



Q4 presentation 2010

17.02.2011

Harald Dahl, CEO
Nicolaj Weiergang, CFO

Highlights Q4 2010

STRØM®



- Revenues of 37.9 MNOK vs. 33.7 MNOK in Q4/09.
 - Total harvest of 1 050 tons (r.w.) own production and 880 tons (r.w.) for external producers.
 - Average sales price 27.58 kg H&G
- EBIT -19.5 MNOK vs Q4/09 -72.7 MNOK.
 - Write-down of biomass 4.9 MNOK
 - Negative contribution of 3.2 MNOK from fish sold in the period
 - Launch costs of STRØM® 1.5 MNOK
 - Administration and sales costs of 4.2 MNOK
 - Derivative cost of the conver. bond 1.5 MNOK
- 4.5 MNOK in negative margin from own fish sold
 - Mainly due to lower prices than budgeted.
- 1.3 MNOK in contribution from external fish sold
- Expected break even price for harvesting in Q1 2011 after write down is NOK 25.0 pr kg H&G (before adm/sales/finance)
- Biological assets have a fair value of 61.6 MNOK (3 422 tons r.w)
- Cash position per Q4 was 26.4 MNOK. Net short term receivables of 6.7 MNOK. Total of 33.1 MNOK.

Highlights 2010

STRØM®



- Debt repayment of 32.9 MNOK
 - Innovation Norway 19.7 MNOK
 - Leasing debt 11.9 MNOK
 - Gildeskål Sparebank 1.3 MNOK
- Refinancing of company in July
 - A total of 106,872,539 new shares were issued, net proceeds of 46.2 MNOK in cash and 4.35 MNOK worth in juveniles.
- Sale of fixed assets of 33.9 MNOK
 - Marine Harvest ASA
 - Mainstream Norway AS
 - Others
- Focus on Cost reduction
 - Downscaling completed
 - Insurance of biomass discontinued, save 1.1 MNOK in 2011.
 - Increased use of vegetable feed. Based on today's prices annual savings amounts to 2.5 MNOK in 2011.
- STRØM
 - Successful launch in Q4 2010
- Processing agreement with Nasset Fiskemottak AS
 - Our platform for product development

Key P&L figures

STRØM®



Key P&L figures (TNOK)	Q1	Q2	Q3	Q4	2010
Margin from internal fish sold	-944	-308	804	-4 497	-4 945
Margin from external fish sold	301	-352	93	1 299	1 341
Total margin of fish sold	-643	-660	897	-3 198	-3 604
Destruering biomasse	0	0	0	0	0
Write-down of biomass	0	0	0	4 900	4 900
<u>Biomass status</u>					
Number (1000)	2 658	1 842	2 237	1 802	1 802
Average weight (g)	1 818	2 090	1 672	1 898	1 899
Biomass (tons)	4 833	3 850	3 741	3 422	3 422
<u>Harvest (own fish)</u>					
Number (1000)	1 075	535	340	354	2 304
Average weight (g)	2 615	2 860	2 544	2 966	2 715
Biomass (tons)	2 811	1 530	865	1 050	6 256
<u>H&G (Headless & Gutted)</u>					
Average FOB Oslo price	20.04	25.73	29.58	27.58	24.02
Price under 2 kg	18.22	23.65	27.62	25.92	22.14
Price over 2 kg	23.58	28.53	32.85	29.65	27.09
Share under 2 kg	66 %	57 %	62 %	56 %	62 %
Share over 2 kg	34 %	43 %	38 %	44 %	38 %
Tons H&G sold	1 725	985	580	672	3 962
<u>Liver</u>					
Average FOB OSLO price	9.7	9.5	12.9	17.3	11.6
Tons liver sold	148	80	25	69	322

Expect better average prices for 2011, due to a sharp drop in the production of farmed cod

Average fish size will increase during 2011 and improve average price

Increasing part of our volume will be processed STRØM products

Very strong demand for fresh liver, 82% increase in prices during second half 2010

