

Griegg Seafood

Q2 2008



Morten Vike
CEO

Per Grieg jr
Previous CEO

Eirik Bloch Haugland
CFO

August 28th 2008



Agenda

- Company Overview
- Highlights 2Q 2008
- Group Financials
- Business Areas
- Outlook
- Operational issues
- Market Development

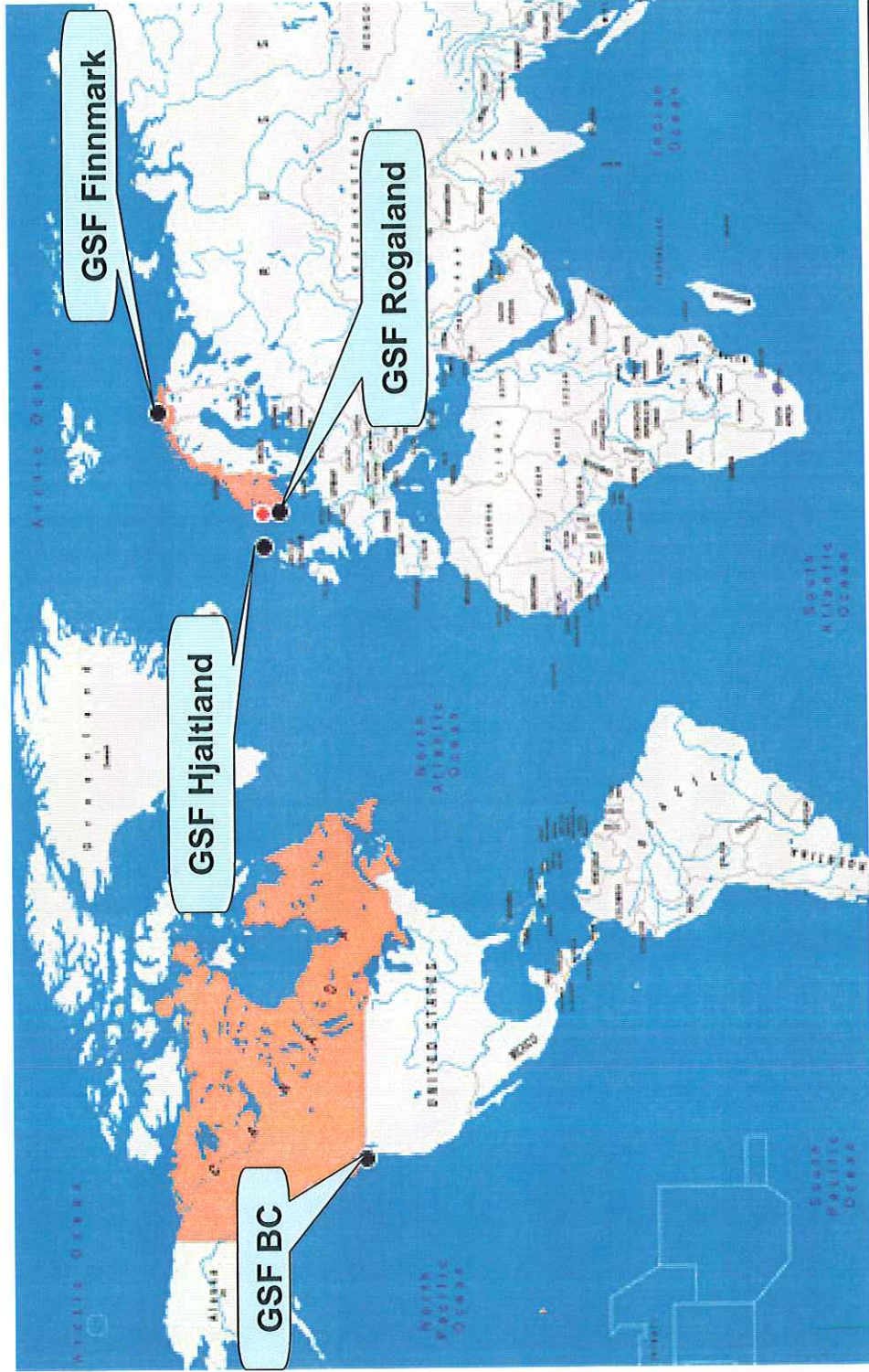
Grieg Seafood Group

- **A focused salmon farming company**
 - Organized into 4 independent regions, 3 countries, 2 continents
 - Significant organic growth potential on existing licenses

