



## Quarterly Results September 2016

# Third Quarter Highlights

- Improving EBIT, prices remain in high levels while farming costs keep decreasing.

**EBIT Atlantic Salmon 1,4 US\$/Kg WFE**

**EBIT Trout 0,4 US\$/Kg WFE**

- **EBITDA of US\$20.8 million** in the quarter
- Successful upgrade of our processing plant, 800 mts<sup>2</sup> and new equipment added in order to enhance quality, capacity and efficiency.
- Two sea farms were granted antibiotic free certification by the National Service of Fisheries and Aquaculture (Sernapesca).

	<b>Quarter Summary</b>	<b>3Q16</b>	<b>3Q15</b>
↓	Harvest (Tons WFE)	10,250	14,357
↑	Sales (Tons WFE)	17,970	13,147
↑	Revenues (US\$M)	\$ 101,635	\$ 48,118
↑	EBITDA (US\$M)	\$ 20,825	-\$ 15,677

# EBITDA Analysis (last 9 months)

Profit & Loss (US\$MM)*	sep 16	sep 15
Revenues	257.5	132.3
Cost of products sold	(245.8)	(169.3)
<b>Gross Profit</b>	<b>11.7</b>	<b>(37.0)</b>
Distribution expenses	(8.5)	(6.5)
Administrative Expenses	(6.2)	(7.9)
<b>Operating Profit (EBIT)</b>	<b>(3.0)</b>	<b>(51.4)</b>
<b>EBITDA</b>	<b>8.9</b>	<b>(42.8)</b>

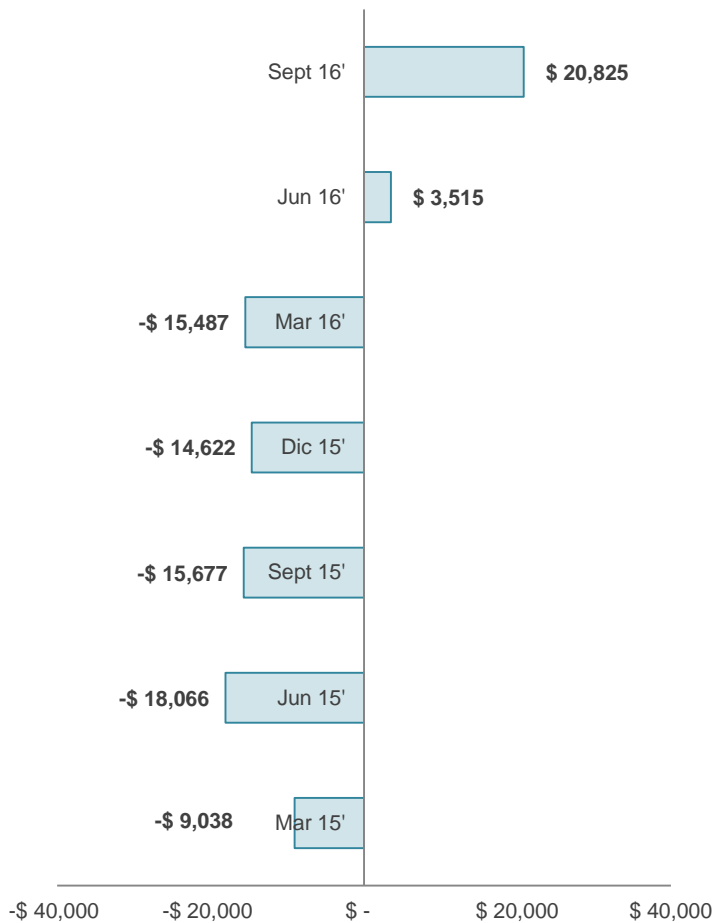
Results by species*	sep 16	sep 15
<b>Sales (Tons WFE)</b>	<b>51,932</b>	<b>35,628</b>
Atlantic Salmon	31,502	27,732
Pacific Salmon	5,324	7,036
Trout	15,107	860
<b>Revenues (US\$MM)</b>	<b>257.2</b>	<b>130.0</b>
Atlantic Salmon	165.9	105.8
Pacific Salmon	18.8	21.0
Trout	72.5	3.2
<b>EBIT (US\$/Kg WFE)</b>	<b>(0.06)</b>	<b>(1.44)</b>
Atlantic Salmon	0.20	(1.37)
Pacific Salmon	(0.46)	(1.60)
Trout	(0.45)	(2.26)

(\* January – September 2016.

