

Lerøy Seafood Group

1st quarterly report 2003

May 15th

Ole-Eirik Lerøy
CEO

Helge Singelstad
CFO



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Contents

Sections	Page
I Considerations	3
II Key financial figures Q1 2003	9
III Lerøy at a glance	19
IV Lerøy Seafood Group - Company profile	23
V Market glance	37



Internal considerations 1st Quarter 2003

Financially Solid

- Well positioned for future strategic growth

Proposed dividend for 2002 NOK 0,60 per share

- Ex dividend May 23rd
- Payment date June 11th

1.404 shareholders per 13.05.03

Lerøy Sweden

- Focus on operation and future synergies
- Common marketing profile

Sigerfjord Aqua AS – increased ownership to 90,55% from 01.01.03



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External considerations 1st Quarter 2003

Weak salmon and trout prices

- Price increase through Q1 – but higher prices needed
- Uncertainty in price development

Difficult market situation in both pelagic and white fish sectors

Weakened financial performance throughout the industry enhances restructuring, consolidation and increased market orientation

Weaker krone

- Positive for Norwegian export industry
 - Future may bring greater volatility

Political issues / trade barriers

- EU – agreement cancelled from ?
- Uncertainty regarding regulation of future market access for non-EU producers



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Norway / EU - dumping

Salmon agreement 1997 – 2002

Feed quotas

MIP

Export duty



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Aqua culture

Cyclic

- Growing demand
- Over supply
- Loss position
- Reduced supply
- Market orientation
- Increased prices



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Aqua culture

Changes

- Reorganization
- Consolidation
- Restructuration
- Market orientation



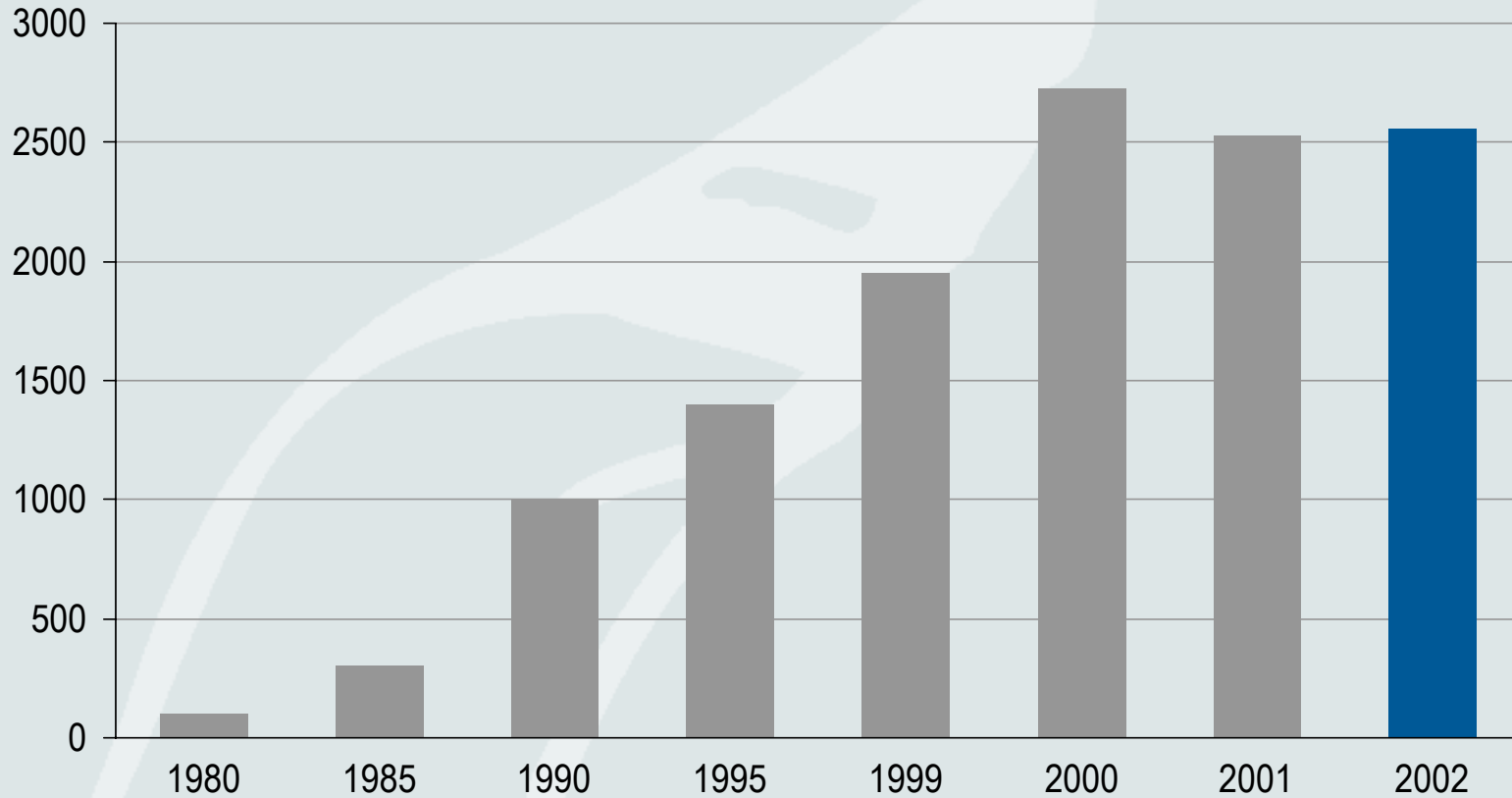
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Contents

