

# Nireus Aquaculture S.A.

## 3rd Annual RS Platou Markets Seafood Conference



Oslo Norway – 4 June 2009

*Dr Panayotis Alexakis*

*Executive Vice Chairman*

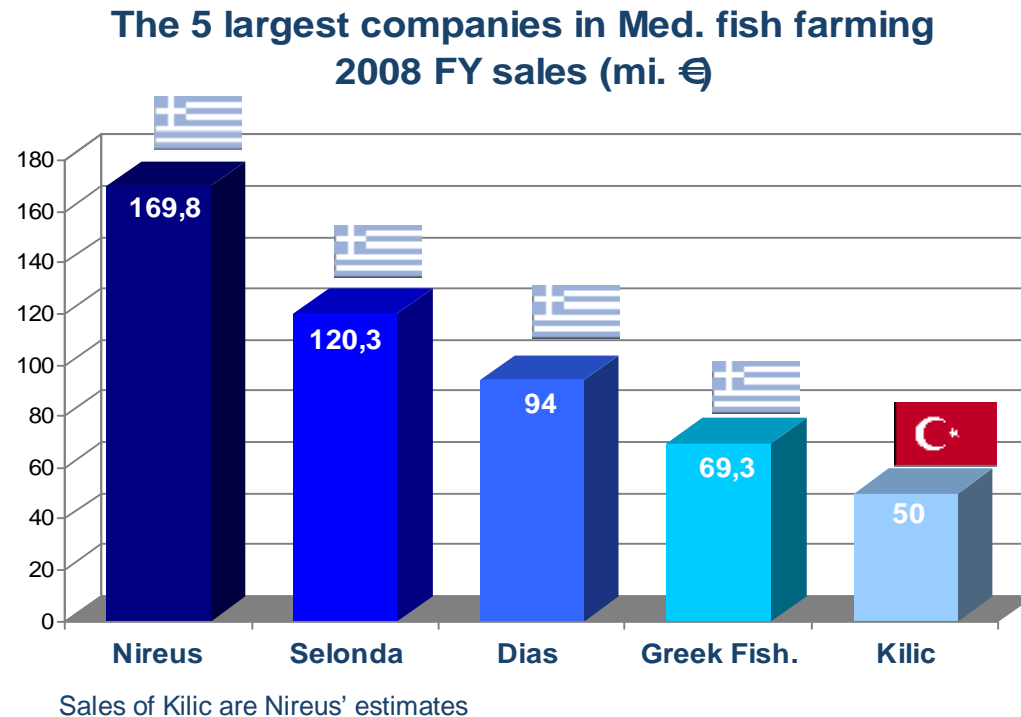


# Why we are here today

- **Discuss the value of Nireus**
  - Leader in seabass and seabream farming
  - Well-positioned to participate in further industry consolidation
  - Significant growth potential on existing capacity
- **Talk about our industry - Mediterranean fish farming**
  - Industry development and outlook
  - Recent challenges
- **Answer your questions**
  - Provide further perspective in our company and our business



# Nireus: the leader in Mediterranean fish farming



- ü Nireus holds the dominant position in both the domestic and the global market
  - 20% of Greek and 10% of world market in fish production of Mediterranean species
  - 50% of Greek and 25% of world in juvenile production



# An International Producer

|        | Fish feed | Selected Eggs | Juveniles<br>(10 gram.) | Fish farming | Packaging<br>Processing |
|--------|-----------|---------------|-------------------------|--------------|-------------------------|
| Greece | P         | P             | P P                     | P            | P                       |
| Turkey |           |               | P                       | P            | P                       |
| Spain  |           |               | P                       | P            |                         |

Vertically integrated operations ensure:

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



# Controlling the value chain

## Fish Farming

6  
hatchery  
units



64  
farming units



## Processing

16  
packaging  
centers



2  
processing  
centers



## Distribution

Distribution  
in 40 +  
countries

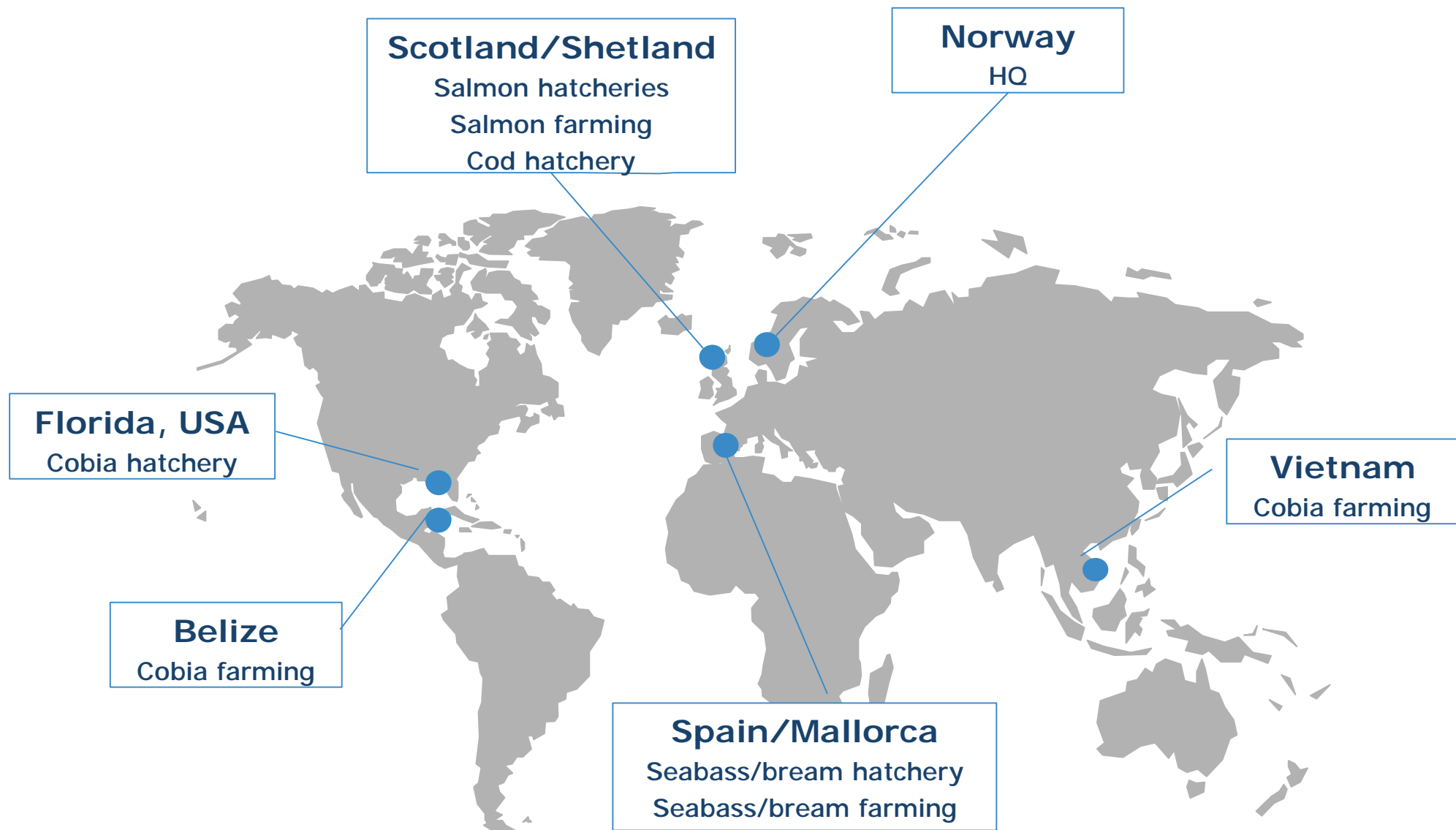


## PLUS

- 3 inland pre-fattening units producing 10 gram juveniles
- 1 R&D center and 1 Genetic center
- 2 Factories producing 80.000 tons of fish feed - free of gmo
- 1 company producing fish cages & nets



# The largest shareholder (30,2%) in Marine Farms



Nireus consolidates Marine Farms with the equity method



# Nireus has a strong product mix

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



## Eggs



## Fish feed – gmo free



## Nets & Cages



## Juveniles



## Bluefin Tuna



# Selling to the largest markets in Europe



**ESSELUNGA**



**DELHAIZE GROUP**

Modelo Continente, SGPS, SA



*dove c'è ristorazione*





# Exporting 88% of produced fish to 40 countries



- ü Nireus is the largest exporter in the Greek food sector
- ü Every week we ship 500 tons of seabass and seabream  
( = 1,25 million 400 gr. fish )



