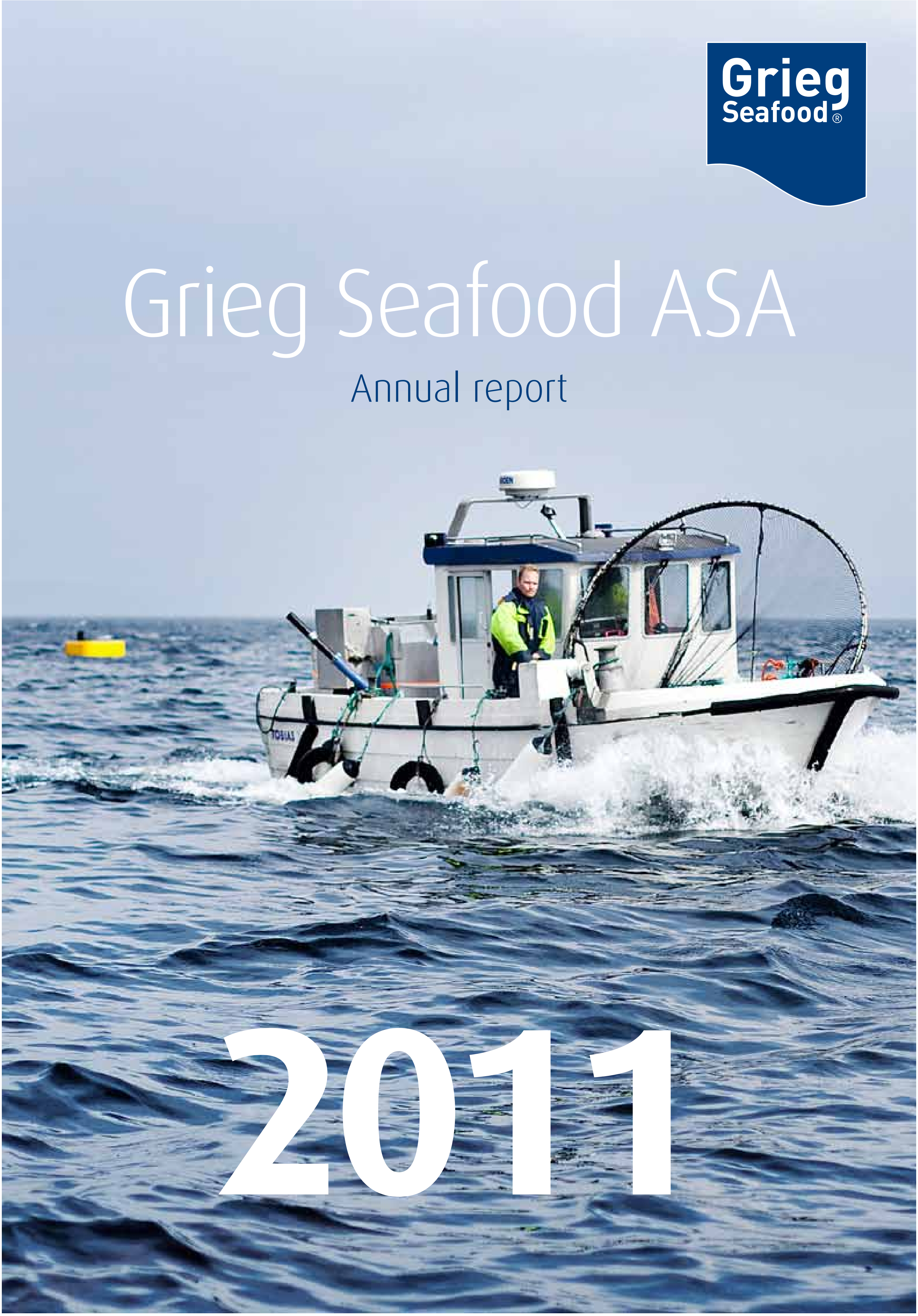
Grieg Seafood ASA

Annual report

2011



Directors' Report

Grieg Seafood ASA (the "Company") is the parent Company of the Grieg Seafood Group (the "Group"). The companies of the Group are engaged in the production and sale of seafood, and in naturally related activities.

The Group is one of the world's largest producers of farmed salmon and trout, with a production capacity of around 90 000 tons gutted weight annually. The Group has 103 licences for salmon production and four licences for smolt production. The Group shall be a leader in the area of aquaculture. The Group's commercial development is based on profitable growth and the sustainable utilisation of nature, and being a preferred supplier to selected customers.

The Group has operations in Finnmark and Rogaland in Norway, in British Columbia in Canada, and on Shetland (UK). The head office is in Bergen, Norway.

Grieg Seafood ASA has been listed on the Oslo Stock Exchange since June 2007.

Financial Statements 2011
The consolidated financial statements are prepared in accordance with international accounting principles (IFRS).

- The main features of 2011 were as follows:A strong market characterised by reduced supply in the first half of the year was replaced by strong supply-side growth and low prices in the second half of the year.

- The purchase of the remaining 51.3% shareholding in Erfjord Stamfisk AS and two licences in Shetland in the first half of 2011.

- A good biological situation and sea production in Norway and Canada.

- Considerably improved sales in Norway in the second half of 2011 following the establishment of the new Norwegian sales company, Ocean Quality AS.

- A major programme of investment in smolt production in all four regions aimed at reducing future production costs.

The Group had a turnover of NOK 2 047m in 2011, a reduction of 16% compared to the previous year. The operating profit before fair value adjustment of biological assets was NOK 20.6m, against NOK 639.7m in 2010. The results for 2010 included a positive one-time effect of NOK 72.4m related to the reversal of a previous write-down of licence values in Finnmark. A key feature of the first half of 2011 was reduced supply due to a lower harvested volume in Chile, only to be followed by a record-high supply-side increase in the last half-year which resulted in very low prices during the same period. After fair value adjustments of biological assets the result was a loss of NOK 189.6m, against a profit of NOK 847.4m in 2010. The operating was -9%, compared with 34.6% in 2010. The pre-tax profit was a loss of NOK 195.2m, against profits of NOK 857.8m in 2010.

Major investments, dividend payment, and increase in the level of capital tied up in biological assets in the sea and a falling salmon market in the second half of 2011 led to a slight weakening of the Group's financial position in the course of 2011. In this connection a second lien bank loan was arranged for NOK 300m. This is an instalment-free loan with annual renewal, and it is guaranteed by Grieg Holdings AS. Interest-only terms have also been granted for the Group's other loans for a period of one year. The NIBD/EBITDA loan requirement has been lifted for 2 years and replaced by a minimum amount for the accumulated EBITDA throughout this period. All loan covenants were met at the end of 2011.
A total of 60 000 tons gw was harvested in 2011, a reduction of 4 200 tons on the previous year. The harvested volume in 2012 is expected to increase by 18%.

A number of research and development projects are a feature of activities in the Group's regions at any given time. There is an on going process of developing competence which, in turn, is reflected in an enhanced performance on the biology side. The two main areas of attention are still fish feed and fresh water/smolt.

It is the view of the Board that the financial statements give a true and fair presentation of the Group's assets and liabilities, financial position and accounting results.

The Board proposes that no dividend be paid for 2011.

Operational regions
In Rogaland the operating profit before fair value adjustment of biological assets was NOK 104.4m in 2011, corresponding to NOK 6.5 per kilo. Both sea production and the biological situation were good in this region throughout the year and the first placements of smolt from the new recirculation plant took place in the autumn of 2011. To date, the results from this installation have been in line with expectations.

In Finnmark the operating profit before fair value adjustment of biological assets was NOK 55.5m, corresponding to NOK 3.40 per kilo. The profit includes a one-time charge of NOK 19m linked to write-downs of two locations which had previously had biological problems. There were no special biological challenges in this region in 2011. The sea temperature was above normal in the second half of 2011. Sea production was at a good level throughout the year, also in the first half-year, despite the fact that at times the sea temperature was slightly lower than normal during this period.

In British Columbia, Canada, the operating profit before fair value adjustment of biological assets was NOK 38m, corresponding to NOK 2.90 per kilo. The profit includes one-time costs of NOK 14.1m related to an outbreak of furunculosis in the young fish plant, restructuring of brood stock production and a write-down of the refrigerated storage unit. The area where furunculosis affected the young fish plant has now been laid fallow. Sea production was at a good level throughout the year and the biological situation in the sea was also good.

In Shetland the operating profit before fair value adjustment of biological assets was NOK 5.9m, corresponding to NOK 0.40 per kilo. The biological situation was good throughout the year in this region, but the take-out cost was high. This was due to the 2009 S0-generation which experienced two unusually cold winters and had serious problems with predators.

Ocean Quality AS
Ocean Quality AS was established in the fourth quarter of 2010 and is owned by Grieg Seafood ASA (60%) and Bremnes Seashore AS (40%). 2011 was therefore the first full year of operations.

Before supplier bonuses, Ocean Quality recorded an operating profit of NOK 29.9m for 2011, against NOK 3.1m in 2010. Turnover in 2011 stood at NOK 1 954.9m against NOK 344.6m in 2010.
The sales performance improved considerably in the course of the year, in line with the strategy that was drawn up on establishment of the company. The organisation was developed and strengthened throughout the year, as was the market and customer portfolio where was an increased focus on activities targeted at the end-user segment.

At year-end the company had 16 employees, comprising 10 men and 6 women.

Cash flow
In 2011, the net positive change cash flows amounted to NOK 8.7m, against NOK 2.3m in 2010, while net capital investments stood at minus NOK 385.6m, compared with minus NOK 262.8m in 2010. The cash flow from operations was NOK 215.4m, against NOK 594.7m in 2010. The net cash flow from financing activities was NOK 178.9m against minus NOK 329.7m in 2010. At year-end 2011 the disposable cash balance was NOK 152.6m.

Balance Sheet
Group equity at 31 December 2011 stood at NOK 1 690.1m, against NOK 1 982.4m at year-end 2010. The equity ratio declined in the course of the year, ending at 40.5%. Total assets at year end amounted to NOK 4 172.2m, with goodwill accounting for NOK 105.4 and licences NOK 987.6m.

Grieg Seafood ASA
The financial statements for the parent company have been prepared in accordance with generally accepted accounting principles in Norway (NGAAP).

The Company reported a pre-tax profit of NOK 50.5m, against NOK 160.4m in the previous year. The net change in cash flows was minus NOK 14.5m, compared with a positive change of NOK 4.4m in 2010. Net capital investments during the year totalled minus NOK 244.8m, compared with NOK 298.5m in 2010. The cash flow from operations was NOK 52.5m, against NOK 70.9m in 2010. At year-end 2011 the disposable cash balance was NOK 92.1m.

Post-balance sheet development
Key events since year-end:

In 2012 the Company entered into an agreement providing for an extended funding framework which includes replacing a short-term loan of NOK 200m which was taken up in the fourth quarter of 2011. The new agreement provides a liquidity framework of NOK 400-450m and is composed of the following elements:

- NOK 300m in the form of a second lien loan. The loan is instalment-free, with annual renewal, and is guaranteed by Grieg Holdings AS.
- NOK 72m with interest-only payment in 2012.
- NOK 50-80m from factoring in Ocean Quality AS. This will reduce Grieg Seafood's working capital requirement correspondingly. The liquidity effect will vary between NOK 50m and NOK 80m, depending on seasonal sales fluctuations. For accounting purposes, Ocean Quality is defined as a jointly controlled entity and is therefore not consolidated with the Group.

At the same time, the Group's loan terms for 2012 and 2013 have been changed. The NIBD/EBITDA requirement has been suspended for both years and replaced by a minimum amount for accumulated EBITDA throughout the period. In addition, the Group's minimum equity ratio can be reduced from 35% to 33% in any one quarter, provided that the minimum level of 35% is re-established in the following quarter.

Going concern assumption
In accordance with the provisions of the Norwegian Accounting Act, The Board confirms that the financial statements have been prepared on a going concern basis. The Company has established a new funding framework which provides liquidity of NOK 400-450m. The funding requirement is based on a three-year forecast which incorporates relatively conservative estimates of salmon prices and shows that the requirements for continued operations have been met.

Accounting results and allocations
In 2011 the parent company, Grieg Seafood ASA, had a profit for the year of NOK 34 105k which the Board proposes to allocate as follows (all amount in thousands):

Allocation to other equity	NOK 34 105
Total	**NOK 34 105**

At 31 December 2011 the Company's distributable equity totalled NOK 826 484k.

Risk
The group is exposed to risks in a number of areas, such as biological production, changes in salmon prices, the risk of political trade barriers, as well as financial risks such as changes in interest and exchange rates and liquidity.

The Group's internal control and risk exposure are subject to continuous observation and improvement, and the work of reducing risk in different areas has a high priority. There is also on-going assessment of financial and contractual hedging, in combination with operational initiatives.

The Company draws up rolling cash flow forecasts extending over three years. These forecasts use conservative salmon price assumptions, and the liquidity requirement is calculated on this basis. It is this projection that formed the basis of the increased funding framework mentioned above. This gives a good picture of the Company's liquidity exposure. With the new funding framework now in place, the level of liquidity exposure is considered to be satisfactory. Reference is also made to further information provided in note 3 to the consolidated accounts.

The Group is exposed to variations in interest rates and foreign exchange rates when funding its activities in the different regions. Our main strategy is to reduce currency risk by financing the business in the local currency. Exceptions to this practice were made in 2011. All of the Company's bank loans were converted into NOK in the course of the year. This was done since the loan framework from the bank syndicate is measured in NOK and there was a wish to ensure that the size of the financial framework was not influenced by the loan currency.

The Company's existing loans have mainly at floating rates, but separate fixed interest contracts have been entered into in order to reduce the interest rate risk.

Internal control
Internal control is understood to mean what the Group does, through the organisation of its activities and procedures, to safeguard values for both itself and its customers, and also through safe operations and the achievement of stipulated goals. The achievement of goals also requires systematic strategy work and planning, the identification of risk areas, and the establishment and implementation of controls to ensure that the goals are achieved.

Internal control is a continuous process that is initiated and monitored by the Company's Board of Directors, management and other employees. The aim of internal control is make reasonably sure that goals are achieved in the following areas:

- Targeted, effective and appropriate operations.
- Reliable internal and external reporting.
- Compliance with laws and regulations, and with internal guidelines.

The Company has established a framework to manage and eliminate as many as possible of the risks that could be a hindrance to the achievement of our goals. In this connection, we refer to the document on Principles of Corporate Governance for Grieg Seafood ASA for further information.

Corporate social responsibility and the environment
The Grieg Seafood Group is committed to the sustainable use of natural resources and the development of the organisation based on high ethical standards. Targets and detailed plans have been adopted for the implementation of initiatives in these areas.

The fish farmer has overall responsibility for the wellbeing of the fish and for ensuring that at all times the fish are kept in their natural surroundings environment under optimal conditions. The Group selects locations with deep water and good currents. The density of the fish in the pens shall not exceed 20 kg per m^3 or a maximum of 2% of the pen's volume.

The Group has drawn up a designated health plan which stipulates how all production operations are to be performed. The fish are systematically examined by a veterinarian. The Group attaches great importance to preventive measures and a rapid reaction in the event of disease or local pollution. This is important not only to protect the environment and fish health, but also to safeguard production quality and profitability. The steps taken shall be in accordance with the Group's designated health plan. Measures have been implemented to prevent the escape of farmed fish. The objective is to conduct operations that do not cause any permanent damage to the environment.

Salmon lice are natural parasites that are found on wild salmon. The Group has a programme for monitoring the level of lice on the farmed salmon and carrying out delousing when necessary. Wrasses are also used to delouse the fish.

As a user of natural resources such as clean water and feed from wild fish, the Group has a responsibility which extends beyond its own operations. The Group requires its feed suppliers to ensure that the feed is based on sustainable supplies of raw materials.

Since 2003 Grieg Seafood in Canada has been a supporting member of the Nootka Sound Watershed Society, an organisation whose activities include monitoring the health situation among wild salmon on the west coast of Vancouver.

Grieg Seafood has decided to restructure all of its production in Shetland to facilitate the production of one generation at a time per site. This was also done at one location in BC, Canada, at the start of 2010. The intention is to ensure biosecurity in these areas. This is a prerequisite for sound profitability and optimal fish farming operations. Additionally, certain sites will be held fallow by all of the producers for a period of time to reduce potentially negative effects on the ecosystem in the areas surrounding our production sites.

Corporate Governance

The activities of Grieg Seafood ASA are conducted in accordance with Norwegian law and regulations for good corporate governance (Norwegian Corporate Government Board's Code of Practice). The Company seeks to comply with all relevant laws and regulations and the Norwegian Code of Practice for Corporate Governance. This also applies to all other companies which are controlled by the Group. The document of principle which is enclosed along with the Annual Report therefore applies to all companies of the Group, in as far as it goes.

The Group's Audit Committee held eight meetings in 2011 to review the Company's accounts and operations. The Audit Committee consists of Wenche Kjølås (chair) and Terje Ramm.

Employees

Of the Group's 617 employees at year-end 2011, 308 were in Norway, 200 in Shetland and 108 in Canada. The Board wishes to thank the employees for their untiring efforts in 2011.

The Group has a preponderance of male managers and employees. In total, there are 484 men and 133 women. The Group has seven women in managerial positions. The Group's employee policy is to take the steps necessary to retain and attract qualified personnel of both sexes.

Grieg Seafood's position as an international concern is also reflected in the fact that 26 different nationalities are represented in the Group's workforce. The Group accepts no kind of discrimination related to gender, religion, cultural or ethnic background, disability, or in any other way. Our aim is to conduct our activities on the basis of equality and respect.

The incidence of short-term sick leave within the Group in 2011 stood at 3.5%, while the figure for long-term sick leave was 1.5%. During the same period, 6 injuries were recorded by the Group. All administration of human resources is managed locally in accordance with local regulations andinstructions, and in conformity with internal guidelines for the Group. The working environment within the Group is satisfactory.

The Company had 13 employees at the head of in Bergen, of whom four men and one female employee were in senior positions. Short-term sick leave within the Company stood at 0.7%, while the long-term figure was 0.0%. No injuries or accidents were recorded by the Company in 2011.

Outlook

The Group expects the current production plans to result in a harvest volume of 71 000 tons in 2012, reflecting growth of 18% compared with 2011.

Under the Group's hedging policy a volume of up to 50% of the expected harvest volume in Norway can be hedged through fixed delivery contracts or financial price hedging contracts. In 2011 the Group had hedging contracts at relatively high price levels. As one of our contract counterparties has gone into liquidation and another has entered into a voluntary arrangement, the price contracts have not had the positive effect that could be expected from the hedged portion. As yet, no price contracts of significance have been entered into by the Group for 2012.

An improvement in raw material prices for fish feed, combined with a better catch in Peru, have led to somewhat lower feed costs as 2012 starts.

Strong supply-side growth is expected to be maintained in 2012, with negative repercussions for market equilibrium and the likelihood that prices will remain lower than usual. Unusually good production conditions in the first part of the winter have contributed to further growth in supply in the short term. Higher demand brought about by lower prices for the end-user, as well as broader distribution in new markets, has led to a positive trend in demand, confirming the underlying positive situation for sales of salmon. Market equilibrium will gradually improve, while supply-side growth will decrease due to a lack of production capacity and lower prices.

Statement from the Board of Directors and CEO
The Company does not pollute the external environment. In relation to the Group, we refer to the section on corporate social responsibility and the environment. The working environment is satisfactory within the Company and the Group.

We hereby confirm that the financial statements for the period from 1 January to 31 December 2011 to the best of our knowledge have been prepared in accordance with applicable accounting standards and give a true and fair view of the Group and of the Group's assets, liabilities, financial position and overall results. We also confirm that the Directors' Report gives a true and fair view of the development and performance of the business and the position of the Company and the Group, as well as a description the principal risks and uncertainties facing the Company and the Group.

Bergen, 22 March 2012

The Board of Directors of
Grieg Seafood ASA

Per Grieg jr Chairman	Asbjørn Reinkind Vice Chairman	Ingelise Arntsen
Terje Ramm	Wenche Kjølås	

PRINCIPLES

OF

CORPORATE GOVERNANCE

for

GRIEG SEAFOOD ASA

Adopted by the Company's Board of Directors on 20 April 2007, updated on 22 January 2010, 4 April 2011 and 22 March 2012.

1. INTRODUCTION

1.1 Account of Corporate Governance
The Board has resolved to adopt the Norwegian Code of Practice for Corporate Governance. The contents of the Code of Practice and the consideration of the principles by Grieg Seafood ASA (the "Company") have been reviewed. The Grieg Seafood Group (the "Group") has updated the existing rules and defined values on this basis.

1.2 Operations
The Company is the parent company of a group where companies of this group are engaged in the production and sale of seafood and naturally related activities. The Company is established and registered in Norway and is required to comply with Norwegian law, including laws and regulations pertaining to companies and securities. The object of the Company is to engage in the production and sale of seafood and naturally related activities, including investment in companies engaged in the production and sale of seafood and other naturally related activities.

The Company aims to comply with all relevant laws and regulations and with the Norwegian Code of Practice for Corporate Governance. This also applies to all companies which are controlled by the Group. This document of principle therefore applies to all companies of the Group.

The Group's core values are to be open, respectful and ambitious.

The Group shall be managed applying the following principles:

- We shall be open and honest.
- We shall become better day by day.
- We do what we say.
- We are positive and enthusiastic.
- We care.

The Group is committed to the sustainable use of natural resources and the development of the organisation based on high ethical standards. Targets and detailed plans have been adopted for the implementation of initiatives in these areas..

The fish farmer has overall responsibility for the wellbeing of the fish and for ensuring that at all times the fish can be kept in their natural surroundings under optimal conditions. The Group selects locations with deep water and good currents.

The Group has drawn up a designated health plan which stipulates how all production operations are to be performed. The fish shall be systematically examined by a veterinarian. The Group attaches great importance to preventive measures and a rapid reaction in the event of disease or pollution. This is important not only to protect the environment and fish health, but also to safeguard production quality and profitability. The steps to be taken shall be in accordance with the Group's designated health plan. Measures have been implemented to prevent the escape of farmed fish. The objective is to conduct operations that do not cause any permanent damage to the environment.

As a user of natural resources such as clean water and feed from wild fish, the Group has a responsibility which extends beyond its own operations. The Group requires its feed suppliers to ensure that the feed is based on sustainable supplies of raw materials.

1.3 Company management
Control and management of the Company is divided between the shareholders, represented through the General Meeting, the Board of Directors and the managing director, and is exercised in accordance with prevailing company legislation.

2 Board of Directors

2.1 Duties, work plan

The Company is managed by an effective Board of Directors (the Board) who has shared responsibility for the success of the Company. The Board represents and is accountable to the Company's shareholders.

Each year the Board shall draw up a work plan for its activities.

The Board's duties include drawing up the Group's strategy and ensuring that the adopted strategy is implemented, effective supervision of the managing director, control and supervision of the Group's financial situation, internal control and the Company's responsibility to and communication with the shareholders.

The Board shall initiate any investigations it considers necessary at any given time to perform its duties. The Board shall also initiate such investigation that is requested by one or more Board members.

2.2 Internal control

The Group's internal control comprises all operations and routines designed to safeguard their own and their shareholders' interests, as well as achieving goals through sound operations. Achievement of goals requires systematic strategy work and planning, identification of risk, choice of risk profile, and establishment and implementation of controls to ensure that the goals are achieved.

Internal control is an on-going process that is initiated, implemented and monitored by the Company's Board of Directors, management and employees. Internal control is designed to provide reasonable assurance that the Company's goals will be reach in the following areas: Targeted, efficient and appropriate operations.Reliable internal and external reporting.Compliance with laws and regulations, including internal guidelines.

The Group has established a framework designed to manage and eliminate the majority of the risk which might prevent the Group from achieving its goals. The framework contains a description of the Group's risk management policy along with all governance processes relevant for the corporate finance area. Risk assessment of the most vital transactional processes is in progress. To emphasize the importance of key controls, and the establishment of these, a detailed description of the transactional processes per region is being carried out. Subsequently, all processes are assessed with regard to the probability and consequence of undesirable incidents. By implementing relevant key controls in all regions the Group intend to reduce the consequence of undesirable incidents and/or reducing the probability of occurrence.

