



Lerøy Seafood Group

Preliminary report 2002

27.02.2003

*Seafood
Experience*

Contents

Sections	Page
I Considerations	3
II Preliminary key financial figures 2002	6
III Lerøy at a glance	17
IV Lerøy Seafood Group - Company profile	19
V Market glance	34

Internal considerations year 2002

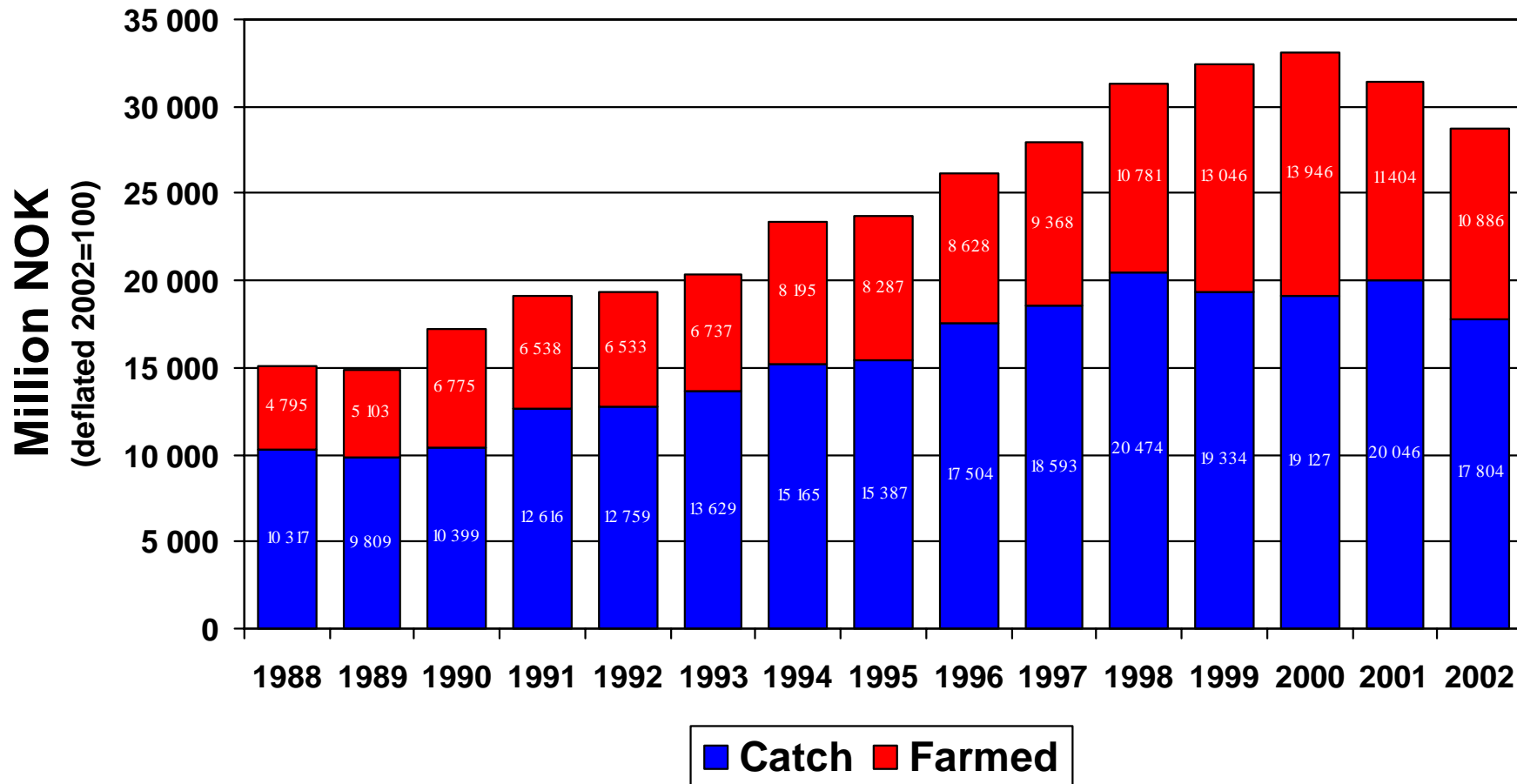
- New equity of NOK 320 million
 - Well positioned for future strategic growth
- Quoted on OSE 03.06.2002
- 1.397 shareholders per 31.12.02
- Number of shares increased from 19.440.767 to 29.440.767
- Proposed dividend for 2002 NOK 0,60 per share
- Acquired well established business in Sweden in 2002
 - Lerøy Smøgen Seafood AB
- TiMar Seafood AS activity allocated to Hallvard Lerøy AS

