

Lerøy Seafood Group

3rd quarterly report 2003

November 28th

Ole-Eirik Lerøy
CEO

Helge Singelstad
CFO



LERÖY | SEAFOOD INNOVATION SINCE 1899



Agenda



Considerations



Key financial figures Q3 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



**Pro forma figures (acquisition Nye
Midnor)**



Market glance





Internal considerations 3rd Quarter 2003

- **Financially Solid**

- Well positioned for future organic and strategic growth

- **1.780 shareholders per 31.10.03**

- Increasing number of shareholders

- **Consolidated**

- Still satisfactory operations in most areas in Q3
 - Distribution Lerøy Sweden
 - Processing Lerøy Sweden
 - Hallvard Lerøy AS
 - Norway distribution
 - Norway processing
 - Global distribution
- Still focus on operations and synergies

- **Affiliated companies**

- Poor results, still difficult market situation

- **Share issue (25 MNOK) in Hydrotech-Gruppen AS**

- LSG's share 10,15 MNOK





External considerations 3rd Quarter 2003

- **Weak salmon and trout prices**
 - Prices increased in Q3
 - Prices in Q3 03 lower than comparable figures in Q3 02 but still at an historically low level
 - Higher prices needed
 - Uncertainty in price development
- **Weakened financial and operational performances throughout the industry enhances restructuring, consolidation and increased market orientation**
- **Still difficult market situation in both pelagic and white fish sectors**
- **Currencies**
 - Future may bring greater volatility
- **Political issues / trade barriers**
 - EU – agreement cancelled
 - Uncertainty regarding regulation of future market access for non-EU producers
 - Salmon-trout case