As an integrated part of the framework an authority matrix has been established reflecting the roles in the Group.

The Group's core values, external guidelines and social corporate responsibility constitute the external outer framework of internal control. The Group is decentralised and considerable responsibility and authority are therefore delegated to the regional operating units. Risk management and internal control are designed to take account of this. At least once a month the Board shall receive a report stating whether controls have been carried out in accordance with adopted control procedures.

The Board has stipulated procedures for the implementation and reporting of internal controls for both the Company and the Group.

Each year the auditor carries out a review of internal control which is an element of financial reporting. The auditor's review is submitted to the Audit Committee.

The Group's activities entail various kinds of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's governing risk management plan focuses on the unpredictability of the capital markets and seeks to minimise the potential negative effects on the Group's financial results. To some extent, the Group uses financial derivatives to hedge against some risks. Risk management is drawn up at Group level and involves identifying, evaluating and hedging financial risk in close cooperation with the Group's operational units. The Board has established written principles for risk management related to foreign exchange and interest rate risk and the use of financial instruments.

2.3 Composition

2.3.1 Number of Board members

Under the Articles of Association the Board shall have up to seven members.

2.3.2 Election period

Board members are elected for a period of two years.

2.3.3 Independent Board members

The Board members are presented in the Annual Report and on the Company's homepage showing the Board members' competence, relationship to main shareholders, and a description of Board members who are deemed to be independent. No overview of participation at Board meetings is included in the Annual Report. An overview of the Board members' ownership of shares in the Company appears in the relevant note to the accounts in the Annual Report. The Company does not otherwise diverge from the Code of Practice.

There is compliance with the required number of independent Board members contained in the Code of Practice.

2.4 Nomination Committee

On 13 February 2009 the Annual General Meeting (AGM) approved a resolution to establish a nomination committee. This is described in article 8 of the Article of Association. At the same time, the AGM adopted instructions for the nomination committee.

The present nomination committee was elected at the AGM on 27 May 2011 and comprises Arthur Duus (chair), Hanne Refsholt and Frode Teigen. The Company does not diverge from the Code of Practice.

2.5 Instructions

The Board has drawn up instructions for its members and the Management which contain a more description of the Board's duties, meetings, the managing director's duties in relation to the Board, the meeting schedule for the Board, participation, separate entries in the Minutes and duty of confidentiality.

The respective roles of the Board and the managing director are separate and there is a clear division of responsibility between the two. Separate instructions have been drawn up for the group managing director. He/she is responsible for the Company's senior employees. The Board underlines that special care must be exercised in matters relating to financial reporting and remuneration to senior employees.

In matters of importance where the chairman of the Board is or has been actively involved, Board discussions shall be chaired by the vice chairman.

The instructions for the Board and Management were last revised by the Board on 22 January 2010.

2.6 Annual assessment

Each year, in connection with the first Board meeting in the calendar year, the Board shall make an assessment of its work in the previous year.

2.7 Audit Committee

The Board has set up a sub-committee (audit committee) comprising a minimum of two and a maximum of three elected members, in addition to the Board members, and has drawn up a mandate for its work.

The committee assists the Board in the work of exercising its supervisory responsibility by monitoring and controlling the financial reporting process, systems for internal control and financial risk management, external audits and procedures for ensuring that the Company complies with laws and statutory provisions, and with the Company's own guidelines.

2.8 Remuneration Committee

The Board has set up a sub-committee (remuneration committee) comprising not less than two members. The committee shall hold discussions with the group managing director concerning his/her financial terms of employment. The committee shall submit a recommendation to the Board concerning all matters relating to the group managing director's financial terms of employment.

The committee shall also keep itself updated on and propose guidelines for the determination of remuneration to senior employees in the Group. The committee is also the advisory body for the group managing director in relation to remuneration schemes which cover all employees to a significant extent, including the Group's bonus system and pension scheme. Matters of an unusual nature relating to personnel policy or matters which it is considered entail an especially great or additional risk, should be put before the committee.

The composition of the committee is subject to assessment each year.

3 Remuneration to Board members and employees

3.1 General

Proposals concerning Board remuneration are submitted by the nomination committee. Remuneration to Board members is not linked to the Company's results. None of the Board members have special duties in relation to the Company which are additional to those they have as Board members. Board remuneration shall be shown in the financial statements of both the Company and the Group.

3.2 Remuneration to senior employees

The group management consists of the group managing director and the financial director. The Group has an extended management group of nine comprising the group managing director, the financial director, the group accounting manager, four regional managers (the respective managers of fish farming activities in Rogaland, Finnmark, Shetland and British Colombia), and the two people responsible for feed/nutrition and biology, respectively.

The objective of the guidelines for determination of salary and other remuneration to senior employees within the group is to attract people with the required competence and at the same time retain key personnel. The guidelines should also motivate the employees to work with a long-term perspective to enable the Group to achieve its goals.

The determination of salary and other remuneration to the Group's senior employees is therefore based on the following guidelines:

- Salary and other remuneration shall be competitive and motivating for each manager and for everyone in the senior management group.
- Salary and other remuneration shall be linked to value creation generated by the Company for the shareholders.
- The principles used to determine salary and other remuneration shall be simple and understandable to employees, the shareholders and the public at large.
- The principles used to determine salary and other remuneration shall also be sufficiently flexible to allow adjustments to be made on an individual basis in the light of the results achieved and the contribution made by the individual to the development of the Group.

The salary paid to the members of the senior management group consists of a fixed and a variable element. Under the bonus scheme in force the variable salary under the scheme cannot exceed five times the monthly salary. Each year, information about the provisions of the bonus scheme is included in the Group declaration on the determination of salary to the senior management group, and appears in the financial statements for the Group, see note 5.

On 20 April 2007 and 6 May 2009 the AGM approved a share options programme for the Group's senior employees. The group managing director, the financial director and the four regional managers are included in the share options programme. The options agreements have been entered into within the framework of the resolution adopted by the AGM. Minutes of this AGM can be accessed on the Company's homepage.

This has been followed by the establishment of a synthetic options programme. Options agreements with members of the senior management group have been entered into within the framework of the adopted resolution. The Board has decided to continue the option programme, and will issue 1 400 000 new options on 27 March 2012.

Remuneration for the group managing director is determined at a meeting of the Board of Directors.

The salary payable to the other members of the senior management group is determined by the group managing director. The group managing director shall discuss the remuneration which he/she proposes with the chairman of the Board before the amount of remuneration is determined.

General schemes for the allocation of variable benefits, including bonus schemes and options programmes, are determined by the Board. Schemes which entail an allotment of shares, subscription rights, options and other forms of remuneration which are related to shares or the development of the Company's share price, are determined by the AGM.

The Company does not diverge from the Code of Practice.

3.3 Severance pay

The group managing director is entitled to 18 months' severance pay after dismissal or changes in the position of group managing director or in the terms and conditions of employment, and 12 months' salary during illness. The Chief Financial Officer (CFO) is entitled to 12 months' severance pay after dismissal.

4 Information and communication

4.1 Financial information

The Company shall at all times provide its shareholders, Oslo Stock Exchange and the finance market in general (through the Oslo Stock Exchange information system) with timely and accurate information. The Board shall ensure that the quarterly reports from the Company give a correct and complete picture of the Group's financial and commercial position, and whether the Group's operational and strategic objectives are being reached. Financial reporting shall also contain the Group's realistic expectations of the Group's commercial and performance-related development.

The Company publishes all information on its own homepage and in press releases. Quarterly reports, annual reports and press releases are presented as they arise on the Company's homepage in accordance with the Company's financial calendar.

The Company shall have an open and active policy in relation to investor relations and shall hold regular presentations in connection with the annual and interim results.

4.2 Shareholder information

The Board shall ensure that information is provided on matters of importance for the shareholders and for the stock market's assessment of the Company, its activities and results, and that such information is made publicly available without undue delay. Publication shall take place in a reliable and comprehensive manner and by using information channels which ensure that everyone has equal access to the information.

All information shall be provided in both Norwegian and English. The Company has procedures to ensure that this is done. The chairman of the Board shall ensure that the shareholders' views are communicated to the entire Board.

5 Share tradability

The Company's shares may be traded freely.

6 Equal treatment of shareholders. Transaction with related parties

6.1 Share class

The Company has only one class of shares.

6.2 Own shares

If the Company trade in its own shares, the Code of Practice shall be observed.

6.3 Approval of agreements with shareholders and other related parties

All transactions of no lesser significance between the Company and a shareholder, Board member or a senior employee (or their related parties) shall be subject to a value assessment by an independent third party. If the consideration exceeds one twentieth of the Company's share capital transaction of this kind shall be approved by the General Meeting, in so far as this required under Section 3-8 of the Norwegian Limited Companies Act.

Board members and senior employees shall inform the Board if they have any significant interest in a transaction to which the Company is a party.

6.4 Capital increases

In the event of a waiver of the shareholder's preferential subscription right, the Code of Practice shall be followed.

7 Audit

The Board seeks to have close and open cooperation with the Company's auditor. Each year the Board obtains confirmation that the auditor meets the requirements of the Act on auditing and auditors concerning the independence and objectivity of the auditor

The auditor's schedule of audit work is submitted to the audit committee once a year. In particular, the Board considers whether, to a satisfactory extent, the auditor performs a satisfactory control function.

Bothe the Company management and the auditor comply with guidelines issued by the Ministry of Finance concerning the extent to which the auditor can provide advisory services.

The auditor attends Board meetings which deal with the annual accounts. The Board also has a meeting with the auditor at least one a year to review the auditor's report on the auditor's view of the Group's accounting principles, risk areas and internal control procedures. Moreover, each year the Board has a meeting with auditor when neither the managing director nor anyone else from the management is present.

The auditor also attends meetings of the audit committee to consider relevant matters. The auditor's fee appears in the relevant note to the annual accounts showing the division of the fee between audit and other services.

8 Group equity and dividend policy

8.1 Equity

At any given time the Group shall have a level of equity which is appropriate in relation to the Group's cyclical activities.

8.2 Dividend

The Group's objective is to give the shareholders a competitive return on invested capital dividend payments and value appreciation of the share, which is at least at the same level as other companies with comparable risk. The future dividend will depend on the Group's future earnings, financial situation and cash flow. The Board believes that the dividend paid should develop in pace with the growth of the Group's profits, while at the same time ensuring that equity is at a healthy and optimal level and that there are adequate financial resources to prepare the way for future growth and investment, and taking account of the wish to minimise capital costs. The Board believes it is natural that the average dividend, over a period of several years, should correspond to 25-35% pre-tax profit, adjusted for the accounting effect of fair value adjustment of biological assets.

8.3 Board authorisation

The Board has general authorisation to increase the Company's share capital through share subscription for a total amount not exceeding NOK 44 664 800 divided into not more than 11 162 200 shares of nominal value NOK 4 each.

This authorisation remains in effect until 30 June 2012 and replaces the authorisation approved by the AGM on 27 May 2011

The Board has a general authorization to obtain Company shares as regulated by chapter 9 in the Norwegian Public Limited Companies Act (Allmennaksjeloven) for a total amount not exceeding NOK 44 664 800. The Company shall pay at least NOK 4 per share, but not more than NOK 40 per share when obtaining Company shares.

This authorization is valid until the next AMG, but not later than 30 June 2012.

The Company will follow the Code of Practice when new proposals are made concerning Board authorisations to affect(??) capital increases.

9 General Meetings

The shareholders represent the Company's highest decision-making body through the General Meetings.

The Company's AGM (AGM er forklart i pkt. 2.4) shall be held each year before the end of June. The AGM shall consider and, if thought fit, adopt the annual financial statements, the annual report and the dividend, as well as deciding on other matters which under current laws and regulations pertain to the AGM.

The Board may convene an Extraordinary General Meeting (EGM) at any time whatsoever when it considers this necessary or when such a meeting is required under current laws or regulations. The Company's auditor and any shareholder or group of shareholders representing more than 5% of the Company's share capital may require the Board to convene an EGM.

The Board convenes General Meetings at least 21 days before the date of the meeting. During the same period, the notice of meeting and the documents pertaining to matters to be considered at the General Meeting shall be accessible on the Company's homepage. The same applies to the nomination committee's recommendation. Shareholders who are unable to attend may vote by proxy. An authorisation form giving the opportunity to show how the vote is to be cast for each matter to be considered will be enclosed along with the notice of meeting, and it will also be possible to give authorisation to the chairman of the Board or the managing director of the Company.

The Company will publish the Minutes of meetings of the General Meetings on its homepage and make them available for inspection at the Company's registered office.

The Board shall have no contact with the Company's shareholders outside the General Meetings in a manner which could be deemed to be differential treatment of shareholders or which could be in conflict with current laws or regulations.

10 Change of control. Takeovers

The Company has no established mechanisms which can prevent or act as a deterrent to takeover bids, unless this has been resolved by the General Meeting by a majority of two thirds (of the votes cast and of the share capital represented). The Board will not use its authorisation to prevent a takeover bid without the approval of the General Meeting after the takeover bid has become known. If a takeover bid is received, the management and the Board will ensure that all shareholders are treated equally. The Board will obtain a value assessment from a competent independent party and advise the shareholders whether to accept or reject the bid. The shareholders will be advised of any difference of views among the Board members in the Board's statement on the takeover bid.

* * *

Bergen, 22 March 2012

Per Grieg jr Chairman	Asbjørn Reinkind Vice Chairman	Ingelise Arntsen
Terje Ramm		Wenche Kjølås

GRIEG SEAFOOD ASA GROUP

Consolidated Income Statement

Amounts in NOK 1 000	Note	2011	2010
Sales revenue	7	2 046 991	2 446 490
Other income	7	16 568	10 161
Other gains and losses	7	201	-763
Share of profit from associated companies and jointly controlled activities	13	13 704	4 747
Changes in inventories	19,20	197 753	-10 412
Raw materials and consumables used	19,20	-1 087 430	-932 118
Salaries and personnel expenses	9,10	-238 382	-238 409
Other operating expenses	9	-603 585	-592 752
Operating profit before depreciation and fair value adjustments of biological assets		**345 820**	**686 944**
Depreciation	17	-136 984	-115 912
Amortisation of licenses and other intangible assets	16	-3 222	-3 662
Reversal of previous amortisation of licences	6, 16	0	72 385
Operating profit before fair value adjustment of biological assets		**205 613**	**639 754**
Fair value adjustment of biological assets	20	-395 180	207 629
Operating loss /profit		**-189 567**	**847 383**
Income from associated companies	13	25 165	7 590
Financial income	12	31 141	54 675
Financial expenses	12	-61 963	-51 882
Net financial result		**-5 657**	**10 383**
Loss / profit before taxes		**-195 224**	**857 766**
Income tax expense/(income)	23	72 064	-226 727
Loss / profit for the year		**-123 159**	**631 039**
Result to shareholders of parent company		-123 159	631 039
Basic earnings per share (NOK)	14	-1,11	5,65
Diluted earnings per share (NOK)	14	-1,11	5,64

Comprehensive Income

Amounts in NOK 1 000	Note	2011	2010
Loss / profit for the year		**-123 159**	**631 039**
Other comprehensive income			
Currency translation effects		-1 059	4 476
Other gains and losses		678	-24
Total comprehensive income for the year after taxes		**-381**	**4 452**
Total comprehensive income for the year		**-123 540**	**635 491**
Result to shareholders of parent company		-123 540	635 491

Items in comprehensive income after taxes.

GRIEG SEAFOOD ASA GROUP

Consolidated Balance Sheet

Amounts in NOK 1 000

Assets	**Note**	**2011**	**2010**
Goodwill	**16**	105 373	90 540
Licences	**16**	987 596	926 170
Other intangible assets	**16**	4 618	3 160
Property, plant and equipment	**17**	1 126 699	923 546
Investments in associated companies and jointly controlled activities	**13**	37 387	33 456
Loans to associated companies	**31**	996	3 449
Available-for-sale financial assets	**11**	1 307	557
Other non-current receivables	**22, 31**	311	1 958
Total non-current assets		**2 264 287**	**1 982 836**
Inventories	**19**	67 355	58 409
Biological assets	**20**	1 404 934	1 564 041
Accounts receivable	**21, 3**	223 682	265 350
Other current receivables	**22**	58 139	43 265
Derivatives and other financial instruments	**3**	1 178	0
Cash and cash equivalents	**18**	152 622	143 727
Total current assets		**1 907 910**	**2 074 792**
Total assets		**4 172 197**	**4 057 628**

GRIEG SEAFOOD ASA GROUP

Consolidated Balance Sheet

Liabilities and equity	Note	2011	2010
Share capital	**24**	446 648	446 648
Own shares	**24**	-5 000	0
Other equity		1 625	1 561
Retained earnings and other reserves		1 246 877	1 534 196
Total equity		**1 690 150**	**1 982 405**
Deferred tax liabilities	**23**	486 702	531 498
Pension obligations	**26**	1 557	2 051
Cash settlement	**10**	194	5 845
Subordinated loans	**25**	18 287	14 581
Borrowings	**25**	592 685	646 686
Financial leasing liabilities	**25, 29**	179 670	168 856
Other non-current liabilities		2 701	3 292
Total non-current liabilities		**1 281 796**	**1 372 809**
Short-term loan facilities	**25**	700 000	260 000
Current portion of long- term borrowings	**25**	79 983	79 000
Current portion of financial leasing liabilities	**25, 29**	44 662	41 726
Accounts payable	**3**	303 196	253 305
Tax payable	**23**	-6 442	1 144
Accrued salary expense and public tax payable		22 514	23 960
Derivatives and other financial instruments	**3**	7 887	1 605
Other current liabilities	**28**	48 452	41 674
Total current liabilities		**1 200 252**	**702 414**
Total liabilities		**2 482 048**	**2 075 223**
Total liabilities and equity		**4 172 197**	**4 057 628**

Bergen, 22 March 2012
Grieg Seafood ASA

Per Grieg jr Chairman	Asbjørn Reinkind Vice Chairman	Ingelise Arntsen Board member
Terje Ramm Board member	Wenche Kjølås Board member	Morten Vike CEO

GRIEG SEAFOOD ASA GROUP

Consolidated Cash Flow Statement

Amounts in NOK 1 000	Note	2011	2010
Operating loss / profit		-189 567	847 383
Tax paid for period	**23**	-6 442	-33 973
Fair value adjustment of biological assets	**20**	395 180	-207 629
Ordinary depreciation	**16,17**	140 208	119 574
Reversal / write-down of tangible and intangible fixed assets	**16**	-	-72 385
(Gain)/ loss related to disposal of fixed assets		-201	763
Cost of share options /gain on shares posted to equity		742	409
Share of profit from associated companies and jointly controlled activities	**13**	-13 704	-12 337
Change in inventories and biological assets		-190 543	1 420
Change in accounts receivable and other receivables		65 491	-77 298
Change in axxounts payable		39 824	19 864
Change in other accruals		-20 337	4 322
Change in net pension and options obligation		-5 245	4 618
Net cash flow from operations activities		**215 406**	**594 731**
Proceeds from sale of fixed assets		2 686	2 661
Dividende income	**12**	20	15
Purchase of tangible assets	**17**	-319 347	-206 575
Purchase of intangible assets	**16**	-7 393	-35 229
Purchase of shares in subsidiaries	**6**	-64 249	-13 021
Purchase of shares in associated companies and jointly controlled activities	**13**	-635	-7 500
Change in other non-current receivables		3 371	-3 111
Net cash flow from investment activities		**-385 547**	**-262 760**
Change in short-term interest bearing debt		441 419	-222 989
Repayment of long-term interest bearing debt and leasing		-48 497	-27 564
Other financial items		2 281	**-**
Interest expense		-47 572	-51 213
Dividends paid	**14**	-150 744	-27 916
Purchase of own shares	**24**	-18 036	-
Net cash flow from financing activities		**178 851**	**-329 682**
Net change in cash and cash equivalents		**8 710**	**2 289**
Cash and cash equivalents at 01.01		**143 727**	**139 778**
Currency gains/losses on opening cash balances		**185**	**1 660**
Cash and cash equivalents at 31.12		**152 622**	**143 727**

GRIEG SEAFOOD ASA GROUP

Consolidated statement of changes in equity

Amounts in NOK 1 000	Note	Share capital	Own shares	Share premium reserve	Other equtiy	Retained earnings and other reserves	Total equity
Equity at 31.12.2009		**446 648**		**716 634**	**1 152**	**209 987**	**1 374 421**
Result for 2010						**631 039**	**631 039**
Translation effects foreign subsidiaries						4 476	**4 476**
Other gains or losses						-24	**-24**
Total comprehensive income		0		0	0	4 452	4 452
Total comprehensive income for 2010		0		0	0	635 491	635 491
Dividend for 2009						-27 916	-27 916
Effect of share-based compensation	**10**				409	0	409
Reduction in share premium reserve transferred to distributable equity				-716 634		716 634	0
Total equity from shareholders in 2010		0		-716 634	409	688 718	-27 507
Total change in equity in 2010		0		-716 634	409	1 324 209	607 984
Equity at 31.12.2010		**446 648**		**0**	**1 561**	**1 534 196**	**1 982 405**
Result for 2011						**-123 158**	**-123 158**
Translation effects foreign subsidiaries						-1 059	**-1 059**
Other gains or losses on assets held for	**15**					678	**678**
Total comprehensive income		**0**		**0**	**0**	**-381**	**-381**
Total comprehensive income for 2011		**0**		**0**	**0**	**-123 539**	**-123 539**
Dividend for 2010						-150 744	-150 744
Purchase of own shares	**24**		-5 000			-13 036	-18 036
Effect of share-based compensation	**10**				64		64
Total equity from shareholders in 2011		**0**	**-5 000**	**0**	**64**	**-163 780**	**-168 716**
Total change in equity in 2011		**0**	**-5 000**	**0**	**64**	**-287 319**	**-292 255**
Equity at 31.12.2011		**446 648**	**-5 000**	**0**	**1 625**	**1 246 877**	**1 690 150**

GRIEG SEAFOOD ASA GRUOP

Notes to the consolidated accounts

Note 1 General information

Grieg Seafood ASA is a public limited company registered in Norway. The company's head office is located in Bergen, Norway. Grieg Seafood ASA was listed on the Oslo Stock Exchange on 21 June 2007.

The consolidated accounts were approved by the Board of Directors on 22 March 2012.

In the following, "group" is used to describe information related to the Grieg Seafood Group, whilst "company" is used for the parent company itself.

All amounts in the notes are in NOK thousands, unless stated otherwise.

Notes to the consolidated accounts

Note 2 Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless stated otherwise.

Basis of preparation
The consolidated financial statements of Grieg Seafood Group ASA have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by biological assets at fair value, available-for-sale financial assets, and financial assets/ liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 4.

a) *New and amended standards adopted by the group but as yet without any impact on the accounts.*

No new or amended IFRS or IFRIC interpretations which took effect for the 2011 accounts are considered or expected to have any significant effect for the group.

b) Standards, amendments and interpretations of existing standards that have not taken effect and where the group has not chosen early implementation.

The group has not chosen early implementation of any new or amended IFRS or IFRIC interpretations.

IAS 19 "Employee Benefits" was amended in June 2011. The emendment means : all estimate deviations are posted in the comprehensive income statement as they arise (no corridor), immediate posting in the income statement of all costs related to accrual of pension rights in previous periods, and replacement of interest costs and the expected return on pension fund assets by a net interest amount calculated by applying a discount rate to net pension obligations (assets). The group has not yet completed an impact study of the consequences of the amendments to IAS 19.

