

PRESENTATION Q1 2012

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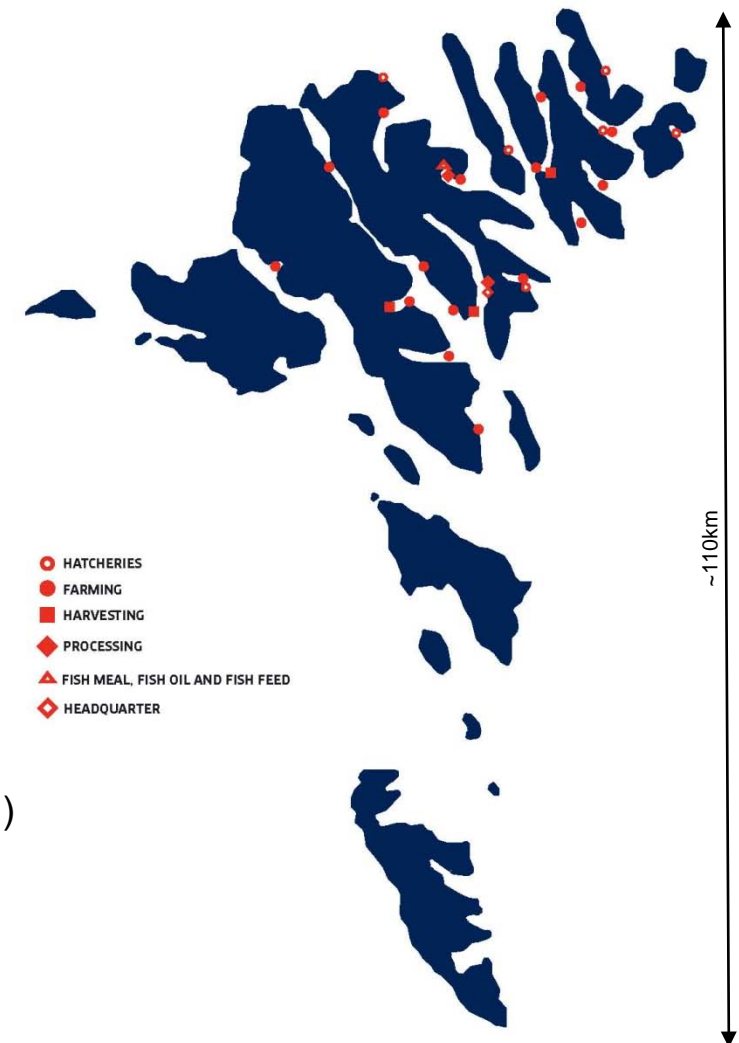
- **SUMMARY OF Q1 2012**
- FINANCIAL HIGHLIGHTS
- SEGMENT INFORMATION
- GROUP FINANCIALS
- OUTLOOK

BAKKAFROST

– THE LARGEST FISH FARMING COMPANY IN THE FAROE ISLANDS



- **Largest salmon farming company in the Faroe Islands**
 - ~74% of harvest volumes (Q1 2012)
 - 50% of farming licenses
- **Harvested** a total of 11,348 gwt in Q1 2012 (5,460 tonnes gwt in Q1 2011)
- **Feed sale** of 15,299 tonnes in Q1 2012
- **Revenues** of DKK 400 million in Q1 2012 (DKK 240 million in Q1 2011)
- **Operational EBIT** of DKK 60 million in Q1 2012 (DKK 92 million in Q1 2011)
- Solid results from all segments



- **Overall EBIT/kg NOK 5,4**
 - Farming EBIT/kg NOK 4,4
- **The marketplace showed a very strong demand in the period**
- **Operational development:**
 - The biological development of the Farming operation was beneficial together with good operational performance. Improvement on costs still in process
 - VAP operation with strong margin
 - Feed business increased sales on solid margin
- **Sold shares in Faroe Farming**
 - Now controlling 49% in order to comply with regulations
 - Faroe Farming now considered an associated company
- **Cash flow from operations DKK 33 million**
- **Dividend of NOK 1 per share decided in AGM in March, dividend paid in April 2012**



BAKKAFROST

– ACQUISITION AND DIVESTMENT OF FAROE FARMING



■ Background

- Prior to Q1 2012 transaction, Bakkafrost controlled ~57 % of farming licenses (July 1st 2011) in the Faroe Island
- Maximum control 50% of licenses according to Faroese law

