



marine farms asa
marine farms group



Q1 2010 presentation

Oslo, 26th of May 2010

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Q1 2010 Highlights

• Increase in revenue

- In Q1 2010, revenue increased by NOK 25 mill (13%) compared to the same period last year
 - The increase was mainly due to higher prices for salmon in the UK (NOK 6 mill) as well as higher prices and increased volumes for seabass/seabream in Spain (NOK 17 mill)
 - Revenue was negatively affected by lower FX rates for EUR (-9%) and GBP (-7%) against NOK

• Profits are up

- In Q1 2010, EBIT before fair value ended at NOK 21.1 mill compared to NOK 6.5 mill in 2009
 - The improvement was very much due to historically high prices for salmon in the UK together with higher prices and lower costs for our seabass/seabream operation in Spain
 - The result was negatively affected by increased losses in the cobia businesses (NOK -2.3 mill) as well as higher costs in Marine Farms ASA (NOK -2.4 mill)

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Q1 2010 Highlights *(cont.)*

• Improved performance in two main operations

- The salmon operations in Lakeland (UK) increased its profitability
 - In Q1 2010, EBIT/kg gwt sold salmon was NOK 10.2 (NOK 7.2 in 2009)
 - o The improvement is due to higher average prices received in the market
 - o Volumes kg sold salmon decreased by 6% in Q1 2010 compared last year
 - The underlying business in Lakeland continues to do very well
- The seabass/seabream operations in Culmarex (Spain) generated profits
 - In Q1 2010, EBIT/kg sold seabass/seabream was NOK 2.4 (NOK -7.1 in 2009)
 - o The improvement is due to higher prices for seabass and seabream as well as lower average production costs
 - o Volumes kg sold seabass/seabream increased by 43% in Q1 2010 compared to last year

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Q1 2010 Highlights *(cont.)*

• Continued losses in cobia

- MF Belize
 - In Q1 2010, EBIT was NOK -7.3 mill
 - The new hatchery is still experiencing some technical difficulties
- MF Vietnam
 - In Q1 2010, EBIT was NOK -1.3 mill
 - We continue to see favourable developments in the underlying performance in Vietnam
 - The interest in the market for our frozen cobia from Vietnam has been very good, both in the US and in Europe

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Q1 2010 Highlights (cont.)

Improved balance sheet

- Per 31.03.2010
 - Equity amounted to NOK 440 mill (35.5% equity ratio compared to 34.5% at year end 2009)
 - Net interest-bearing debt amounted to NOK 660 mill, which is NOK 20 mill less than at year end 2009
 - The group had approximately NOK 60 mill in free cash and available credit facilities

- Marine Farms ASA has received a temporary waiver on its only financial covenant with DnB NOR, being a minimum equity ratio of 32.5%
 - The waiver includes 31.03.2010 and 30.06.2010, at which dates the new minimum equity ratio covenant is 30.0%.
 - As pr 31.03.2010 Marine Farms ASA was in compliance with its financial covenant

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Q1 2010 Highlights (cont.)

NOK mill	Q1 2010	Q1 2009	Change	Yr 2009	Yr 2008	Change
Total revenue	221.4	196.1	+13 %	879.1	752.8	+17 %
EBIT before fair value and exceptionals	21.1	6.5	+325 %	31.5	26.1	+21 %
Lakeland EBIT / kg (NOK)	10.2	7.2	+3.0	6.9	7.8	-0.9
Culmarex EBIT / kg (NOK)	2.4	-7.1	+9.5	-3.3	-1.8	-1.5
Cobia EBIT (NOK)	- 8.6 mill	-6.3 mill	-2.3 mill	-48 mill	-39 mill	-9 mill
Lakeland gwt sold fish (tonnes)	3 016	3 203	-6 %	11 687	11 431	+2 %
Culmarex sold fish (tonnes)	1 710	1 196	+43 %	6 789	4 784	+42 %
Total sold fish (tonnes)	4 726	4 399	+7 %	18 476	16 215	+14 %
Total Assets	1 238	1 219	+2 %	1 284	1 409	-9 %
Equity	440	464	-5 %	444	492	-10 %
Net interest bearing debt	660	620	+6 %	680	656	+4 %
Equity ratio	35.5 %	38.0 %	-2.5 %	34.5 %	34.9 %	+0.1 %

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Short presentation of MAFA

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Product mix



Salmon



Seabream



Seabass



Cobia

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Regional clusters close to key consumer markets

