Grieg Seafood ASA

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18 August 2016

Q2
2016

Agenda

- Highlights
- Business Units (Regions)
- Financials
- Outlook

HIGHLIGHTS Q2 2016

Highlights Q2 2016

- Best-ever quarter with EBIT of MNOK 312 (EBIT/kg NOK 19.2).
- H1 2016 EBIT of MNOK 526.
- Historically strong market, but falling US prices at the end of Q2.
- EBIT/kg NOK 22.5 in Norway.
  - Fixed price contracts account for 31%.
  - Low harvest volume in Finnmark.
  - Lower costs in Rogaland.
- Improved operating results in Shetland, EBIT/kg NOK 22.0.
- Harvesting brought forward, in a strong market, to reduce the biological risk.
  - The Group's harvest volume in Q2 2016 was 16 263 tons gutted weight.
- The volume guiding 2016 reduced by 2,000 tons to 68,000 tons.
- Further improvement in key figures and financial base.

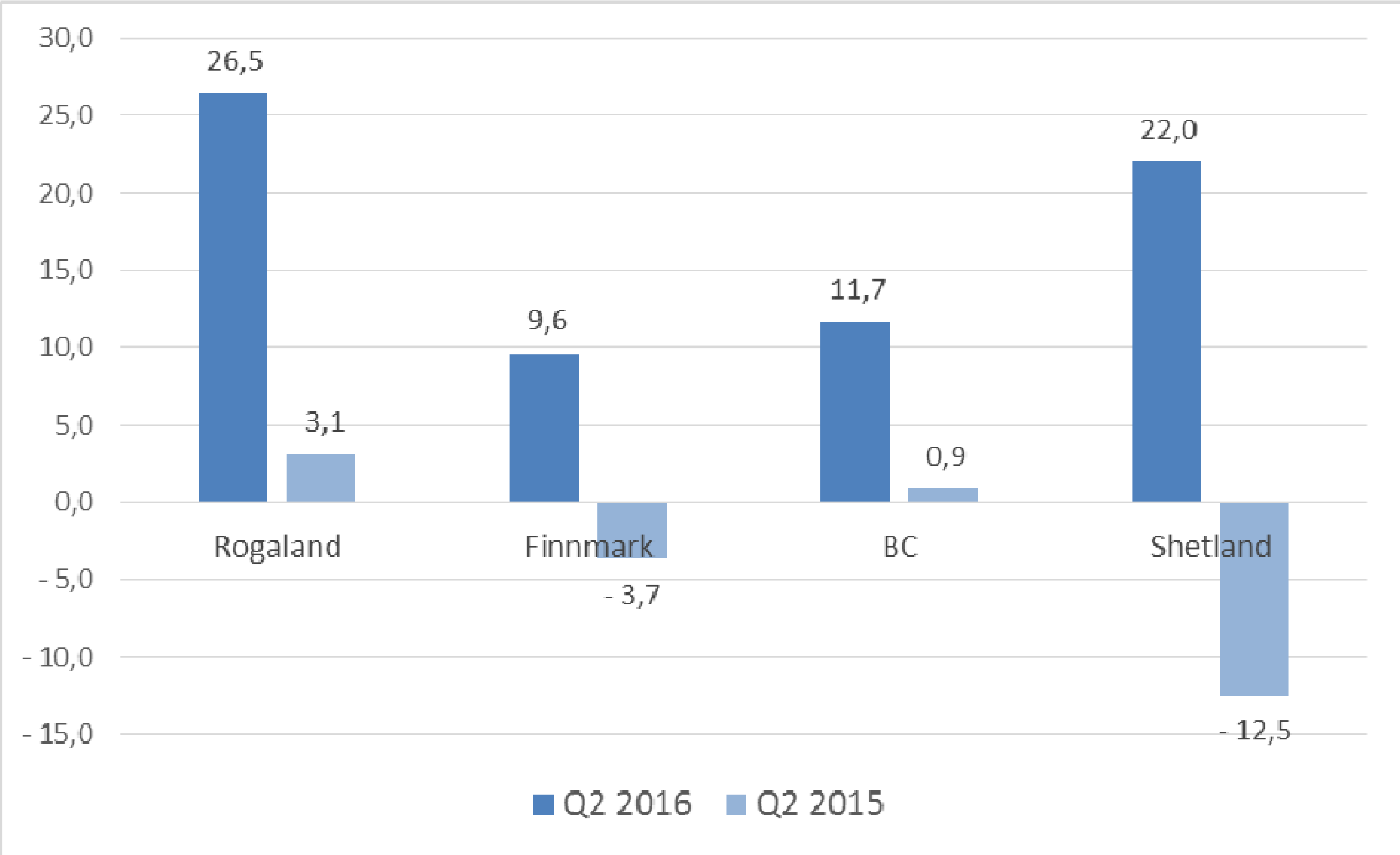
Financial highlights Q2 2016

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Total operating income (TNOK)	1 682 253	1 170 864	2 981 650	2 204 481
EBITDA (TNOK)	356 383	18 965	608 728	127 012
EBIT before fair value adj. (TNOK)	311 694	-21 072	526 076	48 970
EBIT / kg (NOK)	19,17	-1,20	17,60	1,60
Harvest volume (tons gwe)	16 263	17 558	29 898	30 638

BUSINESS UNITS (REGIONS)

