

# **Presentation 4Q 2007**

**Oslo, 28. February 2008**

**CEO Leif Inge Nordhammer**

**CFO Roar Husby**



# Agenda

- Highlights 4Q 2007
- Group financials
- Segment information
- Strategy and outlook



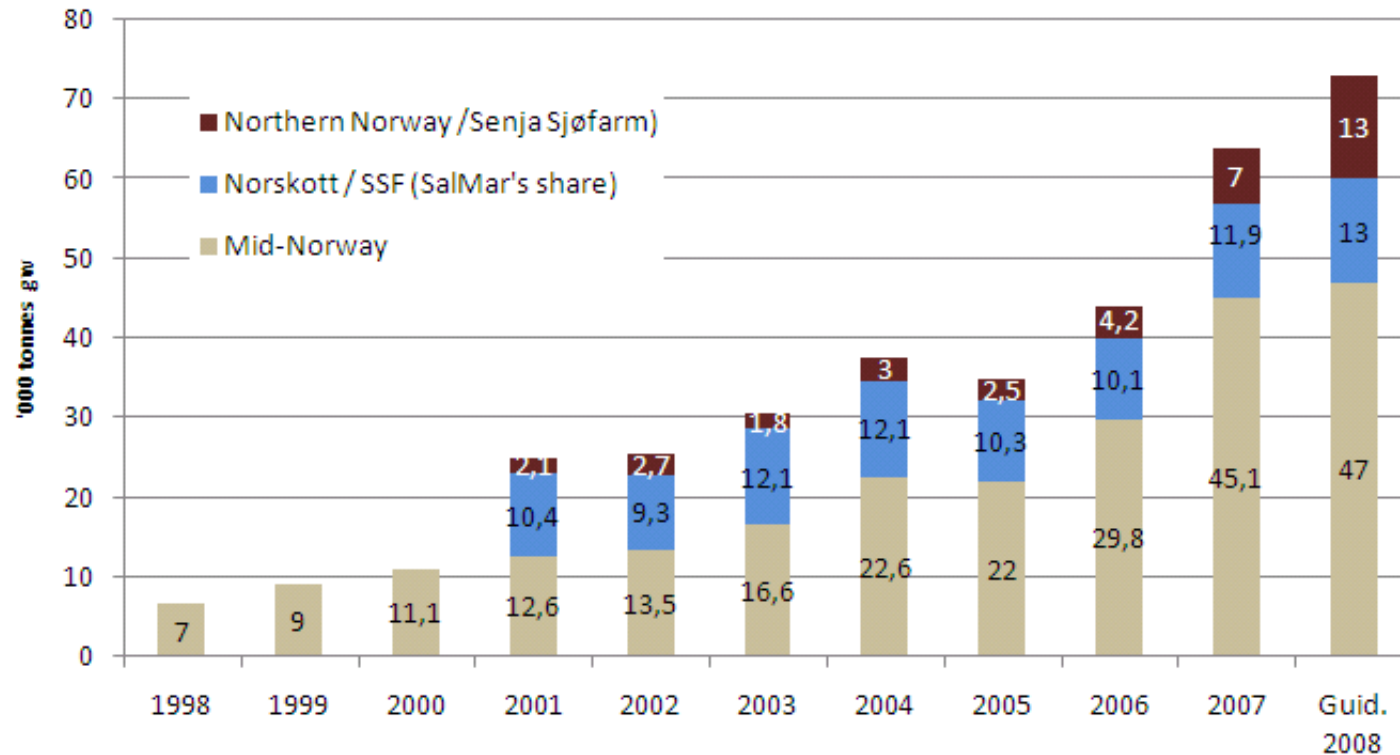


## 4Q highlights

- EBIT before biomass adjust. NOK 68.9 mill. (NOK 161.8 mill)
- EBIT/ kg gw NOK 5.83 (NOK 13.74) for SalMar Central Norway
- EBIT/kg gw NOK 2,53 (NOK 3,54) for SalMar Northern Norway
- Total harvest volume incl. 50 % of Norskott Havbruk approx. 17 100 tgw (approx. 17 300 tgw)
- Acquired two additional licenses in Central Norway & four in Northern Norway
- Guiding on harvest volumes 2008 for Norway: 60 000 tgw (15 % increase from 2007)
- Proposed dividend of NOK 1.10 per share (in total: NOK 113.3 mill)



