Grieg Seafood ASA

Q4
2016

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Agenda

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

HIGHLIGHTS Q4 2016

Highlights Q4 2016

- GSF’s best quarter ever with EBIT of MNOK 456 (EBIT per kg: NOK 21.80).
- High harvest volume (20 917 tons) in a strong market.
- The Board proposes a dividend of NOK 3 per share.
- EBIT per kg: NOK 27.9 in Norway.
  - Fixed price contracts account for 32% of turnover.
  - ISA outbreak in Finnmark, otherwise stable production.
  - Stable and good production in Rogaland.
- EBIT per kg: NOK 7.0 in BC.
  - EBIT reflects challenges presented by algae in previous quarters.
  - Improved production throughout Q4.
- EBIT per kg: NOK 8.8 in Shetland.
  - Final harvesting from weak locations.
  - The transition to 18-month production plan progressing as planned.
- Expected harvest volume in 2017: 70 000 tons.

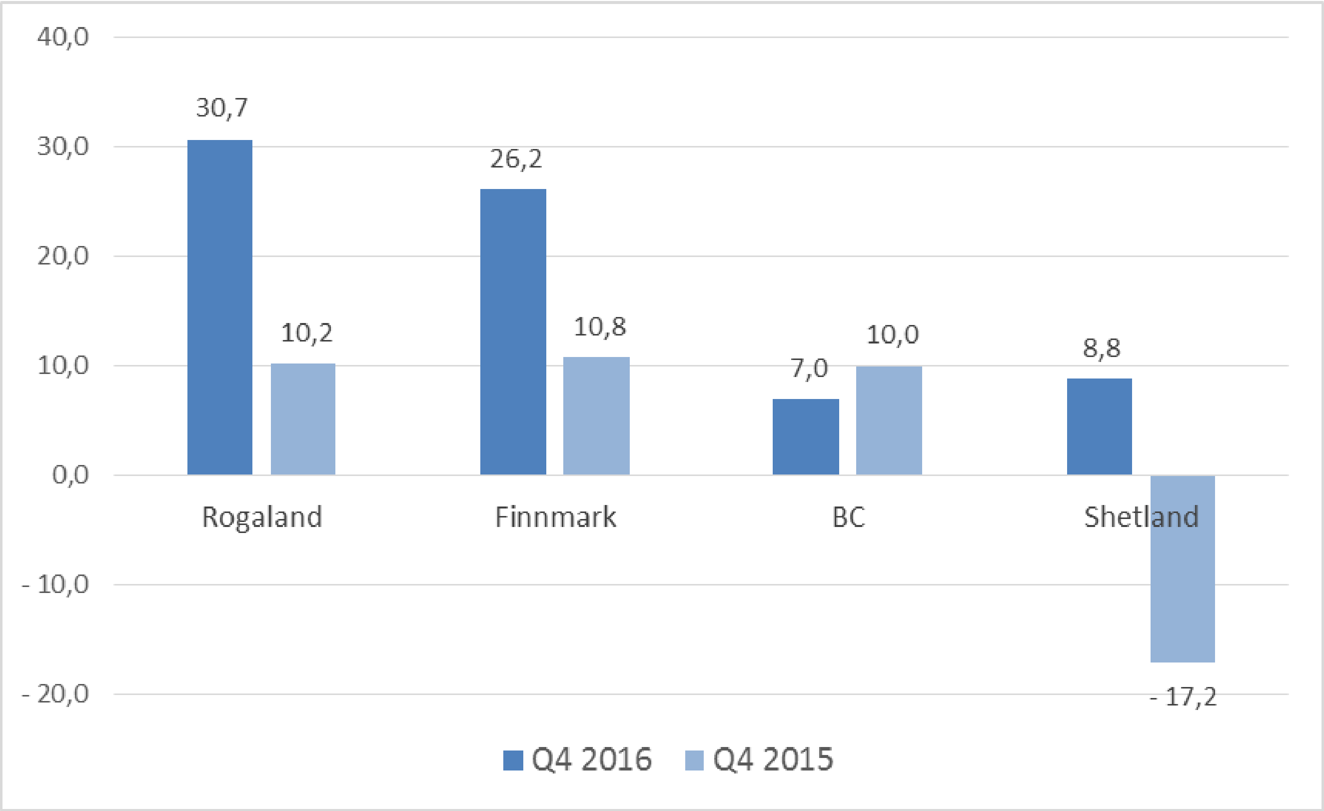
Financial highlights Q4 2016

	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Total operating income (TNOK)	2 069 178	1 189 313	6 603 591	4 638 370
EBITDA (TNOK)	502 039	86 907	1 341 661	261 311
EBIT before fair value adj. (TNOK)	456 115	43 118	1 167 745	47 742
EBIT / kg (NOK)	21,81	2,82	18,04	0,73
Harvest volume (tons gwe)	20 917	15 279	64 726	65 398

BUSINESS UNITS (REGIONS)