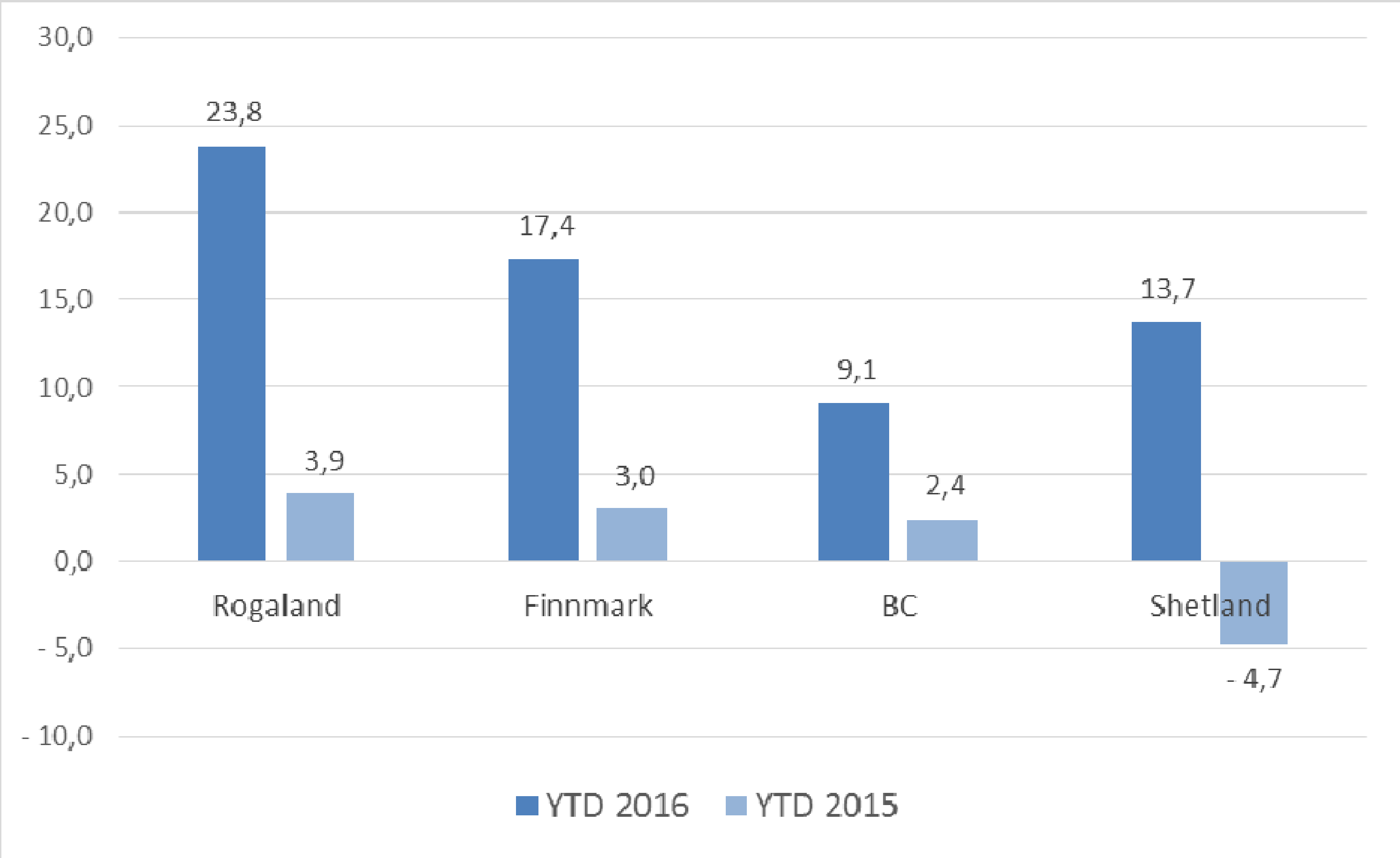
Business units performance – Q2 2016

EBIT before biomass adjustment/KG gwt



Business units performance – YTD 2016

EBIT before biomass adjustment/KG gwt



GSF Rogaland

- Cost down in Q2.
- Low harvest volume in Q3 increasing costs per kg this quarter.
- Sea production affected by sea lice treatment in Q2 2016 causing lost feeding days, guiding harvest volume 2016 down by 1 000 tons.
- Start Q3 2016 the biological situation is under control.

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Harvest (gwt)	6 493	6 956	10 268	9 716
Sales revenues	409 894	282 355	635 939	403 085
EBIT	171 884	21 846	244 816	37 913
EBIT/kg	26,5	3,1	23,8	3,9

GSF Finnmark

- Remaining fish from Øksfjord harvested in Q2 2016. High cost due to sea lice at this site. The entire area has been fallowed, ongoing smolt input.
- Low harvest volume in Q2 also moving the cost up.
- Harvest early in Q2 when the prices in the quarter were at their lowest.
- The harvest volume will increase in Q3, but still be relatively low. Costs will therefore fall, however continue above a normalised level.
- Sea production as planned in Q2.

