



Q1 presentation 2012

24.05.2012

Harald Dahl, CEO
Nicolaj Weiergang, CFO

Highlights

- The low harvest volume is consistent with Codfarmers' strategy to postpone harvest volumes to 2H 2012.
 - YTD we have harvested 761 tons and plan to harvest 5 600 tons in the next 6 months
- Good growth during the winter. No major biological challenges.
- F3 generation cod is growing 30% faster than the average of previous generations.
- Average sales price of NOK 13.0 per kg r.w.
- 3.3 mill. fish in our farming sites. 3.4 mill fish in our on growing sites on shore.



- We sold 83,500 STRØM back loin products in Q1/12. This represents 166 tons of round weight.
- Change of harvesting plant from Marin Seafood in Ålesund to Nesset Seafood in Nord-Trøndelag.
 - Codfarmers has purchased 40% of Nesset Seafood AS.
- Agreement with REMA to sell STRØM in 230 stores in the Oslo area.
 - REMA has a strong focus on growing the fresh fish category.

Financial highlights Q1 2012



- **Revenues of 16.7 MNOK vs. 40.1 MNOK in Q1/11**
 - Total harvest of 761 tons (r.w.) of own production and 17 tons (r.w.) from external producers.
 - Average sales price of NOK 13.0 pr kg r.w.
 - 68% of volume sold as HOG, remaining sold as filets. Average sales price HOG: NOK 24.2 kg. NOK 26.4 kg HOG including bi-products.
- **EBIT -17.1 MNOK vs. -8.6 MNOK in Q1/11**
 - Negative contribution of 2.7 MNOK from fish sold in the period.
 - Administration and sales costs of 4.5 MNOK.
 - Net result before finance from hatchery and pre on growing facilities with - 4.0 MNOK.
 - Depreciation of idle locations 2.2 MNOK.
- **Biological assets have a fair value of 106.4 MNOK (4 788 tons r.w.)**
- **Expected production cost r.w. for harvesting in Q2 2012**
 - NOK 16 kg r.w.
- **Cash position per Q1 was 4.3 MNOK. Net short term receivables of -9.0 MNOK. (Before the proceeds from the repair offering of 17 MNOK)**
- **Private placement of 15,000,000 shares of NOK 2 per share. Repair offering completed in Q2 2012 (9,358,976 new shares was allocated).**

COD Production



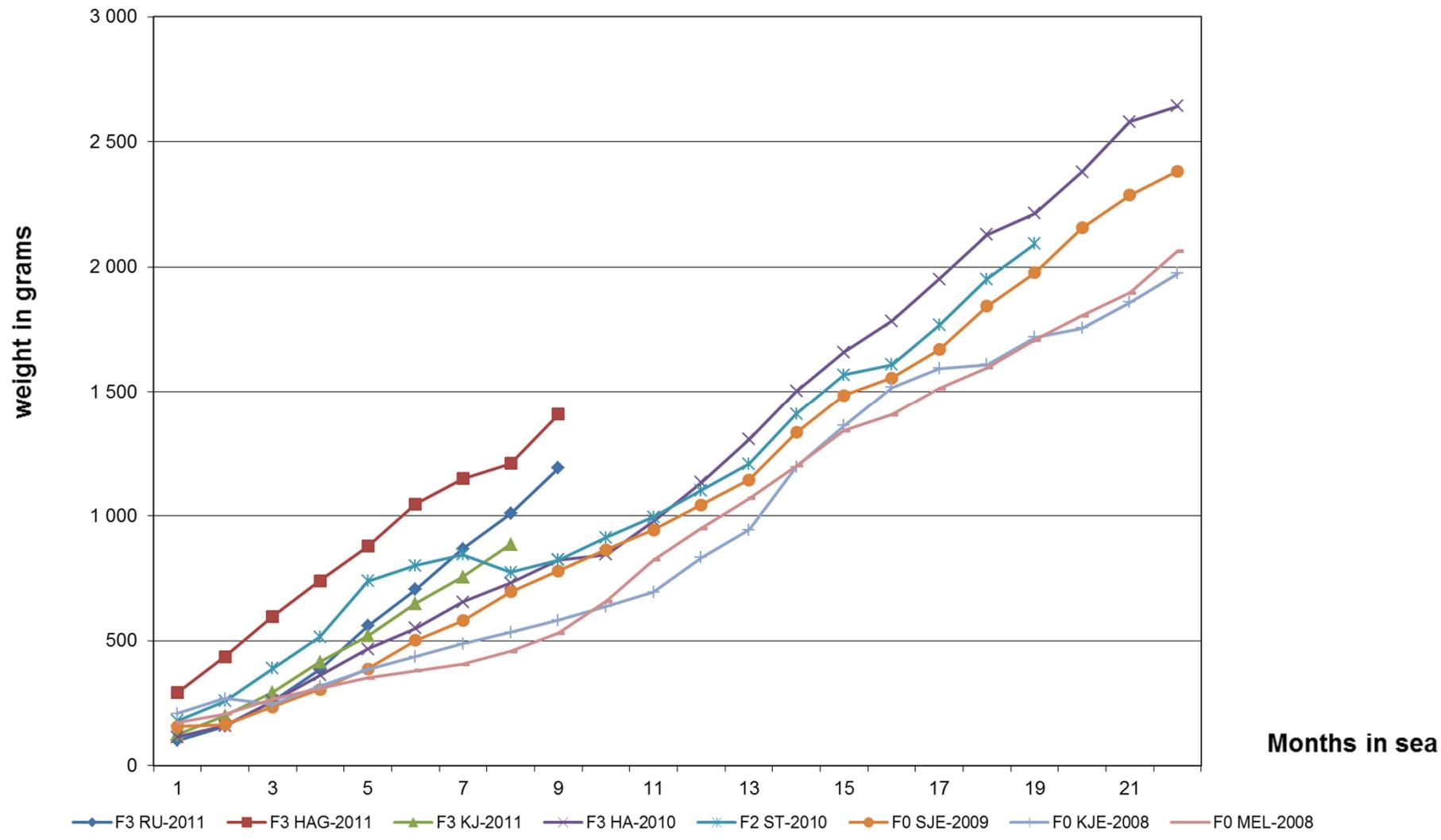
COD PERFORMANCE INDICATORS PER MARCH 2012

