

# Nireus Aquaculture S.A.

## Company Presentation - Investors



Athens Greece | May 2012



# Nireus: A unique value proposition

1. Very attractive market fundamentals for fish farming
2. Nireus is No. 1 in Mediterranean fish farming
3. Unique competitive advantages for Nireus:
  - a. extended product mix
  - b. the largest customer base globally
  - c. controls the value chain
  - d. experienced management
  - e. proprietary know-how

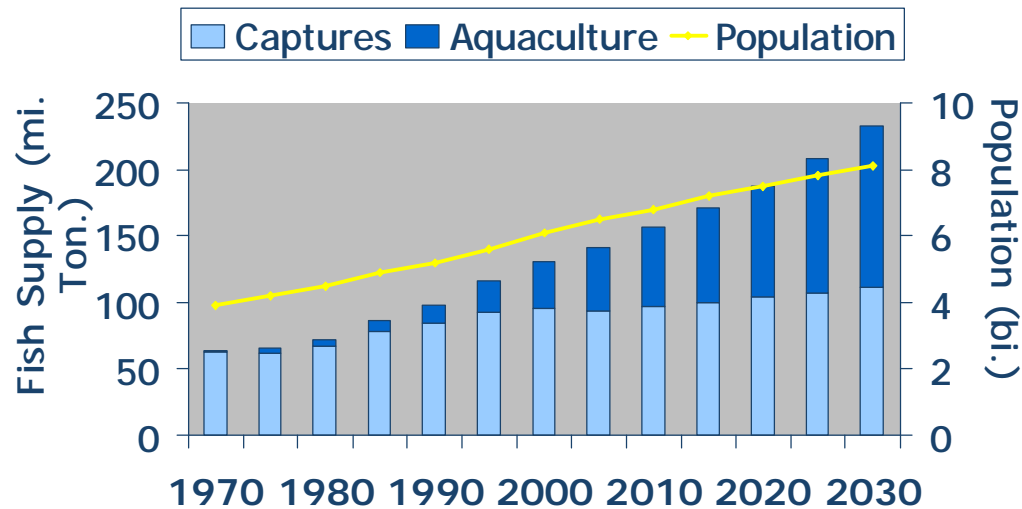


**ØVision:** to become a top tier global player  
in the fish farming industry

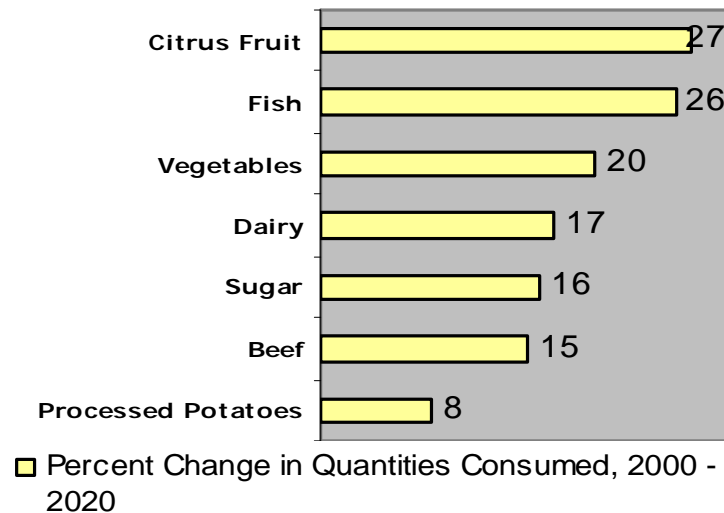
# Aquaculture - resilient high growth

## 2005 FAO projection

for World Aquaculture and Fisheries Captures



## U.S. Projected Consumption Growth, 2000-2020



**FAO:** Aquaculture will serve 100% of the growing demand for seafood ([fisheries circular no. 1001](#))

**USDA:** Fish consumption is expected to grow by 26% annually till 2020 – 2<sup>nd</sup> largest increase in the food sector ([USDA, ERS, 2003](#))

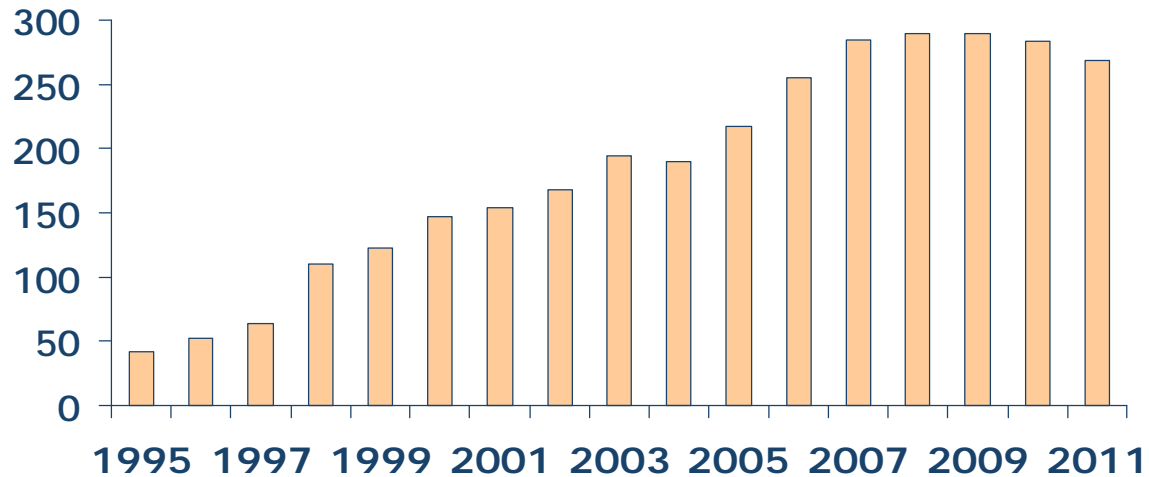
**Time Magazine:** The Future of Fish – Can farming save the last wild food?

**Economist:** Blue Revolution – The promise of fish farming



# Med fish farming: a multi-species cultivation

Production of Seabass and Seabream  
1995-2011 ('000t) - source Kontali



## The advantages of multi-species cultivation

üProfit stability

üSpread of the risk from price fluctuations

üReduced capital needs

üTransfer and sharing of technological and biological advances

üImproved operating margins

üMarketing synergies

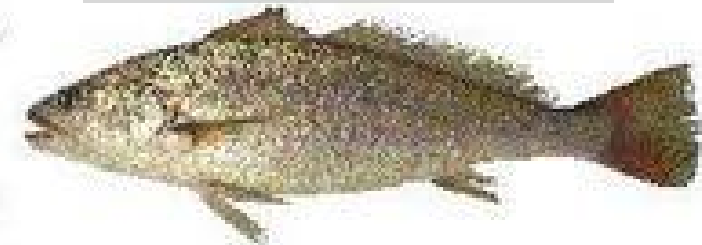
Seabream (*Sparus aurata*)