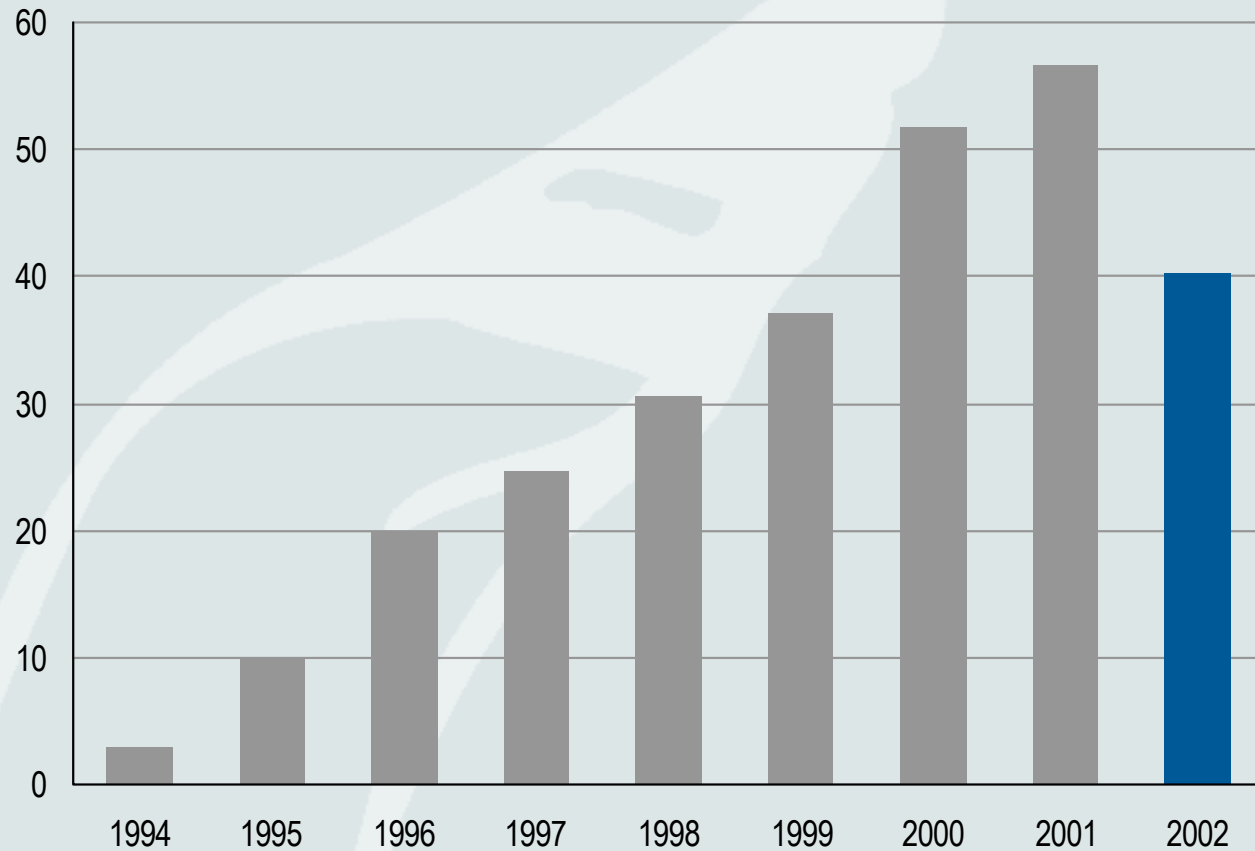
Sections	Page
I Considerations	3
II Key financial figures Q1 2003	9



Lerøy Seafood Group - Turnover mill. NOK



Lerøy Seafood Group - Pre-tax earnings mill. NOK



Resultatregnskap / Income Statement Q1-03

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

	Q1 - 2003	Q1 - 2002	2 002
Salgsinntekter / Operating revenues	601 659	578 657	2 555 606
Vareforbruk / Cost of goods sold	537 161	525 267	2 326 928
Lønn og andre personalkostnader / Sal. and other personnel	23 886	20 474	91 979
Andre driftskostnader / Other operating expenses	20 005	14 538	70 447
Ordinære avskrivninger / Ordinary depreciation and amortiza	3 328	2 228	11 207
Driftsresultat / Operating profit	17 279	16 150	55 045
Inntekt tilknyttet selskap / Income from affiliated companies	-6 883	-1 120	-12 753
Netto finansposter / Net financial items	633	-4 196	-2 108
Resultat før skattekostnad / Profit before tax	11 029	10 834	40 184
Beregnete skatter / Estimated taxation	-5 103	-3 294	-10 663
Periodens resultat / Profit for the period	5 926	7 540	29 521