IFRS 9 "Financial Instruments" regulates the classification, measurement and recognition of financial assets and financial obligations. IFRS 9 was issued in November 2009 and October 2010, and replaces the parts of IAS 39 which deal with the recognition, classification and measurement of financial instruments. Under IFRS 9 financial assets are divided into two categories based on the measurement method: those measured at fair value and those measured at amortised cost. Classification is made at the time the financial asset is initially recognised in the accounts. The classification is contingent on the business model used by the company to manage its financial instruments and the characteristics of the contractual cash flows from the instrument. In respect of financial liabilities, the requirements are largely the same as those contained in IAS 39.
In cases where the fair value option has been chosen for financial liabilities, the main change is that the part of a change in fair value that is due to a change in the company's own credit risk is recognised in the comprehansive income statement instead of in profit or loss,
provided that this does not entail an accruals error in the measurement of profit or loss. The group plans to apply IFRS 9 when the standadr takes effect and is approved by the EU. The standard takes effect for accountinf periods which commence on 1 Jaunary 2013 or later, but IASB has issued an exposure draft proposing to push back the mandatory effective date to accounting periods which start on 1 January or later.

IFRS 10" Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this difficult to assess.

The group has not completed its study of all of the possible consequences of IFRS 10. The group plans to implement the standard for accounting periods which start on 1 January 2013 and later.

IFRS 12 "Disclosures of Interest in Other Entities" sets out the disclosure requirements for economic interests in subsidiaries, joint arrangements, associates , special purpose entities (SPE) and other unconsolidated entities. The group has not completed its study of the full effects of IFRS 12. The group plans to implement the standard for accounting periods which start on 1 January 2013 and later.

IFRS 13 "Fair Value Measurement" defines what is meant by fair value as used in IFRS and describes how fair value is to be measured under IFRS and what additional information is required when fira value is used. The standard does not breaden the scope of fair value measurement but provides guidance on the method of application where its use is already required or permitted under other IFRS. The group uses fair value as a measurement criterion for certain assets and liabilities. The group has not completed its study of the full effects of IFRS 13. The group plans (early) implementation of IFRS 13 for accountng periods which start on 1 January and later.

There are no other IFRS' or IFRIC interpretations that have not taken effect which are expected to have any material effect on the group's financial statements.

Notes to the consolidated accounts

Note 2 ACCOUNTING POLICIES

Consolidation

a) Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The effect of potential voting rights that are currently exercisable or convertible at year-end are also considered in determining whether the group controls another entity.

The group also considers whether control is exercised in cases where the group has less than 50% of the voting rights, but where in practice it is able to determine financial and operating guidelines (so-called factual control). Factual control can arise in situations where other voting rights are sread among a large number of owners who are realistically unable,to organise the way their votes are cast. In determining whether factual control exists, special importance is also attached to the fact that the group can elect the board of directors that is wishes.

Subsidiaries are consolidated from the point when the group can exercise control and consolidation ends whencontrol of the subsidiary terminates.

The purchase method of accounting is used for acquisitions. The cost of an acquisition is measured as the fair value of the assets and liabilities taken over, and equity instruments issued. The cost also includes the fair value of all assets and liabilities and contingent liabilities taken over by agreement. Identiifiable assets and liabilities are booked at fair value on the date of acquisition. Non-controlling owner interests in the acquired entity are measured from time to time either at fair value, or as their proportion of net assets of the entity that has been acquired.

Costs related to business mergers are charged as they arise.

In the case of a multi-stage acquisition, the proportion of ownership from an earlier purchase is re-stated at the fair value at the date of control and the value change is recognised through profit of loss.

A contingent acquition price is measured at fair value at the date of acquisition. Under IAS 39 subsequent changes in the contingent acquisition price are recognised through profit or loss or are posted as a change in the comprehensive income statement where the contingent price is classified as an asset or a liability.
There is no new value measurement of a contingent acquisition price classified as equity, and the subsequent settlement is charged against equity.

If the total of the consideration, the fair value of of previous owner interests and any fair value of non-controlling owner interests exceeds the fair value of identifiable net assets in the acquired entity, the difference is recorded as goodwill . If the cost of acquisition is less than the fair value of the net assets of the entity acquired, the difference is recognised directly in the income statement.

Intra-group transactions, balances, income and costs are eliminated. Gains and losses on transactions between group companies are also eliminated. The accounts of subsidiaries are re-stated where necessary to ensure consistency with the accounting policies adopted by the group.

(b) Change in owner interests in susidiaries wiout loss of control
Transactions with non-controlling owners of subsidiaries which do not entail a control are regarded as equity transactions. On the purchase of further shares controlling owners the difference between the consideration paid and the sha proportionate share of the net assets in the accounts of the subsidiary is reco equity of the parent company's owners. Similarly, any gain or loss on a sale to controlling owners is recorded in equity.

c) Divestment of subsidiaries
When the group no longer has control, any remaining owner interest is measu value and the difference is recorded through profit or loss. Thereafter, for acc purposes fair value is the acquisition cost either as an investment in an assoc company , jointly controlled entity or a financial asset. Amounts which were pr recorded in a comprehensive income statement related to this company are c the group had disposed of underlying assets and liabilities. This may mean th which were previously recorded in a comprehensive income statement are rec part of the income statement.

(d) Associated companies
Associated companies are entities over which the group has significant influe control. Significant influence is deemed to exist where the group has between 50% of the voting rights. Investments in associates are initially recognised at thereafter the equity method of accounting is used. In subsequent periods, the share of the results is recognised through profit or loss. The amount recorded balance sheet includes implicit goodwill identified at the date of purchase.

In the event of a reduction in the owner interest in an associated company wh retains significant influence, only a proportionat part of amounts previously rec the comprehensive income statement is reclassified through profit or loss.

The group's share of profits or losses of associated companies is recognised statement, and is added to the value of the investment in the balance sheet. T share of the comprehensive result s for the associated company is entered in comprehensive income statement and is also added to the amount of the inve balance sheet. The group's share of a loss is not posted in the income statem means that the value of the investment in the balance sheet is negative (inclu entity's unhedged receivables), unless the group has undertaken obligations payments on behalf of the associate.

At the end of each accounting period the group determines if there is a need t the investment in the associated company. In such case, the amount of the w calculated as the difference between the recoverable amount of the investme book value, and the difference is recorded on a separate line along with "Shar limited companies".
If a gain or a loss arises on transactions between the group and its associated only the proportionate amount related to shareholders outside the group is rec Unrealised losses are eliminated uless there is a need to write down the the a the subject of the transaction. Accounting policies of associates are changed necessary to ensure consistency with the policies adopted by the group. Ga losses on dilution of assets of associated companies are posted in the income

Jointly controlled entities
A jointly controlled entity is an economic entity regulated by agreement betwe more participants, and whereby the the participants have joint control of the a accordance with the definition in IAS 31. For accounting purposes, the group's in jointly controlled entities is based on the equity method.

Amendment of accounting policies
As a consequence of the revised standard for consolidated and separate finan statements (IAS27 revised), the group has changed its accounting policies fo with non-controlling interests and accounting practice in connection with loss significant influence with effect from 1 January 2010. The amendments to IA adopted with consequential changes in IAS 28 Investments in associated com IAS 31 Shares in jointly controlled entities.
Grieg Seafood ASA has implemented the new accounting policies for transac effect from and including 1 January 2010, but there were no transactions in 2 this has found application. No amounts previously entered in the accounts ha changed.

Notes to the consolidated accounts

Note 2 ACCOUNTING POLICIES

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group management.

Foreign currency translation
Functional and presentation currency .
The financial statements of each of the group's entities are generally measured using the currency of the economic area in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Norwegian Kroner (NOK), which is the parent company's functional and presentation currency.

Transactions and balance sheet items
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Group companies
The income statements and balance sheets of the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities are translated at the closing rate on the date of the balance sheet.

(ii) income and expense items in the income statement are translated at average exchange rates for the period (unless this average is not a reasonable estimate of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions).

((iii) translation differences are recorded in equity and specified separately.

When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments of assets and liabilities on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated into the functional currency at the closing rate.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include gains or losses transferred from equity as a result of hedging the cash flow in foreign currency on the purchase of property, plant and equipment.

Improvements are included in the asset's carrying amount or recognised as a separate asset when it is probable that future economic benefits associated with the improvement will flow to the group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land and buildings comprise mainly factories and offices. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate cost less residual value over estimated useful lives, as follows:
– Buildings 13-33 years
– Machinery 3-10 years
– Vessels and barges 5-20 years

The assets' useful lives and residual values are reviewed at each balance sheet date and adjusted, if necessary.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are posted net in the income statement and correspond to the difference between the sale price and the carrying amount.

Intangible assets
Intangible assets which arise internally within the group are not recognised. Goodwill and licences with an indefinite economic life are subject to annual impairment tests. Impairment tests are performed more frequently if indications of impairment exist. Amortised licences are tested for impairment only if there are indications that future earnings do not justify the asset's balance sheet value.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is classified as an intangible asset. Goodwill on the purchase of a share in an associated company is included in 'investments in associates'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

Licences
Fish quotas and fish farming licences that have an indefinite useful life are not amortised but reviewed for impairment annually, or more frequently if there are indications that the balance sheet value may have decreased.

Licences that have a definite useful life are amortised over this definite time period.

Other intangible assets
Acquired customer portfolios and computer software licenses are capitalised at cost and amortised over their estimated useful lives. Customer portfolios are capitalised at historical cost at the date of purchase. Amortisation is calculated using the straight-line method over the estimated useful life, as follows:
- Customer portfolios 6 years
- Computer software 3 years

Notes to the consolidated accounts

Note 2 ACCOUNTING POLICIES

Impairment of non-financial assets
Assets that have an indefinite useful life are not amortised and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever there are indications that future earnings do not justify the carrying amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for indicators of possible reversal of the impairment at each reporting date.

Financial assets
The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and assets available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets on acquisition and re-evaluates this designation at every reporting date.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as 'other receivables' in the balance sheet.

At each year-end the group considers whether there is any objective evidence that the loans and receivables are impaired. Such objective evidence is, for instance:
- breach of contract, such as a default or delinquency in interest or principal payments
- the probability that the borrower will become insolvent or be subject to financial reorganisation

Loans and receivables are carried at amortised cost using the effective interest method.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available for-sale financial assets are stated at fair value.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'other financial income/losses from investment in securities '. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement.
Dividends on shares classified as available-for-sale are recognised in the income statement when the group's right to receive dividends is established.
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include recent transactions on market terms, reference to other instruments which are essentially the same, the use of discounted cash flows and options models.

The techniques used make maximum use of market and avoid company-specific information as much as possible.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Regular purchases and sales of investments are recognised on trade-date – the date on which the group commits to purchase or sell the asset. All financial assets which are not stated at fair value through profit or loss Investments are initially recognised at fair value plus transaction costs.

At each balance sheet date the group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of shares classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and fair value, less any impairment loss on that financial asset previously recognised through profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on shares and corresponding equity instruments are not reversed through the income statement.
Impairment testing of accounts receivable is described below.

Derivatives and hedging
The group does not apply hedge accounting according to IAS 39.
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently stated at fair value on an ongoing basis.
Changes in the fair value of derivatives are posted net in the income statement under 'other financial income/costs'.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price, less processing and selling expenses.

Biological assets
The accounting treatment of living fish by companies applying IFRS is regulated by IAS 41 Agriculture. IAS 41 comprises a hierarchy of methods for accounting measurement of biological assets. The basic principle is that such assets shall be measured at fair value. In the second half of 2011 the largest salmon farming companies in Norway, aided by a firm of accountants, established a n trade groupe with aim of agreeing on a common approach to model for estimating the fair value of biological asstes in accordance with IAS 41. Based on the group's conclusions, Grieg Seafood AS has adjusted its calculation model for estimating fair value with effect for the fourth quarter of 2011.
The new model takes the view that the best estimate of the fair value of fish under 1 kilo is considered to be the accumulated cost, while for fish between 1 and 4 kilos the estimated fair value includes a proportionate part of the estimated profit. For fish over 4 kilos (fish ready for harvesting) the fair value is set at the full, expected value. If the expected sale price is below the estimated cost, this will entail a negative value adjustment of biological assets. The sale price for fish ready for harvesting is based on spot prices, while the price of fish between 1 and 4 kilos is based on forward prices and/ or the most relevant price information that is available for the period when the fish is expected to be harvested. Reference is made to note 20.

The price is adjusted for quality differences (superior, ordinary and prod.), and for freight. Estimated harvesting expenses are also deducted. The volume is adjusted for gutting waste. The positive effect of amended updates of the calculation model amounted to approximately NOK 76 million at 31.12.2011.

Notes to the consolidated accounts

Note 2 ACCOUNTING POLICIES

Accounts receivable
Accounts receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of accounts receivable is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of trade. Significant financial difficulties affecting the debtor, the probability that the debtor will become insolvent or be subject to financial reorganisation, and default or delinquency in payments are considered indicators that the account receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.
The amount of the provision is recognised in the income statement under 'other operating expenses'.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, bank deposits, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown under borrowings included in current liabilities.

Share capital
Ordinary shares are classified as equity.
Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost applying the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Deferred tax
Deferred tax is provided for in full at nominal values, using the liability method, on temporary differences arising between the value of assets and liabilities for tax and accounting purposes. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income liability is settled.

Deferred tax assets is recognised to the extent that it is probable that future taxable income will be available from which the temporary differences can be deducted.

Deferred tax is calculated on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Employee benefits
Pension obligations
Effective from 01 July 2009 the pension obligations of Grieg Seafood ASA have been based on a defined contribution based scheme for all employees, following the termination of a defined benefits based scheme. The company's pension scheme is in accordance with rules and regulations for mandatory occupational pensions. The premium is charged through operations as it arises in the profit and loss account. Employer's social security contributions are charged on the basis of the pension premium paid.

Grieg Seafood Rogaland AS and Grieg Seafood Finnmark have a contractual early retirement pension scheme (AFP). The financial commitments associated with this scheme are included in the group's pension calculations. The AFP early retirement scheme follows the rules for public sector AFP, and both companies are members of the LO/NHO scheme. The pension payment calculations are based on standard assumtions relating to the development of mortality and disability as well as other factors such as age, years of service and remuneration.

The old AFP scheme has terminated, and the previous balance sheet obligation was therefore written back in 2010. This does not apply to that part of the obligation related to those who have allready taken out a pension under the old scheme. On termination of the old AFP scheme LO/NHO required the member companies to cover the underfunding of the old scheme. Companies which have been members of LO/NHO must make a provision to cover the underfunding, with payment due over a 5-year period.

Share-based remuneration
The group operates a share-based management remuneration plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be charged over the vesting period is calculated on the basis of the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision relative to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The Black and Scholes option pricing model is used for valuation.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Transactions under joint control
On the purchase of entities under joint control the group has chosen to apply IFRS 3 as its accounting standard.

Notes to the consolidated accounts

Note 2 ACCOUNTING POLICIES

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Cash-based remuneration
The company has a share-based remuneration plan with settlement in cash. The company's obligation is posted under other long-term commitments.

The cost for the year is charged in the income statement.

Termination benefits
Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

Profit-sharing and bonus plans
The group recognises a provision where it has a contractual obligation or where there is a past practice that has created a constructive obligation.

Provisions
Provisions (e.g. environmental improvements, restructuring costs and legal claims) are recognised when:
- the group has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation;
- the amount of the obligation can be reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market situation and the risks specific to the obligation. The increase in the provision due to the change in value because of passage of time is posted as a financial expense.

Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intra- group sales. Revenue is recognised as follows:

Sales of goods
Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured. The sales income is recognised when the risks and rewards related to the goods have been transferred to the customer.

Biological assets
Changes in fair value of biological assets are recognised in the income statement. This fair value adjustment is reported on a separate line; "fair value adjustment biological assets".

Interest income
Interest income is recorded proportionately over time using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate. Interest income on impaired loans is recognised on the basis of the amortised cost and the original effective interest rate.

Dividend income
Dividend income is recognised when the right to receive payment is established.

Leases
Finance leases
Leases, or other arrangements as described in IFRIC 4, relating to property, plant and equipment where the group has substantially all the risks and control, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the aggregate minimum lease payments.

Each lease payment is allocated between an instalment element and an interest element so as to achieve a constant interest expense on the outstanding lease obligation in the balance sheet. The lease obligation, less interest costs, is classified as other long-term debt. The interest expense is posted in the income statement as a financial expense over the lease period so as to achieve a constant interest expense on the outstanding obligation in each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease period.

Operating leases
Leases, or other arrangements as described in IFRIC 4, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any financial incentives from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Dividends
Dividends payable to the company's shareholders are recognised as a liability in the group's financial statements when the dividends are approved by the Annual General Meeting.

Borrowing costs
Borrowing costs incurred during the construction of operating assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are charged in the income statement.

Contingent assets and liabilities
Contingent liabilities are defined as:
(i) possible obligations resulting from past events whose existence depends on future events
(ii) obligations that are not recognised because it is not probable that they will lead to an outflow of resources
(iii) obligations that cannot be measured with sufficient reliability

Contingent liabilities are not recognised in the annual financial statements apart from contingent liabilities which are acquired through the acquisition of an entity. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the probability of the liability occurring is remote.

Contingent liabilities acquired through the purchase of operations are recognised at fair value even if the liability is not probable. The assessment of probability and fair value is subject to constant review. Changes in the fair value are recognised in the income statement.

A contingent asset is not recognised in the financial statements, but is disclosed if it is likely that a benefit will accrue to the group

Cash flow statement
The group's cash flow statement shows the overall cash flow broken down into operating, investing and financing activities by using the indirect method. The cash flow statement illustrates the effect of the various activities on cash and cash equivalents. Cash flows resulting from the disposal of operations are presented under investing activities.

Earnings per share
Earnings per share are calculated by dividing the profit for the year allocated to the company's shareholders by a weighted average of the number of issued ordinary shares during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares .

Notes to the consolidated accounts

Note 3 Financial risk management

FINANCIAL RISK FACTORS
The group is exposed to a range of financial risks ; market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the group's financial performance. To some extent, the group uses financial derivatives to reduce some risks.

Risk management is carried out at group level. The group identifies, evaluates and hedges financial risks in close cooperation with the group's operational units. The board has established written principles for the management of foreign exchange risk, interest rate risk and the use of financial instruments.

MARKET RISK
(i) Foreign exchange risk
The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Canadian dollar, US dollar, Pound sterling and Euro (see note 27). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations. Foreign exchange risk also arises from forward exchange rate contracts which do not qualify for hedge accounting.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. Forward contracts are used to manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities.

The group has investments in foreign subsidiaries whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. In 2011 the group's borrowings in these currencies were significantly reduced and all bank loans were exchanged into NOK. There was a wish to prevent the parameters of the financial framework from being affected by foreign currencies, since all of the syndicated bank loans are measuerd in NOK.
If the NOK strengthens by 10% against the US dollar, Canadian dollar, Pound sterling, Danish krone and Euro on the balance sheet date, we can expect the following effect on profit before tax and equity in NOK million:

10% rise against	USD	DKK	Euro	GBP	CAD
Cash - net effect on pre-tax profits	0,1	0,6	-0,5	1,8	0
Equity effect when consolidating foreign subsidiaries	0	0	0	-28,3	-29,7

The opposite effect will be achieved if NOK is weaknest by 10%.

Forward Currency Contracts

The following table shows the group's forward currency contracts as at 31.12.2011. There were no forward currency contracts as at 31.12.2010.

Currency	Type	Amount in currency	Exchange rate on maturity	Amount in NOK	Estimated fair value of currency contracts
USD/ CAD	Sale	USD 11 600	1,04	70 789	1 050
CAD/ Euro	Purchase	Euro 4 300	1,33	33 342	205
NOK/ DKK	Purchase	DKK 6 000	1,06	6 258	(77)
Total					**1 178**

Forward currency contracts are classified at fair value through profit or loss as current assets or current liabilities, respectively. Changes in fair value are recognised as financial expenses or financial income.

Notes to the consolidated accounts

Note 3 Financial risk management

(ii) Cash flow and fair value interest rate risk
As the group has no significant interest-bearing assets, its income and operating cash flows are largely independent of changes in market rates.

The group's interest rate risk arises from borrowings. Borrowings at variable rates expose the group to cash flow interest rate risk. Fixed interest contracts are used to reduce this risk. The level of fixed interest loans is insignificant. The group monitors its interest rate exposure continuously. The group calculates the imact on profit and loss of a defined interest rate shift. For each simulation, the same change in the interest rate is used for all currencies. The scenarios are run only for liabilities which represent the major interest-bearing positions.

Sensitivity calculations show the following expected values:
If the interest rate is increased by 1% on average interest-bearing debt as at 31.12.2011, the effect will be an increase in financing costs of NOK 11.6m.

In order to reduce the group's interest rate risk, the group entered into interest rate swap agreements in 2011. The contract period is for 2 and 4 years.

Interest rate swap agreements.
The following table shows the group's interest rate swap agreements in NOK thousand, and the market value as at 31.12.2010 and 31.12.2011

						2011	2010
Currency	**Amount in currency**	**GSF pays**	**GSF receives**	**Start**	**Maturity**	**Market value**	**Market value**
NOK	200 000	2,91 %	Nibor 3 mth	25.05.10	20.07.12	-7 732	-405
NOK	400 000	3,26 %	Nibor 3 mth	25.05.10	21.07.14	-155	93
Total						**-7 887**	**-311**

(iii) Price risk
The group is exposed to fluctuations in the spot prices for salmon, which is mainly determined by the global supply of salmon. The effect of price changes is reduced by geographical diversification, but due to the long production cycle it can be difficult to respond rapidly to global trends in market prices.
Salmon is primarily traded at spot prices. In 2011 there was an increase in the global supply of salmon which resulted in a decline in spot prices. In both 2010 and 2011 the group had financial salmon price contracts through FishPool and Direct Hedge. Under contracts of this kind, the buyer and the seller agree on a price and a fixed volume for future delivery.
As at 31.12.2010 the total volume was 3 075 tons representing a current liability booked at NOK 1 294m (fair value). As at 31.12.2011 all of the contracts had been concluded.

CREDIT RISK
The group has procedures to ensure that products are only sold to customers with satisfactory creditworthiness. The company normally sells only on presentation of a letter of credit or when the customer pays in advance. Credit insurance is used when deemed appropriate. For customers who have a reliable track record with the group, sales up to certain level agreed in advance are permitted without any security.
Accounts receivable in Canada totalling NOK 34.2m relate to customers with a satisfactory payment history. Accounts receivable in the UK amounting to NOK 58.3m relate to customers of whom 80% have credit insurance, while the remainder have a satisfactory payment history. In Norway all production is sold to Ocean Quality AS which in turn sells to external customers. It is the policy of Ocean Quality AS to secure the bulk of its sales through credit insurance and bank guarantees.

The book value of financial assets represents the maximum credit exposure. The maximum credit risk exposure as at 31.12.2011 was as follows:

Amounts in thousands

	Note	2011	2010
Accounts receivable	21	223 682	265 350
Other receivables	22	58 139	43 265
Liquid assets	18	152 621	143 727
Total		**434 442**	**452 342**

Other receivables relates mainly to prepayments and VAT receivable.

Amounts in thousands

Age distribution of accounts receivable	2011	2010
Not due	201 948	231 007
Due	21 734	34 343
- 0-3 months	17 788	25 266
- more than 3 months	669	9 077
- more than 1 year	3 278	
Total	**223 682**	**265 350**

Change in provision for bad debts	**2011**	**2010**
01.01	1 967	1 550
Change in provision	-743	417
31.12	**1 224**	**1 967**

The change in the provision for bad debts is reflected in the income statement

Notes to the consolidated accounts

Note 3 Financial risk management

LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through sufficient credit facilities and the ability to close our market positions. Due to the dynamic nature of the underlying nature of the business, the group aims to maintain flexibility in funding by keeping committed credit lines available.

The management monitors the group's liquidity reserve comprising credit facilities (see notes 25 and 32) and cash and cash equivalents (note 18) based on expected cash flows. This is generally carried out at group level in cooperation with the operating companies. The following table shows a specification of the group's financial liabilites that are not derivatives, classified by structure of maturity. The amounts in the table are undiscounted contractual cash flows. Note 25 shows the payment profile for the group's non-current liabilities.

31 December 2011	**Less than 1 year**	**1 - 5 years**	**Over 5 years**
Borrowings (excl. financial leases)	827 081	373 136	322 570
Financial leases	54 293	158 395	53 521
Accounts payable	303 196		
Total	1 184 570	531 531	376 091

The table is based on loan agreements in force at 31.12.2011 (see note 32).