# Financials – Balance Sheet

## Assets

| in mi. €            | 3M 2009       | 3M 2008       | 2008          |
|---------------------|---------------|---------------|---------------|
| Total non-current   | 258,06        | 246,46        | 293,27        |
| Total current       | 256,11        | 245,69        | 231,16        |
| <b>Total assets</b> | <b>514,18</b> | <b>492,15</b> | <b>524,43</b> |

## Equity and liabilities

| in mi. €  | 3M 2009       | 3M 2008       | 2008          |
|---|---------------|---------------|---------------|
| Total shareholders' equity and minority interests | 169,31        | 176,95        | 168,27        |
| Total non-current liabilities                     | 217,57        | 189,45        | 217,47        |
| Total current liabilities                         | 127,30        | 125,75        | 138,69        |
| Total liabilities                                 | 344,87        | 315,20        | 356,16        |
| <b>Total equity and liabilities</b>               | <b>514,18</b> | <b>492,15</b> | <b>524,43</b> |



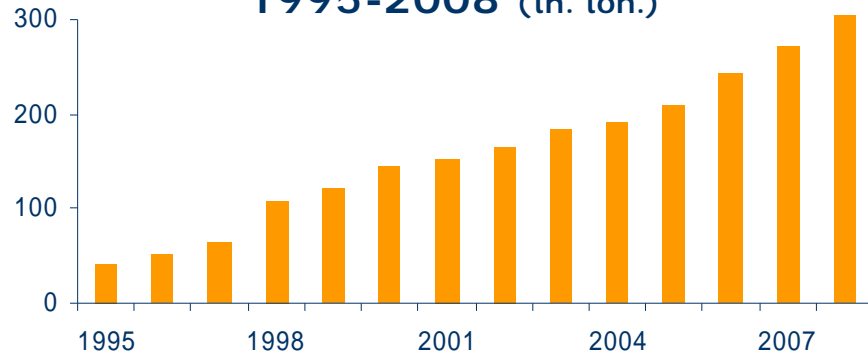
# Financials – Income Statement

| in mil. €   | 3M 2009 | 3M 2008 | 2008   |
|---|---------|---------|--------|
| Biological Sales                                    | 24,93   | 30,76   | 111,98 |
| Non-Biological Sales                                | 15,32   | 8,67    | 57,77  |
| Total Sales   | 40,25   | 39,43   | 169,75 |
| Gain from change of Fair Value in Biological Assets | 27,90   | 35,82   | 160,80 |
| EBITDA  | 5,11    | 9,06    | 29,91  |
| EBIT Operating                                      | 3,72    | 7,33    | 22,95  |
| EBT   | 0,89    | 3,09    | 9,78   |
| Tax   | -0,67   | -1,30   | -8,65  |
| EAT   | 0,22    | 1,79    | 1,13   |
| Majority interest                                   | 0,34    | 1,72    | 0,32   |
| Minority interest                                   | -0,12   | 0,07    | 0,81   |
| Earnings per share (€)                              | 0,0054  | 0,0334  | 0,0058 |



# Med fish farming: a multi-species cultivation

**Production of Med Farming  
1995-2008 (th. ton.)**



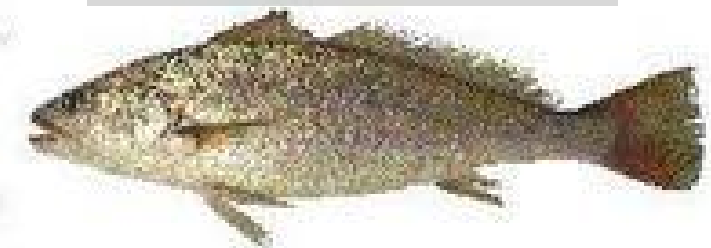
**Seabass (*Sparus aurata*)**



**Seabass (*Dicentrarchus labrax*)**



**Meagre (*Argyrosomus regius*)**



## The advantages of the multi-species cultivation

### üProfit stability

Spread of the risk from price fluctuations

### üReduced capital needs

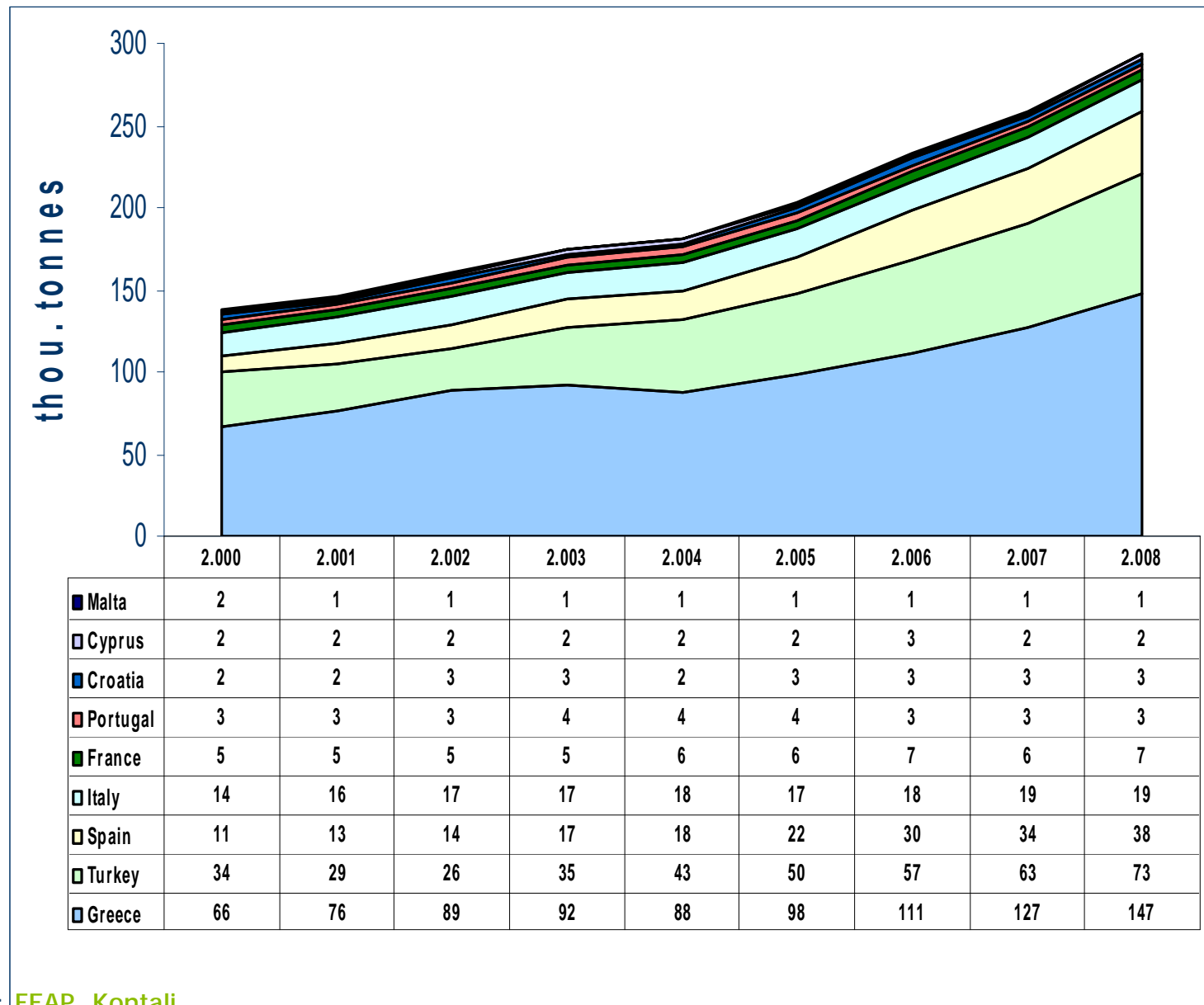
Transfer and sharing of technological and biological advances

