

Q1 2015

# Interim Financial Presentation

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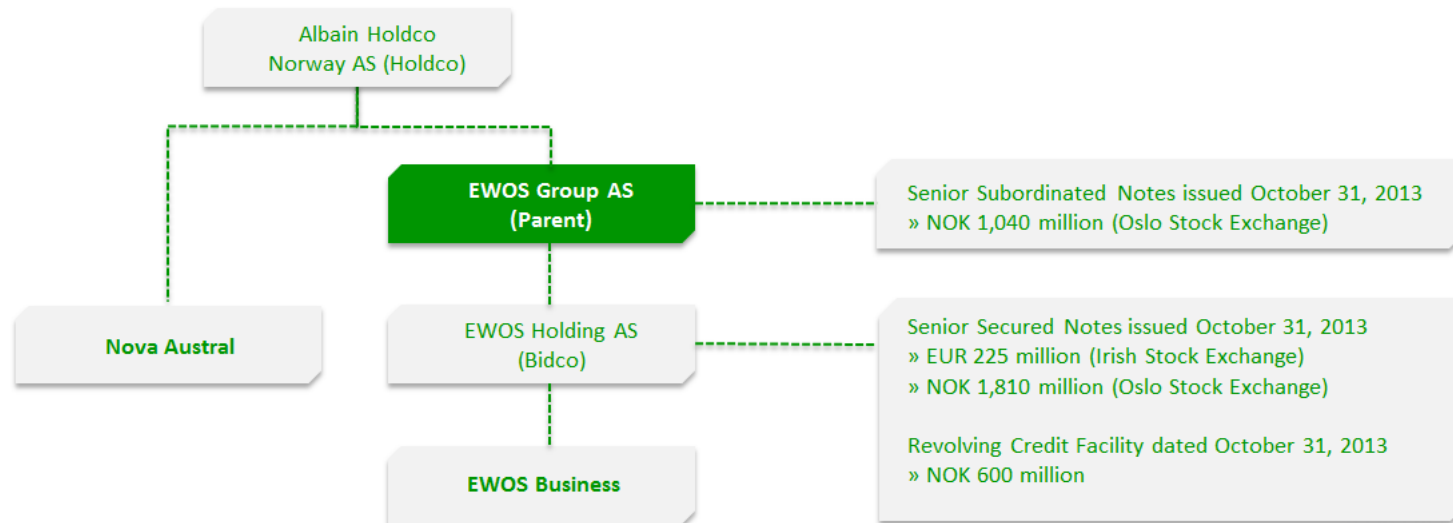


**EWOS Group AS is providing the following consolidated financial results for the first quarter of 2015 to holders of its NOK 1,040,000,000 Senior Subordinated Floating Rate Notes due 2021, and, on behalf of EWOS Holding AS to holders of its EUR 225,000,000 6.75% Senior Secured Notes due 2020 and NOK 1,810,000,000 Senior Secured Floating Rate Notes due 2020.**

This report is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy the notes or any other security.

This report may include forward-looking statements which are based on our current expectations and projections about future events. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

# Basis of preparation



If not explicitly mentioned otherwise, the financial information contained herein relates to the unaudited financial information on a consolidated basis at EWOS Group AS level for the first quarter of 2015 compared to the first quarter of 2014.

On October 22, 2014 Albain Holdco Norway AS, through a directly owned subsidiary other than EWOS Group AS, completed the acquisition of the Chilean fish farming company Nova Austral. This acquisition is made outside of the listed bond group, and Nova Austral's operation is not consolidated into the financial reporting of either the EWOS Group or EWOS Holding, the two companies with listed bonds on either the Oslo Stock Exchange or the Irish Stock Exchange.

