

PRESENTATION Q3 2011

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Oslo November 7th 2011

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- Summary of Q3 2011
- Financial Highlights
- Segment Information
- Group Financials
- Outlook

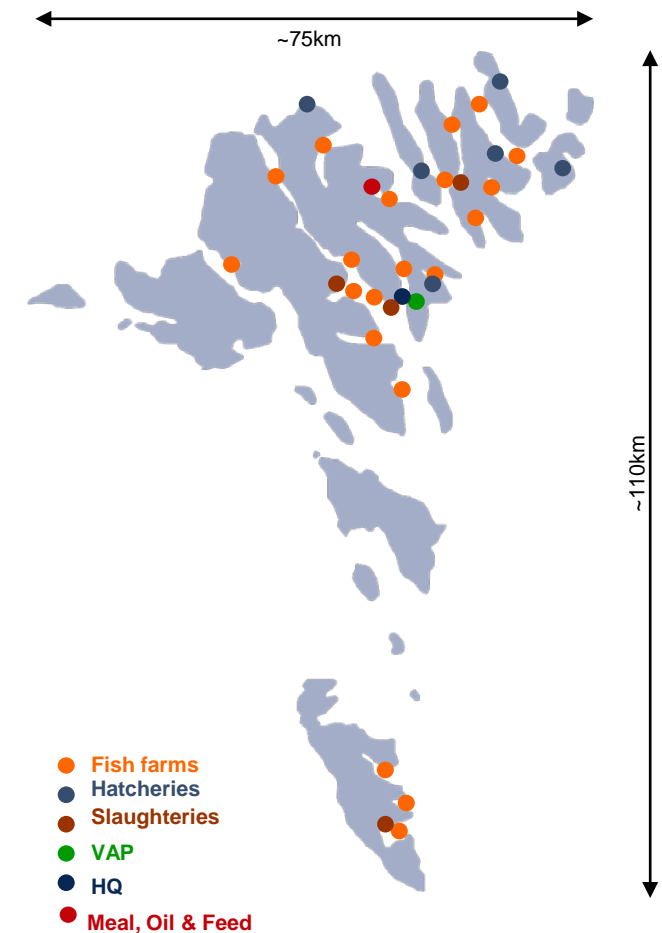


BAKKAFROST

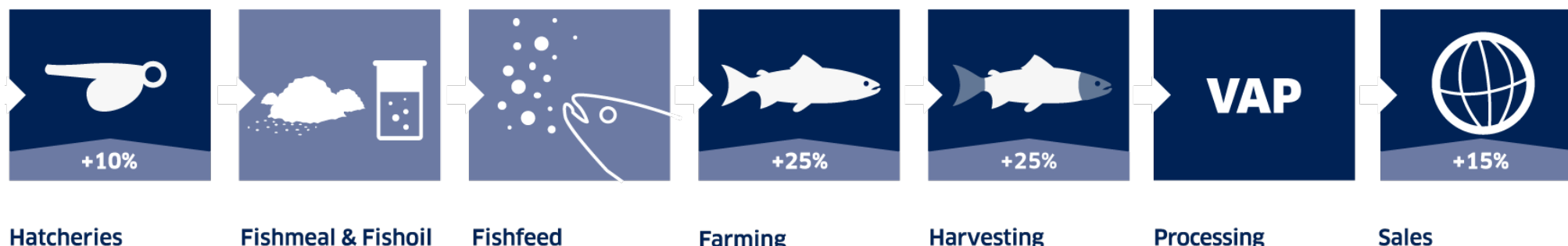
– THE LARGEST FISH FARMING COMPANY IN THE FAROE ISLANDS



- **Largest salmon farming company in the Faroe Islands**
 - ~80 % of harvest volumes (Q3 2011)
 - ~57 % of farming licenses (01.07.2011)
- **Havsbrún included in P&L from 1st July 2011**
- **Produced a total of 9,243 gwt in Q3 2011 (4,048 tonnes gwt in Q3 2010)**
- **Feed sale of 30 thousand tonnes in Q3 2011**
- **Revenues DKK 369 million in Q3 2011 (Q3 2010 DKK 178 million)**
- **Operational EBIT DKK 70 million in Q3 2011 (Q3 2010 of DKK 47 million)**
- **All segments positive margins**



INTEGRATION OF HAVSBRÚN INTO BAKKAFROST

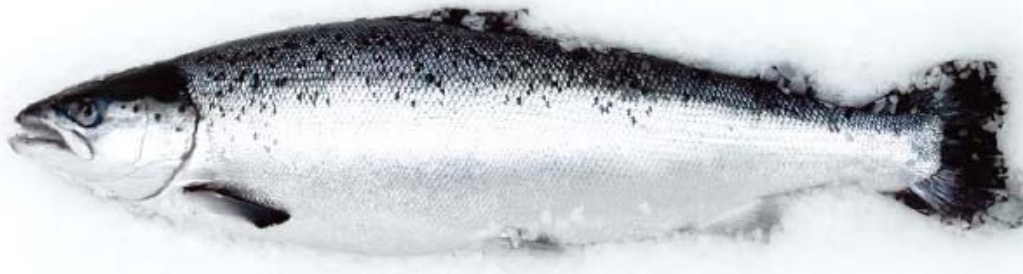


- Integration is carried out as planned
- Start to see benefits from the acquisition of Havsbrún
- Strong quarter for Havsbrún
- Diversification of cash flow streams
- Optimisation of group cash management and financing
- Reduced costs of biomass
- Increased VAP capacity from Q1 2012 with minimum investments

