



Highlights Q1

- Results as expected. EBIT of 8,7 MNOK compared to -4,4 in Q1/07 reflects normal administrative cost and restructuring cost of subsidiaries.
- Record high biomass growth. 578 tons in a normally slow quarter. New light manipulation regime developing as expexted. No negative incidents.
- More funds raised;
 - 75 MNOK credit facility and factoring agreement signed with DnB NOR Bank ASA
 - 20 MNOK in loans from Innovation Norway
 - 12,6 MNOK in investment grants from Innovation Norway
- More capacity secured;
 - 7 new licenses granted in Gildeskål and Meløy
 - 26 licenses in total
 - 21.030 tons MTB production capacity
- Capex on budget and on schedule. Extensive investment programs developing new locations, building Cod Juveniles and Cod Processing.
- Several long term contracts secured. Considerable focus to further development of product range involving both existing and new processing partners in Europe.



Financials

CONSOLIDATED KEY FINANCIALS FIGURES

NOK (1000`)	Q1 2008	Q1 2007	Year 2007
Revenue	1 147	6 383	47 065
EBITDA	-6 153	-3 377	-20 784
EBIT before biomass adj	-8 662	-4 354	-28 308
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Total assets	449 243	225 594	454 461
Totalt Equity	329 564	208 250	338 605
Equity ratio	73 %	92 %	75 %
Interest bearing debt	89 766	3 102	87 342
Cash and cash equivalents	179 837	105 381	215 454

Harvesting tons r.w:	-	220t	1280t
Net growth tons r.w:	570t	328t	1279t

Q1/08 revenue was **1,1 MNOK** with no internal harvest of biomass and a limited trading of external volumes. Subsidiaries contribute with revenues of 0,2 MNOK

EBIT of – 8,7 MNOK compared to -4,4 in Q1/07 reflects normal administrative cost and restructuring cost of subsidiaries.

Total assets of 449,2 MNOK, reflecting 105,8 MNOK in non current assets and 343,5 MNOK in current assets.

Total equity of 329,6 MNOK with an **equity ratio of 73 %** and 89,7 MNOK of interest bearing debt, which of 87 MNOK reflects the convertible loan.

179,8 MNOK in cash and cash equivalents.

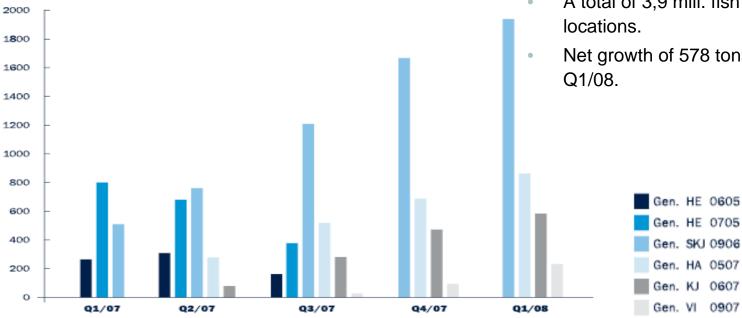
75 MNOK credit facility and factoring agreement signed with DnB NOR Bank ASA

32,6 MNOK granted from Innovation Norway, of which 12,6 MNOK in investment grants and 20 MNOK in loans



Biomass – good growth and control

BIOMASS DEVELOPMENT (TONS)



- 3.600 tons (r.w.) standing biomass. Estimated biomass value of 121 MNOK
- A total of 3,9 mill. fish at 4 different
- Net growth of 578 tons (r.w.) biomass in



COD Production

	Hellvika Gen. 2005	Sjetnes Gen. Sept 2006	Hammarvika Gen. May 2007	Kjølvika Gen. June 2007	Vindvika Gen. Sept 2007
Harvest %	100%	0%	0%	0%	0%
Growth from 100g to 1,5kg	14 months	14 months			
Growth from 100g to harvested weight	23 months				
Avg. harvested weight	3,3 kg				
Current avg. weight		2,1 kg	1,4 kg	0,6 kg	0,2 kg
No. of fish (1 000)		925	635	1 024	1339
Biological feed factor (FCR)	1,24	1,07	1,07	0,92	0,90
Economic feed factor (EFCR)	1,34	1,12	1,14	0,95	1,02
Mortality (%)	6,9%	4,8%	5,2%	3,1%	4,4%
Production cost per kg. (r.w.)	NOK 22.2	NOK 22.1	NOK 34.1	NOK 42.5	NOK 103.0