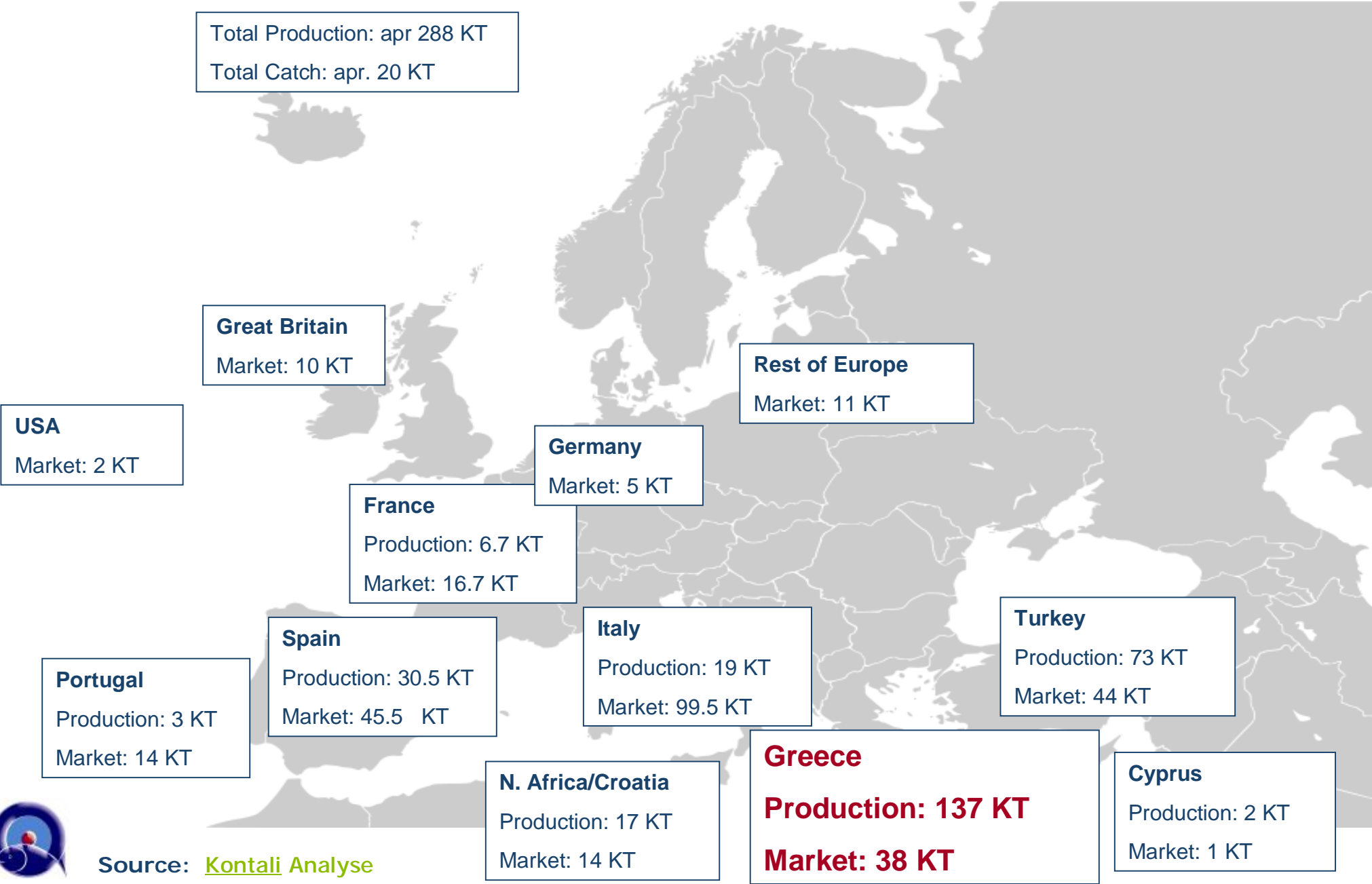
Seabass (*Dicentrarchus labrax*)



Meagre (*Argyrosomus regius*)



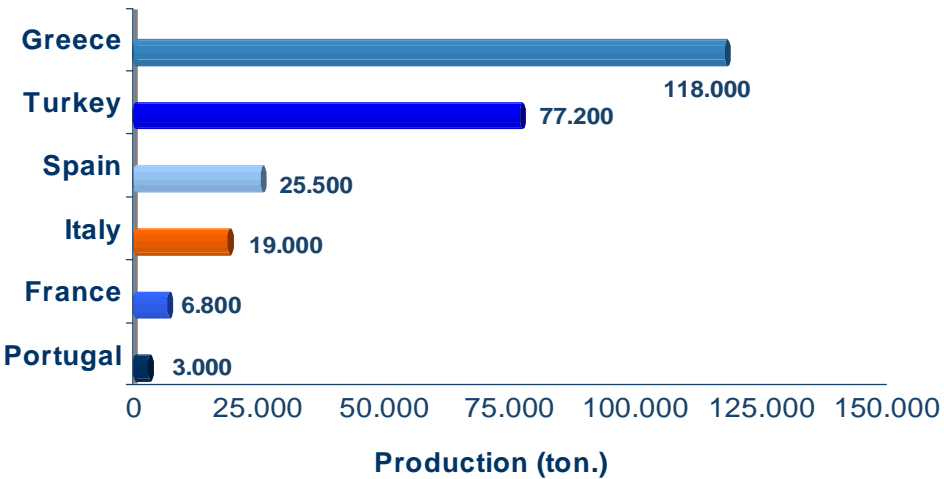
# The 2009 market for European seabass & seabream



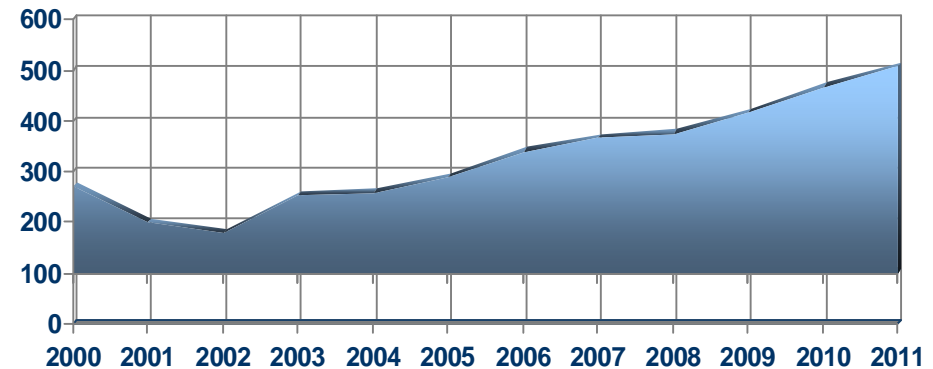
Source: [Kontali Analyse](#)

# Greek fish farming: bass & bream industry leader

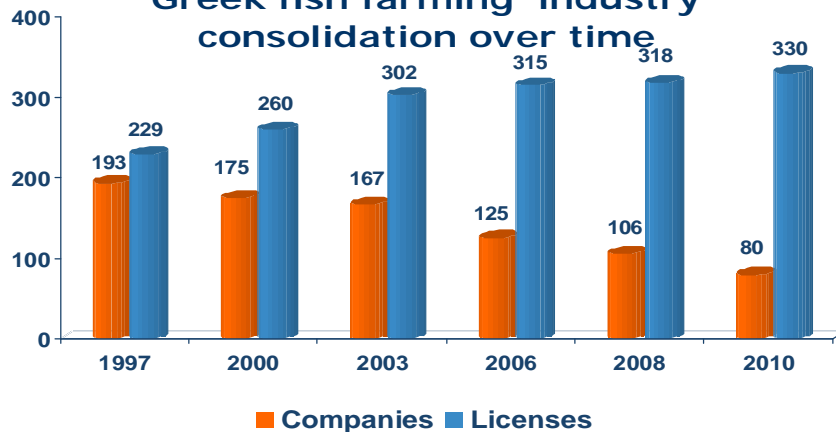
Greek Fish Farming Industry  
Mediterranean Leader 2011



Fresh fish exports from Greece  
1999-2011 (mi. €) - source: HEPO



Greek fish farming industry  
consolidation over time



The Greek aquaculture sector is a rising star and the **2<sup>nd</sup> most important key economic sector** for the growth of the Greek economy

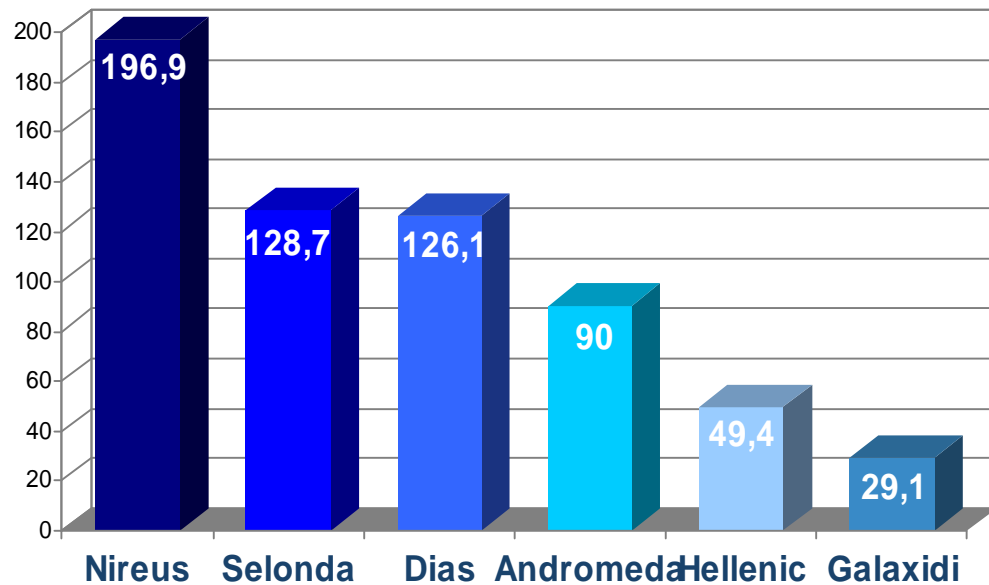
Source: **Mc Kinsey**, "Greece 10 Years Ahead", Sept 2011