■ Transaction

- Acquired the non-controlling interests (21.93%) in Faroe Farming, increasing total ownership to 100%
- Subsequently divested 51% to the Faroese based investment company Tjaldur
- Bakkafrost still owns 49% in Faroe Farming (associated company)
- *Agreement pending authority approval*



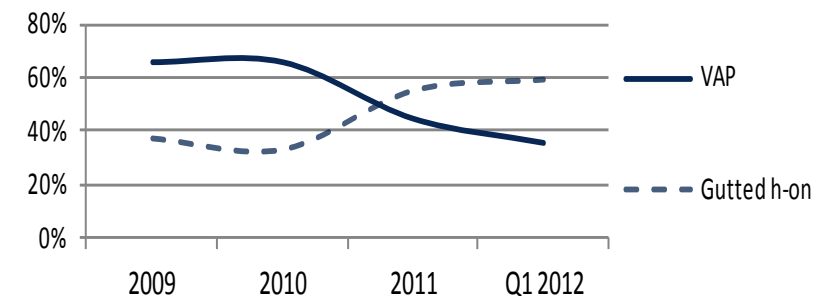
Strong salmon market in Q1 2012

- Sold quantity increased 108% in Q1 compared with Q1 2011
- Strong demand from Russia & China, accounted for 23% of total revenues in Q1 2012
- Supplies to US market suffered, expected to gain back market share going forward
- Prices reduced 33% compared with same period last year

- VAP/Contract share on 35% in Q1 2012 compared with 57% in Q1 2011
 - Increased in absolute terms based on higher harvest volumes

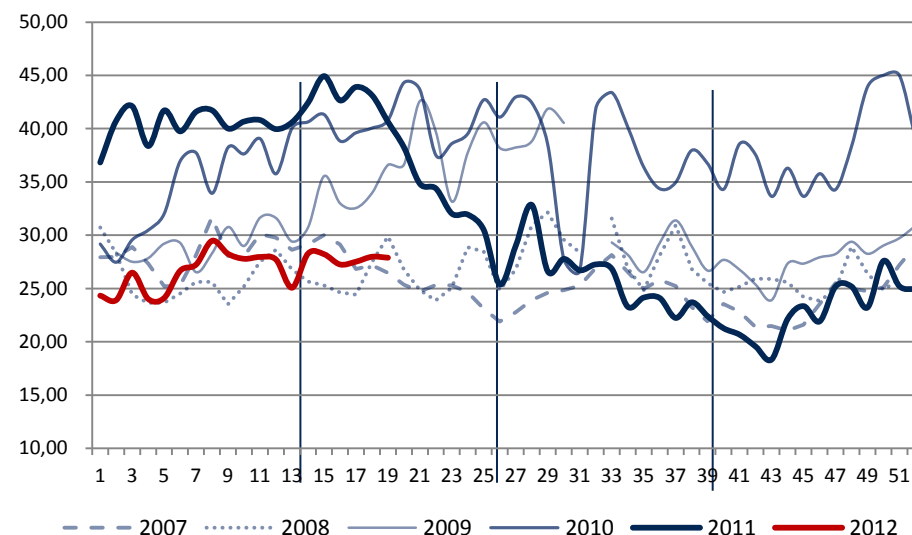
Market share by value	Q1 2012	Q1 2011	2011	2010
EU	58%	64%	60%	71%
US	11%	26%	23%	15%
Far East	16%	8%	9%	7%
Eastern Europe	15%	2%	8%	7%

