

SEAFOOD FINANCE SEMINAR

Pareto Securities

Multiexport Foods

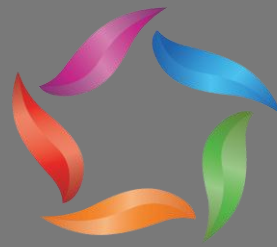
Nourishing the future



Andrés Lyon - CEO
Bergen, March 7th, 2013



Today's Agenda



1

**Multiexport Foods
Introduction**



2

**Value Chain and
Business Model**



3

**Financials &
Investment
Considerations**



4

**Chilean Salmon
Markets**

Multiexport Foods Introduction



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**Chilean Salmon
Markets**

- Among largest Chilean Atlantic Salmon producers
- 48 Th ton WFE 2012 – 55 Th ton WFE 2013E
- Largest Chilean Smoked Salmon Producer
- Global reach, more than 25 countries served
- Established in 1987, Public since 2007
- Mkt Cap (*): USD 476 million
- Free float: 36%
- Recognized prestige
- 2,050 employees



Multiexport Foods

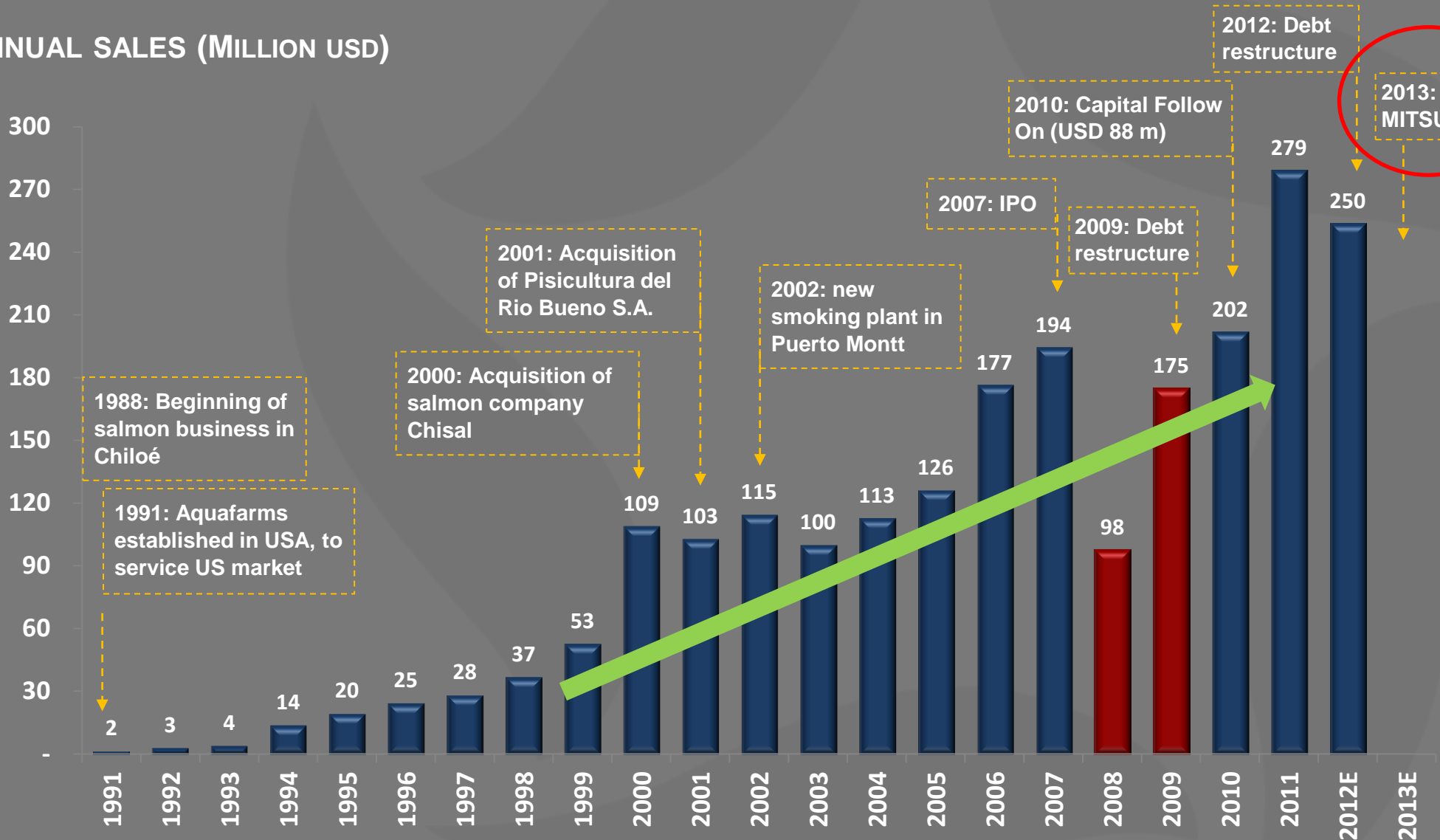
Nourishing the future



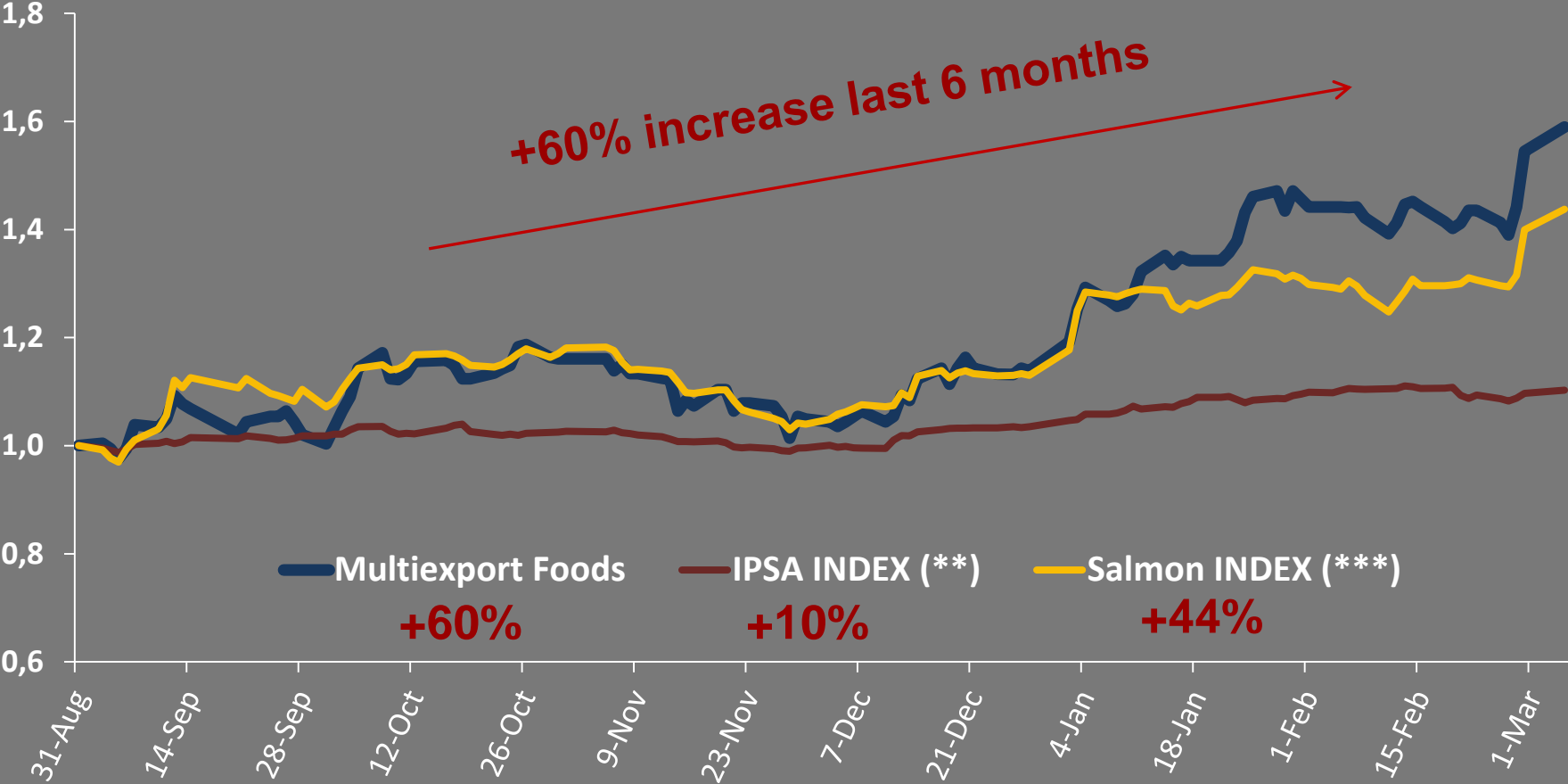
(*) March 4, 2013

MORE THAN 20 YEARS OF GROWTH

ANNUAL SALES (MILLION USD)



Mkt Cap: USD 476 Million (*)



(*) March 5th, 2013 – 163,0 CLP

(**) IPSA Index : average of top 40 Chilean companies listed n Santiago Stock Exchange