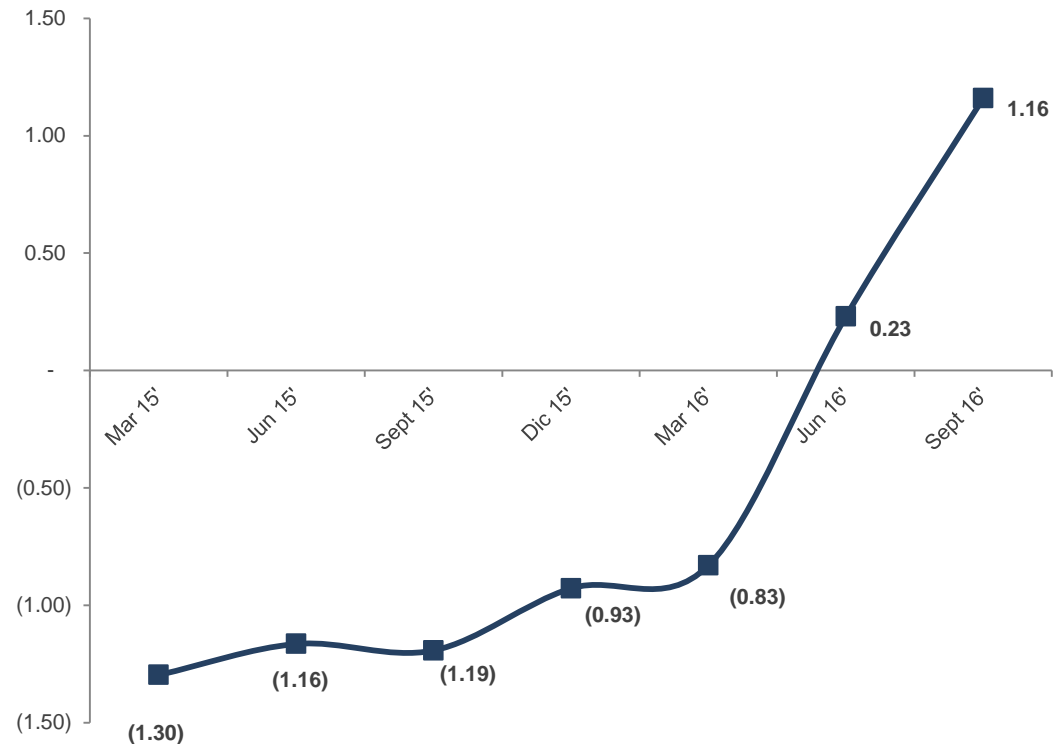
- Higher prices than last quarters: 5.67 US\$ (+9% vs 2Q16 y +39% vs 1Q16)
- Atlantic salmon → Lower ex cage cost from latest farms harvested (fresh sales 3Q16).
- Adm. Expenses decrease → 0,24 US\$/Kg WFE 3Q16.
- Trout reaches 30% of volume sold during 3Q16, also positive EBIT.

# EBITDA Quarterly Evolution

EBITDA (US\$M)



EBITDA/Kg WFE



EBITDA numbers not only helped by high prices but also by all measures taken to control sanitary conditions and improve efficiency in costs.