	Meløysjøen 2008	Kjerkvika 2008	Kjerkvika 2009	Hammarvika 2010	Standal 2010	Lyngholmane 2010	Stokkeneset 2011	Russenes 2011	Kjølvika 2011	Hagardsnes- set 2011
Harvest %	100 %	100 %	100 %	9 %	37 %	82 %	0 %	0 %	0 %	0 %
Avg. harvested weight	2.9 kg	2.7 kg	2.8 kg	2.6 kg	2.6 kg	2.4 kg	0 kg	0 kg	0 kg	kg
Current avg. weight	-	-	-	2.551 kg	2.910 kg	2.199 kg	1.887	1.192 kg	0.648 kg	0.727 kg
No. of fish (1000)	0	0	0	544	276	19	632	250	930	595
Biological feed factor (FCR)	1.23	1.18	1.46	1.15	1.14	1.26	1.25	1.06	0.94	1.00
Economic feed factor (EFCR)	1.38	1.31	1.74	1.19	1.30	1.45	1.32	1.08	0.99	1.20
Mortality (%) based on start number	18.8 %	10.3 %	14.8 %	21.7 %	18.2 %	13.1 %	12.8 %	9.5 %	7.6 %	17.5 %
Loss of fish (%) (destruction, escapes etc.)	18.3%	25.5%	47.4%	6.5 %	0.3%	0.0%	0.0%	6.8%	0.0%	0.0%
Production Cost per kg (r.w.)	NOK 30.7	NOK 25.7	NOK 35.5							

Capacity at sea is divided into two major clusters

- **Cluster North** located in Nordland, consists of 6 equipped sites with a total of 18 720 tons Maximum Biomass Capacity
- **Cluster South** located in Sogn and Fjordane and Møre and Romsdal, consists of 7 equipped sites with a total of 17 160 tons Maximum Biomass Capacity.
- Standing biomass per Q1 of 4 758 tons (r.w.) – 3.3 million fish
- Total of 761 tons harvested in Q1/12 from Standal, Lyngholmane and Hammarvika 2010 generation.

Growth comparison between generations



Our market and sales strategy



From being one of many, Codfarmers are now the one and only producer of super fresh cod year round. The total collapse in the industry have increased our market share from 50% to 95%. Our own brand STRØM experience strong growth in sales and increasing national and international distribution.

