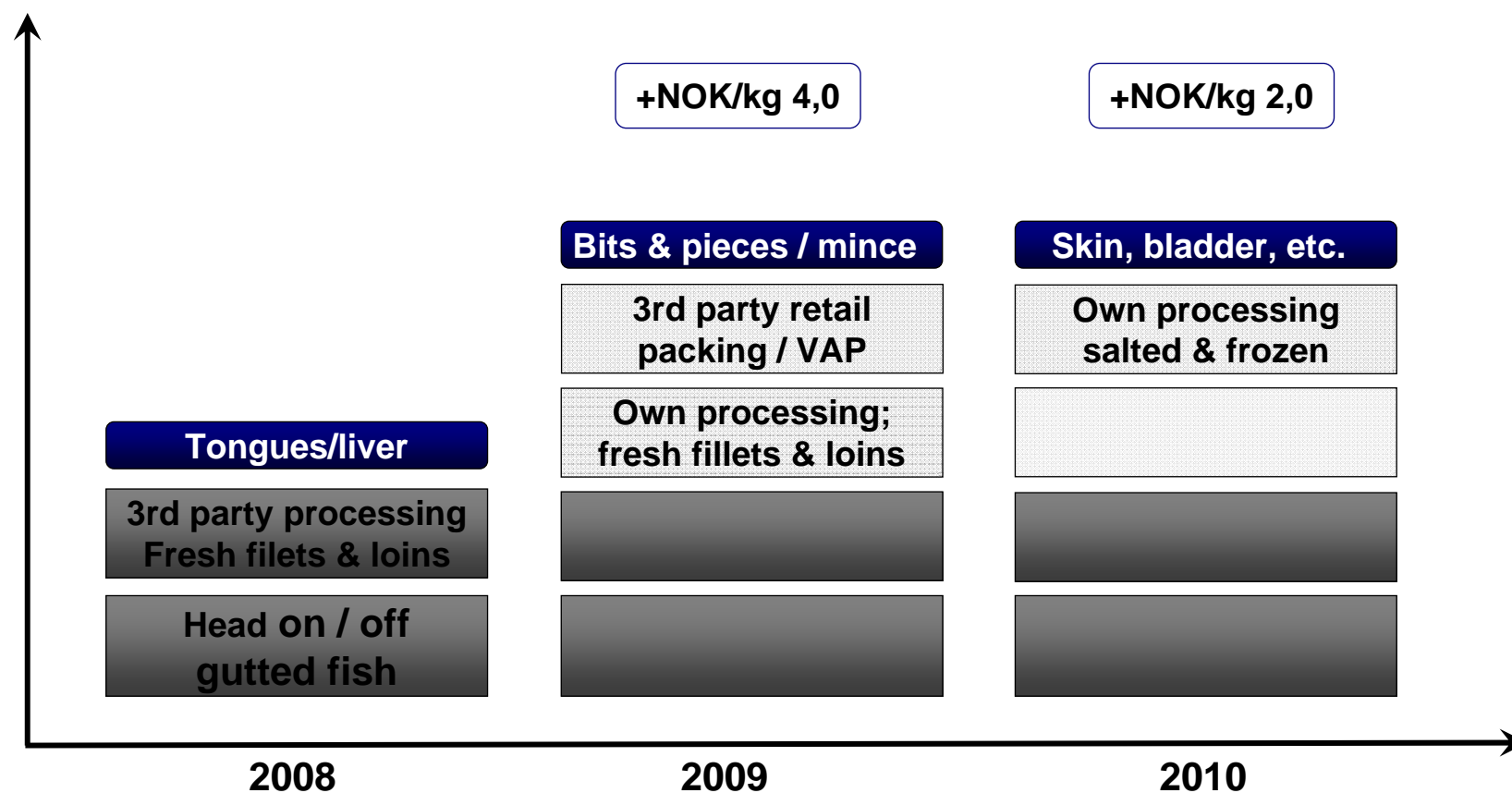
- ✓ Expanding product portfolio with filet and loins
 - expanding into new market segments
- ✓ Evaluating entry into new markets
- ✓ Joint sales and 3rd party harvesting services

2. STATUS – sales price avg. farmed cod (2006-2008)



- ✓ Average FOB price of NOK 30,50 in Q3/08, down 29 % on Q3/07
- ✓ Share of 1-2 kg. fish 51 % (06HA)
- ✓ Fresh farmed cod exports up 68 % on last year
- ✓ More than 80 % of volume sold spot

Cod Market – meeting market needs



Road map to profitability

Prod. cost, r.w (100%)

Well boat

Delivered processing (r.w)

Prod cost, hks (63%)

Processing cost

Packed fish in box (hks)

Transport cost

Delivered fish in Oslo

Market price FOB Oslo

Market Step 1

Market Step 2

Netto Margin hks

Netto Margin rund vekt

E2008

23

0,6

23,6

37,5

5,5

43,0

1,1

44,1

33,0

-11,1

-7,0

E2009

23,5

0,6

24,1

38,3

4,0

42,3

1,1

43,4

33,0

4,0

-6,4

-4,0

E2010

19

0,6

19,6

31,1

3,0

34,1

1,1

35,2

36,0

4,0

2,0

6,8

4,3

Production

- Avg. est. prod.cost level (Sjetnes/Hammarvika)

- Increased prod. cost
- down-write taken in 08

- Lower juvenile cost
- Controlled maturation
- Better growth

Processing

- Current. prod. cost

- Higher volumes
- Better utilization

- Higher volumes

Market

- Current market window

- Stable prices
- Own processing file/loins

- Improved market
- Broaden product range
- Utilization bi-prod