Industry data: **Federation of Greek Mariculture**  
Production data: **Kontali Analyse**

# NIREUS is #1 in the bass & bream farming sector

The largest Greek companies in bass-bream farming -- 2011 FY sales (mi. €)



Sales of Andromeda for 2011 are Nireus' estimates

ü Nireus holds the dominant position in both the domestic and the global market

Sales Rank of European farmers - 2011

Company	Country	Fish	2011 sales (mi. €)
Marine Harvest		Salmon	2.082
Cermaq		Salmon	1.502
Leroy		Salmon	1.181
Salmar		Salmon	494
Grieg		Salmon	264
Nireus		Bass - Bream	197
Selonda		Bass - Bream	129
Dias		Bass - Bream	126

exchange rate 1 € = 7.75 NOK



# With experience in multi-species cultivation

**Seabream**



**Seabass**



**Common dentex**



**Common Pandora**



**Sharpsnout seabream**



**White seabream (sar)**



**Striped seabream**



**Common seabream**



**Meagre**

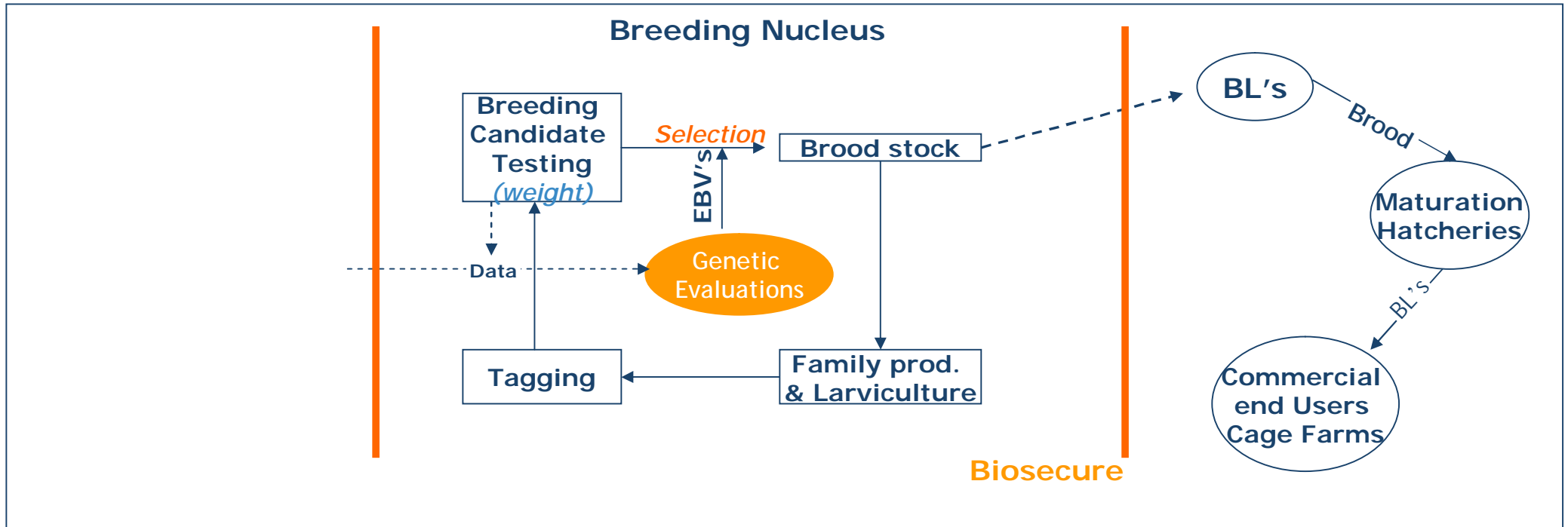


**Bluefin Tuna**



# A leading genetic selection program

## Genetic Selection Program Overview



*EBV: Estimated Breeding Values*  
*BL: Broodstock lines*

With genetic selection Nireus has achieved a 7% p.a. reduction in production time for bass and bream



# Unique know how in new technologies

## Algae - culture

§ Algae-culture has received global attention following ExxonMobil's recent \$600mm investment in algae-based biofuels

§ Algae research is focusing on a wide range of applications:

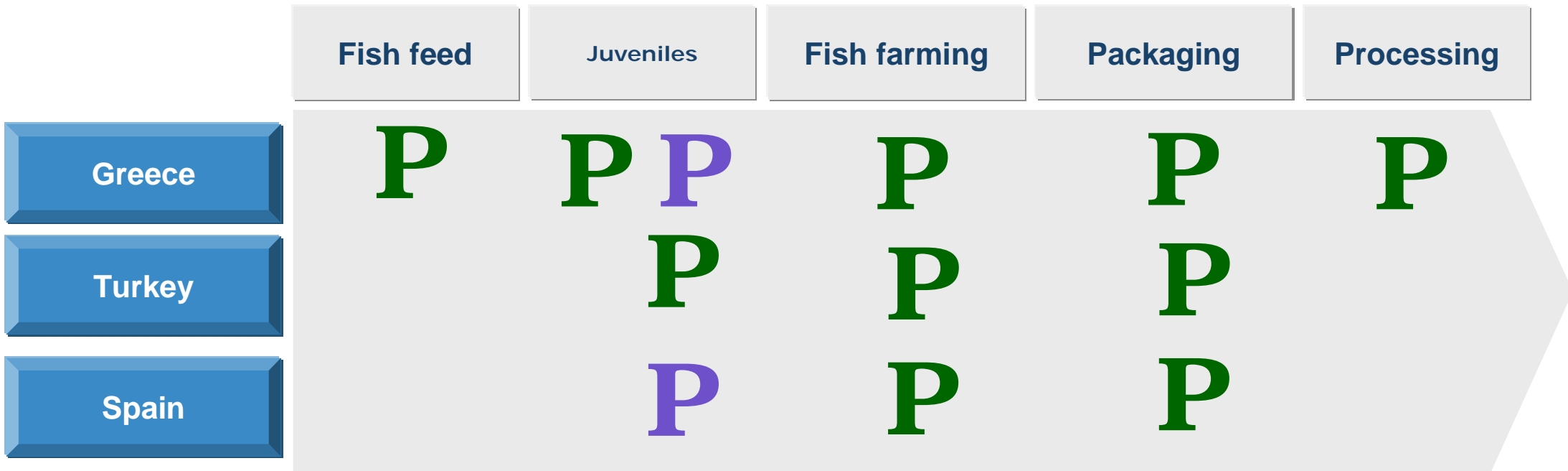
- § Fish & other feeds
- § Spirulina nutrition supplements
- § Polysaccharites
- § Cosmetics
- § Collagen
- § Biofuels

§ Nireus has market leading R&D and operations for algae culture

## Nireus' algae R&D / production facilities



# Production facilities in Greece, Turkey, Spain



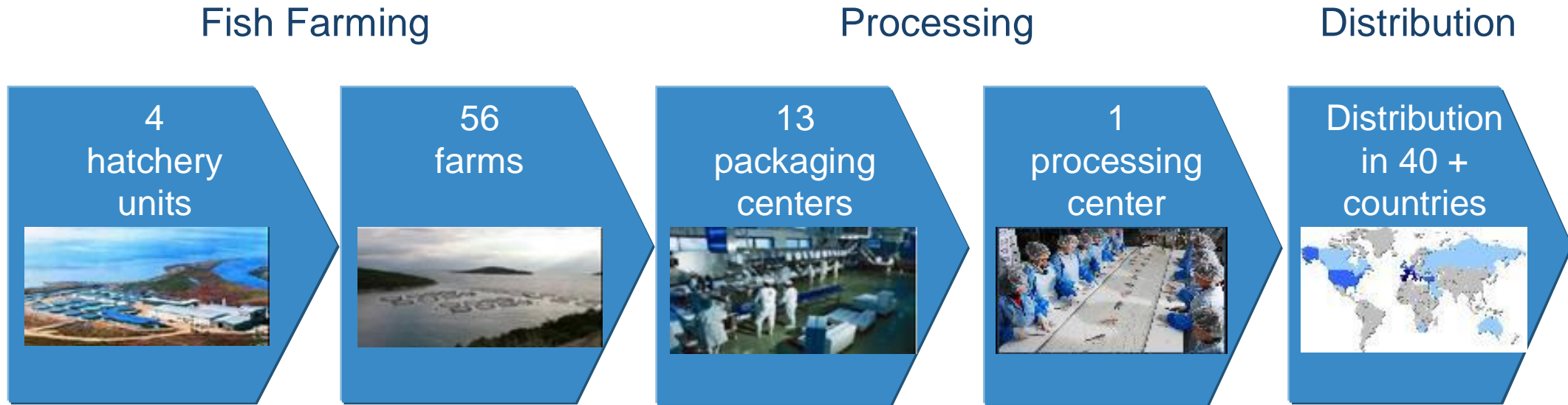
**P**: 10 gr juveniles pre-growing units