FAIR VALUE ESTIMATION

Financial instruments

(i) The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques (see note 12). The group uses different methods and makes assumptions that are based on market conditions existing at each balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates on the balance sheet date. The fair value of financial salmon contracts is determined using forward prices from FishPool and Direct Hedge.

Accounts receivable

(ii) The nominal value less write-downs for realised losses on trade receivables and payables is assumed to correspond to the fair value of these items. The fair value of financial liabilities is assumed to be close to the book value, as they nearly all carry a floating interest rate.

Biological inventories

(iii) Fish in the sea are stated at estimated fair value. As a result, the value of biological inventories probably varies more than the value of inventories based on cost. The fair value varies for several reasons, including volatility in pricing of Atlantic salmon and factors related to production, unpredictability of biological production and changes in the composition of inventories.

A sensitivity analysis of the prices of Atlantic salmon and trout at 31.12.2011 shows the following impact on the group's operating result before tax (NOK million):

Price reduction per kg	NOK 1	NOK 2	NOK 5
Reduced operating result before tax	61 502	121 567	316 540

Price increase per kg	NOK 1	NOK 2	NOK 5
Increased operating result before tax	63 491	112 235	264 623

CAPITAL MANAGEMENT

It is a Group aim to ensure that it has access to capital to enable the company to develop in accordance with adopted strategies. By so doing, Grieg Seafood should continue to be one of the leading players in its shere of activity. I is also a Group aim to have a level of equity that is commensurate with the cyclical nature of the business. Salmon prices, and thus also the accounting performance, can fluctuate considerably from year to year.

The Board believes it is natural that, over a period of several years, the average dividend should correspond to 25-30% of the profit after tax, after allowing for the effects of fair value adjustments of biomass on profits. However, the dividend must always be considered in the light of what is deemed to be a healthy and optimal level of equity.

At 31.12.2011 the group had net interest-bearing debt of NOK 1.4bn, with funding mainly in the form of bank loans. The level of debt and alternative forms of funding are subject to constant evaluation in collaboration with Grieg Seafood's banking syndicate.

Notes to the consolidated accounts

Note 4 Critical accounting estimates and judgements

Critical accounting estimates and assumptions

The management are requred to make estimates and assumptions concerning the future which affect which accounting policies are to be used and reported amounts for assets, liabilities and contingent liabilities in the balance sheet, as well as income and expenses for the accounting year. Estimates, judgements and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the present circumstances. The final results may diverge from these estimates. Changes in accounting estimates are included in the period when the estimates are changed.

Estimated impairment of goodwill, licences and property, plant and equipment

The group tests annually whether goodwill and licences have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates of future cash flows from the cash-generating unit , and the application of a discount rate in order to calculate the present value of future cash flows. Expectations of future cash flows will vary over time. Changes in market conditions and expected cash flows can result in future impairment. The value of long-term growth in demand, the competitive situation, the strength of the production link in the value chain and thereby also the expectations of the long-term profit margin are also of significance. The different parameters could variously affect the value of the licences over time. Any change in these critical assumptions will entail related write-downs, or the reversal of write-downs of the value of licences in accordance with the accounting policies described in note 2. Please also refer to note 16 for further remarks on tests related to value impairment.

Biological assets

In accordance with IAS 41 the group records live fish at fair value less sales expenses. A joint trade group has been established by the largest salmon farming companies in Norway. The purpose of this group is to agree on a common model for estimating the fair value of biological assets in accordance with IAS 41. The new model takes the view that the best estimate of the fair value of fish over 4 kg (harvestable fish) is to use the full, expected sale price. If the expected sale price is less than the expected cost, this will entail a negative value adjustment of biological assets. The sale prices for harvestable fish is based on spot prices in the respective markets where the group operates. The fair value of harvestable fish is the market price calculated as an average of the market prices in week 52 in 2011. The price for fish between 1 and 4 kg is based on forward prices and/or the most relevant price information that is available for the period when the fish is expected to be harvested. These market prices fluctuate considerably during the fish growth period.
A value adjustment of immature fish is based on estimates of the production cost per kilo, expected harvesting costs, quality and transportation costs. All of these estimates are matters of uncertainty.
Estimated income or losses at the reporting date may diverge considerably from the final recorded income or loss at the time of sale.
Unrealised value adjustment of biological assets is of no significance for the cash flow and does not affect the operating result before value adjustment of biological assets. See note 3 for the sensitivity analysis.

Income taxes

The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts originally provided for, such differences will impact on the the income tax and deferred tax provisions when such determinations were made.

Fair value in acquisition accounting

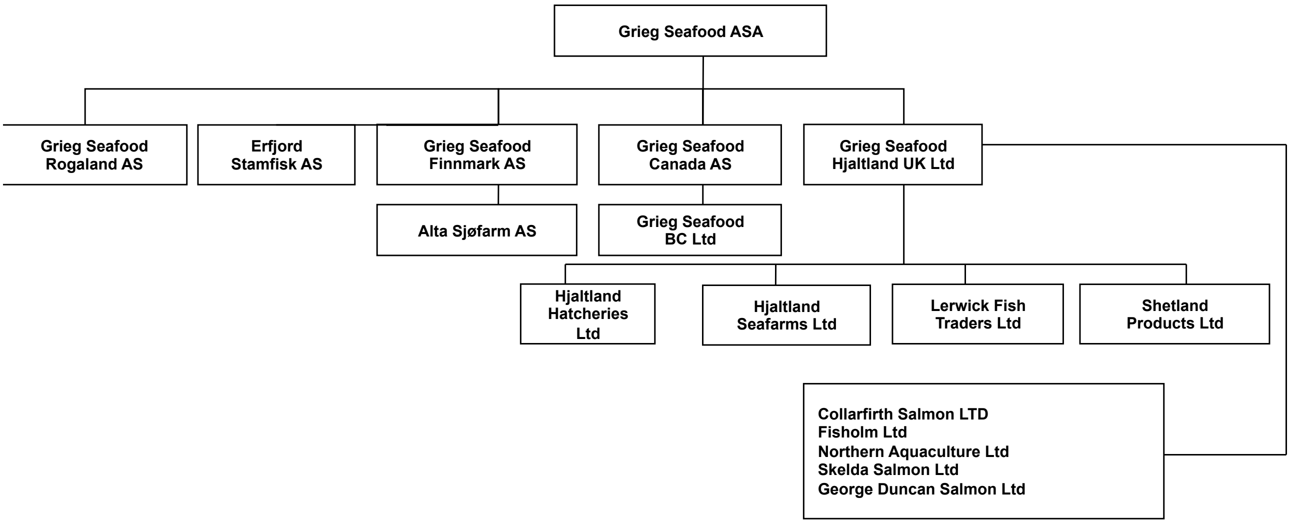
In order to determine the fair value in the case of acquisitions, alternative methods are used to determine the fair value of assets where there is no active market. Values which exceed the amount that can be attributed to identifiable assets and liabilities are recorded in the balance sheet as goodwill. The allocation of cost price in the case of business mergers is changed if new information comes to hand concerning the fair value at the date of takeover and control, not later than 12 months after the acquisition took place. See note 6 for further information.

Notes to the consolidated accounts

Note 5 Group companies

The consolidated financial statements include Grieg Seafood ASA and the following subsidiaries:

Company	Country	Parent company	Ownership %
Grieg Seafood Rogaland AS	Norway	Grieg Seafood ASA	100 %
Erfjord Stamfisk AS	Norway	Grieg Seafood ASA	100 %
Grieg Seafood Finnmark AS	Norway	Grieg Seafood ASA	100 %
Alta Sjøfarm AS	Norway	Grieg Seafood Finnmark AS	100 %
Grieg Seafood Canada AS	Norway	Grieg Seafood ASA	100 %
Grieg Seafood B.C. Ltd	Canada	Grieg Seaood Canada AS	100 %
Grieg Seafood Hjaltland UK Ltd	UK	Grieg Seafood ASA	100 %
Hjaltland Hatcheries Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
Hjaltland Seafarms Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
Lerwick Fish Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
Shetland Products Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
Collarfirth Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
Fisholm Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
Northern Aquaculture Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
Skelda Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %
George Duncan Salmon Ltd	UK	Grieg Seafood Hjaltland UK Ltd	100 %



Notes to the consolidated accounts

Note 6 Major acquisitions

On 24 January 2011 Grieg Seafood ASA entered into an agreement to purchase the remaining 51.3% shareholding in Erfjord Stamfisk AS from Erfjord Næringsutvikling AS for NOK 45m. Following this transaction , Grieg Seafood ASA will own 100% of Erfjord Stamfisk AS. Erfjord Stamfisk AS has three broodstock licences and ond R&D licence. It is located in the municipality of Suldal in the county of Rogaland. The harvest volume for 2011 was 1 675 tons.
Erfjord Stamfisk will be consolidated and will report as part of region Rogaland. Erfjord Stamfisk AS was previouslt reported as an associated company under financial items.
See note 13 for information about associated companies. The preliminary acquisition analysis presented below relates to a 100% shareholding. The purchase price for a 100% holding is NOK 87.7m.

On 26 April 2011 Grieg Seafood Hjaltland Ltd entered into an agreement with the shareholders of Skelda Salmon Garms Ltd and G. Ducan Ltd in Shetland to acquire these companies. The companies own two licences and equipment. The purchase of the licences will increase the harvested volume by around 2 300 tons. There is currently no production at these locations. The purchase price is GBP 2.19m (NOK 19.2m). A preliminary anaysis of excess values is shown in the table below.

The company acquisitions in 2011 are included in the consolidated accounts with sales revenues of NOK 105m and a profits for the year of NOK 6m.

On 16 April 2010 Grieg Seafood Hjaltland Ltd purchased the shares of Northern Aquaculture Ltd for GBP 1.1m. As part of the transaction, equipment was taken over which was leased with remaining leasing liabilities of GBP 0.7m. Northern Aquaculture Ltd. owns 4 licences, where Grieg Seafood has had contract production at two of the locations since spring 2009. The acquisition analysis includes an allocation of excess values to intangible assets. The book value is considered to be the best assessment of the fair value of liabilities. A provision for deferred tax has been made in respect of excess values related to licences. In view of the relatively modest size of the acquired

	Acquisition date	Owner share	Excess value goodwill	Excess values intangibles	Excess values tangible assets	Excess values biological assets	Deferred tax on excess values	Book value of equity at acquisition date	Acquisition cost
2010									
Acquisition cost 01.01.2010			**120 141**	**484 085**	**77 231**	**6 699**	**-165 972**	**522 207**	**1 038 409**
Northern Aquaculture Ltd	16.04.2010	100 %	2 846	10 175			-2 846		10 175
									0
Acquisition cost 31.12.2010			**122 987**	**494 260**	**77 231**	**6 699**	**-168 818**	**522 207**	**1 048 584**
2011									
Erfjord Stamfisk AS (Acquisition show on100%)	24.01.2011	100 %	11 802	39 000			-10 920	47 837	87 719
Skelda Salmon Ltd /G.Ducan Ltd.	26.04.2011	100 %	3 947	16 038	1 628		-3 539	1 175	19 249
Acquisition cost 31.12.2011			**138 736**	**549 298**	**78 859**	**6 699**	**-183 277**	**571 219**	**1 155 552**
Accumulated depreciation at 01.01.2010			-89 603	-77 801	-41 659	-6 699	42 250		
Depreciation of excess value in 2010				-1 314	-6 217		2 108		
Reversal of previous impairment in 2010 (GSF Finnmark AS)				72 385			-20 268		
Depreciation of excess value in 2011				-1 314	-6 216		-5 960		
Accumulated depreciation at 31.12.2011			**-89 603**	**-8 044**	**-54 092**	**-6 699**	**18 130**		
Book value at 31.12.2011			**49 133**	**541 254**	**24 767**	**0**	**-165 147**		
Ordinary depreciation for the year									
Depreciation period				0 - 6 years	3-15 years				
Depreciation plan				straight line	straight line				

Gain on previous owner share in Erfjord Stamfisk:	
Fair value of of previous owner share	42 719
Book value of previous owner share at date of acquisition	17 810
Gain on previous owner share in Erfjord Stamfisk at date of acquisition (including share of results from associates, see note 13)	**24 909**

Notes to the consolidated accounts

Note 6 Acquisitions in 2011 (continued)

The table below shows the consideration as well as assets and liabilities taken over on the acquisition of Erfjord Stamfisk AS and Skelda Salmon Ltd./ G.Duncan Ltd. In view of the relatively modest size of the two acquired businesses the value analysis shows tha aggregate figures. No pro forma figures have been prepared for these acquisitions. Excess values have been allocated to intangible and tangible assets. Accounts receivable are stated at fair value.

With the acquisition of Erfjord Stamfisk, the Rogaland region now has the entire production stage from roe and broodstock, as well as salmon farming. Erfjord Stamfisk has been combined with Gieg Seafood Rogaland for reporting purposes in 2011. The acquisition at Hjaltland was the outcome of a wish to have access to additional licences.

	Acquisitions in 2011	
Assets	**Book value**	**Fair value**
Goodwill*	0	14 366
Licences	1 386	56 421
Property, plant and equipment	15 894	17 522
Investments in associated companies	6 799	6 799
Other long-term receivables	76	76
Total fixed assets	**24 155**	**95 183**
Inventories	1 849	1 849
Biological assets incl. fair value and roe	52 627	52 627
Accounts receivable	28 986	30 113
Cash and cash equivalents	573	573
Total current assets	**84 036**	**85 163**
Total assets	**108 190**	**180 346**
Liabilities and equity	**Book value**	**Fair value**
Share capital	617	617
Retained earnings	48 938	106 351
Sum egenkapital**	**49 555**	**106 968**
Deferred tax liabilities	13 742	28 484
Borrowings	15 382	15 382
Total long-term liabilities	**29 124**	**43 866**
Bank overdraft	10 574	10 574
Accounts payable	11 117	11 117
Tax payable	3 083	3 083
Salaries payable and social security contributions	1 013	1 013
Other short-term liabilities	3 724	3 724
Total current liabilities	**29 511**	**29 511**
Total liabilities	**58 635**	**73 377**
Total liabilities and equity	**108 190**	**180 346**

* Goodwill is a residual allocation of excess value
** The figure for equity in the column for fair value represents the acquisition cost in 2011 amounting to NOK 64 249k and the fair value of the fair value of the previous owner share amounting to NOK 42 719k.

Notes to the consolidated accounts

Note 7 Segment information

The operational segments are identified on the basis of the reports which the group management (senior decision-maker) use to assess performance and profitability at strategic level.

The group management assess our business activities from a geographical standpoint, based on the location of assets. The group has only one production segment: the production of farmed salmon and trout. Geographically, the management assess the results of production in Rogaland - Norway, Finnmark - Norway, BC - Canada and Shetland - UK.

The group management assess the results from the segments based on the adjusted operating result (EBIT) before value adjustment. The method of measurement excludes the effect of one-time costs, such as restructuring costs, legal costs on acquisition and amortisation of goodwill and intangible assets when amortisation is a result of an isolated event which is not expected to recur. The measurement method also excludes the effect of share options which are settled in shares , as well as unrealised gains and losses on financial instruments.
The column "Other/eliminations" contains the results of activities carried out by the parent company and other group companies which are not geared to production, and eliminations of intra-group transactions.

The group's customers are divided into different geographical markets. Since November 2010 Ocean Quality AS has been established as a sales company in cooperation with Bremnes Fryseri AS. Grieg Seafood ASA owns 60% of Ocean Quality AS. (See note 13 for further information.) All sales in Norway are channelled through Ocean Quality AS. Norway therefore shows the aggregate figures for the Norwegian market. Sales in the UK and BC are carried out by the respective sales departments and

Geographical market	UK	Norway	BC	Total 2011		Total 2010	
EU	153 339	695 661	0	849 000	41 %	1 058 058	43 %
UK	248 612	0	0	248 612	12 %	278 336	11 %
USA	103 035	0	406 278	509 313	25 %	596 278	24 %
Canada	3 114	0	84 999	88 113	4 %	125 979	5 %
Russia	0	90 495	0	90 495	4 %	350 566	14 %
Asia	0	156 242	0	156 242	8 %	-	0 %
Other markets	3 816	101 400	0	105 217	5 %	37 272	2 %
Total	**511 916**	**1 043 798**	**491 277**	**2 046 991**	**100 %**	**2 446 490**	**100 %**

Segmenti nformation sent to the group management for the segments with a reporting requirement:

Geographical segments	Norway Rogaland		Norway Finmark		Canada BC		UK Shetland		Other/ eliminations		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Sales revenues	549 868	483 759	498 739	1 114 435	491 276	554 292	511 917	660 278	-4 809	-366 272	2 046 991	2 446 490
Other income	788	-1 151	3 905	3 101	1 502	0	11 282	7 748	-909	463	16 568	10 161
Gain and loss on sale of tangible assets	570	0	0	0	-95	-763	428	0	-702	0	201	-763
Share of results from FV/ TS	186	2 358	4 163	1 913	0	0	0	0	9 355	476	13 704	4 747
Operating costs before depreciation	-413 475	-325 879	-417 437	-875 762	-428 866	-461 299	-473 136	-447 819	1 270	337 067	-1 731 644	-1 773 692
Operating result before depreciation	**137 937**	**159 087**	**89 370**	**243 687**	**63 817**	**92 230**	**50 491**	**220 207**	**4 205**	**-28 266**	**345 820**	**686 944**
Depreciation	-33 508	-25 716	-33 910	-27 520	-25 829	-23 080	-44 598	-41 595	-2 361	-1 663	-140 206	-119 574
Adjusted operating result before fair value adjustn	**104 429**	**133 371**	**55 460**	**216 167**	**37 988**	**69 150**	**5 893**	**178 612**	**1 844**	**-29 929**	**205 614**	**567 369**
Assets (excl. Associated companies)	799 619	726 155	1 159 629	1 227 908	717 337	753 962	1 177 315	1 084 504	280 910	231 643	4 134 810	4 024 172
Associated companies	6 089	5 902	6 651	1 965	0	0	0	0	24 647	25 589	37 387	33 456
Total assets - Group	**805 708**	**732 057**	**1 166 280**	**1 229 873**	**717 337**	**753 962**	**1 177 315**	**1 084 504**	**305 557**	**257 232**	**4 172 197**	**4 057 628**
Liabilities	412 097	416 380	743 913	721 761	409 376	429 135	816 291	692 815	100 371	-184 868	2 482 048	2 075 223
Total liabilities - Group	**412 097**	**416 380**	**743 913**	**721 761**	**409 376**	**429 135**	**816 291**	**692 380**	**100 371**	**-184 868**	**2 482 048**	**2 075 223**

Adjusted operating result for segments	2011	2010
Adjusted operating result before fair value adjustment	**205 614**	**567 369**
Reversal, Grieg Seafood Finnmark AS	0	72 385
Fair value adjustment of biological assets	-395 180	207 629
Operating result	**-189 566**	**847 383**
Net financial items (see note 12 for specification)	-5 656	10 383
Result before tax	**-195 222**	**857 766**
Result for the year	72 064	-226 727
Årsresultat	**-123 158**	**631 039**

Notes to the consolidated accounts

Note 8 Declaration on determination of salary and other remuneration to senior employees

Board guidelines and principles for the determination of salary and other remuneration to key personnel.

In line with regulations issued pursuant to the Norwegian Public Limited Companies Act, the Board has drawn up the the following declaration on guidelines and principles to used to determine salary and other remuneration for key personnel.
The Grieg Seafood Group's remuneration policy will continue to be gased on the principle that the Grieg Seafood Group shall offer its employees a compensation package that is competitive and in accordance with local industry standards. Where appropriate, this may include incentive elements, and the basic salary shall reflect individual performance.

The components of remuneration shall consist of a fixed basic salary and other fixed remuneration elements. The latter may be a company car or car allowance, telephone and electronic communications, newspapers and similar benefits. As well as participating in the company's ordinary group life insurance sand defined contribution based pension scheme up to 12G, the CEO has separate salary compensation for pension benefits >12G.
CEO is entitled to 18 months' salary follwoing termination of employment or changes in the position / terms and conditions of employment and 12 months' salary during illness. CFO has entitled to 12 months' salary following termination of employment or changes in the position / terms and conditions of employment.
Grieg Seafood has an annual bonus system based on a combination of earnings and personal performance targets. The annual bonus for the management group cannot exceed 5 times the monthly salary.

On 20 April 2007 the AGM approved the principles of a share option programme for the management and key personnel and with an overall limit of 1 400 000 options. As yet, no options have been exercised. Under this scheme the CEO had 300 000 options with an exercise price of NOK 13.20 adjusted by 0.5% per month until the exercise date. The latest date for exercising the option was 27.02.2012. The scheme has expired and no options have been exercised.
A synthetic option scheme for the company's management group has been established as a continuation of the option scheme in 2007. The synthetic option scheme requires the participants' direct share ownership throughout the entire period of the programme. Those who are entitled to the options are required to use 50% of the net gain under the scheme to purchase shares until the share ownership has a value corresponding to 50% of the fixed annual salary. The gain under the synthetic option scheme cannot exceed 12 times the monthly salary per participant per year.
The synthetic option scheme corresponds to a total of 885 884 shares. The CEO haa a total of 300 000 synthetic options. The first exercise date for 150 000 of these options was May 2010, with a further 150 000 12 months later. The exercise price is increased by 0.5% each month. An option must be exercised 24 months after the first exercise date.

The Board has resolved to roll over the option scheme, with an allocation of 1 400 000 new options in 2012.

For further information about options, see note 10.
For information about remuneration of the group management, see note 9.

Notes to the consolidated accounts

Note 9 Payroll, fees, number of employees etc.

	Note	2011	2010
Salaries		209 128	205 010
Social security costs		15 630	13 034
Share options granted to directors and employees	11	-5 335	5 661
Pension costs - defined contribution plans	27	3 616	5 440
Pension costs - defined benefit plans		0	819
Other personnel costs		15 343	8 445
Total		**238 382**	**238 409**
Average number of employees		589	578

The board's guidelines and principles for determination of salary and other remuneration to key employees are detained in note 8.

As at 31.12.2011 loans to group employees totalled NOK 310 000, of which NOK 265 000 was secured by mortgage. The loans are provided at market rates.

Accumulated costs related to salaries, pension costs and other remuneration to the CEO, other senior employees and Board members in 2011 were as follows:

Remuneration to senior officers in 2011 in NOK	Salary	Bonus	Options exercised during year	Pension costs	Other remuneration	Total
Morten Vike (CEO)	2 738	848	0	83	274	3 943
Atle Harald Sandtorv (CFO)	1 458	476	839	80	114	2 967
Total remuneration						**6 910**
Board members						
Per Grieg jr. 1)					374	374
Anne-Grete Ellingsen 1)					100	100
Terje Ramm 2)					217	217
Wenche Kjølås 2)					217	217
Harald Volden					72	72
Ingelise Arntsen					116	116
Asbjørn Reinkind 1)					153	153
Total remuneration incl. social security contributions						**1 249**

1) Remuneration for work done in the Remuneration Committee is included in the payment to Per Grieg jr. in the sum of NOK 11 419, in the payment to Anne-Grete Ellingsen in the sum of NOK 4 758, and in the payment to Asbjørn Reinkind in the sum of NOK 6 661.
2) Included in the payment to Terje Ramm and Wenche Kjølås is NOK 29 478 paid as remuneration for work done in the Audit Committee.
The amounts include social security contributions.

Accumulated costs related to salaries, pension costs and other remuneration to the CEO, other senior employees and Board members in 2010 were as follows:

Remuneration to senior officers in 2010 in NOK	Salary	Bonus	Options exercised during year	Pension costs	Other remuneration	Total
Morten Vike (CEO)	2 773	396	0	74	173	3 416
Atle Harald Sandtorv (CFO)	1 340	0	243	79	30	1 691
Total remuneration incl. social security contributions						**5 107**
Board members						
Per Grieg jr. 1)					354	354
Anne-Grete Ellingsen 1)					240	240
Terje Ramm 2)					194	194
Wenche Kjølås 2)					194	194
Harald Volden					171	171
Total remuneration incl. social security contributions						**1 152**

1) Included in the payment to Per Grieg jr. and Anne -Grete Ellingsen is NOK 11 410 paid as remuneration for work done in the Remuneration Committee.
2) Included in the payment to Terje Ramm and Wenche Kjølås is NOK 22 820 paid as remuneration for work done in the Audit Committee.
The amounts include social security contributions.