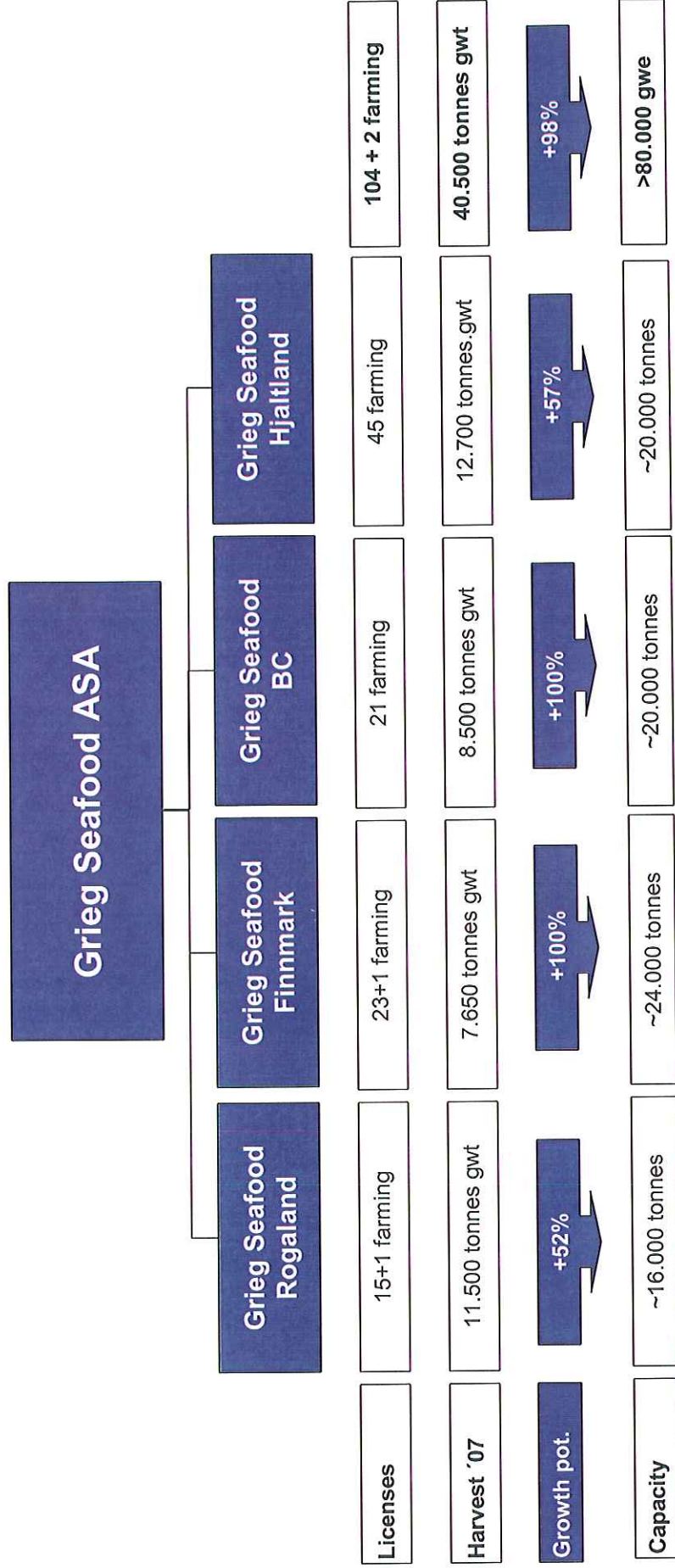
- **Target: Doubled production in 2010**
 - From 40' tons in 2007 to 80' tons in 2010
 - 6. largest salmon farmer world wide