Vertically integrated operations ensure:

- Completely safe production conditions => less risk from disease
- Absolute control over the production cycle => lower cost



# With vertical integration from farming to distribution



## PLUS

- 3 inland pre-fattening units producing 10 gram juveniles
- 1 R&D center and 1 Genetics center
- 2 Factories producing 80.000 tons of fish feed - free of gmo
- 1 company producing fish cages & nets
- 1 company selling genetic material, feed, equipment and health products to cattle, poultry and swine farmers (KEGOagri)

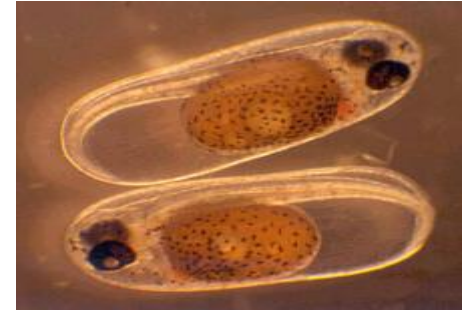


# An extended product mix

Seabass and Seabream  
Fresh and frozen, whole, gutted, fillets



Eggs



Fish feed – gmo free



Nets & Cages



Juveniles



Bluefin Tuna



# Sales to the largest markets in Europe

 Auchan

 GROUPE Casino

 groupe carrefour

 METRO Group

 AHORRA Mas

 MARR

 la Sirena

 Davigel

 Vassilopoulos  
...even the bird's milk!

 NEW ENGLAND SEAFOOD

 PINGO DOCE

 DELHAIZE GROUP

 Sainsbury's  
*Try something new today*

 ESSELUNGA

 SONAE

 E.LECLERC

 picard

 ASDA  
part of the WAL\*MART family

 MARKS & SPENCER

 EL ARBOL

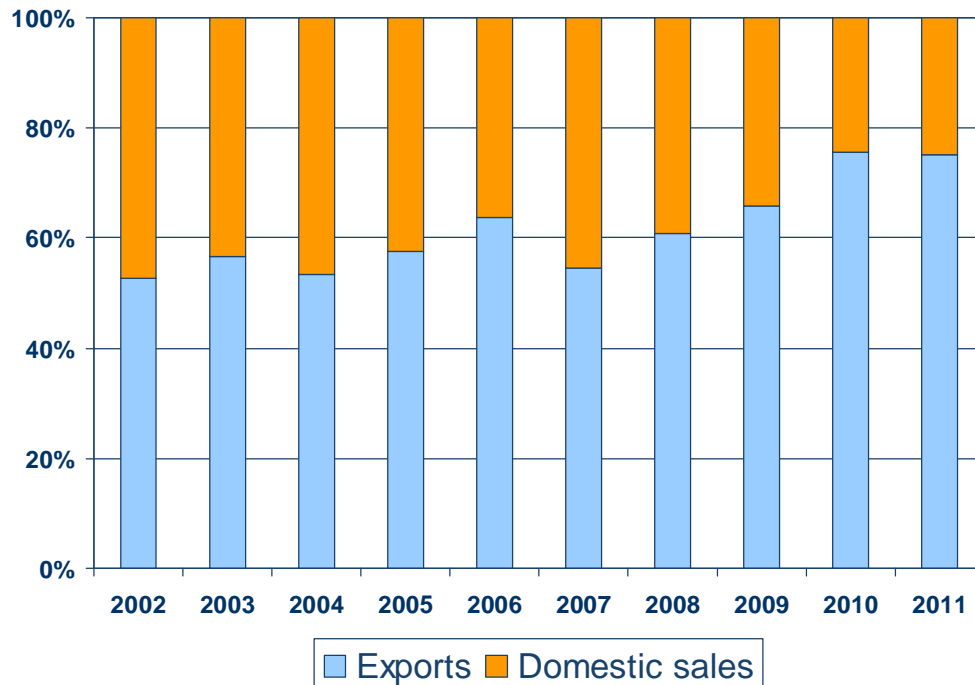
 EROSKI  
contigo

 coop



# The #1 exporter in the Greek food sector

## Sales Breakdown 2002-2011 (%)



## Exports Evolution 2010-2011

in mi. €	12M 2010	12M 2011
Greece	45.32	48.79
EU	119.96	120.32
Other	20.03	27.82



# Exporting 90% of produced fish to 40 countries

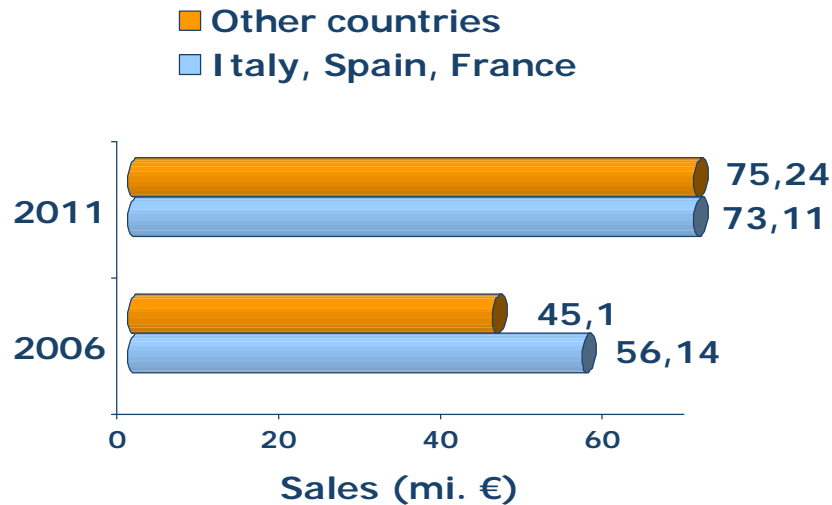


üEvery week we ship 560 tons of seabass and seabream  
( = 1.4 million 400 gr. fish ) to > 400 clients in 40 countries globally