Sales allocated on product groups

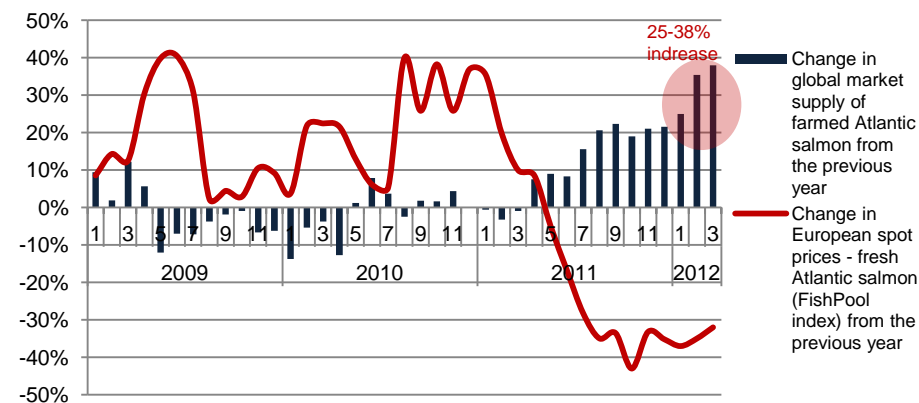


- Global supply increased 32% from 275,000 tonnes gwt to 362,000 tonnes in the period
- Salmon price dropped 35% ~ 14 NOK/kg from Q1 2011 to Q1 2012
- 25-38% total increase in volumes per month sold globally in Q1 compared with last year
- Global supply growth in 2012 expected to come down to around 14-19% from 25-38% Q1 2012
- Significant increased demand and growth of market size - especially from emerging markets - has secured the market from collapsing despite the high increase in supply

Spot prices on fresh salmon 4-5 [NOK/kg HOG]



Change in global market supply and market price



Source: Kontali Analyse



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FINANCIAL HIGHLIGHTS

Acceptable results in a supply driven market

- Increased revenue driven by organic growth in harvested volumes together with revenue from acquired activities
- Decrease in EBITDA and EBIT margins due to lower salmon prices
- Result after tax hampered by loss from discontinuing operations

All segments contribute with positive results

- Satisfactory EBIT/Kg (Farming/VAP) of NOK 5.42 despite the massive increase in the supply of salmon
- Solid EBITDA margin in Fish meal, oil and feed in a low season quarter

(DKK million)	Q1 2012	Q1 2011
Operating revenues	400.1	240.3
Operational EBITDA	79.7	102.7
Operational EBIT	60.0	92.0
Result from discontinuing operation	-18.8	0
Profit for the period	16.4	103.5
Operational EBITDA margin	19.9%	42.7%
Operational EBIT margin	15.0%	38.3%
Operational EBIT/Kg (Farming and VAP) (NOK)	5.42	17.68
EBITDA margin (Fish meal, oil and feed)	7.4%	-

KEY FINANCIALS, GROUP

- Acceptable cash flow from operations – hampered by lower salmon prices and increasing net working capital
- Total assets almost unchanged – but assets and liabilities in Faroe Farming classified as discontinuing operations
- NIBD reduced and the Group has undrawn loan facility of DKK 310.9 million
- Acquisition of non-controlling interests and approval of dividend of DKK 48.9 million reduce equity – and thus decreasing Equity ratio

(DKK million)	Q1 2012	Q1 2011
Cash flow from operations	33.2	100.8
Total assets*	2,299.0	2,301.8
NIBD*	764.1	816.8
Equity ratio*	43.1%	46.1%

* Comparing figure are at year-end 2011



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FARMING – HARVEST VOLUME

Harvested volume:

- Increased 108% from 5,460 tonnes in Q1 2011 to 11,348 tonnes in Q1 2012
- West region harvested the main quantity

Smolt transfer:

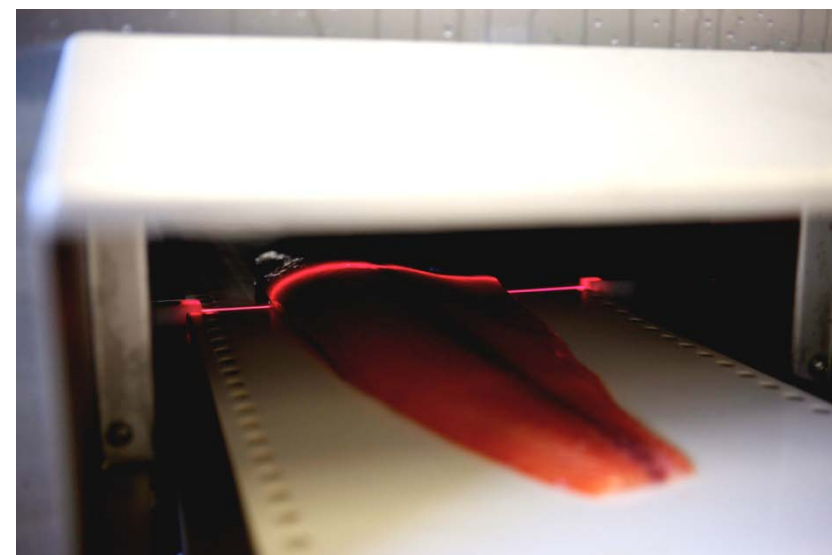
- Smolt transfer in Q1 was 2.6 million pieces
- In line with previous guided smolt release adjusted for Faroe Farming