Balanse / Balance Sheet Q1-03

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

	31.03.03	31.03.02	31.12.02
Immaterielle eiendeler / Intangible assets	24 118	15 796	23 700
Varige driftsmidler / Tangible fixed assets	67 334	43 379	66 714
Finansielle anleggsmidler / Financial fixed assets	287 116	306 563	294 951
Sum anleggsmidler / Total fixed assets	378 568	365 738	385 365
Varer / Inventories	69 344	52 338	69 068
Fordringer / Receivables	311 060	301 769	384 338
Betalingsmidler / Cash and equivalents ¹⁾	364 672	72 771	359 484
Sum omløpsmidler / Total current assets	745 076	426 878	812 889
Sum eiendeler / Total assets	1 123 644	792 616	1 198 254



Lerøy Seafood Group consolidated

Lerøy Seafood Group's total equity is 649,8 mill NOK

Subsidiarie's share of group equity is 230,5 mill NOK

Operating profit for Q1 2003 is 17,3 mill NOK



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Affiliated companies

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



Balanse / Balance Sheet Q1-03

forts./cont.

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

	31.03.03	31.03.02	31.12.02
Innskutt egenkapital / Equity contributions	505 288	203 284	505 342
Opptjent egenkapital / Earned equity	119 371	115 549	113 130
Minoritetsinteresser / Minority interests	25 140	8 232	22 604
Sum egenkapital / Total equity	649 799	327 065	641 076
Avsetning for forpliktelser / Accrued liabilities	310	793	310
Langsiktig gjeld / Long-term liabilities ¹⁾	187 343	177 956	186 831
Kortsiktige kreditter / Short-term loans ¹⁾	5 343	2 691	80 549
Annen kortsiktig gjeld / Other short-term liabilities	280 849	284 111	289 489
Sum gjeld / Total liabilities	473 845	465 551	557 179
Sum egenkapital og gjeld / Total equity and liabilities	1 123 644	792 616	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 Q1-03

Nøkkeltall / Key figures

Resultatmargin / Profit margin

Driftsmargin / Operating margin

Resultat per aksje / Earnings per share

Utvannet res. per aksje / Dil. Earn. per share

Q1 - 2003

1,83 %

2,87 %

0,20

0,20

Q1 - 2002

1,87 %

2,79 %

0,39

0,38

2002

1,57 %

2,15 %

1,13

1,13



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Key figures – Lerøy Seafood Group Q1-03

Nøkkeltall / Key figures

Avkastning på syssels. kapital / ROCE ²⁾
Egenkapitalandel / Equity ratio
Netto renteb. gjeld / Net interest bearing debt

Q1 - 2003	Q1 - 2002	2002
8,22 %	13,03 %	8,75 %
57,83 %	41,26 %	53,50 %
-	107 876	-

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



Contents

Sections	Page
I Considerations	3
II Key financial figures Q1 2003	9
III Lerøy at a glance	19



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
 - 2nd largest Scottish salmon producer (50%)
 - Hydrotech-Gruppen AS (39%)
- Japan single largest market, EU most important region overall



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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)



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Lerøy Seafood Group

Steady growth in profits 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



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Contents

Sections	Page
I Considerations	3
II Key financial figures Q1 2003	9
III Lerøy at a glance	19
IV Lerøy Seafood Group - Company profile	23



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, Italy
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**
90,55%