- Commenced to take out financial synergies with Havsbrún
- On track with organisational changes on sales- and financial division
- Diversification with spot sale, VAP contracts and fish meal, -oil and –feed gives stabile cash flow
- Feed and VAP Segment contributed with good margins in the period
- Equity increased DKK 125 million due to goodwill in connection with the acquisition of Havsbrún
- Operational EBIT DKK 70 million (DKK 47 million in Q3 2010)
- Signed a Term Sheet with our bank syndicate on DKK 1,100 million after end of Q3 2011
- High supply pressure on salmon market in the period
- Prices dropped more than 10 NOK/kg in average in the period
- Viking – good biology, but higher unit costs than Bakka Frost Farming in the period
- 80% of existing VAP capacity in 2012 contracted. Open “new” VAP factory in Q1 2012

QUALITY SALMON

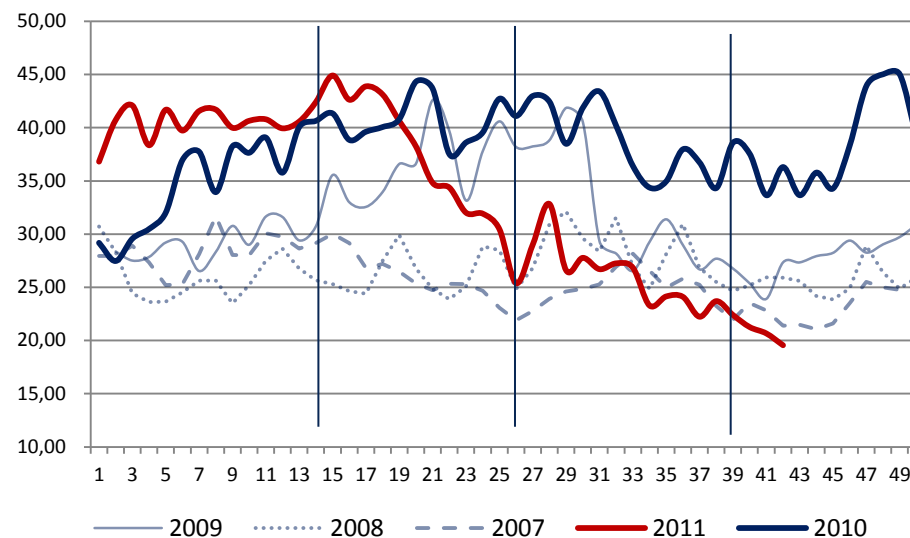
FROM THE NORTH ATLANTIC



MARKET

- Salmon price dropped during Q3
 - Global salmon supply increased on all markets in third quarter, per month:
 - 15-18% increase in EU
 - 18-22% increased in USA
 - 26-44% increased in Japan
 - 25-30% increase on other markets
 - Total increase in volumes sold globally: 15-20% *)
 - Increased sales is driven by: Campaigns' and promotions. Demand will rise as price reduction reaches consumers

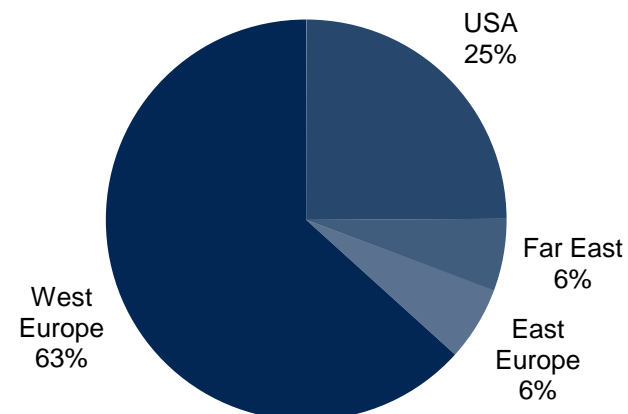
Spot prices on fresh salmon [NOK/kg HOG]



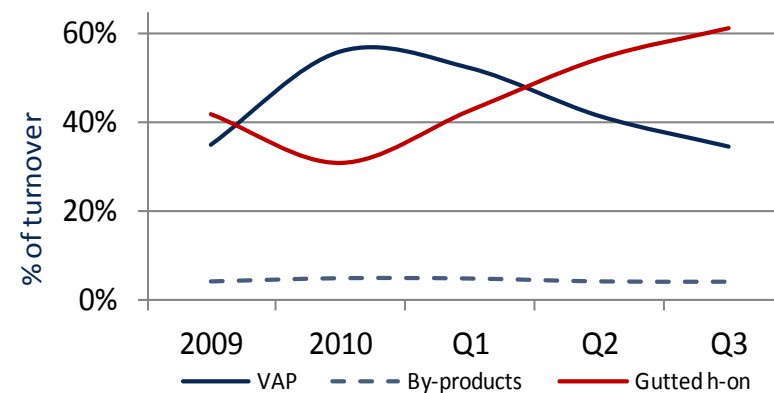
*) Kontali Analyse

- Sales challenging due to high supply in 3Q
 - Bakkafrøst sales increased from DKK 178 million in Q3 2010 to DKK 369 million in Q3 2011 (207% increase)
 - VAP share 39%
 - 31% of sales to US and Far East in 3Q