Operations overview

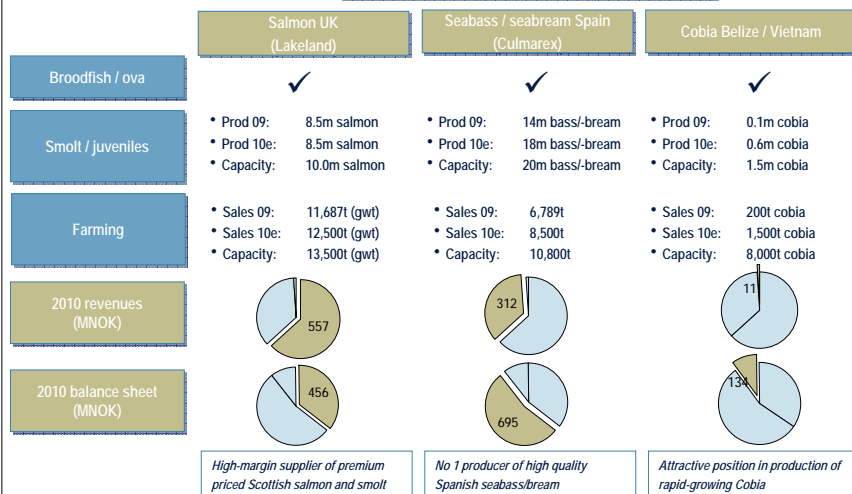


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Diversified and integrated seafood portfolio

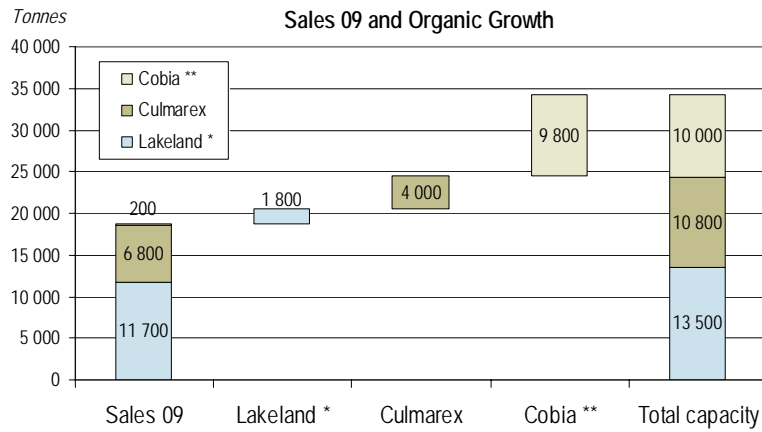
Marine Farms ASA



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Room for significant organic growth



* Lakeland has licenses for approximately 19,500 tonnes gwt salmon, however assume only can utilise approximately 13,500 tonnes gwt at the moment.

** Cobia incl. application for new licenses in Belize (2,000 tonnes).

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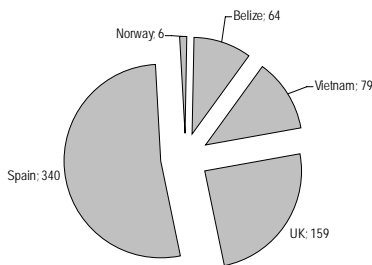


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Q1 2010 Financials

No of employees in MAFA pr 31.03.2010 648



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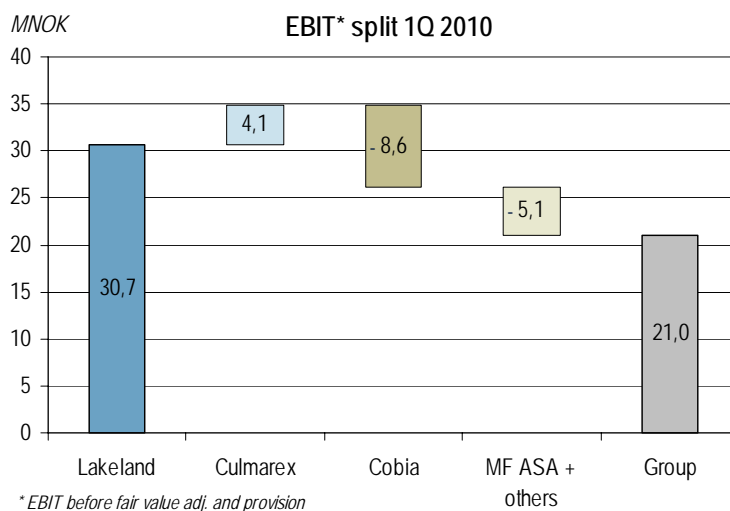
Profit & loss