# Balance Sheet

## Balance Sheet US\$M

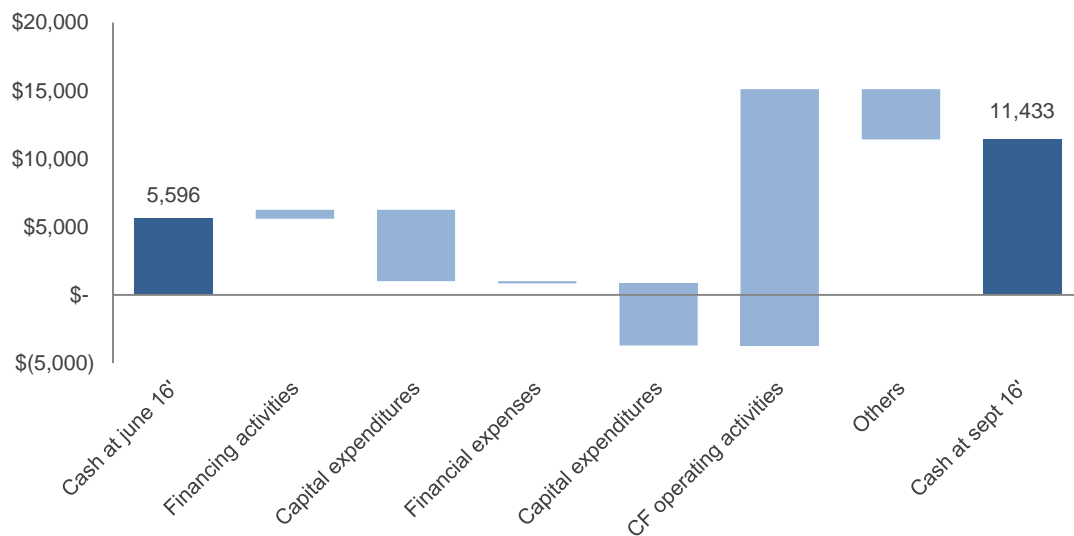
	sep 16	dic 15
<b>Total Assets</b>	<b>\$ 413,056</b>	<b>\$ 452,081</b>
Cash	\$ 11,433	\$ 6,628
Other current assets	\$ 168,051	\$ 219,933
Property, plant and equipment	\$ 91,298	\$ 87,895
Other long term assets	\$ 142,274	\$ 137,625
<b>Total Liabilities &amp; Equity</b>	<b>\$ 413,056</b>	<b>\$ 452,081</b>
Current liabilities	\$ 230,737	\$ 325,127
Long term liabilities	\$ 47,294	\$ 58,950
Shareholders' equity	\$ 135,025	\$ 68,004

- Inventory decreases by US\$ 68 millions.
- Accounts payable decrease in US\$ 46 millions.
- Capital increase in 1Q16 allowed financial strengthening.
- Financial debt has decreased over US\$ 31 millions since sept 15'.



# Third Quarter Cash Flow

Cash flow (US\$M)  
June - Sept 16'

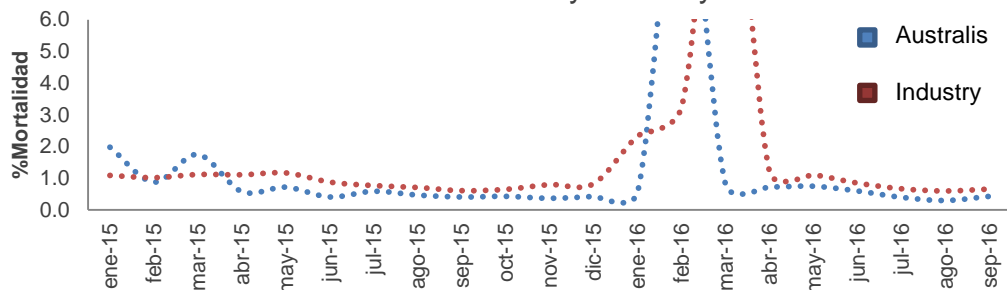


Cash & Equivalents at the end of September 2016 was US\$ 11,4 millions.

- **Financing activities:** US\$ 0,6 millions.
- **Amortization:** US\$ 5,2 millions paying off bank debt.
- **Financial expenses:** US\$ 0,7 millions in interest payments.
- **CapEx:** US\$ 4,5 millions mainly destined to improvements in processing plant.
- **Cash from operating activities:** US\$ 18,8 millions.
- **Others:** US\$ 3,6 millions.

