

# New listing Oslo Axess



## First day of listing 8 July 2010

**TICKER:** SSC  
**SECTOR:** 30202030  
Packaged Foods & Meats  
**INDICES:** OAX,  
OAX30/3020  
**ISIN NO:** JE00B61ZHN74  
**MARKET CAPITAL:** NOK 550,591,252  
**NOM VALUE:** NOK 0.90  
**NO OF SHARES:** 166,845,834  
**DOMICILE:** Jersey  
**IPO PRICE:** NOK 3.30  
**ADVISOR(S):** Pareto Securities

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## The Scottish Salmon Company

The Scottish Salmon Company ("SSC" or the "Company") is the leading independent producer of Scottish salmon, providing superior salmon to both the local and international markets.

The Scottish based and operated company is a fully-integrated seafood company, built around the provenance, taste, freshness, sustainability and health of its salmon product.

SSC has been launched following a major restructuring to create a corporate entity which best suits the Company's future strategy for stability and growth. The new structure will allow the Company to develop an efficient and forward-thinking business that is focused upon developing its presence in Scotland.

SSC was incorporated in Jersey in November 2009 as a 100% subsidiary of Lighthouse Caledonia ASA ("LHC ASA") with registered number 104328 and set up for the purpose of acquiring the shares of LHC ASA with the aim of ultimately becoming the new parent company of the Lighthouse Caledonia group of companies (the "Group") and maintaining a listing on Oslo Axess.

LHC ASA was listed on Oslo Axess in December 2007. By the end of 2008, LHC ASA was in extreme financial distress and urgent steps needed to be taken to restructure and recapitalise the company. In Q1 2009, LHC ASA announced that a successful private placement had been completed followed by a subsequent offering of shares. As a result of the restructuring and the subsequent mandatory offer Northern Link Ltd ("Northern Link") became the controlling shareholder of LHC ASA.

Following the successful corporate restructuring a new Board of Directors was put in place with a clear focus of developing the business. In late 2009, it was announced that there would be a total refurbishment to open the processing factory in Stornoway on the Isle of Lewis in the autumn of 2010, with the creation of approximately 70 jobs in this remote island community. The Board also took steps to strengthen the management team to ensure the company has the appropriate expertise to develop and meet its strategic objectives. In this regard, Mike Corbett was recruited as CEO. The Company is also planning to increase the number of directors in accordance with the Jersey law in the months ahead.



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On 26 April 2010, SSC applied for admission to be listed on Oslo Axess. The listing was conditional on SSC launching simultaneously an exchange offer (the "Exchange Offer") for the shares in LHC ASA. All existing shareholders of LHC ASA were offered to convert their shares into new shares in SSC to be listed on Oslo Axess. Upon completion of the listing of SSC, LHC ASA will become a subsidiary of SSC.

As of 1 July 2010, it was announced that the Exchange Offer had been completed successfully to acquire the issued and outstanding shares of LHC against consideration in the form of new shares in SSC. LHC ASA shareholders had tendered in excess of 95% of the issued and outstanding shares.

The main reason for the re-domiciliation is that the new structure will provide increased flexibility for the Group's future investments, growth, stability, competitiveness and strong marketing focus while enabling the Group to maintain a listing on Oslo Axess.

The Scottish Salmon Company is engaged in all stages of the value chain of farming Atlantic salmon, from smolt production to harvesting, processing and sales operating from 37 sites on the Hebrides and West Coast of Scotland, from the Isle of Lewis in the north to Arran in the south. The Company currently employs nearly 250 people.

SSC is committed to expanding its business in Scotland, working closely with rural communities to build a sustainable and successful business that produces premium quality salmon in line with industry best practise. Expansion will be based on sustainable and professional farming methods, processing and product development. By adding real value to the Scottish product, the Company is concentrating on premium markets.

Key to the Company's success is the development of an aggressive brand strategy and securing long term market relationships to maximise premium price opportunities for Scottish salmon with a continued focus on provenance and heritage. The regional links are reinforced by the Company's commitment to local suppliers and traditional skills.

The new SSC brand will become a mark of excellence for health and well-being, with the Company launching and developing its healthy living initiative over the next 12 months.

Scottish salmon currently enjoys a strong market position, driven partly by the increase in consumer awareness in healthy eating. The increased focus on the promotion of Scottish and regional provenance of our salmon will continue to develop a strong and stable position for SSC brands.

Having capitalised on strong market conditions to date and improved production processes, the Group reported a record £63m turnover for 2009.

Following LHC ASA's refinancing in March 2009, performance has continually improved each quarter. Total turnover for the year 2009 from operations increased £11.0m as a result of the current strong market with the improved sales prices for both contract and spot market sales. The increase in revenue of continued operations is £20.0m.

EBITDA for the year was £16.9m (2008: £4.6m), reflecting the strong market, improved biological control measures, fewer mortalities and generally a better quality of fish delivered to the market. While improvements were made to costs in 2009, there is a strong focus on improved cost control measures in place for 2010.

EBIT for the year was £12.9m (2008: £2.2m).

Overall, the results reflect the improvements LHC ASA had made in its top and bottom line and the strong market price of Scottish salmon during 2009. It is the goal of SSC to continue building on the foundation that has been developed since the restructuring of Q1 2009.

Northern Link and related entities own approximately 55% of all outstanding shares of SSC. No other single shareholder holds more than approximately 10% of outstanding shares of SSC.