**Egersund
Fisk AS ***
27%

Hjaltland
11%

*) Pelagic related activities



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LSG - Consolidated

PELAGIC

WHITEFISH

FARMED FISH

HALLVARD LERØY AS
SALES - MARKETING

DISTRIB. FRANCE
Nordvik

DIRECT EXPORT

DISTRIBUTION NORWAY

DISTRIBUTION UK
SSF / LERØY

DISTRIBUTION Lerøy Sweden

Lerøy
France

Lerøy
Italy

Lerøy
Spain

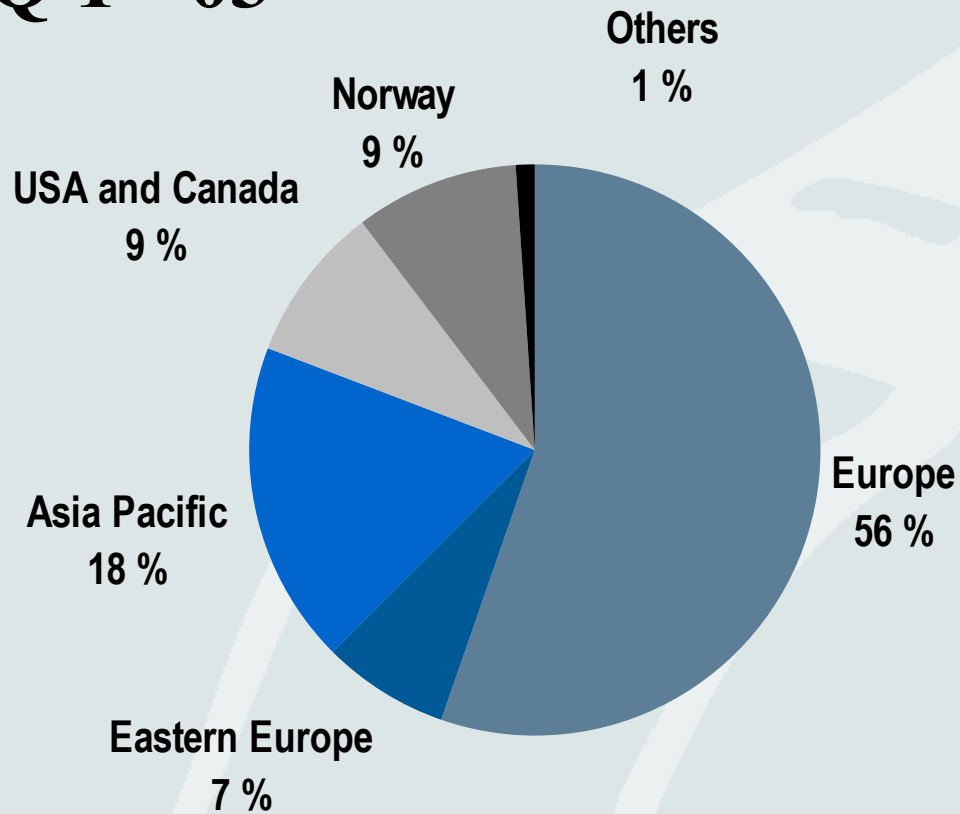
Lerøy
China

Lerøy
Japan

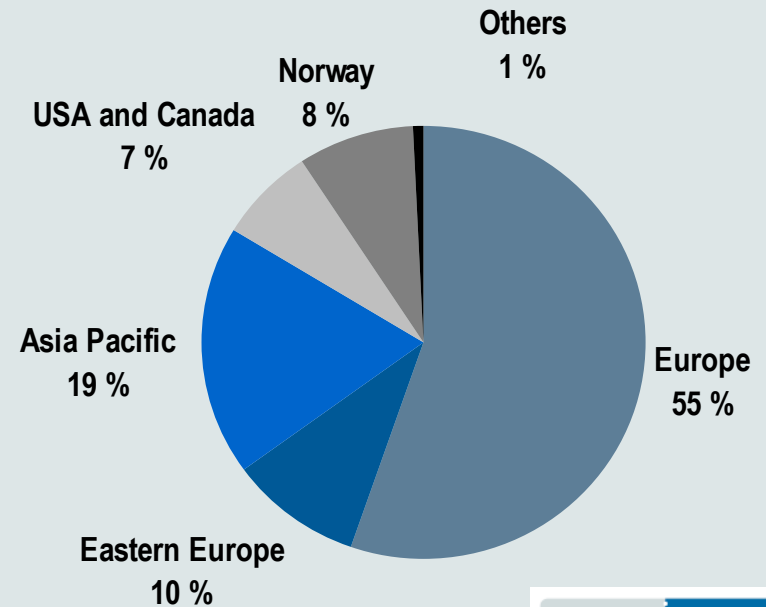
Lerøy
US

Lerøy Seafood Group - Sales per market

Q 1 - 03

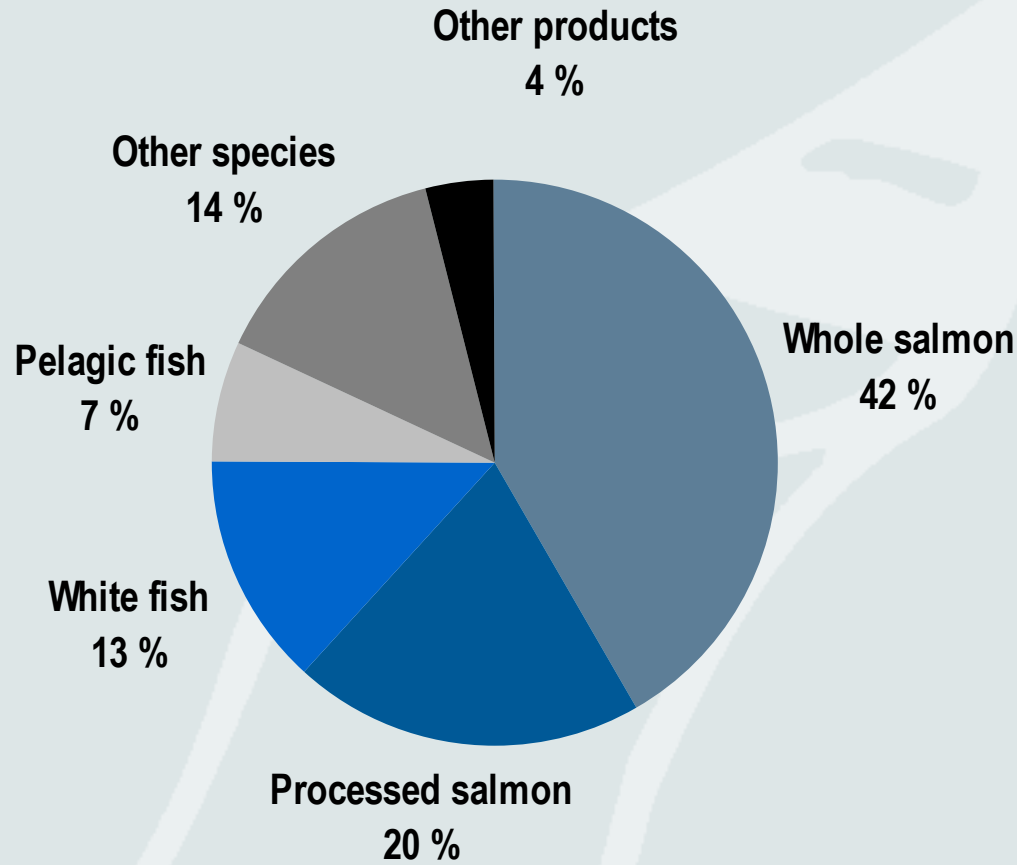


2002

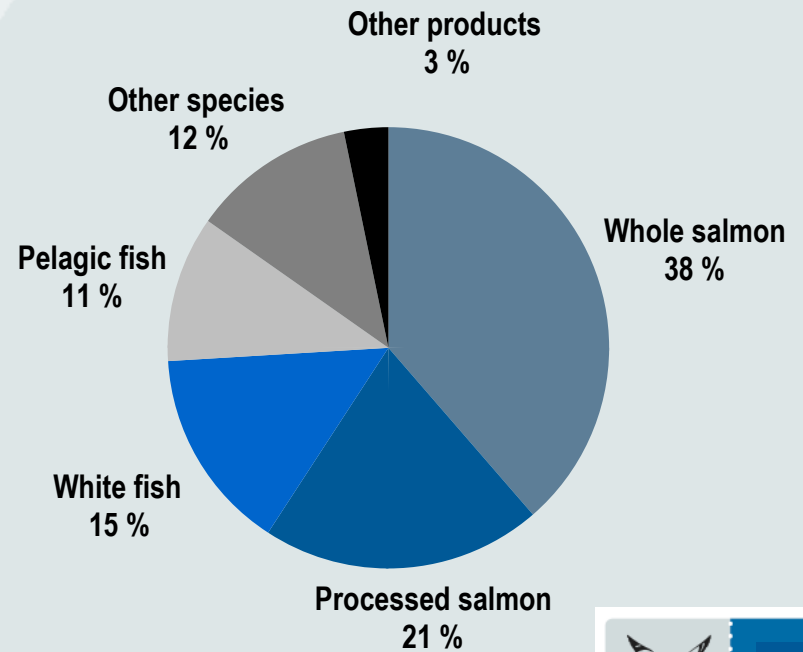


Lerøy Seafood Group - Sales per product

Q 1 - 03



2002



Shareholders 11.05.03

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 %
Skagen Vekst	1 300 000	4,42 %
SND Invest AS	1 296 118	4,40 %
Knut Hallvard Lerøy	1 253 210	4,26 %
Bremnes Fryseri AS	1 124 669	3,82 %
Tine Pensjonskasse	889 300	3,02 %
DnB ASA, Egenkapital Investert	734 200	2,49 %
George Harald Lerøy	475 000	1,61 %
Deutsche Bank AG	421 933	1,43 %
KOS Bergen AS	406 640	1,38 %
Inma AS**	400 000	1,36 %
SalMar AS	386 826	1,31 %
Goldman Sachs	374 167	1,27 %
Alsaker Fjordbruk A/S	341 640	1,16 %
Sunnhordland Fjordbruk AS	341 600	1,16 %
Lime AS**	310 573	1,05 %
Statoils Pensjonskasse	248 456	0,84 %
Mowinckel Management AS	243 800	0,83 %
Total 20 largest share owners	22 505 339	76,44 %
Others	6 935 428	23,56 %
Total shares	29 440 767	100,00 %



**controlled by Ole-Eirik Lerøy

Lerøy Seafood Group - Global organization



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Norskott Havbruk (Scottish Sea Farms Ltd.)

Production capacity: 25.000 – 30.000 gwt

Volume harvested in 2002: 19.000 gwt

Est. harvest volume 2003: 22.000 – 24.000 gwt

Additional processing and sales: 8.000 gwt

2 processing plants



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Norskott Havbruk (Scottish Sea Farms Ltd.)