# Australis mortality rates

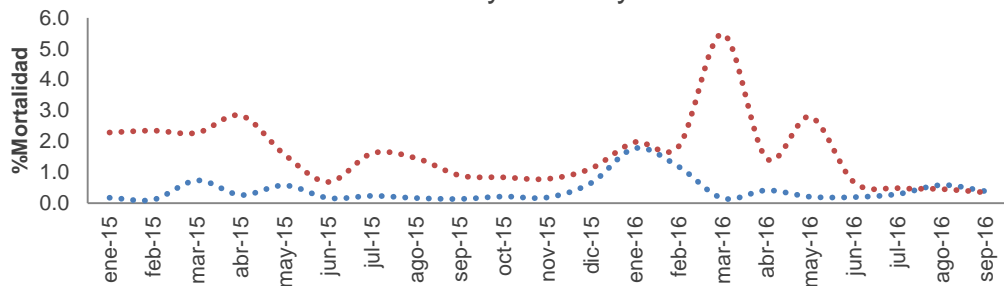
Atlantic Salmon Monthly mortality rate\*



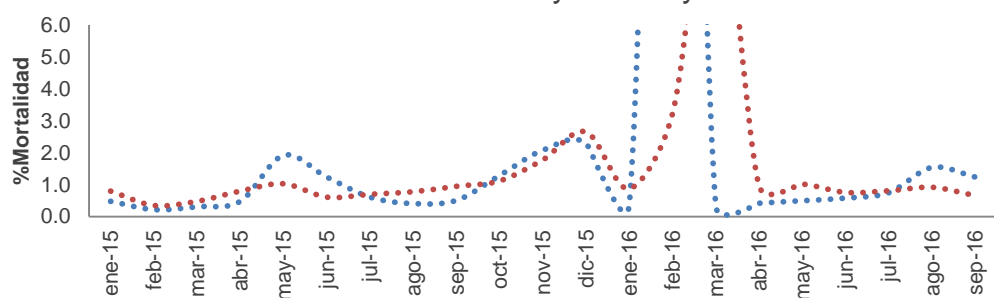
□ Mortality rate for closed cycles vs Industry 2016:

Mortality (%)	Australis	Industry
Atlantic Salmon	7,1%	10,8%
Trout	4,4%	12,8%
Pacific Salmon	6,6%	5,4%

Trout Monthly mortality rate\*



Pacific Salmon Monthly mortality rate\*

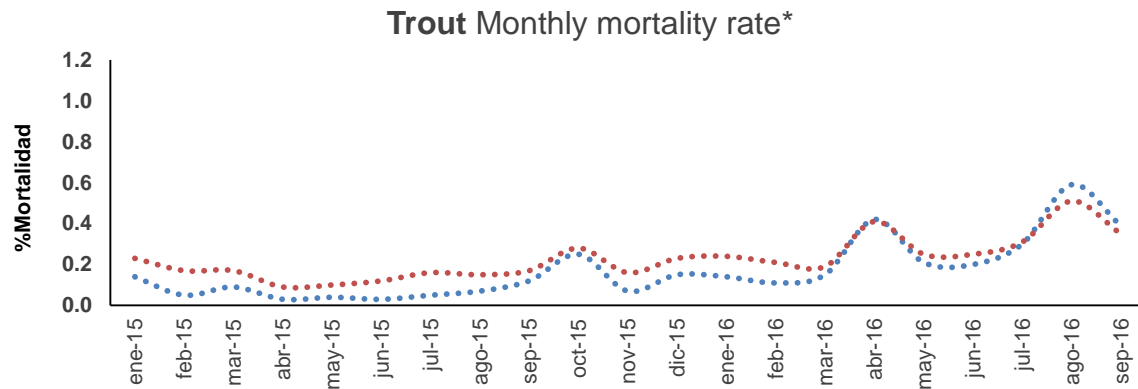
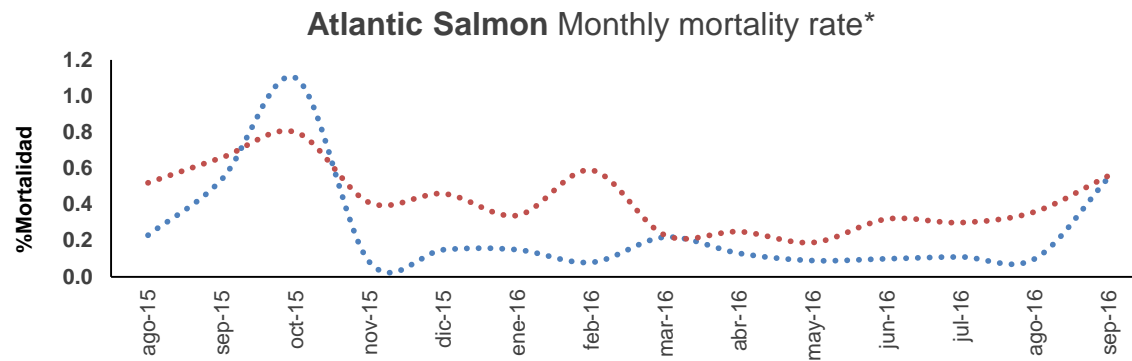