# Harvest volume (1,000 t<sub>gw</sub>) - SalMar share



**Ownership 2001-2006: Senja Sjøfarm 49% and Norskott Havbruk 50%**

**Ownership 2007: Senja Sjøfarm 100% and Norskott Havbruk 50%**



# Group financials



# Group profit and loss

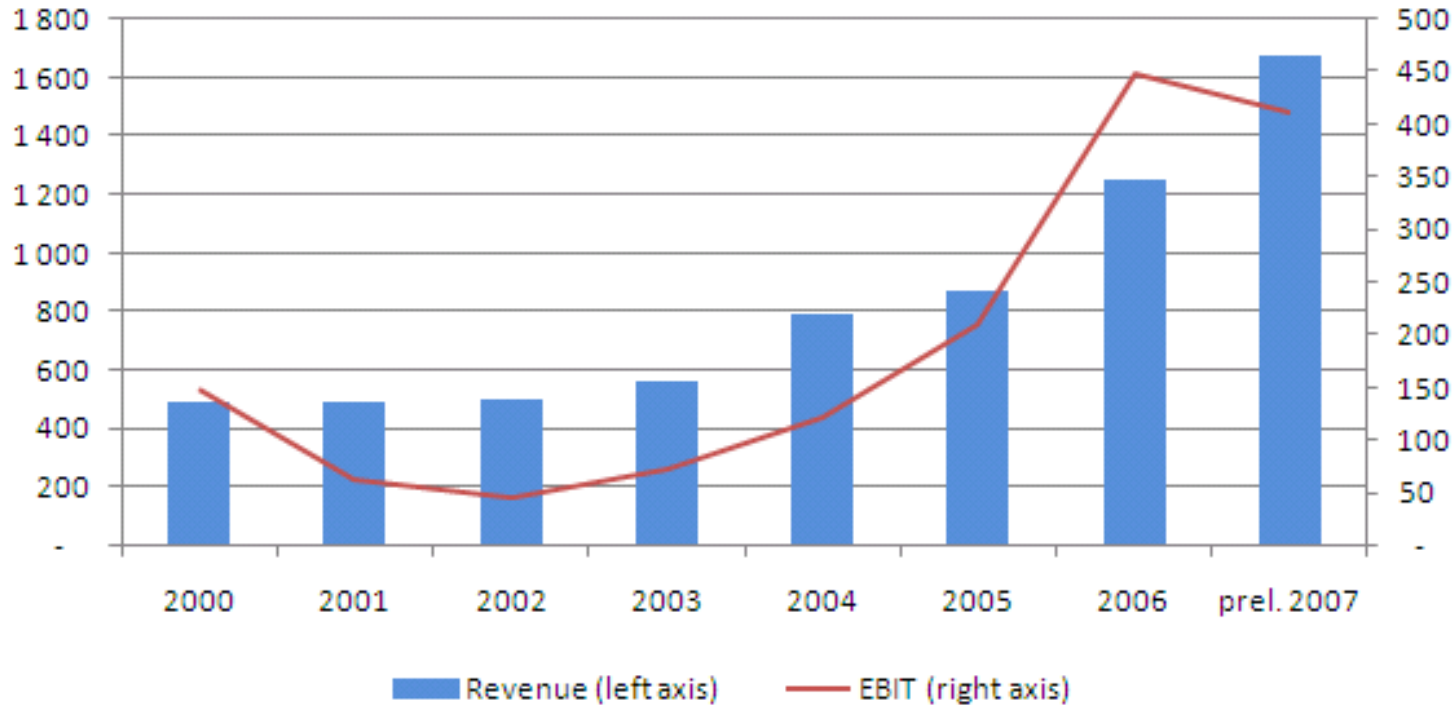
NOK million	4Q 07	4Q 06	FY 2007	FY 2006
Operating income	454,3	436,2	1 679,2	1 248,6
Cost of goods sold	239,0	177,3	806,5	520,6
Payroll expenses	70,6	46,7	217,8	131,9
Other operating expenses	58,6	38,7	191,3	110,9
EBITDA	86,2	173,4	463,6	485,2
Depreciations	17,3	11,7	52,2	37,9
<b>EBIT before biomass adjustment</b>	<b>68,9</b>	<b>161,8</b>	<b>411,4</b>	<b>447,4</b>
Value adjustment biomass	160,7	-18,6	94,2	63,7
<b>EBIT after biomass adjustment</b>	<b>229,6</b>	<b>143,1</b>	<b>505,6</b>	<b>511,1</b>
Income from associated companies	1,9	24,8	31,6	91,8
Other financial items	-13,0	-9,6	-56,0	-25,5
<b>Earnings before tax</b>	<b>218,4</b>	<b>158,4</b>	<b>481,3</b>	<b>577,3</b>
Tax	63,7	33,7	129,4	132,2
<b>Result for the period</b>	<b>154,7</b>	<b>124,7</b>	<b>351,8</b>	<b>445,1</b>
Minority's share of result	-0,0	0,1	-0,0	0,1
Majority's share of result	154,7	124,7	351,9	445,0
Earnings per share (NOK)	1,50	1,25	3,45	4,45
Earnings per share - diluted (NOK)	1,50	1,25	3,45	4,45

