



Athens Greece | 27 November 2009

# 9 Months 2009 Results Presentation **NIREUS AQUACULTURE S.A.**



# Nireus at a glance

- **The leader in seabass and seabream fish farming**
  - A fully integrated producer
  - Production facilities in 3 countries: Greece, Spain and Turkey
  - Exports to > 40 countries – the #1 exporter in the Greek food sector
  - Significant growth potential on existing capacity
  - Exclusive know-how and technology enable sustainable cost reduction
- **Well positioned to participate in further industry consolidation**
  - Know the Mediterranean fish farming business
  - Proven success in absorption of other companies
- **Attractive Industry Fundamentals**
  - Very attractive industry outlook long-term
  - Recession resistant sector
  - Industry will become more attractive from on-going consolidation
  - Nireus is well positioned to capture opportunities in the global industry



# Main events 9 Months 2009

- **Financial**

- Fish sales up +15.4% in volume +9.6% in value
- Sector adversities continue to impact sales of feed and juveniles
- Total sales for 9M 2009 € 125.9 versus € 131.4 in 9M 2008 (down 4%)
- On going cost reduction focus delivers significant results – sales and admin expenses reduced by € 7.1 mi. (down 11.6%) – PPE halved to € 5.9 mi.
- Net income for 9M 2009 2.3 mi. up +63%

- **Operations**

- A new logistics service was created with Tradimar (of the STEF-TFE group) in Milan
- New product /brand launched in Greece.

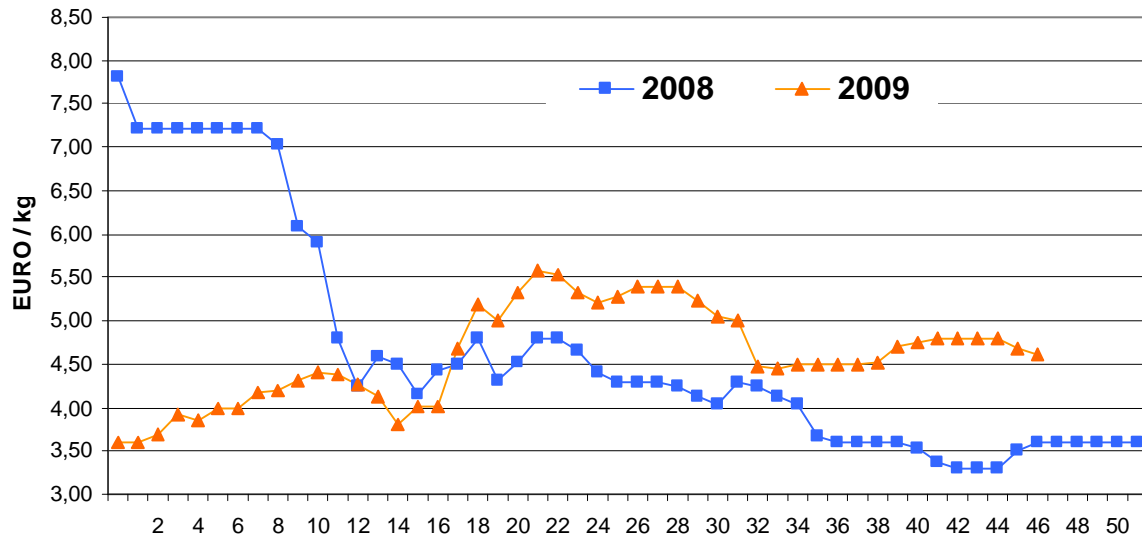
- **Market and external factors**

- Seabream price has recovered solidly from historical low (April 2009)
- Aggregate cost for raw materials at 2008 levels
- Solid demand for seabass/seabream – price stable despite higher volumes

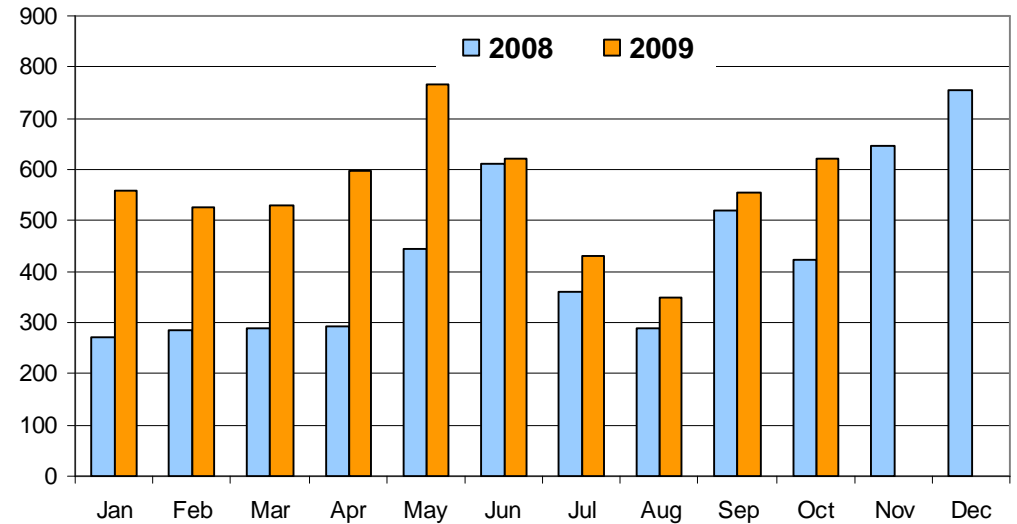


# Seabream price recovered

**MercaMadrid - Wholesale Prices for Fresh farmed Seabream** last update 21/11/2009



**MercaMadrid - Monthly volumes for fresh farmed Seabream**



Seabass (*Sparus aurata*)



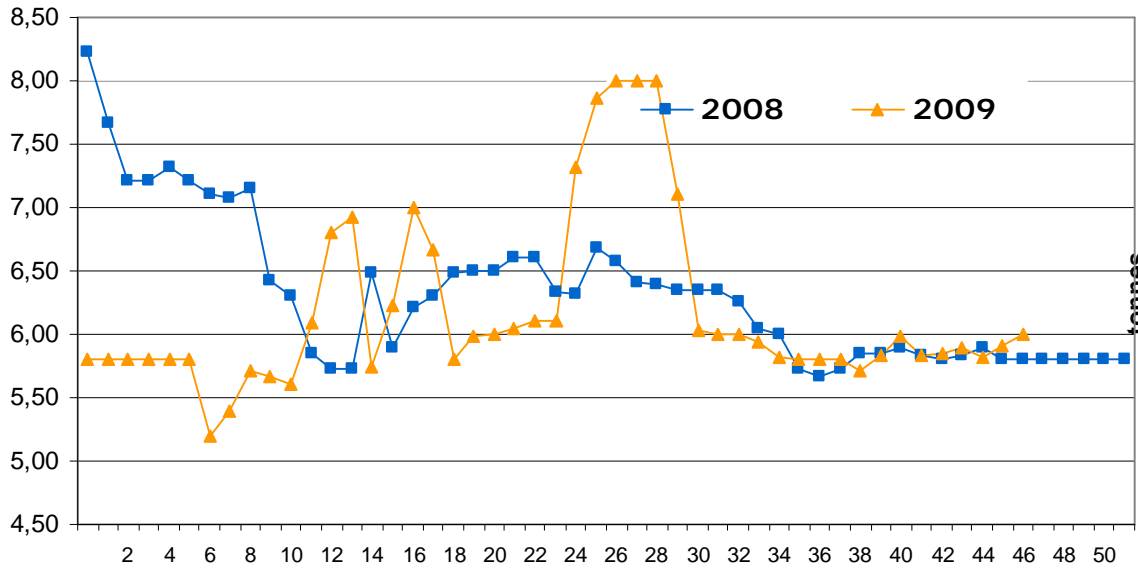
**Recovery of the price of seabream despite higher volumes**