# With exports' growth coming from new markets

## Exports Evolution



Exports' growth is coming from new markets

### 5 year CAGR

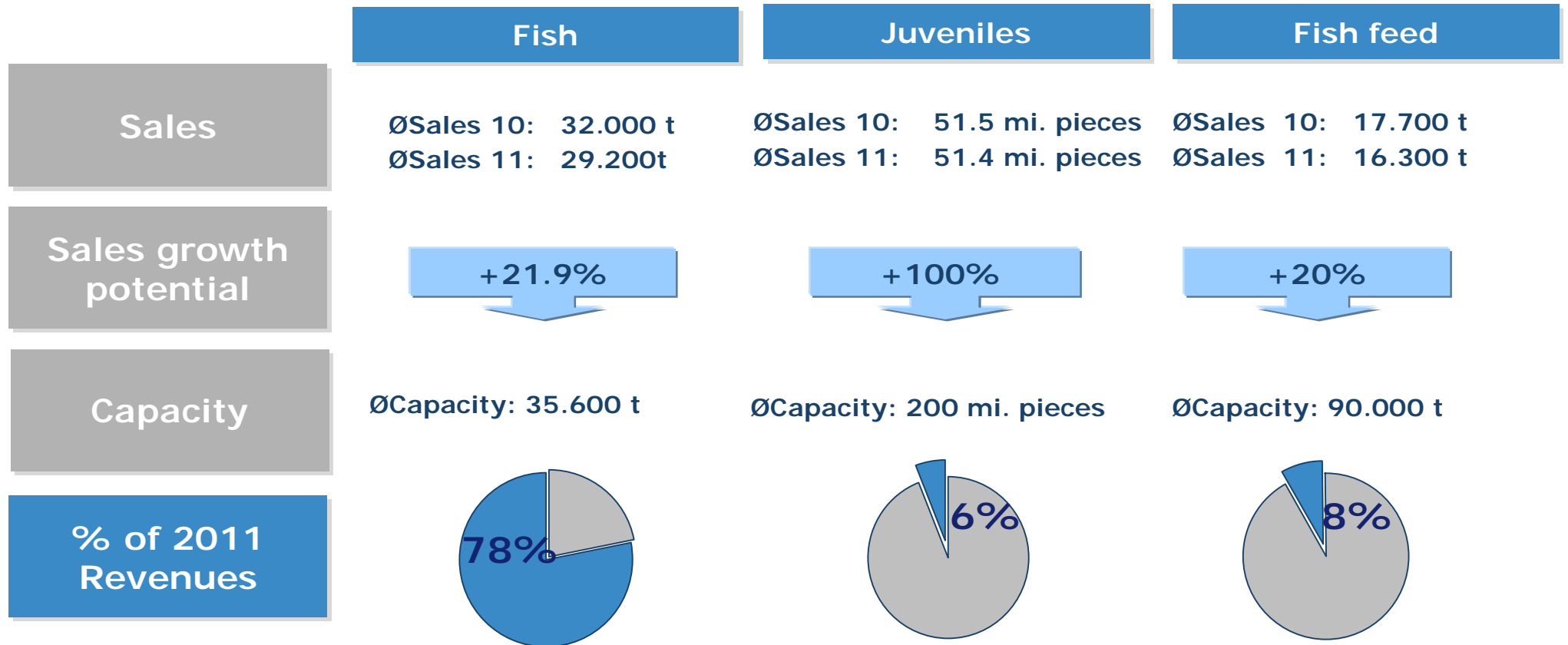
Italy, France, Spain: 5.41%

New markets: 10.7%

in mi. €	2006	2011	Δ% 2006-2011
Italy Spain France	56.14	73.11	30.2%
New markets	45.10	75.24	66.9%



# And significant growth potential



Utilization of full capacity does not require significant CAPEX expenditure  
 Current capacity can expand under the new "carrying capacity" law



# Balance Sheet

## Assets

in mi. €	12M 2011	12M 2010
Property Plant and Equipment	87,97	90,97
Goodwill	30,77	30,77
Biological non-current	70,62	71,55
Other non-current	19,90	20,38
<b>Total non-current</b>	<b>209,25</b>	<b>213,67</b>
Biological current	180,69	186,25
Inventories	11,46	11,66
Receivables	60,15	46,62
Other current	18,07	34,02
Cash & equivalents	18,79	36,55
<b>Total current</b>	<b>289,17</b>	<b>315,11</b>
<b>Total assets</b>	<b>498,42</b>	<b>528,78</b>

Bank debt reduced by € 23.1 mi.

Cash balances €18.8 mi.

## Equity and liabilities

in mi. €	12M 2011	12M 2010
Shareholders' equity	157,66	149,91
Non-controlling interests	-5,28	4,80
<b>Total shareholders' equity and non-controlling interests</b>	<b>152,38</b>	<b>154,71</b>
L/T bank borrowings	133,48	174,82
Deferred income tax liabilities	18,97	21,62
Other non-current liabilities	13,12	14,20
<b>Total non-current liabilities</b>	<b>165,57</b>	<b>210,64</b>
Trade & other payables	58,20	60,05
Current bank borrowings	109,73	91,52
Other current liabilities	12,54	11,86
<b>Total current liabilities</b>	<b>180,47</b>	<b>163,42</b>
<b>Total liabilities</b>	<b>346,04</b>	<b>374,06</b>
<b>Total equity and liabilities</b>	<b>498,42</b>	<b>528,78</b>



# Income Statement

in mi. €	12M 2011	12M 2010
Biological Sales	152,90	147,52
Non-Biological Sales	44,03	37,79
<b>Total Sales</b>	<b>196,93</b>	<b>185,31</b>
Raw material consumption	90,31	92,74
Salaries & personnel expenses	31,03	31,90
3rd party fees and benefits	21,72	25,25
Other operating expenses	28,32	23,56
<b>EBITDA before biol. adjustment</b>	<b>23,61</b>	<b>2,52</b>
Unrealized fair value adjustment	(2,00)	(5,06)
<b>EBIDTA after biol. adjustment</b>	<b>21,61</b>	<b>(2,54)</b>
<b>EBIT reported</b>	<b>12,63</b>	<b>(11,84)</b>
Gain/(Loss) from divestment of affiliate		(10,00)
<b>EBT</b>	<b>(1,42)</b>	<b>(34,82)</b>
Tax	1,67	0,73
<b>EAT</b>	<b>0,25</b>	<b>(34,10)</b>
Equity holders of the parent	9,54	(35,70)
Non-controlling interests	(9,29)	1,60
<b>Earnings per share (€)</b>	<b>0,1499</b>	<b>(0,5613)</b>

Sales up+6.3%

Improved operating performance (operating EBITDA € 23,6 mi.) from

stronger pricing

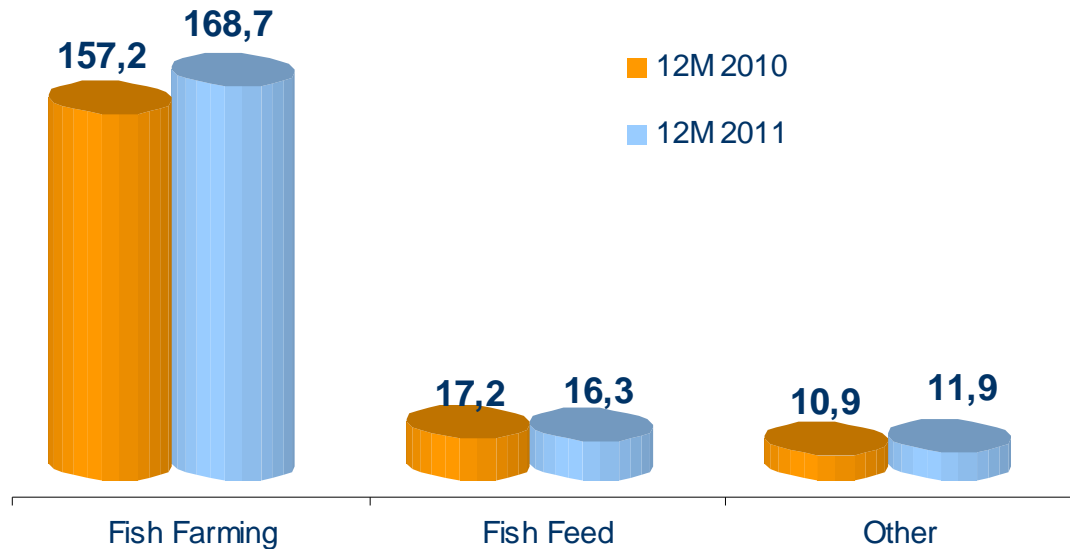
lower raw material consumption

cost containment measures



# Sales by Business Sector 12M 2011

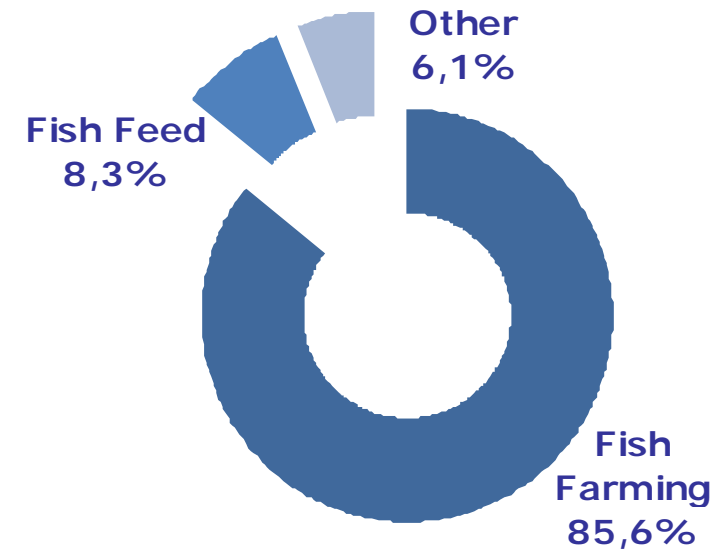
Sales by Sector for 12M 2010 & 12M 2011 (mi. €)