Specification of auditors' fees	2011	2010
Audit fees		
Group auditor	1 344	1 762
Other auditors	713	598
Other assurance services		
Group auditor	127	101
Other auditors	0	0
Tax advice		
Group auditor	113	119
Other auditors	144	196
Other services		
Group auditor	367	611
Other auditors	126	30
Total group auditor	**1 951**	**2 593**
Total other auditors	**983**	**824**
Total	**2 934**	**3 417**

Notes to the consolidated accounts

Note 10 Share and cash-based remuneration

The company has issued options to the management group and regional directors. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. The equity options were granted in the period from 29.06.2007 until 01.06.2008 with expiry dates from 29.06.2010 until 27.02.2012. At 31.12.2011 there were 300 000 equity options available for exercise. From 2009 the company has issued options with cash settlement to the management group and regional directors. These options were granted on 06.05.2009 with expiry date on 06.05.2011. New employees subsequently taken on have been allocated options on the commencement of employment. The last option matures on 13.09.2014. The options have 2 years' duration, where 50% is vested each year.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to carry out the calculations.

The table below illustrates the movement in outstanding options throughout 2010 and 2011.

Overview 2011	Option category	Outstanding options 31.12.2010	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2011	Of which cash-settled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	
Morten Vike (CEO)	Cash settlement	300 000	-	-	-	-	300 000	300 000
Atle Harald Sandtorv (CFO)	Cash settlement	167 000		87 000	-	-	80 000	80 000
Others	Cash settlement	605 884		100 000	-	-	505 884	505 884
Total		**1 372 884**	**-**	**187 000**	**-**	**-**	**1 185 884**	**885 884**

Overview 2010	Option category	Outstanding options 31.12.2009	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2010	Of which cash-settled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	
Morten Vike (CEO)	Cash settlement	300 000	-	-	-	-	300 000	300 000
Atle Harald Sandtorv (CFO)	Cash settlement	200 000	-	33 000	-	-	167 000	167 000
Others	Cash settlement	800 000	100 000	194 116	100 000	-	605 884	605 884
Others	Options	500 000	-	-		500 000	-	
Total		**2 100 000**	**100 000**	**227 116**	**100 000**	**500 000**	**1 372 884**	**1 072 884**

Allocation: year - month	Expiry date: Year - month	Strike price NOK per share as at 31.12.2011	Options 2011	Options 2010
2008 - 06	2012 - 02	**14,44**	300 000	300 000
2009 -05	2012 - 05	**7,44**	255 884	422 884
2009 -05	2013 - 05	**7,44**	430 000	450 000
2009 - 12	2013 - 12	**10,50**	100 000	100 000
2010 - 09	2013 - 09	**16,14**	50 000	50 000
2010 - 09	2014 - 09	**16,14**	50 000	50 000
Totalt			**1 185 884**	**1 372 884**

	31.12.11	31.12.10
Equity based options available for exercise	300 000	-
Weighted average outstanding contract period	0,16	1,16
Cash-based options available for settlement	885 884	422 884
Weighted average outstanding contract period	1,16	2,12

Notes to the consolidated accounts

Note 10 Share and cash-based remuneration

2011	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Acc. cost opening bal. Options and Cash	Accrued cost/ reversal 2011 *)	Acc. cost charged against equity at 31.12.2011	Book liability cash settlement at 31.12.2011
Morten Vike (CEO)	Options	13,20	3,74	1 123	1 058	64	1 122	
Prev. employee where option expired	Options	23,00	5,86	2 346	2 346	-	2 346	
Others	Options	23,00	5,72	4 005	3 419	-	3 419	
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	2 268	-2 205		63
Atle Harald Sandtorv (CFO)	Cash settlement	10,76	3,40	680	264	-254	-	10
Others allocated in 2007	Cash settlement	7,83	3,81	3 047	3 028	-2 918		111
Other options allocated in 2010	Cash settlement	16,50	6,66	666	285	-275		10
Total				**13 010**	**12 668**	**-5 588**	**6 887**	**194**

2010	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Acc. cost open. bal. Options and Cash	Accrued cost 2010 *)	Acc. cost charged against equity at 31.12.2010	Book liability cash settlement at 31.12.2010
Morten Vike (CEO)	Options	13,20	3,74	1 123	650	409	1 058	
Prev. employee where option expired	Options	23,00	5,86	2 346	2 346	-	2 346	
Others	Options	23,00	5,72	4 005	3 419	-	3 419	
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	411	1 858		2 268
Atle Harald Sandtorv (CFO)	Cash settlement	10,76	3,40	680	23	241	-	264
Others allocated in 2007	Cash settlement	7,83	3,81	3 047	918	2 110		3 028
Option allocated in 2010 to new employees	Cash settlement	16,50	6,66	666	-	285		285
Total				**13 010**	**7 767**	**4 903**	**6 823**	**5 845**

*) Amount exclusive of employer's national insurance contributions.

	2011	2010	Classification in accounts
Accrued cost is divided as follows:	**-5 588**	**4 903**	
Accrued cost cash settlement	-5 652	4 495	Other provisions for commitments
Accrued cost - options	64	409	Other equity contributions
Total cost excl. employer's national insurance contributions	**-5 588**	**4 904**	
Employer's national insurance contributions	-993	757	Public dues payable
Total cost incl. employer's national insurance contributions	**-6 581**	**5 661**	Payroll & social security costs

The costs related to share and cash-based remuneration, NOK -5 588 000, is charged in the income statement as a personnel cost. The accumulated cost from the date of allocation amounts to NOK 7107 000, including employer's national insurance contributions. Employer's national insurance contributions is provided for on an ongoing basis based on the fair value of the options.

At 31 December 2011 outstanding options with the right to cash settlement were stated at NOK 194 000 as "Other non-current liabilities. Options issued are cancelled when employment terminates.

Estimates used in the calculations on allocation of options	
Anticipated volatility (%)	**62,62**
Risk-free rate of interest (%)	**2,65**
Estimated qualification period (years)	**3,50**

The estimated qualification period for the options is based on historical data, and does not necessarily represent an indication of the future.
In order to estimate volatility, the management have applied historical volatility for comparable listed companies.

Notes to the consolidated accounts

Note 11 Financial instruments by category

31 December 2011

	Level	Other financial liabilities at amortised cost	Financial instruments at fair value through profit and loss	Total
		Financial assets and liabilities		
Assets				
Available-for-sale financial assets	2/ 3		1 307	1 307
Loan to associated companies		996		996
Other long-term receivables		311		311
Current assets				
Accounts receivable		223 682		223 682
Other receivables		58 139		58 139
Derivatives	2		1 178	1 178
Cash and cash equivalents		152 621		152 621
Total		**435 749**	**2 485**	**438 234**
Non-current liabilities				
Borrowings		592 685		592 685
Financial leasing liabilities		179 670		179 670
Subordinated loan		18 287		18 287
Other non-current liabilities		2 701		2 701
Pension obligations and cash opions		1 751		1 751
Current liabilities				
Short term loan		700 000		700 000
Current portion of long term borrowings		79 983		79 983
Current portion of financial lease		44 662		44 662
Accounts payable		303 196		303 196
Other current liabilities	2		7 887	7 887
Total		**1 922 935**	**7 887**	**1 930 822**

31 December 2010

	Level	Other financial liabilities at amortised cost	Financial instruments at fair value through profit and loss	Total
		Financial assets and liabilities		
Assets				
Available-for-sale financial assets	2/ 3		557	557
Loan to associated companies		3 449		3 449
Other long-term receivables		1 958		1 958
Current assets				
Accounts receivable		265 350		265 350
Other receivables		43 265		43 265
Cash and cash equivalents		143 727		143 727
Total		**457 749**	**557**	**458 306**
Non-current liabilities				
Borrowings		646 686		646 686
Financial leasing liabilities		168 856		168 856
Subordinated loan		14 581		14 581
Other non-current liabilities		3 292		3 292
Pension obligations and cash opions		7 896		7 896
Current liabilities				
Short term loan		260 000		260 000
Current portion of long term borrowings		79 000		79 000
Current portion of financial lease		41 726		41 726
Accounts payable		253 305		253 305
Other current liabilities	2		1 605	1 605
Total		**1 475 342**	**1 605**	**1 476 947**

FAIR VALUE OF FINANCIAL INSTRUMENTS

Assessment of fair value of financial instruments:

Financial instruments which, in accordance with IFRS7, are stated at fiar value at year-end are grouped on the basis of a valuation hierarchy basert på the degree of observability in the market value:

Level 1: fair value determined directly on the basis of quoted prices from active markets
Level 2: fair value calculated using valuation techniques based on observable data
Level 3: fair value calculated using valuation techniques based on non-observable data.

Notes to the consolidated accounts

Note 12 Financial income and financial expenses

	2011	2010
Interest from associated companies	135	207
Other interest income	2 920	1 449
Dividends	20	15
Net change in fair value of derivatives	0	9 606
Net currency gains	28 066	40 946
Other financial income	0	2 452
Total financial income	**31 141**	**54 675**
Interest expense on bank borrowings an	8 752	8 385
Other interest expenses	45 270	42 828
Net change in fair value of derivatives	7 146	0
Other financial expenses	795	669
Total financial expenses	**61 963**	**51 882**

Notes to the consolidated accounts

Note 13 Investments in associated companies - Jointly controlled entities

Associated companies 2011	Share capital	Booked equity (100%)	Equity interest	Voting shares
Bokn Sjøservice AS	1 000	11 910	50,00 %	50,00 %
Cleanfish AS (company in liquidation)	1 500	4 525	25,00 %	25,00 %
Finnmark Brønnbåtrederi AS	100	3 939	49,90 %	49,90 %
Salmon Breed AS (acquired through acquisition of Erfjord Stamfisk AS)	9 000	16 999	27,50 %	27,50 %
Salten Stamfisk AS (acquired through acquisition of Erfjord Stamfisk AS)	4 600	10 540	34,00 %	34,00 %
Isopro AS	100	2 600	20,00 %	20,00 %

Jointly controlled entities 2011	Share capital	Booked equity (100%)	Equity interest	Voting shares
Ocean Quality AS	6 000	22 660	60,00 %	60,00 %

Since November 2010 the group has had a jointly controlled entity, Ocean Quality AS, along with Bremnes Fryseri AS. Participation in the jointly controlled entity is based on the equity metod of accounting. The activity is closely linked to the group's operations and is part of the group's value chain. The group's share of the accounting results is thus shown separately and is included in the group's operating result. The group has a 60% shareholding in Ocean Quality AS. The division of profits is not based on the ownership percentage, but in proportion to the turnover generated by each owner, in line with the cooperation agreement.
The share of the results of associated companies has based on preliminary accounts.

Book value	Cleanfish AS	Ocean Quality AS	Finnmark Brønnbåt-rederi AS	Erfjord Stamfisk AS	Bokn Sjøservice AS	Salmon Breed AS	Salten Stamfisk AS	Total
Share of fair value of associate's identifiable net assets on acquisition	1 500	6 000	55	2 984	506	3 988	1 568	3 545
Capital increase								0
Excess value recorded as identifiable assets	-	-	-	4 926	-	1 242	345	4 926
Excess value recorded as goodwill			0		0			0
Acquisition cost	**1 500**	**6 000**	**55**	**7 910**	**506**	**5 230**	**1 913**	**8 471**
Share of result for the year / impairment of investment	-1 415	6 859	4 163		186	2 621	1 671	14 084
Accounting gain on acquisition of remaining 51.3% shareholding				24 909				24 909
Depreciation of excess value of identifiable assets	-	-	-	0	-	-124		-124
Share of profit for the year and write-down of receivables	**-1 415**	**6 859**	**4 163**	**24 909**	**186**	**2 497**	**1 671**	**38 869**
Share of results from associated companies classified as operations		**6 859**	**4 163**		**186**	**2 497**		**13 704**
Share of profits from associated companies classified under operating result	**-1 415**			**24 909**			**1 671**	**25 165**

Companies closely linked to the group's operations are classified on a separate line in the operating results.
This applies in cases where the associated and jointly controlled company s are engaged in an activity in the same part of the value chain as the group.

	Isopro AS	Cleanfish AS	Ocean Quality AS	Finnmark Brønnbåt-rederi AS	Erfjord Stamfisk AS	Sjøservice AS	Salmin Breed AS	Salten Stamfisk AS	Total
Book value at 01.01.2011	**-**	**1 300**	**6476**	**1 968**	**17 810**	**5 902**	**-**	**-**	**33 456**
Additions through new enterprise or acquisition of subsidiaries	520	115	-	0	0	0	5 230	1 913	**7 778**
Proceeds of sale of share of 48.7% TS share					-42 719				**-42 719**
Gain on sale of 48.7% TS share					24 909				**24 909**
Share of profit for the year /loss after depreciation		-1 415	6 859	4 163		186	2 497	1 671	**13 962**
Book value at 31.12.2011	**520**	**-**	**13 335**	**6 131**	**-**	**6 088**	**7 727**	**3 584**	**37 386**

Erfjord Stamfisk AS: the remaining 51.3% shareholding was bought on 24.01.2011. This resulted in an accounting gain of NOK 24.9m.
Cleanfish AS is in liquidation in 2012.

Associated companies 2010	Share capital	Booked equity	Equity interest	Voting shares
Erfjord Stamfisk AS	616	15 119	48,70 %	48,70 %
Bokn Sjøservice AS	1 000	5 656	50,00 %	50,00 %
Cleanfish AS	1 500	4 525	25,00 %	25,00 %
Finnmark Brønnbåtrederi AS	100	50	49,9 %	49,9 %

Jointly controlled entities 2010	Share capital	Booked equity	Equity interest	Voting shares
Ocean Quality AS	6 000	11 650	60,0 %	60,0 %

Since November 2010 the group has had a jointly controlled entity, Ocean Quality AS, along with Bremnes Fryseri AS. Participation in the jointly controlled entity is based on the equity metod of accounting. The activity is closely linked to the group's operations and is part of the group's value chain. The group's share of the accounting results is thus shown separately and is included in the group's operating result. The group has a 60% shareholding in Ocean Quality AS. The division of profits is not based on the ownership percentage, but in proportion to the turnover generated by each owner, in line with the cooperation agreement between the parties.

Book value	Cleanfish AS	Ocean Quality AS	Finnmark Brønnbåt-rederi AS	Erfjord Stamfisk AS	Bokn Sjøservice AS	Total
Share of fair value of jointly controlled entities' net assets on acquisition	1 500	6 000	55	2 984	506	3 545
Disposals at historical cost			0	0	0	0
Excess value recorded as identifiable assets			0	4 926	0	4 926
Acquisition cost at 31.12.2010	**1 500**	**6 000**	**55**	**7 910**	**506**	**8 471**
Share of result for the year	-200	476	1 913	7 998	2 358	12 545
Depreciation of excess value of identifiable assets			0	-208	0	-208
Share of profit for the year and write-down of receivables	**-200**	**476**	**1 913**	**7 790**	**2 358**	**12 337**
Share of results from jointly controlled entities classified as operations		**476**	**1 913**		**2 358**	**4 747**
Share of profits from jointly controlled entities classified under operating result	**-200**			**7 790**		**7 590**
Book value at 01.01.2010	-	-	55	10 020	3 544	13 619
Additions	1 500	6 000		0	0	7 500
Share of result for the year	-200	476	1 913	7 790	2 358	12 337
Book value at 31.12.2010	**1 300**	**6 476**	**1 968**	**17 810**	**5 902**	**33 456**

Information concerning the turnover and equity of associated companies::
All of the companies have the same accounting year as the group. In 2011 investments were made in to new companies, Salmon Breed AS and Salten Stamfisk AS through the acquisition of ErfjordOcean Quality AS and Cleanfish. Isopro AS was also established.

	2011	2010
Turnover	2 054 752	481 276
Profit before tax	22 759	27 159
Assets	369 794	410 457
Liabilities	286 214	350 646
Equity	**83 580**	**59 811**

Notes to the consolidated accounts

Note 14 Earnings per share and dividend per share

Basis for calculation of earnings per share	**2011**	**2010**
Earnings for the year (majority share)	-123 159	631 039
Number of shares at year-end	111 662 000	111 662 000
Average number of shares	111 662 000	111 662 000
Adjustment for effect of share options (see details in note 12) *)	-	300 000
Adjustment for own shares	1 250 000	-
Average no. of shares by dilution	111 001 041	111 962 000
Basic earnings per share	**-1,11**	**5,65**
Diluted earnings per share	**-1,11**	**5,64**
Proposed dividend per share	**0,00**	**1,35**

*) The share options did not have a dilutive effect as the exercise price of the options exceeds the average market price of ordinary shares in 2011. For 2010 there has been a dilutive effect since March 2010.

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Note 15 Available-for-sale financial assets

2011 **Company**	**Business location**	**No. of shares**	**Ownership/ voting shares**	**Acquisition cost**	**Fair value**
DnBNOR Global Allokering	Oslo	3 039	<1%	317	358
Finnøy Næringspark AS	Finnøy	100	7,1 %	103	800
Blue Planet AS		1	2,6 %	50	50
Aqua Gen AS	Kyrksæterøra	3 200	<1%	23	23
Other				76	76
Total				**569**	**1 307**

2010 **Company**	**Business location**	**No. of shares**	**Ownership/ voting shares**	**Acquisition cost**	**Fair value**
DnBNOR Global Allokering	Oslo	3 039	<1%	317	373
Finnøy Næringspark AS	Finnøy	103 000	7,1 %	103	103
Aqua Gen AS	Kyrksæterøra	3 200	< 1 %	23	23
Other				58	58
Total				**501**	**557**

Change in fair value

Fair value at 31.12.2010	**557**
Change in value of shares to fair value	682
Purchase of shares	74
Salg av aksjer	-6
Fair value at 31.12.2011	**1 307**

The value change relates mainly to Finnøy Næringspark AS. Fair value is assessed at NOK 800 000 based on an external offer to purchase a shareholding in the company.
The purchase of shares relates to a shareholding in Blue Planet AS for NOK 50 000, as well as other shares for a total of NOK 24 000.

Notes to the consolidated accounts

Note 16 Intangible assets

2010	Goodwill	Licences fish farming indefinite lives	Licences fish farming definite lives	Other intangible assets	Total
As at 01.01.					
Acquisition cost	200 483	866 595	42 157	10 658	1 119 892
Accumulated amortisation	-23 297	-1 099	-16 927	-5 079	-46 402
Accumulated impairment	-89 603	-72 385	0	0	-161 988
Book value at 01.01.	**87 583**	**793 110**	**25 229**	**5 579**	**911 501**
Book value at 01.01.	87 583	793 110	25 229	5 579	911 501
Currency translation differences at 01.01.	111	2 663	1 643	0	4 417
Acquisitions through business combinations	2 846	10 175	0	0	13 021
Intangible fixed assets acquired	0	22 208	0	0	22 208
Intangible fixed assets sold	0	0	0	0	0
Amortisation	0	0	-1 244	-2 419	-3 663
Reversal of impairment *)	0	72 385	0	0	72 385
Book value at 31.12.	**90 540**	**900 543**	**25 627**	**3 160**	**947 484**
As at 31.12.					
Acquisition cost	203 440	908 945	44 459	10 658	1 167 502
Accumulated amortisation	-23 297	-8 403	-18 831	-7 498	-58 029
Accumulated impairment	-89 603	0	0	0	-89 603
Book value at 31.12.	**90 540**	**900 541**	**25 627**	**3 160**	**1 019 869**

2011	Goodwill	Licences fish farming indefinite lives	Licences fish farming definite lives	Other intangible assets	Total
Book value at 01.01.	90 540	900 542	25 628	3 160	1 019 870
Currency translation differences at 01.01.	467	2 303	-12	0	2 758
Acquisitions through business combinations	14 366	56 421	0	0	70 787
Intangible fixed assets acquired	0	3 908	0	3 485	7 393
Intangible fixed assets sold	0	0	0	0	0
Amortisation	0	0	-1 195	-2 027	-3 222
Change in classification based on new informa	0	0	0	0	0
Book value at 31.12.	**105 373**	**963 175**	**24 421**	**4 618**	**1 097 587**
As at 31.12.					
Acquisition cost	218 273	971 578	44 447	14 143	1 248 441
Accumulated amortisation	-23 297	-8 403	-20 026	-9 525	-61 251
Accumulated impairment	-89 603	0	0	0	-89 603
Book value at 31.12.	**105 373**	**963 175**	**24 421**	**4 618**	**1 097 587**

*) In 2008 book values were written down , including licences, in the sum of NOK 72 385k. In connection with an impairment test at 31.12.2010 the previous impairment of licences was reversed.

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Notes to the consolidated accounts

Note 16 Intangible assets (continued)

Impairment test for goodwill and licences

Goodwill and licences were not impaired in 2011 or 2010. Previous impairment of licences was reversed in 2010 in the sum of NOK 72m.

Goodwill and licences with an indefinite economic life are subject to an annual impairment test. Impairment tests are performed more frequently if there are indications of a decline in value. Licences with definite useful lives are tested for impairment only if there are indications of a decline in value. Estimated value in use is used as basis for calculating the recoverable amount. Impairment occurs when the carrying value is higher than the recoverable amount. In connection with the impairment test previous impairment of licences has been reversed for the cash-generating unit Grieg Seafood Finnmark. The total amount of the reversal was NOK 72 385 000. On carrying out the test the book value was materially lower than the calculated value. The book value per licence was stated at a lower value compared with the market value of corresponding licences at year-end 2010. Following the reversal, there is still a good margin between the book value and the calculated recoverable amount.

Cash generating unit	Location	Book value of related goodwill	Book value of licences	Total
BC - Canada	Canada	10 014	151 620	161 634
Finnmark	Norge	0	259 700	259 700
Shetland - UK	UK	74 897	442 203	517 100
Rogaland (incl. Erfjord Stamfisk)	Norge	20 462	134 073	154 535
Total value		**105 373**	**987 596**	**1 092 969**

Goodwill relates to acquisition of the subsidiary companies. Goodwill is allocated to the group's cash-generating units (CGU's) identified according to operating segment. An annual impairment test for goodwill and licenses has been carried out. The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use after-tax cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three year period are extrapolated using the estimated nominal growth rates stated below. The estimated growth rate corresponds with expected inflation.

The key assumptions used for value-in-use calculations are as follows

Unit	BC - Canada	Finnmark	Shetland - UK	Rogaland
Budget period	3 år	3 år	3 år	3 år
Increase in revenues in budget period	4,00 %	57 %	41 %	29 %
Ebitda margin 1)	1% - 12%	(-3%) - 22%	5% - 20%	2% - 21%
Harvest growth - tons 2)	4,00 %	62 %	42 %	38 %
Discount rate 3)	12,00 %	12 %	12 %	12 %
Growth rate 4)	2,50 %	2,5 %	2,5 %	2,5 %

1) Budget Ebitda margin. The margin varies in the budget period.
2) The growth rate of the harvested volume in the budget period. (Nominal growth rate)
3) Pre-tax discount rate applied to the cash flow projections.
4) Weighted average growth rate used to extrapolate cash flows beyond the budget period.

The budgeted EBITDA margin is based on past performance, expected cost of production and expectations of market development. The increased harvest volume is based on an increase in utilisation of existing production capacity. The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

Sensitivity analysis

Value-in-use is sensitive to changes in the assumptions made. The most important are discount rate, sales volume and EBTIDA. The sensitivity analysis only includes the budget period, and not the terminal value. The calculation of value-in-use is not sensitive for any of the segments in relation to changes in assumptions by a 1 percentage point change in WACC or a 10% reduction in sales volume, ebitda in the budget period or the sale price.