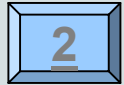




Agenda



Considerations



Key financial figures Q3 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



**Pro forma figures (acquisition Nye
Midnor)**



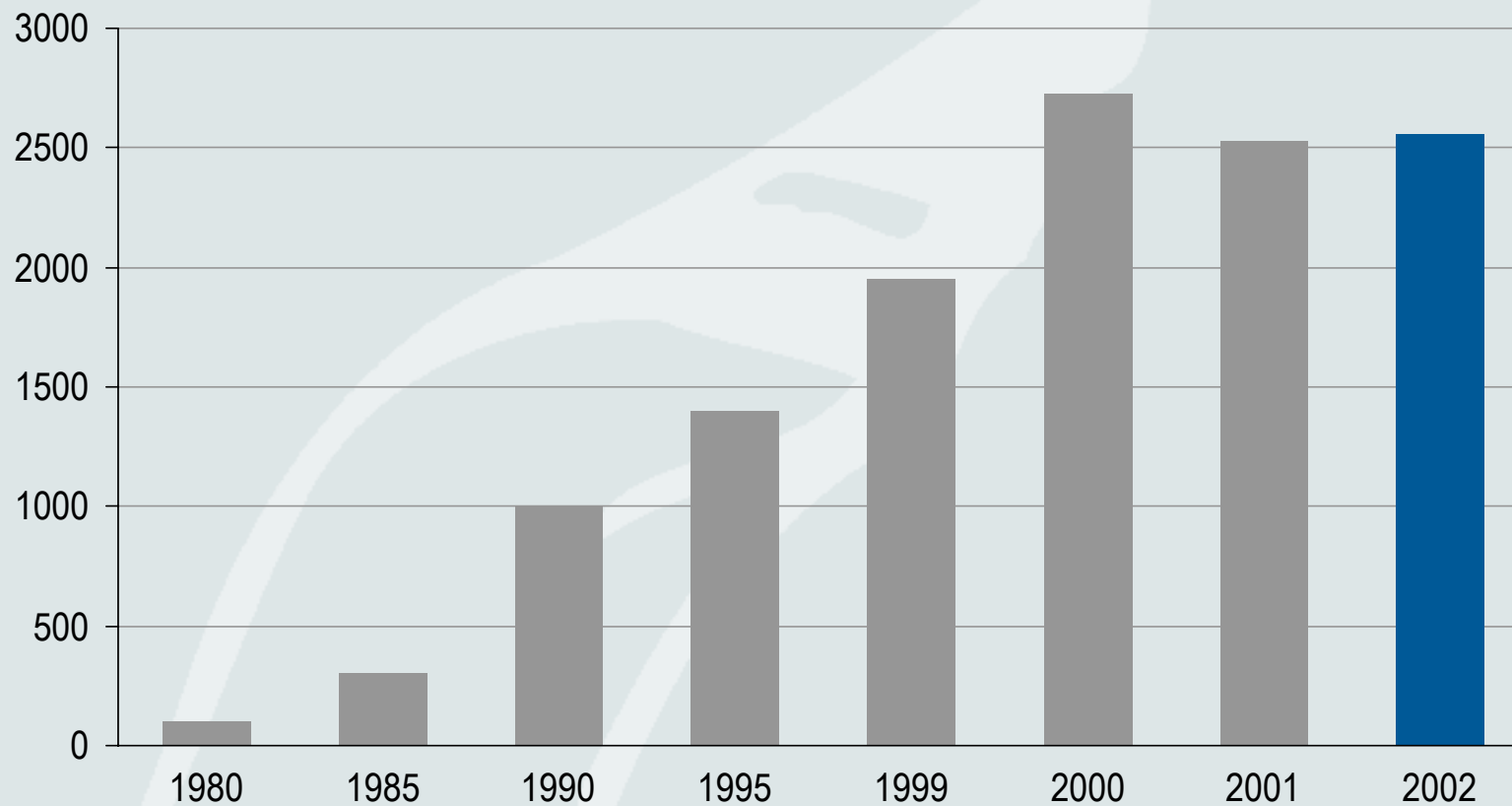
Market glance





Yearly turnover LSG

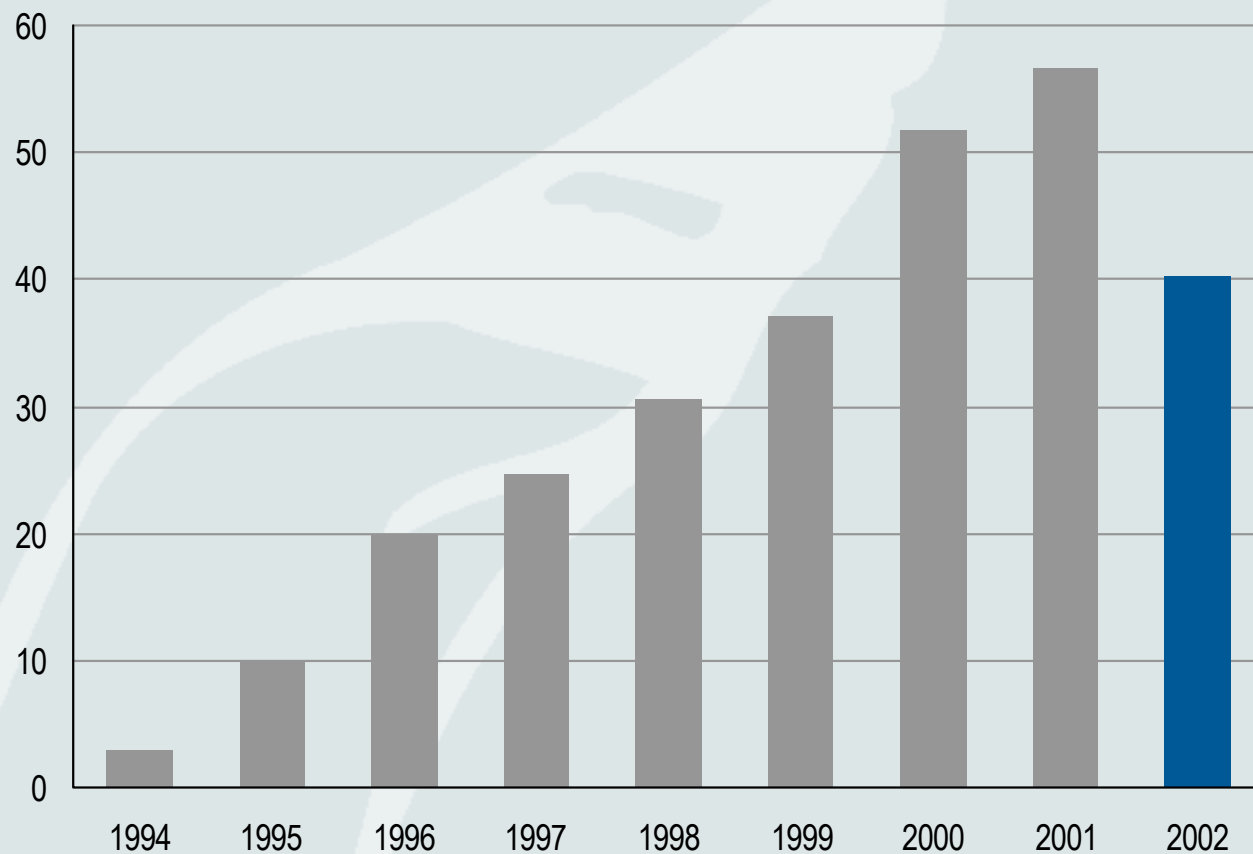
mill. NOK





Pre-tax earnings LSG

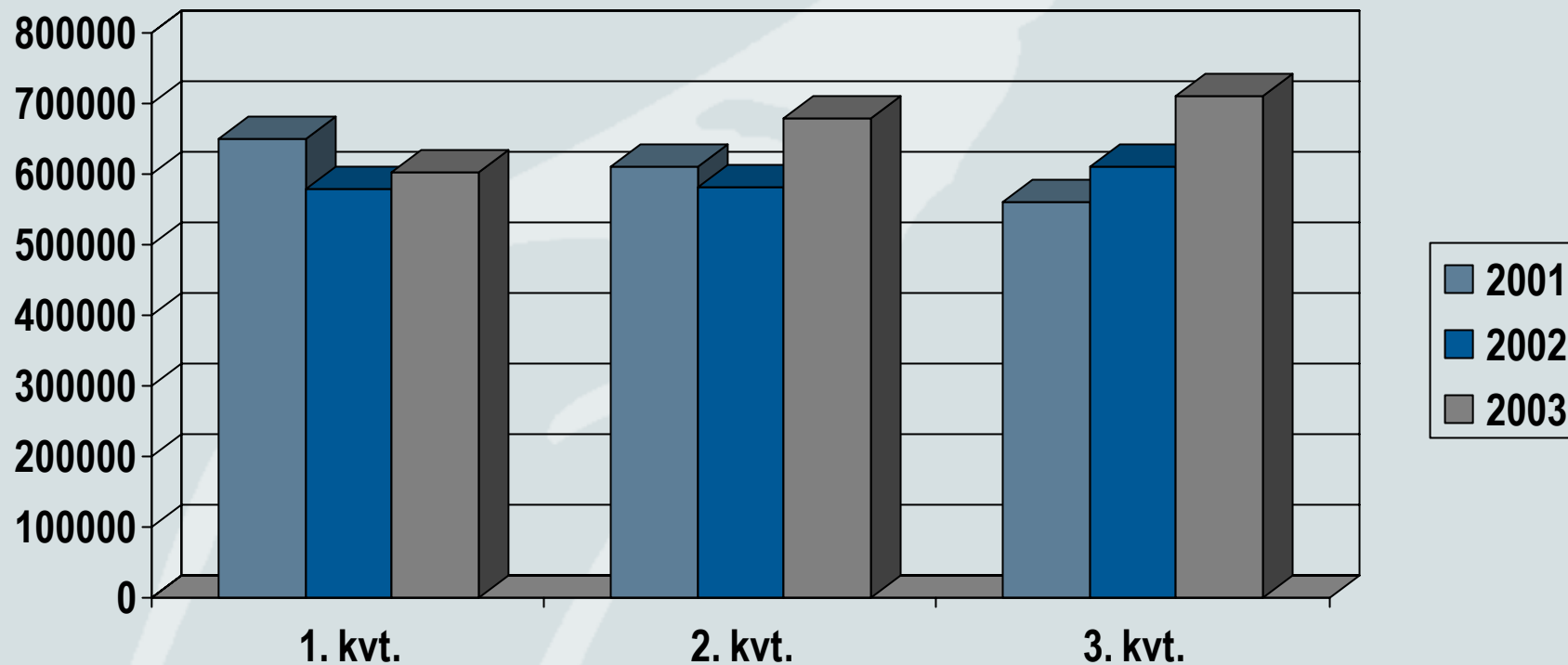
mill. NOK





Quarterly turnover LSG

mill. NOK



LERÖY | SEAFOOD INNOVATION SINCE 1899



Resultatregnskap / Income Statement Q3-03

Alle tall i NOK 1.000 / All figures in NOK 1,000

	Q3 - 2003	Q3 - 2002	YTD 2003	YTD 2002	2 002
Salgsinntekter / Operating revenues	710 142	611 405	1 990 243	1 771 711	2 555 606
Vareforbruk / Cost of goods sold	641 384	554 768	1 784 556	1 614 927	2 326 928
Lønn o.a. personalkostn. / Salaries a.o. pers. exp.	26 098	25 839	72 380	64 864	91 979
Andre driftskostnader / Other operating expenses	21 726	20 214	64 612	50 687	70 447
Ordinære avskr. / Ordinary depr. and amortization	3 783	3 134	10 517	7 546	11 207
Driftsresultat / Operating profit	17 151	7 450	58 178	33 687	55 045
Inntekt tilknyttet selskap / Income from aff. companies	-9 705	-3 405	-20 639	-6 734	-12 753
Netto finansposter / Net financial items	1 148	996	-9 372	-3 649	-2 108
Resultat før skattekostnad / Profit before tax	8 594	5 041	28 167	23 304	40 184
Beregnete skatter / Estimated taxation	-5 437	-1 846	-14 159	-6 959	-10 663
Periodens resultat / Profit for the period	3 157	3 195	14 008	16 345	29 521



Balanse / Balance Sheet Q3-03

Alle tall i NOK 1.000 / All figures in NOK 1,000

	30.09.03	30.09.02	31.12.02
Immaterielle eiendeler / Intangible assets	30 657	21 864	23 700
Varige driftsmidler / Tangible fixed assets	67 598	62 153	66 714
Finansielle anleggsmidler / Fin. fixed assets	273 849	302 120	294 951
Sum anleggsmidler / Total fixed assets	372 104	386 137	385 365
Varer / Inventories	67 130	54 751	69 068
Fordringer / Receivables	390 706	312 756	384 338
Betalingsmidler / Cash and equivalents ¹⁾	315 066	340 227	359 484
Sum omløpsmidler / Total current assets	772 902	707 734	812 889
Sum eiendeler / Total assets	1 145 006	1 093 871	1 198 254

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



LERØY



Balanse / Balance Sheet Q3-03

forts./cont.

Alle tall i NOK 1.000 / All figures in NOK 1,000

	30.09.03	30.09.02	31.12.02
Innskutt egenkapital / Equity contributions	505 288	505 298	505 342
Opptjent egenkapital / Earned equity	125 205	118 715	113 130
Minoritetsinteresser / Minority interests	11 161	21 119	22 604