[tonnes gwt]	Q1 2012	Q1 2011	2011
West	8,247	1,547	6,160
North	1,368	3,913	21,052
Viking	1,733		3,426*
Faroe Farming	***		3,717*
Total	11,348	5,460	34,355**

* Viking and Faroe Farming included from July 1st 2011

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

*** In Q1 2012 Faroe Farming harvested 881 tonnes gwt, which are not included as Faroe Farming is classified as discontinuing operation.



Revenues and margin

- Revenues increased in Q1 2012 compared with Q1 2011 from DKK 213 million to DKK 312 million
- Margin reduced from 42.7% in Q1 2011 to 15.7% in Q1 2012 mainly due to lower market prices

(DKK million)	Q1 2012	Q1 2011
Operating revenues	312	213
Operational EBIT	49	91
Operational EBIT margin	15.7%	42.7%

Operation

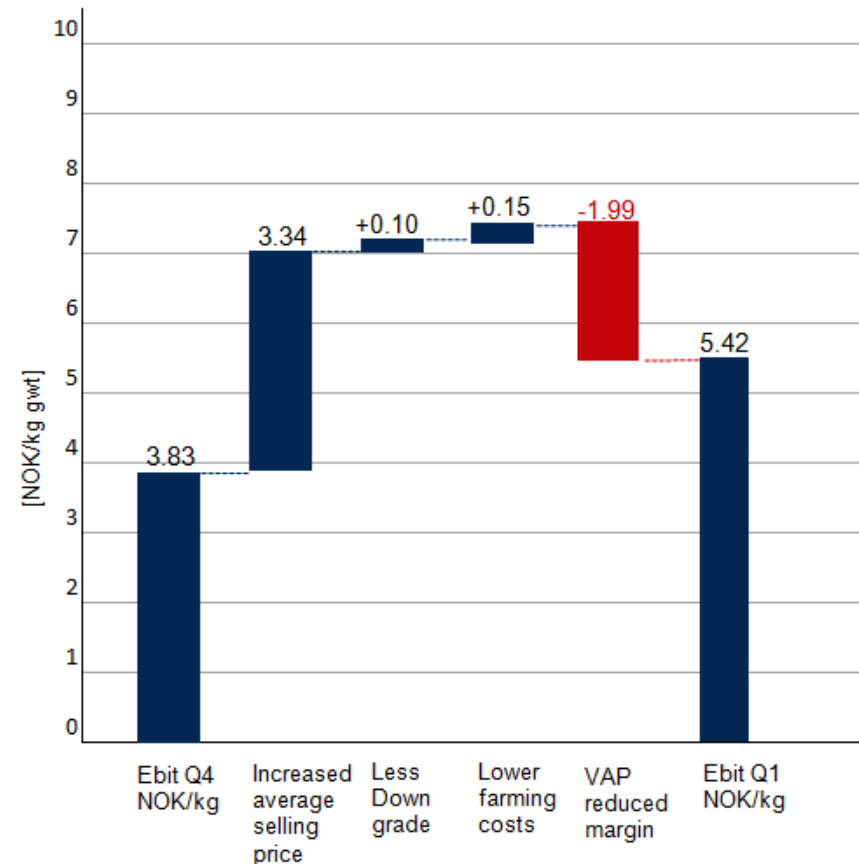
- Operational performance in line with expectations
- Low mortality
- Good growth rate and feed conversation rate
- Efficiency - still room for improvement
- 76% of all harvested fish in Q1 2012 from Sundalagið (West)

(NOK/kg)	Q1 2012		
Farming	Farming North	Farming West	Viking
Operational EBIT/kg gwt	5,81	4,61	2,17

FARMING – MARGIN DEVELOPMENT

- The operational EBIT in Q1 2012 was NOK 5.42 per kg for Farming and VAP segment compared with NOK 3.83 per kg in Q4 2011
- Market prices increased on average 3,34 NOK/kg compared with Q4 2011 due to strong demand
- Lower downgrade in Q1 than in Q4 accounted for NOK 0.10 per kg
- Lower Farming costs increased the margin NOK 0.15 per kg
- The VAP margin was NOK 1.99 per kg lower compared with Q4.
 - Operational EBIT of NOK 2.95 per kg raw material allocated to VAP in the period. Internal transfer price is based on NOS prices.