Source: Aquabench

(\* ) Mortality rate was obtained considering open farms at the end of every month.

# Mortality rates in 12th Region

- Mortality rate closed cycles 2016: 1,4% (2 trout farms).



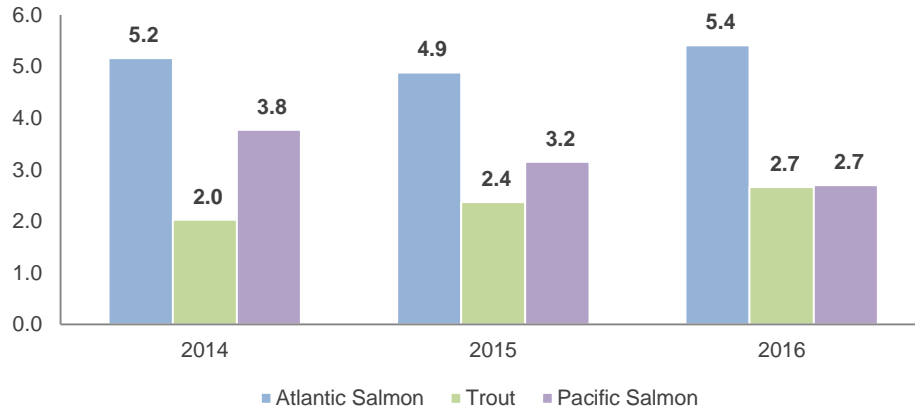
Source: Aquabench

(\* Mortality rate was obtained considering open farms at the end of every month.



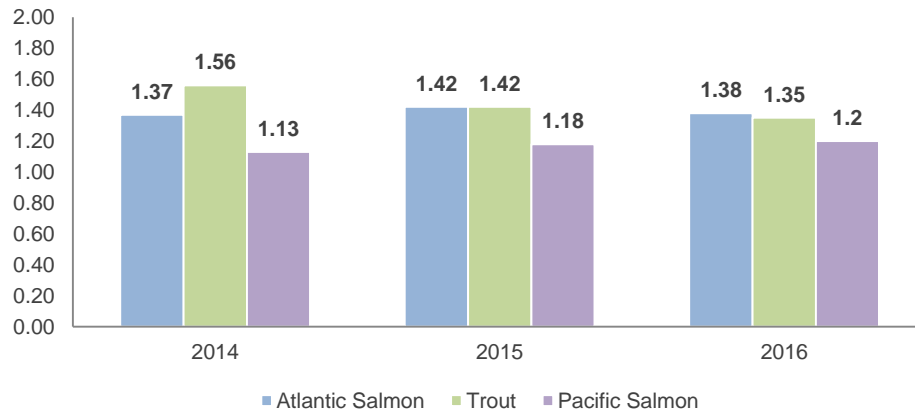
# Main Productive Indicators

## Harvest Weight



Harvest Weight	Australis	Industry
Atlantic Salmon	5.19	4.71
Trout	2.66	2.53
Pacific Salmon	2.70	2.99