**We aim to sell the right cod product to the right customer at the right time.
Packed and certified the right way – Then we get the right price.**

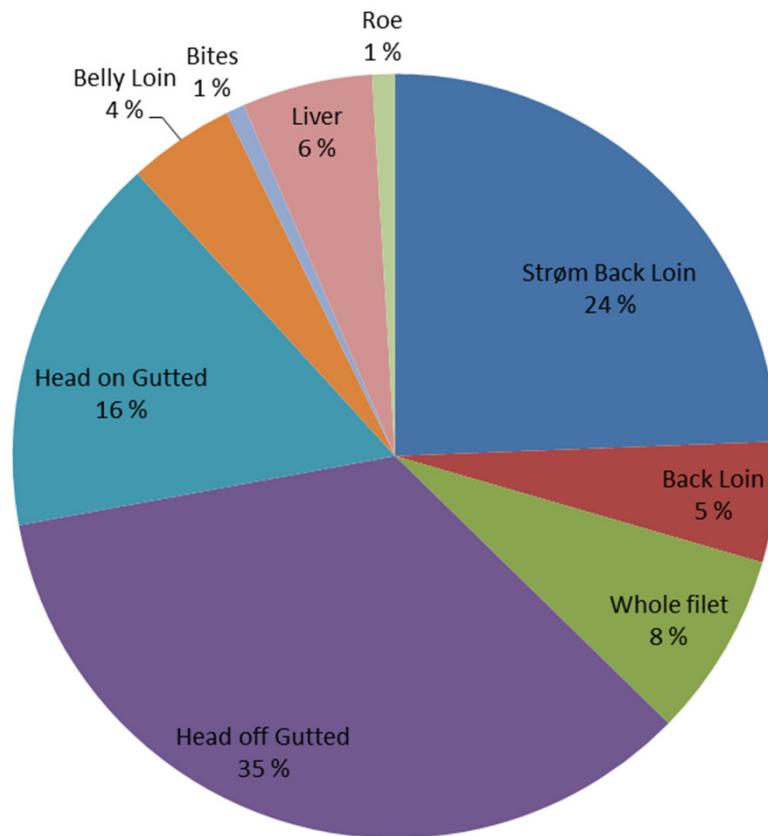
- Today we sell fish in mainly 3 categories;
 - Whole fish gutted with and without head – contracts and spot marked
 - Fillets – contracts and spot marked
 - Branded STRØM to retailers and the HORECA market, national and international
- Seasonal wild catch vs. year round farmed cod
 - We try to avoid to much sale of whole fish in the spot marked during February-March
 - We emphasis on freshness and regularity – no bad weather, no quota problems, no bad fishing
 - Easy to plan sales campaigns, makes sense for supermarket chains to invest marketing money
- Last man standing in the cod farming industry
 - Should help in from 2H 2012 and in 2013

Sales per product

STRØM®

COD
FARMERS

Revenue of 16,1 MNOK





Strong growth for fresh fish

Voldsom vekst i fersk fisk

FORBRUK

Salget av fersk fisk tar av i norske dagligvarekjeder. – Fersk fisk er et lite eventyr i det norske markedet, sier konserndirektør i NorgesGruppen, Per Roskifte. Mens Norgesgruppen har økt salget med 26 prosent, melder Ica Norge om 50 prosent økning.

Torhild Måkestad
Bergen

ordet blant
forbrukerne i
Norge.

Stor endring
Omsetningen
av ferskfisk i
NorgesGrup-
pen er nå stør-
re enn dypfrys-
t fisk. De siste to
årene har de
sett en økning
på 26 prosent,
sammenlignet
med dypfrys-
t fisk.

– Våre fis-
keavdelinger i
Meny har hatt storst salgsok-
ning for tredje år på rad og vi
er sikre på at denne økningen
kommer til å fortsette. Meny



Per Roskifte

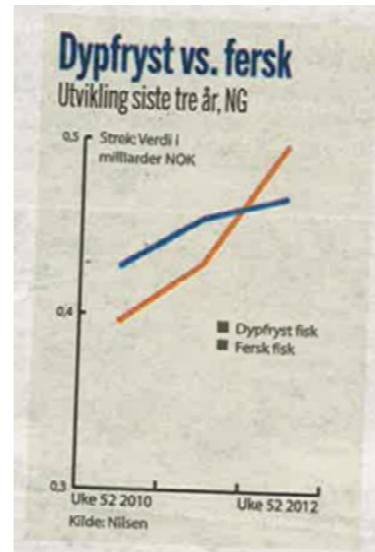


Bård Lekke

Fiskeribladet Fiskaren, 07.03.2012

STRØM®

COD
FARMERS



“ I 2011 opplevde vi
en økning på i under-
kant 50 prosent for
ferdigpakket fersk fisk,
totalt i ICA Norge.