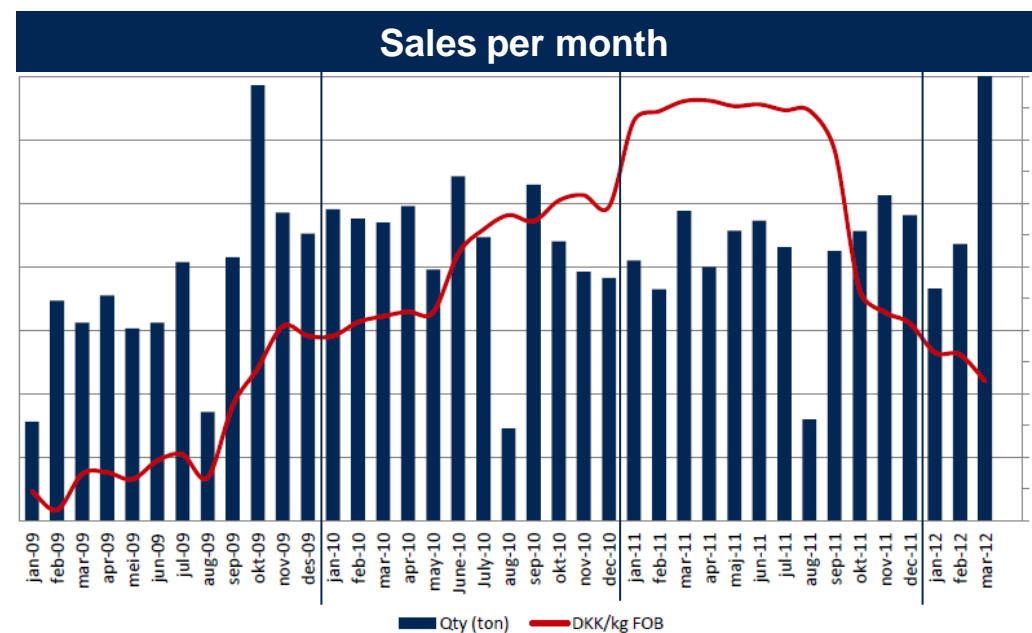
Operational EBIT/kg [NOK]



SEGMENT VAP

- Operational EBIT margin of 9% in Q1 2012 compared to 1% in Q1 2011
- Increased sales from VAP
- Contract level reduced
- Prices reduced on back of changed market situation
- New markets and promotions are important part of growth strategy

(DKK million)	Q1 2012	Q1 2011
Operating revenues	122	130
Operational EBIT	11	1
Operational EBIT margin	9%	1%



SEGMENT FISH MEAL, OIL AND FEED

- 17% increase in sold volumes in Q1 2012 compared with Q1 2011
- EBITDA margin reduced to 7.4% due to low season
- Raw material intake for fishmeal/oil production 23.514 tonnes in Q1 2012

Meal, Oil and Feed

(DKK million)	Q1 2012	Q1 2011	2011
Operating revenues*	150		771
EBITDA	11		95.8
EBITDA Margin	7.4%		12.4%
Sale of feed (tonnes)	15,299	13,071	84,431



* Including sale to Bakkafrost 75% of feed volumes in 2012



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GROUP PROFIT AND LOSS

- Revenue up 67% (DKK 160 million) due to organic growth and acquisitions
 - Harvest volumes up 108% (5,888 gwt) of which 76% (4,156 gwt) is organic growth
 - Lower salmon prices compared to Q1 2011
 - External sale from fish oil, fish meal and fish feed segment of DKK 46 million
- Operating EBIT decreased by 32 million (35%) from Q1 2011 to DKK 60 million
- No provision for onerous contracts
- Increased interests costs due to increase in debt compared to Q1 2011
- Income and expenses related to Faroe Farming disclosed as “discontinuing operations” as sales agreement is signed (pending authority approval)
- Faroe Farming loss due to negative operational EBIT, fair value adjustment and impairment