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Harvest (gwt)	1 967	1 290	8 263	6 331
Sales revenues	100 937	47 121	432 546	239 441
EBIT	18 900	-4 709	143 466	19 060
EBIT/kg	9,6	-3,7	17,4	3,0

GSF BC (Canada)

- Algae in the southernmost region causing lost feeding days and low production, guiding harvest volume 2016 down by 1 000 tons.
- The underlying cost level for Q2 2016 was slightly above the level in Q1.
- Cost expected to move up the second half of 2016.
- Smolt production was stable in Q2.
- Changing from steel cages to circles approved for one site.

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Harvest (gwt)	4 938	5 756	6 262	7 596
Sales revenues	281 212	210 296	348 856	284 329
EBIT	57 726	5 089	56 983	18 431
EBIT/kg	11,7	0,9	9,1	2,4

GSF Shetland

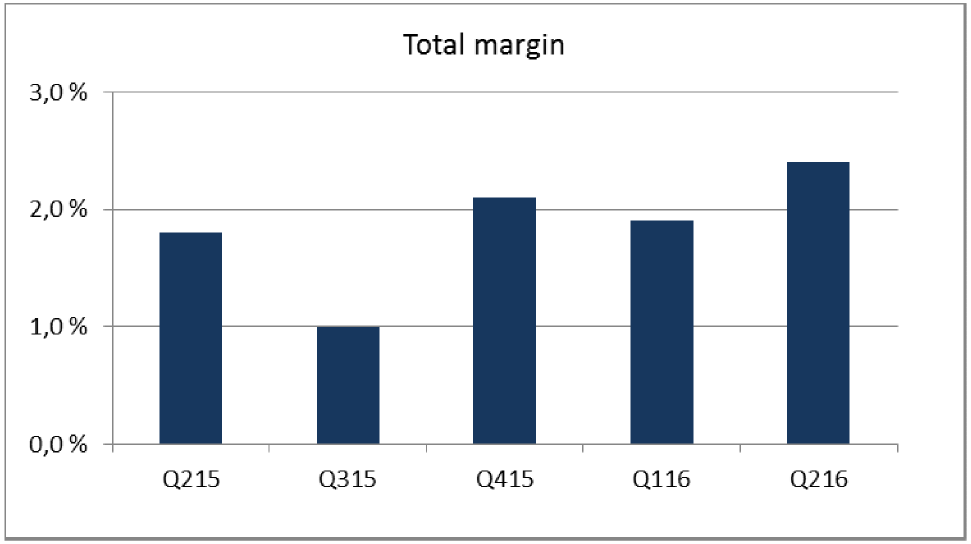
- Improved operation and reduction in costs in Q2 2016 compared with the preceding quarter.
- The cost level is expected to be stable in Q3.
- Sea production under control, but increasing sea lice and algae towards the end of the quarter.
- Mechanical delousing using tempered water has functioned well.