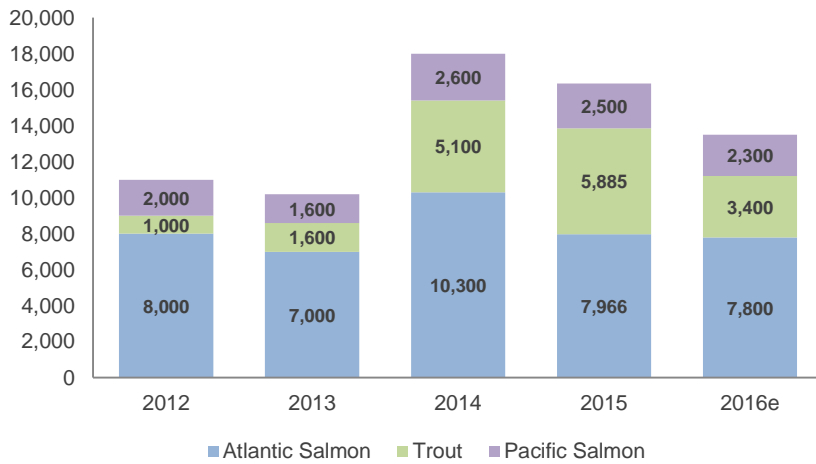
## FCRb



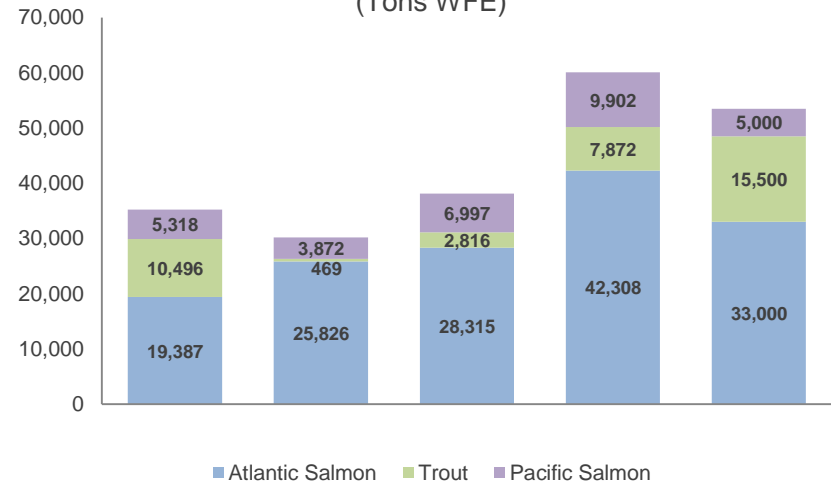
FCRb	Australis	Industry
Atlantic Salmon	1.37	1.40
Trout	1.35	1.30
Pacific Salmon	1.20	1.20

# Smolt Release & Harvest

Smolt Release  
(Thousands of units)



Harvest  
(Tons WFE)



# Main markets

- Total Revenue  
**USD 257,5 million**
- Volume Sold  
**USD 51,9 ton WFE**
- Volume Harvested  
**USD 38,9 ton WFE**