SQS

Label Rouge

ISO 9002

ISO 14 001

Investor in people

VIBES of Scotland



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Norskott Havbruk

NOKm	Q1 - 2003	Q1 - 2002	31.12.2002
Revenues	142,8	134	562,8
EBITDA	12,7	8,7	37,2
EBIT	5,5	-0,6	7,9
Pre tax	-0,8	-7,8	-20,9
Volume gw (t)	5,2	5,3	19,0
Balance sheet	31.03.2003	31.03.2002	31.12.2002
Licences, Goodwill	380,2	386,1	381,7
Fixed assets	92,3	99,6	91,0
Inventories	323,0	307,4	333,6
Other current assets	72,9	98,8	94,4
Cash	1,0	2,2	1,0
Total assets	869,4	894,1	901,7
Equity	312,2	320,2	315,0
Interest bearing debt	452,6	479,6	457,4
Non interest bearing debt	104,6	94,3	129,3
Total equity and debt	869,4	894,1	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

Yearly production:

- Salmon and trout estimated: 15,000 gwt

Smolt production: appr. 5 mill

Wellboat shipping co.

Slaughtery

Processing plant



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Hydrotech Gruppen

NOK	Q1 - 2003	Q1 - 2002	31.12.2002
Revenues	84,8	61,6	349,0
EBITDA	-3,8	0,2	25,7
EBIT	-8,5	-5,4	6,5
Pre tax	-14,9	15,6	3,7
Balance sheet	31.03.2003	31.03.2002	31.12.2002
Licences / Goodwill	140,6	138,2	141,2
Fixed assets	173,5	164,7	175,4
Inventories	195,0	173,8	217,7
Other current assets	42,3	61,6	52,4
Total assets	551,4	538,3	586,7
Equity	117	144,3	131,8
Debt	434,5	394	454,9
Total equity and debt	551,5	538,3	586,7
Net interest bearing debt	343,8	307,9	363,7

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%	31.03.03
Turnover	84,0
EBIT	- 1,2
Pre tax profits	- 2,6



31.03.02	2002
88,2	364,6
- 0,2	10,9
- 1,8	4,5



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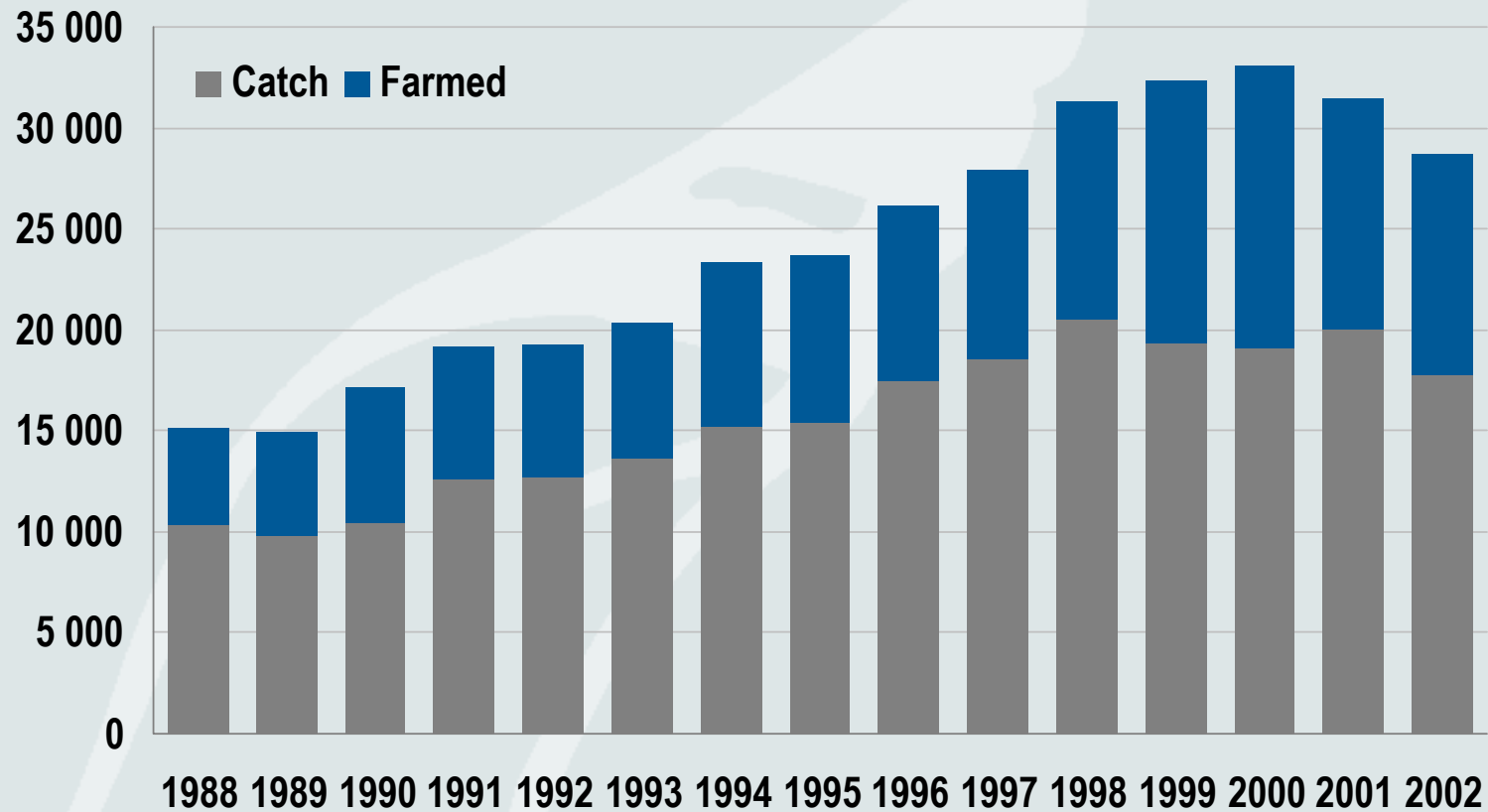
LERÖY | SEAFOOD INNOVATION SINCE 1899