**Depleting inventories expected to sustain price at higher level**

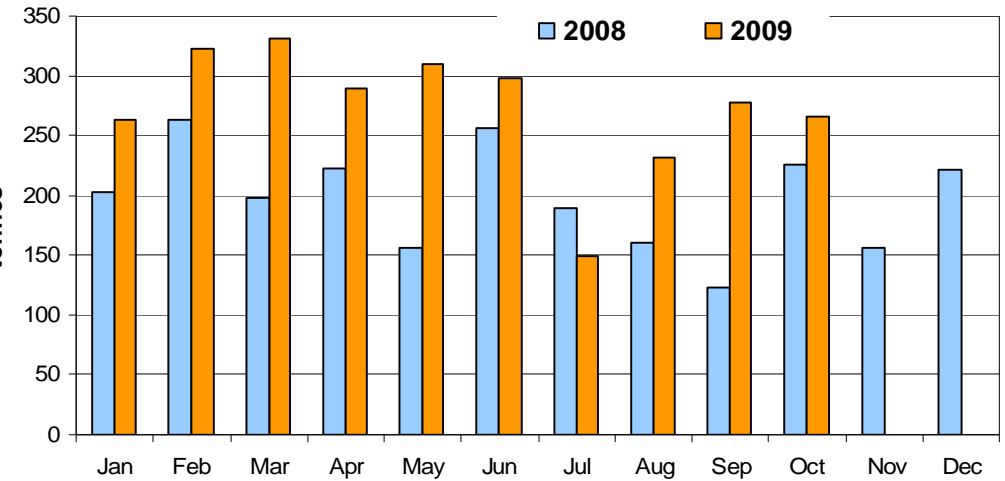


# Sea bass price is stable

MercaMadrid - Wholesale prices  
for fresh farmed Seabass last update 21/11/2009



MercaMadrid - Monthly volumes  
for fresh farmed Seabass



Seabass (*Dicentrarchus labrax*)