- **Ready for a new phase**
 - 30 Successful M&A accomplished during 15 years
 - Production development according to plan
 - IPO and solid financing secured 2007
 - New CEO Morten Vike after Per Grieg jr

Close to the fresh food markets



Significant growth potential



2Q 2008 – HIGHLIGHTS AND FINANCIALS



Financial highlights 2Q 2008 and H1-08

- (2007 proforma)

	2Q 2008	2Q 2007	2007
Harvest (1000 tgw)	12,7	10,5	40,5
Total sales	343,4	250,0	1.168
EBITDA*	40,7	108,9	229,5
EBITA	15,2	89,5**	148,1
EBITA/kg*	1,19	8,56	3,66

	YTD 2Q 2008	YTD 2Q 2007	2007
Harvest (1000 tgw)	26,5	19,3	40,5
Total sales	684	571	1.168
EBITDA*	68	173	229,5
EBITA	18	136	148,1
EBITA/kg*	0,68	7,00	3,66

* Before FVA (fair value adjustment of biomass)

** includes profits from sale of shares

Main events 2Q 2008

- **Business development according to plan**
 - Build up of capacity as planned – several new sites completed
 - Investment program continued as planned
 - 3 smolt plants will be refit with recirculation equipment
- **Sea production below target**
 - Sea production below plans due to PD and environmental issues
 - Adjustment of harvest prognosis due to lower growth from 60' to 56' gwt.
- **Financial results reflects challenges from last year**
 - Production disturbances in 2007 gives higher costs in 1H '08
 - GSF Finnmark shows expected turnaround to profit
 - GSF UK shortfall of biomass, but YTD still NOK 2,60 pr kg

Main events 2Q 2008 cont...

- **Takeover of 10 sites in Shetland**
 - 7 sites from No Catch and 3 sites from smaller farmer
- **Approved for Global Gap certificate in GSF Rogaland**
- **Market and external factors**
 - EU minimum import price on salmon and penalty tax on trout removed
 - Price increase during the quarter confirming long term trends

Proforma key figures Q2 2008

	Rogaland	Finnmark	BC	Shetland	Other	Group
Sales revenue (MNOK)	62,1	100,2	108,8	97,1	-25,0	343,3
EBITDA (MNOK)	5,2	14,0	15,7	6,8	-0,9	40,7
EBITA (MNOK) 2	-1,6	9,6	7,6	0,8	-1,2	15,2
Harvest in tonnes, GWT	2 377	3 340	3 669	3 336		12 722
EBITA NOK/kg 1	-0,7	2,9	2,1	0,2		1,2

1) The calculation is based on EBIT before fair value adjustment of biological assets.

2) EBITA is EBIT before fair value adjustment of biological assets.

Comments

- Rogaland result is as expected influenced by the PD situation, but now stabilized
- Finnmark lost 21 mill on trout sale and harvest station in q1, turnaround to positive in q2
- BC hit by improved prices, but higher costs and slower production in q2
- Hjalmland good overall performance in q1, but some once off production issues in q2

P&L 2Q 2008

All figures in NOK 1.000

	2Q 2008	2Q 2007 *	YTD 2008	YTD 2007 *	2007 *
Total operating income	343 846	291 574	693 503	465 787	1 068 352
EBITDA before fair value adjustment of biological assets	40 681	97 736	67 863	140 703	194 977
Depreciation and amortisation of licenses	-25 502	-16 356	-49 892	-30 533	-74 407
EBITA before fair value adjustment of biological assets	15 179	81 381	17 971	110 171	120 570
Fair value adjustment of biological assets	81 725	-117 666	27 339	-32 480	-44 075
EBIT operating profit	96 904	-36 285	45 310	77 691	76 495
Net financial income and expenses	-26 473	-5 486	-53 461	-14 594	-41 224
Profit before tax	70 431	-41 772	-8 151	63 097	35 271
Estimated taxation	-19 107	25 063	3 565	-3 302	16 395
Net profit in the period	51 324	-16 709	-4 586	59 795	51 666

Profit to minority interests

Profit attributable to equity holders of the parent company

Earnings per share continuing operations

Hjalteid Seafoods is included from June 2007

*) The figures for 2007 are changed due to change in the acquisition analysis regarding allocation of excess values. This increases the depreciation with TNOK 766 for 2007, and for the period Q2 with TNOK 109.