External considerations year 2002

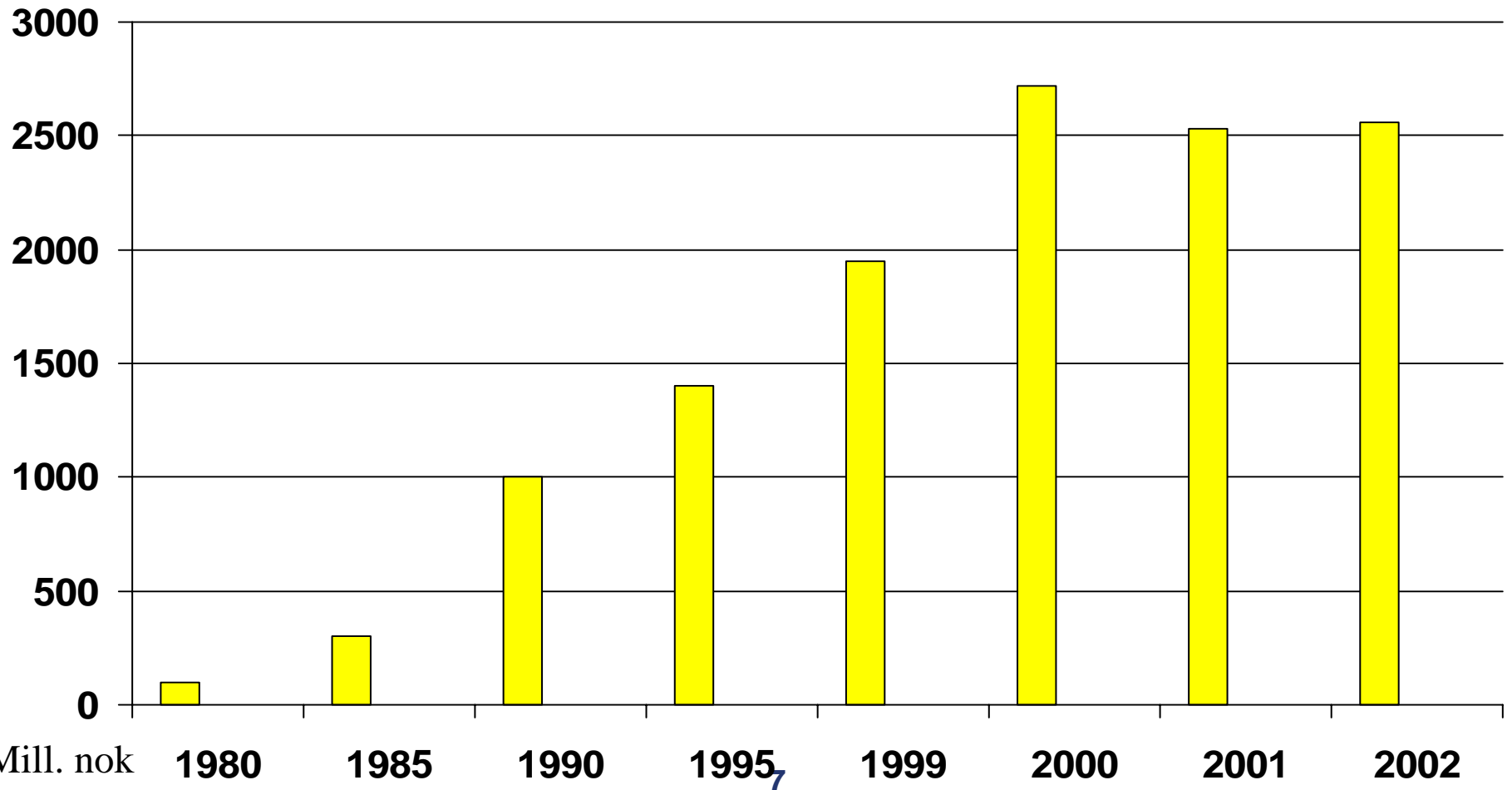
- Weak salmon and trout prices
 - Price increase through 2002 weaker than expected
 - Uncertainty in price development, but we expect increasing prices for 2003
- Difficult market situation in both pelagic and white fish sectors
- Strong krone
 - Norwegian export – less competitive
 - but the krone has decreased its value into 2003
- Political issues / trade barriers
 - EU – agreement prolonged into when?
 - Uncertainty regarding regulation of future market access for non-EU producers