Sales, divided on markets in Q3 [by Value]



Sales split by product



FINANCIAL HIGHLIGHTS



FINANCIAL HIGHLIGHTS

- **All segments contribute with positive results**

- Increased revenue and operational EBIT
- Strong EBITDA and EBIT margins
- Profit for the period affected by badwill of DKK 125m
- Satisfying EBIT/Kg (Farming/VAP) of NOK 6.08 in a challenging quarter
- Strong EBITDA margin in Fish meal, oil and feed

(DKKm)	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Operating revenues	369.3	177.7	923.9	567.7
Operational EBITDA	92.6	57.8	333.6	187.6
Operational EBIT	70.0	47.4	289.2	156.4
Profit for the period	159.9	66.1	237.8	144.9
Operational EBITDA margin	25.1%	32.5%	36.1%	33.0%
Operational EBIT margin	19.0%	26.7%	31.3%	27.5%
Operational EBIT/Kg (Farming and VAP) (NOK)	6.08	12.49	12.55	11.09
EBITDA margin (Fish meal, oil and feed)	14.4%	-	14.4%	-

KEY FINANCIALS, GROUP

- Satisfying cash flow from operations
- Total assets increased by 202%
- NIBD increased to finance the purchase of Havsbrún and has a negative impact on Equity ratio
- New termsheet signed – will secure long term financing of the Bakkafrost Group
- Undrawn loan facility of DKK 247 mill

(DKKm)	Q3 2011	Q3 2010
Cash flow from operations	56	-18
Total assets	2,395	1,184*
NIBD	853	70*
Equity ratio	41%	76%*



SEGMENT INFORMATION

■ Harvested volume:

- Increases 228% from 4,048 in Q3 2010 to 9,243 in Q3 2011
- Forecast 2011: 38 kt gwt
- Forecast 2012: 46 – 49 kt gwt
- Smolt transfer YTD 2011 6.5 million pieces, expected to reach 10 million pieces smolt in 2011

[tonnes gwt]	Q3 2011	Q3 2010	YTD 2011	2010	2009
West	582	915	3,022	7,792	11,970
North	4,879	3,133	15,991	13,834	18,680
Viking	1,720		1,720*		
Faroe Farming	2,062		2,062*		
Total	9,243	4,048	22,795**	21,626	30,650

* Viking and Faroe Farming included from July 1st 2011

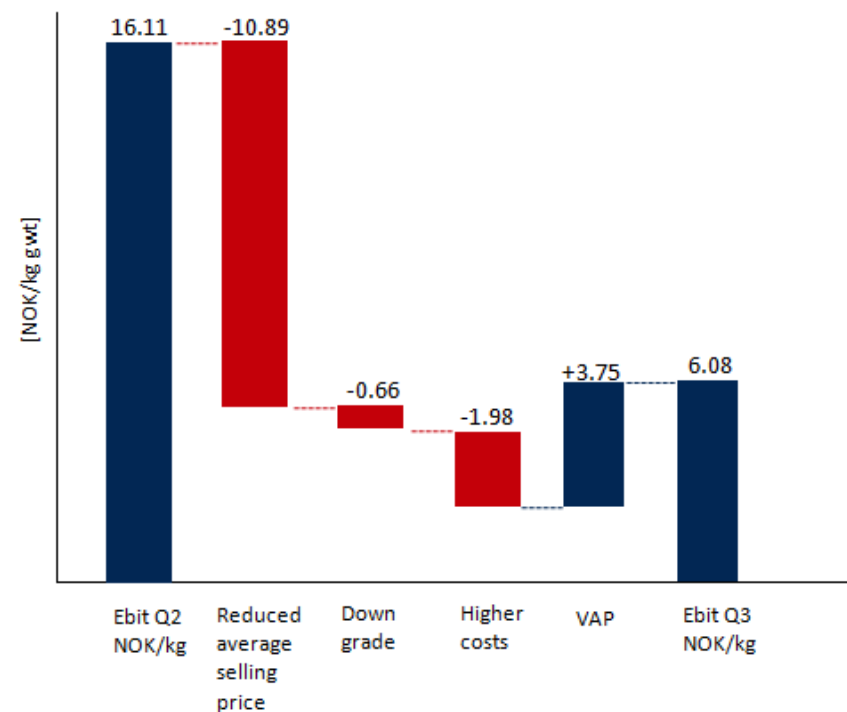
** Excluding 2,067 tonnes harvested by Viking and Faroe Farming in H1 2011