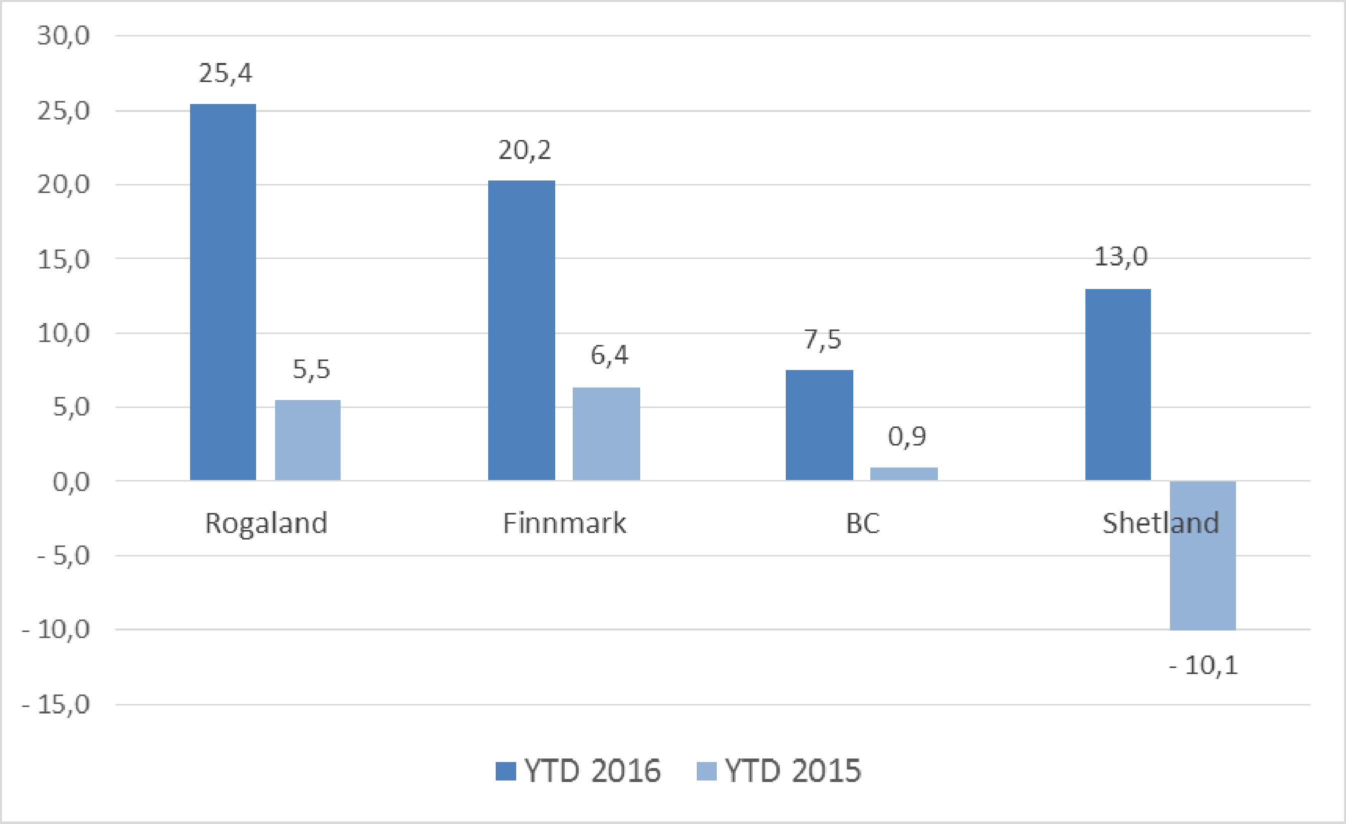
Business units performance – Q4 2016

EBIT before FV adjustment/KG gwt



Business units performance – YTD 2016

EBIT before FV adjustment/KG gwt



GSF Rogaland

- Harvesting volume up compared to Q3.
- Cost moving down to a normalised level.
- Stable and good production throughout Q4.
- Good control on sea lice situation.
- Cost expected to be stable in Q1.
- Expansion of smolt plant moving forward as planned.

	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Harvest (gwt)	5 766	3 713	18 367	15 236
Sales revenues	371 113	183 904	1 140 398	666 074
EBIT	177 054	37 854	466 756	83 516
EBIT/kg	30,7	10,2	25,4	5,5

GSF Finnmark

- Harvesting volume up compared to Q3.
- Cost, excluding ISA, moving down to a normalised level.
- ISA in Hammerfest.
  - Increasing cost by MNOK 25 in Q4 (NOK 2.7 per kg).
  - Harvest guiding down 3 000 tons in 2017.
  - Biomass culled, new input spring/summer.
- EBIT/kg, excluding ISA, of NOK 28.9.
- Stable production throughout Q4.
- Harvest volume moving down in Q1 resulting in higher cost.
- Expansion of smolt plant decided.

	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Harvest (gwt)	9 336	5 348	22 104	19 481
Sales revenues	580 942	240 521	1 244 255	799 824
EBIT	244 317	57 721	447 131	124 004