Contents

Sections	Page
II Preliminary key financial figures 2002	6

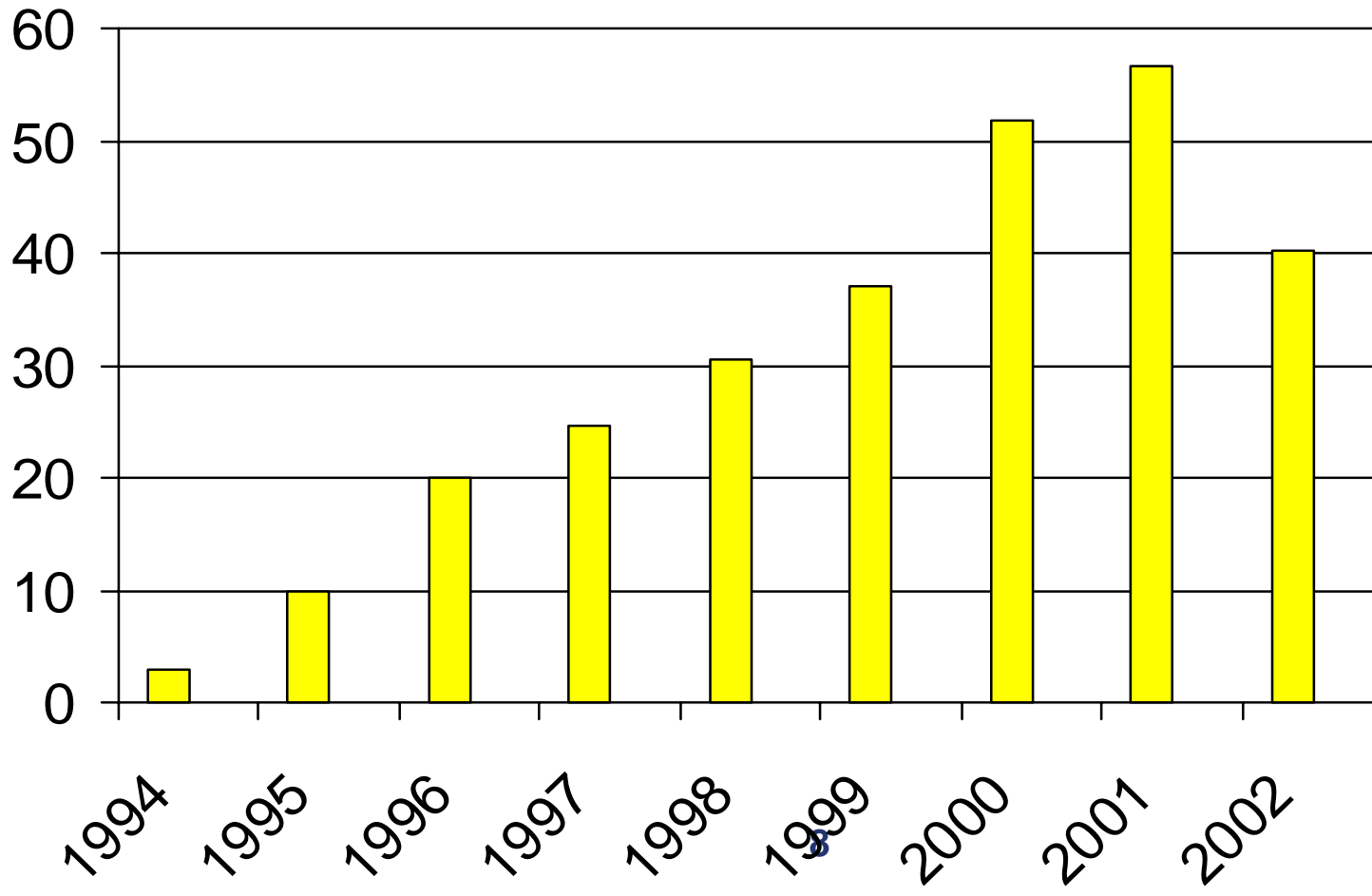


Turnover Lerøy Seafood Group



Lerøy Seafood Group

Pre-tax earnings (NOK mill.)





Resultatregnskap / Income Statement

Preliminary results

*Seafood
Experience*

Mill. NOK	Q4 - 2002	Q4 - 2001	2002	2 001
Salgsinntekter / Operating revenues	783 895	710 216	2 555 606	2 530 457
Vareforbruk / Cost of goods sold	712 001	629 205	2 326 928	2 332 845
Lønn og andre pers.k./ Sal. and other personnel exp.	27 115	26 794	91 979	67 563
Andre driftskostnader / Other operating expenses	19 986	20 393	70 673	58 258
Ordinære avskrivninger / Ordinary depr. and amortization	3 440	1 614	10 986	7 006
Driftsresultat / Operating profit	21 353	32 210	55 040	64 785
Inntekt tilknyttet selskap / Income from aff. companies	-6 019	-9 489	-12 753	-1 643
Netto finansposter / Net financial items	1 541	-4 129	-2 108	-6 512
Resultat før skattekostnad / Profit before tax	16 875	18 592	40 179	56 630
Sum skattekostnad / Taxation	-3 604	-6 465	-10 563	-15 753
Periodens resultat / Profit for the period	13 271	12 127	29 616	40 877



Balance / Balance Sheet

Preliminary results

*Seafood
Experience*

Mill. NOK

	31.12.02	31.12.2001
Immaterielle eiendeler / Intangible assets	27 536	16 052
Varige driftsmidler / Tangible fixed assets	66 714	43 616
Finansielle anleggsmidler / Financial fixed assets	294 952	307 646
Sum anleggsmidler / Total fixed assets	389 202	367 314
Varer / Inventories	69 068	44 805
Fordringer / Receivables	384 336	342 748
Betalingsmidler / Cash and equivalents ¹⁾	359 484	24 479
Sum omløpsmidler / Total current assets	812 888	412 031
Sum eiendeler / Total assets	1 202 090	779 345

1) Tall som inngår i beregningen av netto rentebærende gjeld / Figures used in calculation of net interest bearing debt

Lerøy Seafood Group consolidated

- Lerøy Seafood Group's total equity is 641,2 mill NOK
- Subsidiarie's share of group equity is 203 mill NOK
- Operating results for 2002 is 55 mill NOK

Affiliated companies

- Balance at 31.12.02:

▪ Norskott Havbruk AS	153	mill NOK
▪ Hydrotech Gruppen AS	104	mill NOK
▪ Egersund Fisk AS	22	mill NOK

▪ Total	279	mill NOK
---------	-----	----------

Lerøy Seafood Group's total equity is 641,2 mill NOK



Balance / Balance Sheet

Preliminary results forts./cont.

*Seafood
Experience*

Mill. NOK

	31.12.02	31.12.2001
Innskutt egenkapital / Equity contributions	505 343	203 314
Opptjent egenkapital / Earned equity	113 214	109 201
Minoritetsinteresser / Minority interests	22 604	9 442
Sum egenkapital / Total equity	641 161	321 957
Avsetning for forpliktelser / Accrued liabilities	310	793
Langsiktig gjeld / Long-term liabilities ¹⁾	186 832	178 132
Kortsiktige kreditter / Short-term loans ¹⁾	80 549	12 058
Annen kortsiktig gjeld / Other short-term liabilities	293 238	266 406
Sum gjeld / Total liabilities	560 929	457 389
Sum egenkapital og gjeld / Total equity and liabil	1 202 090	779 345

1) Tall som inngår i beregningen av netto rentebærende gjeld / Figures used in calculation of net interest bearing debt

Key figures – Lerøy Seafood Group

Preliminary results

Resultatmargin / Profit margin

Driftsmargin / Operating margin

Resultat per aksje / Earnings per share

Utvannet res. per aksje / Diluted earn. per share

Q4 - 2002	Q4 - 2001	2002	2 001
2,15 %	2,62 %	1,57 %	2,24 %
2,72 %	4,54 %	2,15 %	2,56 %
0,45	0,62	1,13	2,10
0,45	0,62	1,13	2,08