Fish farming = fish + juveniles sales (own + 3<sup>rd</sup> party)

Other = aviculture and animal culture products sold through the 100% subsidiary KEGOagri

Sales by sector for 12M 2011 (% distribution)



Sales of **fish farming up +7.3%** from stronger pricing

Reduced feed sales, as more feed is used for internal consumption

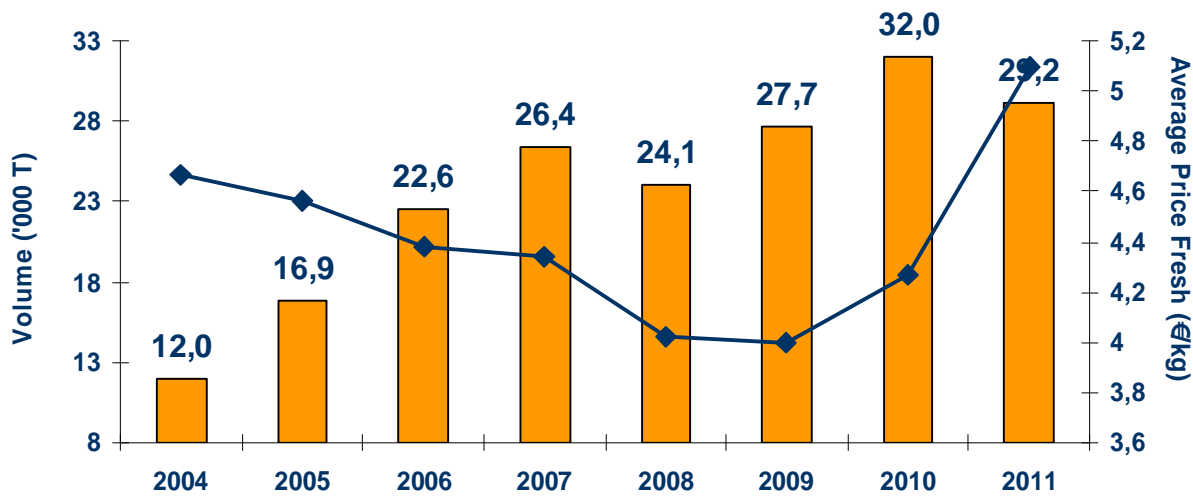
Sales of aviculture, animal culture products and equipment +9.4% from geographic and product line expansion



# Fish sales evolution & distribution/country

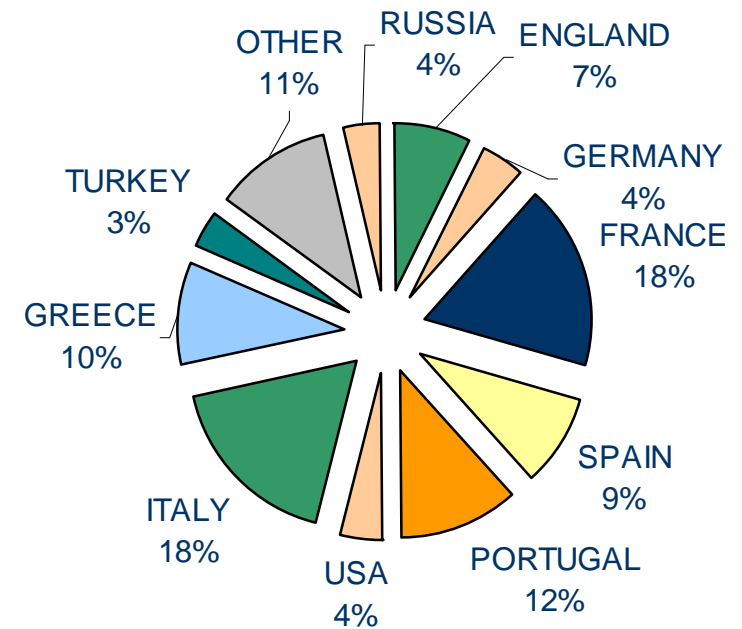
## Fish volumes & price 2004-2011

Fish Sales Volume- Price



## 2011 Fish sales/country

2011 fish sales per country (% value)



# Cash Flow Statement

in mi. €	12M 2011	12M 2010
Profit before tax	(1,42)	(34,82)
Depreciation	9,78	10,63
(Gain)/Loss from divestments	-	10,00
Miscellaneous other charges	16,06	11,44
Fair value adjustment	2,00	5,11
Reduction /(increase) of inventories	4,69	8,13
Reduction /(increase) of receivables	(0,68)	(9,80)
(Reduction)/increase of trade & other payables	(3,20)	5,72
Interest expenses paid	(11,59)	(10,76)
Taxes paid	(0,86)	(0,19)
<b>Cash flow from operating activities</b>	<b>14,78</b>	<b>(4,54)</b>
(Investments) / Divestments	(8,03)	18,31
<b>Cash flow after operations &amp; investments</b>	<b>6,75</b>	<b>13,77</b>
Government grants, received interest & dividends	0,56	0,64
<b>Cash flow from operating &amp; investing activities</b>	<b>7,32</b>	<b>14,32</b>
<b>Cash flow from financing activities</b>	<b>(25,07)</b>	<b>6,49</b>
<b>Total cash flow reporting period</b>	<b>(17,76)</b>	<b>20,81</b>
Cash and cash equivalents at the beginning of the period	36,55	15,74
<b>Cash and cash equivalents at the end of the period</b>	<b>18,79</b>	<b>36,55</b>

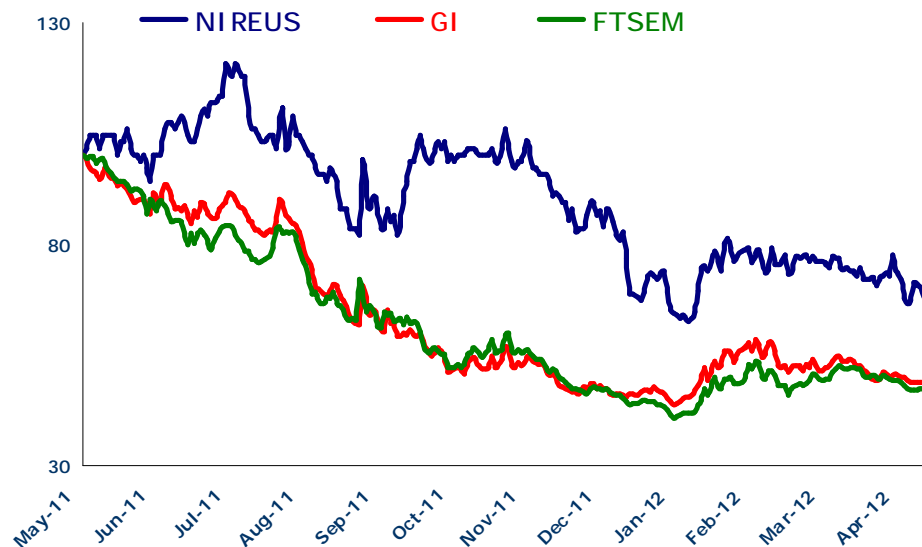
**Cash flow after operations  
€ 14.8 mi.**