Contents

Sections	Page
I Considerations	3
II Key financial figures Q1 2003	9
III Lerøy at a glance	19
IV Lerøy Seafood Group - Company profile	23
V Market glance	37



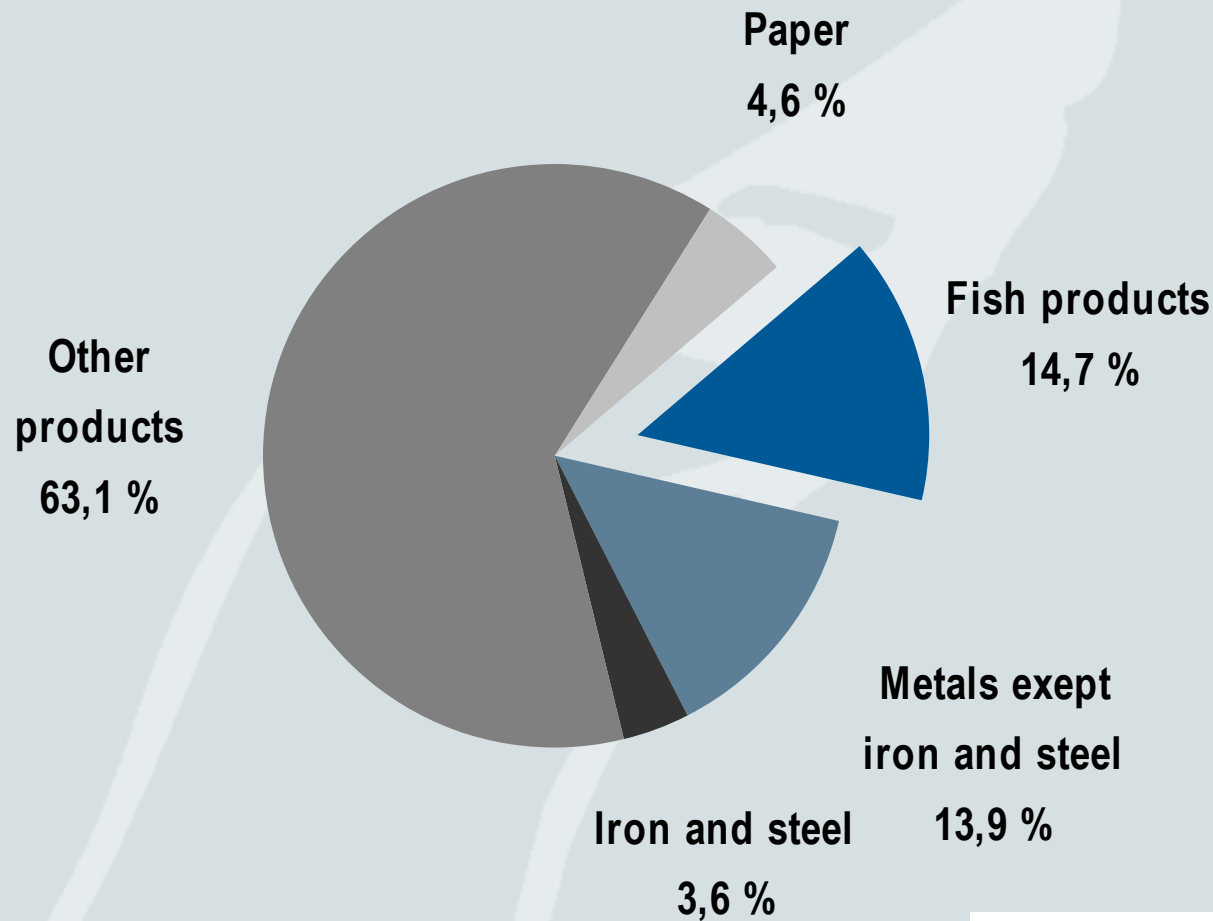
Norwegian export of 1988 - 2002



© EFF, Datakilde=SSB



Fisheries share of export (Norway 2002)



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Atlantic salmon – supply side

Market 1000 tonnes	2001	2002	Changes 01 - 02	Growth 2003E	Growth 2002-03E
Norway	413	444	7,4	474	6,7 %
Chile	245	272	10,9	284	4,5 %
UK	131	142	4,2	142	0 - 2%
Canada	97	96	-0,6	88	- 8,2 %
Faeroe Islands	41	42	2,9	36	-14 %
Ireland	24	22	-5,9	23	3 %
USA	23	15	-34,8	18	17 %
Others	14	17	108,3	19	10 %
In total	987	1041	5,5	1082	3,9 %