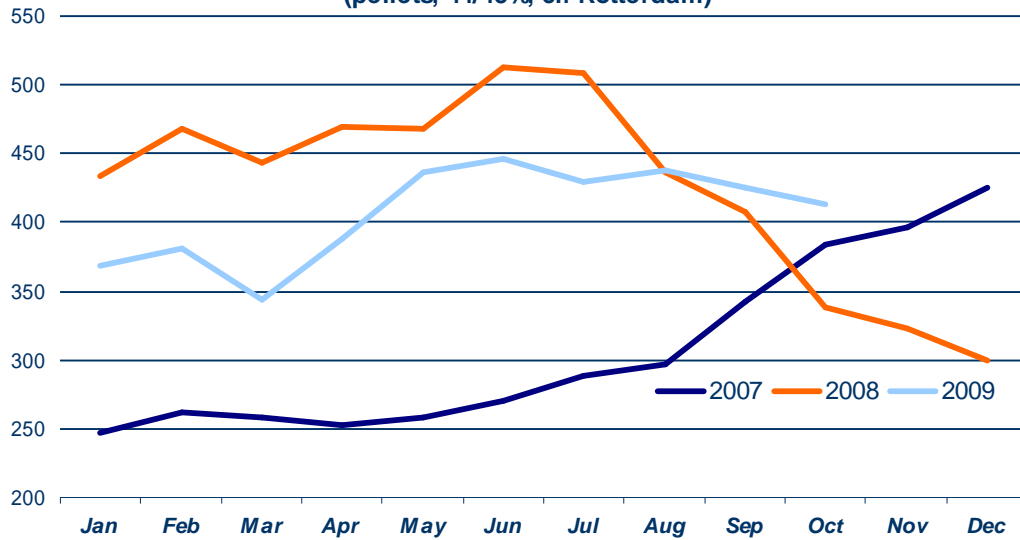


Price at 2008 levels with higher volumes

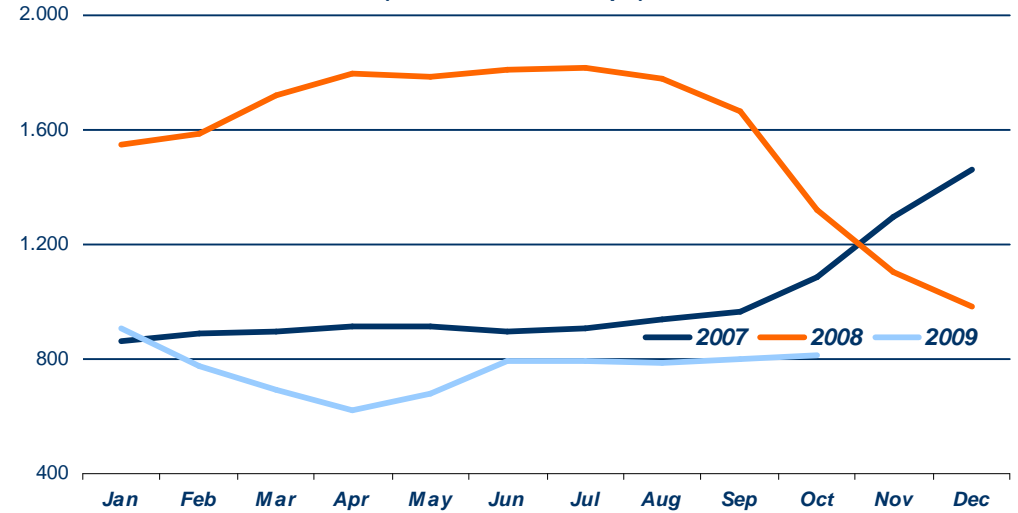


# Stable cost for feed raw materials

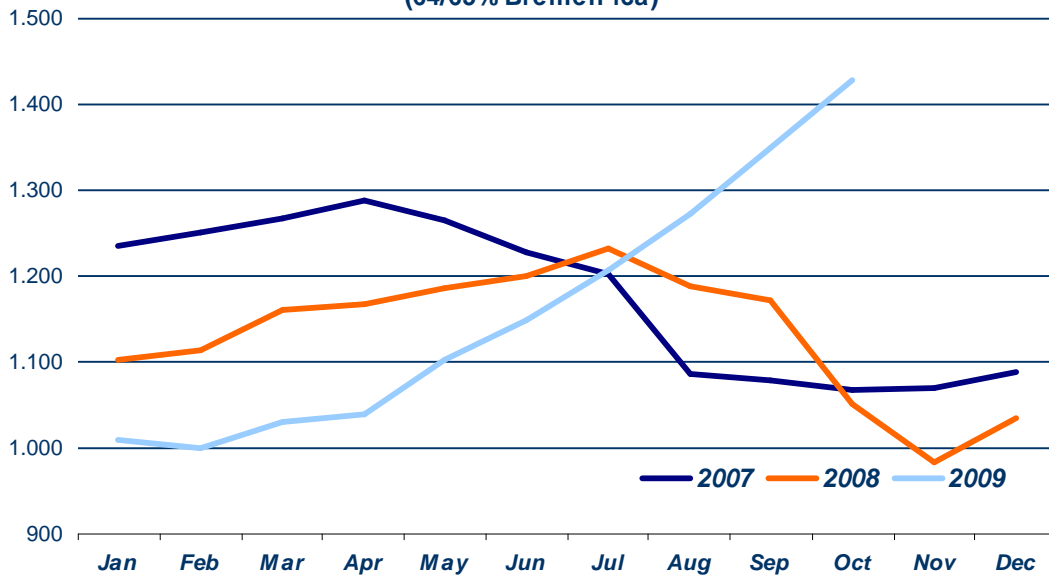
**Monthly Soybean Meal**  
(pellets, 44/45%, cif Rotterdam)



**Monthly Fish Oil**  
(cif North West Europe)



**Monthly Fish Meal**  
(64/65% Bremen fca)



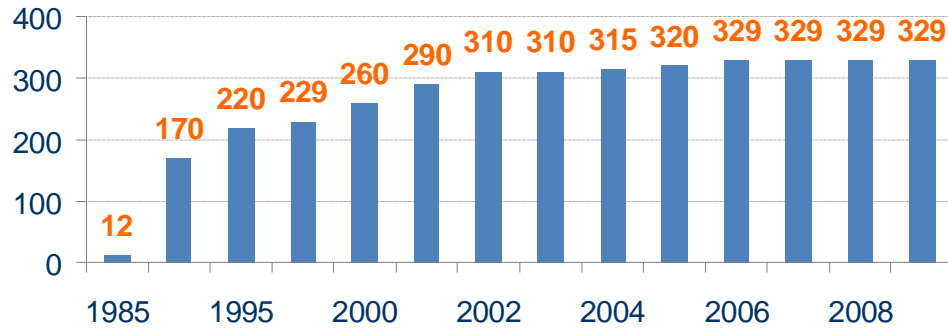
Data Source : FAO

Aggregate cost of raw materials  
used for the production of fish feed  
stable vs 2008

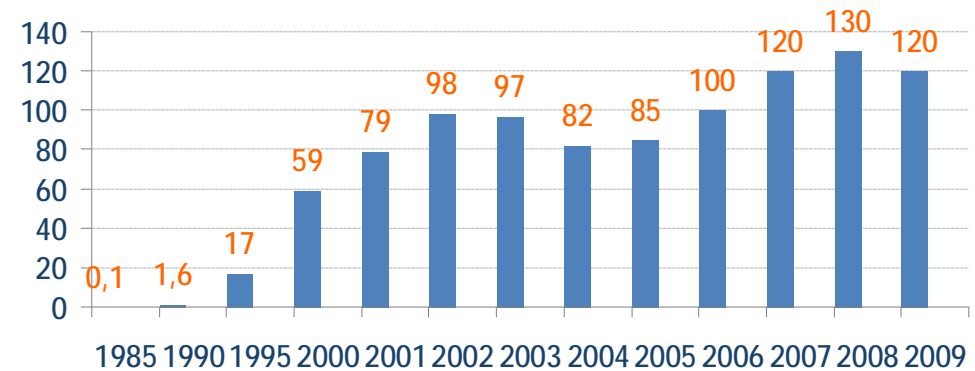


# The ongoing consolidation of the Greek sector

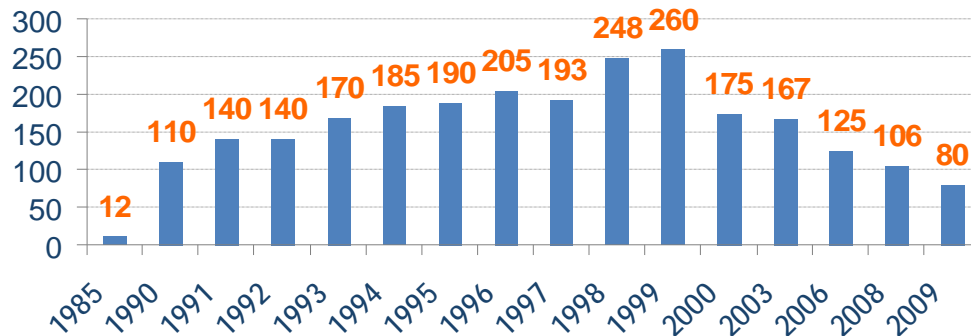
No. of Licences 1985-2009



Greek Production - thou ton



No. of Companies 1985-2009



ØStable capacity since 2006 (NO new licenses)

Ø80 companies in 2009 vs 167 companies in 2006

ØHellastat expects a further reduction in production to 110 thou. ton. in 2010

(analysis of the Greek fish farming sector, Oct 2009)

Data Source : Federation of Greek Mariculture



# Financials – Balance Sheet

## Assets

in mi. €	9M 2009	9M 2008	2008
Total non-current	253,27	246,23	293,27
Total current	269,77	268,41	231,16
<b>Total assets</b>	<b>523,04</b>	<b>514,65</b>	<b>524,43</b>

## Equity and liabilities

in mi. €	9M 2009	9M 2008	2008
Total shareholders' equity and minority interests	170,79	170,23	168,27
Total non-current liabilities	213,07	214,07	217,47
Total current liabilities	139,18	130,34	138,69
Total liabilities	352,24	344,42	356,16
<b>Total equity and liabilities</b>	<b>523,04</b>	<b>514,65</b>	<b>524,43</b>



# Financials – Income Statement

in mi. €	9M 2009	9M 2008	2008
Biological Sales	92,3	95,6	111,98
Non-Biological Sales	33,6	35,8	57,77
<b>Total Sales</b>	<b>125,9</b>	<b>131,4</b>	<b>169,75</b>
Gain from change of Fair Value in Biological Assets	117,92	125,57	160,80
<b>EBITDA</b>	<b>20,63</b>	<b>19,75</b>	<b>29,91</b>
<b>EBIT Operating</b>	<b>14,63</b>	<b>14,46</b>	<b>22,95</b>
<b>EBT</b>	<b>6,26</b>	<b>6,45</b>	<b>9,78</b>
Tax	-3,95	-5,02	-8,56
<b>EAT</b>	<b>2,32</b>	<b>1,42</b>	<b>1,13</b>
Majority interest	1,74	0,45	0,32
Minority interest	0,58	0,98	0,81
<b>Earnings per share</b>	<b>0,0273</b>	<b>0,0087</b>	<b>0,0058</b>