Key figures – Lerøy Seafood Group

Preliminary results

	Q4 -2002	Q4 - 2001	2002	2001
Avkastning på sysselsatt kapital / ROCE ²⁾	11,84 %	21,24 %	8,75 %	15,89 %
Egenkapitalandel / Equity ratio			53,34 %	41,31 %
Netto rentebærende gjeld / Net interest bearing debt			0	165 711

2) Annualisert / annualized

Lerøy Seafood Group's long-term financial goals:

- ROCE before tax > 18 %
- Equity ratio > 25 %

Delårstall og foreløpige tall er ikke revidert / Quarterly figures and preliminary results have not been audited



*Seafood
Experience*

Contents

Sections	Page
III Lerøy at a glance	17

- **Norway's largest seafood exporter**
 - 7,63% market share of Norwegian Seafood total exports (by value)
 - 12% of Norwegian salmon export in 2002
 - Japan single largest market, EU most important region overall

- **Global distribution network**
 - Global distribution from Head Office in Bergen
 - Acquired well established business in Sweden in 2001 and 2002
 - Local representative offices in some key markets (France, Spain, Japan, China, USA)

- **Major shareholder in fish farming operations**
 - 2nd largest Scottish salmon producer (50%)
 - Hydrotech-Gruppen AS (39%)

- **Steady growth in profits and strong balance sheet**
 - Excellent track record
 - Stable earnings despite turbulence in the salmon industry
 - Growth potential within recently acquired businesses
 - Private and public placement successfully completed

- **Professional and highly educated employees**



Contents

Sections	Page
IV Lerøy Seafood Group - Company profile	19

Lerøy Seafood Group ASA

Sales & Distribution

Lerøy Smøgen Seafood AB
51%

Sales and production

Cold and hot smoked Sea-food products, Salads and shell fish
In brine.