(***) Salmon Index: Average of Chilean Exclusive Salmon Producers listed in Santiago Stock Exchange

Value Chain and Business Model



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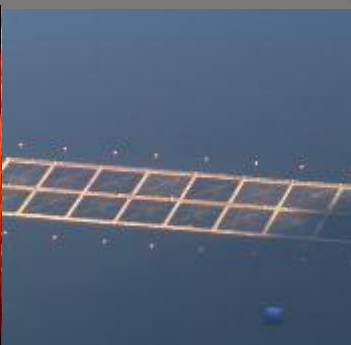
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**Chilean Salmon
Markets**

VERTICALLY INTEGRATED ALONG THE VALUE CHAIN

VALUE CHAIN

Multiexport Foods is vertically integrated, from reproduction to distribution to final customers, adding value in each stage of the value chain



FRESH WATER UNIT: ASSETS AND CAPACITY



30M

ATLANTIC SALMON EYE EGGS
4-5 generations closed system

1 hatchery



21M

ATLANTIC SALMON FRY

5 hatcheries

15M

ATLANTIC SALMON SMOLT



16M

TROUT/COHO SMOLTS

7 permits
(lakes/rivers)

SEA FARMING UNIT: PRODUCTION POTENTIAL

- Competitive mix of neighborhoods and concessions
 - Presence in 23 neighborhoods
 - 92 granted concessions
 - 7 pending concessions
- ▶ **Total Potential Capacity 120 Th Tons WFE**



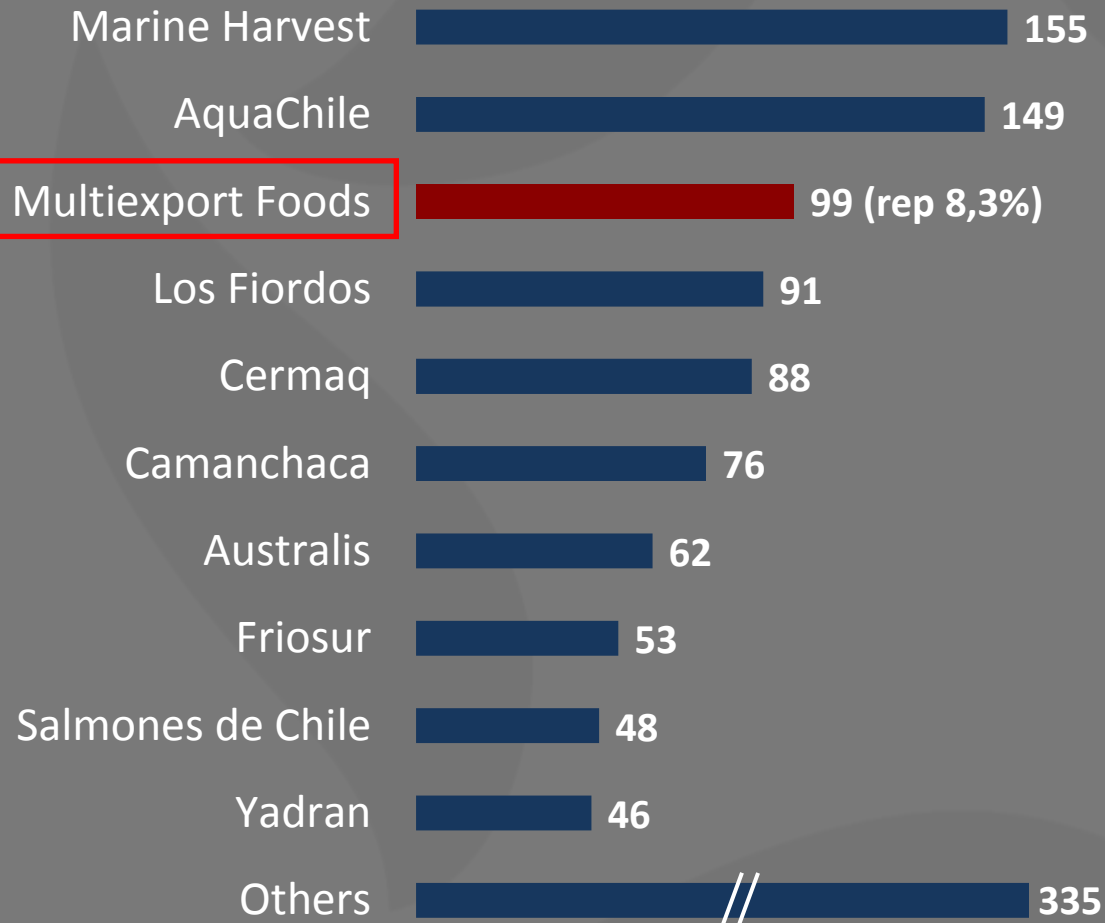
Licenses Distribution

Region	Granted	Pending	Total
X	23	-	23
XI	69	7	76
Total	92	7	99

CONCESSIONS HOLDERS – CHILE (X & XI REGION)