Downscaling of business is done, focus on sustainable growth

Highlights – Key business drivers

STRØM®



- **STRØM**
 - Launched in 8 stores in Q4 (Centra and Ultra)
 - Additional 30 Meny stores in January
 - National distribution in Norgesgruppen by Q2 (160 stores)
 - Initial discussions with the other national supermarket chains
 - Test sale to European supermarket chain in March
- **F3 generation cod**
 - Performs 25% better than previous best generation
- **Spot prices**
 - Average prices of NOK 27.58 H&G in Q4 2010
 - Expect increased prices in 2H 2011 and 2012 due to sharp drop in farmed cod volumes
 - Low seasonal spot prices in Q1 2011
 - Holding back harvest of own volumes
- **Havlandet/INC Group**
 - COD have made an agreement with our juvenile producer Havlandet.
 - Havlandet/INC will invest 10 MNOK in COD at share price 0.78 against a juvenile purchase agreement.
 - COD have also the option to issue shares for 10 MNOK for the same purpose in July 2012, based on average share price for July 2012
 - COD have a 3 years option to buy Havlandet at fair market value
 - Board of directors support the deal subject to approval by General assembly
 - This agreement gives COD a strategic alliance with the best producer of high quality juveniles, and allows for a more flexible and aggressive volume growth

Highlights – Key business drivers

STRØM®



- From 33 to 3 Cod farming companies
 - In 2007/2008 approx. 33 companies released 20 millions cod juveniles to sea
 - In 2011 only 3-4 companies will release approx. 3 million juveniles
 - Harvest volume will be reduced from approximately 20 000 tons (RW) in 2010 to 15 - 17 000 tons in 2011 and as low as 12 000 in 2012 (Own estimates based on figures from Kontali: "Monthly Cod Report", Jan. 2011)
- Stand alone or consolidate
 - Should be a good deal for COD shareholders
 - Should be fully financed
- Nettet Fiskemottak
 - Successful share issue of 3,1 MNOK. COD converted debt to shares and own 17% of company
 - Harald Dahl takes a board position
 - Share issue released Innovation Norway grants and loans of 2,9 MNOK
 - Important part of COD strategy due to the increasing share of processed products
 - Products sent from Nettet to Oslo every day overnight. In Oslo at 07.00 and in Padborg the same evening.

STRØM®



STRØM® showing strong performance from the start

- “STRØM was our best performing new product launch in 2010” according to the Norwegian retailer Norges Gruppen who test launched STRØM® in some of their stores November 2010. Revenues from STRØM® add to the overall seafood sales.
- A consumer survey conducted by the group showed that STRØM® Cod customers had higher repeat purchasing frequency than Salma customers and higher value average shopping baskets. STRØM® Cod was bought mainly by the customer category *“quality conscious chefs”*.

National distribution in Norway and exports Q2 2011

- Norges Gruppen, other Norwegian retailers and international target customers pushing hard to speed up distribution in time with increasing production capacity

STRØM® sales 40% total revenue share by end 2011

- Currently selling more than 1.000 - 1 500 kg. per week in only 30 stores.
- STRØM® accounted for 3% of the sales value in Q4, and expected to grow considerably in 2011.
- Considerable growth potential through increased distribution and packaging aimed at food service.
- Project to utilise belly loins launched in Q1 2011