## Comments on the quarter

- Volumes in line with guiding
- Lower salmon prices
- Volume from acquired companies have lower margins than SalMar volumes
- Lower contribution from Norskott



# Group income and EBIT (per year)



NOK mill, 2000-2004 : NGAAP, 2005-2007: IFRS



# Group balance sheet

NOK million	31.12.2007	31.12.2006
<b>ASSETS</b>		
Intangible fixed assets	1 078,5	767,7
Tangible fixed assets	348,2	306,6
Financial fixed assets	269,8	272,2
<b>Total fixed assets</b>	<b>1 696,5</b>	<b>1 346,4</b>
Inventory	969,7	754,4
Accounts receivables	124,3	110,2
Other short-term receivables	56,0	51,5
Cash and cash equivalents	47,8	7,0
<b>Total current assets</b>	<b>1 197,8</b>	<b>923,1</b>
<b>TOTAL ASSETS</b>	<b>2 894,4</b>	<b>2 269,5</b>
<b>EQUITY AND LIABILITIES</b>		
Paid-in equity	144,0	25,0
Reserves	1 176,8	859,5
Minority interests	0,6	0,7
<b>Total equity</b>	<b>1 321,5</b>	<b>885,2</b>
Provisions for liabilities	463,7	339,5
Interest bearing long-term liabilities	764,7	622,7
<b>Total long-term liabilities</b>	<b>1 228,4</b>	<b>962,2</b>
Interest bearing short-term liabilities	88,4	149,5
Other short-term liabilities	256,1	272,6
<b>Total short-term liabilities</b>	<b>344,5</b>	<b>422,1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 894,4</b>	<b>2 269,5</b>

