Athens Greece | March 2009

## Full Year 2008 Results Presentation

# NIREUS AQUACULTURE S.A.

# Highlights – Full Year 2008

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

- **Sales negatively affected by the drop in price of seabream**
  - Group sales in 2008 amounted to € 169,6 mi. versus € 214,3 mi. in 2007 (€ 206 mi. in 2007 excluding confectionaries)
  - Sales were affected mainly by the drop in the price of seabream and measures taken to limit possible negative developments from the adversities affecting the Mediterranean fish farming sector.
  - Sales of merchandise dropped by € 17,9 mi.
  - Stricter credit controls resulted in a decrease of fishfeed sales by € 15,9 mi. and juvenile sales by € 2,1
- **Exports Increased as a Percentage of Sales**
  - Exports in 2008 amounted to 61% of total sales vs 55% in 2007
- **Operating margins at 13.5 %**
  - Operating margins were stable over FY 2008 despite the lower price of seabream and increased costs in raw material prices.
  - The selective eggs technology and the inland production of 10 gram juveniles resulted in a 3% reduction in the cost of production of market size fish vs 2007

# Highlights - Full Year 2008 (cont.)

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

- **Earnings after taxes affected by low seabream prices, one-off tax settlement and loss in affiliate**

  - EBIDTA amounted to € 30 mi and EBIT € 23 mi. - Earnings after taxes amounted to € 1.1 mi.

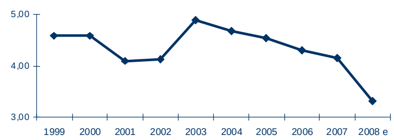
  - The loss of Marine Farms ASA affected net income negatively by € 0,87 mi. and a tax charge by € 2.3 mi.

- **Restructuring of bank debt**
  - A new bond € 90 mi. joint bond loan with a 7 year duration was issued to refinance existing debt – L/T debt is 75% of total.
- **Merge with Kego**
  - Finalized on November 2008
- **New fish species**
  - Nireus started the cultivation of meagre in 2008 – first sales are expected in Xmas 2009.
- **Fish production in Spain**
  - In Jan 2009, an agreement was signed for the cultivation (on a contract basis) of fish in Spain – Nireus already produces and sells 10 gr. juveniles in Spain through a 100% owned subsidiary.

# 2008: Sea bream – extremely low prices

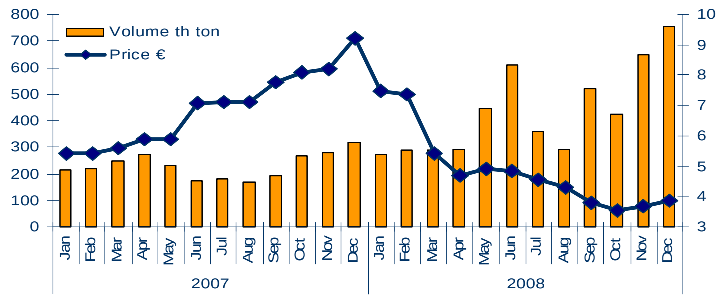
Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

SEABREAM European ex-farm prices
1999 - 2008 e (source FEAP)



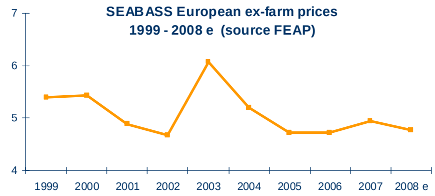

- In 2008, production of sea bream increased by 42% (source FEAP). This depressed prices to historically low levels and
  - drove the sector into its most challenging period since its inception
  - hampered growth
  - led to on-going industry consolidation.

SEABREAM Price and Volume Evolution
2007- 2008 (source MercaMadrid)



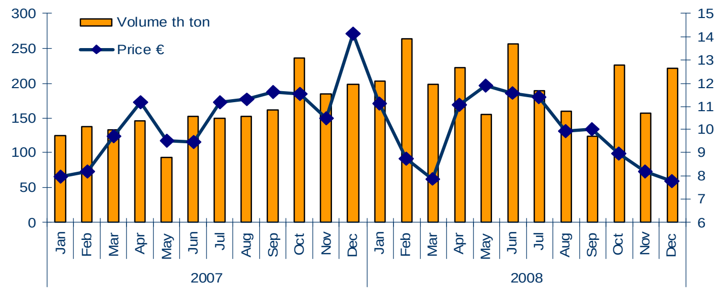
# 2008: Sea bass – stable prices

**Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)**




- Production levels (and prices) of sea bass were stable in 2008.