Regions
X & XI



**Modern processing plant, refurbished in 2006.
Designed under concept of continuous flow lines.**

- Capacity 75.000 tons/yr (WFE)
 - ➔ 62 units/minute
 - ➔ 64 th ton processed in 2012
- Two spiral freezers
- Flexibility to quickly adapt to market requirements
- Expertise on Commodity and Value Added Products
- One continuous chilling tunnel
- Four Static Tunnels
- Two portioning machines (600 net tons/month)
- 5 Baaders filleting machines, 1 Trimming machine

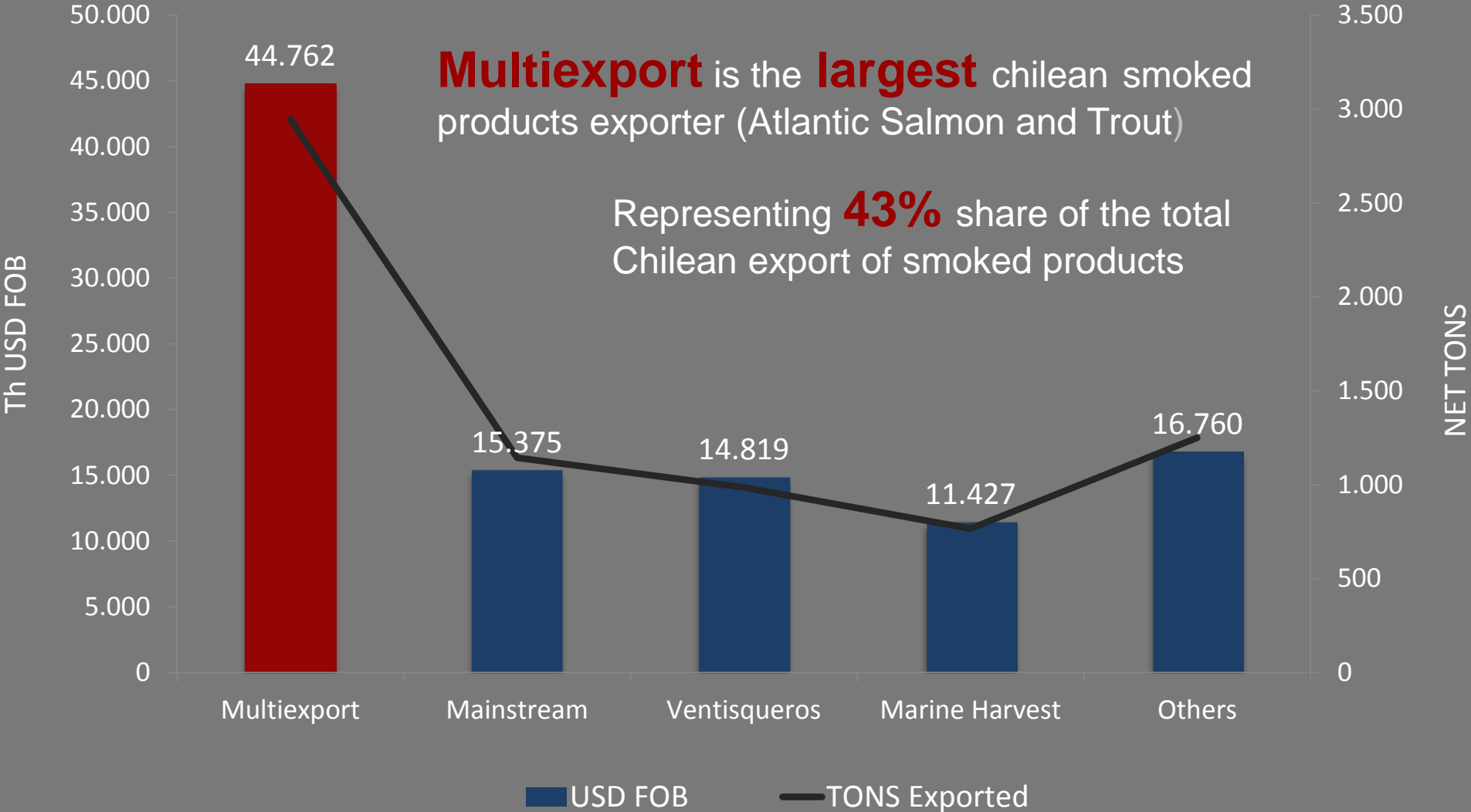


Largest Smoked House in Chile (built in 2002). Designed by the top quality Japanese smoker (Oji Salmon)

- Nominal Capacity 7.500 tons (WFE)
 - ➔ **8.341 tons in 2012**
- Four independent areas:
 - Raw Material Reception
 - Curing – Smoking Area
 - Slicing Area
 - Packing Area
- High sanitary standards



SMOKED PROCESSING UNIT



Potential business expansion

- Strong market position
- Easy access to raw material
- Competitive production costs
- Excellent quality
- High return per kg

Per Capita Consumption (gr/year)

Europe	230
Japan	90
USA/Canada	55
China/LA	<4

} Potential!



Sales & Marketing

Team with proven expertise

- Permanent presence in all markets
 - Distribution Offices in USA and Japan
- Continuous focus on maximizing returns



CHILEAN EXPORTS 2012

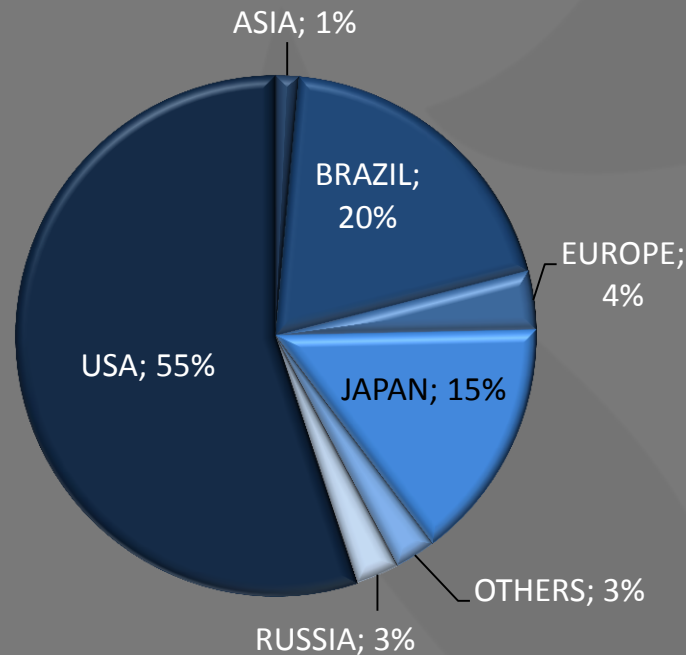
(TH USD FOB)

EXPORTER	ATLANTIC	COHO	TROUT	TOTAL	% EXP.
Aquachile	58,451	101,501	122,858	282,810	10.0%
Mainstream	113,766	82,721	77,790	274,277	9.7%
Multiexport Foods	172,254	-	37,559	209,813	7.4%
Marine Harvest	185,883	-	801	186,684	6.6%
Los Fiordos	126,728	28,896	809	156,433	5.5%
Blumar	106,089	-	43,414	149,504	5.3%
Camanchaca	107,909	-	29,537	137,447	4.8%
Salmones Antartica	-	-	123,577	123,577	4.4%
Invertec	76,794	12,213	30,048	119,055	4.2%
Trusal	15,818	26,253	76,318	118,390	4.2%
Others	473,086	265,684	342,375	1,081,145	38.1%
Total	1,436,779	517,268	885,086	2,839,134	100.0%