### üImproved operating margins

Marketing synergies



# An Industry Born Global

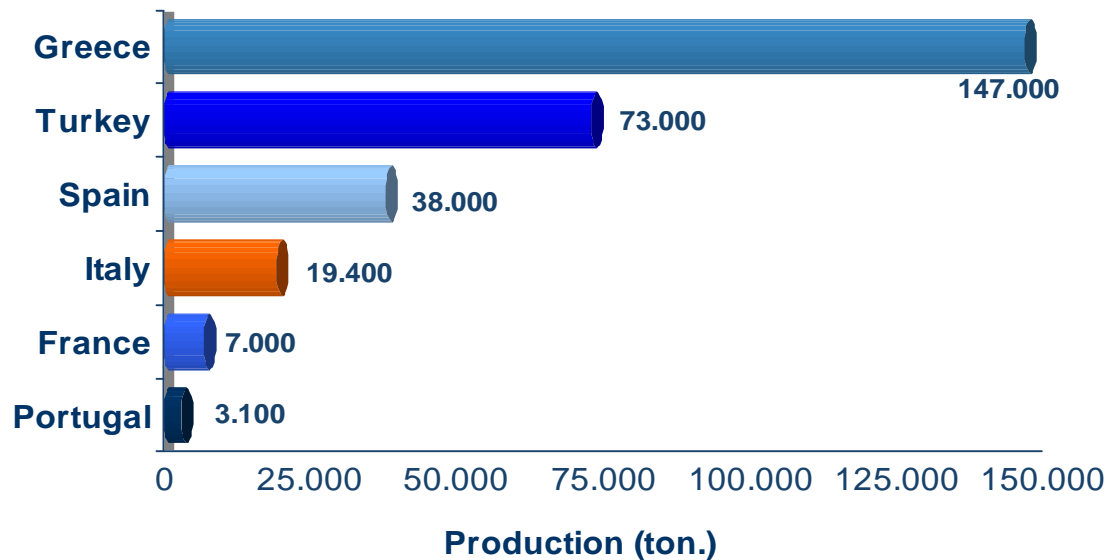


Sources: [FEAP](#), [Kontali](#)

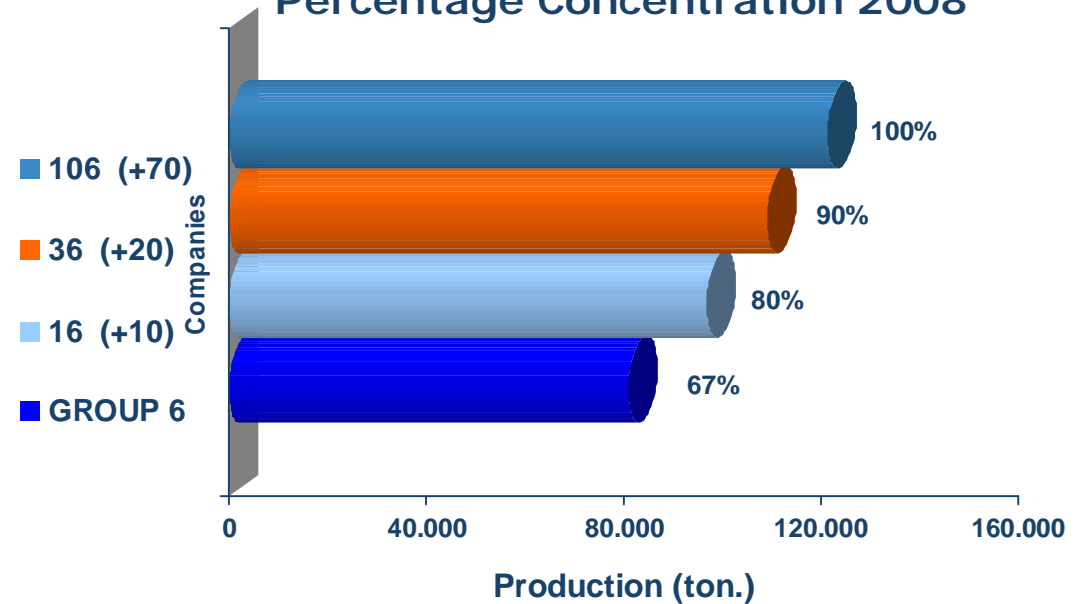


# Greece – Leader in seabass / seabream farming

**Greek Aquaculture Industry  
Mediterranean Leader 2008**



**Industry Concentration  
Percentage Concentration 2008**



**Industry consolidation over time**



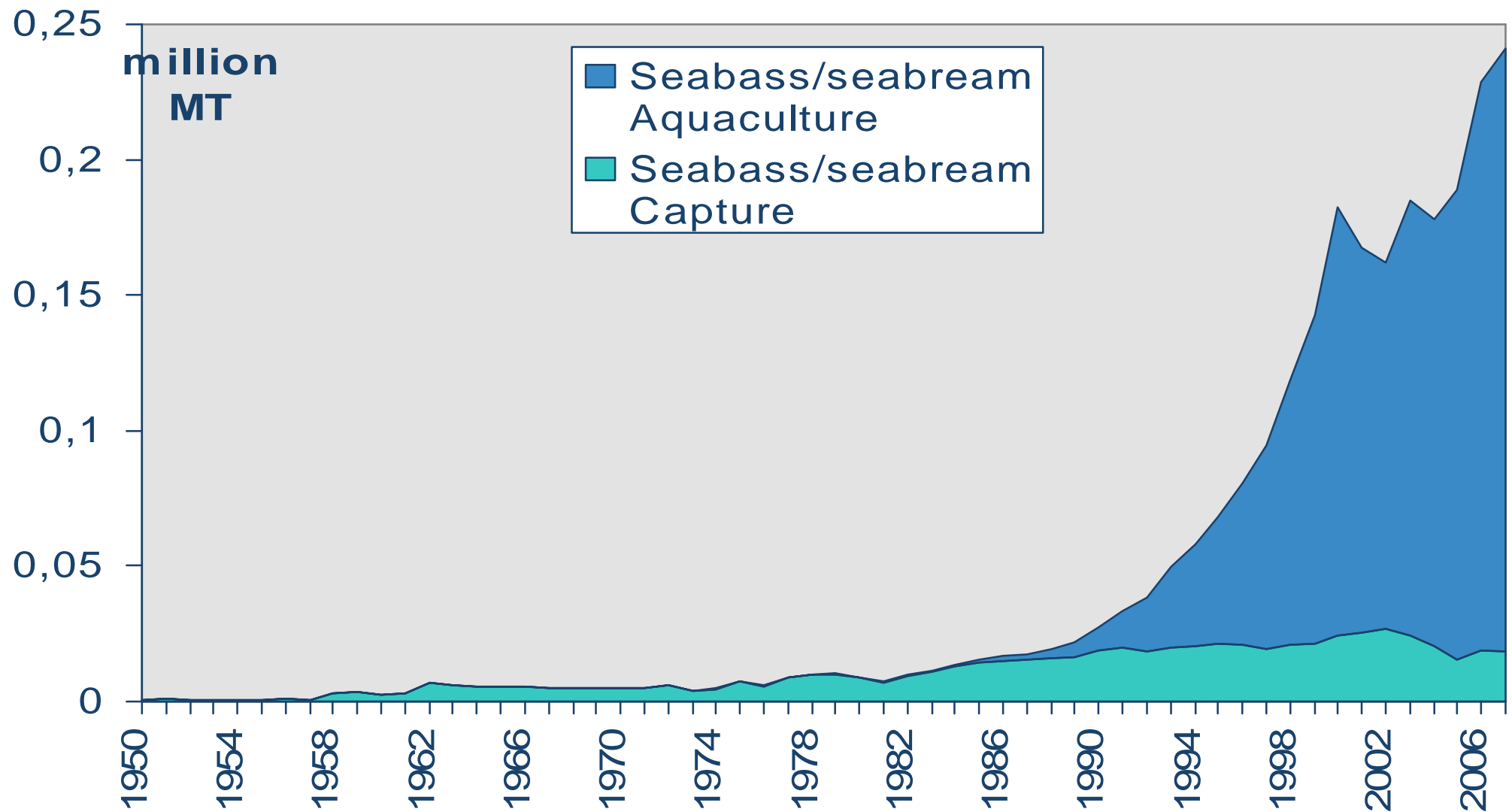
**Agriculture Sector Production & Exports 2007 (t)**

| SECTOR      | PRODUCTION | EXPORTS | % EXPORTED |
|-------------|------------|---------|------------|
| AQUACULTURE | 120.000    | 91.000  | 76%        |
| TOBACCO     | 104.007    | 78.005  | 75%        |
| COTTON      | 394.107    | 98.527  | 25%        |
| OLIVE OIL   | 192.005    | 48.000  | 25%        |

Sources: **Federation of Greek Mariculture**  
**National Statistical Service of Greece**