Lerøy Sverige AB
80%

Sales and distribution
In Sweden

Strong position towards catering and super-markets

Hallvard Lerøy AS
100%

Sales and distribution ww

Local representation: USA, France, Spain
UK, Japan, China

Nordvik SA
80%

Sales and distribution in France

Strong position towards Hyper- and super markets

Farming/other

Associated companies

Norskott Havbruk AS
50%

Hydrotech Gruppen AS
39%

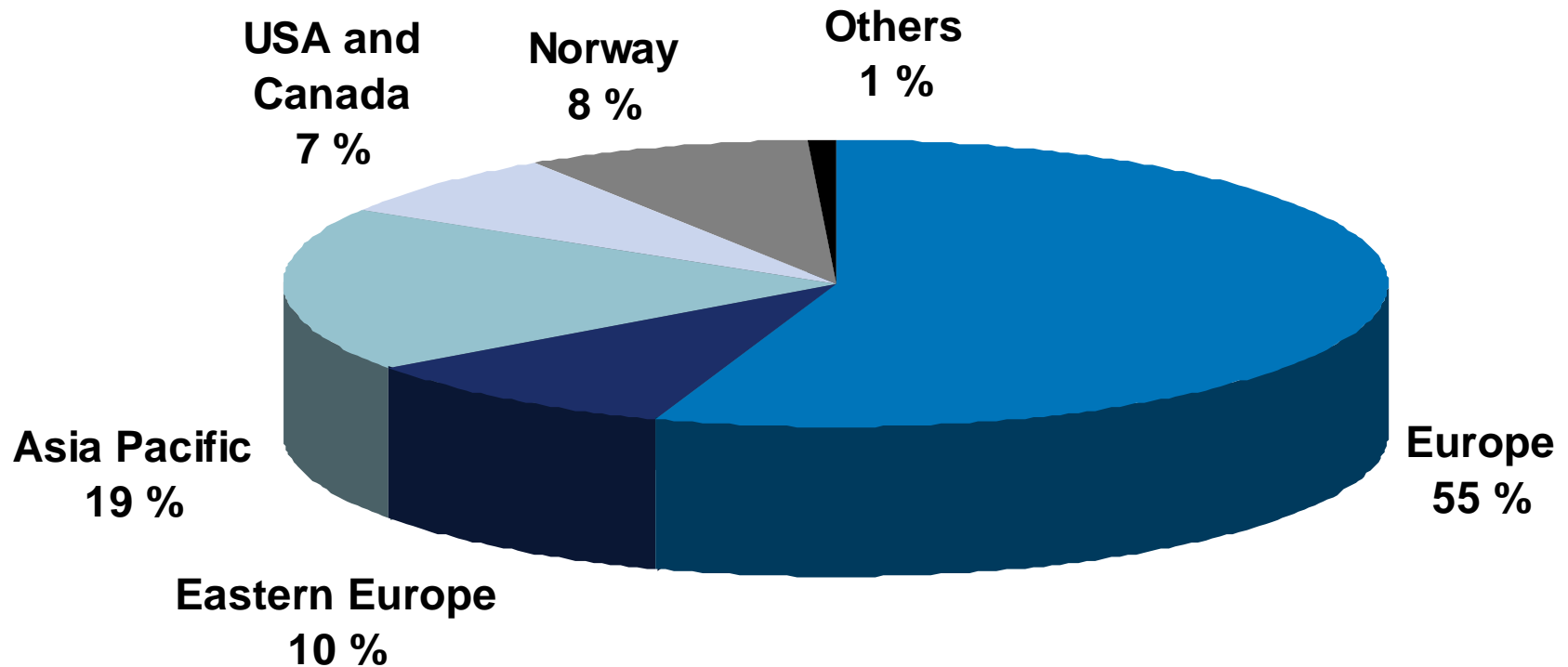
Sigerfjord Aqua AS
46%

Egersund Fisk AS *
27%

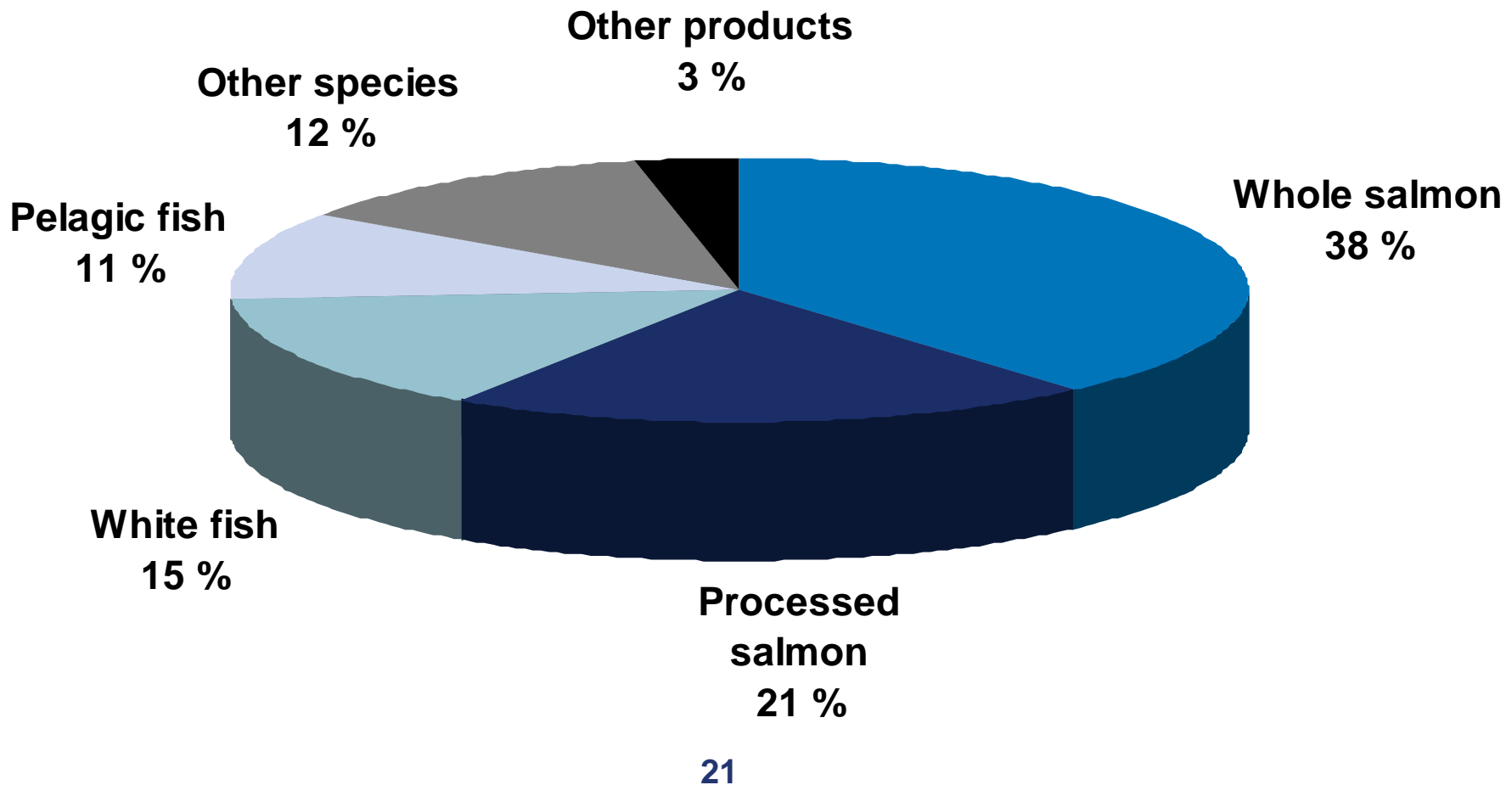
Hjaltland
11%

*) Pelagic related activities

Sales per market Lerøy Seafood Group 2002

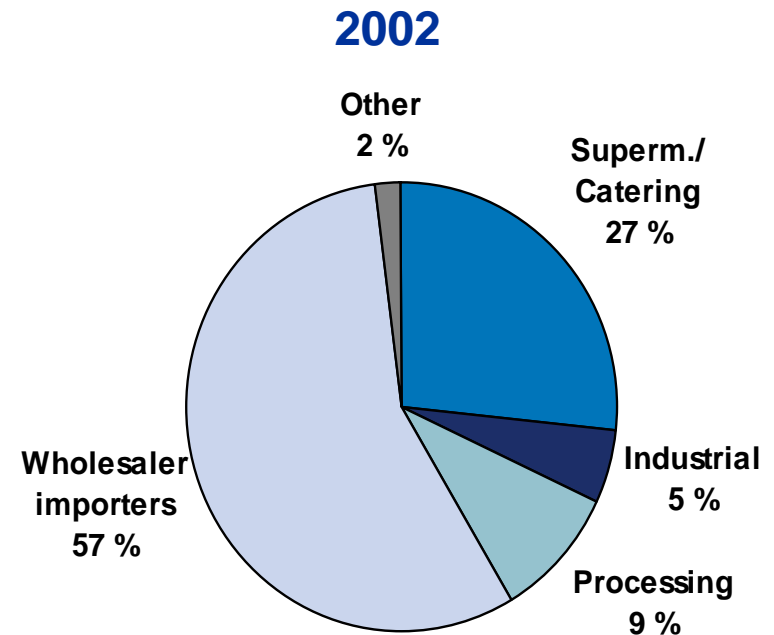


Sales per product Lerøy Seafood Group 2002



Sales per customer segment

- Lerøy Seafood Group has developed long term relationships with clients
- Increasing focus on fresh Seafood, causing increasing demands on product quality and continuity in logistics
- Consolidation in the Supermarket segment
 - More direct buying pattern (excl. Wholesaler/importer)
 - More "Value Added Products" which drives closer integration between producer and e.g. Supermarkets
- Sales offices abroad – closeness to clients
- Lerøy Seafood Group is well positioned with the leading players in each segment