üReduced sales of feed and juveniles to farmers impacted overall sales

üFish sales up +9.6 % in value



# Financials – Cash Flow Statement

in mi. €	9M 2009	9M 2008	2008
Profit before tax	6,26	6,45	9,78
Cash flow from operating activities	-12,40	-14,23	-26,18
Cash flow from investing activities	-3,93	-17,64	-12,82
Cash flow from financing activities	2,16	9,25	16,74
<b>Total cash flow reporting period</b>	<b>-14,17</b>	<b>-22,62</b>	<b>-22,26</b>
Cash and cash equivalents at the beginning of the period	29,64	51,90	51,90
Cash and cash equivalents at the end of the period	15,47	29,28	29,64

üStrong reduction in sustaining capex



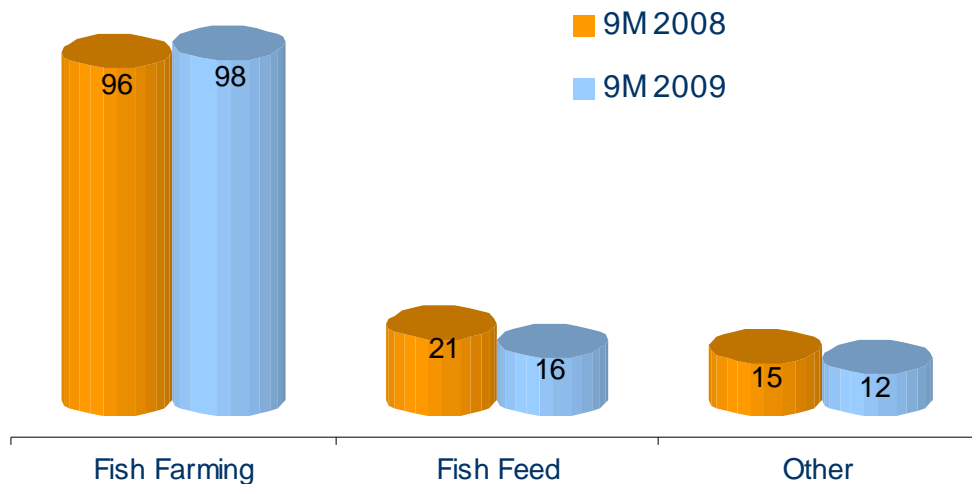
# Financials – Key Figures

in mi. €	9M 2009	9M 2008	2008
Operating revenues	125,87	131,40	169,75
<b>EBITDA</b>	<b>20,63</b>	<b>19,75</b>	<b>29,91</b>
EBITDA margin(%)	16%	15%	18%
<b>EBT</b>	<b>6,26</b>	<b>6,45</b>	<b>9,78</b>
EBT margin(%)	5%	5%	6%
<b>Earnings after tax &amp; minorities</b>	<b>1,74</b>	<b>0,45</b>	<b>0,32</b>
Earnings per share	0,0273	0,0087	0,0058
Total assets	523,04	514,65	524,43
Equity	170,79	170,23	168,27



# Sales Breakdown

9M Sales by Sector for 2008 & 2009 (mi. €)



Fish farming = fish + juveniles sales

Other = equipment to fish farmers + feed, health, breeding and equipment to aviculture and animal culture

	9M 2008	9M 2009	2008	2009e
Market-size fish (thou. ton.)	18.1	20.9	24	28
Aver. Price (€/kg)	4.54	4.30	4.43	4.30
Fish Feed (thou. ton.)	21.4	17.5	28	20
Aver. Price (€/kg)	0.97	0.93	0.95	0.93
Juveniles (mi. pieces)	58.5	36.7	62.4	38
Aver. Price (per piece)	0.22	0.21	0.21	0.21

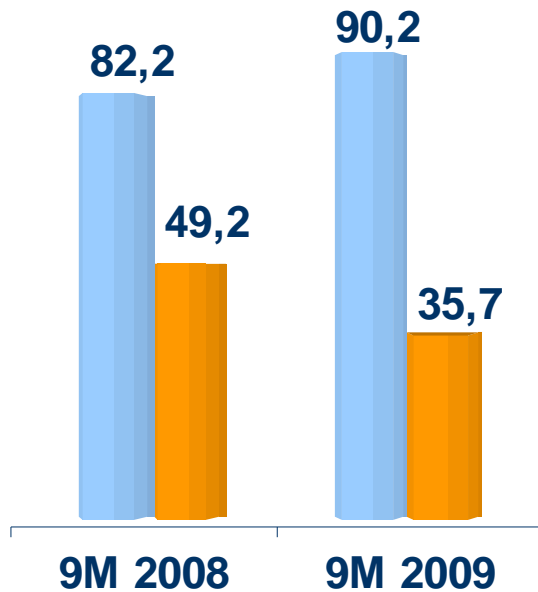
üVolumes in market-size fish increased by 15.4%

üSales of feed and juveniles were reduced on stricter credit terms



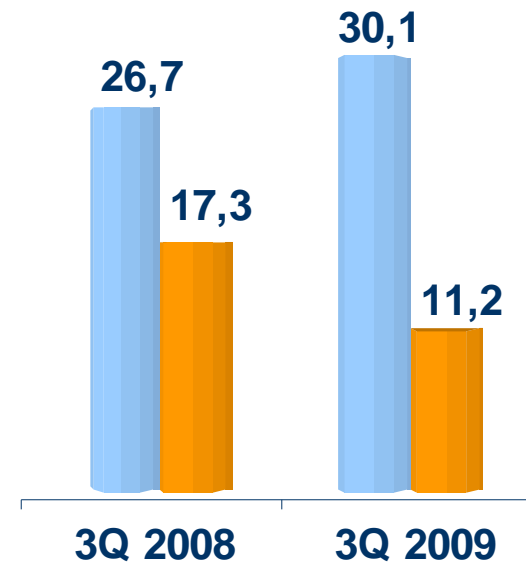
# Fish Sales - Value

■ Fish Sales (mi. €)  
 ■ Other sales (mi. €)