Sum egenkapital / Total equity	641 654	645 132	641 076
Avsetning for forpliktelser / Accrued liabilities	310	793	310
Langsiktig gjeld / Long-term liabilities ¹⁾	179 892	183 990	186 831
Kortsiktige kreditter / Short-term loans ¹⁾	58 974	3 991	80 549
Annen korts. gjeld / Other short-term liab.	264 176	259 965	289 489
Sum gjeld / Total liabilities	503 352	448 739	557 179
Sum e.kap.og gjeld / Total equity and liab.	1 145 006	1 093 871	1 198 254

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





Key figures – Lerøy Seafood Group Q3-03

	Q3 - 2003	Q3 - 2002	YTD 2003	YTD 2002	2 002
Resultatmargin / Profit margin	1,21 %	0,82 %	1,42 %	1,32 %	1,57 %
Driftsmargin / Operating margin	2,42 %	1,22 %	2,92 %	1,90 %	2,15 %
Resultat per aksje / Earnings per share	0,11	0,11	0,48	0,65	1,13
Utvannet res. per aksje / Dil. earnings per share	0,11	0,11	0,47	0,65	1,13





Key figures – Lerøy Seafood Group Q3-03

	Q3 - 2003	Q3 - 2002	YTD 2003	YTD 2002	2 002
Avkastning på syssels. kap./ROCE 2)	5,51 %	3,30 %	6,92 %	7,72 %	8,75 %
Egenkapitalandel / Equity ratio			56,04 %	58,98 %	53,50 %
Netto renteb. gjeld / Net int.bearing debt			-	-	-

2) Annualisert / Annualized

Delårstall er ikke revidert / Quarterly figures have not been audited





Lerøy Seafood Group consolidated Q3 2003

- **Lerøy Seafood Group's total equity is 641,7 mill NOK**
- **Subsidiaries share of group equity is 278,8 mill NOK**
- **Operating profit for YTD 2003 is 58,2 mill NOK**





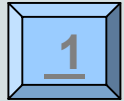
Affiliated companies

Balance at	30.09.03	30.06.03	31.03.03	31.12.02
Norskott Havbruk AS (50%)	148,5 mill	152,8 mill	152,4 mill	153,0 mill
Hydrotech Gruppen AS (39%)	98,2 mill	94,1 mill	98,3 mill	104,0 mill
Egersund Fisk AS (27%)	22,0 mill	21,4 mill	21,7 mill	22,0 mill
Total	268,7 mill	268,3 mill	272,4 mill	279,0 mill
Lerøy Seafood Group's total equity	641,7 mill	637,7 mill	649,8 mill	641,1 mill

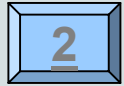




Agenda



Considerations



Key financial figures Q3 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



**Pro forma figures (acquisition Nye
Midnor)**



Market glance





Lerøy Seafood Group

- **Norway's largest seafood exporter**

- 7,63% market share of Norwegian Seafood total exports (by value)
- 12% of Norwegian salmon export in 2002
- Major shareholder in fish farming operations
 - Lerøy Midnor AS (100%) (Nye Midnor AS)
 - Scottish Sea Farms (50%), 2nd largest Scottish salmon producer
 - Hydrotech-Gruppen AS (39%)
- Japan single largest market, EU most important region overall