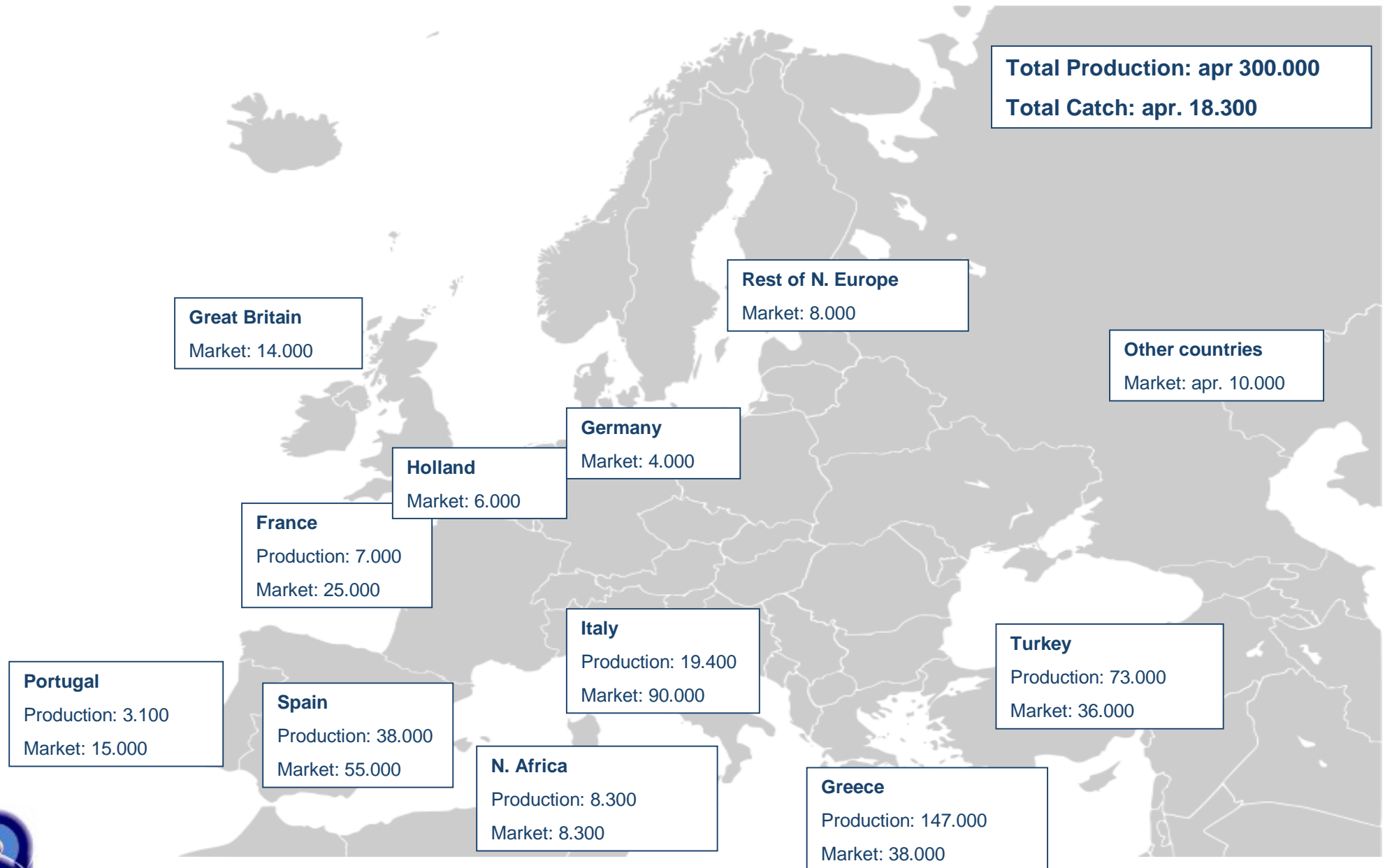
# Production versus capture (1950-2007)



Source: FAOSTAT, EUROSTAT



# The Market in 2008 (tonnes round weight)

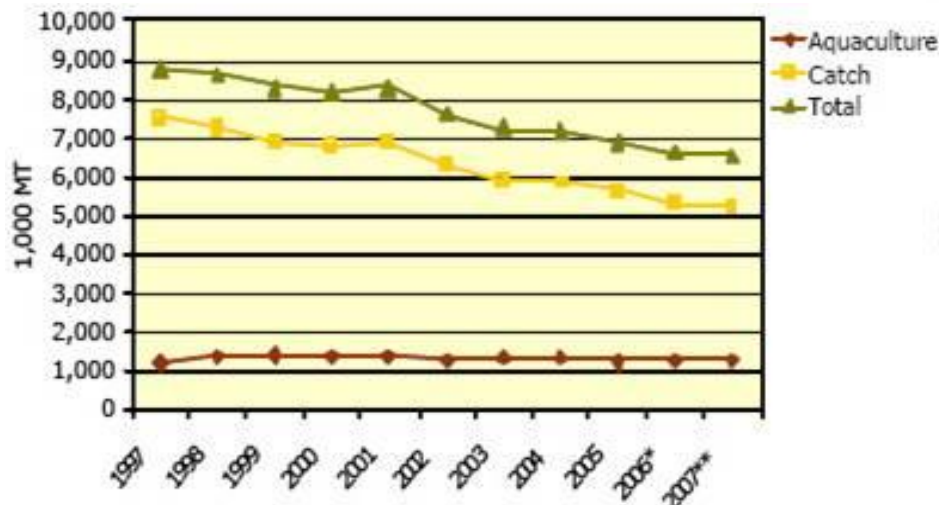


Source: [Kontali Analyse & Nireus estimates](#)

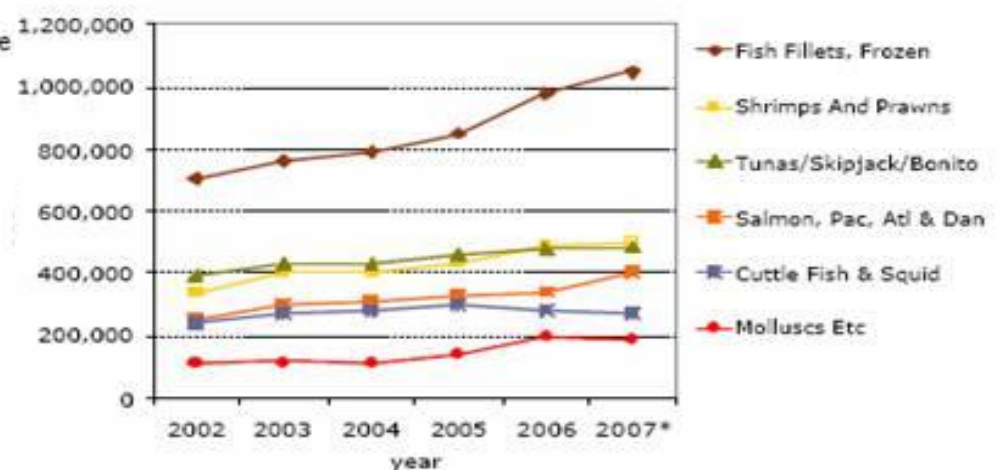
# And the outlook: rising demand for Med fish

- § EU is a net importer for fish - between 2002 and 2007 the fish trade deficit grew by 40% (+1 mi. MT)
- § Growth in European aquaculture will mainly come from the Mediterranean countries (seabass and seabream)
- § Greece is the fastest growing producer country in the EU