Article in retail chain Centra & Ultra customer magazine



Cod spot prices – seasonal down turn

STRØM®



Price recovery from 2009 continues despite drop in Q4

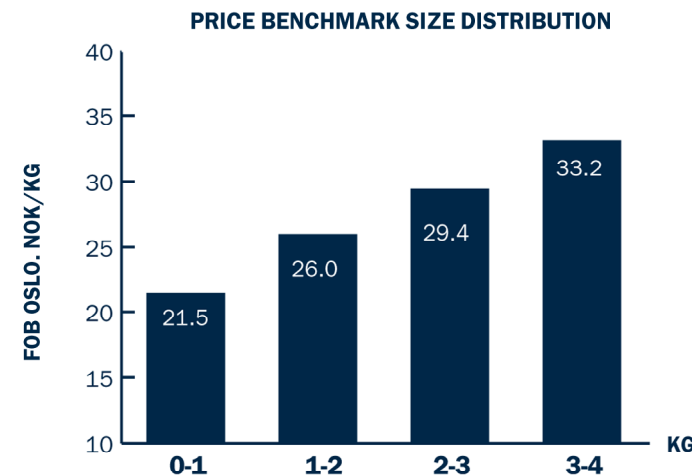
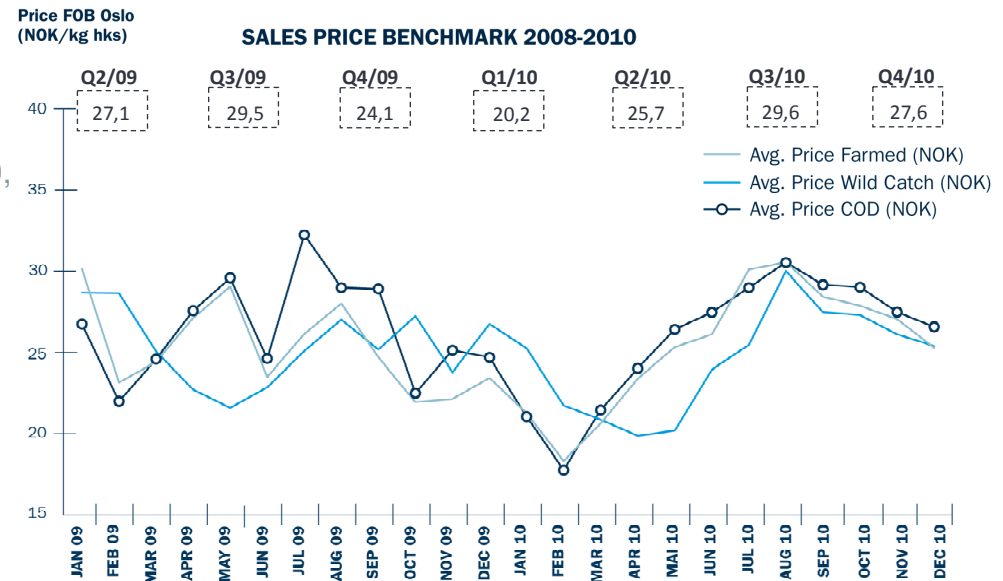
- FOB export price of 27.58 per kg. 7% down from Q3/10, but 14% up from Q4/09.
- Price drop mainly on larger fish sizes due to weak demand for whole fish in France in particular.
- 3% above average export price for farmed cod and 5% above average price for wild.
- Sales of own fish represents 33% share of total Norwegian fresh farmed cod exports.
- 40% increase in liver prices. Revenue of 1.2 MNOK.

Stay away from spot market in wild catch season

- The best season for farmed cod is from second half of April to first half of January
- Same price on STRØM year-round
- Stay away from second part of January to first half of April unless fish is presold at good prices

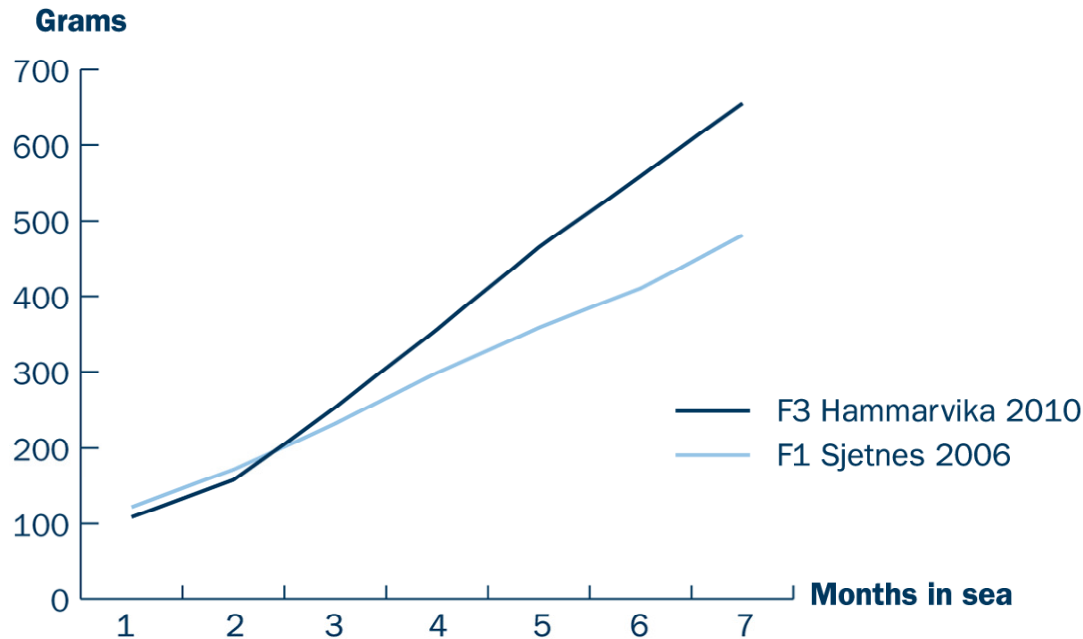
Trading external fish is creating a profit

- Fish harvested and sold for others or traded in the spot market accounted for over 40% of Q4/10 volumes vs. 30% in Q3/10, and a contribution of MNOK 1.3 prior to adm. costs.