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Harvest (gwt)	2 865	3 556	5 105	6 995
Sales revenues	205 254	142 829	336 588	337 732
EBIT	63 071	-44 327	70 002	-33 042
EBIT/kg	22,0	-12,5	13,7	-4,7

Ocean Quality (GSF 60%, Bremnes 40%)

- Increasing margins in Norway.

Norway:



Financials

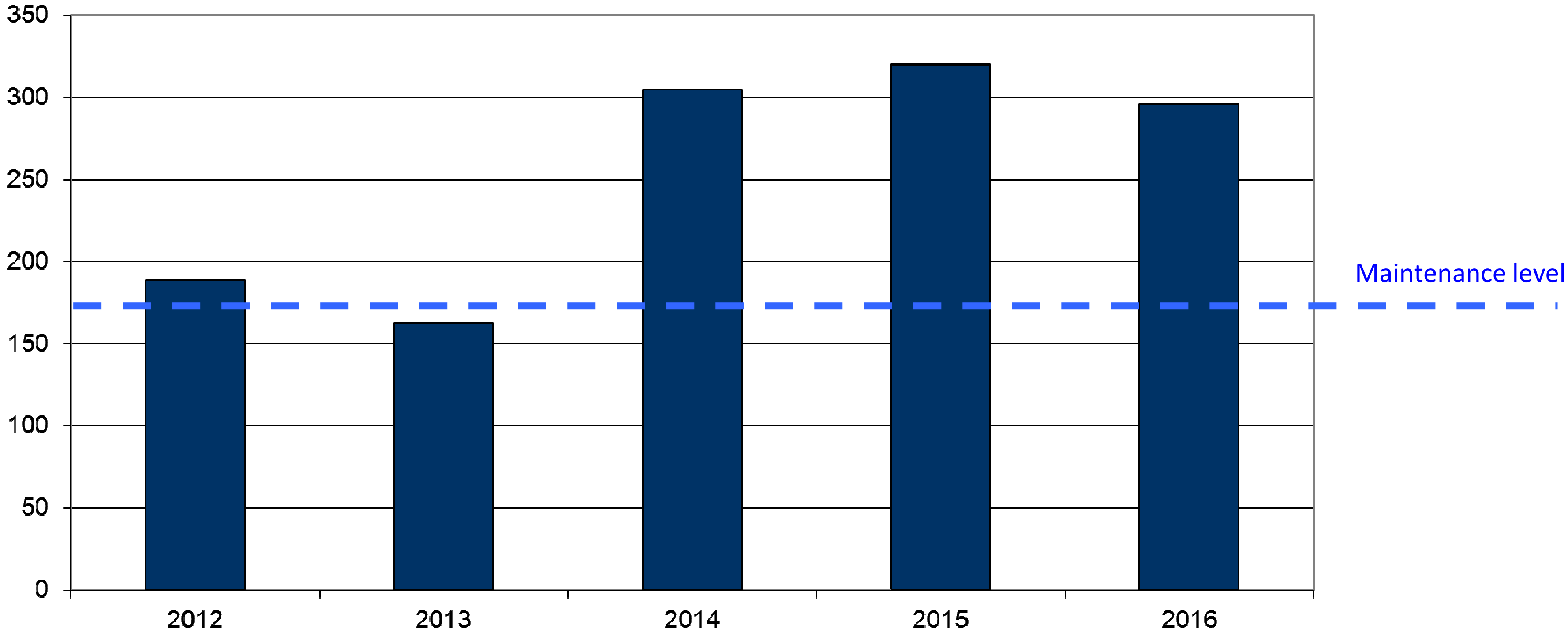
Profit and Loss

All figures in NOK 1,000	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Total operating income	1 682 253	1 170 864	2 981 650	2 204 481
EBITDA	**356 383**	**18 965**	**608 728**	**127 012**
Depreciation and amortisation	-44 689	-40 037	-82 652	-78 042
EBIT before biomass adj	**311 694**	**-21 072**	**526 076**	**48 970**
Fair value adj biological assets	115 771	-108 332	195 268	-221 125
EBIT after biomass adj.	**427 465**	**-129 404**	**721 344**	**-172 155**
Share of profit from ass. companies	-	1 072	12 083	1 961
Net financial	-38 891	488	-92 652	-24 873
Profit before tax	**388 574**	**-127 844**	**640 774**	**-195 067**
Estimated taxation	-90 916	26 488	-152 217	42 327
Net profit in the period	**297 657**	**-101 355**	**488 557**	**-152 740**

Net financial

All figures in NOK 1,000	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Changes in fair value from hedging instruments	2 993	13 320	2 448	10 368
Net financial interest	-27 010	-25 243	-50 927	-47 856
Net currency gain (losses)	-18 393	11 438	-46 993	13 202
Net other financial expenses/-income	3 520	973	2 821	-587
Net financial item	**-38 891**	**488**	**-92 652**	**-24 873**