Comments

- Strong top line increase of 49%
- Capex as planned, drives short term cost before cash is returned

Balance sheet 2Q 2008

All figures in NOK 1.000

	30.06.2008	30.06.2007	31.12.2007
ASSETS			
Total non-current assets	1 784 854	1 558 962	1 651 032
Total current assets	1 342 612	1 312 561	1 323 280
Total assets	3 127 466	2 871 523	2 974 313
EQUITY AND LIABILITIES			
Total equity	1 241 946	1 277 758	1 265 547
Total non-current liabilities	1 269 553	1 034 427	1 001 165
Total current liabilities	615 967	559 338	707 601
Total liabilities	1 885 520	1 593 766	1 708 766
Total equity and liabilities	3 127 466	2 871 523	2 974 313

Comments

- Net interest bearing debt as of 30/6-2008 MNOK 1.266 up from MNOK 1.132 in q1-08
- Goodwill and licences at NOK 9,7 mill pr seawater licence (104 licences)
- Equity share 39,7%

Cash Flow

All figures in NOK 1.000

	2Q 2008	2Q 2007	YTD 2008	YTD 2007	2007
Net cash flow from operating activities	45 793	67 187	105 467	64 631	-37 247
Net cash flow from investing activities	-152 805	-542 745	-206 269	-663 991	-798 186
Net cash flow from financing activities	5 165	648 157	157 890	765 877	847 059
Net change in cash and cash equivalents	-101 847	172 598	57 088	166 517	11 626
Cash and cash equivalents at beginning of the period	183 253	6 611	24 318	12 692	12 692
Cash and cash equivalents at the end of the period	81 406	179 209	81 406	179 209	24 318

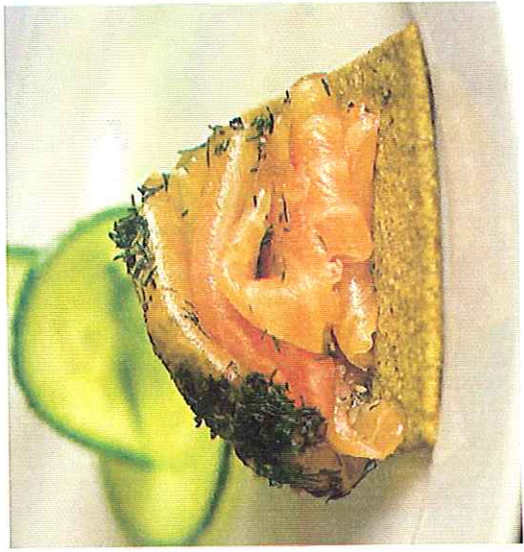
Comments

- Capex plan drives the cash requirement in the first half year
- Financing by leasing and credit facilities.



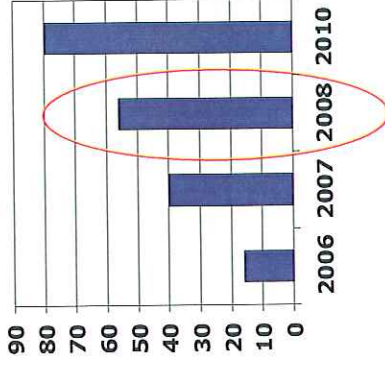
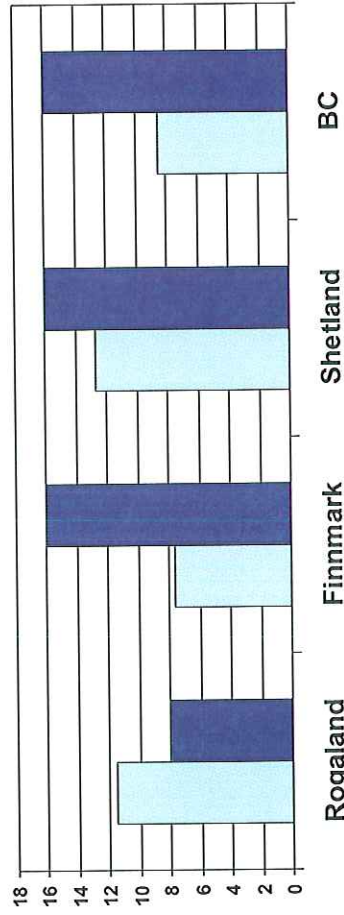
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OUTLOOK



