

Presentation

Marine Farms ASA



Bjørn Myrseth, CEO

*North Atlantic Seafood Conference
5th of March 2008*

- 1 -



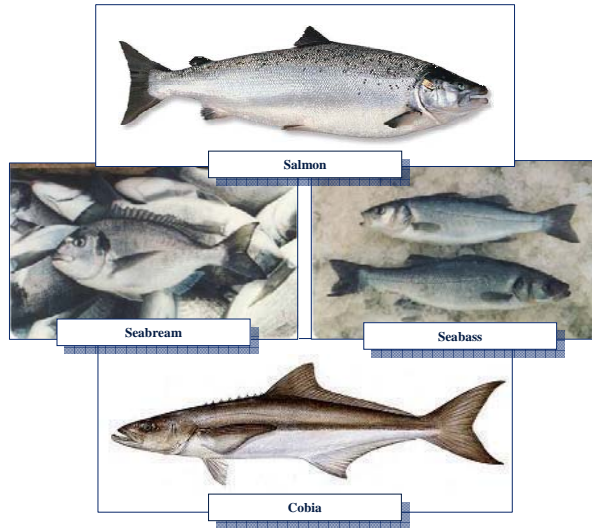
MAFA - An unique aquaculture investment opportunity

- **Diversified and integrated seafood portfolio**
 - Salmon (UK), seabass/-breem (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
- **Clearly defined growth strategy**
 - Significant aquaculture experience
 - Organic growth
 - Acquisition opportunities
 - New species
- **Positive seafood market fundamentals**

- 2 -



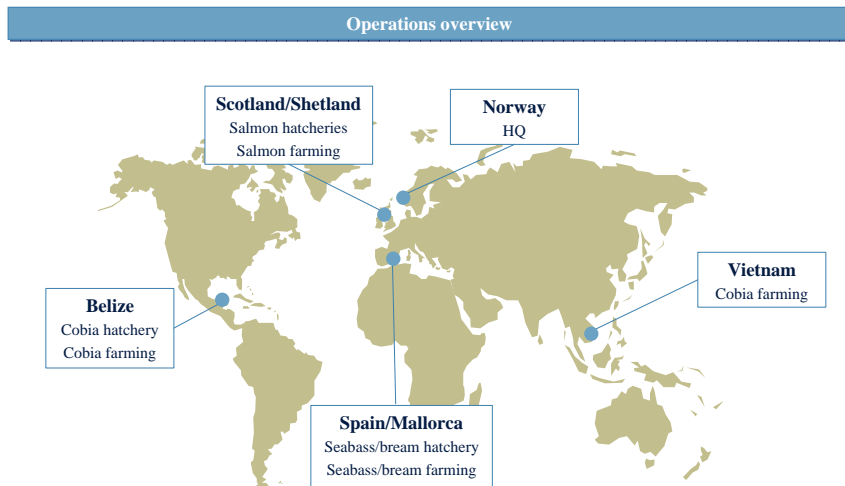
MAFA - Product mix



- 3 -



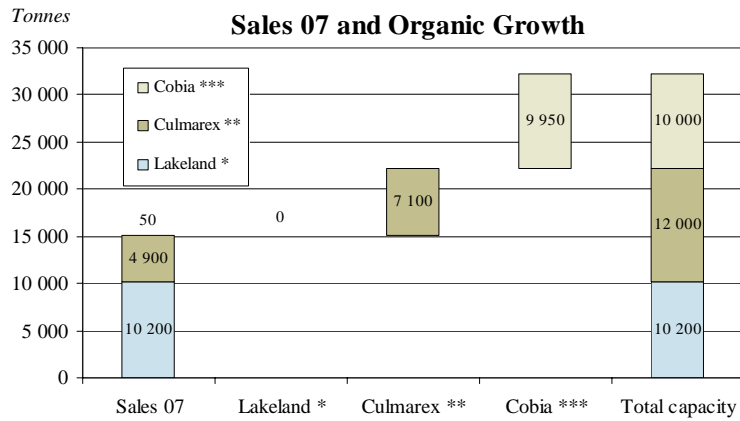
MAFA - Regional clusters close to key consumer markets



- 4 -



MAFA - Room for significant organic growth



* Lakeland has licenses for approximately 15,000 tonnes gwt salmon, however assume only can utilise approximately 10,200 tonnes gwt at the moment.