For further information, please refer to the Annual Reports 2014 as published on [www.reporting.ewos.com](http://www.reporting.ewos.com)

# Good start to 2015



- Flat volumes and 6.4% underlying increase in revenues
- 34.4% increase in Adjusted EBITDA
- Strong Q1 performance in all markets
- Performance feed Rapid has shown excellent results in full scale customer trials in Norway – contributing to additional growth for customers within their allowed biomass limits
- Rapid customer trials started in Chile



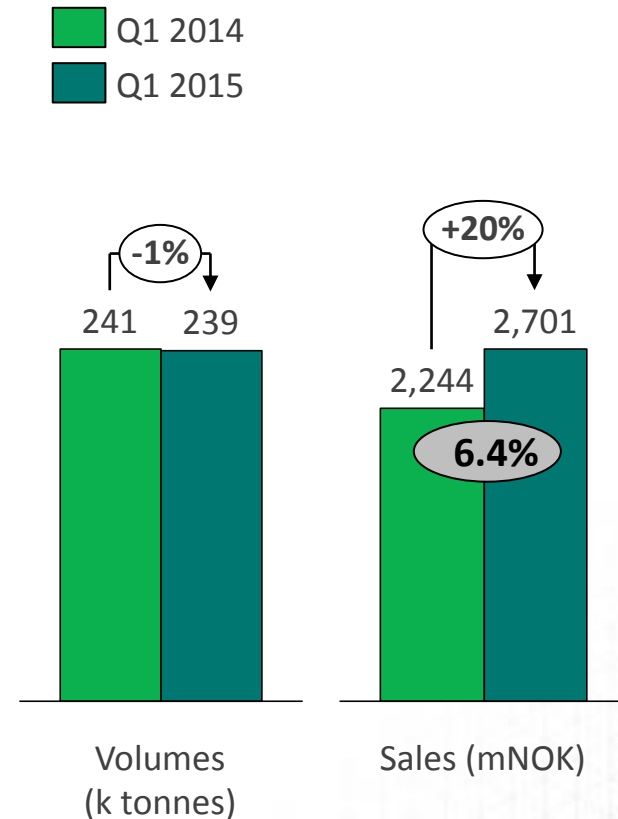
# Looking ahead

- Global salmonid feed market expected to grow by 2.6 % in 2015
- Marine raw material prices have declined at the end of first quarter and are expected to remain at lower levels also during second quarter
- EWOS Fish Health Centre in Chile is progressing according to plan and will commence operation in Q1 2016
- Continued focus on rolling out Rapid and Compass concept outside of Norway



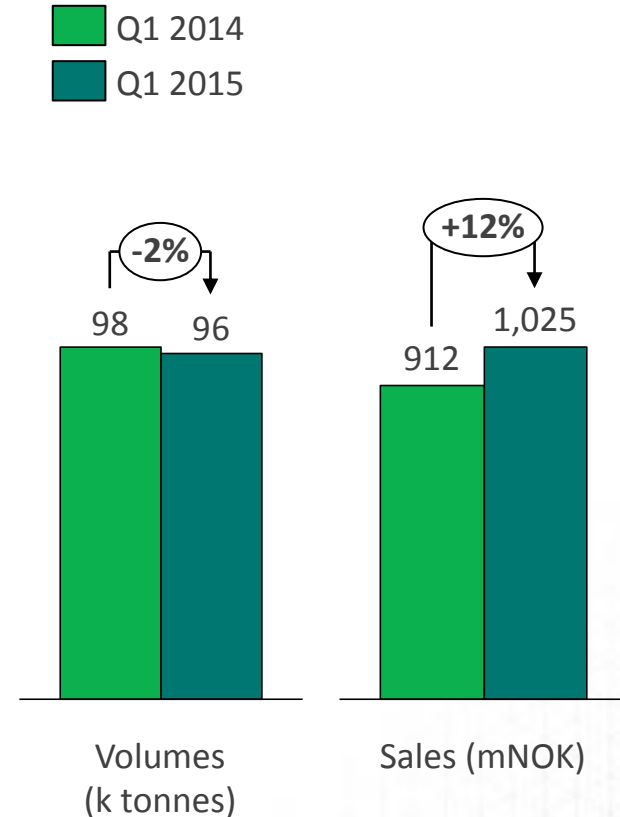
# Volumes and revenues

- Q1 market growth of 1 %
- Increase in revenue primarily due to:
  - increase in raw material prices passed through to customers, and
  - currency translation effects from a decline in the Norwegian Kroner versus the US Dollar
- Overall good progress on performance and health feeds