Bård Lekke

«The sales of
fresh fish is
booming in
Norwegian retail»

FISK

Sushisalget i dagligvare-
handelen eksploderer.
Veksten var på 130 prosent
ifjor. Sushi er blitt super-
markedenes nye kylling.

BENEDICTE RAMM
OSLO

Dagens Næringsliv, 16.03.2012

Sunnhetsbølgen rir landet



– Alle vet at fisk er sunt, men vi må få opp fokuset også på at fisk er godt, sa Vidar Olsen under NorgesGruppens forbrukerseminar for pressen forrige uke. Synnøve Prytz Berset

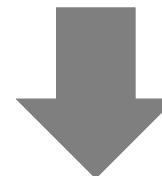
Embalt fisk blir viktig for forbrukere som ønsker hjelp til å bli sunnere.

Pack News, 20.03.2012

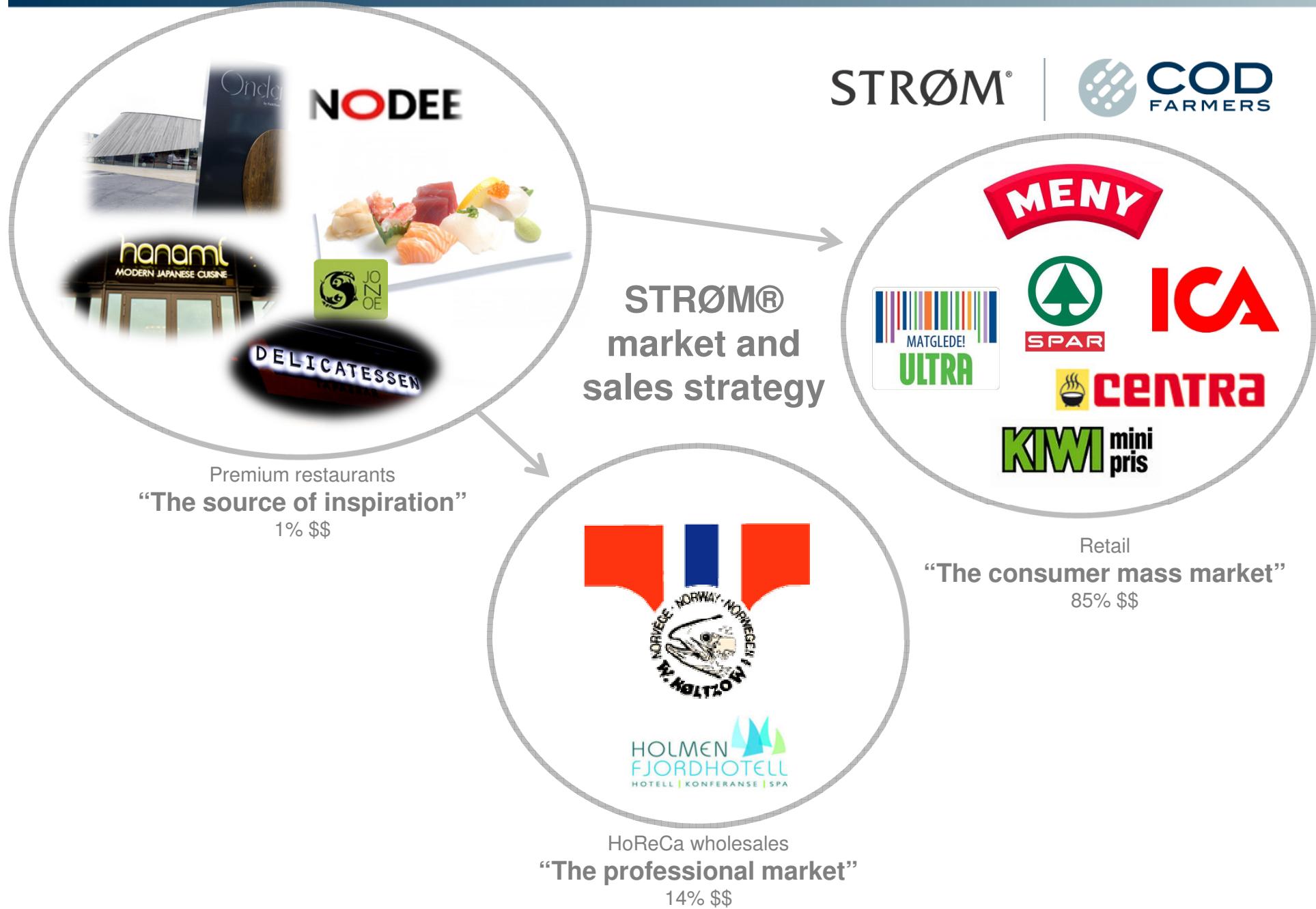
NorgesGruppen (50% of the fresh fish market in Norway) has analyzed the market, and allocated four key drivers for the consumers' consumption of fresh fish:

Convenience Health

Indulgence Price



Convenience, and health are the most dominant driver



Diversified product mix

Today we sell fish in mainly 3 categories;

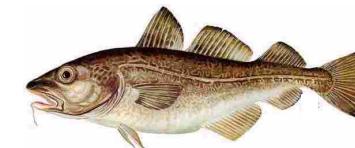
- Whole fish gutted with and without head – contracts and spot market
- Fillets – contracts and spot marked
- Branded STRØM



STRØM®

COD
FARMERS

Whole fish gutted



Fillets



Gourmet bits



STRØM®



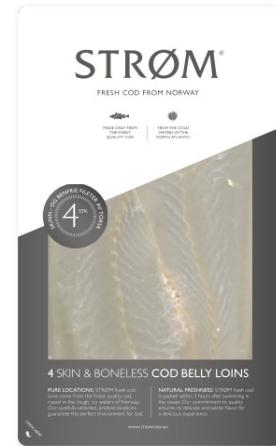
More processing = more value

STRØM portfolio

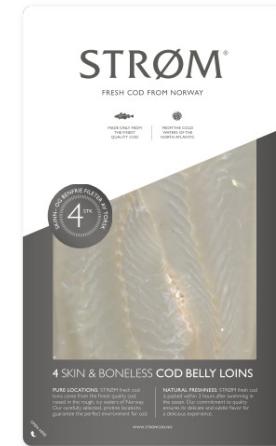
STRØM® | COD FARMERS



STRØM® Back Loin



STRØM® Belly Loin



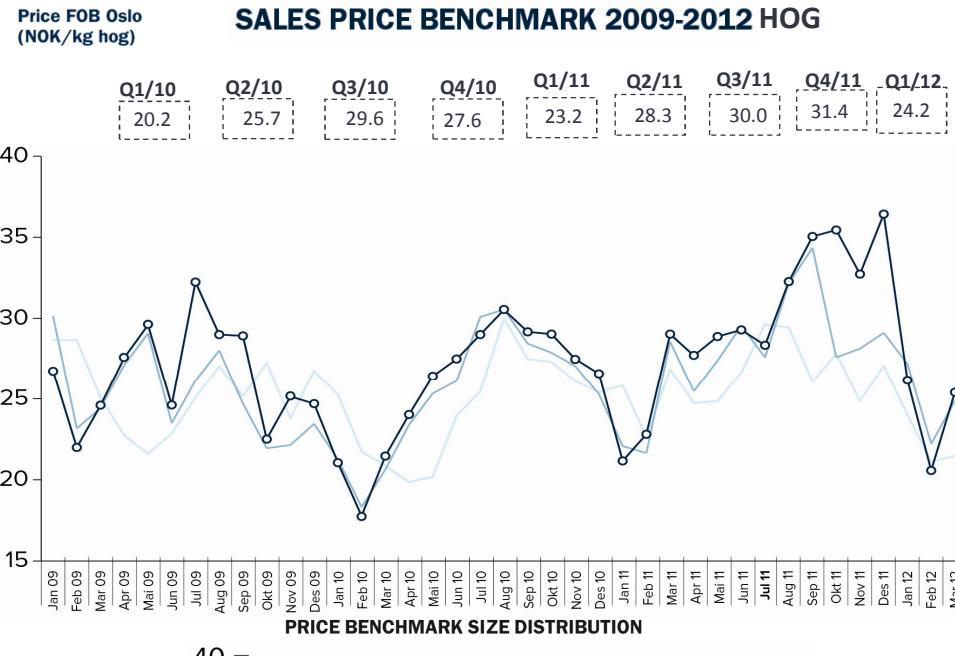
STRØM® Gourmet Bites

Cod spot prices – recovering after Q1



4.4% increase in the average price and 67.8% drop in export volumes

- COD's Q1 average FOB export price on whole gutted fish was NOK 24.2 per kg – up 4.4% from Q1/11. Prices including contribution from liver was NOK 26.4 per kg.
- COD's market share was 30.3% of total Norwegian fresh farmed cod exports. In Q1 COD harvested 761 tons.
- Sales of STRØM® accounted for 24.0% of the total sales value in Q1. By the end of Q2/12 STRØM® will be distributed in 700 stores in Norway.