F3 – 25% improved growth rate

STRØM®



- 835 000 juveniles released into sea in July 2010 at 90 grams. Average weight pr Q4/10 was 560 grams.
- Half of the F3 generation was counted and size graded in December 2010. The result shows minor deviations from earlier predictions. Rest of the generation will be counted and size graded in April 2011. Based on results from the first group, the F3 generation will outgrow F1 at Sjetnes by 25%.
- And 40% better than average for the F0 gen.

Production and Juveniles release

STRØM®

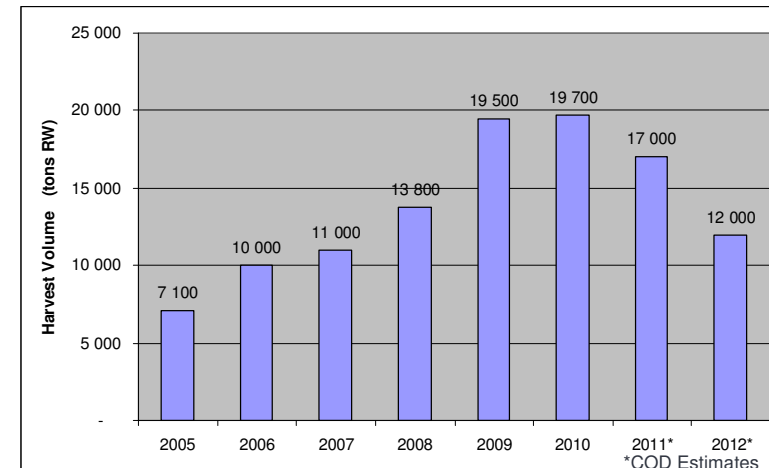


Farmed Cod Live Stock Audit

Estimated stock per 31.12.10					Estimated stock per 31.12.09			
Gene-ration	Indivi- duals (000)	% of indivi- duals	Weight (kg)	Biomass (RW)	Indivi- duals (000)	% of indivi- duals	Weight (kg)	Biomass (RW)
07G	-				900	5 %	2,9	2 600
08G	1 700	16 %	2,8	4 700	8 500	49 %	1,7	14 800
09G	5 400	52 %	2,1	11 400	8 100	46 %	0,6	4 900
10G	3 300	32 %	0,7	2 400				
Total	10 400		1,8	18 500	17 500		1,3	22 300
Headless Gutted Weight				12 400				
								14 900

Source: Kontali, Monthly Cod Report, January 2011

Farmed and Sea Ranged Cod Harvest Volumes



Source: Kontali, Monthly Cod Report, January 2011

- Number of individual fish constituting the youngest generation standing biomass at year end only makes up 40% of the similar figure in 2009, while the total number of individuals at year end 2010 accounts for only 60% of that in 2009
- According to Kontali Monthly Cod Report, January 2011, p. 6: *“the release of juveniles in 2011 is expected to be relatively low and thus not representing a turn in the decreasing trend in the Norwegian cod farming industry. Depending on market prices and harvest patterns, the biomass may well be halved during the year ahead.”*

Financials Q4 / 2010

STRØM®



Key Financials Figures	Q4	Q4	Year	Year
NOK (1000`)	2010	2009	2010	2009
Revenue	37 934	33 695	139 726	101 996
EBITDA	-15 081	-62 847	-28 140	-141 026
EBIT after write down of biomass	-19 509	-72 713	-47 863	-167 773
EBIT before write down of biomass	-14 609	-18 713	-42 963	-47 773
*Writedown of biomass	-4 900	-54000	-4 900	-120 000
Net profit	-22 943	-48 932	-61 454	-154 135
Total assets	223 896	268 497	223 896	268 497
Total Equity	117 933	125 353	117 933	125 353
Equity ratio	53 %	47 %	53 %	47 %
Interest bearing debt	82 820	104 732	82 820	104 732
Cash and cash equivalents	26 430	6 718	26 430	6 718