(DKK million)	Q1 2012	Q1 2011
Operating revenues	400.1	240.3
Operational EBITDA	79.7	102.7
Operational EBIT	60.0	92.0
Fair value adjustment	-7.4	41.1
Onerous contracts	0	-5.2
Income from associate	-3.1	0
EBIT	49.5	127.9
Financial items	-7.6	-0.8
EBT	41.9	127.1
Taxes	-6.7	-23.6
Profit for the period continuing operations	35.2	103.5
Profit for the period discontinuing operations	-18.8	0
Profit for the period	16.4	103.5
Operational EBITDA margin	19.9%	42.7%
Operational EBIT margin	15.0%	38.3%
Operational EBIT/Kg (Farming and VAP) (NOK)	5.42	17.68
EBITDA margin (Fish meal, oil and feed)	7.4%	-

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

BALANCE SHEET

- Balance sheet impacted by classification of assets and liabilities in Faroe Farming as “held for sale”
- Investments in PPE of DKK 17 million (expectations unchanged at total of DKK115 million for 2012)
- Seasonal decrease in biological assets
- Receivables increased due to increased harvest and external sale of feed
- Equity reduced due to dividend of 49 million and acquisition of minority shares in Faroe Farming
- NIBD reduced from DKK 817 million to DKK 764 million
- Equity ratio 43% (Covenants 35%)

(DKK million)	Q1 2012	2011
Intangible assets	293.7	370.0
Property, plant and equipment	779.1	828.5
Financial assets	32.5	35.9
Deferred tax asset	1.3	0
Biological assets	567.5	700.3
Inventory	198.6	179.2
Receivables	220.8	171.1
Cash and cash equivalents	34.5	16.9
Assets held for sale	170.9	0
Total Assets	2,299.0	2,301.8
Equity	998.7	1,061.0
Deferred tax and other taxes	242.0	256.0
Long term interest bearing debt	698.6	733.7
Short term interest bearing debt	100.0	100.0
Account payables	225.5	151.0
Liabilities held for sale	34.1	0
Total Equity and Liabilities	2,299.0	2,301.8

Solid cash flow in the quarter:

- Lower cash flow from operations in Q1 2012 compared to Q1 2011 due to lower salmon prices and increased net working capital
- CF from investments reflects payment of investments in PPE of DKK 17.0 million in Q1 2012. Faroe Farming transaction will not have CF effect until Q2 2012
- Dividend payable of 48.9 million approved in Q1, paid out in Q2 2012
- Cash flow from Faroe Farming disclosed as discontinuing operations DKK -4.6 million
- Undrawn loan facility of DKK 310.9 million

(DKK million)	1Q 2012	Q1 2011
Cash flow from operations	33.2	100.8
Cash flow from investments	-17.0	-20.2
Cash flow from financing	6.1	-35.8
Net cash from discontinuing operations	-4.6	0
Net change in cash	17.7	44.8
Cash at the end of the period	34.6	53.9
Available undrawn facilities	310.9	336.0



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- Improved utilisation of acquired farming operation, costs & capacity
- Increased sales of VAP products
 - Contracted VAP products corresponding to 9,000 tonnes gwt until end 2012
- Feed sales estimated to 85,000 tonnes in 2012
- Harvested volumes in 2012 estimated between 42,000 - 44,000 tonnes gwt ex. Faroe Farming (6,000 tonnes gwt)
- Transfer of smolts in 2012 estimated to 10.6 million ex. Faroe Farming (1 million)
- CAPEX estimate for 2012 is unchanged at DKK 115 million
- Focus on market development, promotions, events and new market opportunities
- Focus on improving Bakkafrost competitive position and utilizing synergy possibilities (2-6 years)



APPENDIX



- 18 islands – 1,387 km²
- 48,285 inhabitants (March 1st 2012)
- Home rule – within the Kingdom of Denmark
 - Head of state: Queen Margrethe II
 - Head of government: Prime Minister Kaj Leo Johannesen
- Part of the Danish monetary union, danish krone (DKK)
- 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 (2011):
 - DKK 4,772 million
 - whereof farmed fish accounts for 34.1%
- Corporate Tax: 18%
- Farming Licence Tax 2012: 2.5%



Source: Hagstova Føroya

Financing of the Group:

- Total financing of DKK 1,075 million
 - Instalment loan of DKK 475 million, repayable with DKK 25 million/quarter
 - Revolving credit facility of DKK 600 million due in 5 years
- NIBD end Q1 2012: DKK 764 million

Covenants:

- NIBD/ EBITDA max 3.5 over 12 months
- Equity ratio min: 35%
- From year end 2012: 37.5%
- From year end 2013: 40.0%



PLANNED INVESTMENTS IN 2012

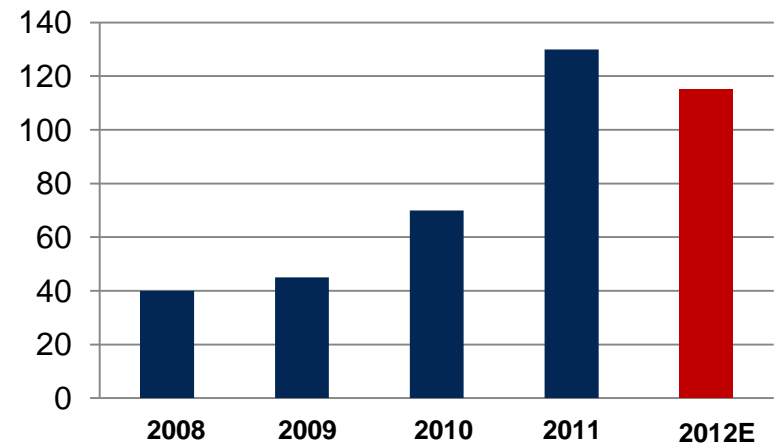
Investments in PPE is estimated at DKK 115 million in 2012, which is DKK 15 million lower than in 2011

- The investments are made in:
 - Hatchery division
 - Fish meal/oil and feed
 - Farming division
 - Harvesting division and
 - VAP division

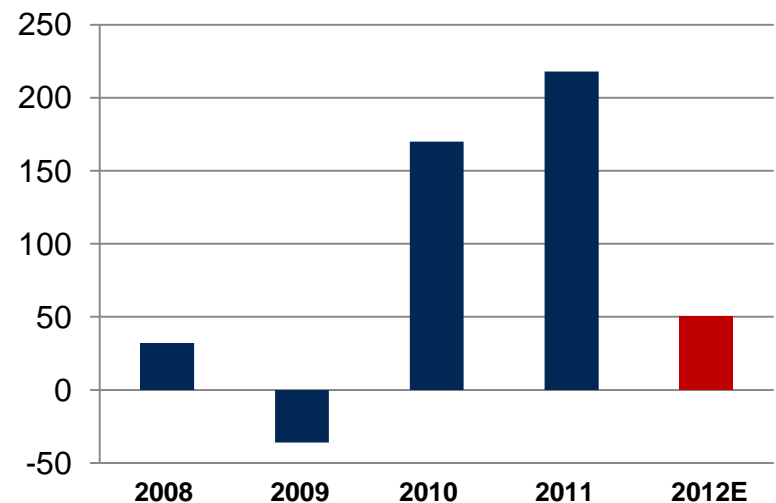
Moderate growth in biomass in 2012 compared to 2010 and 2011

- Farming sites better utilized in 2011-12 than previous years
- Still room for improved utilization
- Moderate growth in existing sites the coming years

Investments in PPE (DKK million)



Increased biomass (DKK million)