Summary



- The fish in our farming, juveniles and on-growing sites are growing according to plan. The F3 and F4 generation fish shows strong improvement in growth.
- Fish from both Nordland and Møre will be harvested at Nessel Seafood.
 - Codfarmers own 40% of the processing plant.
- The STRØM sales are up 60%.
 - Closed distribution agreement with REMA
- Wild catch fishing was record high during Q1, but still prices was in average NOK 26.4 pr kg HOG.
 - Prices will improve in Q2
- COD will increase its market share for farmed cod to 95% during 2H 2012 and 2013.
- Revenues will increase substantially in 2H of 2012.

Financials Q1 / 2012



Key Financials Figures NOK (1000')	Q1	Q1	Year
	2012	2011	2011
Revenue	16 772	40 091	122 865
EBITDA	-9 970	-4 388	-69 569
EBIT after write down of biomass	-17 074	-8 583	-90 712
EBIT before write down of biomass	-17 074	-8 583	-65 212
*Writedown of biomass	0	0	-25 500
Net profit	-19 940	-10 785	-94 324
Total assets	294 770	214 221	295 588
Total Equity	167 107	107 122	155 492
Equity ratio	57 %	50 %	53 %
Interest bearing debt	102 114	78 809	100 911
Cash and cash equivalents	4 318	28 945	7 802

Key Biological Figures NOK (1000')	Q1	Q1	Year
	2012	2011	2011
Juveniles release (1000)	110	-	1 229
Harvesting tons (r.w)	761	1 193	2 906
Net growth tons (r.w)	227	104	1 754
Biomass in sea tons (r.w)	4 758	2 543	4 531
Average weight (kg)	1.3	1.9	1.3

- Q1/12 sales revenue of 16.7 MNOK. Total harvest of 761 tons (r.w) of own production and 17 tons (r.w) sold for external producers.
- EBITDA of -9.9 MNOK in Q1/12.
- EBIT of -17.1 MNOK in Q1/12.
- Total assets of 294.7 MNOK, reflecting 167.4 MNOK in non current assets and 127.4 MNOK in current assets. Estimated biomass value of 106.4 MNOK.
- Total equity of 167.1 MNOK with an equity ratio of 57% and 102.1 MNOK of interest bearing debt.
- Private placement of 15,000,000 shares of NOK 2 per share. Repair offering completed in Q2 2012 (9,358,976 new shares was allocated).

Cashflow Q1 / 2012

	Three months ended 31 March	
	2012	2011
Cash generated from operating activities		
Operating profit for the period	-17 074	-8 583
Interest paid	-3 135	-1 935
Depreciation and amortisation	7 104	4 195
Share option costs	0	283
Change in inventories	-19 488	3 492
Change in trade receivables	4 924	2 540
Change in trade payables	-12 416	3 391
Change in other	4 037	4 499
Net cash generated from operating activities	-36 048	7 882
Cash flow from investing activities		
Purchase of property, plant and equipment (PPE)	-613	-239
Purchase of financial assets	0	-850
Interest received	420	599
Net cash used in investing activities	-193	-490
Cash flow from financing activities		
Repayments of borrowings	-1 273	-4 879
Proceeds from new borrowings	4 013	0
Proceeds from share issue	30 000	0
Net cash used in financing activities	32 741	-4 879
Net (decrease)/increase in cash and cash equivalents	-3 500	2 513
Cash and cash equivalents at beginning of the period	7 802	26 432
Cash and cash equivalents at end of the period	4 302	28 945

STRØM®



- **Cash flow from operations**
 - -36.0 MNOK per Q1/12 compared to 7.9 MNOK per Q1/12.
 - Mainly reflects YTD result adjusted for inventories, trade payables and trade receivables.
- **Cash flow from investment activities**
 - -0.2 MNOK per Q1/12 compared to -0.5 MNOK per Q1/11.
- **Cash flow from financing activities**
 - 32.7 MNOK per Q1/12 compared to -4.9 MNOK per Q1/11.
 - Mainly explained by debt to the owners converted into shares in March 2012.
- **Cash position per Q1/12 is 4.3 MNOK.**
 Net short term receivables per Q1/12 of
 – 9.0 MNOK (before the proceeds from
 the repair offering of 17.0 MNOK)

STRØM®
DET NYE NAVNET
PÅ FERSK TORSK

STRØM®

FRESH COD FROM NORDLAND