FARMING – MARGIN DEVELOPMENT

- The operational EBIT/kg in Q3 2011 was 6.08 for Farming and VAP segment compared to 16.11 NOK/kg in Q2 2011
- Reduced selling price accounted for -10.89 NOK/kg
 - 45% sold in September
- Higher downgrade in Q3 than in Q2 accounted for -0.66 NOK/kg
 - More matured fish
- Higher costs accounted for -1.98 NOK/kg
 - Viking Seafood:
 - Due to low capacity utilization, extended smolt release window , high finance costs and other costs ~ 5 NOK/kg
 - Faroe Farming:
 - Higher costs due to smaller farming sites, lower capacity utilization
 - Good biological performance
- Improved margin from VAP accounted for +3.75 NOK/kg
 - VAP contributed positively

Operational EBIT/kg [NOK]



FARMING – OPERATIONAL PERFORMANCE

- **The farming segment was impacted by:**

- Higher production costs in the farming division
- Viking Seafood
 - High costs due to extended smolt release window, high finance and other costs in A71

- Excellent biological performance
- Site empty by end of Q3

- **Faroe Farming**

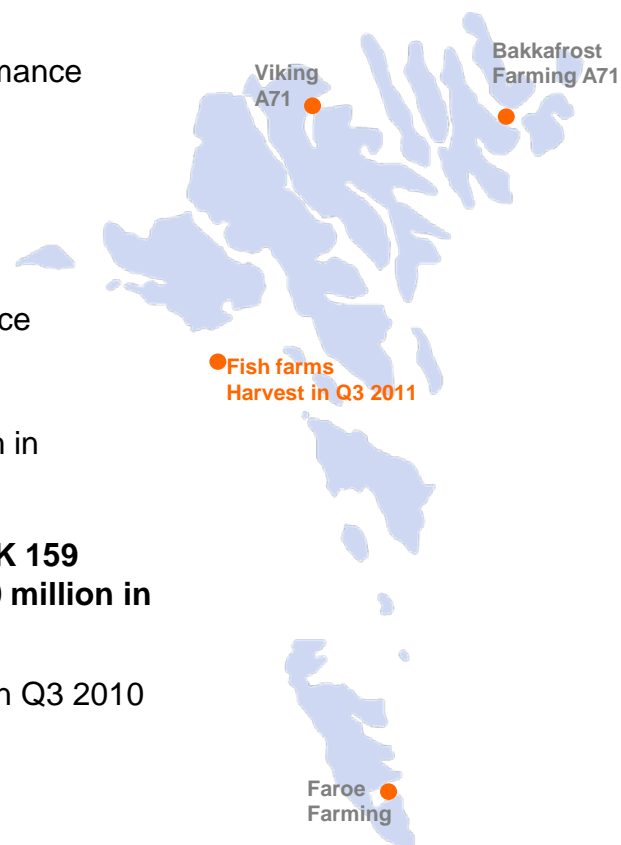
- Higher production costs
- Good biological performance

- **BakkaFrost Farming**

- Downgrade of matured fish in Aug/Sep in A11

- **Revenues increased from DKK 159 million in Q3 2010 to DKK 230 million in Q3 2011**

- Margin reduced from 37,1% in Q3 2010 to 9,0% in Q3 2011



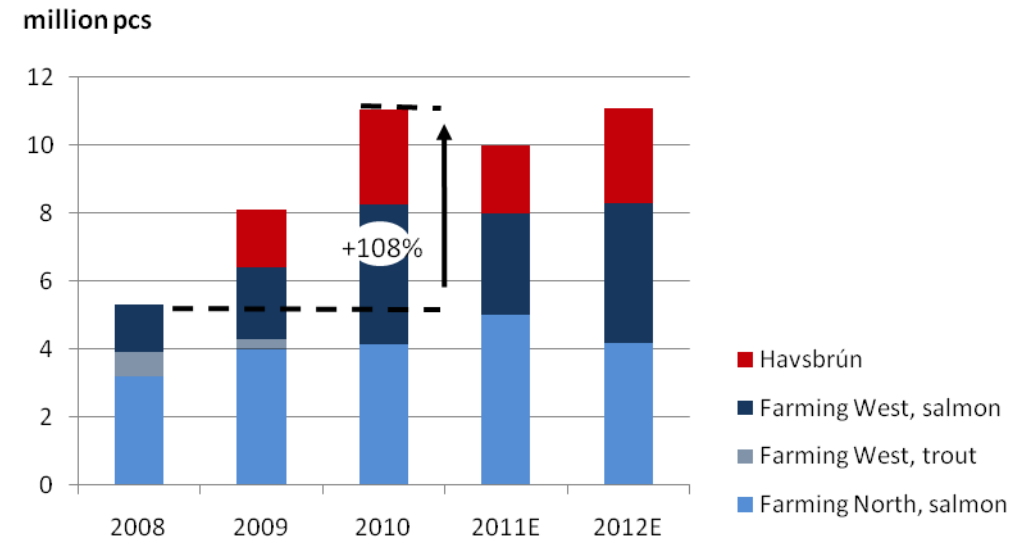
(NOK)	Q3 2011		
Farming:	BakkaFrost	Faroe Farming	Viking
Operational EBIT/kg gwt	3.52	2.69	-1.81
Harvested volumes 1000 [gwt]	5,461	2,062	1,720