Shareholders 31.12.02

*Seafood
Experience*

Shareholder	No. of shares	Ownership share
Ferd Private Equity	5 781 307	19,64 %
Ole-Eirik Lerøy	4 685 000	15,91 %
Hallvard Lerøy Jr.	1 490 900	5,06 %
SND Invest AS	1 296 118	4,40 %
Knut Hallvard Lerøy	1 253 210	4,26 %
Skagen Vekst	1 133 900	3,85 %
Bremnes Fryseri AS	1 124 669	3,82 %
Tine Pensjonskasse	889 300	3,02 %
Dnb Markets, Aksjehandel/Analyse	756 618	2,57 %
Aksjefondet Gambak	600 000	2,04 %
George Harald Lerøy	475 000	1,61 %
KOS Bergen AS	406 640	1,38 %
Inma AS**	400 000	1,36 %
SalMar AS	386 826	1,31 %
Alsaker Fjordbruk A/S	341 640	1,16 %
Sunnhordland Fjordbruk AS	341 600	1,16 %
Lime AS**	310 573	1,05 %
Mowinckel Management AS	243 800	0,83 %
Vesta Liv AS	243 800	0,83 %
Statoils Pensjonskasse	242 000	0,82 %
Total 20 largest share owners	22 402 901	76,09 %
Others	7 037 866	23,91 %
Total shares	29 440 767	100,00 %

The company has by Dec. 31st a total of 1.397 shareholders who owns a minimum of one trading lot (200)

**controlled by Ole-Eirik Lerøy

Norskott Havbruk (50%)



- Norskott Havbruk owns 100% of Scottish Sea Farms
 - 50% owned by Lerøy Seafood Group ASA
 - 50% owned by SalMar AS
- Wholly integrated fish farms in Scotland and Shetland.
- Production capacity: 25,000 – 30,000 gwt
- Volume harvested 2002 19,000 gwt
- Estimated harvest volume 2003: 22.000 / 24.000 gwt
- 2 slaughteries
- Other
 - Label Rouge
 - ISO 9002 and 14 001
 - "Investor in people"
 - Environmental price "VIBES of Scotland"



Norskott Havbruk

Company incorporated August 1. 2001



Seafood Experience

NOKm	Q4- 2002	Q3 - 2002	Q2 - 2002	Q1 - 2002	YTD 2002	Aug-Dec 2001
Revenues	152,8	155,3	120,7	134	562,8	294,7
EBITDA	2,1	13,5	12,9	8,7	37,2	32,1
EBIT	3,3	3	2,2	-0,6	7,9	13,1
Pre tax	-4,2	-5	-3,9	-7,8	-20,9	-0,5
Volume gw (t)	5,7	4,5	3,5	5,3	19,0	12

Balance sheet

	30.09.2001	30.09.2002	31.12.2001	31.12.2002
Licences, Goodwill	397,6	383,2	387,5	381,7
Fixed assets	113,3	80,7	109,7	91,0
Inventories	342,9	345,4	332,9	333,6
Other current assets	117,9	75,3	124,6	94,4
Cash	3,1	1,0	5,1	1,0
Total assets	974,8	885,6	959,8	901,7
Equity	325,7	310,0	325,7	315,0
Interest bearing debt	500,2	446,7	480,7	427,3
Non interest bearing debt	148,9	128,9	153,4	159,4
Total equity and debt	974,8	885,6	959,8	901,7

Financial structure / financial covenants

Norskott Havbruk / Scottish Sea Farms

Debt financing:

- Two term loan facilities
 - Originally GBP 17 mill
 - Quarterly GBP 425.000, first payment December 2001
 - Ballon payment of GBP 8,9 mill in September 2006
 - Originally GBP 10 mill
 - Quarterly GBP 500.000, first payment September 2001
 - Last payment in 2008
- Revolving credit facility
 - Up to GBP 20 mill
 - Unused overdraft facilities at 31.12.02 GBP 4,0 mill

Financial structure / financial covenants

Norskott Havbruk / Scottish Sea Farms

Financial covenants:

- Consolidated equity ratio for Norskott Havbruk shall not be lower than 25%, this ratio was 35,3% at 31.12.2002.
- Consolidated equity ratio for Norskott Havbruk (including guarantees from the owners) shall not be lower than 35%, this ratio was 48% at 31.12.2002

Hydrotech Gruppen AS (39%)

- Ownership
 - 39% owned by Lerøy Seafood Group ASA
 - 57.3% owned by L & K Karlsen Holding AS
 - 3.7% owned by others
- Wholly integrated fish farms in Norway
 - 18 licenses
- Yearly production :
 - Salmon and trout 15,000 gwt
- Smolt production: appr. 5 mill
- Wellboat shipping co.
- Slaughtery
- Processing plant





Hydrotech Gruppen

Seafood Experience

NOK	Q4 - 2002	Q3 - 2002	Q2 - 2002	Q1 - 2002	YTD 2002	2001
Revenues	48,3	155,7	66,1	61,6	331,7	350
EBITDA	2,6	15,4	6,4	0,2	24,6	47,7
EBIT	0,6	9,8	0,8	-5,4	5,8	25,4
Pre tax	-7,8	0,3	-5,2	15,6	2,9	1