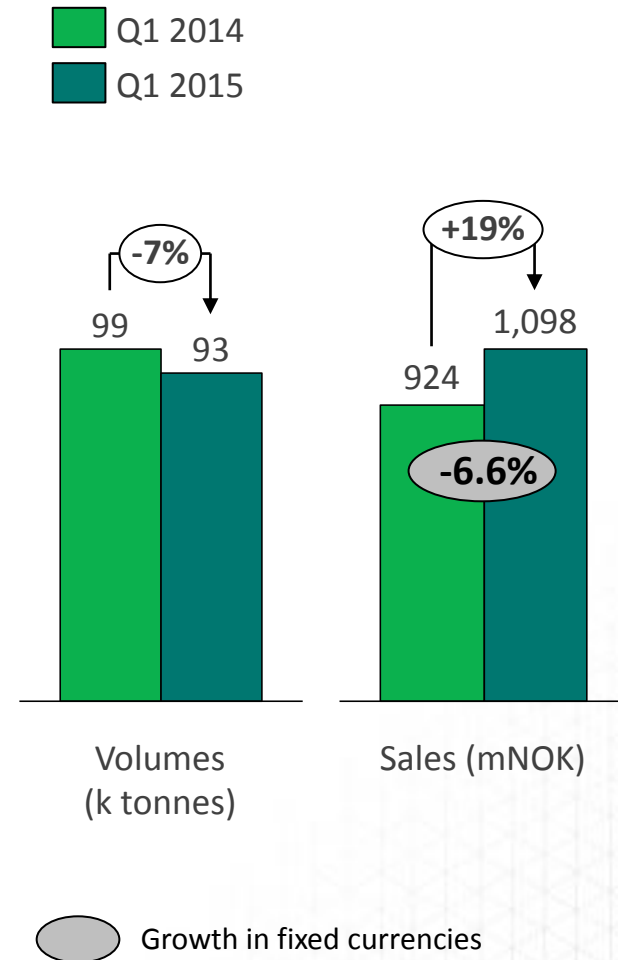


○ Growth in fixed currencies

- Q1 market growth 5%
- Revenue increase of 12.3% primarily due to:
  - Main contributor is higher raw material prices passed on to customers
  - Some impact of higher sales of functional feed with a higher price per kg
- Good progress on health and performance feeds
- 2015 market volume growth expected to be 2%

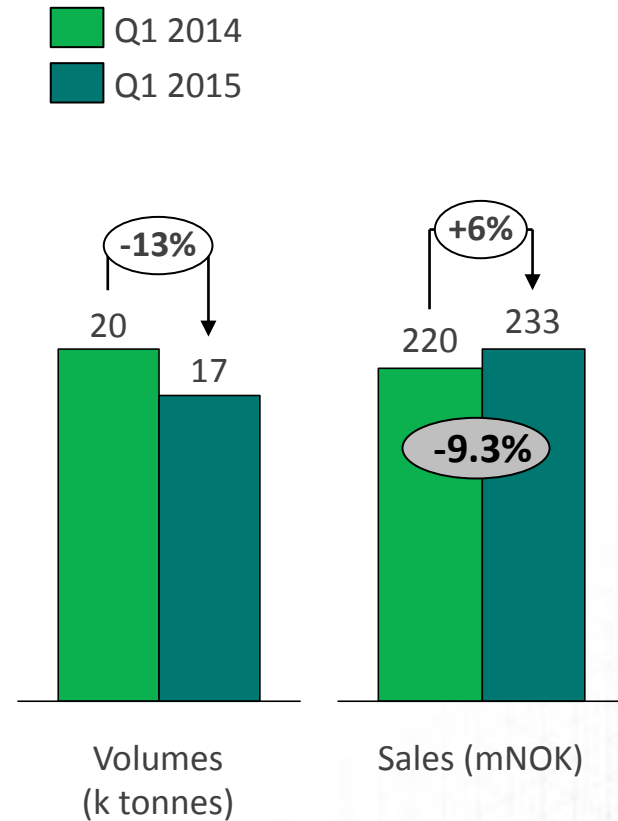


- Q1 market contraction of 6%
- Volume reduction corresponds to the general market development in Chile caused by harvest timing, biological challenges, low prices for Chilean salmon, and financial constraints among several customers
- Challenging conditions for customers with longer payment term requests
- Volume reduction more than offset by a favourable currency translation
- 2015 market volume is expected to grow by 1%