Lerøy Seafood Group

- **Global distribution network**

- Global distribution from Head Office in Bergen
- Local distribution and processing in Sweden
- Local representative offices in some key markets (France, Spain, Italy, Japan, China, USA)





Lerøy Seafood Group

- **Steady growth in operating profit and strong balance sheet**
 - Stable earnings despite turbulence in the salmon industry
 - Growth potential within recently acquired businesses
 - Satisfactory liquidity / credit facilities
- **Professional and highly educated employees**





Agenda



Considerations



Key financial figures Q3 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



**Pro forma figures (acquisition Nye
Midnor)**



Market glance





Lerøy Seafood Group ASA

Sales & Distribution

Production

Lerøy Sverige AB
80%

Hallvard Lerøy AS
100%

Terra Seafood AS
66%****

Nordvik SA
80%

Lerøy Smøgen Seafood AB
100% *

Lerøy Midnor AS
100% **

Sigerfjord Aqua AS
90,55%

Sales and distribution in Sweden

Strong position towards catering and super-markets

Sales and distribution ww

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

Seafood export

Sales and distribution in France

Strong position towards Hyper- and super-markets

Cold and hot smoked seafood products, salads and shell-fish in brine.

Production of Salmon, Salmon trout, Smolt

Production of Arctic char

Affiliated

Farming/other
Norskott Havbruk AS 50%

Hydrotech Gruppen AS 39%

Egersund * Fisk AS 27%**

Hjaltland 11%

Slaughtery and processing

* Per 30.06.03

** Per 27.11.03, Nye Midnor AS will change name to Lerøy Midnor AS

*** Pelagic related activities

**** Owned by Lerøy Midnor AS



LSG – Consolidated, (YTD, 30.09.03)