Balance sheet	30.09.2001	30.09.2002	31.12.2001	31.12.2002
Licences / Goodwill	139,5	138,2	143,2	138,2
Fixed assets	153,1	166,3	164,6	175,4
Inventories	188,8	232,0	170,1	217,0
Current assets	39,7	61,4	67,0	41,5
Total assets	521,1	597,9	544,9	572,1
Equity	150,6	133,7	128,6	130,5
Debt	370,5	464,2	416,3	441,6
Total equity and debt	521,1	597,9	544,9	572,1
Net interest bearing debt	251,9	342,2	342,6	357,4

Egersund Fisk AS (27%)

- Shareholder structure
 - Lerøy 27%
 - SalMar 27%
 - Egersund Fiskeriinvestering 9%
 - Others 37%
(less than 4% each)
- Pelagic activity
 - Fish oil, fish meal
 - Pelagic fish for consumption
 - Ownership in vessels for wild catch
 - Production of ice
- Part ownership acquired in 2001



Egersund Fisk 100%	2002	2001
▪ Turnover	369,5	340,6
▪ EBIT	12,9	15,5
▪ Pre tax profits	4,6	8,7

Lerøy Seafood Group's focus and strategy

- Product- and market development
 - Focus on fresh seafood products
 - Maintain a wide product range
 - Utilize differentiation and segmentation opportunities combined with focus on own brands
 - Concentrate on “private brands” in a long term and committing cooperation
 - Strong and increasing focus on value-added products

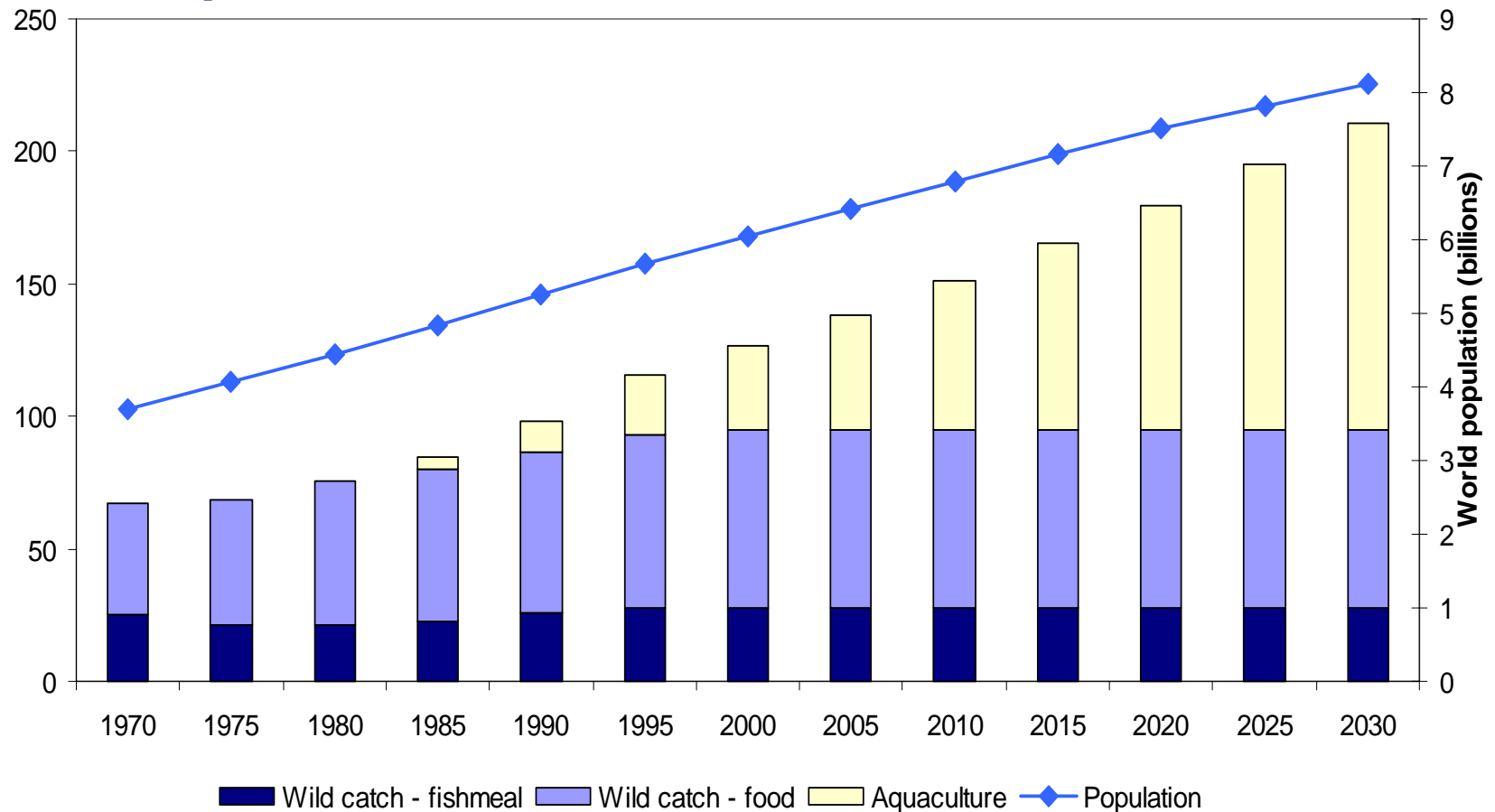
Key Success Factors going forward

- Wide and attractive seafood product range
- Competence and market knowledge
- Strong marketing and brand-building
- Continuity in deliveries
 - Logistics and distribution
 - Wide sourcing base of seafood products
- Strong partners and partnerships
 - With producers to further strengthen product quality and deliveries
 - With end users (supermarkets/catering etc) to achieve stronger position in the “value added product” segment
- Cost efficiency in all areas
- Risk management in all areas
- Quality control systems