Atlantic Salmon

**61%**

Trout

**29%**

Pacific Salmon

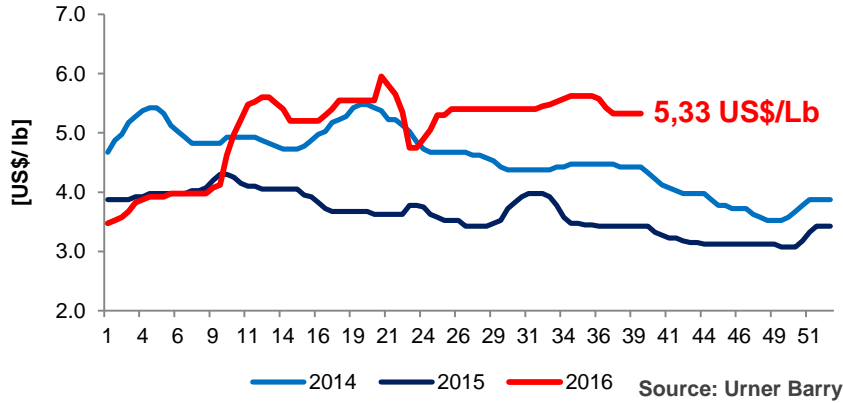
**10%**



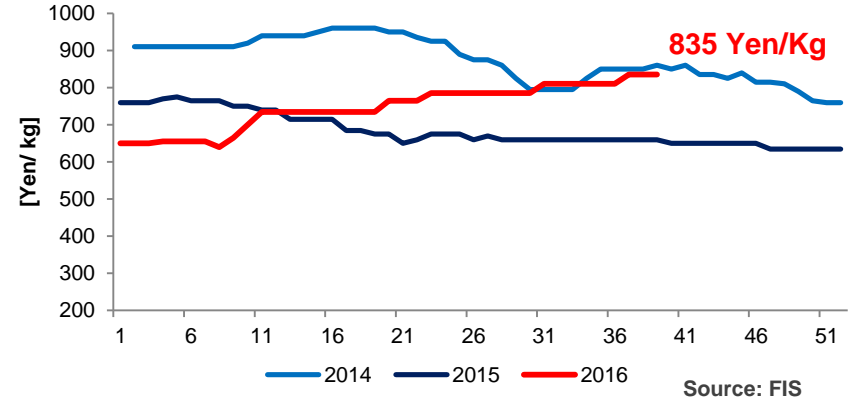
# Salmon Prices

Prices from week ended Sept. 30, 2016.

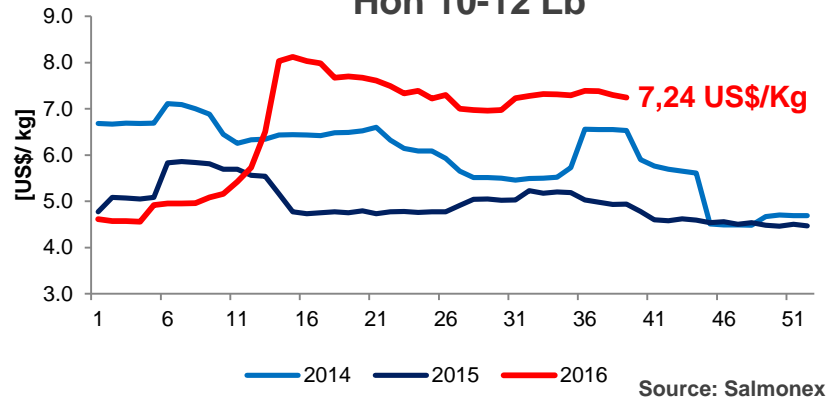
**USA Atlantic Salmon  
Trim-D 3-4 Lb**



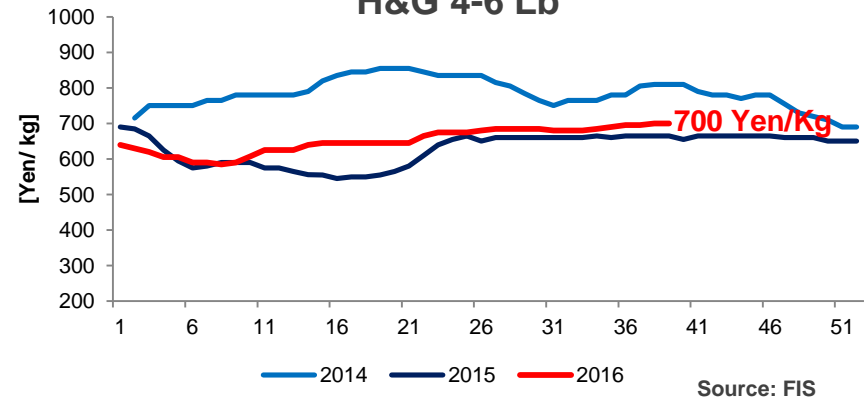
**Japan Trout  
H&G 4-6 Lb**



**Brazil Atlantic Salmon  
Hon 10-12 Lb**



**Japan Pacific Salmon  
H&G 4-6 Lb**



# Global Supply

Atlantic Salmon Global Supply	2012	2013	2014	2015	2016e	2017e	2018e
Norway	1,183	1,144	1,194	1,234	1,206	1,221	1,247
Chile	364	473	607	610	501	531	576
UK	159	158	172	170	171	174	172
Canada	137	115	101	134	139	141	145
Faroes	70	73	83	75	81	90	92
Other	81	83	90	97	111	116	130
<b>Total</b>	<b>1,994</b>	<b>2,046</b>	<b>2,247</b>	<b>2,320</b>	<b>2,209</b>	<b>2,273</b>	<b>2,362</b>