PELAGIC

WHITEFISH

FARMED FISH

HALLVARD LERØY AS
SALES - MARKETING

DISTRIB. FRANCE
Nordvik

DISTRIBUTION UK
SSF / LERØY

DIRECT EXPORT

DISTRIBUTION NORWAY

DISTRIBUTION Lerøy Sweden

PROCESSING Lerøy Sweden

PROCESSING NORWAY

Lerøy
France

Lerøy
Italy

Lerøy
Spain

Lerøy
China

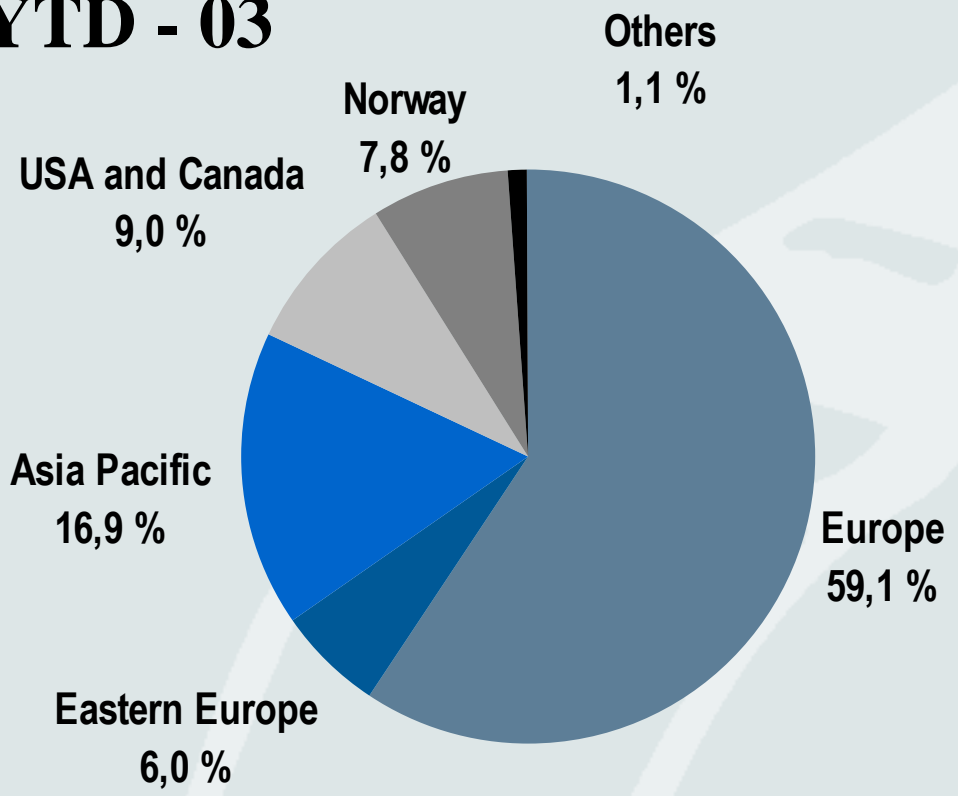
Lerøy
Japan

Lerøy
US

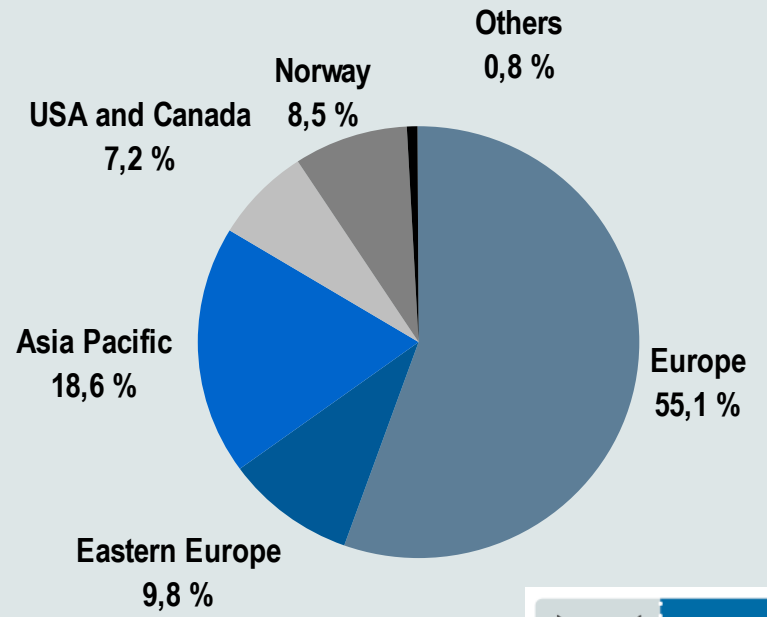


Lerøy Seafood Group - Sales per market

YTD - 03

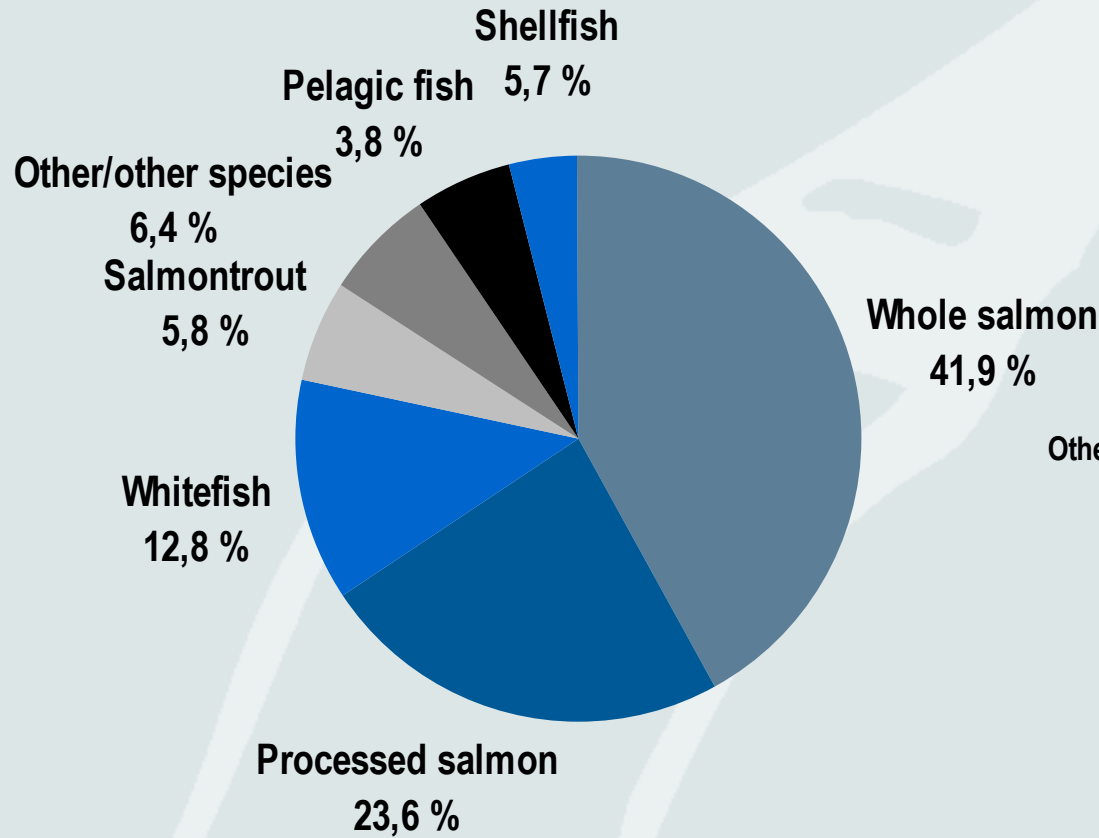


2002

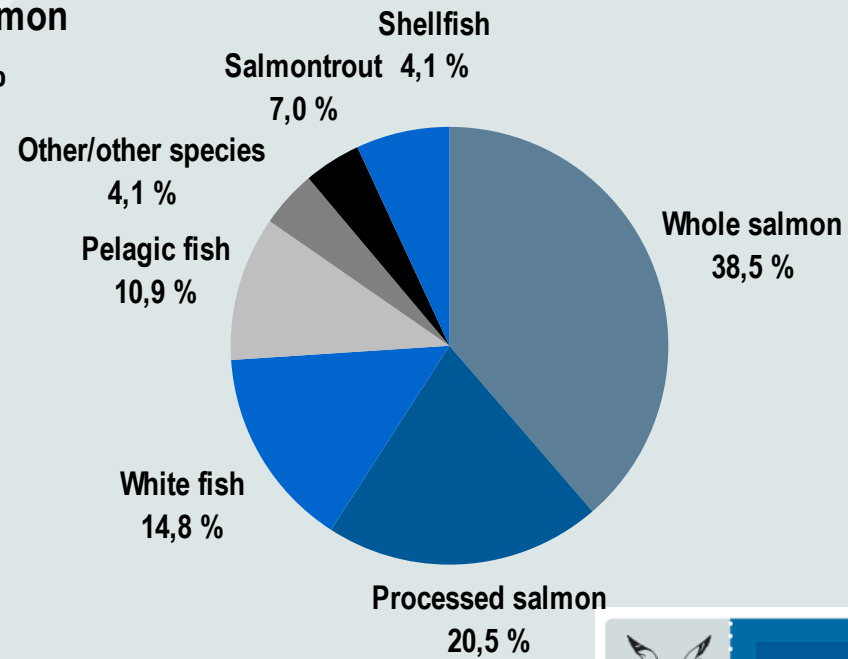


Lerøy Seafood Group - Sales per product

YTD - 03



2002



Shareholders 31.10.03



Shareholder	No. of shares	Ownership share
Ferd Private Equity	5 781 307	19,64 %
Ole-Eirik Lerøy	4 685 000	15,91 %
Skagen Vekst	1 632 100	5,54 %
Knut Hallvard Lerøy	1 253 210	4,26 %
Hallvard Lerøy Jr.	1 190 900	4,05 %
Tine Pensjonskasse	1 178 300	4,00 %
DnB ASA, Egenkapital Investier	734 430	2,49 %
Lime AS**	610 573	2,07 %
Bremnes Fryseri AS	580 169	1,97 %
George Harald Lerøy	475 000	1,61 %
Deutsche Bank AG London	421 933	1,43 %
Sparebanken Rogaland	412 800	1,40 %
KOS Bergen AS	406 640	1,38 %
Inma AS**	400 000	1,36 %
SalMar AS	386 826	1,31 %
JP Morgan Chase Bank	381 456	1,30 %
Goldman Sachs	374 167	1,27 %
Alsaker Fjordbruk A/S	341 640	1,16 %
Sunnhordland Fjordbruk AS	341 600	1,16 %
Mowinckel Management AS	243 800	0,83 %
Total 20 largest share owners	21 831 851	74,16 %
Others	7 608 916	25,84 %
Total shares	29 440 767	100,00 %

**controlled by CEO Ole-Eirik Lerøy





Lerøy Seafood Group - Global organization



LERÖY | SEAFOOD INNOVATION SINCE 1899



Norskott Havbruk (Scottish Sea Farms Ltd.)