Investments

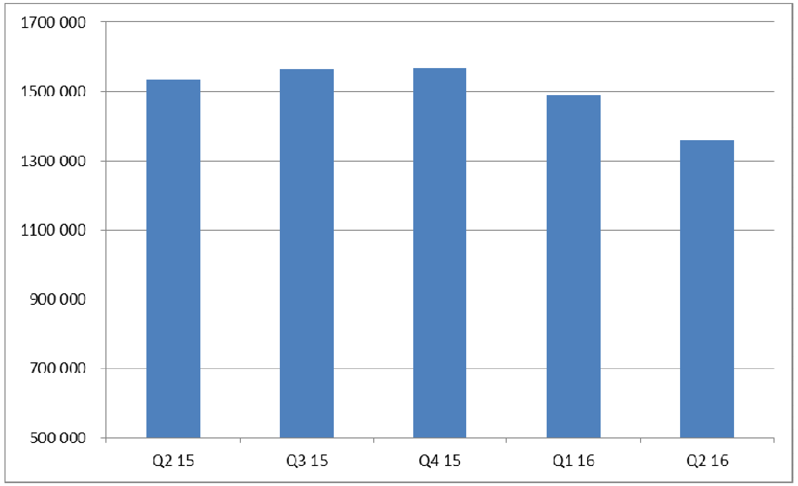


Cash Flow

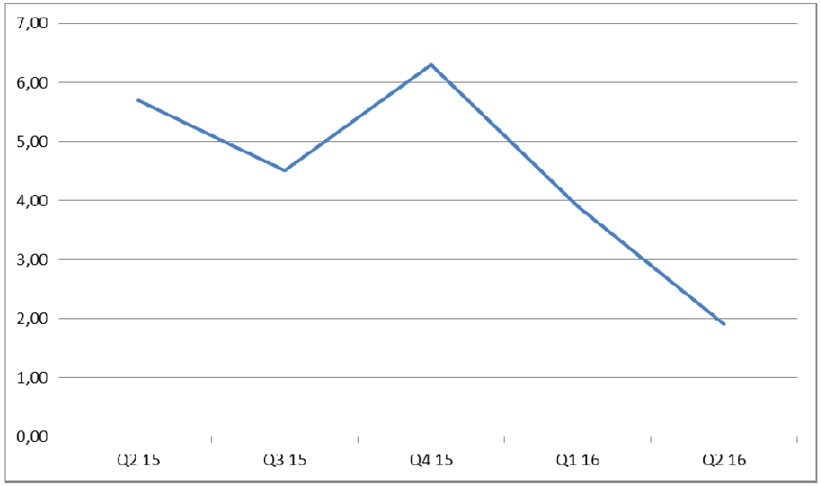
	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Cash - opening balance	**368 906**	**201 220**	**392 020**	**181 498**
EBITDA	356 383	18 965	608 728	127 012
Inventory, trade payables and trade receivables	-113 861	101 493	-266 536	97 386
Other adjustments	-29 739	-46 223	-22 745	-20 282
Cash flow from operations	212 783	74 235	319 446	204 116
Capital expenditure (fixed assets)	-49 286	-44 797	-71 304	-164 717
Investments in associated companies/shares	0	8 003	24 000	8 003
Change in other non-current receiveables	0	-18	0	-35
Cash flow from investments	-49 286	-36 812	-47 304	-156 749
Changes in interest-bearing debt	-69 987	78 813	-176 116	106 900
Paid dividends	-55 206	-55 206	-55 206	-55 206
Paid dividends to non-controlling interests	-12 929	0	-12 929	0
Net interest and financial items	-25 153	-23 361	-52 341	-43 097
Cash flow from financing	-163 275	246	-296 592	8 597
Currency effect on cash - opening balance	1 598	1 602	3 156	3 032
Changes in cash (incl currency effect on cash)	**1 820**	**39 271**	**-21 294**	**58 996**
Cash - closing balance	**370 726**	**240 491**	**370 726**	**240 494**

Net Interest Bearing Debt/EBITDA

NIBD
(excl. factoring)



NIBD/EBITDA
(according to covenants)



NIBD

MNOK	Q2 2016	Q2 2015
Term Loan	1 120	810
Revolving Credit	300	250
Bond	0	400
Leasing	298	303
Other interest bearing debt	13	12
Cash - closing balance	-371	-240
NIBD excl factoring	**1 360**	**1 535**
Factoring	380	280

Balance sheet 1

ASSETS	30.06.16	30.06.15
Goodw ill	109 153	109 306
Licenses	1 068 767	1 079 449
Other intangible assets	17 852	16 178