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Notes to the consolidated accounts

Note 17 Tangible fixed assets

2010	Buildings/ property	Plant, equipment and other fixtures	Vessels/ barges	Total
Book value at 01.01.	240 398	390 543	188 168	**819 110**
Currency translation differences at 01.01.	-640	5 622	387	**5 369**
Tangible fixed assets acquired	45 060	127 198	46 515	**218 773**
Tangible fixed assets sold	0	-831	-2 253	**-3 083**
Depreciation	-12 646	-81 863	-21 825	**-116 334**
Depreciation on assets sold	0	422	0	**422**
Currency translation differences depreciation	-165	41	-586	**-710**
Book value at 31.12.	**272 007**	**441 132**	**210 407**	**923 546**
As at 31.12.				
Acquisition cost	346 050	926 342	318 599	**1 590 992**
Accumulated depreciation	-60 003	-461 238	-108 193	**-629 434**
Accumulated impairment	-14 040	-23 972	0	**-38 012**
Book value at 31.12.	**272 007**	**441 132**	**210 407**	**923 546**
Book value of finance leases included above	**287**	**86 945**	**139 588**	**226 820**
Depreciation of finance leases included above	**35**	**15 265**	**19 122**	**34 422**

2011	Buildings/ property	Plant, equipment and other fixtures	Vessels/ barges	Total
Book value at 01.01.	272 007	441 132	210 407	**923 546**
Currency translation differences at 01.01.	1 150	2 746	1 363	**5 259**
Acquisitions through business combinations	3 286	11 572	2 664	**17 522**
Tangible fixed assets acquired *)	131 587	130 533	57 226	**319 347**
Tangibe fixed assets sold	-46	-2 538	-102	**-2 686**
Depreciation	-16 380	-95 629	-24 976	**-136 984**
Depreciation on assets sold	0	0	0	**0**
Currency translation differences depreciation	7	54	634	**695**
Book value at 31.12.	**391 611**	**487 870**	**247 216**	**1 126 699**
As at 31.12.				
Acquisition cost	499 862	1 033 571	398 693	**1 932 128**
Accumulated depreciation	-94 211	-521 729	-151 478	**-767 418**
Accumulated impairment	-14 040	-23 972	0	**-38 012**
Book value at 31.12.	**391 611**	**487 870**	**247 215**	**1 126 698**
Book value of finance leases included above	**2 156**	**101 052**	**157 034**	**260 242**
Depreciation of finance leases included above	**175**	**10 747**	**8 277**	**19 199**

***) Tangible fixed assets acquired**

There was considerable investment in 2011, also in smolt production in order to reduce future production costs.
Funds were also allocated for investment in general maintenance.

Notes to the consolidated accounts

Note 18 Cash and cash equivalents

	2011	2010
Restricted deposits related to employees' tax deduction	5 464	3 318
Restricted bank deposits related to clearing account for financial price contracts*)	8 149	1 024
Other cash and bank deposits	139 009	139 385
Total	**152 622**	**143 727**

*) The restricted deposits are "base-" and "portofolio" margin requirements related to financial salmon price contracts in the Norwegian part of the group.

The group's currency and interest rate exposure is described in note 3.

Note 19 Inventories

	2011	2010
Raw material (feed) at cost	39 320	49 569
Roe	6 666	0
Other (frozen fish, value added products)	21 369	8 840
Total inventories	**67 355**	**58 409**

Notes to the consolidated accounts

20 Biological assets

	Tons 2011	Tons 2010	2011	2010
Biological assets at 01.01.	49 030	56 079	1 564 046	1 367 061
Currency translation differences	0	0	8 592	11 076
Increase due to purchases of fish	0	0	-2 919	-158
Increase due to production	81 356	70 659	1 701 047	1 425 193
Increase due to business acquisition	1 523	0	45 247	0
Decrease due to sales / harvesting / mortality	-73 377	-77 710	-1 504 576	-1 438 368
Fair value adjustment at 01.01	N/A	N/A	-407 625	-208 388
Fair value adjustment in connection with business acquisition			-18 863	0
Fair value adjustment at 31.12	N/A	N/A	19 985	407 625
Book value of biological assets at 31.12.	**58 532**	**49 028**	**1 404 934**	**1 564 041**
Fair value adjustment of biological assets			-396 474	199 507
Gain & loss arising from price conracts			1 294	8 122
Fair value adjustment of biological assets incl. fair value of price hedging contracts			**-395 180**	**207 629**

The accounting treatmentof living fish by companies applying IFRS is regulated by IAS 41 Agriculture. The basic principle is that such assets shall be measured at fair value. The fair value of biological assets (fish in the sea) for fish from 1 - 4 kilos is based on forward prices forward prices and/or the most relevant information that is available for the period when the fish is expected to be harvested. The price is adjusted according fcr how far the growth cycle has progresses. The price is adjusted for quality differences (superior, ordinary and process), ogether with the cost of logistics. The volume is adjusted for gutting loss. Fish in the sea with an average weight over 4 kg (mature fish) are assessed at their full value. The sale prices for harvestable fish are based on spot prices. In accordance with the adjusted model from 2011, the best estimate of the vair value of fish under 1 kg is considered to be the accumulated cost. From 2011, fish < 1 kg are included in the group which includes smolt and broodstock in the table. For further information about the new model, please refer to the note on accounting policies.

Biomass status at 31.12.2011	**Number of fish (1 000)**	**Biomass (tons)**	**Accrued cost of production**	**Fair value adjustment**	**Book value**
Smolt/ broodstock/ biomass with round weight < 1 kg	30 160	4 416	252 676	0	252 676
Biomass with round weight 1-4 kg	13 410	29 060	660 469	-31 101	629 367
Biomass with round weight > 4 kg	4 533	25 056	471 805	51 086	522 890
Total	**48 103**	**58 532**	**1 384 950**	**19 985**	**1 404 934**

Biomass status at 31.12.2010	**Number of fish (1 000)**	**Biomass (tons)**	**Accrued cost of production**	**Fair value adjustment**	**Book value**
Smolt	24 489	205	63 109	0	63 109
Biomass with round weight 1-4 kg	21 890	25 786	701 917	173 372	875 288
Biomass with round weight > 4 kg	4 144	23 038	391 390	234 253	625 644
Total	**50 523**	**49 029**	**1 156 416**	**407 625**	**1 564 041**

Notes to the consolidated accounts

Note 21 Accounts receivable

	2011	2010
Accounts receivable at nominal value	224 906	267 317
Provision for bad debts	-1 224	-1 967
Accounts receivable at 31.12.	**223 682**	**265 350**

For information about the age distribution of accounts receivable and the group's exposure to credit risk related to outstanding receivables, please refer to note 3

Note 22 Other receivables

Other non-current receivables	2011	2010
Other non-current receivables	311	1 958
Other non-current receivables at 31.12.	**311**	**1 958**

Other current receivables	2011	2010
VAT receivable etc.	32 499	15 472
Pre-paid expenses	12 263	14 524
Insurance claims	3 565	0
Other accrual of income	195	1 034
Receivables from related parties	0	1 932
Other current receivables	9 617	10 303
Other current receivables at 31.12.	**58 139**	**43 265**

Notes to the consolidated accounts

Note 23 Tax

	2011	2010
Tax specification		
Tax payable Norway	-	29
Tax payable abroad	-6 442	33 944
Tax paid but not accrued last year	4 390	-623
Change in deferred tax Norway	-35 925	120 252
Change in deferred tax abroad	-34 087	73 126
Taxes	**-72 064**	**226 727**
Tax reconciliation		
Profit before tax	-195 222	857 766
Taxes calculated at nominal tax rate	-52 731	238 474
Permanent difference on sale of shares	-	-
Withholding tax	-	-
Change in deferred tax liability	-6 402	-959
Utilisation of loss carried forward, previously not recognized	-	-
Tax losses carried forward not recognized	-510	-
Other permanent differences	-12 421	-10 789
Taxes	**-72 064**	**226 727**
Change in book value of deferred tax		
Book value at 01.01.	531 498	331 996
Currency conversion	-17	2 287
Effect of business combinations	28 866	2 942
Effect of equity transactions	-	-
Other effects	-3 634	895
Charged against income in the period	-70 012	193 377
Book value	**486 702**	**531 498**
Weighted average tax rate	**27,01**	**27,80**

The nominal tax rate in Norway is 28%. The nominal tax rate in Canada and Shetland was 26% in 2011.

The tables below show the composition of deferred tax. The tax effects of taxable and deductible temporary differences are shown separately. Deferred tax and deferred tax assets are offset. Both the Norwegian, Canadian and UK part of the Group, have a net deferred tax position. Deferred tax and deferred tax assets within Norway, Canada and UK can be set off.

Deferred tax	Licences	Fixed assets	Biological assets	Receivables	Inventory	Deferred capital gain	Current liabilities	Total
2010								
Opening balance 01.01.	168 904	31 509	306 724	510	5 901	3 488	4 028	521 064
Taken to income in the period	20 153	12 744	41 081	-5	-1 205	-762	-2 908	69 098
Currency translation differences	513	-404	5 072	-	382	-	27	5 591
Other effects	-	-1 862	-271	72	-	-0	-1	-2 062
Effect of business combinations	2 942	-	-	-	-	-	-	2 942
31.12.	**192 513**	**41 987**	**352 607**	**576**	**5 077**	**2 726**	**1 146**	**596 633**
2011								
Taken to income in the period	-3 365	3 962	-99 678	7 459	546	-507	-2 443	-94 027
Currency translation differences	542	412	371	-	6	-	2	1 332
Other effects	-2 036	19	539	30	-636	-	-1 766	-3 851
Effect of business combinations	15 124	-	5 281	9 454	-	-	-	29 860
31.12.	**202 778**	**46 380**	**259 120**	**17 519**	**4 993**	**2 219**	**-3 062**	**529 947**

Deferred tax assets	Loss carried forward	Fixed assets	Pensions	Receivables	Leasing obligations	Tax Credits	Other liabilities	Total
2010								
Opening balance 01.01.	-147 048	-8 164	-134	-	-16 283	-16 188	-1 253	-189 069
Taken to income in the period	104 913	4 254	98	-	6 928	8 847	-760	124 281
Currency translation differences	-717	-489	-	-	-1 056	-1 039	-	-3 302
Other effects	3 027	-	-	-	-	-	-72	2 956
Effect of business combinations	-	-	-	-	-	-	-	-
31.12.	**-39 825**	**-4 398**	**-36**	**-**	**-10 411**	**-8 380**	**-2 085**	**-65 135**
2011								
Taken to income in the period	17 111	3 167	36	-	1 420	-	2 281	24 015
Currency translation differences	-1 322	-5	-	-	-12	-10	-0	-1 350
Other effects	-1 548	-3	0	-	3	-1	1 766	217
Effect of business combinations	-20	-974	-	-	-	-	-	-994
31.12.	**-25 604**	**-2 213**	**0**	**-**	**-9 001**	**-8 391**	**1 963**	**-43 246**

	2011	2010
Net deferred tax	**486 702**	**531 494**

All deferred tax is classified as non-current debt

Loss carried forward

Deferred tax assets related to an allowable deficit are recognised in the balance sheet in so far as it is likely that this can be set against future taxable profits.

Deferred tax assets related to a tax loss carried forward are divided among the following jurisdictions	2011	2010
Norway	-18 600	-35 512
UK	-2 392	-2 411
Canada	-4 612	-1 902
	-25 604	-39 825

There is no time limit on the application of tax losses carried forward in Norway and the UK. In Canada, the scope for application of tax losses carried forward lapses in the period 2025 - 2031.

Notes to the consolidated accounts

Note 24 Share capital and shareholder information

Share capital:

As at 31 December 2011 the company had 111 662 000 shares with a nominal value of NOK 4 per share.
All shares issued by the company are fully paid up. There is one class of shares and all shares have the same rights.
In June 2011 the company purchased 1 250 000 of its own shares for NOK 14.40 per share.

Date of registration	Type of change	Change in share capital (NOK thousand)	Nominal value (NOK)	Total share capital (NOK thousand)	No. of ordinary shares
31.12.2009			**4,00**	**446 648**	**111 662 000**
	No transactions in 2010.				
31.12.2010			**4,00**	**446 648**	**111 662 000**
17.06.2011	Purchase of own shares		4,00	-5 000	-1 250 000
31.12.2011				**441 648**	**110 412 000**

The largest shareholders of Grieg Seafood ASA	No. of shares 31.12.11	Shareholding 31.12.11	No. of shares 31.10.10	Shareholding 31.12.10
GRIEG HOLDINGS	55 801 409	49,97 %	53 628 010	48,03 %
KONTRARI AS	15 250 000	13,66 %	-	0,00 %
YSTHOLMEN AS	3 868 197	3,46 %	2 864 892	2,57 %
HARALD VOLDEN	3 100 560	2,78 %	-	0,00 %
DNB NOR SMB	2 771 744	2,48 %	3 499 893	3,13 %
SKANDINAVISKA ENSKILDA BANKEN	1 874 999	1,68 %	1 692 864	1,52 %
CAPELKA AS	1 572 000	1,41 %	-	0,00 %
TROND MOHN	1 500 000	1,34 %	-	0,00 %
OM HOLDING AS	1 346 622	1,21 %	1 383 784	1,24 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %	-	0,00 %
TEIGEN			10 875 000	9,74 %
ODIN NORGE			4 772 363	4,27 %
HALDE INVEST AS			4 502 000	4,03 %
ODIN NORDEN			4 070 522	3,65 %
REAL SALMON AS			2 477 300	2,22 %
Total - largest shareholders	**88 335 531**	**79,11 %**	**89 766 628**	**80,39 %**
Total shareholders with shareholding less than 1%	23 326 469	20,89 %	21 895 372	19,61 %
Total shares	**111 662 000**	**100,00 %**	**111 662 000**	**100,00 %**

Shares controlled by Board members and management:	No. of shares 31.12.2011	Shareholding 31.12.11	No. of shares 31.12.10	Shareholding 31.12.10
Board of Directors:				
Per Grieg jr.	60 726 561	54,38 %	57 549 857	51,54 %
Wenche Kjølås (Jawendel AS)	7 000	0,00 %	2 000	0,00 %
Asbjørn Reinkind	60 000	0,05 %	0	0,00 %
Group management:				
Morten Vike (CEO)	75 000	0,07 %	65 000	0,06 %
Atle Harald Sandtorv (CFO)	15 000	0,01 %	3 500	0,00 %
* Shares owned by the following companies are controlled by Per Grieg jr. and family:				
Grieg Holdings AS	55 801 409	49,97 %	53 628 010	48,03 %
Grieg Shipping AS	824 565	0,74 %	824 565	0,74 %
Ystholmen AS	3 868 197	3,46 %	2 864 892	2,57 %
Grieg Ltd AS	217 390	0,19 %	217 390	0,19 %
Per Grieg jr. private	15 000	0,01 %	15 000	0,01 %
Total no. of shares controlled by Per Grieg jr. and family	**60 726 561**	**54,37 %**	**57 549 857**	**51,54 %**

Notes to the consolidated accounts

Note 25 Borrowings and finance leases

The Group's interest bearing debt at 31 December 2011 comprised loans from financial institutions and financial leasing liabilities. The financing facility is based on a multi-currency term loan of NOK 656m and a multi-currency revolving credit of NOK 500m.

As at 31 December 2011 the Group was in compliance with all covenants. The corporate finance agreement includes covenants related to the consolidated accounts, specifically related to the equity ratio, cash flow and working capital.

For further information about financing, please refer to note 32 "Post-balance sheet events".

Non- current liabilities	**2011**	**2010**
Subordinated loans (not interest-bearing)	18 287	14 581
Borrowings	593 305	648 632
Amortised cost	-620	-972
Finance lease liablilties	179 670	168 856
Total non-current liabilities	**790 642**	**831 097**

Current liabilities	**2011**	**2010**
Revolving credit facility *)	700 000	260 000
Current portion of long-term borrowings	79 983	79 000
Current portion of finance lease liabilities	44 662	41 726
Total current liabilities	**824 645**	**380 726**

*)The company has a current revolving credit faciltiy of NOK 500m. As at 31.12.2011 this was fully utilised.
The company has also received a temporary loan of NOK 200m while awaiting new financing. See note 32 "Post-balance sheet events".

Net interest-bearing debt	**2011**	**2010**
Total non-current and current liabilities	**1 615 907**	**1 211 823**
Subordinated loans	18 287	14 581
Gross interest-bearing debt	**1 597 620**	**1 197 242**
Cash and cash equivalents	152 621	143 727
Loan to associated companies	996	3 449
Other interest-bearing assets	311	3 423
Net interest-bearing debt	**1 443 692**	**1 046 640**

Payment profile non-current liabilities	**2012**	**2013**	**2014**	**2015**	**2016**	**Subsequently**	**Total**
Subordinated loans	0	0	0	0	0	18 287	18 287
Borrowings	79 983	73 614	73 614	443 844	1 614	0	672 668
Finance lease liabilties	45 787	46 586	35 354	25 790	22 549	48 265	224 332
Total	**125 770**	**120 200**	**108 968**	**469 634**	**24 163**	**66 552**	**915 287**

This payment profile is based on current loan agreements as at 31.12.2011. See note 32 for changes in the payment profile.

Liabilities secured by mortgage:	**2011**	**2010**
Liabilities to credit institutions incl. leasing liabilities	**1 598 125**	**1 197 242**

Assets pledged as security	**2011**	**2010**
Licences	987 596	926 170
Fixed assets	1 126 699	923 546
Accounts receivable	223 682	265 350
Inventories and biological assets	1 472 289	1 622 450
Total assets pledged as security	**3 810 266**	**3 737 516**

Pledges include shares in subsidiaries. The book value of these shares is 0 in the consolidated accounts.

Notes to the consolidated accounts

Note 25 Borrowings and finance leases (continued)

Description of debt	Currency	Fixed or floating interest	Effective interest rate	Final maturity	2011 Current portion	2011 Non-current portion	2012 Current portion	2012 Non-current portion
Grieg Seafood ASA								
Syndicate loan non-current	Multi	Floating	Price grid	2015	72 000	592 685	72 000	642 380
Syndicate loan - revolving credit	Multi	Floating	Price grid		500 000	0	260 000	
Syndicate loan - current					200 000		0	
Grieg Seafood Hjaltland								
SLAP	GBP	Floating	7,0 %	2018	0	0	653	4 306
Export Loan	GBP	Fixed	3,20 %		7 983	0	6 347	
Finance leases - all companies					44 662	179 670	41 726	168 856
Other					0	18 287	0	14 581
Total					**824 645**	**790 642**	**380 726**	**830 123**

	31.12.11	NOK	GBP	CAD	EUR
Syndicate loan non-current	656 332	656 332	-	-	-
Syndicate loan - revolving credit	500 000	500 000	-	-	-
Syndicate loan - current	200 000	200 000			
Other borrowings from financial institutions	16 336	8 353	7 983	-	-
Finance leases	224 332	143 254	48 349	32 729	-
Subordinated loans	18 287	-	18 287	-	-
Total loans and finance leases	**1 615 287**	**1 507 939**	**74 619**	**32 729**	**-**

Average interest on syndicate loans and revolving credit facility 2011	**4,40 %**	**2,41 %**	**2,74 %**

Notes to the consolidated accounts

Note 26 Pension commitments

Companies in Norway have a pension scheme for all employees in accordance with the rules for mandatory occupational pensions from 01.07.2009. At 31 December 2011 the pension scheme covered 300 persons, and 288 persons in 2010. The pension scheme is funded and managed through an insurance company. The group's foreign companies have no pension scheme.

Grieg Seafood Rogaland AS and Grieg Seafood Finnmark have a contractual early retirement scheme (AFP) for 252 of their employees. The group's financial liability in connection with this scheme is included in the pension calculations below. Effective from 2010 the old AFP scheme has been discontinued and of the members are covered by a new AFP scheme. No pensions have been taken out under the old scheme.
Companies which have been members of the scheme run by the Norwegian Confederation of Trade Unions (LO) and the Confederation of Norwegian Enterprise (NHO) have been required to make a provision for underfunding in the annual accounts from and including financial year 2010.

The annual premium per member is estimated on the basis of information from LO/NHO. The premium is payable over a 5-year period. The estimated amount, exclusive of employer's national insurance contributions, is NOK 4 500 for 2011 and NOK 6 .400 per member per year for 2010. A discount rate of 3.8% has been used. Underfunding is provided for as part of the pension obligations in the balance sheet.

The group had two pension schemes in 2010 and 2011, one of which terminated in 2011. The costs are funded through operations with maturity from 1 to 7 years. The pension scheme is for former employees. The pension commitments are stated in the balance sheet at fair value. The cost for 2011, NOK 203k and for 2010,
NOK 1 005k , are booked as a personnel expense. The pension commitments will be met by the company on maturity.
The financial liability related to this scheme is included in the pension calculation for the group

	2011	2010
Other pension to former employees	455	651
Provision to cover underfunding of wound-up AFP scheme	1 102	1 399
Net pension commitment at 31.12	**1 557**	**2 050**
The breakdown of net pension costs is as follows:		
Payment of pension funded through operations during year	203	1 005
Provision to cover underfunding of AFP scheme LO/NHO scheme	-286	1 399
Premium under AFP scheme LO/NHO scheme	714	1 155
Premium under new AFP scheme	792	0
Premium under defined contribution based pension scheme	2 193	1 881
Net pension cost for the year	**3 616**	**5 440**
Change in pension commitment		
Book value at 01.01.	2 050	1 927
Closure of AFP pension scheme	0	-271
Provision to cover underfunding of old AFP scheme	-286	1 399
Payment of pension funded through operations during year	-207	-1 005
Book value at 31.12.	**1 557**	**2 050**

Notes to the consolidated accounts

Note 27 Financial market risk

Currency

Sales made by the Norwegian part of the company are invoiced in NOK. Sales made by the companies in Canada are in USD. Sales made by the companies in the UK are in GBP.

Most of the expenses costs are in local currencies.

The group's borrowings in 2011 were denominated in NOK.

For a description of the group's market risk - see note 3

	2011			2010		
	Currency	**NOK**	**Share %**	**Currency**	**NOK**	**Share %**
Turnover						
NOK	-	1 047 451	51 %	-	492 843	20 %
USD	86 985	492 683	24 %	150 095	907 962	37 %
EUR	-	-	0 %	45 009	360 418	15 %
JPY	-	-	0 %	5 298	353	0 %
GBP	58 277	523 627	25 %	74 342	694 312	28 %
Total (incl. sales revenues, other income, gains/losses)		**2 063 761**	**100 %**		**2 455 888**	**100 %**
Accounts receivable						
NOK		131 055	59 %		154 242	58 %
CAD	306	1 795	1 %	-	-	0 %
USD	5 537	32 489	15 %	8 234	48 222	18 %
EUR	-	-	0 %	649	5 068	2 %
GBP	6 285	58 343	26 %	6 376	57 818	22 %
Total		**223 682**	**100 %**		**265 350**	**100 %**
Cash and cash equivalents						
NOK		114 716	75 %		121 845	85 %
CAD	3 772	22 975	15 %	2 535	14 857	10 %
USD	77	713	0 %	-	-	0 %
EUR	716	4 201	3 %	-	-	0 %
GBP	1 130	10 016	7 %	775	7 028	5 %
Sum		**152 621**	**100 %**		**143 730**	**100 %**
Accounts payable						
NOK		135 065	45 %		142 509	56 %
CAD	7 927	46 512	15 %	-	-	0 %
USD	9	54	0 %	6 284	36 828	15 %
GBP	13 120	121 566	40 %	8 157	73 968	29 %
Sum		**303 197**	**100 %**		**253 305**	**100 %**
Borrowings, subordinated loans, financial lease and bank overdraft						
NOK		1 507 938	93 %		561 896	46 %
CAD	34 000	32 729	2 %	34 000	199 261	16 %
EUR		-	0 %	5 821	45 478	4 %
GBP	45 012	74 620	5 %	44 576	404 214	33 %
Total		**1 615 287**	**100 %**		**1 210 849**	**100 %**

Notes to the consolidated accounts

Note 28 Other current liabilities

Specification of other current liabilities	2011	2010
Accrued expenses	43 685	34 586
Other current liabilities	4 767	7 088
Other current liabilities	**48 452**	**41 674**

Note 29 Lease contracts

Operating lease commitments - group company as lessee:

The group rents various offices on terms varying from five to ten years.
The group also leases plant and machinery under cancellable financial lease agreements.
The group must give written notification of termination of these agreements.
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Overview of future minimum operating leases	Within 1 year	1-5 years	Sub-sequently	Total
Minimum lease amount	9 345	28 838	47 942	86 125
Present value of future minimum lease amount (5% discount rate)	8 899	22 530	29 417	60 846

	2011	2010
Lease amount charged in the year.	8 853	3 194
Total lease amount charged	**8 853**	**3 194**

Overview of future minimum operating leases	Within 1 year	1-5 years	Sub-sequently	Total
Future minimum lease amount	54 293	158 395	52 396	265 084
Future financial cost of finance leases	8 509	25 648	6 596	40 752
Present value of finance leases	**45 784**	**132 747**	**45 800**	**224 332**

Leased assets booked as finance lease	2011	2010
Book value of leased assets (equipment, vessels)	260 243	226 820
Book value of leasing commitment	224 332	210 583

Notes to the consolidated accounts

Note 30 Public grants/Guaranties/Contingent liabilities

Public grants:

In the period 2009 - 2011 Grieg Seafood Hjaltland Ltd received approval for investment grants from EU totalling GBP 2 155 898, of which GBP 805 629 has been disbursed. The grants are paid when investments are commenced.