(DKKm)	Q3 2011	Q3 2010
Operating revenues	231	159
Operational EBIT	21	59
Operational EBIT margin	9.0%	37.1%

VOLUME GROWTH

- Smolt transfer 6.5 million YTD, whereof 0.8 released in Faroe Farming. Total transfer expected to reach 10 million for 2011
- Biomass 30.09.2011 vs 30.09.2010:
Number of fish: 27% higher
Average size: 40% higher

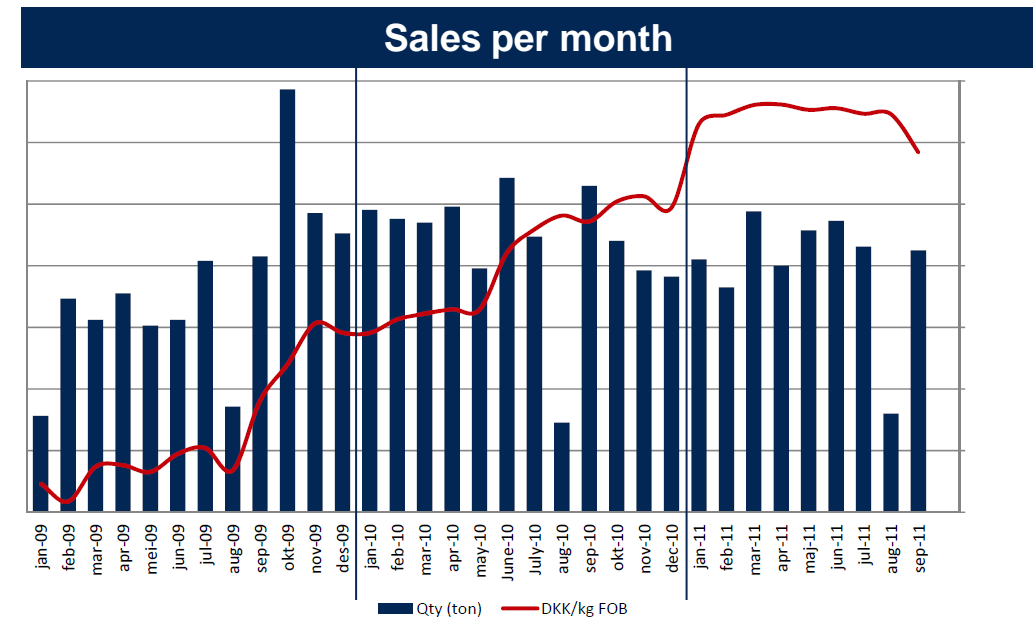
Smolt Transfer (million)



SEGMENTS VAP

- Operational EBIT margin 29% in Q3 2011 compared to -10% in Q3 2010
- Increased VAP capacity available from Q1 2012
- 80% of VAP capacity 2012 committed on fixed contracts
- Contracts honoured by customers

(DKKm)	Q3 2011	Q3 2010
Operating revenues	112	108
Operational EBIT	33	-11
Operational EBIT margin	29%	-10%



SEGMENT FISH MEAL, OIL AND FEED

- First quarter reported in Bakkafrost accounts. Includes only Q3 in the P/L
- Sales increased 43 percent YTD 2011 compared with 2010 (61 kt)
- Raw material situation expected to be volatile
- Quotas of blue whiting will increase from 40 kt in 2011 to 400 kt in 2012
- Estimated sale of fish feed in 2011: 80 kt

Meal, Oil and Feed

(DKKm)	Q3 2011	YTD*** 2011	2010*	2009*
Operating revenues**	277	541	576.6	491.5
EBITDA	39,8	66.9	159.4	72.1
EBITDA Margin	14.4%	12.4%	27.6%	14.7%
Sale of feed (tonnes)	30,404	60,819	60,250	68,107



Havsbrún feed silo system

* FO GAAP

** Including sale to Bakkafrost 76% of feed volumes

*** Only Q3 included in P&L for Bakkafrost



GROUP FINANCIALS

GROUP PROFIT AND LOSS

- Havsbrún included in the P&L from Q3 2011
- Revenue increased by 208%, due to inclusion of Havsbrún and increased harvest
- Operating EBIT increased by 48%
- All fair value adjustments on biomass reversed
- No onerous contracts
- Result positive impacted by badwill of DKK 125 mill