EBIT/kg	26,2	10,8	20,2	6,4

GSF BC (Canada)

- Algae in 2016.
  - Causing high cost in Q4 2016.
  - Cost expected also to be high in Q1 2017.
  - Reduced fish quality and lower realised prices.
- Good sea production in Q4, harvest guiding 2017 up 1 000 tons.
- Smolt production stable in Q4.
  - Water intake improved.
- Focus on finding location for a new smolt plant.
- Important for new management in BC.
  - Feeding efficiency.
  - Better approach to the challenges presented by algae and low oxygen levels.

	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Harvest (gwt)	1 917	2 245	10 715	14 311
Sales revenues	119 013	112 750	615 438	573 900
EBIT	13 367	22 426	80 526	13 310
EBIT/kg	7,0	10,0	7,5	0,9

GSF Shetland

- Harvesting from high-cost locations in Q4 2016.
- Also harvesting from high-cost sites in Q1 2017.
- Algae and sea lice situation in 2016 moving harvest guiding 2017 down by 1 000 tons.
- Harvesting of the first fish from the new 18 month production cycle will start in Q2 2017.
  - Good and stable production on these sites.
  - Cost expected to move down.

	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Harvest (gwt)	3 897	3 974	13 541	16 370
Sales revenues	240 039	192 469	859 815	773 525
EBIT	34 336	-68 191	176 558	-164 833
EBIT/kg	8,8	-17,2	13,0	-10,1