SEABASS Price and Volume Evolution
2007- 2008 (source MercaMadrid)

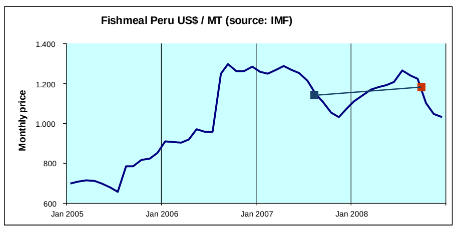



# 2008: Higher raw materials costs

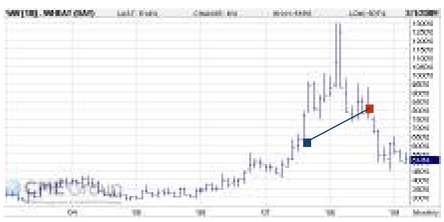
**Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)**

**CBOT Corn monthly**

**Fishmeal Peru Monthly** (source: IMF)




**CBOT Wheat monthly**



**CBOT Soybean Oil weekly**

**In 2008 the cost for all raw materials used for the production of fish feed remained at higher levels versus 2007**

# Financials – Balance Sheet

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

### Assets

| in mi. € | 2008 | 2007 | 2006 |
|---|---|---|---|
| Total non-current | 293,27 | 221,13 | 150,95 |
| Total current | 231,16 | 308,56 | 188,30 |
| Total assets | 524,43 | 529,69 | 339,24 |

### Equity and liabilities

| in mi. € | 2008 | 2007 | 2006 |
|---|---|---|---|
| Total shareholders' equity and minority interests | 168,27 | 176,12 | 122,19 |
| Total non-current liabilities | 217,47 | 151,55 | 101,71 |
| Total current liabilities | 138,69 | 202,02 | 115,34 |
| Total liabilities | 356,16 | 353,57 | 217,05 |
| Total equity and liabilities | 524,43 | 529,69 | 339,24 |

S/T banks loans shifted to L/T

Receivables were reduced by € 35 mi.

Days of sales outstanding decreased by 24% (122 days in 2008 versus 160 days in 2007)

# Financials – Income Statement

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

### Income Statement

| in mi. € | 2008 | 2007 | 2006 |
|---|---|---|---|
| Biological Sales | 112,0 | 134,24 | 99,02 |
| Non-Biological Sales | 57,8 | 80,02 | 62,47 |
| Total Sales | 169,8 | 214,26 | 161,48 |
| Gain from change of Fair Value in Biological Assets | 160,80 | 159,58 | 123,86 |
| EBITDA | 29,91 | 36,30 | 27,26 |
| EBIT Operating | 22,95 | 30,04 | 20,15 |
| EBT | 9,78 | 20,35 | 14,54 |
| Tax | -8,65 | -5,42 | -5,61 |
| EAT | 1,13 | 14,93 | 8,92 |
| Majority interest | 0,32 | 10,36 | 9,05 |
| Minority interest | 0,81 | 4,57 | -0,12 |
| Earnings per share | 0,0058 | 0,225 | 0,224 |

Sales were affected by low prices in seabream

=> drop in merchandise sales

=> reduced sales for juveniles / fish feed

Expenses were reduced by 16 mi. and the operating margin was maintained at 13.5% but,

=>a tax charge and loss of affiliate impacted profits

# Financials – Cash Flow Statement

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

| in mi. € | 2008 | 2007 | 2006 |
|---|---|---|---|
| Profit before tax | 9,87 | 20,35 | 14,54 |
| Cash flow from operating activities | -26,18 | -13,71 | 5,05 |
| Cash flow from investing activities | -12,82 | -61,08 | -2,23 |
| Cash flow from financing activities | 16,74 | 114,18 | 5,90 |
| Total cash flow reporting period | -22,26 | 39,38 | 8,72 |
| Cash and cash equivalents at the beginning of the period | 51,90 | 12,52 | 2,70 |
| Cash and cash equivalents at the end of the period | 29,64 | 51,90 | 11,41 |