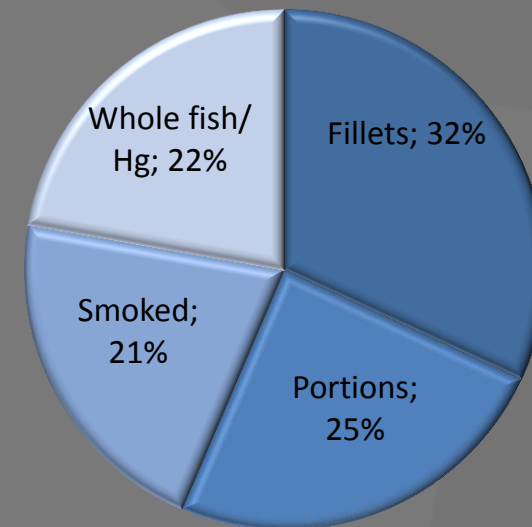
Multiexport is the **3rd largest** Chilean salmon exporter

Source : Publitecsa - SalmonChile

SALES BY COUNTRY 2012



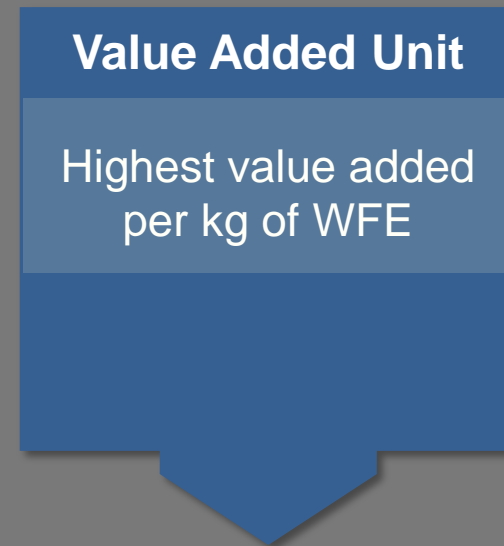
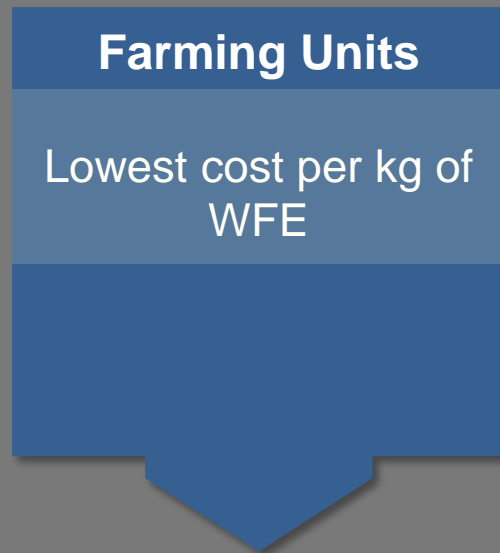
PRODUCT MIX - 2012



- Major retailers and distributors around the world
- Product Mix: Minimum 80% of Atlantic Salmon (Worldwide consumption)
- Commodity and Value Added products

MULTIEXPORT FOODS BUSINESS MODEL

Corporate/Staff Units



Feed & supplies

Raw Material Sale

Final sale

Maximizes farming profit

MAXIMIZE GROUP PROFIT

Maximizes VAP profit

MULTIEXPORT FOODS BUSINESS MODEL – MANAGEMENT STRUCTURE

Multiexport Foods

Holding Company - Listed

Salmones
Multiexport

Farming – Atlantic Salmon

Multiexport &
Mitsui JV

Farming – Trout/Coho

Alimentos Multiexport

VAP – Processing and Sales



MULTIEXPORT - MITSUI JOINT VENTURE

- **Mitsui & Co., Ltd.** is one of the world's most diversified comprehensive trading, investment, and service companies.
- On Jan 11th, 2013 a JV was signed between **Multiexport Foods** and **MITSUI & Co. Ltd.**
- Focus: Production and commercialization of Trout and Coho.
- Target: Asian markets, with special emphasis on Japan and China.

Initial Production: **4.2 Th ton** WFE of Trout in 2013

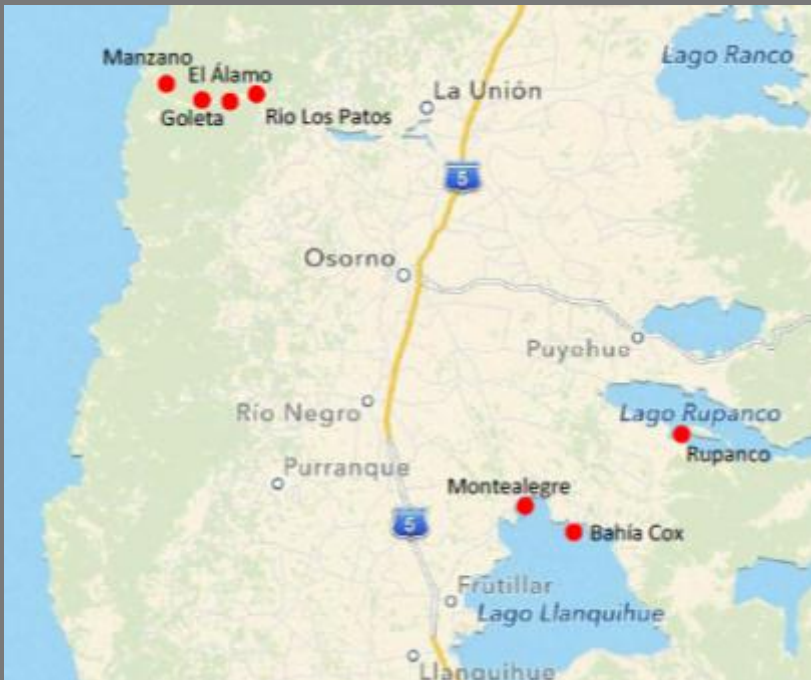
Target Production: **+22 Th ton** by year 2017

Multiexport Foods contributed with:

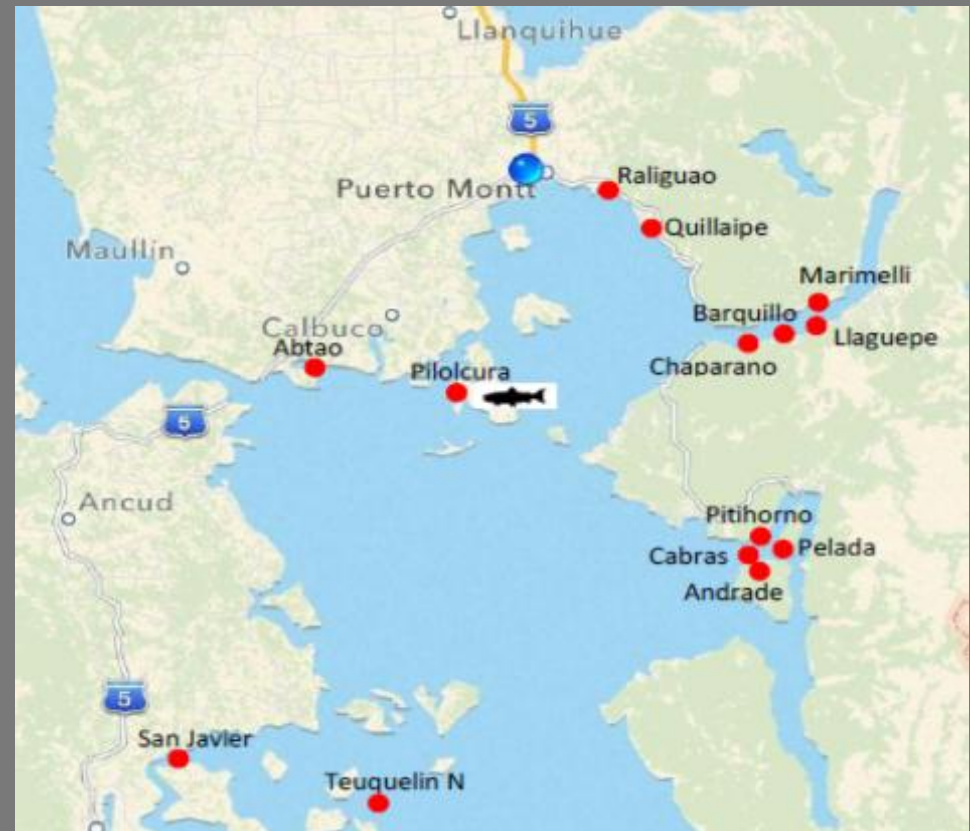
- **14** Sea Water Concessions (out of 99)
- **7** Fresh Water Concession (4 River / 3 Lake)
- Fixed Assets for Sea Water & Fresh Water Initial Operation
- Biomass needed to produce **4.2 Th Tons** of Trout in year 2013
- Skilled Personnel



JV Fresh Water Farms
7 Concessions in X Region



JV Sea Water Farms
14 Concessions in X Region



MITSUI is acquiring **30%** of the JV company shares in **USD 36 million** and holds an option to buy an additional 10% expiring on March 2014. (At the same price)

Multiexport Foods is the controlling shareholder of the JV and will manage the company accordingly.

The combination of Multiexport Foods and MITSUI creates a company with great potential...



Financials & Investment Considerations



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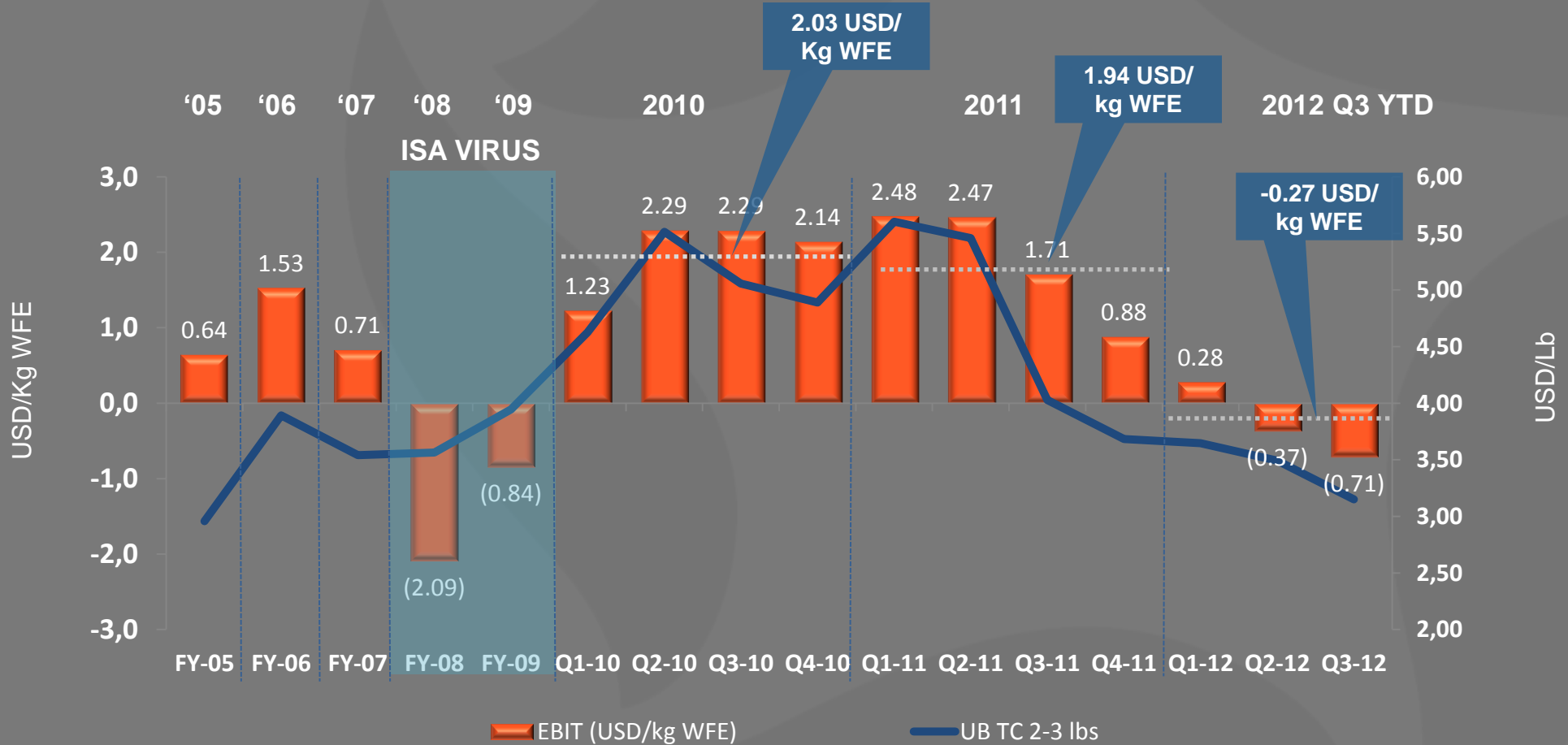


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**Chilean Salmon
Markets**

EFFICIENCY AND PROFITABILITY ATLANTIC SALMON

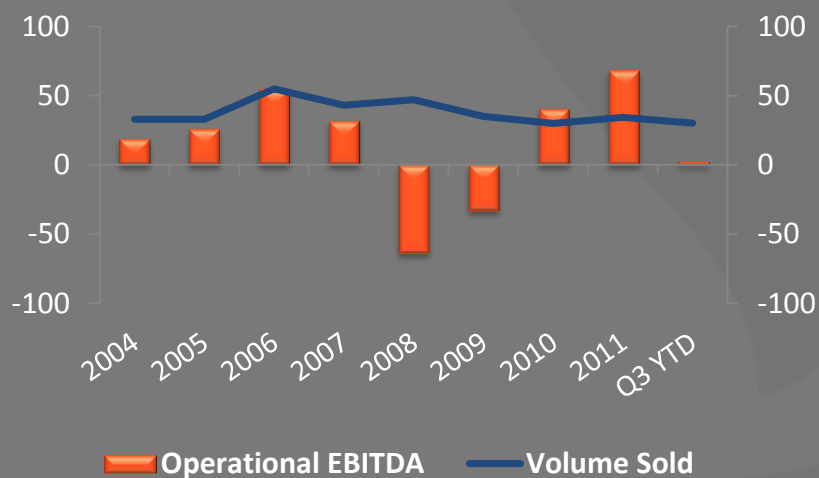
EBIT pre-IFRS (USD/kg WFE)