Property, plant and equipment	1 455 381	1 494 878
Investments in associated and joint venture companies	14 603	25 123
Other non-current assets	5 193	2 846
Total non-current assets	**2 670 948**	**2 727 780**
Inventories	76 082	88 933
Biological assets	1 563 250	1 579 566
Fair value biological assets	497 573	58 414
Accounts receivable	678 977	581 903
Other current receivables	226 655	124 733
Derivates and other financial instruments	11 107	0
Cash and cash equivalents	370 726	240 494
Total current assets	**3 424 368**	**2 674 042**
Total assets	**6 095 316**	**5 401 822**

Balance sheet 2

EQUITY AND LIABILITIES	30.06.16	30.06.15
Share capital	446 648	446 648
Treasury Shares	-5 000	-5 000
Retained earnings and other equity	2 160 842	1 613 952
Total equity	**2 602 490**	**2 055 600**
Deferred tax liabilities	662 598	530 917
Pension- and other obligations	14 365	1 435
Subordinated loans	17 690	23 201
Borrow ings and leasing	1 564 784	1 207 609
Total non-current liabilities	**2 259 437**	**1 763 161**
Short-term loan facilities	156 165	560 943
Factoring	380 204	279 531
Accounts payable	496 337	548 953
Tax payable	14 435	53 120
Derivates and other financial instruments	22 920	12 974
Other current liabilities	163 329	127 539
Total current liabilities	**1 233 389**	**1 583 060**
Total liabilities	**3 492 826**	**3 346 221**
Total equity and liabilities	**6 095 316**	**5 401 822**

Key financial indicators

	Q2 2016	Q2 2015	YTD 2016	YTD 2015
EBITDA-margin before adj biomass	21 %	2 %	20 %	6 %
EBIT-margin before adj biomass	19 %	-2 %	18 %	2 %
NIBD/EBITDA before adj biomass	1,9	5,7	1,9	5,7
ROCE before adj biomass	34 %	-2 %	29 %	3 %
Equity ratio	43 %	38 %	43 %	38 %