ü Growing the fish inventory for 2 years requires high working capital needs

ü Nireus maintains a high cash balance despite the cost of increasing production constantly

# Financials – Key Figures

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

| in mi. € | 2008 | 2007 | 2006 |
|---|---|---|---|
| Operating revenues | 169,75 | 214,26 | 161,48 |
| EBITDA | 29,91 | 36,30 | 27,26 |
| EBITDA margin(%) | 18% | 17% | 17% |
| EBT | 9,78 | 20,35 | 14,54 |
| EBT margin(%) | 6% | 9% | 9% |
| Earnings after tax & minorities | 0,32 | 10,36 | 9,05 |
| | | | |
| Earnings per share | 0,0058 | 0,225 | 0,224 |
| Total assets | 524,43 | 529,69 | 339,24 |
| Equity | 168,27 | 176,12 | 122,19 |

Earnings were adversely affected by the drop in the price of seabream, loss of affiliate and one-off tax settlement

# Sales Quantities and Prices

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

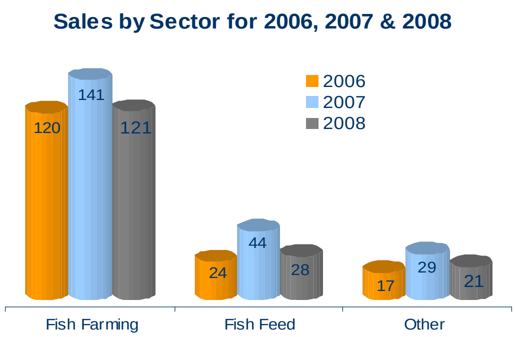
| | 2006 | 2007 | 2008 |
|---|---|---|---|
| Market-size fish (thou. ton.) | 22.6 | 26.4 | 24 |
| Aver. Price (€ / kg) | 4.71 | 4.75 | 4.43 |
| Fish Feed (thou. ton.) | 27.1 | 45.3 | 28 |
| Aver. Price (€ / kg) | 0.90 | 0.94 | 0.95 |
| Juveniles (mi. pieces) | 74.4 | 77 | 62.4 |
| Aver. Price (per piece) | 0.20 | 0.20 | 0.21 |

Sales of merchandise fish were reduced as they were deemed unprofitable

Sales of fish feed and juveniles to small farmers were based on stricter credit terms, due to the sea bream situation

# Sales by Sector

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

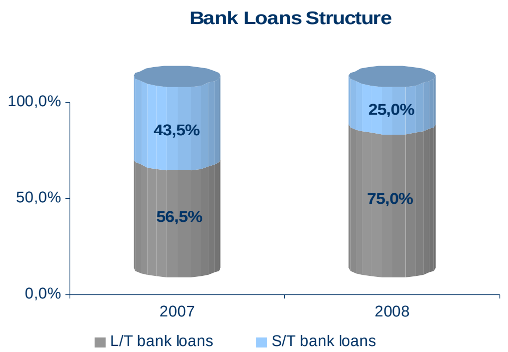



The fish farming sector includes own and merchandise fish and fish-related products(juveniles, eggs)

In the other products , confectionaries were sold in Dec 2007 (2007 was € 8,3 mi.)

# We have restructured bank debt

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)




We hedge 97,5 mi. € for interest rate increases

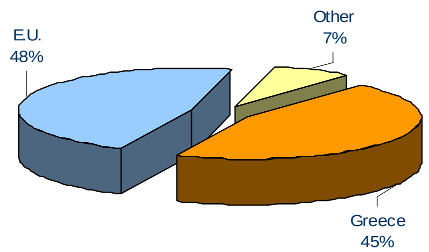
**L/T Debt structure**

- 19,6 mi. convertible of 5 yr duration (obtained Jul 2007 – 6 banks)
- 90 mi. joint bond of 7 yr duration (obtained Jan 2008)
- 49,9 mi. long term loan of 10 yr duration secured by the Greek state that also pays ½ of the interest – 1st payment January 2010 (obtained Dec 2007 and April 2008)
- 29,9 mi. loans of 15 year duration and 3,7 mi. bond loans of 2-5 years duration (obtained in 2005 and 2006 – 15 banks)