**Cash generated from  
operations and cash from  
last year's divestments  
used for bank debt  
reduction**

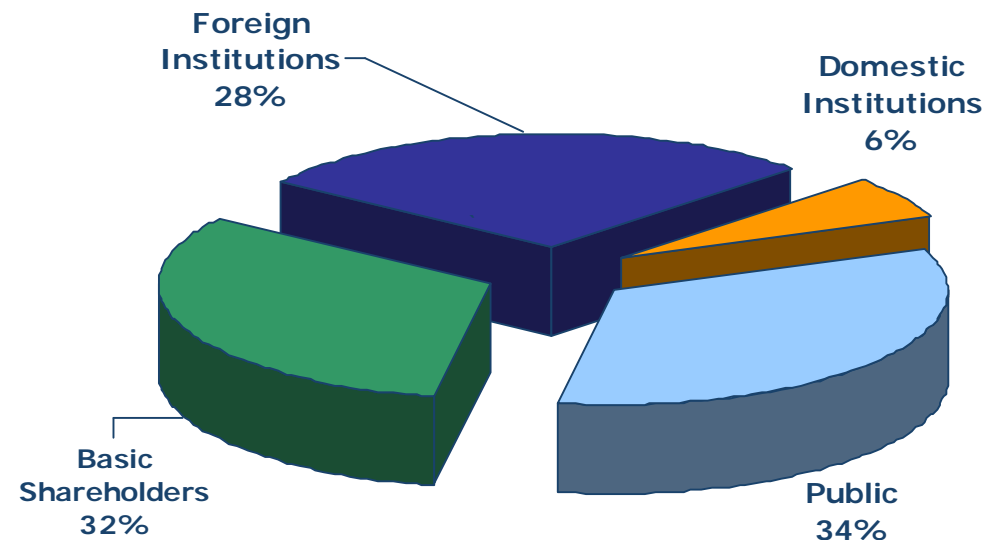


# Stock Market Performance

## Nireus versus General Index & FTSEM – 12M



## Shareholders structure



## Overview of Nireus Stock

Price (€) 30.04.2012	0.46	Bloomberg Ticker	NIR:GA
Number of shares (mi.)	63.7	Reuters Ticker	NIRr.AT
Market cap (mi €)	29	ASE Ticker	NHP
High / Low 52 weeks (€)	0.81 / 0.42	ASE Sector	Agriculture & Fisheries
12M Avg Turnover('000)	32	Index Participation	GD, FTSEM, FTSEA, SAGD, DTP

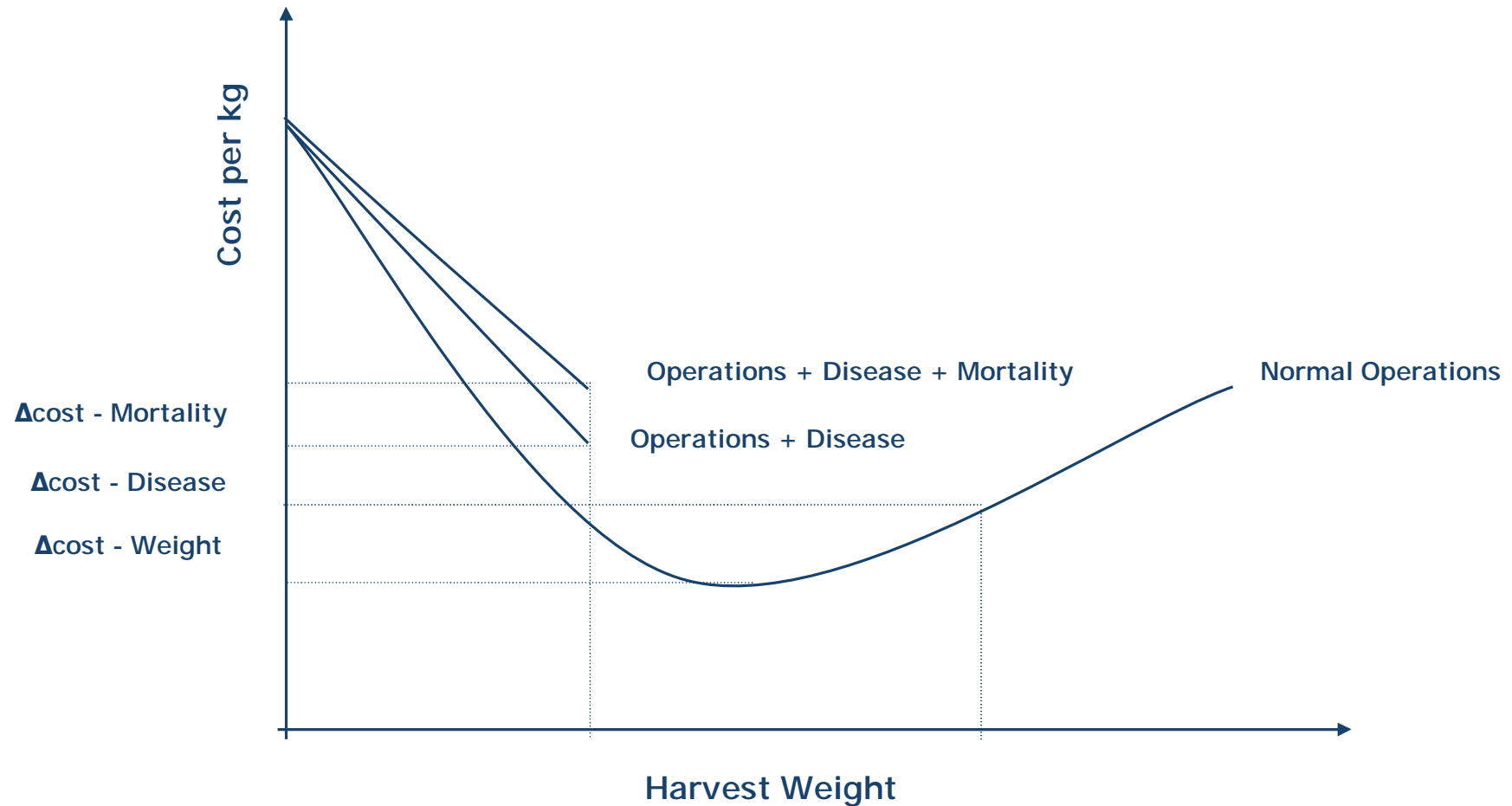


# Appendix

- Cost dynamics in fish farming
- Price
  - Key price determinant: industry supply
  - Seabass and seabream: price and volumes 2010-2012
- Industry outlook
  - Feed consumption – juveniles input
- IFRS: Calculation of the fair value of biomass
- Communication



# Cost dynamics in fish farming



Vertical structure ensures less risk from disease

The 10-gr juvenile pre-fattening units target reduction in mortality



# Key price determinant: industry supply

Seabass and seabream **prices** have a **negative correlation** with **volume** growth and a weaker link with GDP growth.

Lower production volumes => better pricing

## SEABREAM

Production is less consolidated => more volatile pricing pattern

Multi-year high in 2006 => Record high volumes in 2008-2009 => historical price low spring of 2009

Reduced volumes and better prices from 2010 going forward

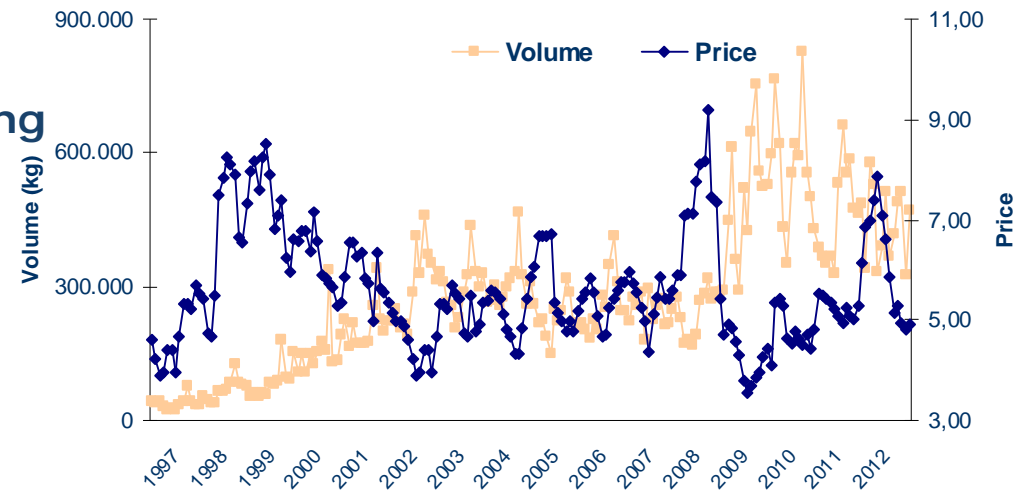
## SEABASS

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

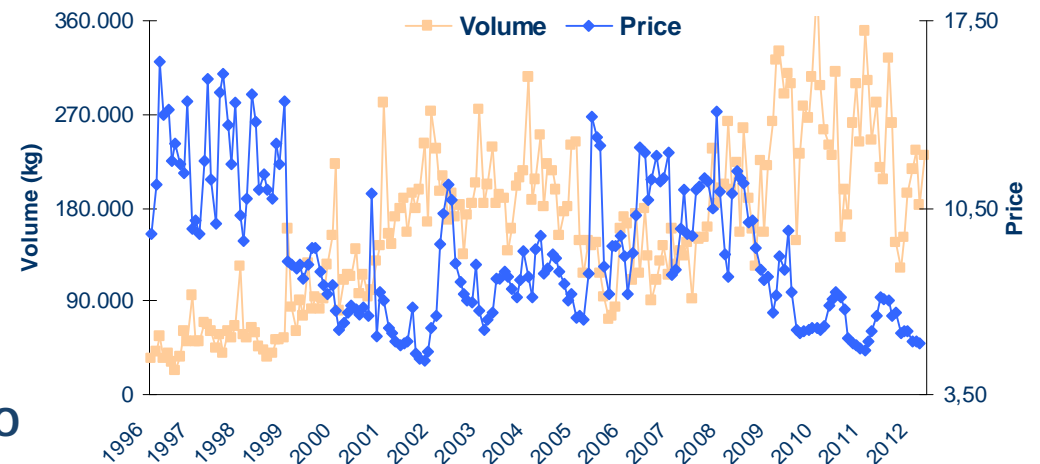
Multi-year high in 2007 => Increased volumes in 2008-2009 => price low in 2010