- **Production capacity: 25.000 – 30.000 gwt**
- **Volume harvested in 2002: 19.000 gwt**
- **Est. harvest volume 2003: 23.000 – 24.000 gwt**
- **Additional processing and sales: 8.000 gwt**
- **2 processing plants**





Norskott Havbruk (Scottish Sea Farms Ltd.)

- **SQS**
- **Label Rouge**
- **ISO 9002**
- **ISO 14 001**
- **Investor in people**
- **VIBES of Scotland**



LERÖY | SEAFOOD INNOVATION SINCE 1899



Norskott Havbruk

NOKm	Q3 - 2003	Q3 - 2002	YTD - 2003	YTD - 2002	31.12.2002
Revenues	170,2	155,3	480,9	410,0	562,8
EBITDA	5,5	13,5	32,8	35,1	37,2
EBIT	2,1	3,0	10,6	4,6	7,9
Pre tax	-8,7	-5	-8,6	-16,7	-20,9
Volume gw (t)	6,1	4,5	15,5	13,3	19,0

Balance sheet

	30.09.2003	30.09.2002	31.12.2002
Licences, Goodwill	377,3	383,2	381,7
Fixed assets	87,4	80,7	91,0
Inventories	350,3	345,4	333,6
Other current assets	68,9	75,3	94,4
Cash	1,0	1,0	1,0
Total assets	884,9	885,6	901,7
Equity	302,9	310,0	315,0
Interest bearing debt	464,3	446,7	457,4
Non interest bearing debt	117,7	128,9	129,3
Total equity and debt	884,9	885,6	901,7

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**
 - 17 wholly owned licenses
- **Estimated sales 2003:**
 - Salmon and trout estimated : 15,000 gwt
- **Smolt production: appr. 5 mill**
- **Wellboat shipping co.**
- **Slaughtery**
- **Processing plant**





Hydrotech Gruppen

NOK	Q3 - 2003	Q3 - 2002	YTD 2003	YTD 2002	31.12.2002
Revenues	70,6	155,7	257,2	283,4	349,0
EBITDA	-5,4	41,2	-4,9	47,8*)	25,7
EBIT	-10,0	35,6	-18,9	31,0	6,5
Pre tax	-13,6	0,3	-33,9	10,7	3,7

Balance sheet	30.09.2003	30.09.2002	31.12.2002
Licences / Goodwill	140,6	138,2	141,2
Fixed assets	167,9	166,3	175,4
Inventories	181,5	232,4	217,7
Other current assets	38,2	60,0	52,4
Total assets	528,2	596,9	586,7
Equity (incl. new issue)	132,7	136,3	131,8
Debt	395,5	460,6	454,9
Total equity and debt	528,2	596,9	586,7
Net interest bearing debt	285,8	342,2	363,7

* Including gain on sale of assets appr. 25 mill



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



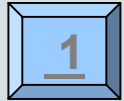
Egersund Fisk 100%	30.09.03
• Turnover	188,8
• EBIT	3,1
• Pre tax profits	- 1,6

30.09.02	2002
280,9	364,6
11,0	10,9
5,7	4,5

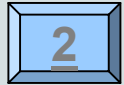




Agenda



Considerations



Key financial figures Q3 2003



Lerøy at a glance



Lerøy Seafood Group – Company profile



**Pro forma figures (acquisition Nye
Midnor)**



Market glance





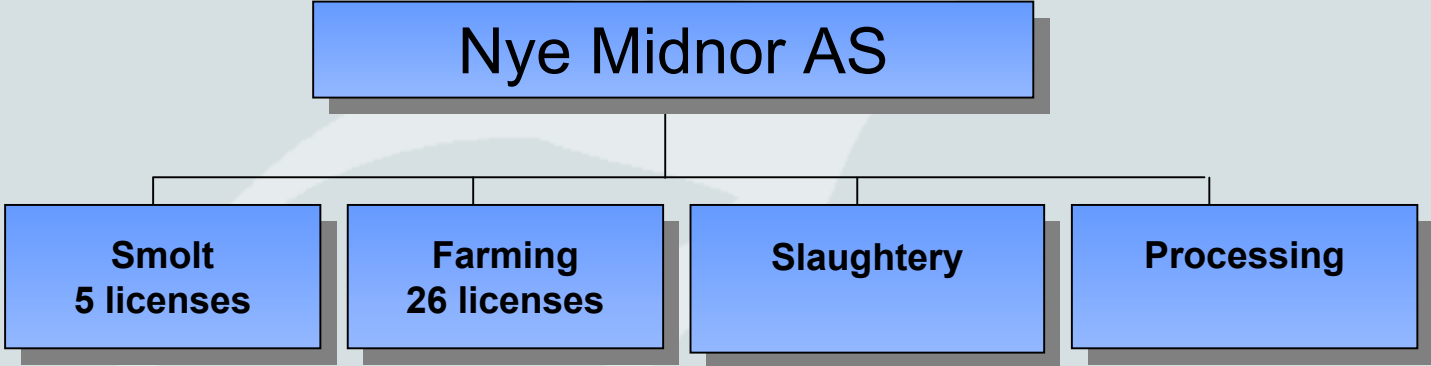
Nye Midnor AS changes name to Lerøy Midnor AS