** Culmarex incl. application for new license in Ponto (1,800 tonnes).

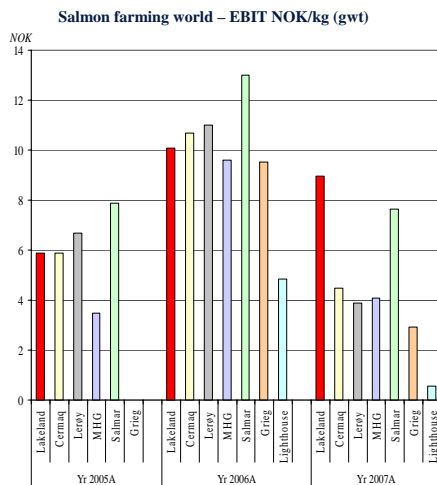
*** Cobia incl. application for new licenses in Belize (2,000 tonnes).

- 5 -



Lakeland - Top financial performer

Competitive profitability



Source: Samir Bendriss (ABG Sundal Collier) Research Updates

- 6 -

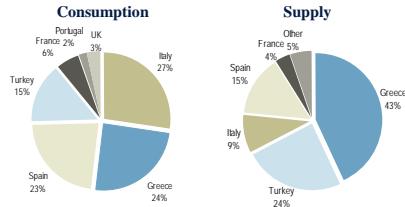
Comments

- **UK is the largest single salmon market in EU**
 - 150.000 tonnes gwt
 - Significant growth last year
 - More young people eat fish
- **MAFA (Lakeland) is a niche player with high quality salmon sold at premium prices**
 - Top financial performer in UK
 - Inside EU
 - Close to market

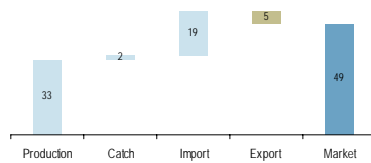


Culmarex - Strong track record in the Spanish market

European seabass/bream market



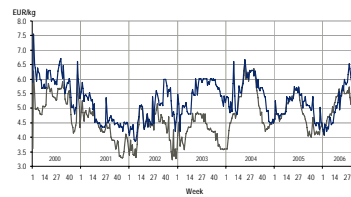
Spanish seabass/bream market 2007 (k tonnes)



Culmarex position

- **# 1 domestic market position**
 - 15% in terms of volumes
 - Fragmented industry
- **Persistent financial performance**
 - Profitable every year since 1992
 - Several competitors struggling
- **Financial strength to lead consolidation**

Wholesale prices (EUR/kg)



- 7 -



Cobia - An exciting growth opportunity

Cobia has all the traits you want for a farmed fish

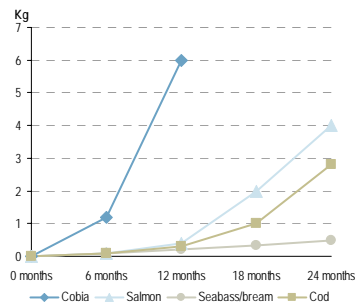
- Excellent eating qualities
- Boiled, baked, deep fried, sushi & sashimi, etc.
- White flesh
- Large fillets
- Do well in cages
- Fast growth
- Year round egg supplies
- Efficient production

Limited commercial catches

MAFA brings substantial aquaculture experience into its two Cobia projects

- Belize (4,000 tonnes)
 - Vietnam (4,000 tonnes)
- Located close to main markets in North America and Asia*

Cobia has the potential to become the "Tropical Salmon"



Picture: Cobia 14 months – 13 kg

- 8 -



MAFA - Strategy

Strategic highlights and ambitions

- MAFA shall invest in regions where it may become a top-4 producer in terms of volume and/or margins
- MAFA shall control the entire value chain from broodfish to the customer
- MAFA shall be diversified in terms of species and markets
- MAFA shall be an innovative and trustworthy supplier of high quality seafood products