Contents

Sections	Page
V Market glance	34

The increase in demand for seafood will have to come from aquaculture



Atlantic salmon – Supply side

'000 tonnes	Prognosis			Growth
	2001	2002E	2003E	2002-03E
Norway	418	443	465 - 480	5 - 8%
Chile	245	268	285 - 300	6 - 12%
UK	149	132	135 - 155	2 - 17%
Canada	86	93	70 - 75	-25 - -19%
Faroe Islands	41	41	38 - 44	
Ireland	23	24	20 - 25	
USA	24	20	28 - 33	
Others	17	19	20 - 25	
In total	1003	1 040	1 061-1 137	2 - 9 %

Atlantic salmon – Demand side

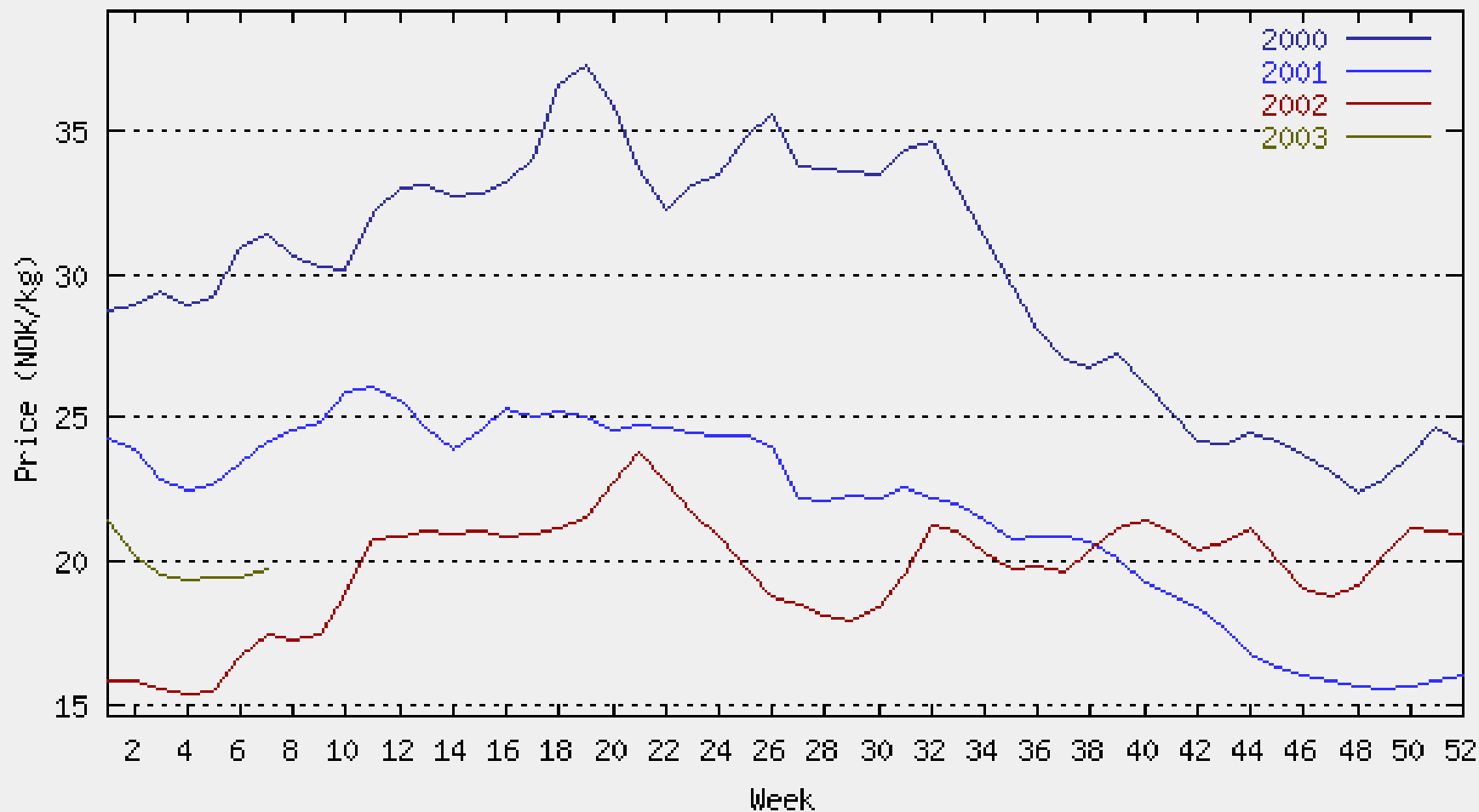
Market	Volume 2001	Volume 2002E	Volume 2003E	Change (y/y)
EU	500 000	500 000	515 000	3%
USA	255 000	277 000	313 000	13%
Japan	65 000	57 000	57 000	0%
E Europa	30 000	49 000	64 000	30%
S E Asia	30 000	39 000	39 000	0%
Other	115 000	98 000	105 000	7%
Total	1 000 000	1 020 000	1 093 000	7%

Fresh Atlantic Salmon Norway (4-5 kgs)
 – price development 1997 - YTD (FNL)

NOK / Kg



Fresh Atlantic salmon cross-section (FNL price)
Packed, gutted, ex. processing plant





Salmon export from Norway as of week 8

Seafood Experience

Source NSEC

	2002	2003	
All salmon products	52.120 t	56.133 t	8,0%