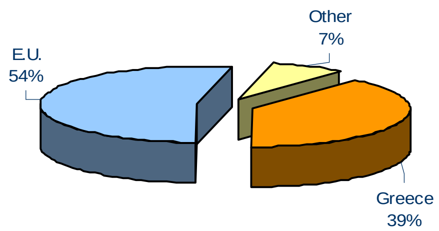
# Increased exports' share

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

**2007 Sales Breakdown**




**2008 Sales Breakdown**




Exports amounted to 61% of total sales versus 55% a year ago

# Decreased production cost

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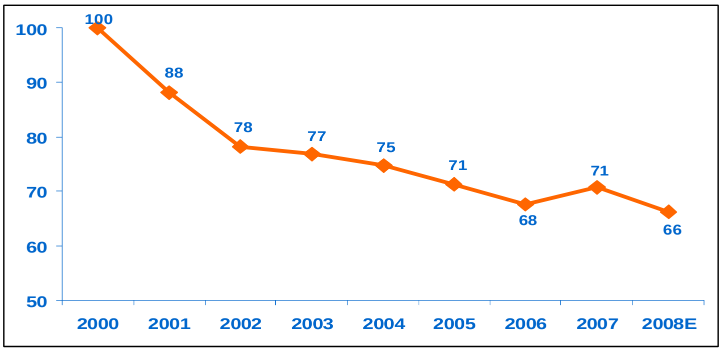
## Despite increased cost of raw materials

Inflation-adjusted cost - production of whole fish

(base year 2000=100)




In 2008 we cut gross production cost for all products by 3%

# Put a new fish species in our nets

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

- **Meagre is a fast growing species**

-Reaches 800-1200 gr. in 1 year

-Good quality flesh, low in lipids with a high proportion of polyunsaturated fatty acids.

-Size appropriate for filleting and smoking

- **Nireus brings extensive experience into meagre cultivation**

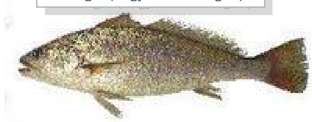
-On-growing similar to sea bass and sea bream

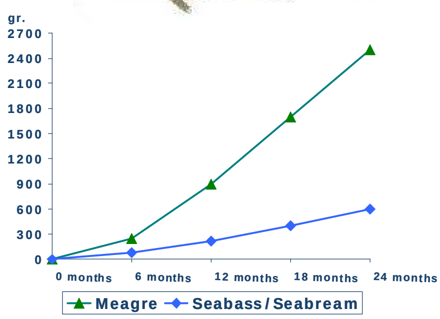
- **First sale from Nireus is expected to take place in Xmas 2009.**

FEAP: Meagre production (ton.)

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|---|---|---|---|---|
| France | 200 | 300 | 300 | 235 | 265 |
| Italy | | 320 | 280 | 335 | 350 |
| Spain | 11 | 273 | 845 | 810 | 1620 |

Meagre (Argyrosomus regius)






# And invested selectively on the future



## Investments in productivity gains and products with high gross margin:

- The 2nd Greek unit for the inland production of 10 gr. juveniles was completed in Evia and started operations in Q4 (capacity 15 mi. pieces)
- Spain is increased production capacity for 10 gr. juveniles by 30%
- The Turkish hatchery over doubled production capacity

## Investments in cost cutting:

- Merge with Kego (2008), Red Anchor, A-Sea, Alpino (2009)
- Improvements in processing unit for market size fish
- Redesigning of logistics in EU market

In May 2008 Nireus was certified by the

British Retail Consortium

(BRC Global Standards)

BRC GLOBAL STANDARDS
THE WORLDWIDE STANDARDS OF CHOICE

# 2009 Outlook: Sea bream prices



## Development of sea bream prices versus volume and GDP growth

| | EU GDP growth | Greece GDP growth | %Δ volume | %Δ price |
|---|---|---|---|---|
| 1998-1999 | 3,04% | 3,42% | 95% | -24% |
| 1999-2000 | 3,94% | 4,48% | 24% | 0% |
| 2000-2001 | 2,10% | 4,49% | 5% | -11% |
| 2001-2002 | 1,40% | 3,90% | 1% | 0% |
| 2002-2003 | 1,54% | 5,04% | 11% | 19% |
| 2003-2004 | 2,68% | 4,58% | 1% | -4% |
| 2004-2005 | 2,19% | 3,83% | 5% | -3% |
| 2005-2006 | 3,33% | 4,19% | 27% | -5% |
| 2006-2007 | 3,11% | 4,00% | -12% | -4% |
| 2007-2008 E | 1,65% | 3,16% | 42% | -20% |
| Volume average growth | | | 20% | |

Source: IMF, FEAP Report on Mediterranean Aquaculture, November 2008

Sea bream **prices** have a strong **negative correlation** with high **volume** growth and a weaker link with GDP growth.