Financials

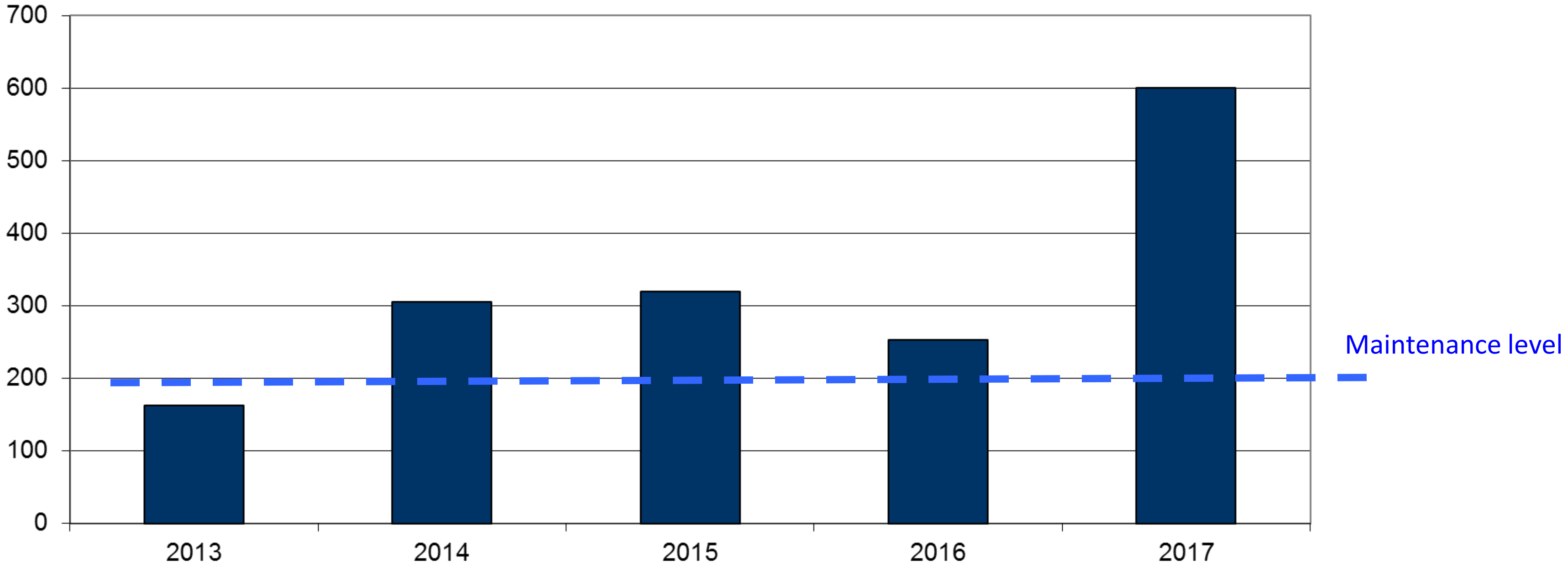
Profit and Loss

All figures in NOK 1,000	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Total operating income	2 069 178	1 189 313	6 603 591	4 638 370
EBITDA	**502 039**	**86 907**	**1 341 661**	**261 311**
Depreciation and amortisation	-45 925	-43 789	-173 916	-213 569
EBIT before biomass adj	**456 115**	**43 118**	**1 167 745**	**47 742**
Fair value adj biological assets	227 036	161 252	515 741	33 209
EBIT after biomass adj.	**683 151**	**204 370**	**1 683 486**	**80 951**
Share of profit from ass. companies	-	997	12 083	3 142
Net financial	472	-38 585	-134 734	-93 301
Profit before tax	**683 623**	**166 782**	**1 560 835**	**-9 208**
Estimated taxation	-135 212	-11 024	-342 547	13 574
Net profit in the period	**548 411**	**155 759**	**1 218 288**	**4 366**

Net financial

All figures in NOK 1,000	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Changes in fair value from hedging instruments	1 802	5 081	9 287	6 608
Net financial interest	-7 568	-39 030	-72 720	-120 925
Net currency gain (losses)	6 991	-2 027	-69 926	26 001
Dividends	0	0	0	0
Net other financial expenses/-income	-754	-2 608	-1 375	-4 985
Net financial item	**472**	**-38 584**	**-134 734**	**-93 301**

Investments



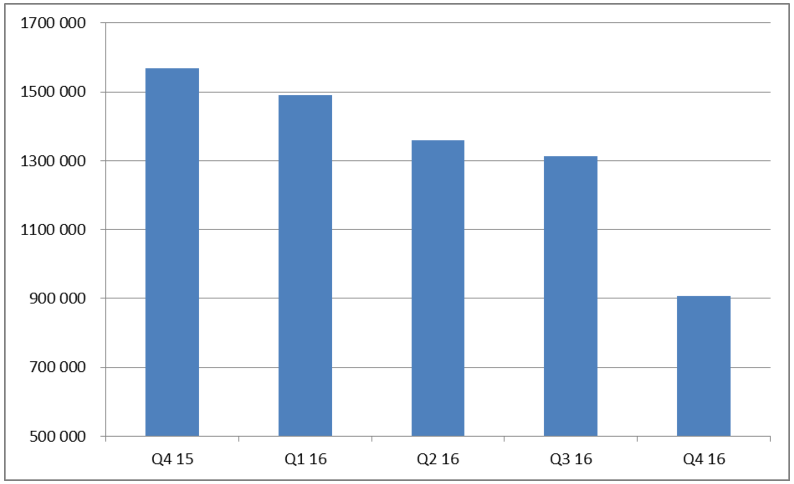
- Maintenance MNOK 200.
- Expansion smolt plant Rogaland MNOK 100.
- Expansion smolt plant Finnmark MNOK 100.
- New sites MNOK 200.