Guaranties:

As at 31.12.2011 guaranties totalled NOK 8 259 000. The guaranties have been given to cover financial exposure related to price contracts. The guaranties were given in 2010 and have different maturities, the last being on 27.01.2012.

Contingent liabilities:

Investigation of fish escapes in 2010
In March 2011 the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime (Økokrim) carried out a search of the group's premises in Finnmark. This was done in connection with a possible breach of the Norwegian Aquaculture Act related to three instances of fish escapes in the first half of 2010. As of 31.12.2011 the matter was still open and the company has not been informed of the conclusions of the investigation or of any claims made pertaining to any financial liability. No provisions for this matter have therefore been made in the accounts for 2011.

Notes to the consolidated accounts

Note 31 Related parties

2011	Operating income	Operating expenses	Financial income	Financial expenses	Long-term balances	Short-term balances
Total - related parties as shareholders	300	4 788	0	1 346	-908	-2 833
Total - related parties as associated companies	22	29 029	135	0	1 011	-2 337
Total - related parties as jointly controlled entities	1 029 271	0	0	0	0	108 709
Total	**1 029 593**	**33 817**	**135**	**1 346**	**103**	**103 539**

2010	Operating income	Operating expenses	Financial income	Financial expenses	Long-term balances	Short-term balances
Total - related parties as shareholders	0	4 798	0	0		0
Total - related parties as associated companies	0	13 545	207	0	5 372	0
Total - related parties as jointly controlled entities	458 763	0	0	0	0	149 384
Total	**458 763**	**18 343**	**207**	**0**	**5 372**	**149 384**

The group purchases service from companies in the same group as its majority shareholder, Grieg Holdings AS.
These services include:
- Services related to salaries, ICT and other functions such as canteen, reception etc. are provided by Grieg Group Resources AS. The services are provided on an arm's leng basis.
- Grieg Seafood ASA rents its offices from Grieg Gaarden KS. The rent is on an arm's length basis.
- In 2011 Grieg Holdings AS provided a guarantee related to a short-term loan of NOK 200m (note 25). The costs of this guarantee are prices on an arm's length basis.

Ocean Quality AS is a sales company owned jointly with Bremnes Fryseri AS. All sales of fish from Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS are channell through Ocean Quality AS. For further information place refer to notes 8 and 13.

Transactions with other related parties in associated companies are the purchase of services related to operations.

Notes to the consolidated accounts

Note 32 Post-balance sheet events

Extended funding

On 19 March 2012 Grieg Seafood ASA entered into an agreement providing for an extended funding framework which will replace a loan of NOK 200m which was taken up in the fourth quarter of 2011. The new agreement provides a liquidity framework of NOK 400-450m which comprises the the following elements:

1. NOK 300m in the form of a second lien loan. The loan is instalment-free, with annual renewal, and is guaranteed by Grieg Holdings AS.
2. NOK 72m with interest-only payment in 2012.
3. NOK 50-80m from factoring in Ocean Quality. This will reduce Grieg Seafood's working capital requirement correspondingly. The liquidity effect will vary between NOK 50m and NOK 80m, depending on seasonal sales fluctuations. For accounting purposes, Ocean Quality is defined as a jointly controlled entity for Grieg Seafood and therefore not consolidated with the Grieg Seafood Group.

At the same time, the company's loan terms for 2012 and 2013 have been altered. The NIBD/EBITDA requirement has been lifted for both years and replaced by a minimum amount for the accumulated EBITDA throughout the period. The company's equity ratio can also be reduced from a minimum of 35% to a minimum of 33% in any one quarter, provided that the minimum level of 35% is reestablished in the following quarter.

The guarantee from Grieg Holdings is provided on market terms.

GRIEG SEAFOOD ASA PARENT

Income Statement - Grieg Seafood ASA

Amount in NOK 1 000	Note	2011	2010
Other operating income	**10**	30 076	14 793
Total income		**30 076**	**14 793**
Salaries and personnel expenses	**11, 12**	-13 755	-26 646
Depreciation	**13, 14**	-2 294	-1 666
Other operating income	**11**	-16 299	-14 612
Operating profit		**-2 272**	**-28 131**
Interest income		1 813	582
Interest received from group companies		37 330	46 801
Other financial income	**18**	37 422	11
Realised gains/losses on fair value of financial instruments	**7**	-2 083	19 007
Unrealised gains/losses on fair value of financial instruments	**7**	-8 936	-748
Write-down/reversal of write-down of fixed assets investments	**8**	-2 500	135 012
Interest paid to group companies		-2 214	-22
Change in gain/loss on foreign exchange transactions		32 731	30 576
Other interest expenses		-39 653	-41 919
Other financial expenses		-1 189	-764
Profit before taxes		**50 448**	**160 405**
Income tax	**16**	-16 343	-5 905
Profit for the year		**34 105**	**154 500**

GRIEG SEAFOOD ASA

Balance sheet

Amount in NOK 1 000

Assets	Note	2011	2010
Software	**13**	3 293	521
Deferred tax assets	**16**	5 829	22 173
Property, plant and equipment	**14**	5 679	2 267
Investments in subsidiaries	**8**	1 220 980	1 172 141
Loans to group companies	**3, 5**	695 858	742 295
Investments in associated companies and joint ventures	**8**	6 001	11 339
Investments in shares or units	**9**	486	482
Total non-current assets		**1 938 126**	**1 951 218**
Accounts receivable	**4**	6 004	103
Accounts receivable group companies	**3, 4**	0	1 906
Loans to group companies	**3, 5**	621 487	344 238
Other current receivables	**3, 5, 7**	2 761	2 631
Cash and cash equivalents	**6**	92 182	106 704
Total current assets		**722 434**	**455 582**
Total assets		**2 660 560**	**2 406 800**

Liabilities and equity	Note	2011	2011
Share capital	**15**	446 648	446 648
Share premium reserve	**15**	-5 000	0
Other reserves	**12**	13 654	26 626
Retained earnings		818 659	784 568
Total equity		**1 273 961**	**1 257 842**
Pension obligations	**17**	0	127
Other provisions	**12**	193	5 846
Borrowings	**19**	583 380	642 379
Other non-current liabilities	**3,19**	952	0
Total non-current liabilities		**584 525**	**648 352**
Bank overdraft	**19**	700 000	260 000
Current portion of long term borrowings	**19**	72 000	72 000
Loans from group companies	**3**	1 516	1 420
Provision for dividend		0	150 744
Accounts payable	**3**	2 041	1 509
Accrued salary expense and public tax payable		1 747	1 749
Derivates and other financial instruments	7		
Other current liabilities	**3, 5, 7**	24 772	13 186
Total current liabilities		**802 075**	**500 606**
Total liabilities		**1 386 599**	**1 148 958**
Total liabilities and equity		**2 660 560**	**2 406 800**

Bergen, 22 March 2012

Grieg Seafood ASA

Per Grieg jr
Chairman

Asbjørn Reinkind
Vice Chairman

Ingelise Arntsen
Board member

Terje Ramm
Board member

Wenche Kjølås
Board member

Morten Vike
CEO

GRIEG SEAFOOD ASA

Cash Flow Statement

Amount in NOK 1 000	2011	2010
Profit before income taxes	50 448	160 405
Proceeds from sale of shares and other equity instruments	64	409
Depreciation and amortisation	2 294	1 666
Impairment/(reversed impairment) of investments	2 516	-134 974
(Gains/)loss on sale of assets	701	0
Fair value (gains/)losses on financial assets/instruments	-14	-38
Interest paid	35 287	41 919
Change in accounts payable	-5 901	0
Change in net pension liabilities	778	-174
Change in other accruals	-127	-351
Currency translation differences	-33 542	2 019
Net cash flow from operations	**52 504**	**70 881**
Dividend income	20	15
Proceeds from sale of tangible assets	469	0
Purchase of tangible assets	-6 164	-748
Purchase of intangible assets	-3 485	0
Purchase of shares and equity investments in other companies	-46 020	-7 500
Repayment on loans to group companies	-237 941	309 541
Payment on group receivables	46 437	0
Payment on other receivables	1 922	0
Currency translation differences	0	-2 844
Net cash flow from investment activities	**-244 762**	**298 464**
Net change in bank overdraft	440 000	-210 364
Payments on loans from group companies	-150	-11 633
Change in non-current interest bearing debt	-58 047	-66 153
Interest paid	-35 287	-41 919
Dividends paid	-150 744	-27 916
Purchase of treasure shares	-18 036	0
Currency translation differences	0	-7 034
Net cash flow from financing activities	**177 736**	**-365 020**
Cash in acquired companies		24
Net change in cash and cash equivalents	**-14 522**	**4 349**
Cash and cash equivalents at 01.01	**106 704**	**102 355**
Cash and cash equivalents at 31.12	**92 182**	**106 704**

GRIEG SEAFOOD ASA

Change in Equity

	Share capital	Share premium reserve	Other reserves	Retained earnings	Total equity
Equity at 01.01.2010	**446 648**	**716 634**	**621**	**82 696**	**1 246 599**
Profit for the year 2010				154 500	154 500
Other gains or losses recorded in equity				-26	-26
Effect of option scheme			409	0	409
Merger with Grieg Marine Farms 01.01.2010			1 752	3 987	5 739
Merger with GSF Hjaltland 01.01.2010			23 844	-22 478	1 366
Reduction of share premium reserve		-716 634		716 634	0
Provision for dividend				-150 744	-150 744
Equity at 31.12.2010	**446 648**	**0**	**26 626**	**784 569**	**1 257 843**
Profit for the year 2011				34 105	34 105
Other gains or losses recorded in equity				-14	-14
Effect of option scheme			64		64
Reduction of share premium reserve					0
Purchase of tresure shares	-5 000		-13 036		-18 036
Provision for dividend				0	0
Equity at 31.12.2011	**441 648**	**0**	**13 654**	**818 659**	**1 273 961**

Notes to the accounts

Note 1 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

All amounts in the notes are in TNOK, unless specified differently.

Revenue recognition
Revenue from sales of goods is recognised at the time of delivery. Revenue from the sales of services is recognised when the services are executed. The share of sales revenue associated with future service is recorded in the balance sheet as deferred sales revenue and is recognised as revenue at the time of execution.

Classification and valuation of balance sheet items
Assets intended for long term ownership or use are been classified as fixed assets. Assets expected to be realised in, or are intended for sale or consumption in, the entity's normal operating cycle, are been classified as current assets. Receivables are classified as current assets if they are expected to be realised within twelve months after the transaction date. Similar criteria apply to liabilities.

Current assets are valued at the lower of cost and fair value. Short term liabilities are stated at nominal value.

Fixed assets are carried at historical cost. Fixed assets whose value will deteriorate are depreciated on a straight line basis over the assets'estimated useful life. Fixed assets are written down to net realisable value if a value reduction occurs which is not expected to be temporary. Accruals are discounted to present value if the time value of money is material.

Fixed assets
Fixed assets are recognised in the balance sheet and depreciated over the estimated useful economic life, providing the asset has an expected useful life of more than 3 years and a cost price which exceeds NOK 15 000. Maintenance costs are charged as they arise as other operating expenses, while improvements and additions are added to the acquisition cost and depreciated with the asset. The distinction between maintenance and improvements is made with regard to the asset's relative condition at the original purchase date. Leased assets are recognised as fixed assets if the lease contract is considered to be a financial lease.

Subsidiaries, associated companies and joint ventures
Investments in subsidiaries, associated companies and joint ventures are valued at cost in the company accounts. The investment is valued at the cost of acquiring the shares, providing they are not impaired.

Group contributions to subsidiaries, with tax deducted, are reflected as increases in the purchase cost of the shares.

Dividends and group contributions are recognised in the same year as they are recognised in the subsidiary/associated company accounts. If dividends exceed retained earnings after acquisition, the exceeding amount is regarded as reimbursement of invested capital and the distribution will reduce the recorded value of the acquisition in the balance sheet. Group contributions received are recognised as other financial income.

Impairment of fixed assets
Impairment tests are performed if it is indicated that the carrying amount of a non-current asset exceeds the estimated recoverable amount. The test is performed on the lowest level of fixed assets at which independent cash flows can be indentified. If the carrying amount is higher than both the fair value less selling costs and the recoverable amount (net present value of future use/ownership), the asset is written down to the higher of fair value less selling costs and the recoverable amount.

Previous impairment charges are reversed at a later period if the conditions causing the write-down are no longer present (with the exception of impairment of goodwill).

Trade and other receivables
Trade and other receivables are recognised in the balance sheet at nominal value after deduction of provision for bad debts. The provision for bad debts is estimated on the basis of an individual assessment of each major receivable. In addition, a general provision is made for the remainder of the receivables based on estimated expected losses.

Short-term investments
Short-term investments (shares and investments which are considered current assets) are carried at the lower of average purchase cost and net realisable value on the balance sheet date. Dividends and other distributions received are recognised as other financial income.

Notes to the accounts

Note 1 Accounting principles

Pensions
Until 30 June 2009 the pension obligations of Grieg Seafood ASA were based on a defined benefits scheme. This scheme was discontinued with settlement of the net liability. The net cost of discontinuing the scheme was posted in the income statement.

Effective from 1 July 2009 Grieg Seafood ASA establlished a defined contribution based pension scheme for all employees. The company's pension scheme is in accordance with rules and regulations for mandatory occupational pensions. The premium is charged through operations as it arises in the profit and loss account. Employer's social security contributions are charged on the basis of the pension premium paid.

Group bank accounts system - deposit and loan
Grieg Seafood ASA entered into a financing agreement for the entire Grieg Seafood Group in 2008, and operates as such as an internal bank. Grieg Seafood borrows funds under the agreement from the financial institutions and lend these funds onwards to the group companies. When entering into this financing agreement, the company also set up a group account system (multi-accounts) in which Grieg Seafood ASA is the legal account holder and where deposits and loans are recognised as intercompany transactions. All group companies are responsible to the financial institutions for the whole amount of the engagement.

Share-based remuneratiion
The company operates a number of equity-settled, share-based remuneration schemes. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be charged over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At each balance sheet date, the entity revises its estimates of the number of options that are expected to be vested. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Cash-based remuneration
The company has a share-based remuneration scheme with settlement in cash. The company's obligation is posted under other long-term commitments. The cost for the year is charged in the income statement.

Derivatives
The company had no forward foreign exchange contracts at year-end 2010. Realised gains are recorded in the income statement as financial income. The real value of the contracts is stated on the basis of the exchange rate at year-end.

The company has entered into interest rate swap contracts These contracts are stated at fair value at year-end, but unrealised gaints are not booked. Unrealised losses are charged against income in accordance with Ngaap.

The company has made price contracts in 2010 which expire in 2011. The urealised loss is charged, while unrealised profit is not recorded.

Taxes
The tax expense in the income statement consists of both taxes payable for the accounting period and changes in deferred tax during the period. Deferred tax is calculated as 28% of the temporary differences between the value of assets and liabilities for tax purposes and their carrying amounts in the financial statements. Temporary differences, both positive and negative, are offset within the same period. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Deferred tax assets and deferred tax liabilities are presented net in the balance sheet.

Tax on group contributions given, booked as an increase in the purchase price of shares in other companies, and tax on group contribution received booked directly against equity, have been booked directly against tax items in the balance sheet (offset against tax payable if the group contribution has affected tax payable, and offset against deferred taxes if the group contribution has affected deferred taxes).

Cash flow statement
The cash flow statement has been prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short term highly liquid investments with maturities of three months or less from the purchase date.

Foreign currency
Transactions in foreign currency are translated into the functional currency at the transaction rate. Currency gains and losses arising from such transactions, and from translating money items (assets and liabilities) in foreign currency at the year-end rate are posted in the income statement.

Notes to the accounts

Note 2 Related parties

Amount in NOK 1 000

The company has transactions with companies in the same group as its majority shareholder, Grieg Holdings AS, in addition to own subsidiaries and joint venture companies.

Sale of services	**2011**	**2010**
Sale of services:		
- subsidiaries	29 215	14 424
- joint venture company (Ocean Quality AS)	1 561	-
Total	**30 776**	**14 424**

Grieg Seafood ASA renders serveral services to its subsidiaries. This includes administrative services as well as services related to the subsidiaries' funding of the subsidiaries.

Services rendered to joint venture company (Ocean Quality AS) are related to administrative services. All services are charged following the "arm's length" principle.

Grieg Seafood ASA has, on behalf of its subsidiaries Grieg Seafood Rogaland AS and Grieg Seafood Finnmark AS, entered into hedging contracts. This is done to reduce the potential adverse effect of the companies' exposure to salmon price volatility.

The agreement between parent and subsidiaries is charged based on a "back to back" agreement.

Purchase of services	**2011**	**2010**
Purchase of services:		
- subsidiaries	14 510	561
- companies within the Grieg Group	5 361	4 799
Total	**19 871**	**5 360**

Grieg Seafood ASA rents its offices from Grieg Gaarden KS. Administrative services are rendered by Grieg Group Resources AS. All services are charged following the "arn's length"principle.

Financial income	**2011**	**2010**
Financial income:		
- subsidiaries	34 723	42 908
Total	**34 723**	**42 908**

Grieg Seafood ASA purchases both non-current and current funding on behalf of its subsidiaries. Income from interest is based on the "arm's length basis".

Financial expenses	**2011**	**2010**
Financial expenses:		
- subsidiaries	868	22
- companies within the Grieg Group	1 346	
Total	**2 214**	**22**

During 2011 Grieg Holdings AS has agreed to serve as a guarantor for a MNOK 200 loan issued to Grieg Seafood ASA. As of 31.12.2011 a total of TNOK 1 333 guarantee fee had been charged from Grieg Holdings AS to Grieg Seafood ASA.

Notes to the accounts

Note 3 Balance sheet items with related parties

Amount in NOK 1 000

Loans to group companies non-current	2011	2010
Grieg Seafood Finnmark AS	227 500	244 375
Grieg Seafood Rogaland AS	109 200	117 300
Grieg Seafood Hjaltland UK Ltd	179 889	192 910
Grieg Seafood BC Ltd	192 703	206 652
Unrealised agio/disagio	-13 433	-18 942
Total	**695 858**	**742 295**

Loans to associated companies		
Erfjord Stamfisk AS	0	1 923
Total	**0**	**1 923**

Accounts receivable		
Grieg Seafood Finnmark AS	441	59
Grieg Seafood Rogaland AS	139	1 847
Erfjord Stamfisk AS	34	
Total group accounts receivable	**614**	**1 906**
Ocean Quality AS (joint venture company)	14	
Companies within the Grieg Group	379	
Total	**1 007**	**1 906**

Loans to group companies current		
Grieg Seafood Canada AS	1 285	1 180
Grieg Seafood BC Ltd	54 247	38 995
Grieg Seafood Finnmark AS	184 324	21 604
Grieg Seafood Hjaltland UK Ltd	294 382	194 047
Grieg Seafood Rogaland AS	49 847	88 412
Provision to dividend	37 402	0
Total	**621 487**	**344 238**

Other current receivable - related parties		
Companies within the Grieg Group	43	
Ocean Quality AS (joint venture company)	123	
Total	**166**	**0**

Non current loan - related parties		
Companies within the Grieg Group	952	
Total	**952**	**0**

*) Loan from Grieg Gaarden KS

Loans from group companies		
Grieg Seafood Finnmark AS	466	1 420
Grieg Seafood BC Ltd	1 050	
Total	**1 516**	**1 420**
Companies within the Grieg Group	1 850	218
Total loans from group companies	**1 850**	**218**

*) Grieg Group Resources AS and Grieg Gaarden KS

Other current liabilities group companies		
Companies within the Grieg Group	1 333	0
Total	**1 333**	**0**

*) Grieg Holdings AS

Notes to the accounts

Note 4 Accounts receivable

Amount in NOK 1000

	2011	2010
Accounts receivable at nominal value	6 004	2 009
Provisions for bad debt	0	0
Accounts receivable at 31.12	**6 004**	**2 009**
Change in provision for bad debt		0
Bad debts realised	14 762	0
Recognised in the Income statement	**14 762**	**0**

Grieg Seafood ASA has, on behalf of their subsidiaries Grieg Seafood Finnmark AS and Grieg Seafood Rogaland AS, mediated price contracts for salmon. As the price contract counterpart has filed for bankruptcy, TNOK 14 762 has been recorded as a loss in 2011 as related to the price contracts.

Note 5 Other receivables/other current liabilities

Amount in NOK 1000

Other non-curent liabilities	2011	2010
Intragroup non-current receivables, see note 2	695 858	742 295
Other non-current receivables at 31.12	**695 858**	**742 295**

Other current receivables	2011	2010
Intragroup current receivables, see note 2	621 487	344 238
Prepaid expenses	2 558	596
Accrued income	0	45
Receivables from related parties, see note 3	123	1 932
Other current receivables	80	58
Other current receivables 31.12	**624 248**	**346 869**

Other current liabilities	2011	2010
Accrued interest	12 164	5 716
Other accrued expenses	11 261	5 918
Other current liabilities	1 346	1 551
Other current liabilities at 31.12	**24 771**	**13 185**

Note 6 Restricted bank deposit

Amount in NOK 1000

	2011	2010
Restricted deposits related to employees' tax dedection	817	701
Total	**817**	**701**

Note 7 Derivative to fair value - through profit and loss

Amount in NOK 1000	2011		2010	
	Assets	Short term liabilities	Assets	Short term liabilities
Interest rate swaps (2 interest rate swaps, total MNOK 600 due date in 2012 and 2014)		-7 887		-748
Total derivative to fair value - through profit and loss	**-**	**-7 887**	**-**	**-748**

Change in market value	2011	2010
Unrealised gain/loss	-8 936	-748
Relised gain/loss	-2 083	19 007
Total unrelaised/realised gain/loss on financial instrument	**-11 019**	**18 259**

Notes to the accounts

Note 8 Investments in subsidiaries, associated companies and jointly controlled entities

Amount in NOK 1000

Subsidiaries	Business location country	Business location place	Ownership %	Equity at 31.12.2011	Profit/loss 2011	Book value
Grieg Seafood Rogaland AS	Norway	Bergen	100 %	292 027	48 576	174 658
Grieg Seafood Canada AS	Norway	Bergen	100 %	66 903	-76	138 252
Grieg Seafood Finnmark AS	Norway	Alta	100 %	294 732	25 987	400 481
Grieg Seafood Hjaltland UK Ltd	UK	Shetland	100 %	178 371	13 423	458 750
Erfjord Stamfisk AS	Norway	Suldal	100 %	51 306	20 451	48 839
Total investments in subsidiaries at 31.12.2011						**1 220 980**

In January 2011 Grieg Seafood ASA purchased the remaining 51,3% of shares in Erfjord Stamfisk AS.