OUTLOOK

Harvest estimate

Guiding 2016 (1,000 tons gw e)	Rogaland	Finnmark	BC	Shetland	GSF Group
Q1	**3,8**	**6,3**	**1,3**	**2,2**	**13,6**
Growth %	37 %	25 %	-28 %	-35 %	4 %
Q2	**6,5**	**2,0**	**4,9**	**2,9**	**16,3**
Growth %	-7 %	53 %	-14 %	-19 %	-7 %
Q3	**2,0**	**4,0**	**2,2**	**5,3**	**13,5**
Growth %	13 %	-49 %	-52 %	-2 %	-31 %
Q4	**5,9**	**11,1**	**3,4**	**4,3**	**24,6**
Growth %	59 %	107 %	50 %	8 %	61 %
Total	**18,2**	**23,3**	**11,8**	**14,7**	**68,0**
Growth %	19 %	20 %	-18 %	-10 %	4 %

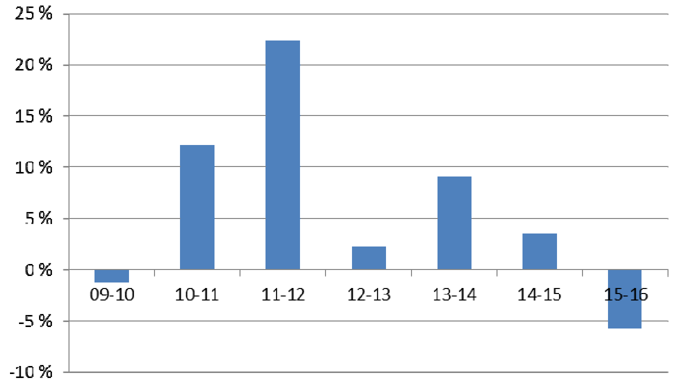
- The volume guiding 2016 reduced by 2,000 tons to 68,000 tons.
  - Harvesting brought forward.
  - Weak production in BC due to algae.
  - Sea production in Rogaland affected by sea lice treatment causing lost feeding days.
- Low Q3 volume; 13,500 tons.

Supply outlook

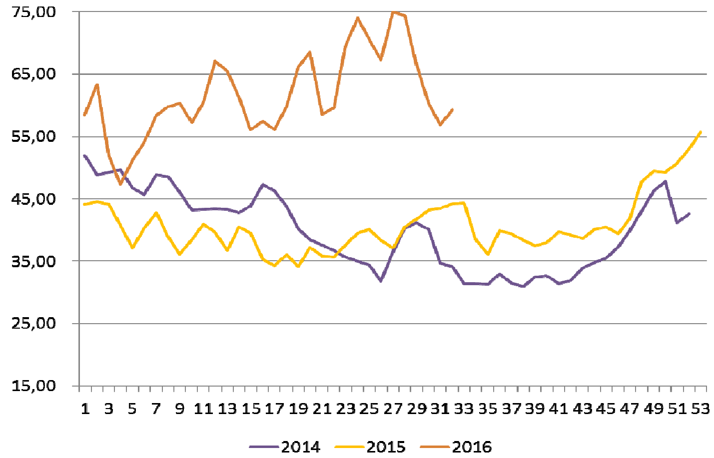
- **Global supply moving down, 2016 vs 2015 expected to be -6%. Strong market is expected.**
- Norway – from positive to negative growth rate:
  - 2015: +3%
  - 2016: -3% (1,079' MT)
- Chile – negative growth rate:
  - 2015: +1%
  - 2016: -20% (425' MT)
- North America – low growth:
  - 2015: +28%
  - 2016: +3% (144' MT)
- UK – from negative to positive growth rate:
  - 2015: -3%
  - 2016:   2% (153' MT)

(Source: Kontali Analyse AS)

Global supply growth farmed salmon (YoY):



NASDAQ (Norway) price development :



Outlook summary/actions GSF

- Strong market expected ahead, including US. However, some weeks with higher supply and lower prices in Q3.
- Aim to bring the cost level down to the industry average, or lower.
- 10% annual increase in production 2017-2019, increasing smolt input H2 2016.
- GSF's smolt programme - increasing number and size of smolt.
  - Increasing smolt input H2 2016, especially in Finnmark.
  - Extending the smolt plant in Rogaland, expected to be completed by Q3 2017.
  - Shorten the production time in the sea. 18 months plan implemented in Shetland by the end of 2017.
  - Considering a new smolt plant in BC.
- The sale of GSF's UK activities has been considered, but the improvement in operations in the region has not been reflected to a sufficient extent in offers received.