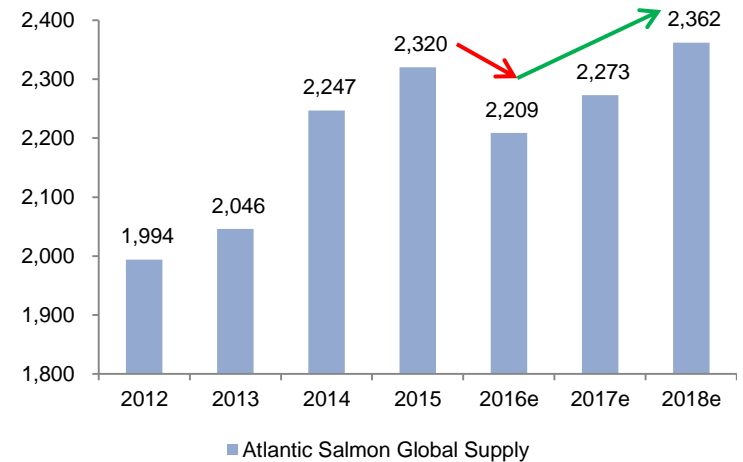
Δ% Atlantic Salmon Global Supply	2012	2013	2014e	2015	2016e	2017e	2018e
Norway	17.6%	-3.3%	4.4%	3.4%	-2.3%	1.2%	2.1%
Chile	64.7%	29.9%	28.3%	0.5%	-17.9%	6.0%	8.5%
UK	2.6%	-0.6%	8.9%	-1.2%	0.6%	1.8%	-1.1%
Canada	14.2%	-16.1%	-12.2%	32.7%	3.7%	1.4%	2.8%
Faroes	25.0%	4.3%	13.7%	-9.6%	8.0%	11.1%	2.2%
Other	8.0%	2.5%	8.4%	7.8%	14.4%	4.5%	12.1%
<b>Total</b>	<b>22.1%</b>	<b>2.6%</b>	<b>9.8%</b>	<b>3.2%</b>	<b>-4.8%</b>	<b>2.9%</b>	<b>3.9%</b>

Trout Salmon Global Supply	2012	2013	2014	2015	2016e	2017e
Chile	249	131	127	96	74	61
Norway	66	67	67	67	67	67
Other	28	26	21	23	23	24
<b>Total</b>	<b>343</b>	<b>224</b>	<b>215</b>	<b>186</b>	<b>164</b>	<b>152</b>

Δ% Trout Salmon Global Supply	2012	2013	2014	2015	2016e	2017e
Chile	11.2%	-47.4%	-3.1%	-24.4%	-22.9%	-17.6%
Norway	13.8%	1.5%	0.0%	0.0%	0.0%	0.0%
Other	27.3%	-7.1%	-19.2%	9.5%	2.0%	2.0%
<b>Total</b>	<b>12.8%</b>	<b>-34.7%</b>	<b>-4.0%</b>	<b>-13.5%</b>	<b>-11.6%</b>	<b>-7.6%</b>

Pacific Salmon Global Supply	2012	2013	2014	2015	2016e	2017e
Chile	166	142	149	141	113	110
Other	26	30	34	34	34	34
<b>Total</b>	<b>192</b>	<b>172</b>	<b>183</b>	<b>175</b>	<b>147</b>	<b>144</b>

Δ% Pacific Salmon Global Supply	2012	2013	2014	2015	2016e	2017e
Chile	7.1%	-14.5%	5.1%	-5.5%	-19.9%	-2.7%
Other	30.0%	15.4%	13.3%	0.0%	0.0%	0.0%
<b>Total</b>	<b>9.7%</b>	<b>-10.4%</b>	<b>6.5%</b>	<b>-4.5%</b>	<b>-16.0%</b>	<b>-2.0%</b>



Source: ABG Sundal Collier





Quarterly Results  
September 2016