LERÖY | SEAFOOD INNOVATION SINCE 1899



Structure Nye Midnor AS Production



Description of Lerøy Midnor AS

Production

Smolt:

- 5 licenses
- 6 mill. smolt per year (salmon/trout)

Farming:

- 26 licenses (salmon/trout)
- All production is located along the coast of Møre and Romsdal and Midt-Norge
- Budget: 15.800 t salmon 3.000 t trout

Slaughtery:

- Capacity of 65 tonnes per shift
- 47% ownership in Uthaug lakseslakteri AS

Processing:

- Capacity of ca. 3.500 t per year
- Production of skin and bone free portions and fillets





Nye Midnor AS

Adjusted results and balance

NOK

Revenues

EBITDA

EBIT

Pre tax

YTD 2003 *)

76,6

7,9

2,7

-2,9

Balance sheet

Licences / Goodwill /def. Tax

Fixed assets

Inventories

Other current assets

Total assets

30.09.2003

72,1

126,2

242,9

45,5

486,7

Equity

Debt

Total equity and debt

Net interest bearing debt

-40,2

526,9

486,7

440,0

* Company established July 11. 03



Nye Midnor AS

Financial structure

- **Interest bearing debt NOK 440 mill (per 30.09.03)**
- **Total credit facilities after 15.01.04 NOK 420 mill**
 - Long term debt NOK 220 mill
 - Repayment profile long term debt 15 years
 - First payment 30.06.04
 - Short time debt NOK 200 mill (revolving credit facility)
 - Equity contribution from LSG NOK 75 mill before 15.01.04
 - Guarantee to Nye Midnor's bank from LSG NOK 50 mill
 - Terms
 - Interest: Nibor + margin
 - Required equity ratio:
adjusted equity ratio > 25%





Nye Midnor AS

Acquisition analysis

• Adjusted booked equity		- 40,2 mill
• Acquisition price		
• Cash payment	85,0 mill	
• 2,3 mill LSG shares	65,6 mill	
• Transaction costs	2,8 mill	
	<hr/>	153,4 mill
• Value in excess of adjusted booked equity		193,8 mill



Lerøy Seafood Group Consolidated (pro forma)



Acquisition Nye Midnor

Proforma resultatregnskap / Pro forma income statement

(Alle tall i NOK 1.000 / All figures in NOK 1,000)

	Proforma	YTD proforma
Salgsinntekter / Operating revenues	786 743	2 066 844
Vareforbruk / Cost of goods sold	675 118	1 818 290
Lønn og andre personalkostnader / Salaries and other personnel expenses	43 273	89 555
Andre driftskostnader / Other operating expenses	39 565	82 451
Ordinære avskrivninger / Ordinary depreciation and amortization	10 570	17 304
Driftsresultat / Operating profit	18 217	59 244
Inntekt tilknyttet selskap / Income from affiliated companies	-9 705	-20 639
Netto finansposter / Net financial items	-4 373	-14 893
Resultat før skattekostnad / Profit before tax	4 139	23 712
Beregnete skatter / Estimated taxation	-4 638	-13 360
Periodens resultat / Profit for the period	-499	10 352

Lerøy Seafood Group Consolidated (pro forma)



Acquisition Nye Midnor

Proformabalanse / Pro forma balance sheet

(Alle tall i NOK 1.000 / All figures in NOK 1,000)

	Proforma
	30.09.03
Immaterielle eiendeler / Intangible assets	294 996
Varige driftsmidler / Tangible fixed assets	192 691
Finansielle anleggsmidler / Financial fixed assets	274 975
Sum anleggsmidler / Total fixed assets	762 662
Varer / Inventories	310 086
Fordringer / Receivables	435 781
Betalingsmidler / Cash and equivalents ¹⁾	230 370
Sum omløpsmidler / Total current assets	976 237
Sum eiendeler / Total assets	1 738 900

Lerøy Seafood Group Consolidated (pro forma)



Acquisition Nye Midnor

Innskutt egenkapital / Equity contributions	570 858
Opptjent egenkapital / Earned equity	123 585
Minoritetsinteresser / Minority interests	11 161
Sum egenkapital / Total equity	705 604
Avsetning for forpliktelser / Accrued liabilities	2 277
Langsiktig gjeld / Long-term liabilities 1)	597 057
Kortsiktige kreditter / Short-term loans 1)	104 030
Annen kortsiktig gjeld / Other short-term liabilities	329 933
Sum gjeld / Total liabilities	1 033 297
Sum egenkapital og gjeld / Total equity and liabilities	1 738 900

1) Tall som inngår i beregningen av netto rentebærende gjeld / Figures used in calculation of net interest bearing debt 470 717

Prinsipper for utarbeidelse av proformatall / Principles for calculating pro forma figures

Proformatallene er utarbeidet etter samme regnskapsprinsipper som er benyttet og beskrevet i årsrapporten for 2002.

Pro forma figures are prepared in accordance with the accounting principles used and described in the annual report 2002.

Delårstall er ikke revidert / Quarterly figures have not been audited

Lerøy Seafood Group Consolidated (pro forma)



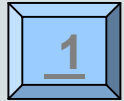
Key figures

- **Total equity (40,6 %)** **705,6 mill**
- **Net interest bearing debt** **470,7 mill**
- **Total intangible assets** **295,0 mill**
 - Licences fish farming Norway 195,0 mill
 - Goodwill 100,0 mill
- **Total LSG-shares after new issue (acquisition of Nye Midnor AS) 31.740.767 shares**





Agenda



Considerations



Key financial figures Q3 2003



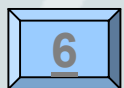
Lerøy at a glance



Lerøy Seafood Group – Company profile



Pro forma figures (acquisition Nye
Midnor)