Portfolio management

- Leverage on established species
- Invest in selected new species

Cost control

- Benchmark against the best
- Focus on large and efficient geographical clusters
- Apply innovative solutions

Premium pricing

- Product focus
- Seeking market leadership in selected niches

Balanced growth

- Organic growth
- Selective acquisitions
- New species

- 9 -



MAFA - Why successful with new start-ups

- **Human resources**
 - Experienced and skilled
 - Confident in own capabilities
 - “Stayers” and “doers”
 - Winning team culture
 - Loyal
 - Transfer of know-how
- **Biology / technological platform**
 - Own broodfish
 - Hatchery important starting point
 - Good quality juveniles
 - Farming set-up
 - Innovative solutions
 - Logistics
 - Quality assurance and traceability
 - Cost control

- 10 -



MAFA - Why successful with new start-ups (cont.)

- **Business model**
 - Fully integrated operations
 - Large and efficient clusters
 - Freshness important
 - Premium pricing
 - Satisfy demanding customers
 - Focus on EBIT/kg
- **Geography / locations**
 - First movers advantage
 - Size is important
 - Close to attractive marketplaces

- 11 -



4Q 2007 Financials

- 12 -



4Q 2007 Highlights

- **Increase in revenue**

- Revenue in the 4th quarter 2007 increased 32% to NOK 204.6 mill compared to NOK 154.6 mill last year.
- For the year 2007 revenue increased by 24% compared to last year.

- **Solid profits**

- EBIT before fair value in the 4th quarter 2007 ended at NOK 29.5 mill compared to NOK 17.1 mill in 2006.
- For the year 2007 EBIT before fair value was NOK 94.6 mill compared to NOK 99.1 mill in 2006.

- 13 -



4Q 2007 Highlights *(cont.)*

- **Top financial performer**

- For the whole year 2007 Lakeland obtained an EBIT/kg gwt sold salmon of NOK 9.0 (NOK 10.1 in 2006).
- For the whole year 2007 Culmarex obtained an EBIT/kg sold seabass/seabream of NOK 9.1 (NOK 11.3 in 2006).

- **Cobia operations develop according to plan**

- Weekly sales from Belize
- Fish grows as planned
- Construction of new hatchery on schedule

- 14 -



4Q 2007 Highlights (cont.)

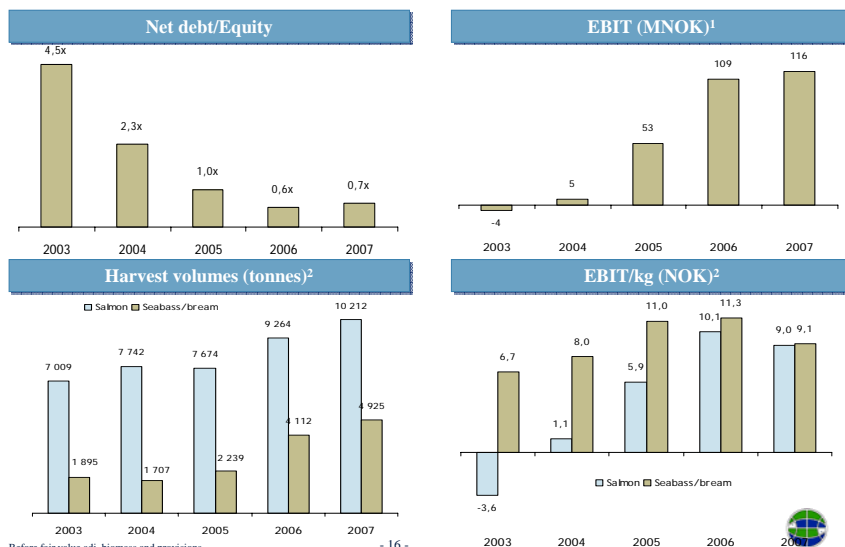
- **Major events in 2007**

- Culmarex acquired 3 companies in Spain, increasing annual production capacity from 6,000 tonnes seabass/seabream to 10,200 tonnes (70% increase).
- Lakeland had record sales of ova into Chile.
- MF Belize had its first sale of own produced cobia into the US market.
- New NOK 510 mill corporate lending facility in place.