Cash Flow

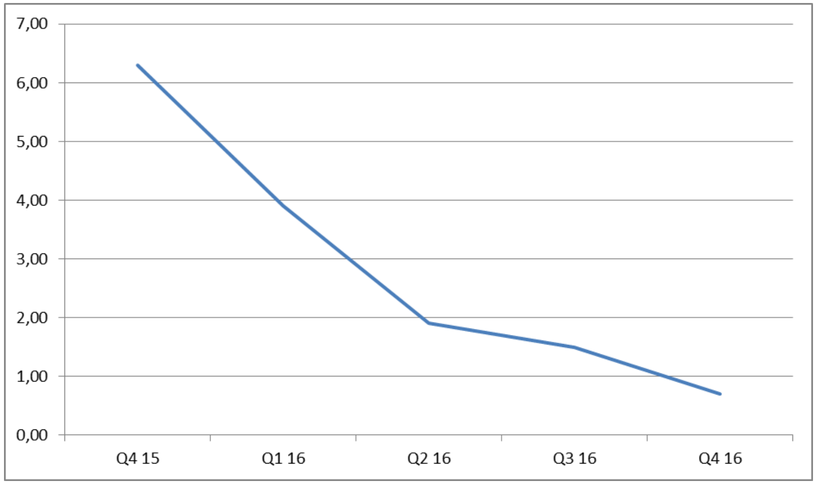
	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Cash - opening balance	**199 468**	**309 339**	**392 020**	**181 498**
EBITDA	502 039	86 907	1 341 661	261 311
Inventory, trade payables and trade receivables	-109 824	-87 395	-404 850	72 095
Other adjustments	113 160	-19 161	16 302	33 876
Cash flow from operations	505 375	-19 649	953 113	367 282
Capital expenditure (fixed assets)	-88 051	-81 089	-237 653	-320 076
Investments in associated companies/shares	15 593	0	39 592	8 419
Change in other non-current receiveables	-1 519	-25	-1 519	-2 507
Cash flow from investments	-73 977	-81 114	-199 580	-314 164
Changes in interest-bearing debt	-54	227 624	-375 103	331 939
Paid dividends	-110 412	0	-165 618	-55 206
Paid dividends to non-controlling interests	0	0	-12 929	0
Net interest and financial items	-17 731	-44 510	-91 184	-118 464
Cash flow from financing	-128 197	183 114	-644 834	158 269
Currency effect on cash - opening balance	944	330	2 894	-865
Changes in cash (incl currency effect on cash)	**304 145**	**82 681**	**111 593**	**210 522**
Cash - closing balance	**503 613**	**392 020**	**503 613**	**392 020**

Net Interest Bearing Debt/EBITDA

NIBD
(excl. factoring)



NIBD/EBITDA
(according to covenants)



NIBD

MNOK	Q4 2016	Q4 2015
Term Loan	1 075	1 165
Revolving Credit	0	450
Bond	0	0
Leasing	317	334
Other interest bearing debt	17	12
Cash - closing balance	-504	-392
NIBD excl factoring	**906**	**1 569**
Factoring	503	338

Balance sheet 1

ASSETS	31.12.16	31.12.15
Goodw ill	108 595	110 647
Licenses	1 060 622	1 093 338
Other intangible assets	17 598	16 993
Property, plant and equipment	1 510 379	1 534 770
Investments in associated and joint venture companies	0	25 947
Other non-current assets	7 169	14 410
Total non-current assets	**2 704 363**	**2 796 104**
Inventories	89 164	90 867
Biological assets	1 635 138	1 616 636
Fair value biological assets	824 487	312 479
Accounts receivable	826 947	581 904
Other current receivables	136 573	145 767
Derivates and other financial instruments	43 232	0
Cash and cash equivalents	503 613	392 020
Total current assets	**4 059 155**	**3 139 673**
Total assets	**6 763 517**	**5 935 777**