Thank you !

APPENDIX

Share info

- Number of shares
  - 111.7 million (after full conversion of bonds in August 2009).

- Last issues: Q2 2009
  - 139 MNOK new share issue.

- Subordinated convertible bond issue: Q1 2009
  - 100 mill. convertible at NOK 4.00 per share within 31.12.2010.
  - 85% converted in Q2 2009.
  - 15% converted in Q3 2009.

- EPS
  - 2.63 NOK/share Q2 2016.
  - -0.93 NOK/share Q2 2015.

- Shareholder structure
  - Largest 20 have 73.85% of total no. of shares.

Shareholders

	No. shares	%
GRIEG HOLDINGS AS	55 801 409	49,97 %
YSTHOLMEN AS	2 928 197	2,62 %
OM HOLDING AS	2 750 000	2,46 %
STATE STREET BANK AND TRUST CO.	2 694 669	2,41 %
FOLKETRYGDFONDET	2 000 000	1,79 %
JPMORGAN CHASE BANK, N.A., LONDON	1 427 690	1,28 %
ARTIC FUNDS PLC	1 397 000	1,25 %
KONTRARI AS	1 323 827	1,19 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 200 000	1,07 %
SKANDINAVISKA ENSKILDA BANKEN AB	1 170 000	1,05 %
VERDIPAPIRFONDET PARETO NORDIC	1 050 000	0,94 %
UBS AG, LONDON BRANCH	1 014 695	0,91 %
GOLDMAN SACHS INTERNATIONAL	1 005 045	0,90 %
KVASSHØGDI AS	1 000 000	0,90 %
THE NORTHERN TRUST CO	952 710	0,85 %
SEI INSTITUTIONAL INTERNATIONAL	897 454	0,80 %
BLACKWELL PARTNERS, LLC SERIES A	897 234	0,80 %
SKANDINAVISKA ENSKILDA BANKEN AB	881 016	0,79 %
GRIEG SHIPPING II AS	824 565	0,74 %
Total 20 largest shareholders	**82 465 511**	**73,85 %**
Total other	29 196 489	26,15 %
Total numbers of shares	**111 662 000**	**100,00 %**

Profit and Loss

All figures in NOK 1,000	Q2 2016	Q2 2015	YTD 2016	YTD 2015
Total operating income	**1 682 253**	**1 170 864**	**2 981 650**	**2 204 481**
Share of profit from joint venture	-145	1 541	-420	7 351
Change in inventories	36 270	-49 317	64 849	43 657
Raw materials and consumables used	-792 634	-785 657	-1 536 424	-1 476 472
Salaries and personnel expenses	-101 580	-84 677	-224 604	-185 130
Other operating expenses	-467 781	-233 788	-676 323	-466 875
EBITDA	**356 383**	**18 965**	**608 728**	**127 012**
Depreciation and amortisation	-43 474	-39 312	-86 442	-76 663
Depreciation and amortisation of licenses	-1 215	-725	-2 433	-1 379
Impairment adjustments on assets	0	0	6 223	0
EBIT before biomass adj	**311 694**	**-21 072**	**526 076**	**48 970**
Fair value adj biological assets	115 771	-108 332	195 268	-221 125
EBIT after biomass adj.	**427 465**	**-129 404**	**721 344**	**-172 155**
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Net financial	-38 891	488	-92 652	-24 873
Profit before tax and biomass adj	**272 802**	**-19 512**	**445 507**	**26 058**
Profit before tax	388 574	-127 844	640 774	-195 067
Estimated taxation	-90 916	26 488	-152 217	42 327
Net profit in the period	**297 657**	**-101 355**	**488 557**	**-152 740**