	9M 2008	9M 2009	Δ%
mi. €	82.2	90.2	+9.6%

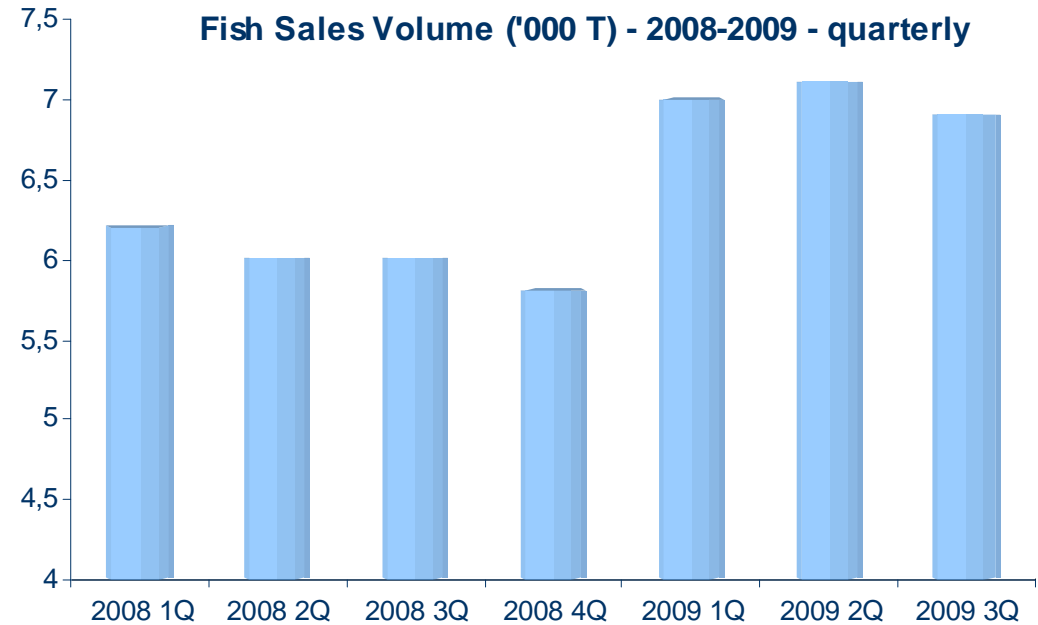
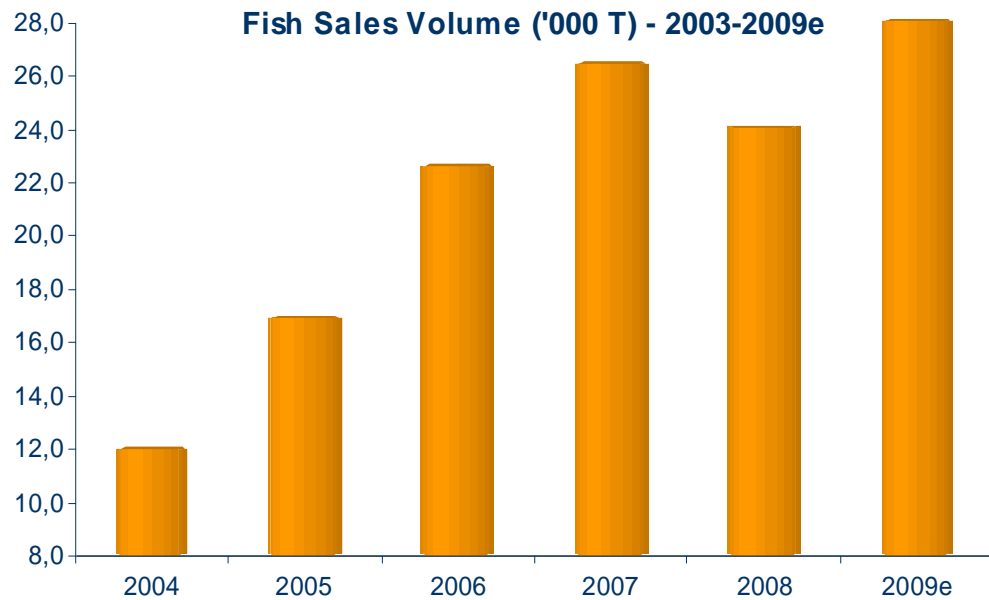
■ Fish Sales (mi. €)  
 ■ Other sales (mi. €)



	3Q 2008	3Q 2009	Δ%
mi. €	26.7	30.1	+13.1%



# Fish Sales – Volumes



	9M 2008	9M 2009	Δ%
'000 T	18.1	20.9	15.4%

	3Q 2008	3Q 2009	Δ%
'000 T	5.9	6.8	15.4%

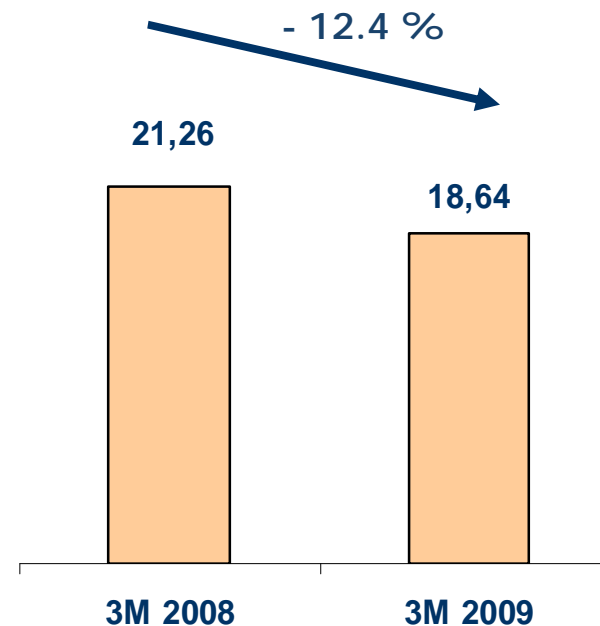
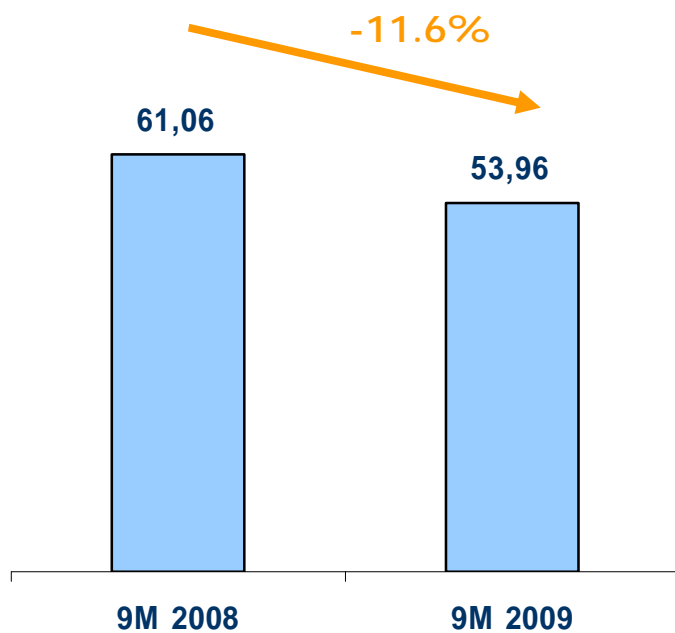


# Strict Cost Management

## Group

in mi. €	9M 2009	9M 2008
Salaries & personnel expenses	25,21	27,97
3rd party fees and benefits	15,83	17,17
Other expenses	12,92	15,92
<b>Total</b>	<b>53,96</b>	<b>61,06</b>
<b>Total as % of sales</b>	<b>42,87%</b>	<b>46,47%</b>