2008 Production prognoses (- 1000 t gw)

	Rogaland	Finnmark	Shetland	BC	GSF Group
Harvest '08 gwt	8	16	16	16	56

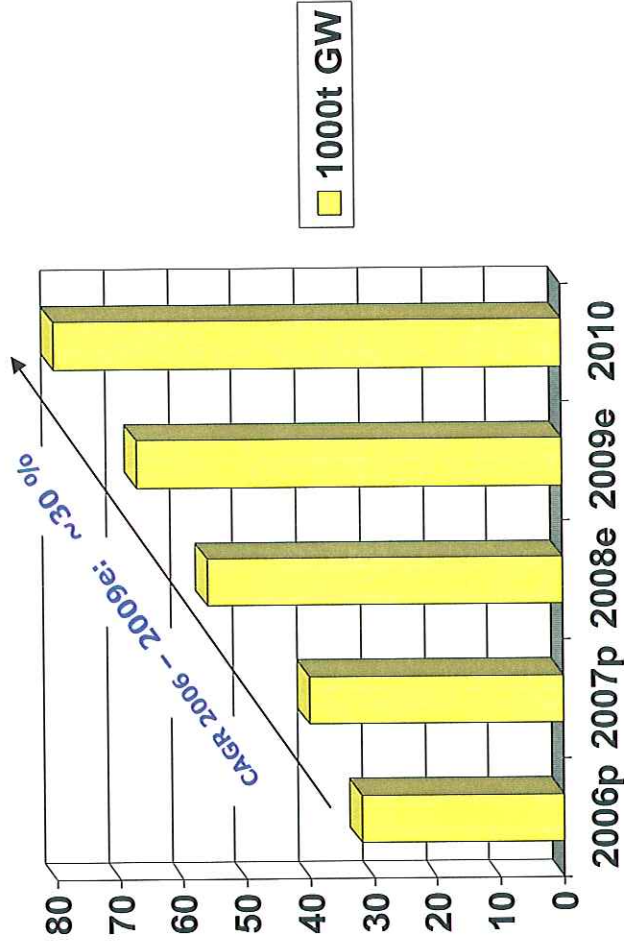


- **Harvest figures '08 at about 56.000 tons**
 - Harvest affected by lower sea production YTD
 - Some volumes pushed to 2009
- **PD and environmental effects expected to diminish**
 - Rogaland lower PD mortality
 - from sealice (UK) and temperature (Finnmark)

Strong growth

Group harvesting development

- Estimates are based on organic growth
- '08/'07 growth of 38% versus market at 3%
- Estimates 2009 – 2010 are not revised