- 15 -



Solid financial platform



1) Before fair value adj. biomass and provisions
 2) Salmon volumes are gutted weight. Seabass/bream are round weight (incl Piagua in 2006)



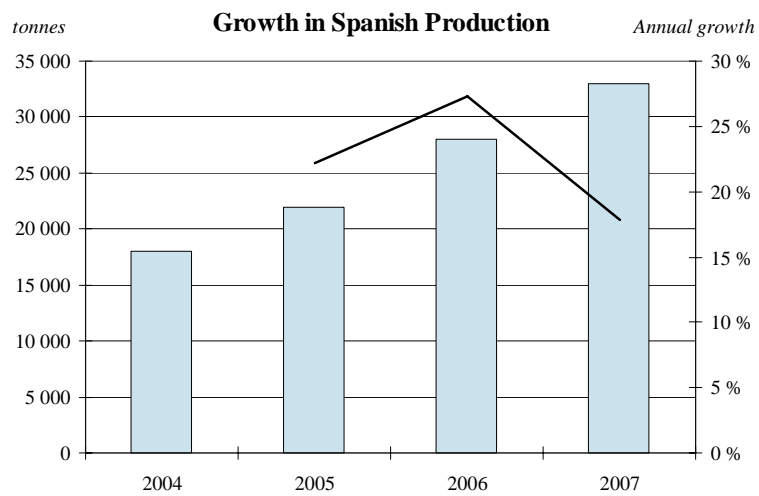
Challenge:

Competition from new species

- 17 -



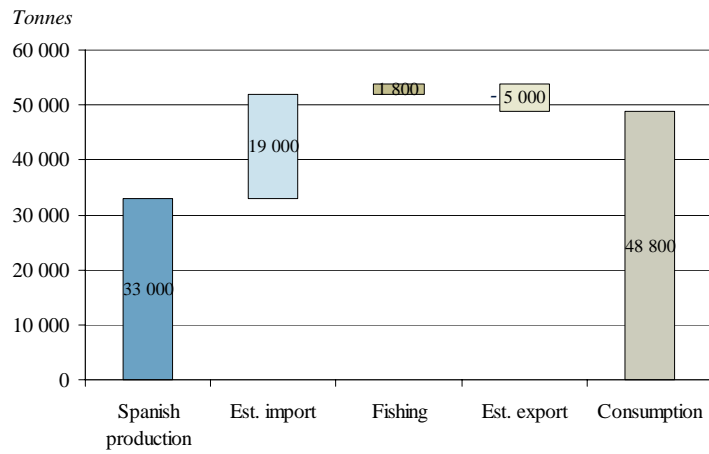
Spanish production of seabass and seabream



- 18 -



Spanish consumption in 2007



- Import of seabass increased
- Consumption of Spanish produced fish (bream) increased

- 19 -



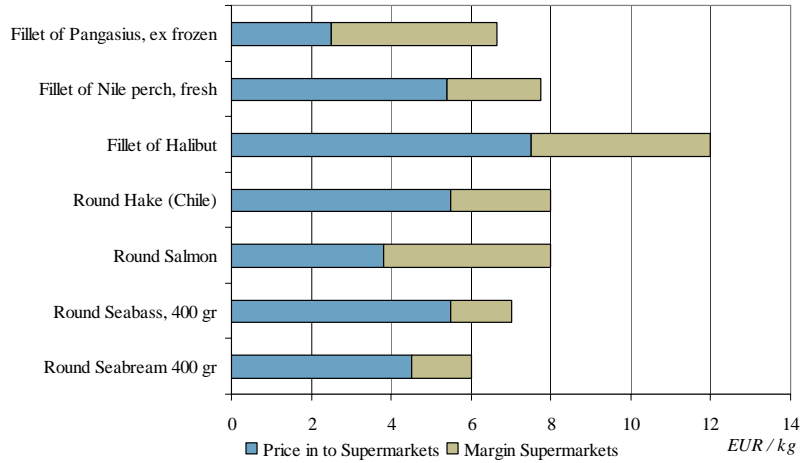
Which fish products compete with seabass / seabream in Spain?