Total Fish Production EU, 2002 - 2007



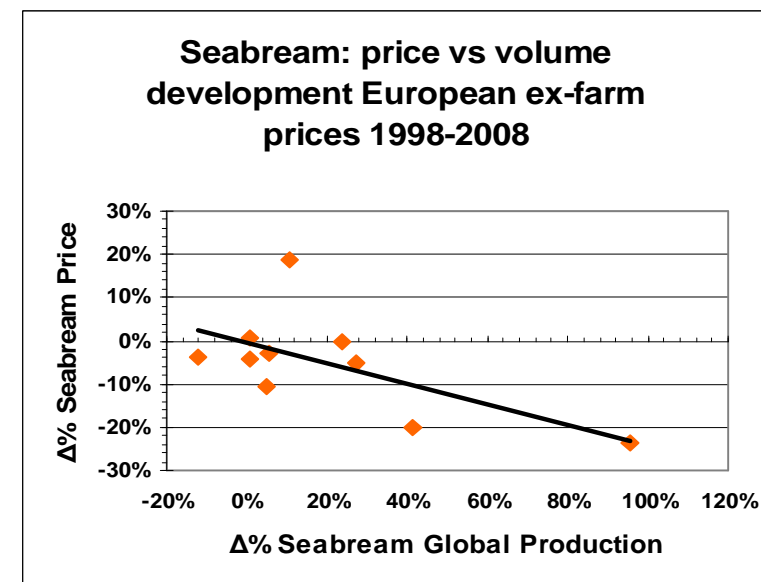
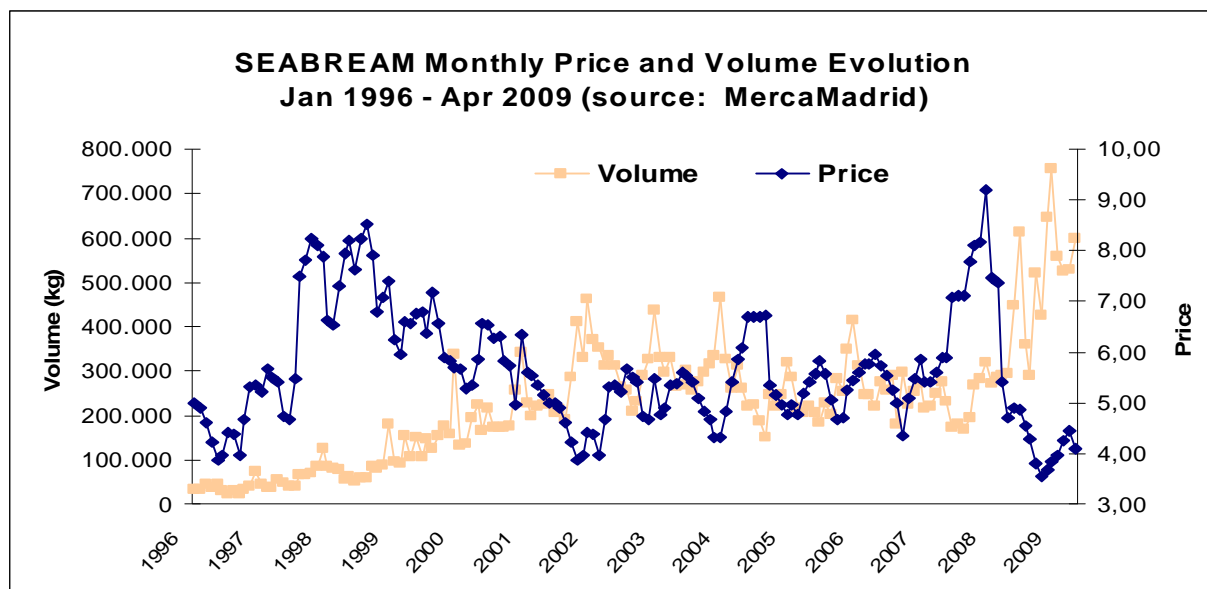
EU Fish Imports per Specie, 2002-2007



Source: USDA GAIN report Marketing Fish the EU, Report NL8009, May 2008



# The 2008 challenge: a drop in the price of seabream



- The price of seabream depends more on volume growth and less on the economy.
- With extreme highs and lows occurring in a 7- 8 years cyclical pattern
- A 42% annual increase in the production of sea bream depressed prices and
  - drove the sector into its most challenging period since its inception
  - hampered growth
  - led to on-going industry consolidation.



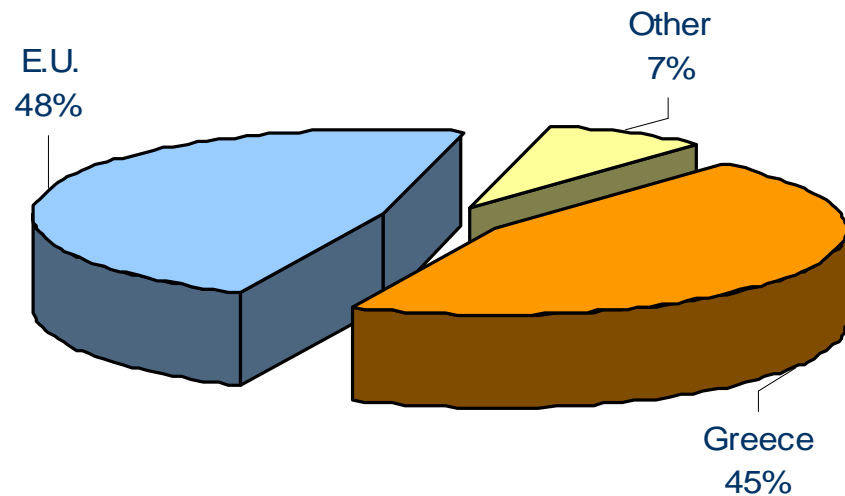
# We took measures to combat the crisis

- **That affected sales and profits**
  - Stricter credit terms on industrial sales (sales of juveniles and fish feed to small farmers)
  - Reduction of sales of fish merchandise as they were unprofitable (because of the low price of sea bream)
- **And reduced cost**
  - Merged with subsidiaries
  - Focused on exports and core operations
  - Restructured debt