REVENUES



OP EBITDA (PRE-IFRS)



CONSOLIDATED BALANCE SHEET

In Th USD	Q3 - 2012	Q4 - 2011
Cash and cash equivalents	44,082	86,779
Inventories and biological assets	197,576	168,441
Other current assets	34,352	34,449
Property, Plant and Equipment	112,230	107,125
Other assets(*)	66,927	55,490
Total Assets	455,167	452,285
Financial Debt	184,125	186,220
Accounts and notes payable	80,284	40,263
Other liabilities	25,458	33,147
Total Equity	165,300	192,655
Total Liabilities and Equity	455,167	452,285
NIBD	USD 140m	
Equity ratio	36.3%	
Equity ratio(*)	52.1%	

(*) Concessions are not fully valued in the Balance Sheet. Equity ratio (*) considers an approximation of concessions value

The development plan of the company is based on 5 key areas:

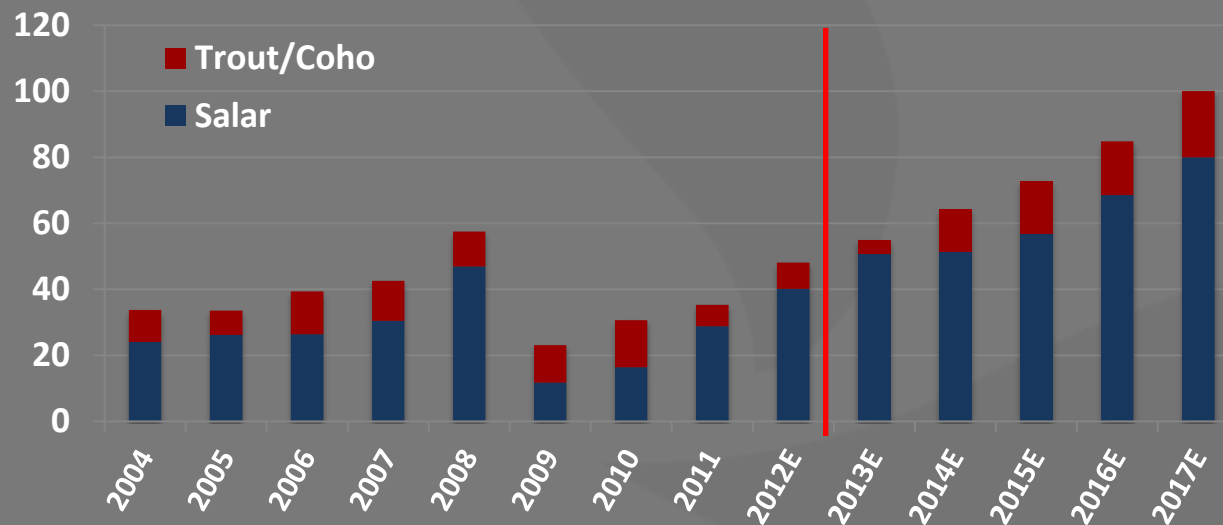
1) Efficiency and profitability:

- Keep the company as an industry leader in efficiency and profitability

2) Sustainable Organic Growth:

- Responsible growth to produce 100 Th tons WFE by 2017, with a minimum of 80% Atlantic Salmon.

Annual Harvest – Th ton WFE



3) Acquisition of Operations in Chile

- Multifoods is a good consolidation vehicle
- Consolidation Benefits:
 - Increased biosecurity and cost reductions
 - Stable supply

4) Salmon Business Globalization

- Expansion of operations outside Chile
- Strategic Partnerships

5) Business Development of Value Added Products

- Expand smoked business and “ready to eat” products through newly created subsidiary Alimentos Multiexport S.A.
- Sales target USD 100 million by 2015



Chilean Salmon Industry

- New Production Model in place
Chilean in the way back to be competitive and a leading player
Allow to increased volume and improve performance doing things on the right way.
- New Rules in practice
 - Sealice Control Program
 - SRS Control Program
 - Density regulation
 - Stocking adjustment based on losses regulation
- Chile confirmed as The Growth Potential Country in terms of global supply.
- The New Law for Chilean Salmon Industry, including regulations and productive model is among the most strict and complete. Its implementation will trigger an industry reorganization and consolidation.
- Easy access to Value added production



MULTIEXPORT FOODS

- **Recognized Industry Leader**
- **Strong Growth Potential**
- **Species diversification with focus on Atlantic Salmon**
- **Experienced Management**
- **Solid Commercial Base**
- **Healthy and Solid Financial Position**
- **Convenient Consolidation Vehicle**