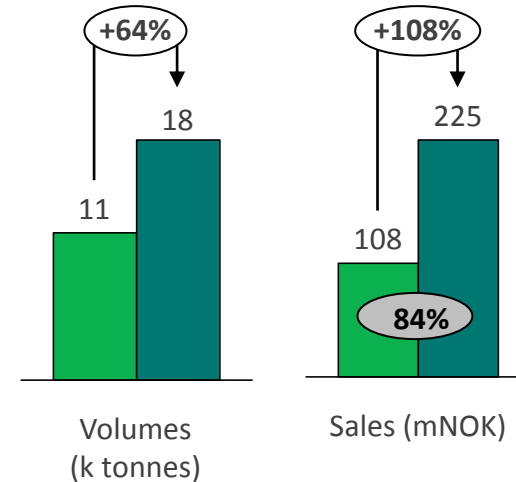
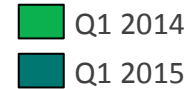
- Q1 market growth 1% in the UK
- Volume reduction due to abnormally high market share in Q1 2014 more than offset by a favourable currency translation
- Good contribution from health and performance feeds



○ Growth in fixed currencies

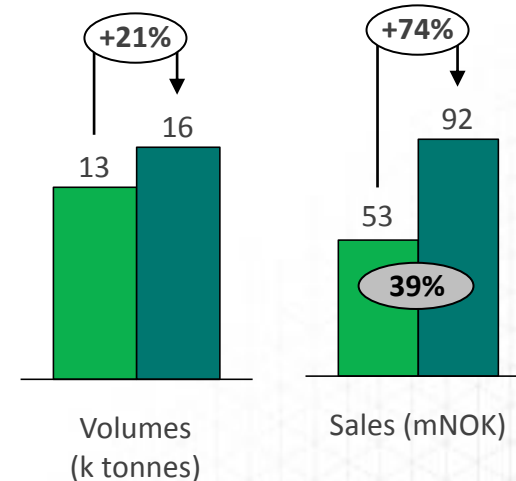
# Canada

- North American market grew 12% in Q1, and even higher in Western Canada
- Significant increase in sales volume due to improved biological conditions in Western Canada and good growth in our customer base
- Revenue increase also due to increase in raw material prices passed through to customers



# Vietnam

- Continued growth, with full utilization of factory
- Revenue increase also due to favourable currency translation and higher raw material prices
- New line implementation as planned



Growth in fixed currencies

<i>Unaudited NOK million</i>	1st quarter		Year
	2015	2014	2014
Operating revenues	2,700.8	2,244.1	11,598.5
Adjusted EBITDA <sup>1)</sup>	173.2	128.9	724.5
Adjusted EBITDA margin	6.4 %	5.7 %	6.2 %
Net cash flow from operating activities	(18.2)	(1.4)	347.6
Capital expenditures <sup>2)</sup>	(40.8)	(39.9)	(153.6)
Net interest bearing debt	4,225.6	3,782.9	4,227.4

- Adjusted EBITDA:
  - A major part of the increase in adjusted EBITDA is caused by currency translation effects
  - On a constant currency basis, Adjusted EBITDA increased by NOK 9.4 million to NOK 138.3 million in the Q1 2015. This improvement is a result of strong functional feed sales and operational efficiency
  
- Net cash flow from operations was negative NOK18.2 million mainly caused by an increase in inventory

1) Adjusted EBITDA represents EBITDA as adjusted for certain non-recurring and/or non-cash costs.

2) Capital expenditures reported represent the cash effects of purchases of property, plant and equipment.