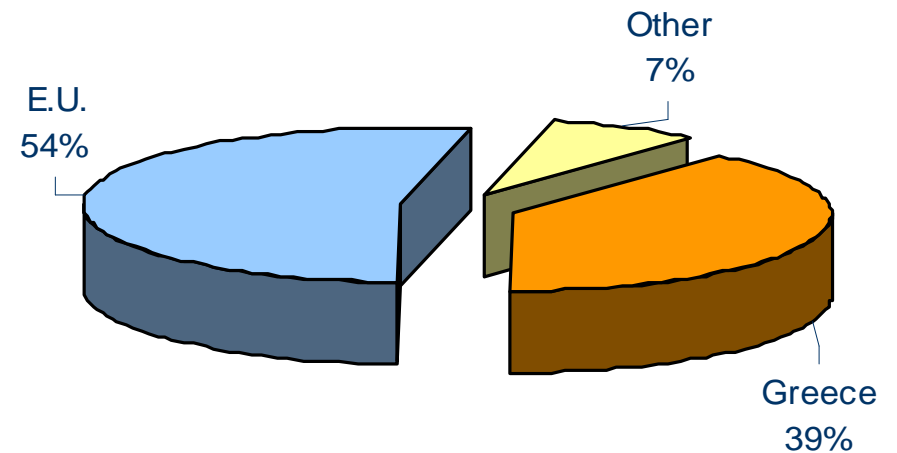


# And, we increased exports' share

2007 Sales Breakdown



2008 Sales Breakdown



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

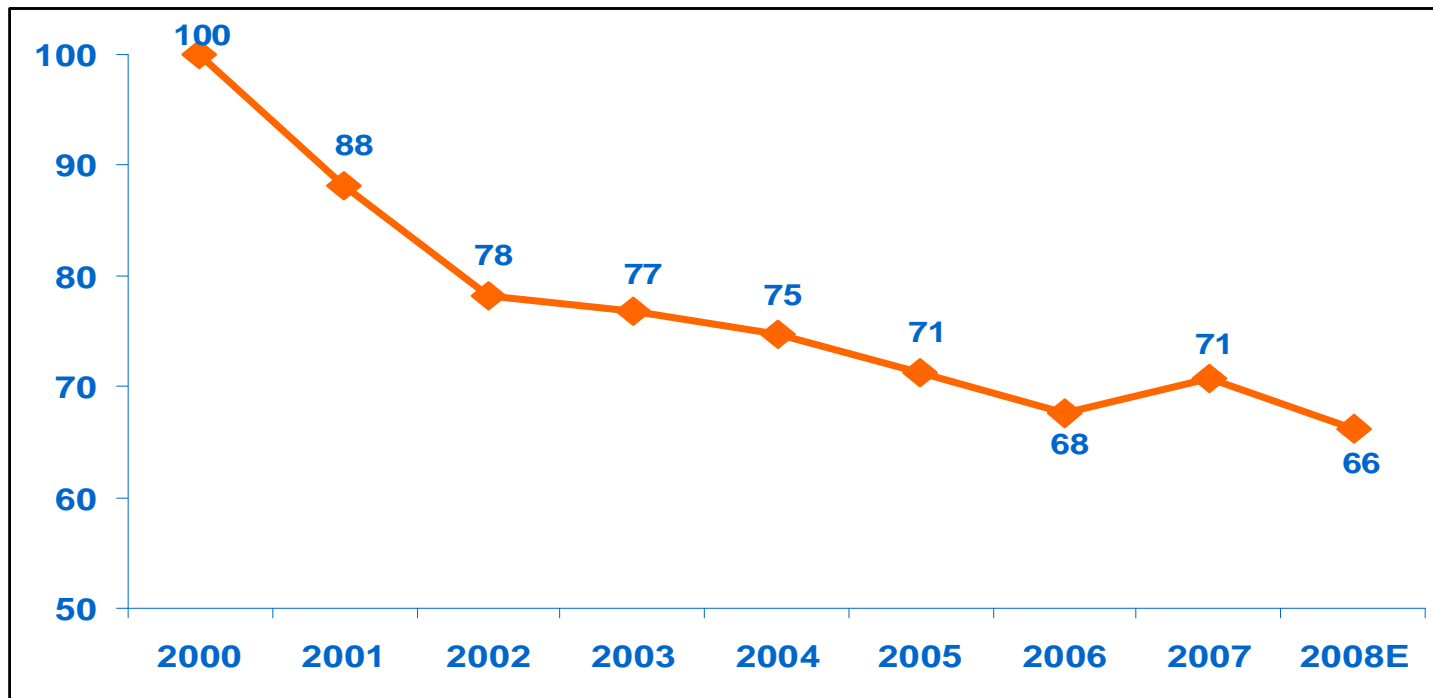




# Decreased production cost

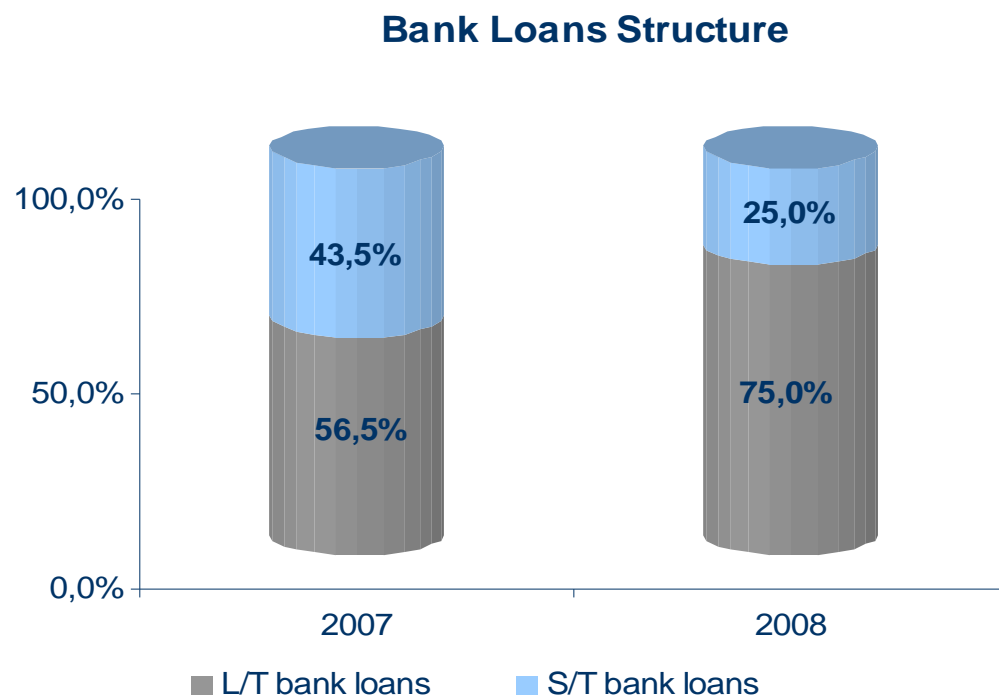
## Despite rising costs in raw materials

Inflation-adjusted cost - production of whole fish  
(base year 2000=100)



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

# Restructured bank debt



## L/T Debt structure

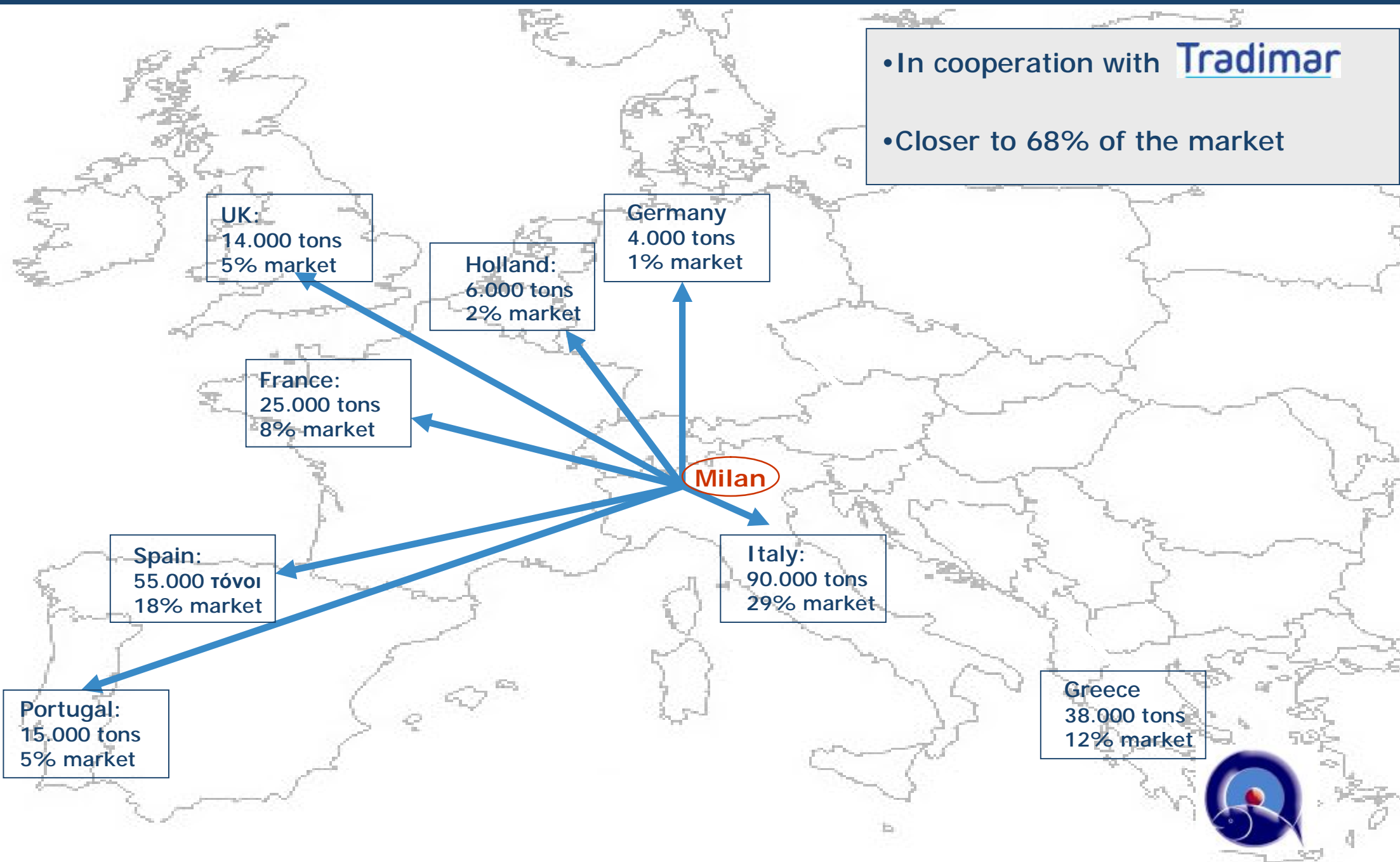
- 19,6 mi. convertible of 5 yr duration (obtained Jul 2007 – 6 banks)
- 90 mi. joint bond of 7 yr duration (obtained Jan 2008)
- 49,9 mi. long term loan of 10 yr duration secured by the Greek state that also pays  $\frac{1}{2}$  of the interest – 1<sup>st</sup> payment January 2010 (obtained Dec 2007 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)