Chilean Salmon Markets



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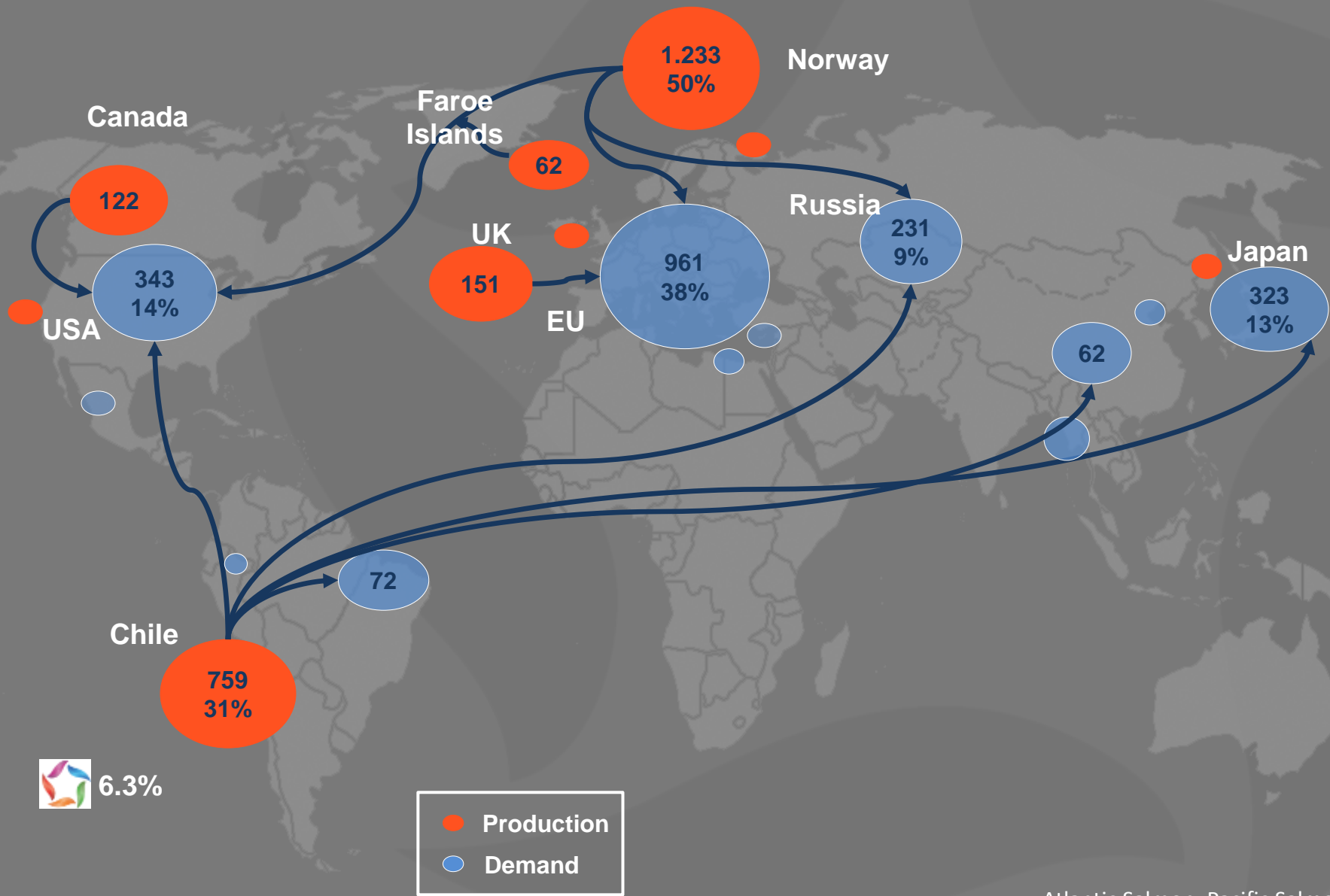
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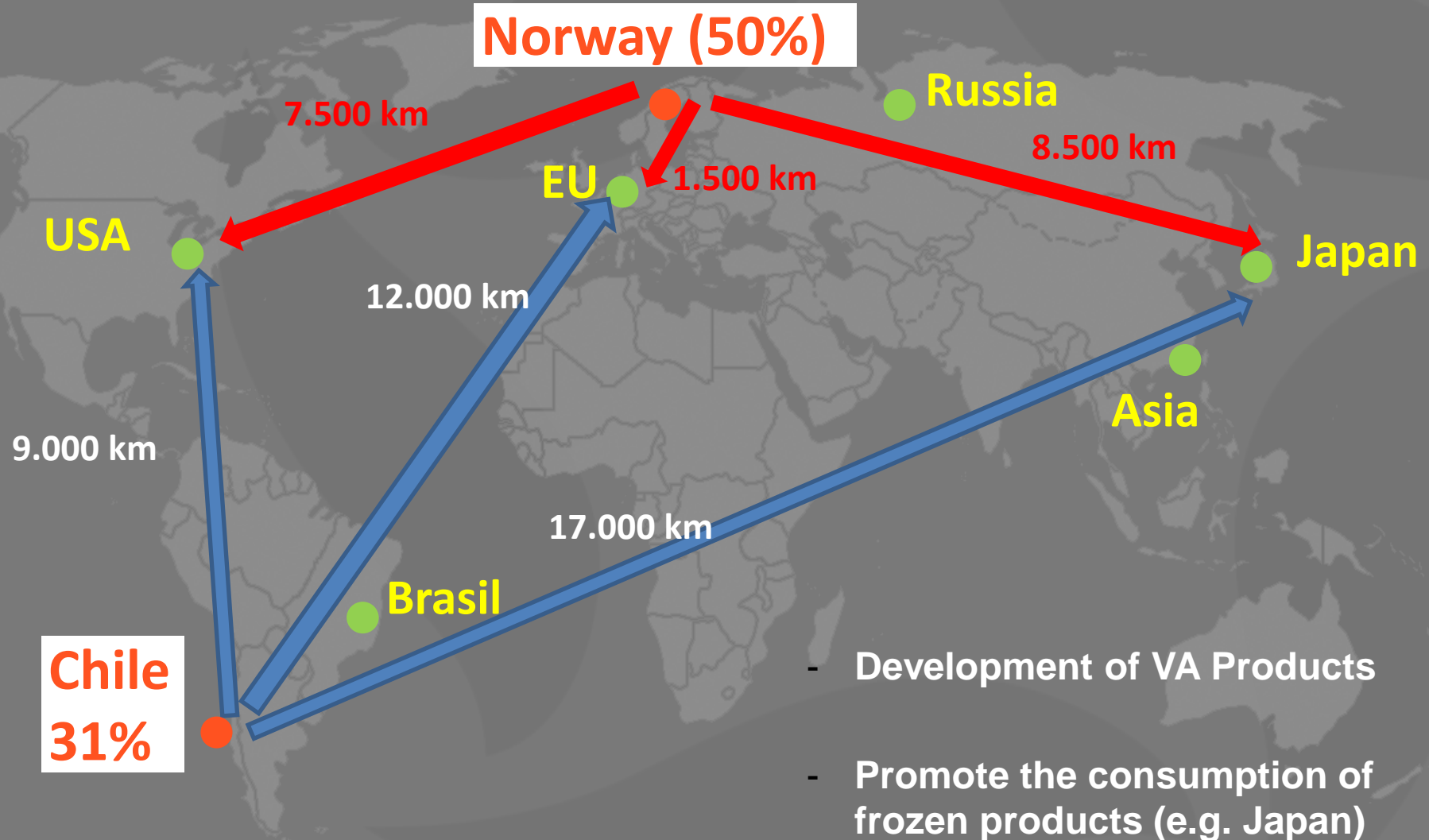
**Chilean Salmon
Markets**

WORLD SALMON PRODUCTION AND DISTRIBUTION (2012)



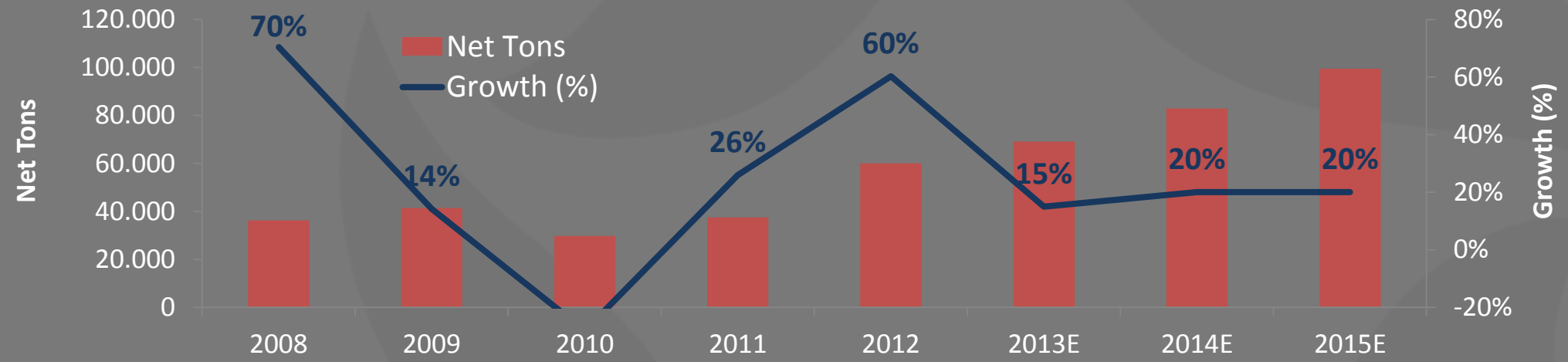
Atlantic Salmon, Pacific Salmon and Trout