Improved pricing from 2011 going forward

**SEABREAM** Monthly Price and Volume Evolution  
Jan 1996 - Mar 2012 (source: MercaMadrid)



**SEABASS** Monthly Price and Volume Evolution  
Jan 1996 - Mar 2012 (source: MercaMadrid)



# Bass & bream – Price and Volumes 2010-2012

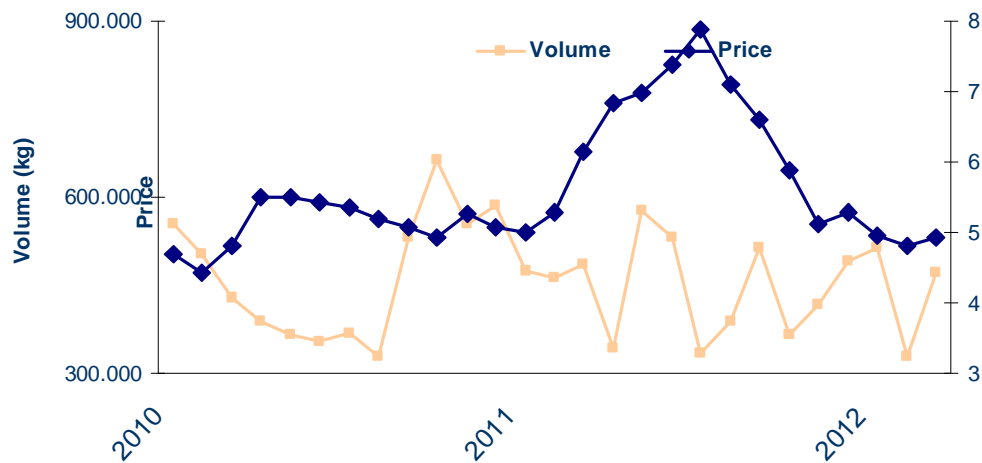
Seabream (*Sparus aurata*)



Seabass (*Dicentrarchus labrax*)



**SEABREAM** Monthly Price and Volume Evolution  
Jan 2010 - Mar 2012 (source: MercaMadrid)



**SEABASS** Monthly Price and Volume Evolution  
Jan 2010 - Mar 2012 (source: MercaMadrid)



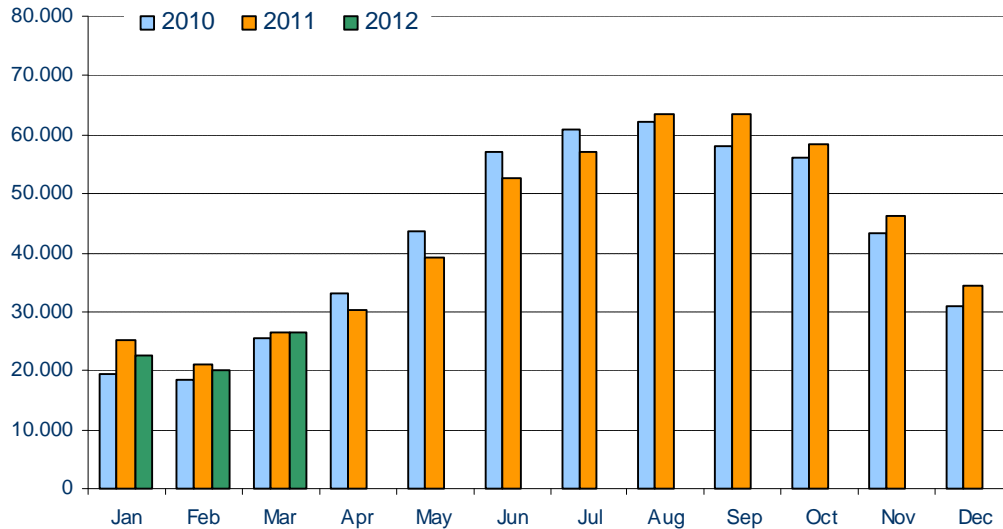
**Solid price recovery and low volumes for seabream**

**Price improvement and reduced volumes for seabass**



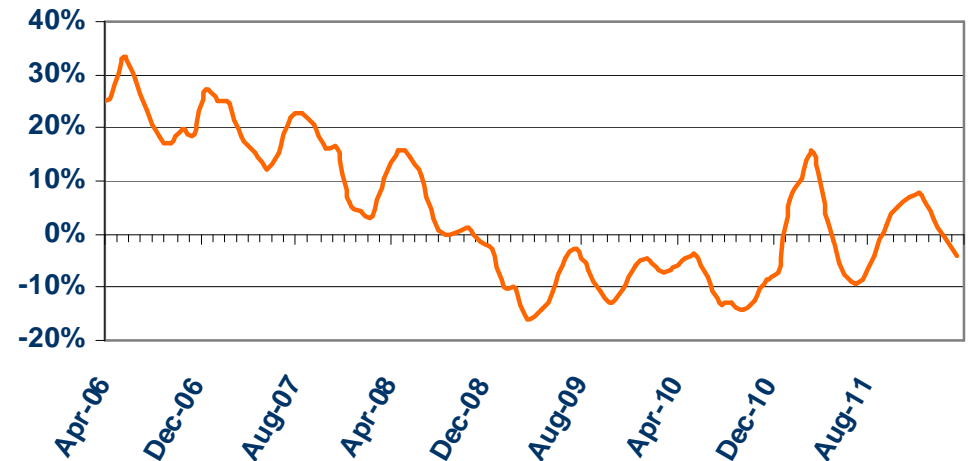
# Feed Consumption and Juvenile Input

Fish feed consumption (tons)

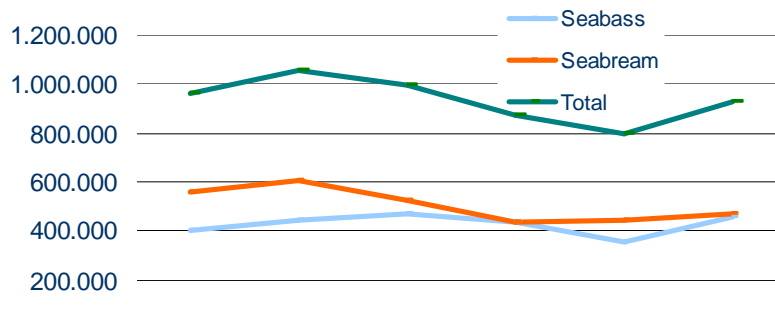


Data: Kontali Analyse

Growth of fish feed consumption for seabass/seabream - 3M average  
Mar 2012



Juveniles Production (mi. pieces)



	2006	2007	2008	2009	2010	2011
Seabass	401.000	443.620	473.000	433.000	353.000	457000
Seabream	561.840	610.110	524.900	439.000	445.000	470000
Total	962.840	1.053.730	997.900	872.000	798.000	927.000

**22% less new juveniles in 2010 vs 2007**  
**Stable feed consumption in 2012 vs 2011**

**Feed consumption and juveniles input data support the expected price stability at higher levels**



# IFRS: 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 2012

FY 2011 Results  
Friday, 30 March 2012

3M 2012 Results:  
Wednesday, 30 May 2012

Ordinary AGM:  
Friday, 29 June 2012

6M 2012 Results:  
Thursday, 30 August 2011

9M 2012 Results:  
Thursday, 29 November 2012

## Investor Relations

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