NOK mill	Q1 10	Q1 09	Yr 2009	Yr 2008
Total revenue	221.4	196.1	879.1	752.8
EBITDA before fair value adj. biomass	35.5	20.3	66.2	73.9
EBIT before exceptionals and fair value adj.	21.1	6.5	31.5	26.1
EBIT before fair value adj. biomass	21.1	6.5	4.4	26.1
EBIT	26.5	17.8	67.5	-18.7
Result before tax	17.8	6.8	43.5	-23.4
Tax	-10.6	-4.9	-30.4	0.0
Result after tax	7.2	1.9	13.1	-23.4
<i>EBITDA before fair value adj. margin</i>	<i>16.0 %</i>	<i>10.4 %</i>	<i>7.5 %</i>	<i>9.8 %</i>
<i>EBIT before fair value adj. margin</i>	<i>9.5 %</i>	<i>3.3 %</i>	<i>0.5 %</i>	<i>3.5 %</i>
<i>EBIT margin</i>	<i>12.0 %</i>	<i>9.1 %</i>	<i>7.7 %</i>	<i>-2.5 %</i>

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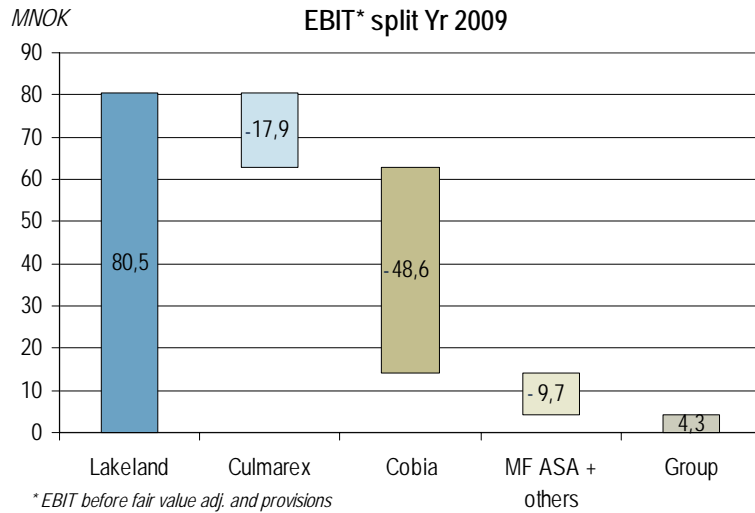
Profit & loss (cont.)



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Profit & loss (cont.)



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Balance sheet

NOK mill	31.03.10	31.03.09	31.12.09	31.12.08	31.12.07
Intangible assets	113.6	117.7	112.9	132.6	103.8
Tangible assets	339.9	377.2	352.8	411.4	280.3
Inventories	616.0	552.7	647.2	607.7	467.6
Cash and cash equivalents	4.1	10.2	10.5	81.8	47.9
Total assets	1 237.7	1 219.2	1 284.1	1 409.7	1 062.0
Total liabilities to financial institutions	664.5	630.7	690.8	737.6	365.6
Other current liabilities	111.8	108.9	125.3	163.5	162.1
Equity	444.0	463.8	443.6	492.3	474.8
<i>Current ratio</i>	<i>3.1</i>	<i>3.1</i>	<i>2.8</i>	<i>2.8</i>	<i>2.5</i>
<i>Equity ratio</i>	<i>35.5 %</i>	<i>38.0 %</i>	<i>34.5 %</i>	<i>34.9 %</i>	<i>44.7 %</i>
<i>Net debt/Equity</i>	<i>1.50</i>	<i>1.34</i>	<i>1.53</i>	<i>1.33</i>	<i>0.67</i>

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Cash Flow

NOK mill	Q1 10	Q1 09	Yr 2010	Yr 2009
Net cash flow from operating activities	24.3	1.8	-1.9	-70.7
Net cash flow from investing activities	-15.7	-18.6	-74.6	-183.7
Net cash flow from financing activities	-6.3	-49.1	37.9	301.5
Net change in cash and cash equivalents	-6.4	-71.6	-71.4	33.9
Cash and cash equivalents	4.1	10.2	10.5	81.8

- As pr 31.03.2010, the group had approximately NOK 60 mill in free cash and available credit facilities
 - Increased to approximately NOK 100 mill by 17th of May 2010
 - Additional lending capacity already committed

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Net interest bearing debt

NOK mill	31.03.10	31.03.09	31.12.09	31.12.08	31.12.07
Cash and cash equivalents	4.1	10.2	10.5	81.8	47.9
Factoring	26.9	33.5	31.7	35.5	35.0
Short term liabilities to financial institutions	113.0	93.5	132.2	104.5	71.3
Long term liabilities to financial institutions	524.5	503.7	526.9	597.6	259.3
Net interest bearing debt	660.4	620.5	680.3	655.8	317.8