Market glance



LERÖY | SEAFOOD INNOVATION SINCE 1899



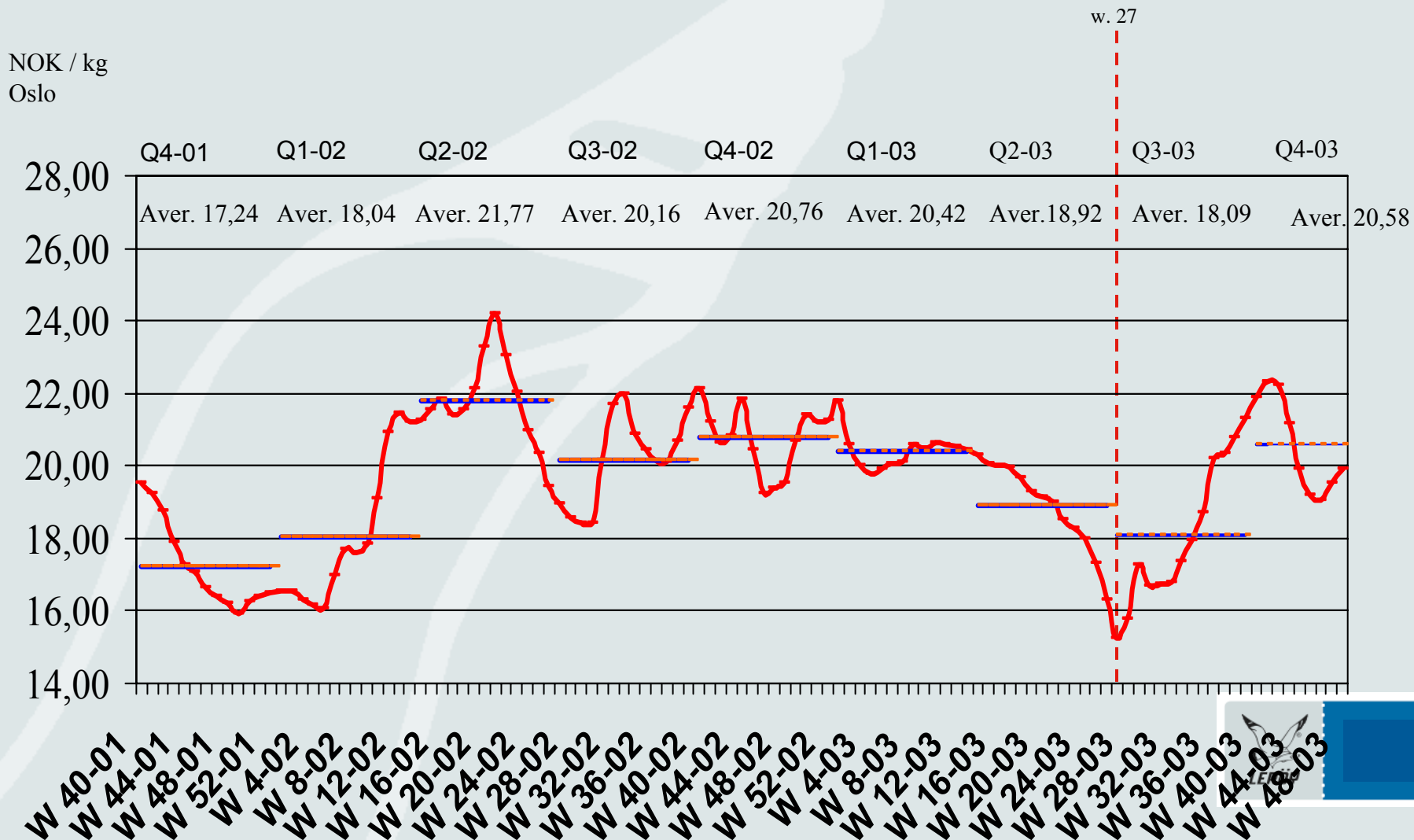
Fresh Atlantic Salmon Norway (4-5 kgs) – price development 1997 - YTD (FHL/NSL)





Salmon export from Norway as of week 48-03

Fresh atlantic salmon, cross-section, FCA Oslo.





Atlantic salmon – supply side

	2002 H1	2003 H1	Change H1	2002 H2	2003 H2E	Change H2	2003 E	Change 02-03E
Norway	208 500	226 200	8,5 %	236 600	282 000	19,2 %	508 200	14,2 %
Chile	132 000	132 600	0,5 %	136 300	147 100	7,9 %	279 700	4,2 %
UK	66 600	79 100	18,8 %	73 500	79 700	8,4 %	158 800	13,3 %
Canada	60 600	55 900	-7,8 %	51 400	36 100	-29,8 %	92 000	-17,9 %
Faroe Islands	23 800	15 700	-34,0 %	18 300	27 900	52,5 %	43 600	3,6 %
Ireland	11 800	9 400	-20,3 %	10 500	13 000	23,8 %	22 400	0,4 %
USA	7 700	8 000	3,9 %	7 000	13 200	88,6 %	21 200	44,2 %
Australia	6 500	7 000	7,7 %	6 500	7 000	7,7 %	14 000	7,7 %
Iceland	1 750	2 100	20,0 %	1 750	2 100	20,0 %	4 200	20,0 %
Others	1 000	900	-10,0 %	1 000	900	-10,0 %	1 800	-10,0 %
In total	520 250	536 900	3,2 %	542 850	609 000	12,2 %	1 145 900	7,8 %

Figures per 21.11.03

Source: Kontali

Change in %
01-02 = 5,8%



Atlantic salmon – demand side

	2002 H2	2003 H2E	Ch H2	2003E	Ch 02-03E
EU	259 400	285 200	9,9 %	526 000	7,7 %
USA	141 700	171 500	21,0 %	328 000	10,1 %
Japan	34 500	26 900	-22,0 %	52 200	-20,1 %
Others	100 300	126 900	26,5 %	225 000	12,7 %
In total	535 900	610 500	13,9 %	1 131 200	7,6 %

Figures per 21.11.03

Source: Kontali



LERÖY | SEAFOOD INNOVATION SINCE 1899



Drivers per 31.10.03

- **Norway – EU** (+ 40.855 mt) **+ 18,8 %**
- **Norway – Eastern Europe** (fresh 11.330 mt) **+ 86,7 %**
- **Norway – Eastern Europe** (frozen 1.282 mt) **+ 8,9 %**
- **Norway - Japan** (- 5.625 mt) **- 16,5 %**
- **Norway - Feed sales** (+ 29.000 mt) **+ 4,6%**





LERÖY | SEAFOOD INNOVATION SINCE 1899