Net interest bearing liabilities

805,2

764,9

## Comments on the year

➤ 8 licenses acquired

➤ Increased biomass

➤ Share issue / IPO

➤ Acquisitions

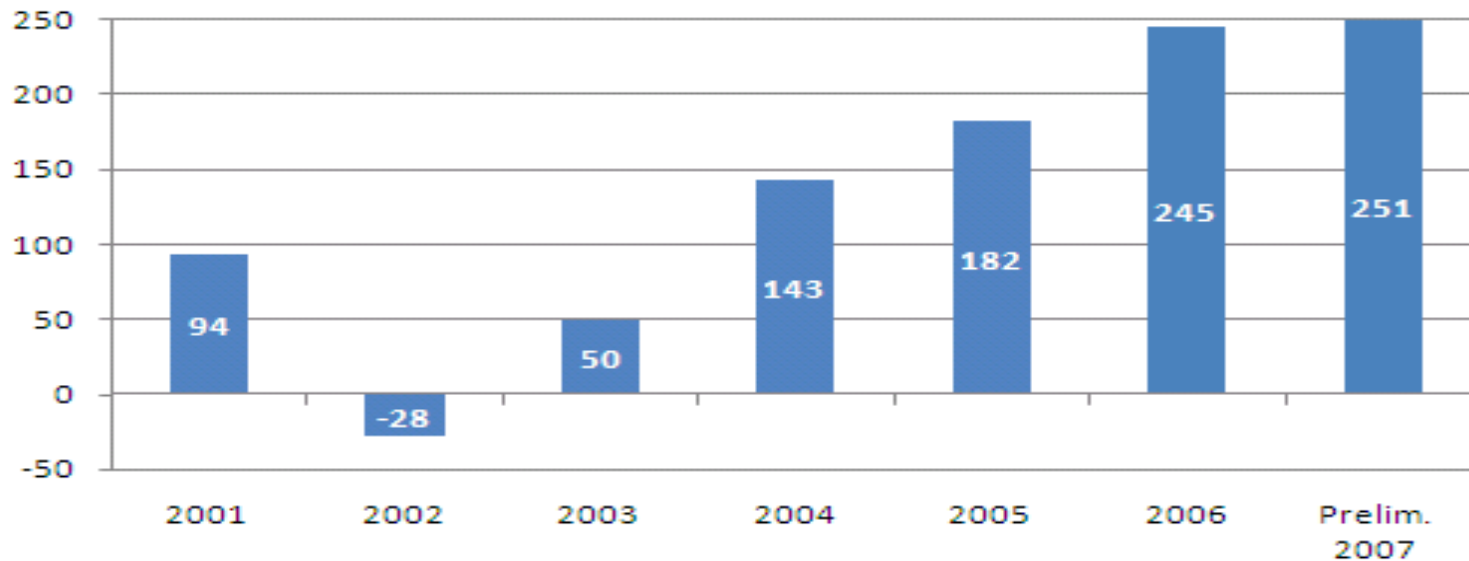




# Group cash flow

NOK million	4Q 07	4Q 06	2007	2006
Net cash flow from operating activities	55,3	198,5	251,3	245,4
Net cash flow from investing activities	-192,4	-265,4	-345,5	-413,5
Net cash flow from financing activities	58,6	69,5	135,1	172,1
<b>Net change in cash for the period</b>	<b>-78,5</b>	<b>2,7</b>	<b>40,9</b>	<b>4,0</b>
Cash in the beginning of the period	126,3	4,3	7,0	3,0
<b>Cash at the end of the period</b>	<b>47,8</b>	<b>7,0</b>	<b>47,8</b>	<b>7,0</b>

Operating cash flow



2000-2004 : NGAAP, 2005-2007: IFRS

# 20 largest shareholders per 22<sup>nd</sup> of February 2008

Name	Shares	%
KVERVA AS	55 000 000	53,4
JPMORGAN CHASE BANK CLIENTS TREATY ACC.	6 500 000	6,3
VERDIPAPIRFOND ODIN	5 288 050	5,1
PARETO AKSJE NORGE	4 362 000	4,2
VERDIPAPIRFOND ODIN	3 117 050	3,0
LIN AS	2 500 000	2,4
FOLKETRYGDFONDET	2 309 200	2,2
THE PENDRAGON MASTER EUROPEAN SECS	2 027 020	2,0
PARETO AKTIV	1 834 800	1,8
FORTIS BANK LUXEMBOU S/A OPCVM	1 029 305	1,0
CENTRA CAPITAL AS	845 000	0,8
SPAREBANKEN MIDT-NOR	844 200	0,8
STOREBRAND LIVSFORSI P980, AKSJEFONDET	721 100	0,7
VERDIPAPIRFONDET ODI C/O ODIN FORVALTNING	500 000	0,5
AKSJEFONDET ODIN NOR C/O ODIN FORVALTNING	468 400	0,5
CARNEGIE AKSJE NORGE VPF	468 032	0,5
HOLBERG NORGE V/HOLBERG FONDSFORVA	460 000	0,5
HOLBERG NORDEN V/HOLBERG FONDSFORVA	444 300	0,4
DNB NOR SMB VPF	397 280	0,4
CASAM PENDRAGON EVEN LIMITED	395 819	0,4
<b>Total top 20</b>	<b>89 511 556</b>	<b>86,9</b>
Others	13 488 444	13,1
<b>Total</b>	<b>103 000 000</b>	<b>100,0</b>