Balance sheet 2

EQUITY AND LIABILITIES	31.12.16	31.12.15
Share capital	446 648	446 648
Treasury Shares	-5 000	-5 000
Retained earnings and other equity	2 762 101	1 795 863
Total equity	**3 203 749**	**2 237 511**
Deferred tax liabilities	669 083	539 040
Pension- and other obligations	11 360	4 498
Subordinated loans	15 963	21 425
Borrowings and leasing	1 230 327	1 791 229
Total non-current liabilities	**1 926 732**	**2 356 192**
Short-term loan facilities	165 446	162 930
Factoring	502 535	338 231
Accounts payable	500 881	653 083
Accrued salary expense and public tax payable	0	0
Tax payable	182 416	24 545
Derivates and other financial instruments	18 245	27 104
Other current liabilities	263 512	136 179
Total current liabilities	**1 633 035**	**1 342 072**
Total liabilities	**3 559 768**	**3 698 264**
Total equity and liabilities	**6 763 517**	**5 935 777**

Key financial indicators

	Q4 2016	Q4 2015	YTD 2016	YTD 2015
EBITDA-margin before adj FV	24 %	7 %	20 %	6 %
EBIT-margin before adj FV	22 %	4 %	18 %	1 %
NIBD/EBITDA before adj FV	0,7	6,3	0,7	6,3
ROCE before adj FV	52 %	5 %	33 %	1 %
Equity ratio	47 %	38 %	47 %	38 %

Equity ratio excluding OQ (bank covenants): 52%

OUTLOOK

Harvest estimate

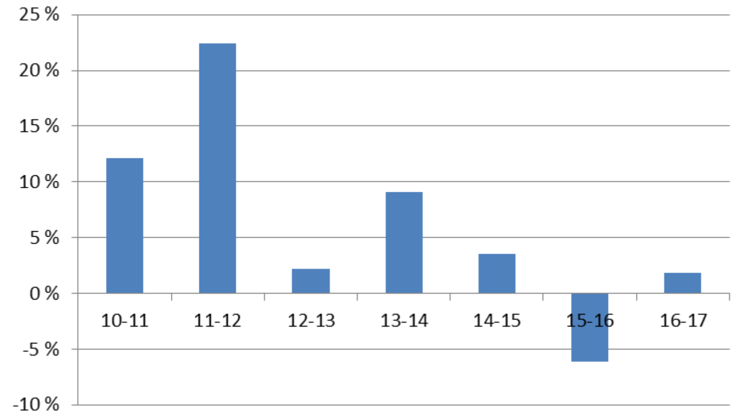
Guiding 2017 (1,000 tons gw e)	Rogaland	Finnmark	BC	Shetland	GSF Group
Q1	**3,8**	**1,5**	**1,3**	**1,8**	**8,4**
Growth %	0 %	-76 %	-5 %	-18 %	-39 %
Q2-Q4	**16,2**	**23,5**	**7,7**	**14,2**	**61,6**
Growth %	11 %	49 %	-18 %	25 %	21 %
Total	**20,0**	**25,0**	**9,0**	**16,0**	**70,0**
Growth %	9 %	13 %	-16 %	18 %	8 %

Supply outlook

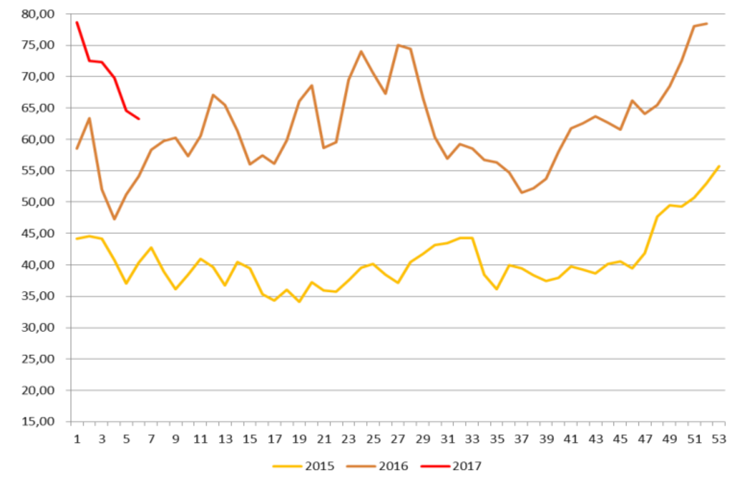
Low expected global supply growth 2017.