3Q 2009	3Q 2008
18,64	21,26
45,02%	48,34%

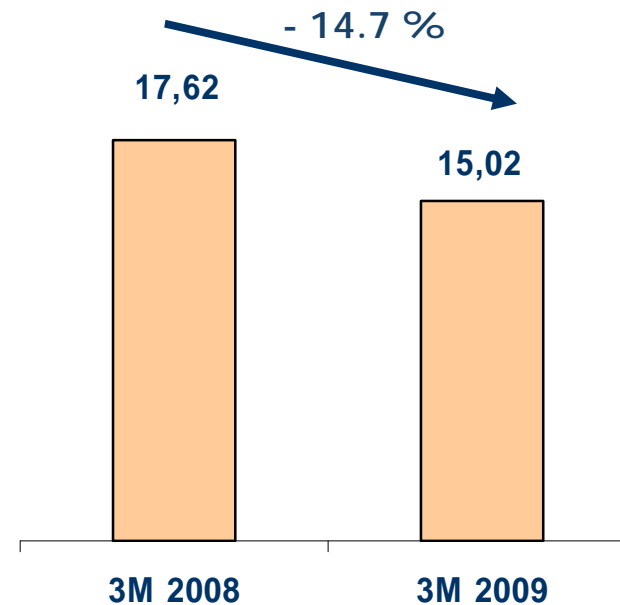
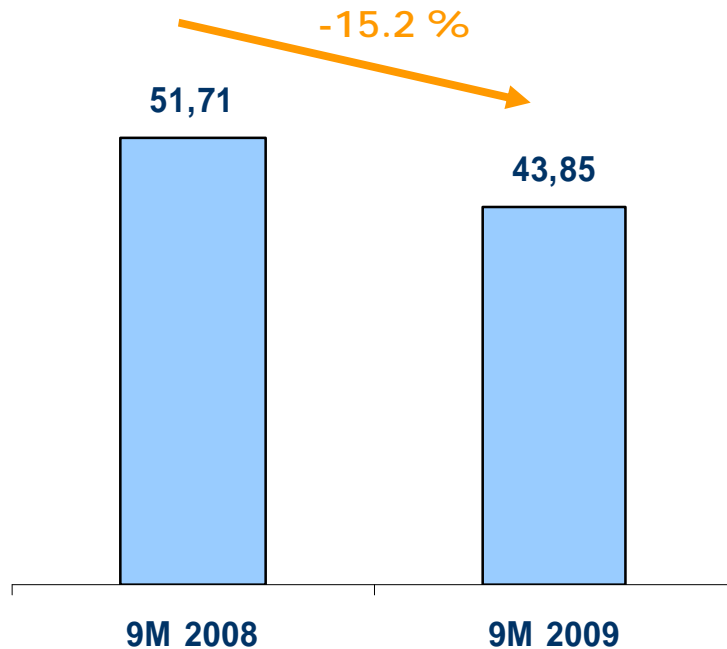


# Everywhere

## Company

	9M 2009	9M 2008
Salaries & personnel expenses	19,44	22,39
3rd party fees and benefits	12,86	15,00
Other expenses	11,54	14,32
<b>Total</b>	<b>43,85</b>	<b>51,71</b>
<b>Total as % of sales</b>	<b>35,09%</b>	<b>37,76%</b>

3Q 2009	3Q 2008
15,02	17,62
34,41%	35,90%



# New product launch

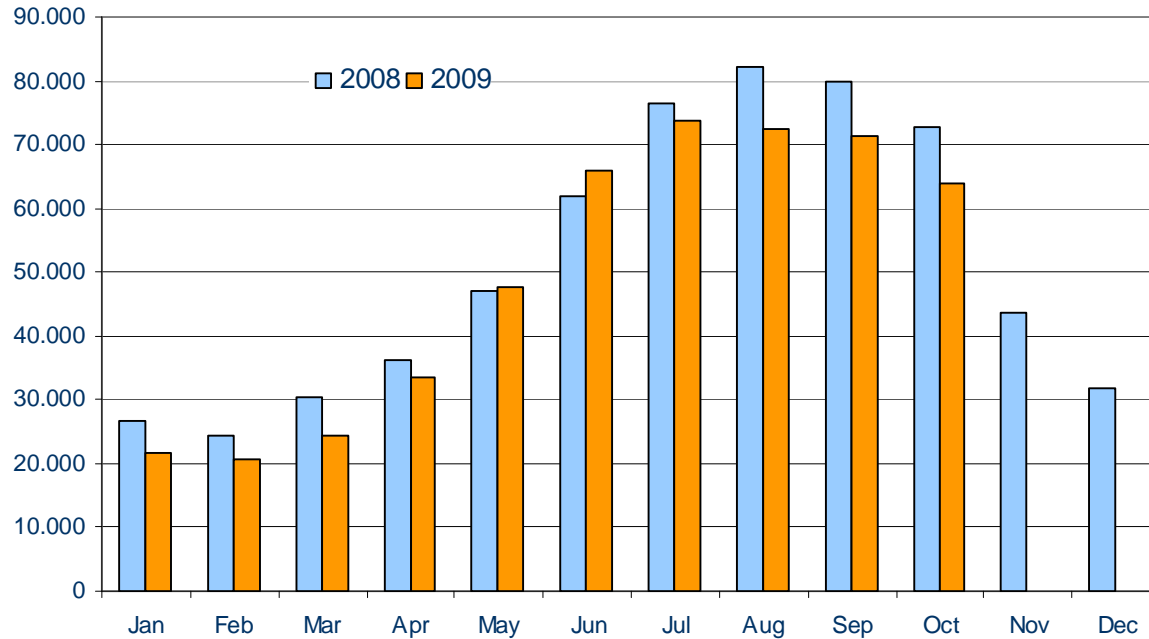


**Gutted bream, gutted bass and bream fillets** launched in the Greek subsidiary of MAKRO hypermarket under the brand name **THALASSA** (SEA in Greek).

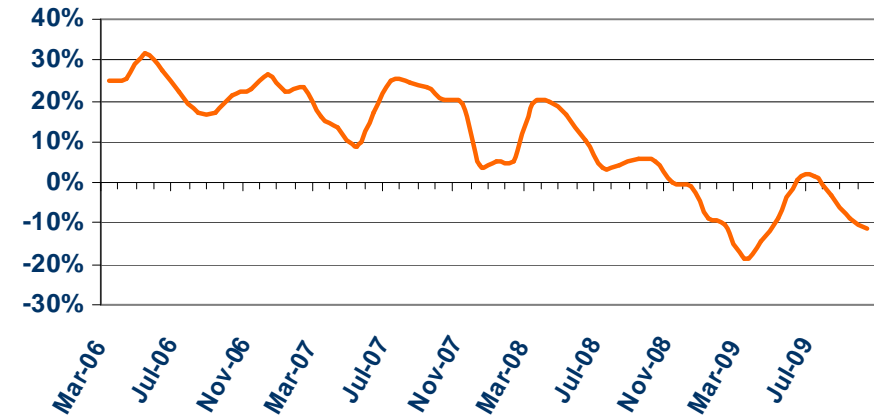


# 2010 Outlook: fish feed volumes

Fish feed sales to seabass/seabream producers



Growth of fish feed production for seabass/seabream - 3M average Oct 2009



Source for fish feed volumes: Kontali Analyse

**Fish feed growth** for seabass/seabream has been **negative since Nov 2008**

Less demand for fish feed

⇒ lower fish population (biomass)