We hedge 97,8 mi. € for interest rate increases



# Created a new logistics service in Milan

- In cooperation with **Tradimar**
- Closer to 68% of the market



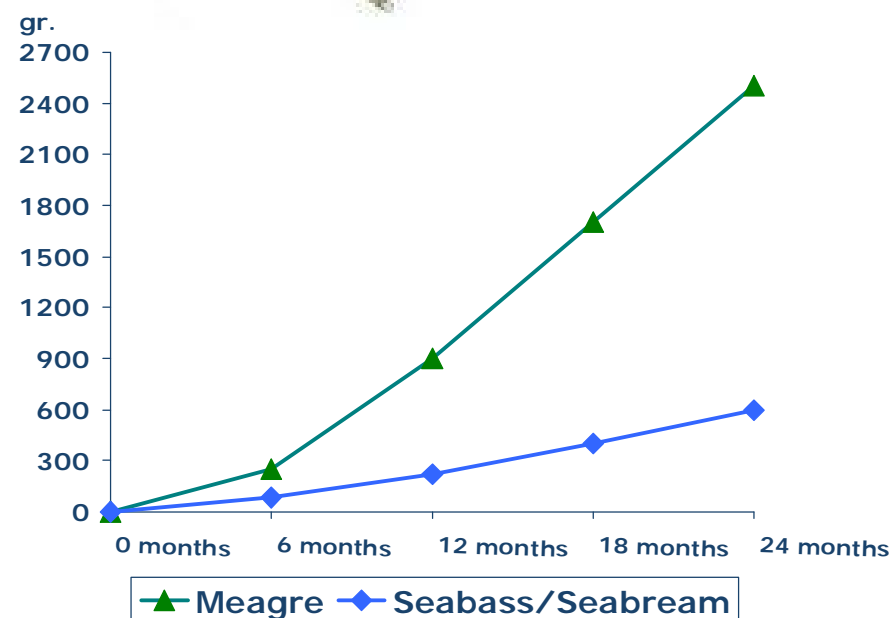
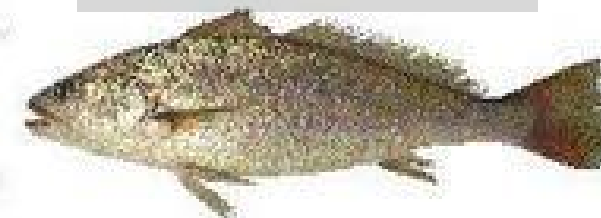
# Put a new fish species in our nets

- 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.

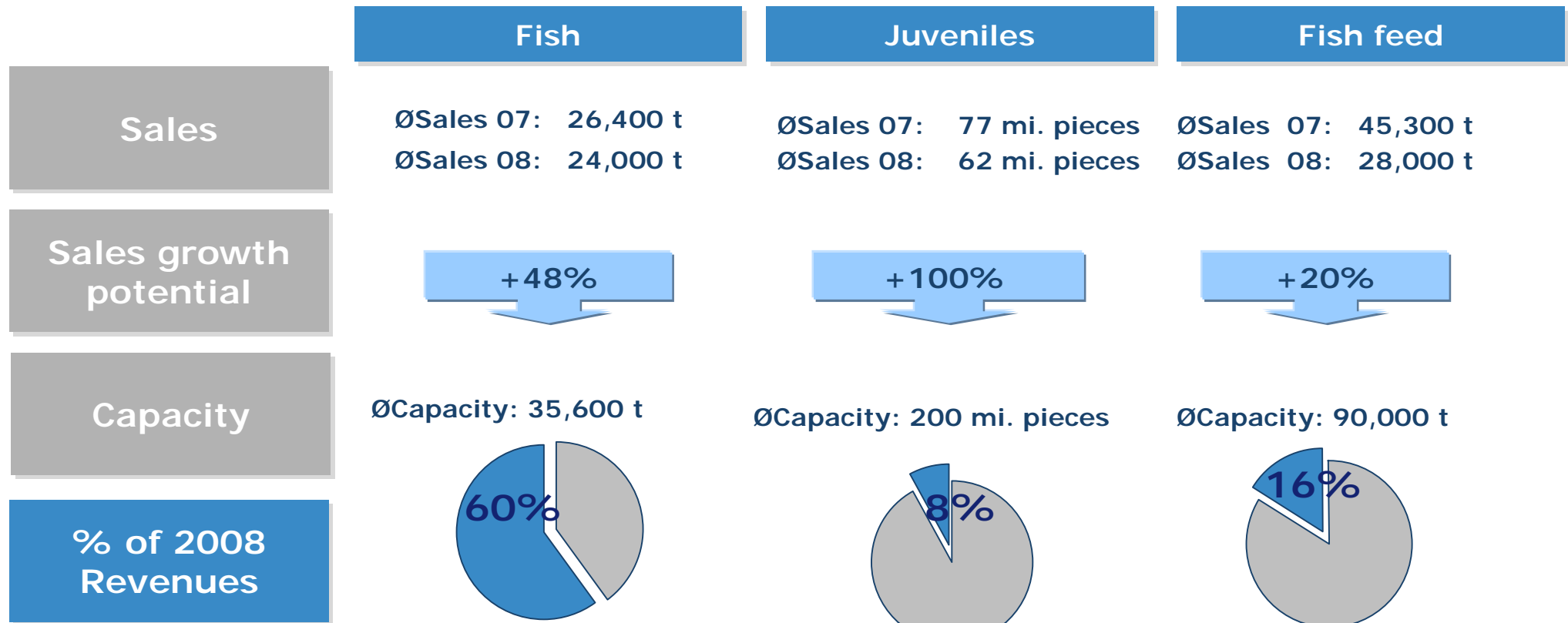
FEAP: Meagre production (ton.)

|        | 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 kept our significant growth potential



Utilization of full capacity potential does not require significant CAPEX expenditure



# Strategy for 2009-2010

## Market Focus:

- oOpen new markets
- oDevelop and sell VAP products
- üNew logistics center in Milan
- oSales/distribution offices in Italy, France, Spain
- oDiversify in new fish-related products



## Operation Focus:

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

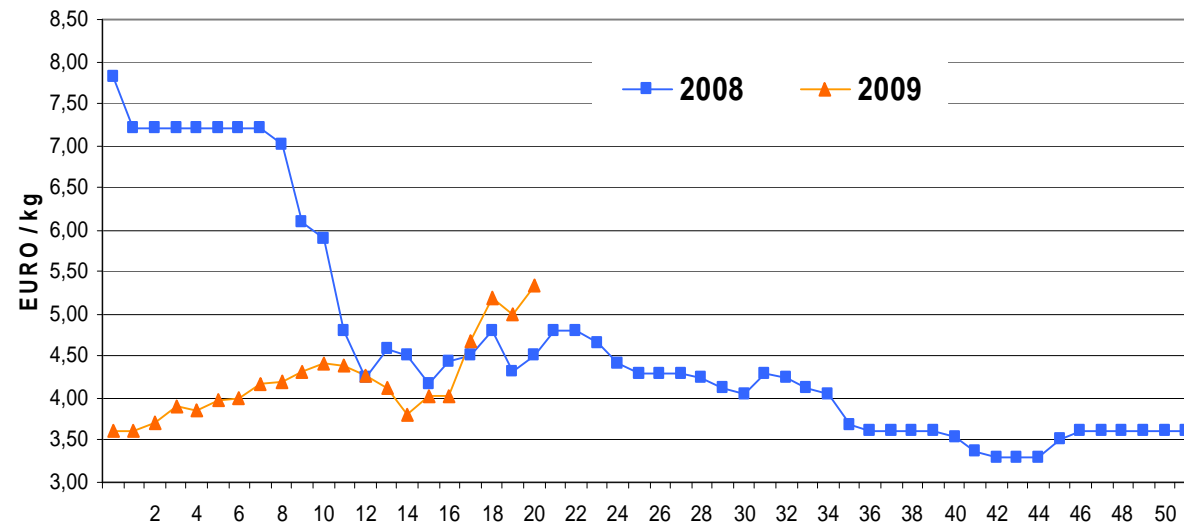




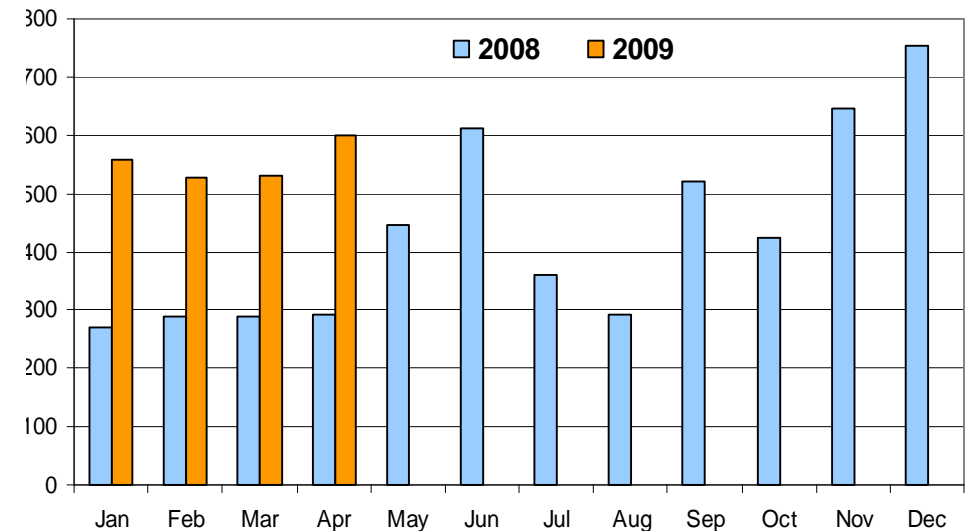
# 2009 outlook: positive signs from seabream