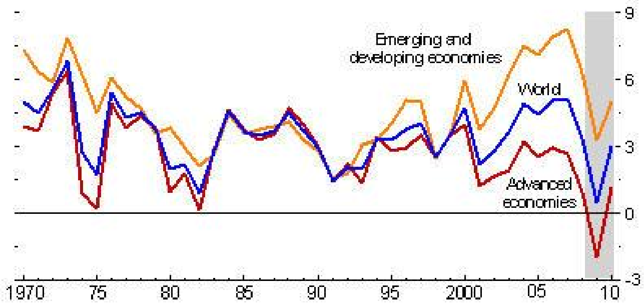
Prices are expected to improve relatively in the second half of 2009 and increase once a better balance between supply and demand is achieved

# 2009 Outlook: The Economy

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

**IMF forecasts weaker growth in 2009**

**Figure 1. GDP Growth**
*(Percent change)*




Source: IMF staff estimates.

Source: IMF economic forecast – Jan 2009

# But, seafood perceived as recession resistant

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

| 5 Recession Proof Categories | 5 Recession Vulnerable Categories |
|---|---|
| Seafood | Carbonated Beverages |
| Dry Pasta | Eggs |
| Candy | Cups/Plates |
| Beer | Food Prep/Storage |
| Pasta Sauces | Tobacco |

Source: The Nielsen Company, Predictive Macroeconomic Impact System

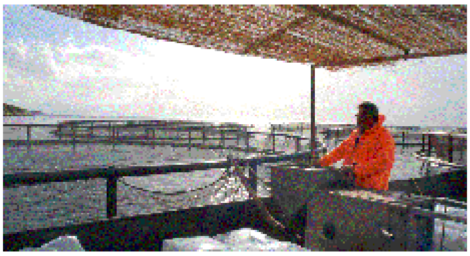
Source: The Nielsen Company, June 2008

# Strategy for 2009-2010

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)

## Market Focus:

- Open new markets for large fish
- Develop and sell VAP products
- New logistics center in Milan
- Sales/distribution offices in Italy, France, Spain
- Diversify in new fish-related products



## Operation Focus:

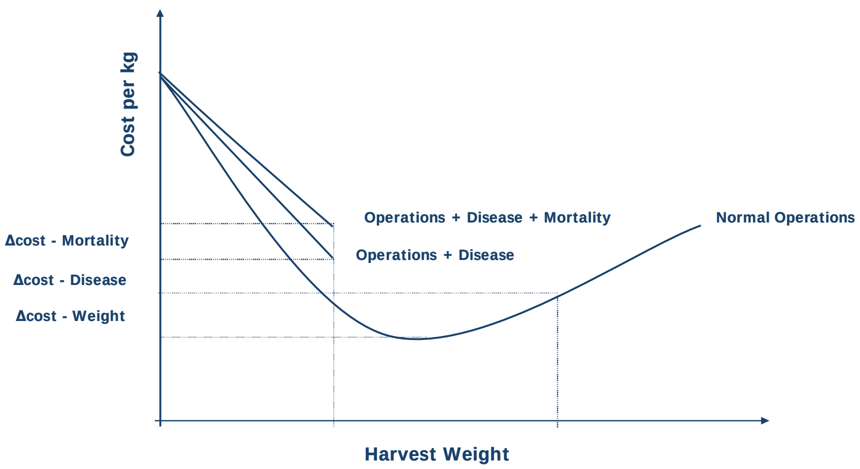
- Swap licenses – consolidate operations into efficient, fully integrated farming clusters
- Lower capex, operating expenses and consumption of fish feed

## Assumptions:

- Raw materials and transport cost will remain at lower levels
- The seabream situation will be improved, but still weak

# Appendix: Cost dynamics in fish farming

Nireus Aquaculture SA - Celebrating 20 Years ( 1988 – 2008)




- 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

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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, net of harvesting and transportation cost, 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

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

# Communication – Financial Calendar

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**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

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