# Operating results EWOS Group



<i>Unaudited NOK million</i>	1st quarter			
	2015	2014	Variance	Variance %
<b>Operating revenues</b>	<b>2,700.8</b>	<b>2,244.1</b>	<b>456.7</b>	<b>20.3</b>
Cost of materials	(2,148.2)	(1,771.6)	(376.6)	21.3
Personnel expenses	(126.6)	(102.9)	(23.7)	23.1
Other operating expenses	(264.5)	(255.2)	(9.3)	3.7
Depreciations and amortisations	(94.6)	(83.4)	(11.2)	13.4
<b>Operating results before fair value adjustments of biological assets</b>	<b>66.9</b>	<b>31.1</b>	<b>35.8</b>	<b>115.1</b>
Fair value adjustments of biological assets	(16.7)	(9.9)	(6.8)	68.5
<b>Operating result</b>	<b>50.2</b>	<b>21.2</b>	<b>29.0</b>	<b>136.9</b>

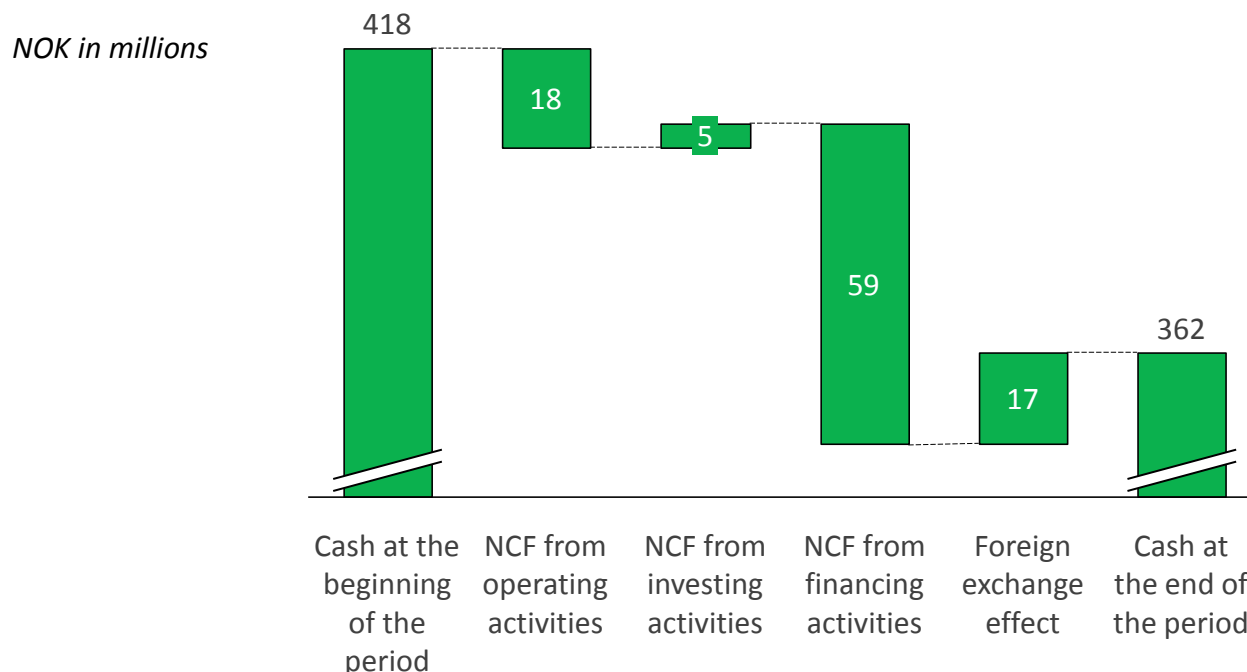
- Increase in cost of materials was primarily due to higher raw material prices and the impact of currency translation effects
- Increase in personnel and operating expenses was impacted by currency translation effects from the stronger US Dollar versus the Norwegian Kroner
- Personnel expenses also increased due to new corporate functions, including assumption of the IT organisation from Cermaq after the expiration of the transition service agreement.
- Other operating expenses is down on a fixed currency basis mainly due to reduction in customer freight in Chile, lower energy cost as well as reduction in third party cost partly related to the assumption of IT from Cermaq mentioned above.