(DKKm)	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Operating revenues	369.3	177.7	923.9	567.7
Operational EBITDA	92.6	57.8	333.6	187.6
Operational EBIT	70.0	47.4	289.2	156.4
Fair value adj.	-14.6	12.4	-131.9	40.4
Impairment of bio ass	-0.7	0	-0.7	0
Onerous contr.	0	22.9	2.9	-0.9
Listing costs	0	-0.1	0	-12.8
Income from associate	-1.8	0	0	0
Acquisition costs	-13.9	0	-15.0	0
Badwill	124.6	0	124.6	0
EBIT	163.7	82.5	267.4	183.1
Financial items	-3.5	-1.9	-7.1	-6.5
EBT	-160.2	80.7	260.3	176.7
Taxes	-0.3	-14.5	-22.5	-31.8
Profit for the period	159.9	66.1	337.8	144.9
Operational EBITDA margin	25.1%	32.5%	36.1%	33.0%
Operational EBIT margin	19.0%	26.7%	31.3%	27,5%
Operational EBIT/Kg (Farming and VAP) (NOK)	6.08	12.49	12.55	11.09
EBITDA margin (Fish meal, oil and feed)	14.4%	-	14.4%	-

*Operational EBITDA and EBIT adjuste for Fair value adjustment of biomass, onerous contracts, income/loss from associate, acquisition costs and badwill

BALANCE SHEET – AS PER 30TH SEPT 2011

- Increases in figures reflecting the acquisition of Havsbrún
- Value of new licences of DKK 234 mill included
- PPE of Havsbrún fair value adjusted by DKK 298
- Increase in inventory mainly related to fish meal, oil and feed
- NIBD DKK 852,7 million
- Equity ratio 41%
- Long- and short term interest bearing debt profile do not reflect new loan agreement, as it was signed after the end of the quarter.
- Followint the new Term Sheet only DKK 75 mill are short term.

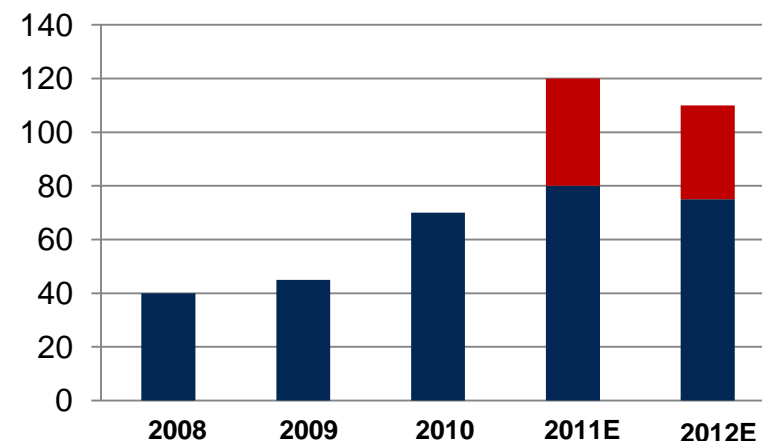
(DKKm)	30.09.2011	31.12.2010
Intangible assets	370.0	136.2
Property, plant and equipment	824.1	356.4
Financial assets	34.6	26.0
Long term receivables	0.7	0.7
Biological assets	611.3	482.1
Inventory	247.8	28.5
Receivables	260.3	145.5
Cash and cash equivalents	46.4	9.1
Total Assets	2,395.1	1,184.7
Equity	975.3	902.3
Deferred tax	321.3	120.0
Long term interest bearing debt	349.6	37.4
Short term interest bearing debt	549.5	42.0
Account payables	199.5	83.0
Total Equity and liabilities	2,395.1	1,184.7

PLANNED INVESTMENTS IN 2011 FOR BAKKAFROST AND HAVSBRÚN

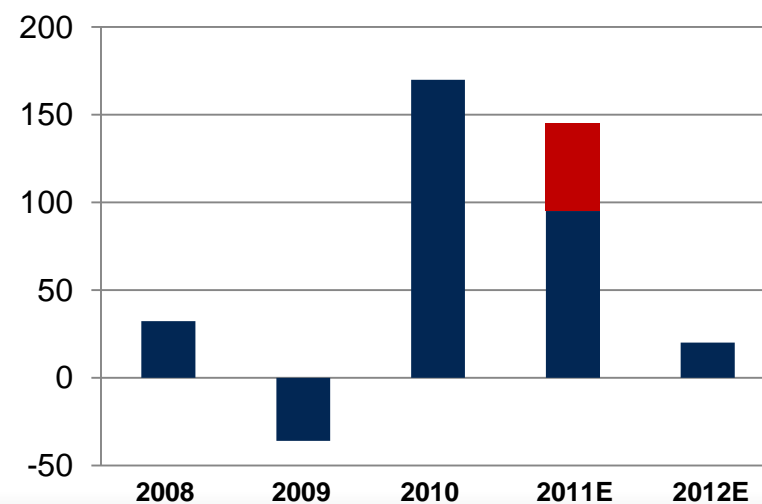
- Investments in PPE is estimated to be 80* million DKK in 2011, which is DKK 10 million higher than 2010
 - The investments are made in:
 - Hatchery division
 - Farming division
 - Harvesting division and
 - VAP division
- Havsbrún (incl. Viking & Faroe Farming) investments in PPE in 2011 expected to be in the level of 40 mill DKK
- Biomass is expected to grow 20 million DKK in 2012

* Including investments in the second VAP factory

Investments in PPE [Mio DKK]



Increased biomass [Mio DKK]