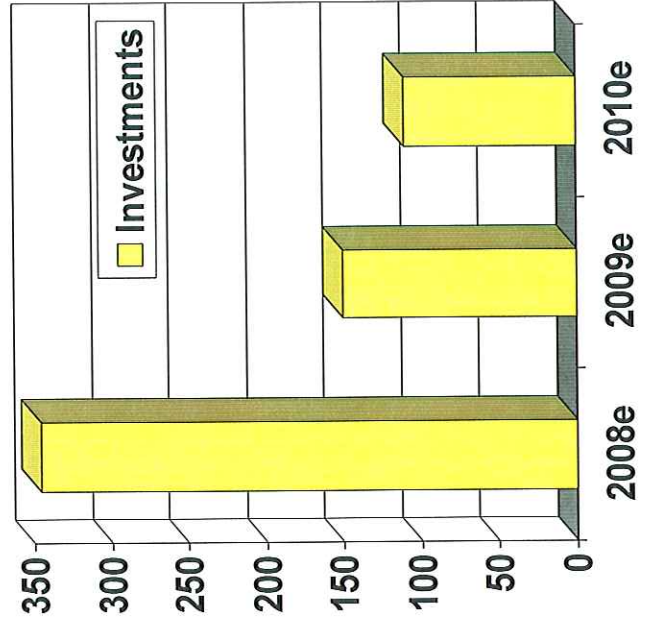


P = Pro-forma, e = estimates



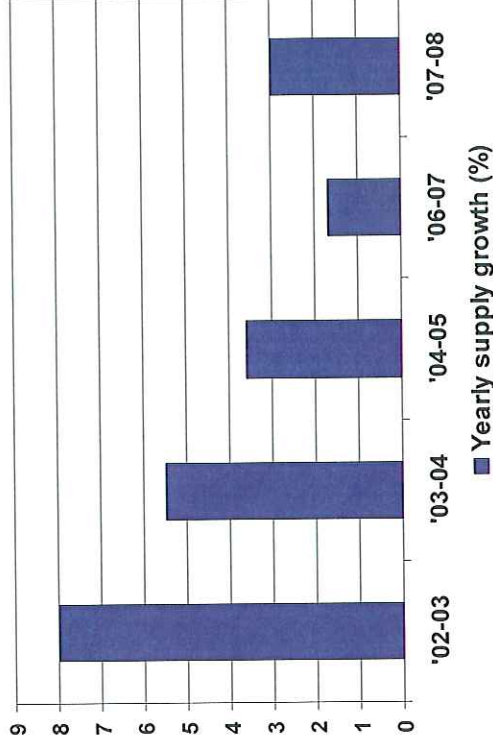
Capital investments

- Total capital investments '08-10 is MNOK 600
- Some 70% is new seawater locations
- MNOK 70 smolt capacity investments in 2008
- Extensive projects in all regions
- 2008e includes acquisition of 10 new licenses in the UK (MNOK 40)



Global supply estimate up by 3% (GSF up 38%)

- **Norway increase by about 6-8%**
 - Reduced feeding and biomass YTD will effect growth '08
- **Chile down by about 8%,**
 - but some see 15% reduction
- **UK flat at 0%**
 - Biological issues such as sealice
- **Canada up 6%**
 - Slower growth might reduce growth further



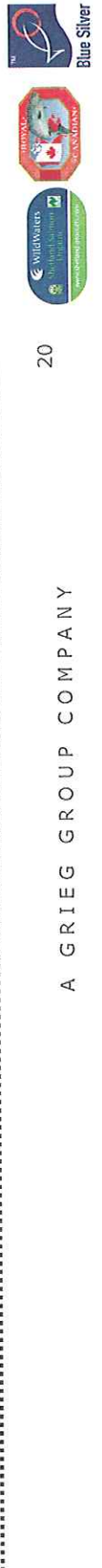
Source: Kontali, Analyst research

Outlook summary

- Harvest plans for 2008 reduced to 56,000 tons
- Long-term target still of 80,000 tons in 2010 (not revised)
- We are well positioned for further organic growth.
- Price and demand trends stronger for 2008 and good outlook for 2009



Operational development



PD and fish health

- South Norway over 60 reported PD cases
- New vaccine available for 50% of spring- and 100% of autumn smolt entries
- Early reports indicate good protection (70% or more)
- Improved husbandry practices gives lower mortality
- Mortality from PD between 2% and 15% (60% in '07)

Increasing EBIT margins to sustain growth

- Reduce growth cycle by better health
- Environmental surveyance gives lower feed factor
- Genetic improvement with special Grieg Line
- Adapting feeding quality to environmental constraints
- Employee qualification program and incentives schemes
- Improve price by nish production (organic and blue silver)
- Active benchmarking and best practice transfer
- Every detail counts!