- 20 -



Competition in Spain

Retailprices Spain - Supermarket snapshot

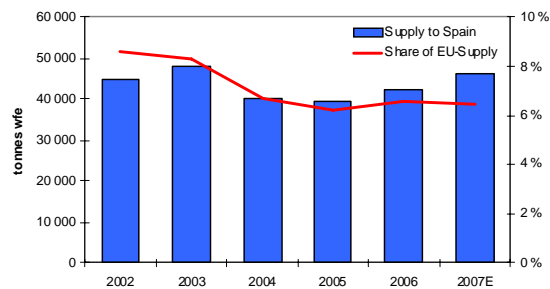


- 21 -



EU & Spain - estimated supply of Atlantic salmon

EU & Spain
Estimated supply of Farmed Atlantic Salmon



Source: Kontali Analyse AS



Systemizing the World of Aquaculture and Fisheries

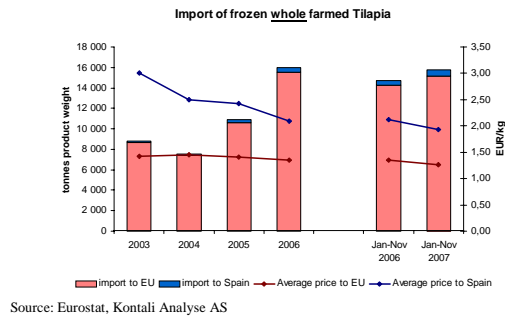
20.02.2008

- 22 -



EU & Spain - estimated supply whole farmed tilapia

EU & Spain Estimated supply of Tilapia



Systemizing the World of Aquaculture and Fisheries

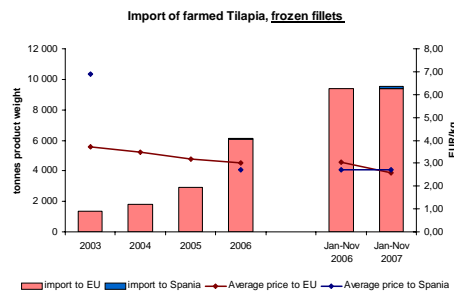
20.02.2008

- 23 -



EU & Spain - estimated supply frozen fillets of tilapia

EU & Spain Estimated supply of Tilapia



Systemizing the World of Aquaculture and Fisheries

20.02.2008

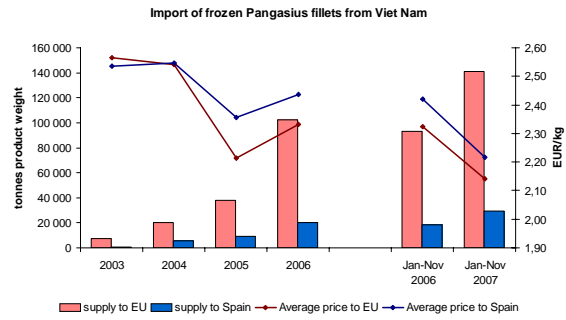
- 24 -



EU & Spain – estimated supply of Pangasius



EU & Spain Estimated supply of Pangasius



Systemizing the World of Aquaculture and Fisheries

20.02.2008

- 25 -



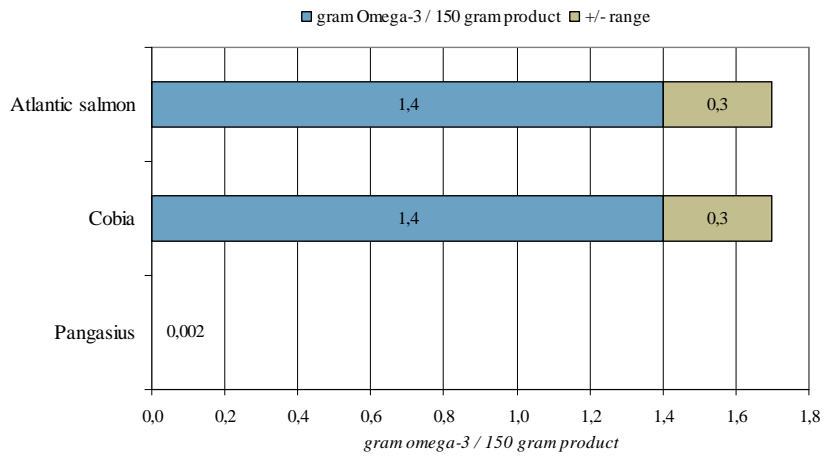
How to compete with pangasius and tilapia?

Pangasius is poor in omega-3

- 26 -

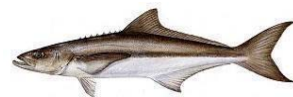


Omega-3 content



Salmon and cobia have 1,000 times more Omega-3 than pangasius

- 27 -



We have to get across to the consumer the health benefits of eating salmon, cobia, seabass and seabream



- 28 -



Opportunity:

Multi-specie strategy