CASH FLOW – FOR Q3 2011

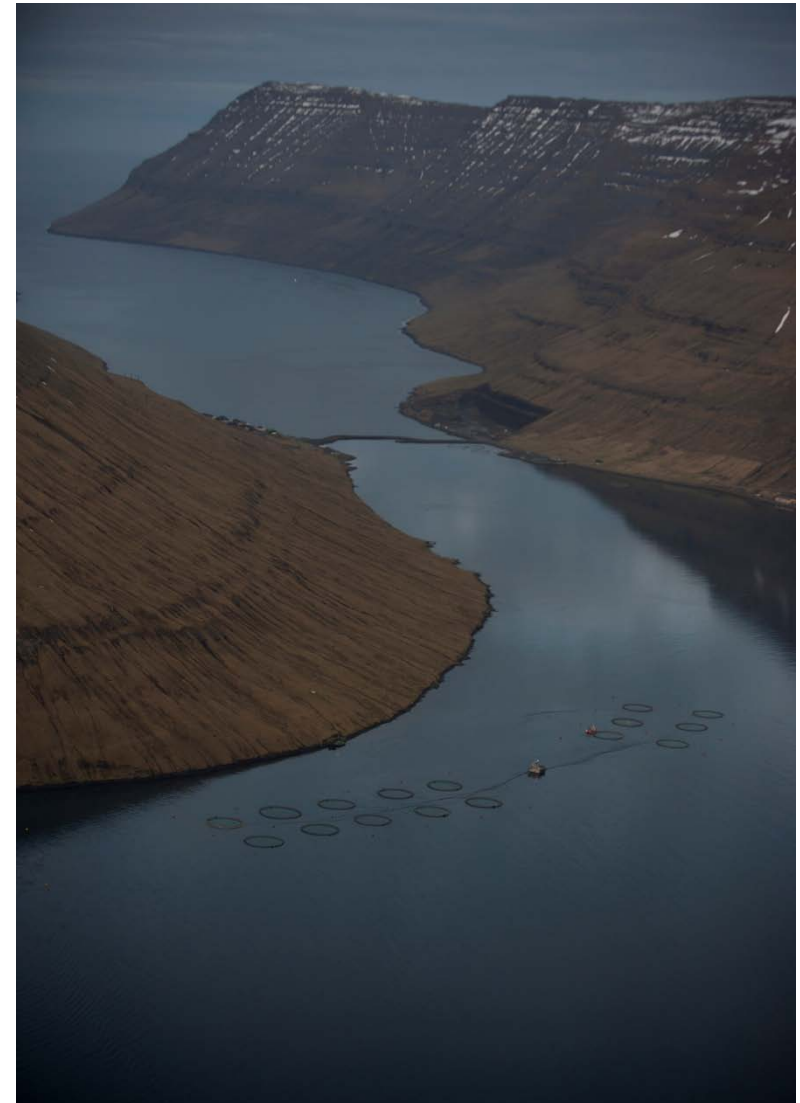
- Satisfying cash flow from operations
- CF from investments reflect payment of Havsbrún and investments in PPE of DKK 30 mill
- Investments financed by increased debt and sale of Havsbrún's share in Bakkafrost
- Undrawn loan facility of DKK 247 mill (according to the new loan agreement)

(DKKm)	Q3 2011	Q3 2010	YTD 2011	YTD 2010
Cash flow from operations	55.6	-17.7	323.2	151.2
Cash flow from investments	-657.6	-10.4	-696.4	-50.5
Cash flow from financing	643.8	21.7	410.4	-117.8
Net change in cash	41.9	-6.4	37.3	-17.0
Cash at the end of the period	46.4	18.6	46.4	18.6

- **Secured long term financing of the Group**
- NIBD end Q3 2011: DKK 853 million
- Term sheet signed totalling DKK 1,100 million
- Will replace all interest bearing debt in the new group
- Instalment loan of DKK 500 million, repayable over 5 years (DKK 25 million/quarter*)
- Revolving credit facility of DKK 600 million due in 5 years

- **Covenants**
 - NIBD/ EBITDA max 3.5 over 12 months
 - Equity ration of min: 35%
 - From end 2012 37.5%
 - From end 2013 40.0%

*First payment at the end of Q1 2012



- The salmon price at current level is boosting demand both on existing and new markets
- Increase harvested volumes for Bakkafrost to between 46,000* tonnes and 49,000* tonnes in 2012
- 80% of current VAP capacity committed for 2012
- Increased VAP production by opening second VAP factory with marginal investments
- Feed sales estimated to 80,000 tonnes in 2011
- The acquisition of Havsbrún gives Bakkafrost:
 - higher growth potential
 - a better position as a high quality Atlantic Salmon producer with full control and responsibility from salmon feed production to final salmon product
 - Lower cost price of biomass, as internal margin on feed is eliminated from costs on biomass

* Including Faroe Farming

APPENDIX



- Acquisition of Havsbrún and non-controlling interests in Viking Seafood
- **Badwill identified**
 - Value of Havsbrún's shares in Bakka Frost decreased between agreement made and approval of final agreement and change of control
 - Fair value identified on farming licenses
 - Fair value identified on PPE