- Marine Farms ASA has received a temporary waiver on its only financial covenant with DnB NOR, being a minimum equity ratio of 32.5%
 - The waiver includes 31.03.2010 and 30.06.2010, at which dates the new minimum equity ratio covenant is 30.0%.
 - As pr 31.03.2010 Marine Farms ASA was in compliance with its financial covenant

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Segment EBIT/kg sold fish

Lakeland group

NOK mill	Q1 10	Q1 09	Yr 2010	Yr 2009
Sale of own salmon (gwt tonnes)	3 016	3 203	11 687	11 431
Sale of third party salmon (gwt tonnes)	375	107	1 523	637
Total sale of salmon gwt (tonnes)	3 391	3 310	13 210	12 068
Revenue Lakeland group	145	139	557	491
EBIT before fair value adj. biomass (1)	31	23	80	89
EBIT/kg gwt sold fish (NOK)	10.2	7.2	6.9	7.8

(1) EBIT before fair value adj., extraordinary items and provisions

- In Q1 2010, Lakeland generated an EBIT of NOK 10.2/kg gwt sold fish, which is NOK 3.0 better than the year before
 - The improvement is due to higher average prices received in the market
 - Cost of sold salmon increased in 1Q 2010 compared 1Q 2009
- Lakeland expects to sell approximately 12,400 gwt salmon in 2010
 - For 2011, the plan is to sell approximately 14,000 tonnes gwt.
- Lakeland has currently an annual production capacity averaging approximately 13,500 tonnes

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Segment EBIT/kg sold fish (cont.)

Culmarex group

NOK mill	Q1 10	Q1 09	Yr 2009	Yr 2008
Sale of own seabass/seabream (tonnes)	1 710	1 196	6 789	4 784
Sale of third party seabass/seabream (tonnes)	-	59	59	450
Total sale of seabass/seabream nw (tonnes)	1 710	1 255	6 848	5 234
Revenue Culmarex group	73	56	311	245
EBIT before fair value adj. biomass (1)	4	-9	-23	-8
EBIT/kg sold fish (NOK)	2.4	-7.1	-3.3	-1.8

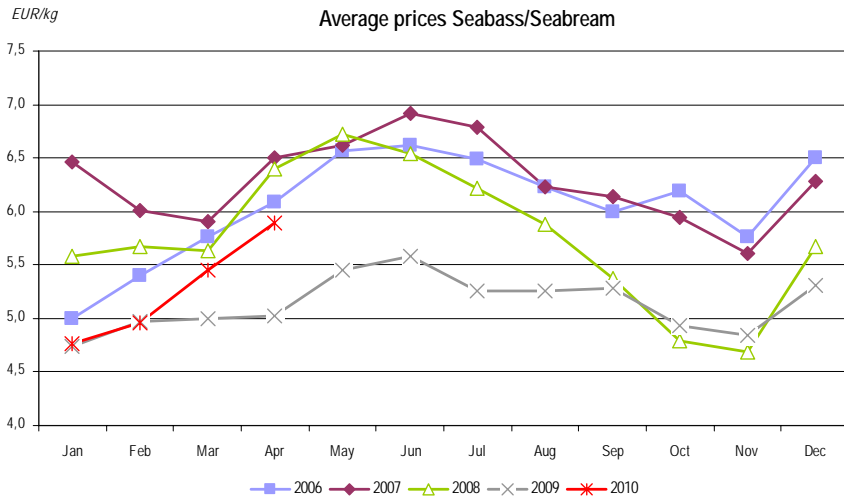
(1) EBIT before fair value adj., extraordinary items and provisions

- In Q1 2010, Culmarex obtained an EBIT/kg sold fish of NOK 2.4, which is NOK 9.5 better than in Q1 2009
 - The improvement is due to higher prices for seabass and seabream as well as lower average production costs
- Culmarex is planning to sell around 8,500 tonnes of own produced seabass and seabream in 2010
 - For 2011, the plan is to sell approximately 8,500 tonnes as well
- The group has currently a licensed production capacity of approximately 10,200 tonnes