- 29 -



If only focusing on salmon...

- **Significant variation in salmon prices, and hence also profits**
- **The market for salmon grows 3-7% per year**
- **Salmon – expensive acquisitions**
- **Organic growth of 3-7% per year → Too low!**

- 30 -



What alternative growth strategies exists?

- **Acquire expensive salmon companies**
- **Value adding**
- **Grow in other fish species**

- 31 -



Growth in farmed fin fish (in mill. tonnes)

	1996	1999	2002	2005	<i>Av. growth pr. year</i>
Freshwater fish	14,6	18,6	23,0	25,8	8 %
Diadromous fish	1,7	2,1	2,6	2,9	7 %
Marine fish	0,6	0,9	1,2	1,6	17 %

Source: FAO

- 32 -



Environmental concerns

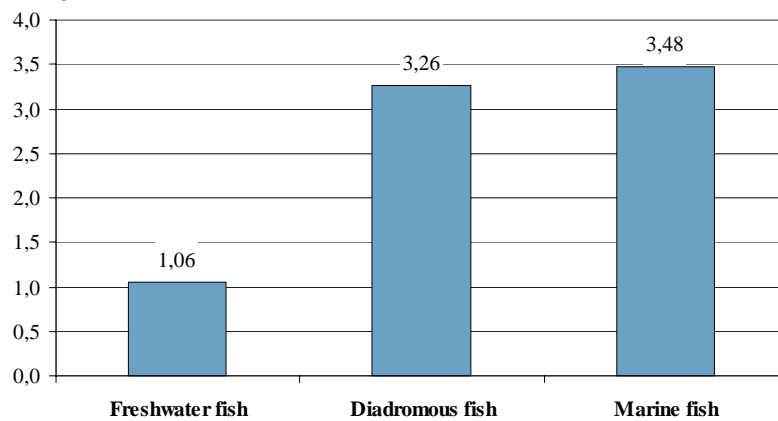
- **Freshwater – limited resources**
- **Seawater – unlimited resources**

- 33 -



Average fish prices

USD/kg



- 34 -



Multi-specie strategy I

- **Marine fish**
 - Best growth
 - Highest price
- **Technology**
 - MAFA knows marine hatchery technology
 - MAFA know cage technology

- 35 -



Multi-specie strategy II

- **Our strategy**
 - Human resources
 - Technology/biology
 - Business model
 - Geography/location
- **Among the top performers (EBIT/kg)**
- **First mover advantage**
 - Best sites
 - Good prices

- 36 -



Conclusion multi-specie strategy

- **MAFA's multispecie strategy**
 - Use existing in-house know-how
 - Less fluctuations in profits
 - Better growth prospects