- Stabile growth period with no escapes, normal mortality and winter temperatures between 5-6 degrees
 Celsius
- Good growth performance and positive indications at the Sjetnes location after implementing new
 light manipulation regimes to reduce maturation. Reflects a biomass of 1934 tons per Q1/08 with falling
 production cost for the main bulk of the 2008 harvest volume.
- 7 new licenses granted in Gildeskål (Nordfjorden) and Meløy increasing the total number of licences from 19 to 26 and to a total production capacity of 21.030 tons (MTB)
- **0,7 mill juveniles** put to sea at location Vindvika (Kjerringøy), securing at total release of 1,3 mill juveniles on the site.
- Prepared sites in Nordfjorden and Meløy for new juveniles release in Q2/08



COD Juveniles AS

1. Brood stock production program established:

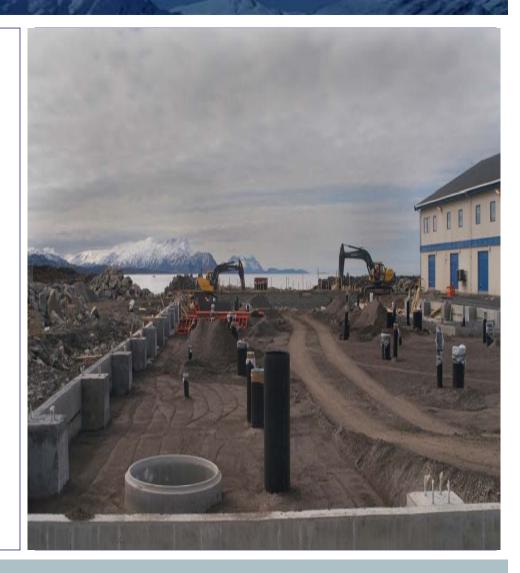
- 1700 MarinBreed brood stock
- first eggs produced

2. Land based juvenile plant under construction:

- capacity 5-7 mill. 70-100 g juveniles
- first batch of external juveniles Q3/08
- key management in place

3. Hatchery up-grade according to plan:

- capacity 10 mill. 3-5 g juveniles
- start large scale production Q4/08
- key management in place





COD Processing AS

- World's first specialised packing plant for fresh cod operational:
 - Current capacity of 10.000 tons
 - Harvest commence 20 May
 - 2 days/week May-June
 - 5 days/week July-January
 - All key personnel in place
- Capacity can be increased to 20.000 tons with an extra investment of MNOK 5
- Establishing pre rigor fillet line
 - Testing manual line Q3/08
 - Automatic line Q1/09





COD Market

- No harvesting revenues in Q1/08.
- Traded 30 tons of fresh liver from external suppliers and 13 tons of externally sourced fish at an average FOB export price of NOK 37,15 per kg.
- 7 new long term contracts with an initial volume of 15 tons per week and at fixed average price well above of target price of 40 NOK/kg established.
- More than a dozen additional long term contracts under negotiation. Target of 40 % of total volume sold on contract in 2008.
- Own Codfarmers' stand at the Brussels Seafood Show.
- Codfarmers' new website was successfully launched end Q1 at <u>www.codfarmers.com</u>



Integrating for increased control and reduced costs

COD JUVENILES

COD PRODUCTION

COD PROCESSING

COD MARKET

- ✓ Integrated broodstock, hatchery and juvenile facility established in 2008
 - Reduced risk
 - Disease prevention
 - Increased control
 - Full traceability
 - Fast breed cod

- ✓ Expand COD to 25.000 tons as of 2010
 - Scale benefits
 - Faster growth
 - Improved FCR
 - Reduced maturation
 - Reduced risk
 - Improved practices

- ✓ Specialized cod packing and fillet plant established in 2008
 - Own fillet line
 - Utilization of byproducts
 - 3rd party quality certification

- ✓ Developed own sales and marketing department
 - Stream line supply chain
 - Market driven product differentiation
 - Long term customer loyalty

Cost reduction 1,5 NOK/kg

Cost reduction 4-5 NOK/kg

Cost reduction 2 NOK/kg

Prices maintained 40 NOK/kg