- Norway
  - 2016: -5%
  - 2017: 0% (1,055' MT)
- Chile
  - 2016: -15%
  - 2017: +4% (473' MT)
- North America
  - 2016: +6%
  - 2017: -3% (143' MT)
- UK
  - 2016: -4%
  - 2017: +7% (155' MT)

Global supply growth farmed salmon (YoY):



NASDAQ (Norway) price development :



Outlook summary/actions GSF

- Strong market expected ahead.
- Dividend of NOK 3 per share.
- Cost level down to the industry average, or lower.
- 10% annual increase in production 2018-2020.
- Harvest volume 2017 of 70,000 tons (+8% vs 2016).
- Expected fixed price contracts of 60% in Q1 2017.
- GSF's smolt programme - increasing number and size of smolt.
  - Increasing smolt input, especially in Finnmark.
  - Extending the smolt plant in Rogaland and Finnmark.
  - 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.

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
  - 4.90 NOK/share Q4 2016.
  - 1.37 NOK/share Q4 2015.
- Shareholder structure
  - Largest 20 have 73.51% of total no. of shares.

Shareholders

	No. shares	%
GRIEG HOLDINGS AS	55 801 409	49,97 %
FOLKETRYGDFONDET	3 390 000	3,04 %
OM HOLDING AS	3 105 000	2,78 %
YSTHOLMEN AS	2 928 197	2,62 %
MORGAN STANLEY AND CO INTL PLC	2 067 749	1,85 %
STATE STREET BANK AND TRUST COMP	1 814 836	1,63 %
VERDIPAPIRFONDET PARETO INVESTMENT	1 711 000	1,53 %
ARTIC FUNDS PLC	1 397 000	1,25 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %
THE BANK OF NEW YORK MELLON SA/NV	1 241 277	1,11 %
VERDIPAPIRFONDET PARETO NORDIC	1 036 000	0,93 %
CLEARSTREAM BANKING S.A.	1 017 577	0,91 %
VERDIPAPIRFONDET ALFRED BERG GAMBA	986 273	0,88 %
THE NORTHERN TRUST CO., LONDON BR	786 177	0,70 %
DANSKE BANK AS	784 914	0,70 %
STATOIL PENSJON	584 101	0,52 %
NORDNET BANK AB	556 800	0,50 %
UBS SWITZERLAND AG	550 645	0,49 %
STATE STREET BANK AND TRUST COMP	539 274	0,48 %
UBS EUROPE SE	533 432	0,48 %
Total 20 largest shareholders	**82 081 661**	**73,51 %**
Total other	29 580 339	26,49 %
Total numbers of shares	**111 662 000**	**100,00 %**

Profit and Loss

All figures in NOK 1,000	Q4 2016	Q4 2015	YTD 2016	YTD 2015
Total operating income	**2 069 178**	**1 189 313**	**6 603 591**	**4 638 370**
Share of profit from joint venture	989	-237	569	6 994
Change in inventories	1 521	157 315	338 449	132 503
Raw materials and consumables used	-1 048 193	-888 043	-3 660 262	-2 871 429
Salaries and personnel expenses	-132 980	-117 805	-483 473	-409 432
Other operating expenses	-388 475	-253 635	-1 457 214	-1 235 695
EBITDA	**502 039**	**86 907**	**1 341 661**	**261 311**
Depreciation and amortisation	-44 810	-47 112	-175 352	-164 547
Depreciation and amortisation of licenses	-1 363	-481	-5 036	-2 827
Impairment adjustments on assets	249	3 805	6 472	-46 195
EBIT before biomass adj	**456 115**	**43 118**	**1 167 745**	**47 742**
Fair value adj biological assets	227 036	161 252	515 741	33 209
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