(DKKm)	1 st July 2011
Payment:	
Cash	627
Havsbrún's shares in Bakka Frost	350
Total Payment	977
Total net identifiable assets	1,101
Badwill	125



- 18 islands – 1,400 km²
- 48,565 inhabitants (1. Feb 2011)
- Self-governing part of the Kingdom of Denmark
- Part of the Danish monetary union
- Key sectors (% of wage earners, 2009)
 - Service/public admin.: ~37%
 - Private service: ~33%
 - Fishing industry: ~17%
- GDP: DKK 11.784 bn (2009)
- GDP/capita: DKK 242,220 (EU: 175,530) (2009)
- Total export of products (2010):
 - 4,360 mill DKK,
 - whereof farmed fish accounts for 34%
- Corporate Tax: 18%
- Farming Licence Tax 2011: 2.5%



Source: Hagstova Føroya

FAROE ISLANDS

– EXCELLENT CONDITIONS FOR COST EFFECTIVE FARMING

GEOGRAPHY

- Faroese fjords provide separation between locations
- Improves biological control and area management

WATER

- Stable seawater temperatures throughout the year between 6-12 degrees Celsius
- Excellent water quality and circulation conditions

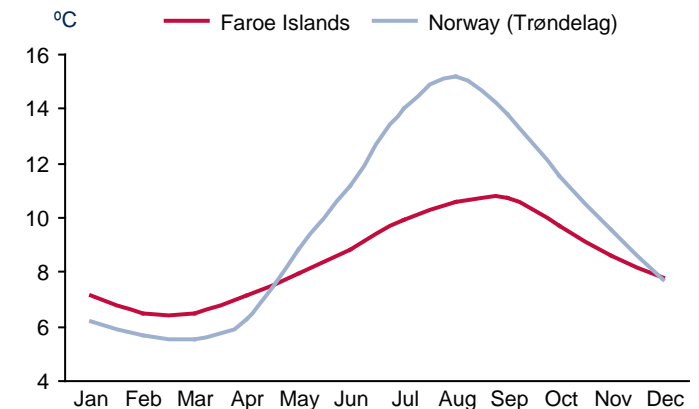
LOCATION

- Efficient distribution to both the European- and US markets

BIOMASS

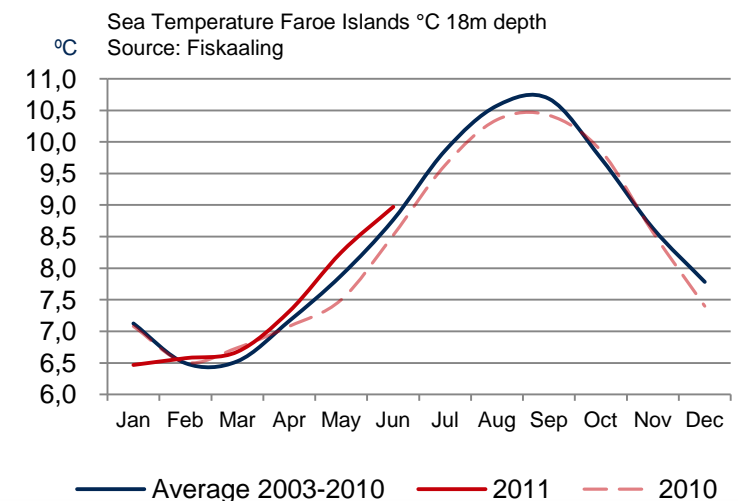
- Biological sustainability setting the biomass target per license

Average Seawater Temperatures 2003-2009



Source: Company material, Havforskningsinstituttet

Average Seawater Temperatures 2011



LARGEST SHAREHOLDERS

20 largest shareholder

SALMAR ASA	NOR	24,80
Jacobsen Hans	FRO	9,40
Jacobsen Jóhan Regin	FRO	9,19
TF ILØGUR P/F	FRO	4,15
P/F Rundingur	FRO	4,07
JPMORGAN CHASE BANK	GBR	3,50
NORDEA BANK DENMARK A/S	DNK	3,29
DANSKE BANK A/S	DNK	2,55
P/F Føroya Livstrygging	FRO	2,08
STATE STREET BANK AND TRUST	USA	2,07
SP/F Kerið	FRO	2,04
JPMBSA	GBR	1,83
Holberg Norge	NOR	1,62
Morgan Stanley & Co	GBR	1,54
UBS (LUXEMBOURG) S.A.	LUX	1,15
JPMORGAN CHASE BANK	GBR	1,14
Holberg Norden	NOR	1,11
P/F Hvalnes	FRO	0,98
Nordea Nordic Fund	GBR	0,94
Pimco GL Invs/EQS Pathfind	USA	0,92

TOTAL SHARE 20 LARGEST SHAREHOLDERS

78,34%

As per October 28^h 2011

Share price development since listing [NOK]



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QUALITY SALMON FROM THE NORTH ATLANTIC

Bakkafrost is the leading Faroese producer and exporter of quality salmon. Bakkafrost is a reliable partner. We manage the entire production process from salmon roe to ready-packed products.