## Price is recovering despite higher volumes

MercaMadrid- Wholesale Prices  
for Fresh farmed Seabream



MercaMadrid - Monthly volumes  
for fresh farmed Seabream

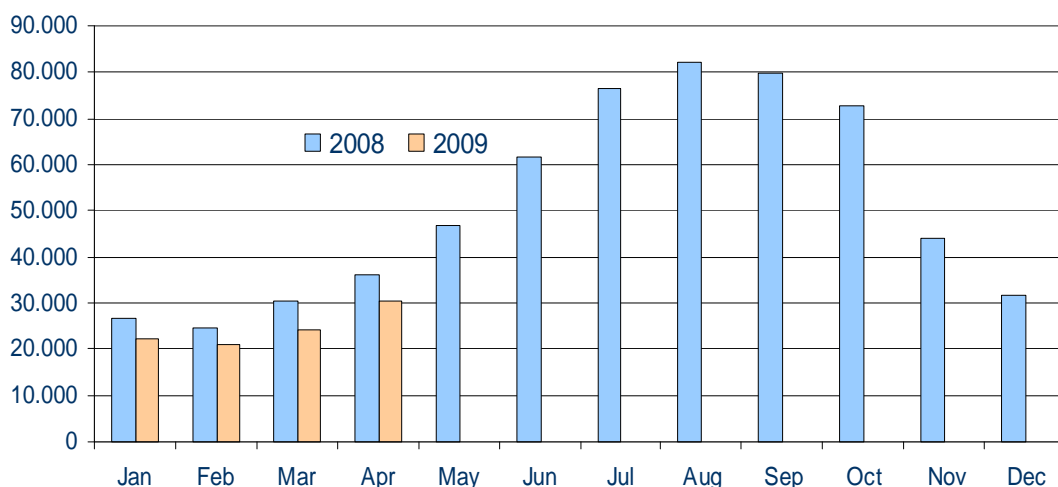


- The price of seabream has increased sharply since early May in spite of higher volumes in the market



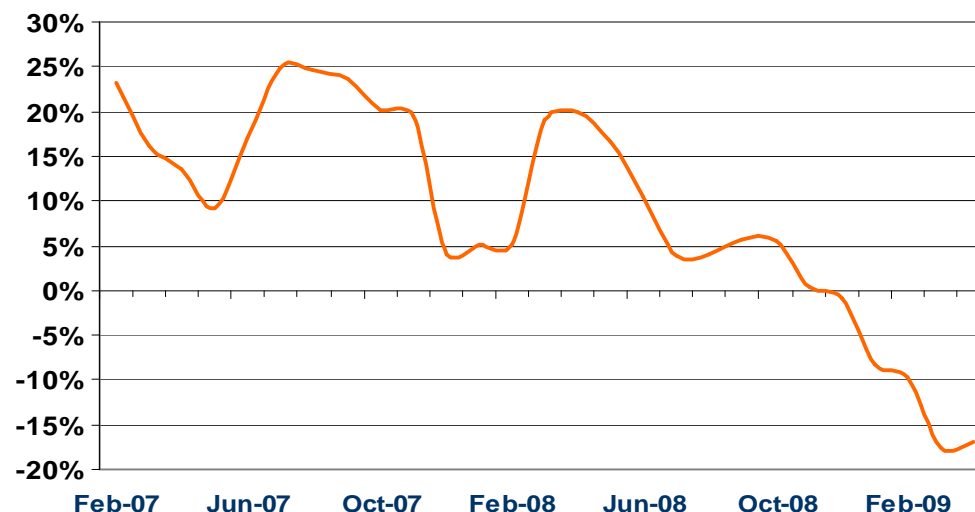
# Fish feed volumes indicate decrease in population

**Fish feed sales to  
seabass / seabream producers**



Source for fish feed volumes: [Kontali Analyse](#)

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



**Fish feed volumes depend on fish population**

**Less demand for fish feed**

⇒ lower fish population

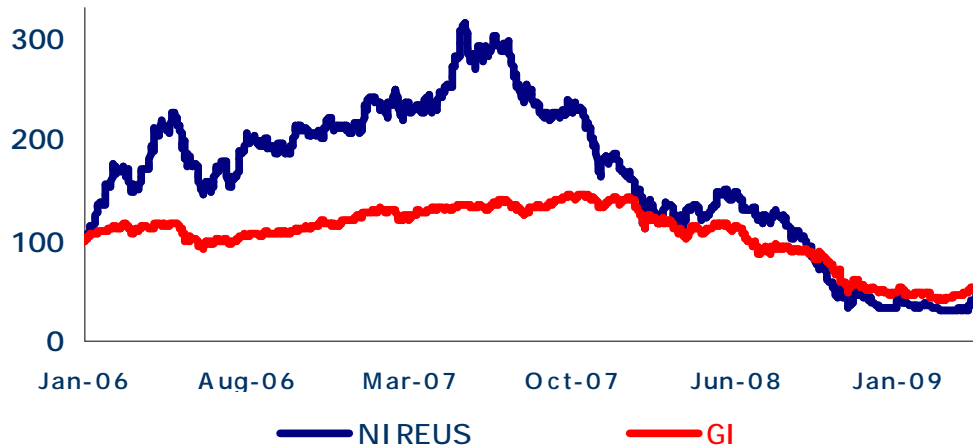
⇒ reduction in fish supply

⇒ better pricing

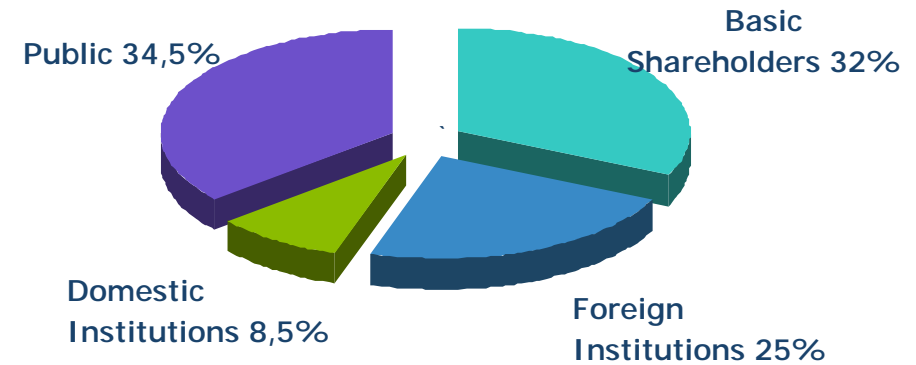


# Stock Market Performance

## Nireus versus General Index



## Shareholders structure



## Overview of Nireus Stock

|                        |                             |
|------------------------|-----------------------------|
| Price (€) 31.05.2009   | 0,98                        |
| Number of shares (mi.) | 63,6                        |
| Market cap (mi €)      | 62.3                        |
| High 52 weeks (€)      | 2,46                        |
| Low 52 weeks (€)       | 0,5                         |
| Bloomberg Ticker       | NIR:GA                      |
| Reuters Ticker         | NIRr.AT                     |
| ASE Ticker             | NHP                         |
| ASE Sector             | Agriculture & Fisheries     |
| Index Participation    | GD, FTSEA, FTSEI, DTP, SAGD |



# In Summary, Nireus is

- **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
- **Well positioned to participate in further industry consolidation**
  - Know the Mediterranean fish farming business
  - Proven success in absorption of other companies
- **With 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



# 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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