# Segment information



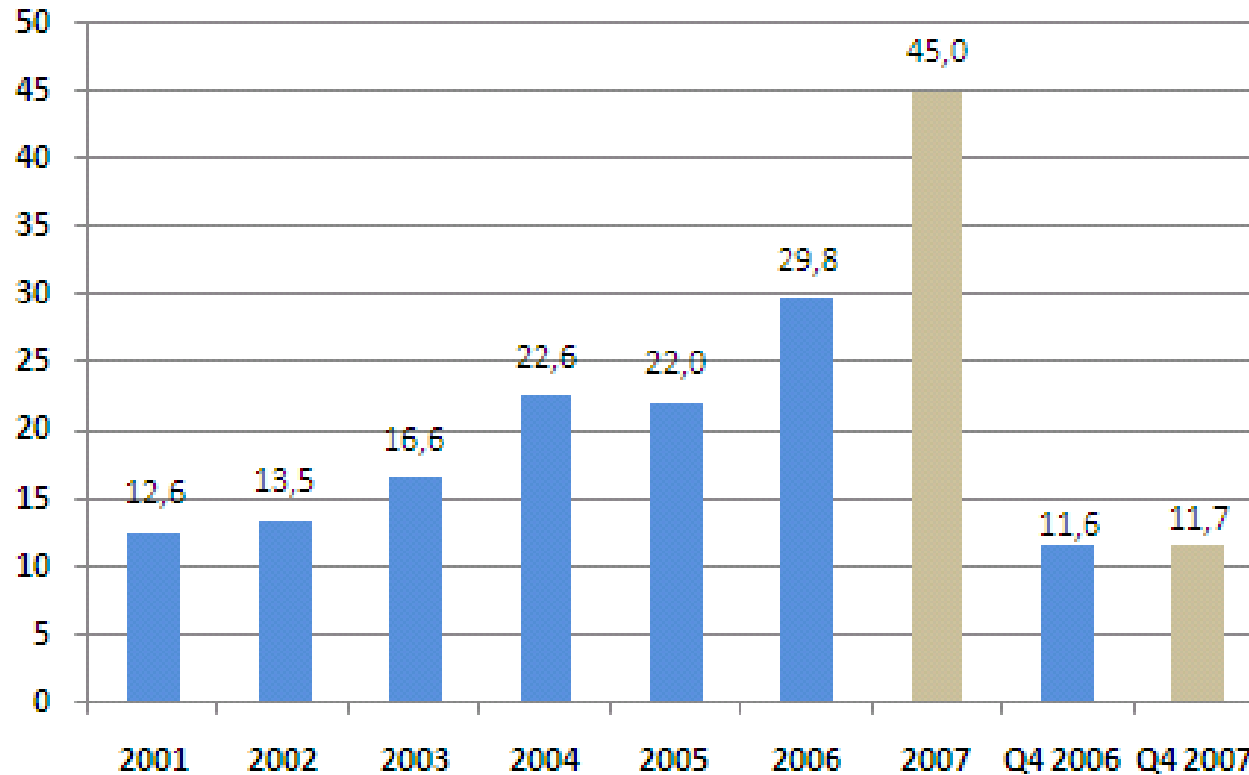
# SalMar Central Norway 4Q 2007

NOK million	4Q 07	4Q 06	2007	2006
Operating income	457,6	426,0	1 675,6	1 238,4
EBIT before biomass adjusted	68,1	159,7	424,9	446,0
EBIT before biomass adjusted %	14,9 %	37,5 %	25,4 %	36,0 %
Harvest volume (1,000 tgw)	11,7	11,6	45,1	29,8
EBIT/ kg gw (NOK)	5,83	13,74	9,42	14,98

- Harvest volume as 4Q 2006, up 15 300 tgw YoY ( 51 % growth)
- Continued strong biological performance and status
- Margins affected by lower salmon prices, production costs on acquired biomass and feed costs
- Potential for further organic growth
- Guidance harvest volumes 2008: 47 000 tgw