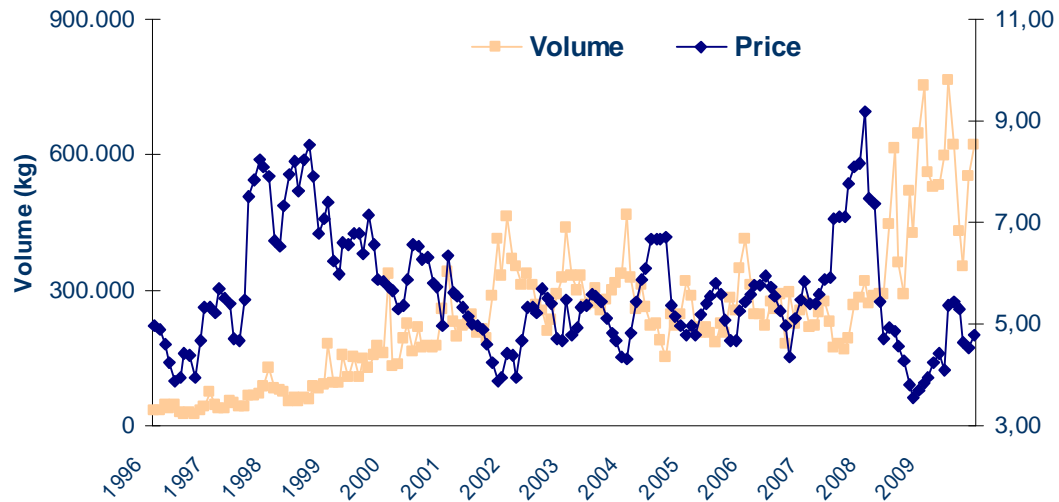
⇒ reduction in future fish supply

⇒ **better expected pricing**



# Historical patterns of bass / bream price

**SEABREAM** Monthly Price and Volume Evolution  
Jan 1996 - Oct 2009 (source: MercaMadrid)



Extreme highs and lows in seabass/ seabream **prices** occur in a 7-8 years cyclical pattern that has a strong **negative correlation** with **volume** growth and a weaker link with GDP growth.

Lower production volumes => better pricing

## SEABREAM

Production is less consolidated => volatile pricing pattern

Record high volumes in 2008-2009 => historical low spring of 2009

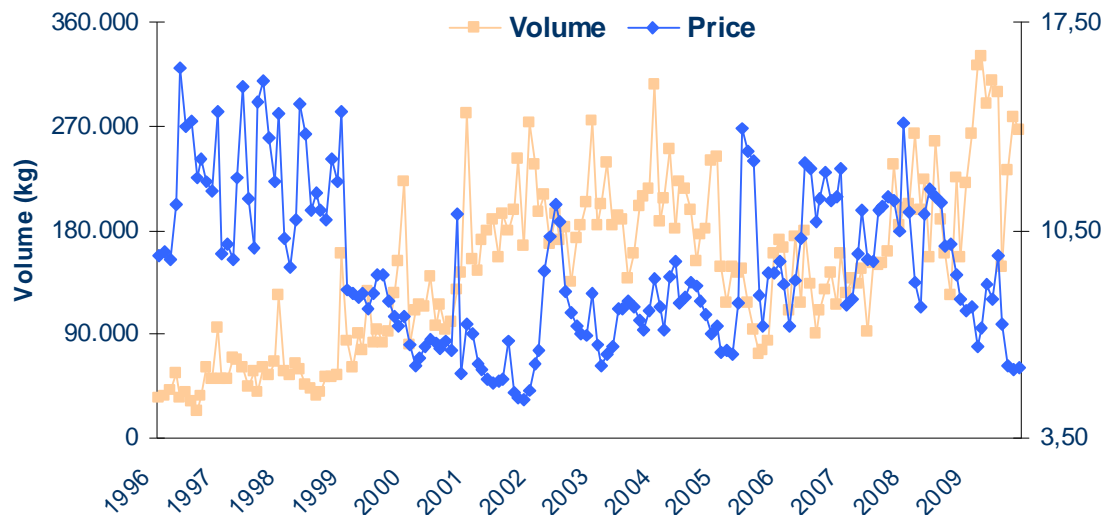
Reduced volumes are expected for 2010 because of low prices

## SEABASS

Production is more consolidated => less volatility y-o-y

Volumes have increased in 2009

**SEABASS** Monthly Price and Volume Evolution  
Jan 1996 - Oct 2009 (source: MercaMadrid)



# Strategy for 2009-2010

## Market Focus:

- oOpen new markets for large fish
  - üfish sales volume up 15.4% in 9M 09
- oDevelop and sell VAP products
  - ünew brand launched
- oOpen sales/distribution offices in Italy, France, Spain
  - ünew logistics center in Milan
- oDiversify in new fish-related products



## Operation Focus:

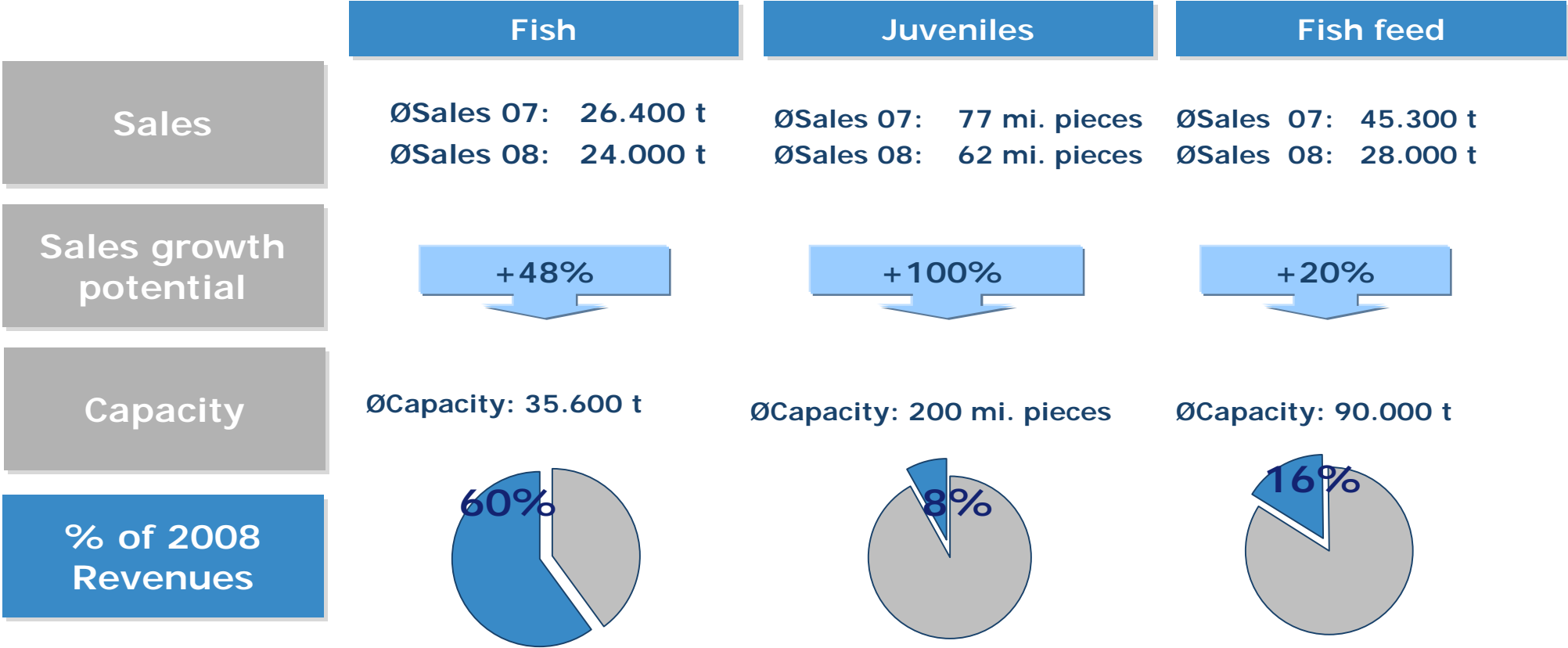
- OCost reduction in capex, operating expenses, feed consumption
  - Ülower capex, operating expenses
- oSwap licenses – consolidate operations into 10-12 efficient, fully integrated farming clusters
  - üapplied for relocation of several farming units

## Assumptions:

- 20 oThe seabream situation will be improved vs 1<sup>st</sup> half of 2009.