# Balance Sheet EWOS Group



<i>Unaudited NOK million</i>	March 31, 2015	December 31, 2014	March 31, 2014
Deferred tax assets	6.3	6.6	2.6
Goodwill	2,531.4	2,408.2	2,108.3
Intangible assets	746.8	729.9	783.0
Property, plant and equipment	2,213.2	2,184.9	2,096.5
Investments in associated companies	9.4	9.1	9.2
Other non-current financial assets	512.8	478.5	208.3
<b>Total non-current assets</b>	<b>6,019.8</b>	<b>5,817.4</b>	<b>5,208.0</b>
Inventories	1,777.0	1,379.3	1,069.2
Trade and other receivables	1,945.9	1,984.3	1,758.2
Assets held for sale	94.0	94.0	-
Cash and cash equivalents	362.2	417.7	668.7
<b>Total current assets</b>	<b>4,179.1</b>	<b>3,875.2</b>	<b>3,496.1</b>
<b>Total Assets</b>	<b>10,198.9</b>	<b>9,692.6</b>	<b>8,704.0</b>
Equity attributable to shareholders of EWOS Group AS	2,568.0	2,236.1	1,872.5
Non-controlling interests	0.8	0.7	0.4
<b>Total equity</b>	<b>2,568.8</b>	<b>2,236.8</b>	<b>1,872.9</b>
Pension liabilities	48.9	47.7	26.8
Deferred tax liabilities	290.5	310.8	382.0
Interest bearing non-current liabilities	4,579.1	4,644.2	4,450.7
Other non interest bearing non-current liabilities	126.7	118.0	15.1
<b>Total non-current liabilities</b>	<b>5,045.1</b>	<b>5,120.7</b>	<b>4,874.6</b>
<b>Total current liabilities</b>	<b>2,584.9</b>	<b>2,335.1</b>	<b>1,956.5</b>
<b>Total equity and liabilities</b>	<b>10,198.9</b>	<b>9,692.6</b>	<b>8,704.0</b>

# Cash flow EWOS Group



- Negative change in net operating working capital due to increase in inventory, partly offset by a decrease in accounts receivables and increase in payables
  - The decrease in accounts receivable was mainly related to a cash settlement of USD 19.5 million from the Acuinova bankruptcy estate and credit insurers, payments of USD 14 million from Nova Austral and increase in factoring to offset higher customer working capital demands in Chile
  - Increase of payables and inventory mainly due to higher raw material costs and normal cyclicality
- Net cash inflow from investing activities primarily due to proceeds from settlement of short term bridge loan of USD 5.5 million granted to Nova Austral in December 2014, offset by capital expenditures of NOK 40.8 million, as further described above
- Cash outflow from financing activities of NOK 58.5 million, primarily due to payment of interest

- This table illustrates the cash and cash equivalents and capitalisation of EWOS Group and its subsidiaries on a consolidated basis
- There are no significant changes in the third-party indebtedness

	As of March 31, 2015		As of December 31, 2014	
	(NOK in millions)	(Euro in millions) <sup>(1)</sup>	(NOK in millions)	(Euro in millions) <sup>(1)</sup>
<b>Cash and cash equivalents</b>	362.2	41.6	417.7	46.2
<b>Indebtedness:</b>				
Revolving Credit Facility	7.8	0.9	-	-
EUR Senior Secured Notes	1,958.3	225.0	2,035.4	225.0
NOK Senior Secured Notes	1,810.0	208.0	1,810.0	200.1
Senior Subordinated Notes	1,040.0	119.5	1,040.0	115.0
Finance leases	1.5	0.2	1.7	0.2
<b>Total third-party indebtedness</b>	4,817.6	553.5	4,887.1	540.2
<b>Total equity</b>	2,568.8	295.1	2,236.8	247.3
<b>Total capitalization</b>	7,386.4	848.7	7,123.9	787.5
LTM Adjusted EBITDA	768.8		724.5	
Net total debt / LTM Adj EBITDA	5.8x		6.2x	
Net senior secured debt / LTM Adj EBITDA	4.4x		4.7x	

(1) EUR-NOK currency rates for March 31, 2015 was 8.7035 and 9.0462 as of December 31, 2014