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BUSINESS AREAS



Grieg Seafood Business Areas

(Figures in 1000 tons gutted weight and MNOK)

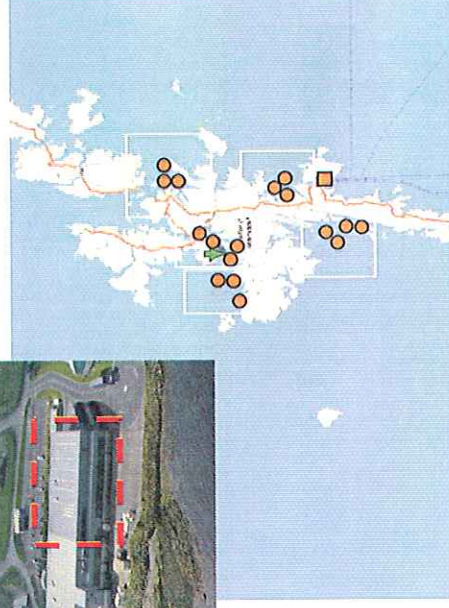
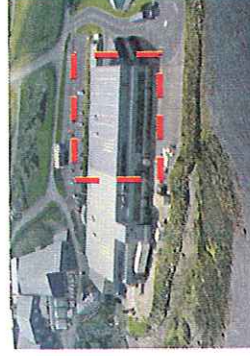
- **GSF Hjaltland (UK)**
- **GSF Rogaland**
- **GSF Finnmark**
- **GSF BC (Canada)**
- **GSF ASA**



GSF Hjaltland (Shetland)

- Disappointing quarter but rebound expected in 2H 2008
- Purchase of 7 licenses (No Catch)
- 3 new licenses in existing cluster
- Some delay on processing plant
- Sea lice issues in Scalloway area

Hjaltland	Q2-08	Q2-07	2007
Harvest gw	3 336	2 029	12 700
Sales	97	23	270
EBITA	1	13	56
EBITA/kg	0,23	6,24	4,35
Production	2 857	1 387	18 000



GSF Rogaland

- Lower harvest due to PD generation from '07
- New vaccine for PD on 50% S1 and 100% S0 fish of G08
- 11 mill NOK write off on biomasse included in Q2
- Harvest plant extensions finished on time

Rogaland	Q2-08	Q2-07	2007
Harvest gw	2 377	3 658	11 600
Sales	62	99	301
EBITA	-2	21	24
EBITA/kg	-0,68	5,74	2,40
Production	2 054	2 570	12 000



GSF Finnmark

- NOK 6 improvement on EBIT margin
- Record harvest volumes sold at market prices
- Smolt facility project on track
- Sea production behind plan due to low temperatures
 - Lowest temperatures in 100 years
- Harvest estimate for 2008 at 16.000
 - up from 7.000 in '07

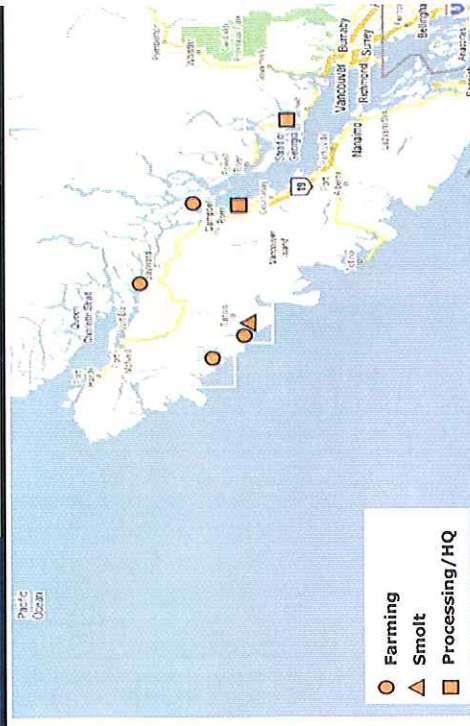
Finmark	Q2-08	Q2-07	2007
Harvest gw	3 340	2 794	7 600
Sales	75	65	193
EBITA	10	3	-4
EBITA/kg	2,9	1,03	-0,5
Production	2 573	1 688	13 900