# Central Norway – harvest volume (1,000 t<sub>gw</sub>)



# SalMar Northern Norway 4Q 2007

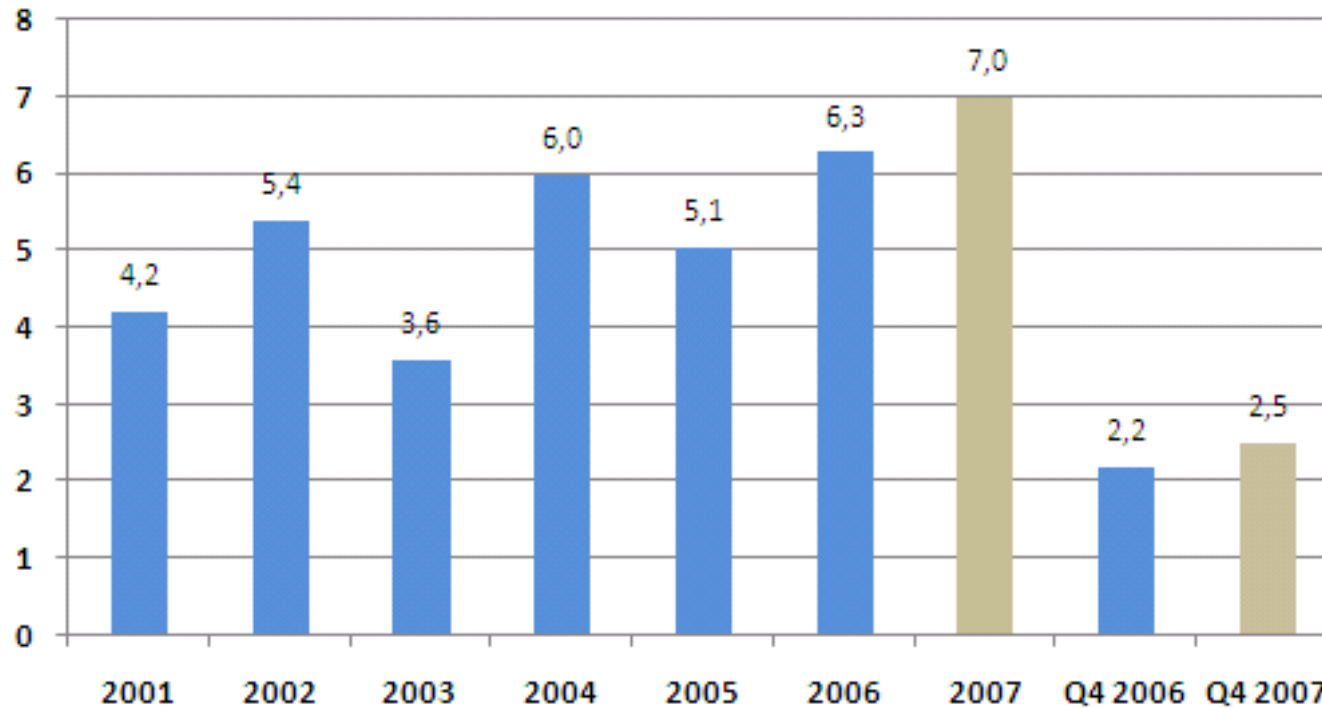


NOK million	4Q 07	4Q 06	2007	2006
Operating income	57,2	56,9	166,8	56,9
EBIT before biomass adjusted	6,4	7,7	14,8	7,7
EBIT before biomass adjusted %	11,2 %	13,6 %	8,9 %	13,6 %
Harvest volume (1,000 t <sub>gw</sub> )	2,5	2,2	7,0	2,2
EBIT/ kg gw (NOK)	2,53	3,54	2,11	3,54

- Satisfactory margin development considering lower salmon prices
- Slightly increased harvest volume from Q4 2006 (associated company prior to Q4 2006)
- Continued focus on operational and biological improvements
- Integration of licences acquired through purchase of Arctic Salmon AS
- Potential for further organic growth
- Guidance harvest volumes 2008: 13 000 t<sub>gw</sub>



# Northern Norway - harvest volume (1,000 tgw)





# Norskott Havbruk 4Q 07

NOK million	4Q 07	4Q 06	2007	2006
Operating income	187,9	230,2	841,4	790,8
EBIT before biomass adjusted	4,8	89,6	140,4	212,0
EBIT before biomass adjusted %	2,6 %	38,9 %	16,7 %	26,8 %
Value adjustment biomass	-1,5	-21,3	-39,9	25,0
Earnings before tax	-2,8	63,8	81,0	219,5
SalMars share after tax	1,9	20,4	31,2	75,1
Harvest volume (1,000 tgw)	5,8	7,0	23,8	20,1
EBIT/ kg gw (NOK)	0,83	12,77	5,90	10,54