WORLD SALMON PRODUCTION AND MARKETS

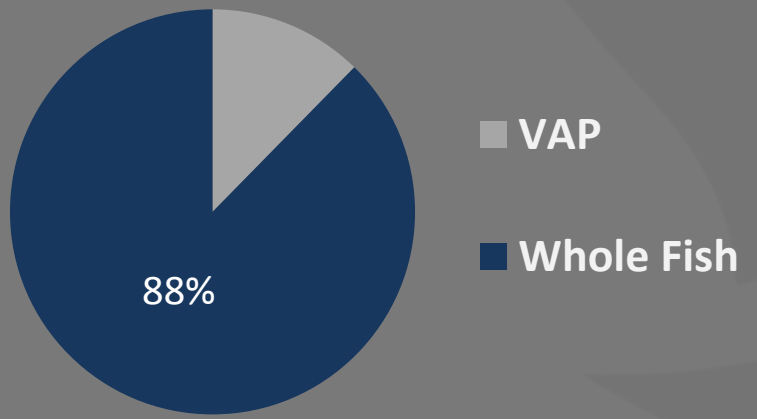


Atlantic Salmon, Pacific Salmon and Trout

ANNUAL SALES: ATLANTIC SALMON



PRODUCT MIX

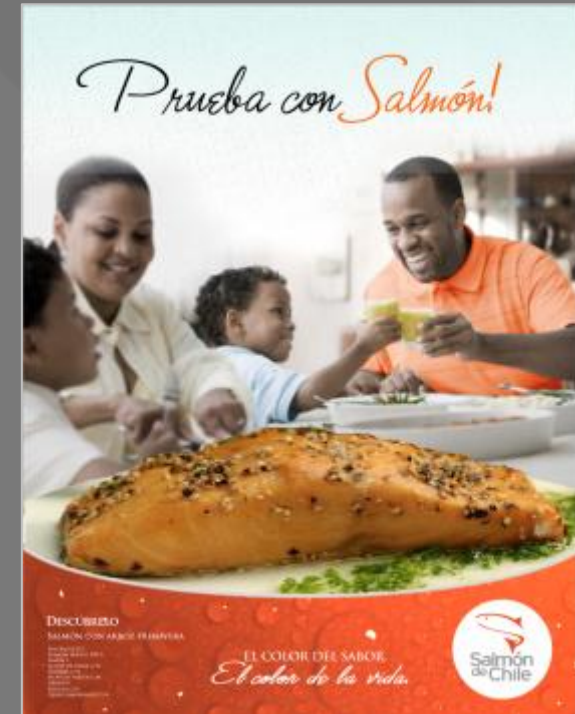


Brazil receives 26% of total Chilean exports



BRAZIL 2012/13: CHILEAN SALMON MARKETING CAMPAIGN

- **Objective:** Promote/Educate on Chilean salmon consumption
- **Target:** Family consumption (Rio de Janeiro / Sao Paulo)
- **Duration:** 18 months
- **Implementation:**
 - Brand: “Salmon de Chile”
 - Point of Sale Campaigns
 - Web site information
 - Audiovisual production



Preliminary Results Year 2012

➤ Audience Reach:

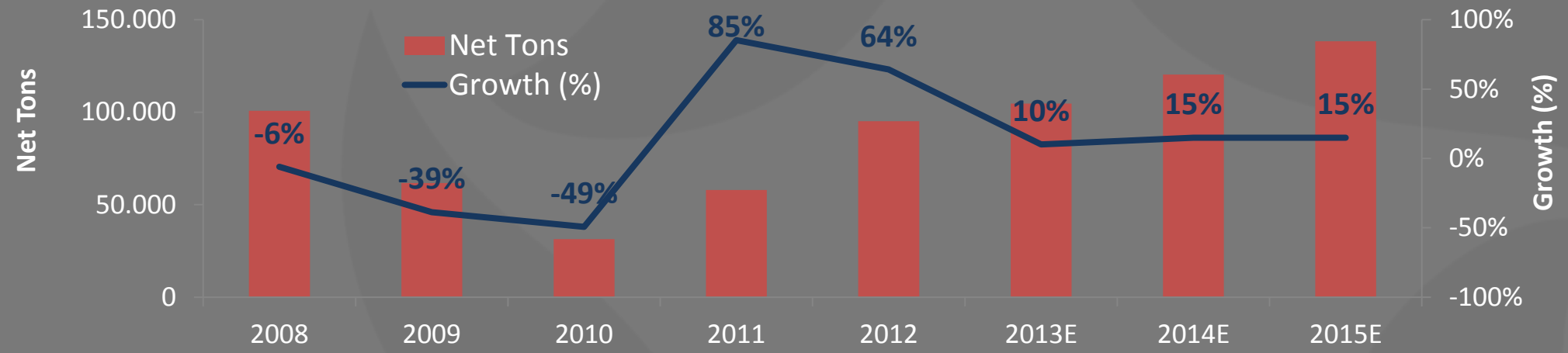
- TV: 30 million people
- Web: 2 million people
- Specialized Magazines: 1.7 million people



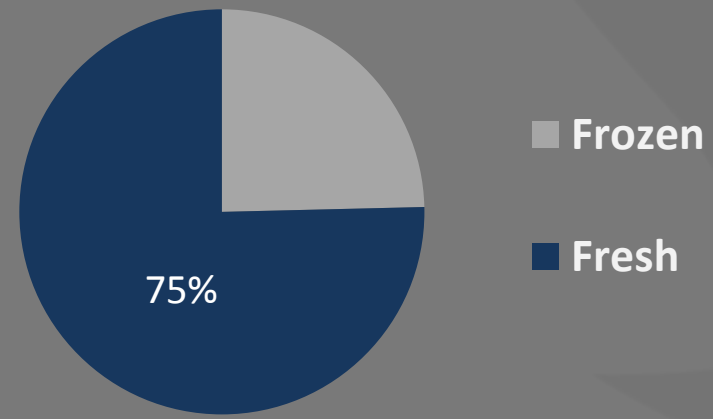
➤ Total Consumption growth vs 2011 (tons): >50%

➤ Value Added Product Consumption growth vs 2011 (tons): +250%

ANNUAL SALES: ATLANTIC SALMON



PRODUCT MIX



USA receives 42% of total Chilean exports



Thank You!

www.multiexportfoods.com



Multiexport Foods

Nourishing the future