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

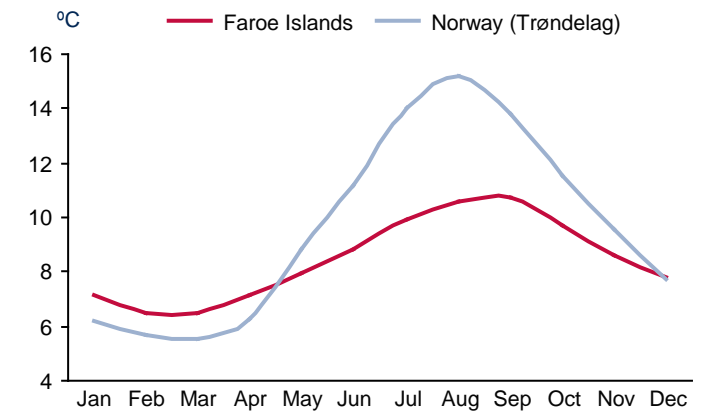
LOCATION

- Efficient distribution to both the European and US markets

BIOMASS

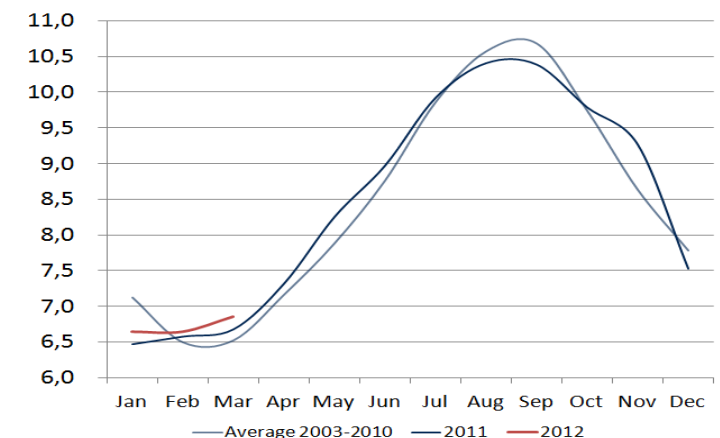
- Biological sustainability setting the biomass target per license

Average Seawater Temperatures 2003-2009



Source: Company material, Havforskningsinstituttet

Average Seawater Temperatures 2012



LARGEST SHAREHOLDERS

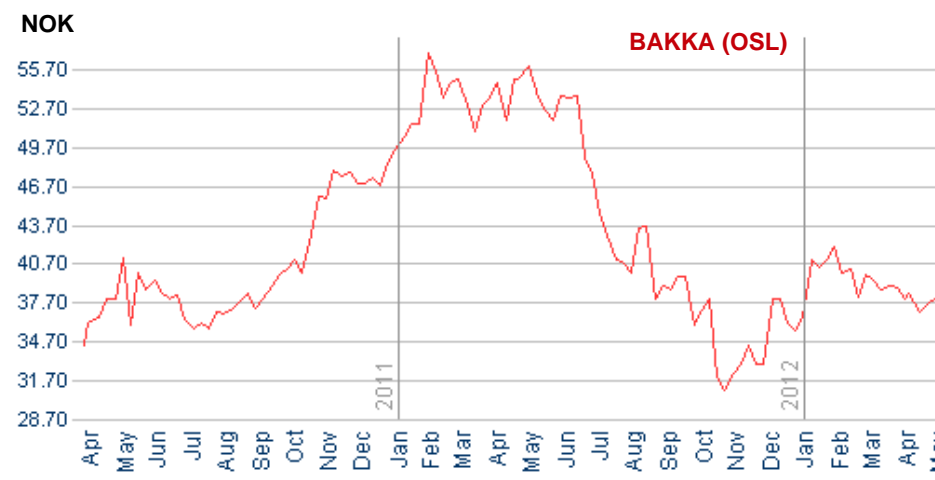
20 largest shareholders

Salmar ASA	NOR	25,21
Jacobsen Oddvør	FRO	9,40
Jacobsen Johan Regin	FRO	9,19
DANSKE BANK 3993 NORDIC SETTLEME	DNK	7,99
PARETO BANK ASA	NOR	4,66
JPMORGAN CHASE BANK NORDEA TREATY ACCOUN	NOM GBR	3,07
SIX SIS AG ACCOUNT 2	NOM CHE	2,32
MORGAN STANLEY & CO S/A MSIL IPB CLIENT	NOM GBR	2,11
P/F Føroya Livstrygg	FRO	2,08
STATE STREET BANK AN A/C SEC FIN PRIN ECM	NOM USA	2,07
JPMBLSA NORDEA LUX LENDING A	NOM LUX	1,80
HOLBERG NORGE VERDIPAPIRFONDET V/HOLBERG FONDSFORVA	NOR	1,69
NORDEA BANK DENMARK S/A NORDEA (DK) CCA	NOM DNK	1,49
HOLBERG NORDEN VERDIPAPIRFONDET V/HOLBERG FONDSFORVA	NOR	1,14
VERDIPAPIRFONDET HAN NORGE	NOR	0,99
JPMORGAN CHASE BANK LUXEMBOURG OFFSHORE	NOM LUX	0,98
P/F Hvalnes	FRO	0,98
STOREBRAND VERDI JPMORGAN EUROPE LTD,	NOR	0,94
PIMCO EQS PATHFINDER	IRL	0,92
NORTHERN TRUST GSL-L TREATY CLIENTS	NOM GBR	0,89

Total share 20 largest shareholders **79,92%**

As per May 18th 2012

Share price development since listing in NOK



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