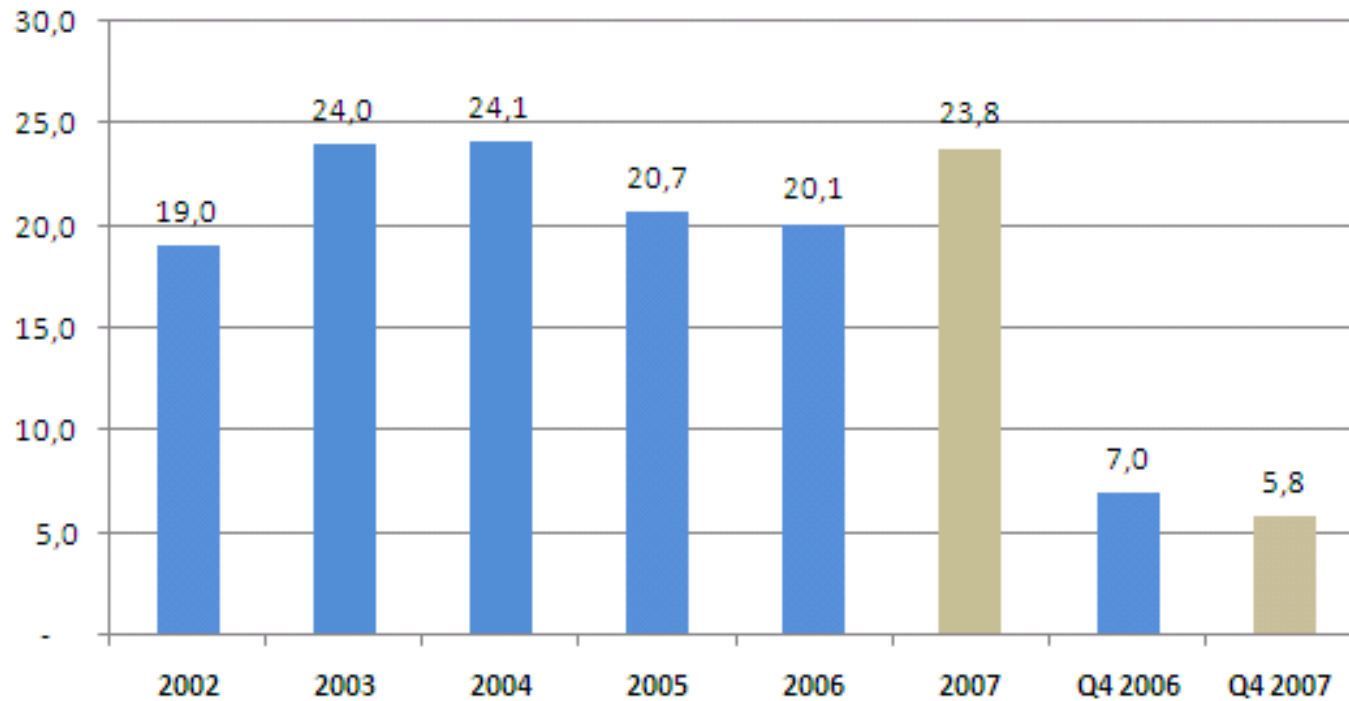
- Lower prices in 4Q
- Reduced harvest volume (-17%), lower average harvest weight, biological challenges
- Guidance harvest volumes 2008: 26 000 tgw (SalMar share: 13 000 tgw)





# Norskott Havbruk

## - harvest volume (1,000 tgw)





# Strategy and outlook



# SalMar outlook

- “Working hard to stay in pole position”
- Continued strong operational performance and status in Central Norway
- Improved biological figures and operational performance in Northern Norway, integration of Arctic Salmon operations
- Full year guidance harvest volumes 2008: 60 000 tgw in Norway – 73 000 tgw incl. share of Norskott Havbruk
- Increased MTB utilisation in Northern Norway

Harvest volume (1,000 tgw)	2008E		2007		2006	
	Volume	SalMar share	Volume	SalMar share	Volume	SalMar share
SalMar Central Norway	47	47	45,1	45,1	29,8	29,8
SalMar Northern Norway *	13	13	7,04	7,0	6,3	4,2
<b>Total Norway</b>	<b>60</b>	<b>60</b>	<b>52,2</b>	<b>52,2</b>	<b>36,1</b>	<b>34,0</b>
Norskott Havbruk **	26	13	23,8	11,9	20,1	10,1
<b>Total</b>	<b>86,0</b>	<b>73,0</b>	<b>76,0</b>	<b>64,1</b>	<b>56,2</b>	<b>44,1</b>

\* Consolidated from October 1 2006

\*\* SalMar share is 50%



# Market

- 10 % increase in export volumes from Norway in 4Q 07 vs. 4Q 2006
- Average FHL for the quarter was NOK 22,80 (NOK 26,00 in Q4 2006)
- The general price level in the end market has not seen the same decrease
- Global biomass end of 2007 approx. 10 % higher YoY. Biological challenges effect supply situation



**For more information**

[www.salmar.no](http://www.salmar.no)