GSF BC (Canada)

- EBIT margin at NOK 2 pr kg due high COGS from 2007 issues
- Improved margins end of period
- Loss of biomass due low dissolved oxygen. Write off NOK 6 mill
- Production otherwise as planned
- US market prices surprisingly strong despite high Chilean supply

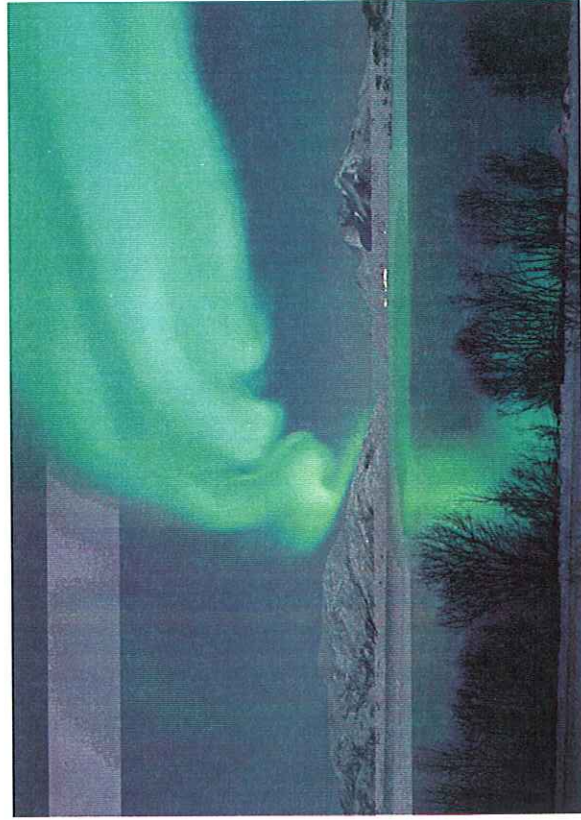
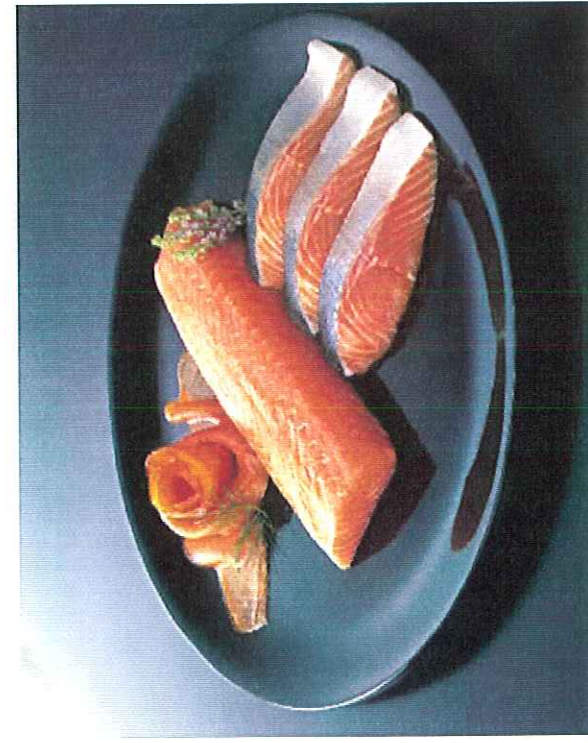
BC – Canada	Q2-08	Q2-07	2007
Harvest gw	3 669	1 971	8 500
Sales	109	64	272
EBITA	8	11	38
EBITA/kg	2,07	5,67	4,50
Production	5 293	4 257	15 200





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Thank you !





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APPENDIX



Share info

- Number of shares
 - 76,5 mill

- New issues Q2 07
 - 600 mill Private placement
 - 100 mill IPO

- EPS
 - 0,85 NOK/share 2007
 - 0,67 NOK/share Q2

- Shareholder structure
 - Free float 37%
 - Biggest 20 has 87,7% of shares, Foreigners abt 9%