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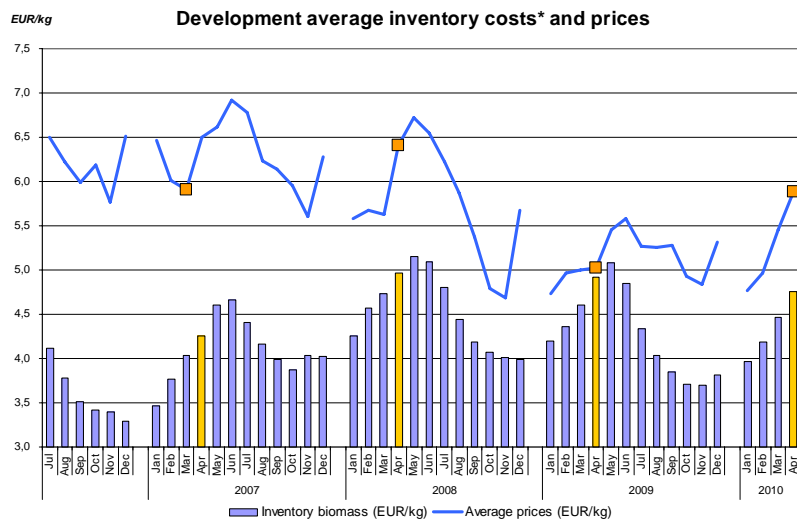
Culmarex - Development average prices obtained



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Culmarex - Development production costs and prices



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Segment EBIT (cont.)

- **Cobia operations in Belize**
 - MF Belize generated a loss in Q1 2010, with an EBIT of NOK -7.3 mill
 - At the end of March 2010, MF Belize had total assets amounting to NOK 68 mill
 - NOK 2 mill was related to biomass inventory (65 tonnes / 60.000 fish)
- **Cobia operations in Vietnam**
 - MF Vietnam generated a loss in Q1 2010, with an EBIT of NOK -1.3 mill
 - At the end of March 2010, MF Vietnam had total assets amounting to NOK 70 mill
 - NOK 40 mill was related to biomass (1,350 tonnes / 295,000 fish)

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Going forward

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Going forward - Lakeland

- **Lakeland expects to see continued high prices**
 - Lakeland believes it will continue to see an imbalance during 2010, 2011 and 2012 between supply and demand for salmon due to the well documented decrease in Chilean production
 - This will lead to continued high prices in the spot market and increased contract prices going forward
 - The one caveat is that these high prices are affecting demand in some areas, hence we must guard against the consumer turning to cheaper alternatives
 - Lakeland continues to operate to a plan and formula that is proven and the company continually compare favourably against its competitors, both in Scotland and on a global scale
 - Lakeland has a well balanced customer portfolio and still plays a major role in the prestigious label rouge market
 - Lakeland group is the only fully integrated company in Scotland and one of a few worldwide.
 - The main objectives of the Lakeland Group going forward will be to continue to be competitive with our fellow peers and to strive in monitoring our cost level base and also improve our performance in the sea

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Going forward - Culmarex

- **Culmarex has established itself as leader in Spain in terms of size, quality, service and profitability**
 - 2010 began with hope and expectations of a recuperation of seabream and seabass prices
 - January and February saw small increases in seabream prices but little change in seabass price
 - However, in March the prices of both species improved significantly
 - There was a clear shortage of both seabass and seabream in the market by the end of March and we therefore expect prices to increase even further in Q2
 - Undoubtedly Q3 will see a price correction as summer growth becomes available for harvest, but there is optimism that prices will not fall as low as in 2009 as we expect less fish to be available in the market

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Going forward - Cobia

- The cobia operations in Belize and Vietnam are set up for significant increased production volumes
 - All major investments in infrastructure and farming equipment are now in place
- MF Belize
 - is left with less cobia in the sea going into 2010 than what was planned for, due to lower production of cobia juveniles in the new hatchery in 2009
 - focus in 2010 will be to get the new hatchery running stable at high volumes as well as containing costs until production at sea picks up
- MF Vietnam
 - has approximately 1,500 tonnes rw of cobia to be sold in 2010
 - Focus in 2010 will be on selling these increased volumes
 - o The interest in the market for our frozen cobia from Vietnam has been very good
 - o Sales into Asia are increasing as well
 - Given current prices, the operation should make a profit
- Marine Farms ASA is exploiting the possibilities to seek partners for its cobia businesses

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Closing remarks

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MAFA - an unique aquaculture investment opportunity

- **Diversified and integrated seafood portfolio**
 - Salmon (UK), seabass/bream (Spain), cobia (America, Vietnam)
 - Reduced risk through multi-specie advantage
- **Top financial performer**
 - Lakeland among the best in UK
 - Culmarex among the best in Spain
- **Well positioned in cobia**
 - Cobia has all the traits you want for a farmed fish
 - Cobia has the potential to become the "Tropical Salmon"
- **Clearly defined growth strategy**
 - Significant aquaculture experience
 - Organic growth
- **Positive seafood market fundamentals**

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