# Excellent potential for growth

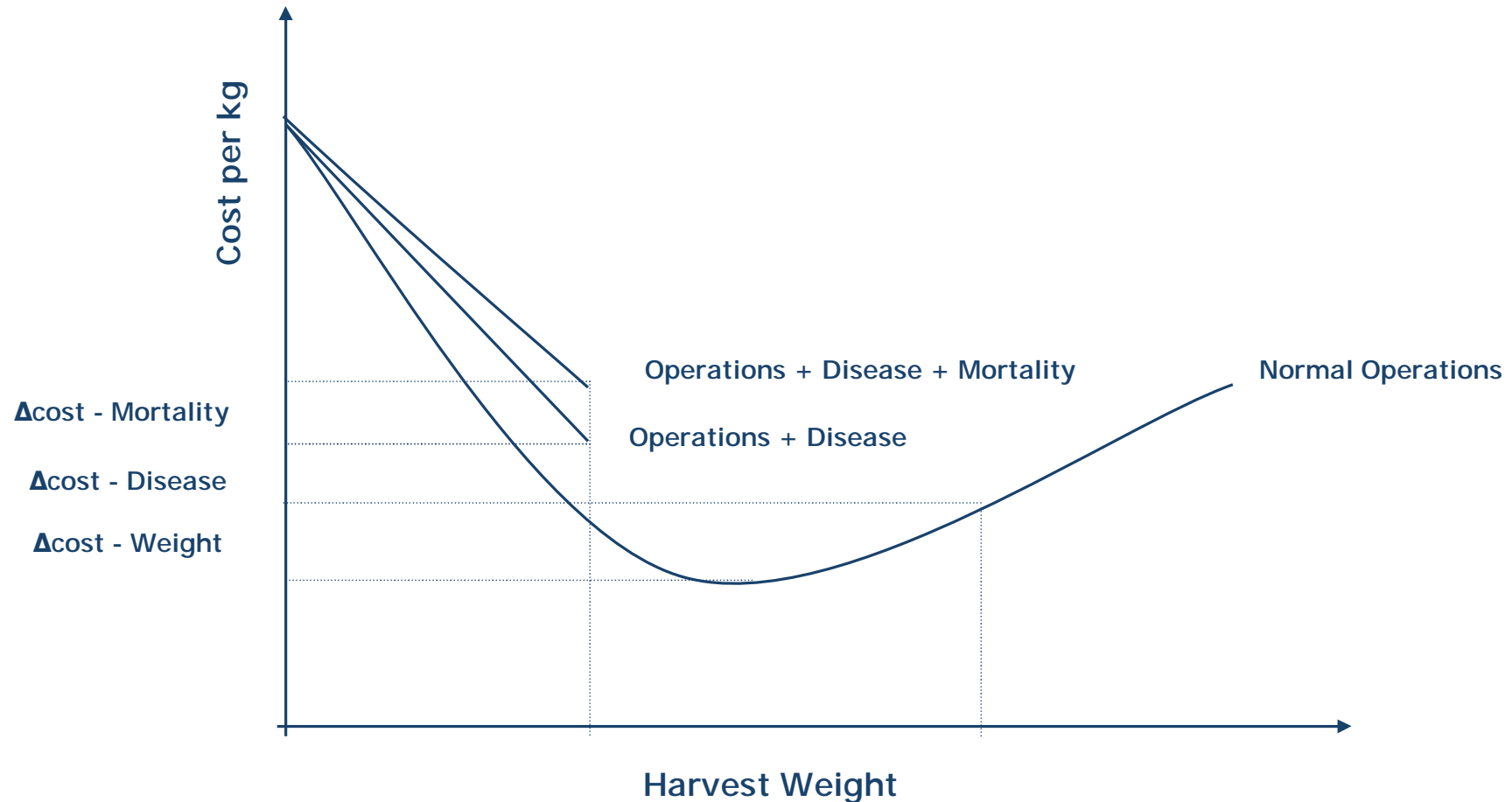


\*9 Months 2009 sales: Fish 20.900 t, juveniles 36.7 mi. pieces, fish feed 17.500 t

- üUtilization of full capacity does not require significant CAPEX expenditure
- üReady to increase production volumes as soon as the sector situation shows further improvement



# Appendix: Cost dynamics in fish farming



- ∅ Vertical structure ensures less risk from disease
- ∅ The 10-gr juvenile pre-fattening units target reduction in mortality



# Appendix: Calculation of the fair value of biomass

Fish farming companies are required to calculate and report the fair value of their biomass (IAS 41).

The fair value of the biomass is calculated as volume (kg) x market price and is adjusted for the part that is not ready to harvest.

The key drivers are the volume and weight of the biomass and the market price at the time of the calculation.

The ready to harvest part of the end-of-period biomass is reported in the B.S. as a current asset and the not ready to harvest as a non-current asset.

Sales in the I.S. are separated into biological and non-biological.

Biological sales represent sales of juveniles and fish (raw and processed) produced by the company.

Non- biological sales represent the sales of the fish/juveniles produced by others, the sales of fish feed, equipment, and other products.

The gain or loss arising from changes in the fair value of the biomass is computed as follows:

- biomass at end of period
- (+) biological sales
- (-) biomass at beginning of period
- (-) purchases of eggs and juveniles for production
- = gain/loss from biomass

<b>Fair value of biomass (B.S.)</b>	<b>Volume x Price</b>
<b>Key Drivers</b>	<b>Δ Volume Δ Price</b>
<b>Biological Sales (I.S.)</b>	<b>The sales of fish/juveniles produced by the company – to include processed fish</b>
<b>Non-biological sales (I.S.)</b>	<b>The sales of fish/juveniles produced by others, fish feed, nets, other products</b>
<b>Total Sales (I.S.)</b>	<b>Biological + Non-biological</b>



# Communication – Financial Calendar

## Financial Calendar 2009

FY 2008 Results  
Monday, 30 March 2009

3 Mo. 2009 Results:  
Friday, 29 May 2009

Ordinary AGM:  
Friday, 19 June 2009

6 Mo 2009 Results:  
Friday, 28 August 2009

9 Mo 2009 Results:  
Friday, 27 November 2009

## Investor Relations

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