Associated companies/ Joint venture companies	Business location country	Business location place	Ownership %	Equity at 31.12.2011	Profit/ loss 2011	Book value
Cleanfish AS	Norway	Stord	25,00 %	-2 208	-6 286	1
Ocean Quality AS (joint venture company)	Norway	Bergen	60,00 %	22 660	11 472	6 000
Total investments in associated companies/joint venture companies at 31.12.2011						**6 001**

Note 9 Investments in shares

Amount in NOK 1000

Investments in shares	Business location country	Business location place	Ownership %	Number of shares	Acquisition cost	Book value
Finnøy Næringspark AS	Norge	Finnøy	7,14 %	100	103	103
DN Global Allokering	Norge	Oslo		3 038	630	359
Codfarmers ASA	Norge	Oslo	0,00 %	500	156	4
CO2 AS	Norge	Lindås	10,00 %	2	20	20
Total investments in shares at 31.12.2011						**486**

In 2011 Cod Farmers ASA was merged with Atlantic Cod Farms AS. Grieg Seafood ASA owned 22 271 shares in Atlantic Cod Farms AS, which upon the merger was replaced by 500 shares in Cod Farmers ASA.

Note 10 Operating income

Amount in NOK 1000

Operating income comprises	2011	2010
Sale of goods	-	-
Total sales revenue	-	-
Internal management fee - Grieg Seafood Group	29 170	14 724
Other operating income	1 607	69
Total other income	**30 777**	**14 793**

Notes to the consolidated accounts

Note 11 Payroll, fees, number of employees etc.

	Note	2011	2010
Salaries		13 993	14 858
Social security costs		2 493	1 862
Share options granted to directors and employees	12	-5 588	5 661
Pension costs - defined contribution plans	17	689	452
Other personnel costs		2 168	3 812
Total		**13 755**	**26 645**
Average number of employees		13	10,5

The board's guidelines and principles for determination of salary and other remuneration to key employees are included i the consolidated report.

Accumulated costs related to salaries, pension costs and other remuneration to the CEO, other senior employees and board members in 2011 were as follows:

Remuneration to senior officers in 2011 in NOK	Salary	Bonus	Options exercised during year	Pension costs	Other remuneration	Total
Morten Vike (CEO)	2 738	848	0	83	274	3 943
Atle Harald Sandtorv (CFO)	1 458	476	839	80	114	2 967
Total remuneration						**6 910**
Board members						
Per Grieg jr. 1)					374	374
Anne-Grete Ellingsen 1)					100	100
Terje Ramm 2)					217	217
Wenche Kjølås 2)					217	217
Harald Volden					72	72
Ingelise Arntsen					116	116
Asbjørn Reinkind 1)					153	153
Total remuneration incl. social security contributions						**1 249**

1) Remuneration for work done in the Remuneration Committee is included in the payment t to Per Grieg jr. in the sum of NOK 11 419, in the payment to Anne-Grete Ellingsen in the sum of NOK 4 758, and in the payment to Asbjørn Reinkind in the sum of NOK 6 661.
2) Included in the payment to Terje Ramm and Wenche Kjølås is NOK 29 478 paid as remuneration for work done in the Audit Committee.
The amounts include social security contributions.

Accumulated costs related to salaries, pension costs and other remuneration to the CEO, other senior employees and board members in 2010 were as follows:

Remuneration to senior officers in 2010 in NOK	Salary	Bonus	Options exercised during year	Pension costs	Other remuneration	Total
Morten Vike (CEO)	2 773	396	0	74	173	3 416
Atle Harald Sandtorv (CFO)	1 340	0	243	79	30	1 691
Total remuneration incl. social security contributions						**5 107**
Board members						
Per Grieg jr. 1)					354	354
Anne-Grete Ellingsen 1)					240	240
Terje Ramm 2)					194	194
Wenche Kjølås 2)					194	194
Harald Volden					171	171
Total remuneration incl. social security contributions						**1 153**

1) Included in the payment to Per Grieg jr. and Anne-Grete Ellingsen is NOK 11 410 paid as remuneration for work done in the Remuneration Committee.
2) Included in the payment to Terje Ramm and Wenche Kjølås is NOK 22 820 paid as remuneration for work done in the Audit Committee.
The amounts include social security contributions.

Specification of auditors' fees	2011	2010
Statutory audit	663	1 066
Other assurance services	49	24
Tax advisory fee	16	18
Other service	107	175
Total	**835**	**1 283**

Notes to the accounts

Note 12 Share and cash-based remuneration

The company has issued options to the management group and regional directors. The options' strike price is the stock market price on the date of issue increased by 0.5% per month until exercise date. The equity options were granted in the period from 29.06.2007 until 01.06.2008 with expiry dates from 29.06.2010 until 27.02.2012. At 31.12.2011 there were 300 000 equity options available for exercise. From 2009 the company has issued options with cash settlement to the management group and regionaldirectors. These options were granted on 06.05.2009 with expiry date on 06.05.2011. New employees subsequently taken on have been allocated options on the commencement of employment. The last option matures on 13.09.2014. The options have 2 years' duration, where 50% is vested each year.

The Black & Scholes option pricing model is used to calculate the market value. A brokerage firm is used to carry out the calculations.

The table below illustrates the movement in outstanding options throughout 2010 and 2011.

Overview 2011	Option category	Outstanding options 31.12.2010	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2011	Of which cashsettled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	
Morten Vike (CEO)	Cash settlement	300 000	-	-	-	-	300 000	300 000
Atle Harald Sandtorv (CFO)	Cash settlement	167 000		87 000	-	-	80 000	80 000
Others	Cash settlement	605 884		100 000	-	-	505 884	505 884
Total		**1 372 884**	**-**	**187 000**	**-**	**-**	**1 185 884**	**885 884**

Overview 2010	Option category	Outstanding options 31.12.2009	Granted options	Exercised options	Cancelled options	Expired options	Outstanding options at 31.12.2010	Of which cashsettled
Morten Vike (CEO)	Options	300 000	-	-	-	-	300 000	
Morten Vike (CEO)	Cash settlement	300 000	-	-	-	-	300 000	300 000
Atle Harald Sandtorv (CFO)	Cash settlement	200 000	-	33 000	-	-	167 000	167 000
Others	Cash settlement	800 000	100 000	194 116	100 000	-	605 884	605 884
Others	Options	500 000	-	-		500 000	-	
Total		**2 100 000**	**100 000**	**227 116**	**100 000**	**500 000**	**1 372 884**	**1 072 884**

Allocation: year - month	Expiry date: Year - month	Strike price NOK per share as at 31.12.2011	Options 2011	Options 2010
2008 - 06	2012 - 02	**14,44**	300 000	300 000
2009 -05	2012 - 05	**7,44**	255 884	422 884
2009 -05	2013 - 05	**7,44**	430 000	450 000
2009 - 12	2013 - 12	**10,50**	100 000	100 000
2010 - 09	2013 - 09	**16,14**	50 000	50 000
2010 - 09	2014 - 09	**16,14**	50 000	50 000
Total			**1 185 884**	**1 372 884**

	31.12.11	31.12.10
Equity based options available for exercise	300 000	-
Weighted average outstanding contract period	0,16	1,16
Cash-based options available for settlement	885 884	422 884
Weighted average outstanding contract period	1,16	2,12

Notes to the accounts

Note 12 Share and cash-based remuneration

2011	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Acc. cost opening bal. Options and Cash	Accrued cost/ reversal 2011 *)	Acc. cost charged against equity at 31.12.2011	Book liability cash settlement at 31.12.2011
Morten Vike (CEO)	Options	13,20	3,74	1 123	1 058	64	1 122	
Prev. employee where option expired	Options	23,00	5,86	2 346	2 346	-	2 346	
Others	Options	23,00	5,72	4 005	3 419	-	3 419	
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	2 268	-2 205		62
Atle Harald Sandtorv (CFO)	Cash settlement	10,76	3,40	680	264	-254	-	10
Others allocated in 2007	Cash settlement	7,83	3,81	3 047	3 028	-2 918		111
Other options allocated in 2010	Cash settlement	16,50	6,66	666	285	-275		10
Total				**13 010**	**12 668**	**-5 588**	**6 887**	**193**

2010	Option category	Listed price on allocation	Calculated value per option on allocation	Calculated total value on allocation*)	Acc. cost open. bal. Options and Cash	Accrued cost 2010 *)	Acc. cost charged against equity at 31.12.2010	Book liability cash settlement at 31.12.2010
Morten Vike (CEO)	Options	13,20	3,74	1 123	650	409	1 058	
Prev. employee where option expired	Options	23,00	5,86	2 346	2 346	-	2 346	
Others	Options	23,00	5,72	4 005	3 419	-	3 419	
Morten Vike (CEO)	Cash settlement	7,83	3,81	1 143	411	1 858		2 268
Atle Harald Sandtorv (CFO)	Cash settlement	10,76	3,40	680	23	241	-	264
Others allocated in 2007	Cash settlement	7,83	3,81	3 047	918	2 110		3 028
Option allocated in 2010 to new employees	Cash settlement	16,50	6,66	666	-	285		285
Total				**13 010**	**7 767**	**4 903**	**6 823**	**5 845**

*) Amount exclusive of employer's national insurance contributions.

	2011	2010	Classification in accounts
Accrued cost is divided as follows:	**-5 588**	**4 903**	
Accrued cost cash settlement	-5 652	4 495	Other provisions for commitments
Accrued cost - options	64	409	Other equity contributions
Total cost excl. employer's national insurance contributions	**-5 588**	**4 904**	
Employer's national insurance contributions	-993	757	Public dues payable
Total cost incl. employer's national insurance contributions	**-6 581**	**5 661**	Payroll & social security costs

The costs related to share and cash-based remuneration, NOK -5 588 000, is charged in the income statement as a personnel cost. The accumulated cost from the date of allocation amounts to NOK 7107 000, including employer's national insurance contributions. Employer's national insurance contributions is provided for on an ongoing basis based on the fair value of the options.

At 31 December 2011 outstanding options with the right to cash settlement were stated at NOK 194 000 as "Other non-current liabilities. Options issued are cancelled when

Estimates used in the calculations on allocation of options	
Anticipated volatility (%)	**62,62**
Risk-free rate of interest (%)	**2,65**
Estimated qualification period (years)	**3,50**

The estimated qualification period for the options is based on historical data, and does not necessarily represent an indication of the future.
In order to estimate volatility, the management has applied historical volatility for comparable listed companies.

Notes to the accounts

Note 13 Intangible assets

2010	Software	Total
Book value 01.01	1 626	**1 626**
Depreciation	-1 105	**-1 105**
Book value at 31.12	**521**	**521**
Per 31.12.		
Acquisition cost	3 312	**3 312**
Accumulated depreciation	-2 791	**-2 791**
Book value at 31.12	**521**	**521**

2011	Software	Total
Book value at 01.01	521	**521**
Intangible assets acquired	3 485	**3 485**
Depreciation	-713	**-713**
Book value at 31.12	**3 293**	**3 293**
Per 31.12.		
Acquisition cost	6 797	**6 797**
Accumulated depreciation	-3 503	**-3 503**
Book value at 31.12	**3 294**	**3 294**
Economic lifetime/depreciation plan	**3 years**	

Note 14 Tangible assets

2010	Plant, equipment and other fixtures	Total
Book value at 01.01	2 080	**2 080**
Tangible fixed assets acquired	748	**748**
Depreciation	-561	**-561**
Book value at 31.12	**2 267**	**2 267**
Per 31.12.		
Acquisition cost	3 666	**3 666**
Accumulated depreciation	-1 399	**-1 399**
Book value at 31.12	**2 267**	**2 267**

2011	Plant, equipment and other fixtures	Total
Book value at 01.01	2 267	**2 267**
Tangible fixed assets acquired	6 164	**6 164**
Tangible fixed assets sold	-1 101	**-1 101**
Depreciation	-1 651	**-1 651**
Book value at 31.12	**5 679**	**5 679**
Per 31.12.		
Acquisition cost	8 729	**8 729**
Accumulated depreciation	-3 050	**-3 050**
Book value at 31.12	**5 679**	**5 679**
Economic lifetime/depreciation plan	**3-5 years**	

Notes to the accounts

Note 15 Share capital and shareholder information

Share capital:

As at 31 December 2011 the company had 111 662 000 shares with a nominal value of NOK 4 per share.
All shares issued by the company are fully paid up. There is one class of shares and all shares have the same rights.
In June 2011 the company purchased 1 250 000 of its own shares for NOK 14.40 per share.

Date of registration	Type of change	Change in share capital (TNOK)	Nominal value (NOK)	Total share capital (TNOK)	No. of ordinary shares
31.12.2009			**4,00**	**446 648**	**111 662 000**
	No transactions in 2010.				
31.12.2010			**4,00**	**446 648**	**111 662 000**
17.06.2011	Purchase of own shares		4,00	-5 000	-1 250 000
31.12.2011				**441 648**	**110 412 000**

The largest shareholders of Grieg Seafood ASA	No. of shares 31.12.11	Shareholding 31.12.11	No. of shares 31.10.10	Shareholding 31.12.10
GRIEG HOLDINGS	55 801 409	49,97 %	53 628 010	48,03 %
KONTRARI AS	15 250 000	13,66 %	-	0,00 %
YSTHOLMEN AS	3 868 197	3,46 %	2 864 892	2,57 %
HARALD VOLDEN	3 100 560	2,78 %	-	0,00 %
DNB NOR SMB	2 771 744	2,48 %	3 499 893	3,13 %
SKANDINAVISKA ENSKILDA BANKEN	1 874 999	1,68 %	1 692 864	1,52 %
CAPELKA AS	1 572 000	1,41 %	-	0,00 %
TROND MOHN	1 500 000	1,34 %	-	0,00 %
OM HOLDING AS	1 346 622	1,21 %	1 383 784	1,24 %
GRIEG SEAFOOD ASA	1 250 000	1,12 %	-	0,00 %
TEIGEN			10 875 000	9,74 %
ODIN NORGE			4 772 363	4,27 %
HALDE INVEST AS			4 502 000	4,03 %
ODIN NORDEN			4 070 522	3,65 %
REAL SALMON AS			2 477 300	2,22 %
Total - largest shareholders	**88 335 531**	**79,11 %**	**89 766 628**	**80,39 %**
Total shareholders with shareholding less than 1%	23 326 469	20,89 %	21 895 372	19,61 %
Total shares	**111 662 000**	**100,00 %**	**111 662 000**	**100,00 %**

Shares controlled by board members and management:

	No. of shares 31.12.2011	Shareholding 31.12.11	No. of shares 31.12.10	Shareholding 31.12.10
Board of Directors:				
Per Grieg jr.	60 726 561	54,38 %	57 549 857	51,54 %
Wenche Kjølås (Jawendel AS)	7 000	0,00 %	2 000	0,00 %
Asbjørn Reinkind	60 000	0,05 %	0	0,00 %
Group management:				
Morten Vike (CEO)	75 000	0,07 %	65 000	0,06 %
Atle Harald Sandtorv (CFO)	15 000	0,01 %	3 500	0,00 %
* Shares owned by the following companies are controlled by Per Grieg jr. and family:				
Grieg Holdings AS	55 801 409	0	53 628 010	
Grieg Shipping AS	824 565	0	824 565	
Ystholmen AS	3 868 197	0	2 864 892	
Grieg Ltd AS	217 390	0	217 390	
Per Grieg jr. private	15 000	0	15 000	
Total no. of shares controlled by Per Grieg jr. and family	**60 726 561**	**54,37 %**	**57 549 857**	**51,54 %**

Notes to the accounts

Note 16 Taxes

Temporary differences	Change	2011	2010
Fixed assets	174	-397	-223
Income statement	1 184	4 734	5 918
Non-current loans	353	620	973
Financial instruments	8 189	-8 937	-748
Pension funds	-127	0	-127
Cash-based option	-6 449	-221	-6 670
Net temporary differences	**3 324**	**-4 201**	**-877**
Tax losses carried forward	-56 408	-9 968	-66 376
Change in tax losses carried forward from 2010	-115	115	
Unused tax allowance	-5 172	-6 765	-11 937
Deferred tax in the balance sheet	**-58 371**	**-20 819**	**-79 190**
28% deferred tax	-16 343	-5 829	-22 173
Deferred tax in the balance sheet	**-16 343**	**-5 829**	**-22 173**
Change in deferred tax in the balance sheet		16 343	5 905
Deferred tax on emission costs, not recognised in income statement			0
Change in deferred tax in income statement		**16 343**	**5 905**

Specification of the tax expense	2011	2010
Profit before taxes	50 448	160 406
Tax-free gain on sales of shares	0	4
Permanent differences on write-down of shares	2 500	-135 012
Group contribution entered as income	-37 402	0
Employee options	64	409
Other differences and recognised share dividends	72	2
Basis for tax expense for the year	**15 682**	**25 809**
Change in temporary differences	3 324	8 279
Basis for tax payable in the income statement	**19 006**	**34 088**
Group contribution received	37 402	0
Utilisation of loss carried forward	-56 408	-34 088
Basis for tax payable	**0**	**0**
Tax payable (28% of the basis for tax payable in the income statement)	0	0
Change in deferred tax	16 343	5 905
Total tax expense	**16 343**	**5 905**

Tax liabilities in the balance sheet	2011	2010
Tax payable (28% of basis for tax liability)	0	0
Tax liability in the balance sheet	**0**	**0**
Tax losses carried forward	**9 853**	**66 376**

Notes to the accounts

Note 17 Pension obligations

At year-end 2011 the pension scheme covered 13 employees per 31 December 2011. The pension scheme is funded and managed through an insurance company.

Calculated pension obligations	2011	2010
Pension funded through operations	0	127
Net pension obligations in balance sheet at 31.12.2011	**0**	**127**
The net pension costs consist of the following:		
Disbursement of pensions funded through operations	127	360
Premium for defined contribution based pension scheme	562	452
Net pension costs for the year	**689**	**812**
Change in pension obligations:		
Book value at 01.01	127	0
Transfer on merger from Grieg Seafood Hjaltland AS	0	487
Disbursement of pensions funded through operations	-127	-360
Book value at 31.12	**0**	**127**

Note 18 Financial income

	2011	2010
Group contribution Grieg Seafood Rogaland AS	32 607	0
Group contribution Erfjord Stamfisk AS	4 795	0
Other financial income	20	11
Total other financial income	**37 422**	**11**

Notes to the accounts

Note 19 Borrowings

Amount in NOK 1 000

The interest-bearing debt at 31 December 2011 comprised loans from financial institutions. The financing facilitiy is based on a long term loan of MOK 656 and a multi-currency term loan of MNOK 500. In addition to this the company has a temporary loan of MNOK 200.

As at 31 December 2011 the company was in compliance with all covenants. The corporate finance agreement includes covenants related to the consoliidated accounts, specifically related to the equity ratio, cash flow and working capital.

See additional information in note 21 "Post-balance sheet event".

Non-current liabilities	2011	2010
Borrowings	584 000	643 352
Other non-current liabilities	952	
Amortised cost	-620	-973
Total non-current liabilities	**584 332**	**642 379**
Current liabilities		
Revolving credit facility *)	500 000	260 000
Temporary loan	200 000	0
Current portion of long-term borrowings	72 000	72 000
Total current liabilities	**772 000**	**332 000**
Gross interest-bearing debt	**1 356 332**	**974 379**
Cash and cash equivalents	92 182	106 704
Loan to group companies	1 279 919	1 086 533
Loan to associated companies	0	1 923
Net interest-bearing debt	**-15 769**	**-220 781**

*) The company has a current revolving credit facility totalling MNOK 500. As at 31 December this was fully utilised.

Payment profile non-current liabilities	2012	2013	2014	2015	2016	Subsequently	Sum
Borrowings	72 000	72 000	72 000	440 000	0	0	656 000
Other non-current liabilities	95	95	95	95	95	477	952
Total	**72 095**	**72 095**	**72 095**	**440 095**	**95**	**477**	**656 952**

This payment profile is based on current loan agreement as at 31.12.2011. See note 21 for changes in the payment profile.

Liabilities secured by mortgage	2011	2010
Liabilities to credit institutions	1 356 000	975 352
Total liabilities	**1 356 000**	**975 352**

Assets pledged as security		
Fixed assets	8 973	2 788
Accounts receivable	6 004	103
Loan to group companies	1 279 919	1 086 533
Total assets pledged as security	**1 294 896**	**1 089 424**

				2011		2010	
Debt description	**Currency**	**Fixed or floating interest rate**	**"Final maturity"**	**Current portion**	**Non-current portion**	**Current portion**	**Non-current portion**
Syndicated long term loan	NOK	Floating	2015	72 000	584 000	72 000	643 352
Syndicated loan revolving credit	Multi	Floating		500 000	0	260 000	0
Syndicated short term loan	NOK	Floating		200 000	0		
Other non-current loan		Floating		0	952		
Total				**772 000**	**584 952**	**332 000**	**643 352**

	31.12.11	NOK	CAD	GBP	USD
Syndicated longterm loan	656 000	656 000			
Syndicated loan revolving credit	500 000	500 000			
Other non-current loan	952	952			
Syndicated short term loan	200 000	200 000			
Total loans	**1 356 952**	**1 356 952**	**0**	**0**	**0**
Average rate of interest in 2011		**4,17 %**	**2,51 %**	**2,11 %**	

Notes to the accounts

Note 20 Guaranties/Guarantor

Guaranties
As at 31.12.2011 guaranties totalled NOK 8 259 000. The guaranties have been given to cover financial exposure related to price contracts. The guaranties were given in 2010 and have different maturities, the last being on 27.01.2012.

Guarantor
Grieg Seafood ASA serves as the guarantor on behalf of Grieg Seafood Finnmark AS og Grieg Seafood Rogaland AS due to credit extension granted by Skretting. The total amount is TNOK 86 000 which falls due on 30 June 2012.

Notes to the accounts

Note 21 Post-balance sheet events

Extended funding

On 19 March 2012 Grieg Seafood ASA entered into an agreement providing for an extended funding framework which will replace a loan of NOK 200m which was taken up in the fourth quarter of 2011. The new agreement provides a liquidity framework of NOK 400-450m which comprises the the following elements:

1. NOK 300m in the form of a second lien loan. The loan is instalment-free, with annual renewal, and is guaranteed by Grieg Holdings AS.
2. NOK 72m with interest-only payment in 2012.
3. NOK 50-80m from factoring in Ocean Quality. This will reduce Grieg Seafood's working capital requirement correspondingly.
The liquidity effect will vary between NOK 50m and NOK 80m, depending on seasonal sales fluctuations. For accounting purposes, Ocean Quality is defined as a jointly controlled entity for Grieg Seafood and itherefore not consolidated with the Grieg Seafood Group.

At the same time, the company's loan terms for 2012 and 2013 have been altered. The NIBD/EBITDA requirement has been lifted for both years and replaced by a minimum amount for the accumulated EBITDA throughout the period. The company's equity ratio can also be reduced from a minimum of 35% to a minimum of 33% in any one quarter, provided that the minimum level of 35% is reestablished in the following quarter.

The guarantee from Grieg Holdings is provided on market terms.

To the Annual Shareholders' Meeting of Grieg Seafood ASA

Independent auditor’s report

Report on the Financial Statements

We have audited the accompanying financial statements of Grieg Seafood ASA, which comprise the financial statements of the parent company and the financial statements of the group. The financial statements of the parent company comprise the balance sheet as at 31 December 2011, and the income statement, statement of changes in equity and cash flow statement, for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements of the group comprise the balance sheet at 31 December 2011, income statement, statement of comprehensive income, changes in equity and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director’s Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements of the parent company in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the financial statements of the group in accordance with International Financial Reporting Standards as adopted by EU and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the financial statements of the parent company

In our opinion, the financial statements of the parent company are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position for Grieg Seafood ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Opinion on the financial statements of the group

In our opinion, the financial statements of the group present fairly, in all material respects, the financial position of the group Grieg Seafood ASA as at 31 December 2011, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by EU.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report and statement of corporate governance principles and practices

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors report and statement of corporate governance principles and practices concerning the financial statements and the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements ISAE 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Bergen, 22 March 2012
PricewaterhouseCoopers AS

Torun Rognes
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.