Key Biological Figures	Q4	Q4	Year	Year
	2010	2009	2010	2009
Juveniles release (1000)	-	-	835	1 380
Harvesting tons (r.w)	1 050	1 880	6 255	4 018
Net growth tons (r.w)	733	1 604	2 500	4 852
Biomass in sea tons (r.w)	3 422	7 055	3 422	7 055
Average weight (kg)	1,9	1,8	1,9	1,8

- Q4/10 sales revenue of 37.9 MNOK. Total harvest of 1 050 tons (r.w) of own production and 880 tons (r.w) sold for external producers.
- EBITDA of -15.1 MNOK in Q4/10.
- EBIT of -19.5 MNOK in Q4/10.
- Total assets of 223.9 MNOK, reflecting 105.5 MNOK in non current assets and 118.4 MNOK in current assets. Estimated biomass value of 61.6 MNOK.
- Total equity of 117.9 MNOK with an equity ratio of 53% and 82.8 MNOK of interest bearing debt.

Cashflow Q4 / 2010

STRØM®



CASHFLOW	IFRS	
	Year 2010	Year 2009
Cash generated from operating activities		
Operating profit for the period	-47 863	-167 773
Interest paid	-5 403	-6 688
Depreciation and amortisation	19 723	26 747
Share option costs	3 611	333
Gain on sale of asset	-3 504	-944
Change in other	740	53 553
Net cash generated from operating activities	-32 696	-94 773
Cash flow from investing activities		
Purchase of property, plant and equipment (PPE)	-484	-11 576
Governments grants related to investments	0	11 765
Proceeds from sale of PPE	33 932	5 200
Interest received	1 442	1 039
Other	0	-1 012
Net cash used in investing activities	34 891	5 416
Cash flow from financing activities		
Repayments of borrowings	-32 907	46 487
Proceeds from new borrowings	0	-3 346
Proceeds from share issue	50 424	37 537
Net cash used in financing activities	23 314	80 678
Cash and cash equivalents at end of the period	26 430	6 719

- Cash flow from operations
 - -32.7 MNOK per Q4/10 compared to -94.8 MNOK per Q4/09.
 - Mainly reflects YTD result adjusted for depreciations and warrant costs.
- Cash flow from investing activities
 - 34.9 MNOK per Q4/10 compared to 5.4 MNOK per Q4/09.
 - Mainly explained by proceeds from sale of equipment to Marine Harvest ASA and Mainstream Norway AS.
- Cash flow from financing activities
 - 23.3 MNOK per Q4/10 compared to 80.7 MNOK per Q4/09.
 - The positive cash flow is explained by proceeds from share issue and repayment of borrowings.
- Cash position per Q4/10 is 26.4 MNOK
- Net short term receivables per Q4/10 of 6.7 MNOK

Cod Farming – production plan

STRØM®



COD PERFORMANCE INDICATORS PER DESEMBER 2010

	Kjølvika Gen.June 2007	Tårnvika Gen.Sept 2007	Kjerkvika Gen.May 2008	Meløysjøen Gen.Sept 2008	Sjetnes Gen.May 2009	Hammarvika Gen.July 2010
Harvest %	100%	100%	90%	59%	0%	0%
Avg. harvested weight	2,4 kg	2,9 kg	2,7 kg	2,9 kg		
Current avg. weight	-	-	3,0 kg	3,0 kg	2,8 kg	0,6 kg
No. of fish (1000)	0	0	87	336	639	814
Biological feed factor (FCR)	1,34	1,20	1,19	1,12	1,07	0,80
Economic feed factor (EFCR)	1,62	1,35	1,30	1,32	1,47	0,86
Mortality (%) based on start number	21,5 %	19,3 %	10,2 %	18,3 %	12,0 %	8,9 %
Production Cost per kg (r.w.)	NOK 33,5	NOK 27,2	NOK 25,5	NOK 24,9	NOK 29,1	NOK 37,3
Book value (after write down) per kg (r.w.)	NOK 0	NOK 0	NOK 11,5	NOK 11,8	NOK 18,4	NOK 37,3

- Total of 1 050 tons harvested in Q4/10 from two locations.
- Standing biomass per Q4 of 3 422 tons (r.w) - 1.8 million fish.
- Capacity to release 3-4 million juveniles annually.
- Breakeven Q1 2010 before adm/sales and finance → NOK 25.0 pr kg H&G FOB Oslo.
- No diseases.

STRØM®
DET NYE NAVNET
PÅ FERSK TORSK

STRØM®

FRESH COD FROM NORDLAND