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Atlantic salmon – demand side

Market 1000 tonnes	Volume 2001	Volume 2002E	Volume 2003E	Change (y/y)
EU	500	500	515	3%
USA	255	277	313	13%
Japan	65	57	57	0%
Eastern Europe	30	49	64	30%
South East Asia	30	39	39	0%
Other	115	98	105	7%
Total	1 000	1 020	1 093	7%



Drivers per 01.05.03

Norway – EU (76.500 mt)	+ 15,9 %
Norway – Eastern Europe (fresh 8.400 mt)	+ 62,4 %
Norway – Eastern Europe (frozen 5.200 mt)	- 5,6 %
Norway - Japan (8.500 mt)	- 21,2 %
Feed sales	+ 4,6%

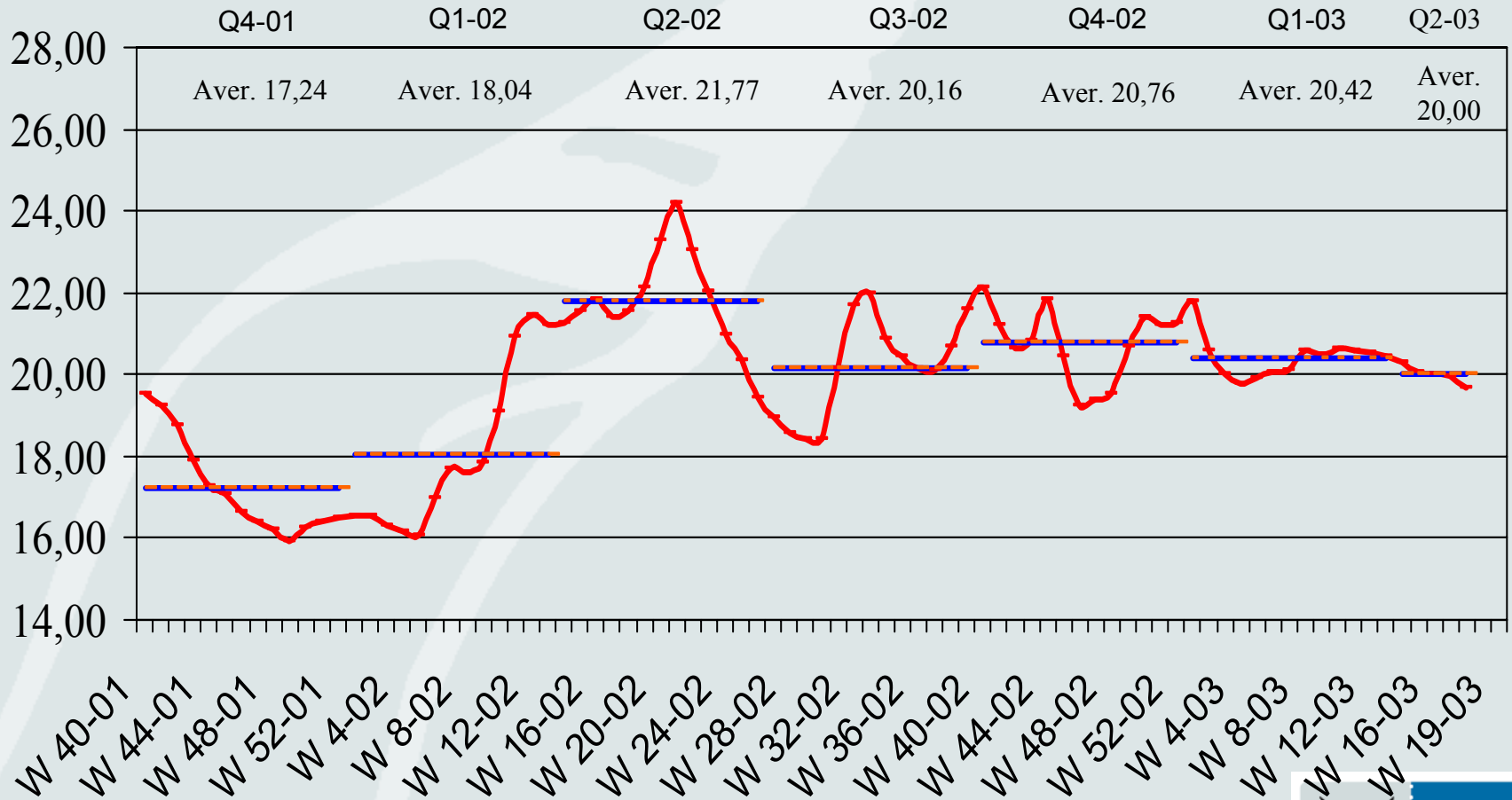
SARS ?

Norway - Hong Kong (1874 mt)	- 19 %
Norway - China (930 mt)	+ 44 %
Hong Kong / China 2,5 % of total export	



Salmon export from Norway as of week 19-03

NOK / kg
Oslo



Gjennomsnittspris sløyd fisk FCA Oslo

Kilde: FHL/NSL





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